



ANNUAL BUDGET & PROGRAM OF SERVICES

FISCAL YEAR
2018-2019



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City of Sugar Land

Annual Budget for

October 1, 2018 - September 30, 2019

This budget will raise more revenue from property taxes than last year's budget by an amount of \$10,271,104, which is a 25.78 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$8,876,260.

The members of the governing body voted on the budget as follows:

| | | |
|-----------------|---|----------------------------------|
| FOR: | Joe Zimmerman Himesh Gandhi Jennifer Lane | Amy Mitchell Carol McCutcheon |
| AGAINST: | Bridget Yeung | Steve Porter |

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

| | 2018-2019 | 2017-2018 |
|--|------------------|------------------|
| Property Tax Rate: | \$0.31762/100 | \$0.31762/100 |
| Effective Tax Rate: | \$0.30948/100 | \$0.31293/100 |
| Effective Maintenance & Operations Tax Rate: | \$0.18682/100 | \$0.17351/100 |
| Rollback Tax Rate: | \$0.34409/100 | \$0.33352/100 |
| Debt Rate: | \$0.13631/100 | \$0.13841/100 |

Total debt obligation for City of Sugar Land secured by property taxes: \$25,585,238

Annual Budget for October 1, 2018 - September 30, 2019



List in order: (L to R)

- Amy L. Mitchell..... Council Member, District Three
- Bridget R. Yeung..... Council Member, District Two
- Himesh Gandhi.....Council Member, At Large Position One
- Joe R. Zimmerman..... Mayor
- Steve R. Porter..... Council Member, District One
- Jennifer J. Lane..... Council Member, At Large Position Two
- Carol K. McCutcheon..... Council Member, District Four

Presented by:

Allen BogardCity Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sugar Land
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morill

Executive Director



CITY OF SUGAR LAND

City Manager's Office

October 1, 2018

Honorable Mayor and Members of City Council:

In accordance with Texas Statutes and the City of Sugar Land Charter, Section 6.03, the adopted budget for the fiscal year beginning October 1, 2018 is hereby presented. The adopted budget for Fiscal Year 2019 complies with the City Council adopted Financial Management Policy Statements (FMPS), and acts as a policy document highlighting the financial responsibilities of the organization to City Council and residents. This year's adopted budget addresses the City's top priorities, which include drainage, Fire and EMS needs, City facilities, and modernizing systems to enhance efficiency & accountability. City services for residents and visitors to Sugar Land continues to remain both robust and innovatively constrained. The adopted budget ensures continued financial strength and resiliency by meeting all fund balance requirements, including the structural balance of the General Fund.

FY18 Accomplishments

The City had yet another successful year financially- ending the year in a positive financial position and with continued recognition as a state and national leader in financial stewardship. Highlights of FY18 include incorporation of the budgetary reductions driven by sales tax declines in late 2017, as well as a successful annexation of historic proportions.

Annexation

One of the major accomplishments for the City is the recently completed annexation of nine Municipal Utility Districts (MUDs) located in the Greatwood and New Territory communities, which is among the largest and most successful in state history. The annexation added approximately 30,000 new residents to the City along with utility assets and infrastructure. The City built its annexation planning around three guiding principles. These principles included providing the same level of service to the newly annexed areas, ensuring there was no decrease in existing services as a result of annexation, and that the annexation would generate sufficient revenues to pay for services within the areas so that existing taxpayers did not experience any increased costs. I am pleased to announce that the annexation, which was effective December 12, 2017, was a tremendous success, and the City has been able to meet all of its commitments to both the annexed areas and existing residents. These annexed districts have now been fully integrated into the City's budget, with property owners in these areas paying City property taxes in FY19 to support services in these areas and the significant positive financial benefits providing additional capacity for capital projects.

Economic Development

Sugar Land continues to assert itself as a premier regional entertainment, cultural and tourist destination – and an economic powerhouse within the Houston region. In its first year of operations, the Smart Financial Centre at Sugar Land exceeded attendance projections by more than 35 percent and net new sales tax revenue to the city by nearly 50 percent. The one of a kind, state of the art venue was recognized as a top five venue in the world in terms of revenue for facilities of its size- even more impressive when considering that the venue was only open for 9 of the 12 reporting months.

This year the City entered into three new agreements that display the ongoing commitment to investment in the community. The importance of economic development on the City's financial position cannot be overemphasized.

Economic development plays a fundamental role in bringing in new businesses and retaining existing business, as well as attracting new visitors. These activities have a positive impact on both the property tax base and indirect sales taxes associated with them, and this cycle of investment and reinvestment is important to keeping the property taxes low in the City. This year the Economic Development Department has been able to secure a value-added property tax abatement for Accredo Packaging, which promises to infuse the City with additional direct and indirect revenue, and provides a guarantee that Accredo Packaging remains in the City as a primary employer.

Another area where economic development is able to benefit the community is by working with existing businesses in the area to revitalize areas that attract visitors, who in turn spend more money in the City. Sugar Land Town Square opened fifteen years ago and has served as the mixed-use urban center for the community since 2003. The focal point of the development is a 1.1-acre plaza. Last year, the plaza hosted over 150,000 attendees at over 270 events. In an effort to boost traffic to existing retailers by drawing people to Town Square, the City has partnered with the developer and property owner's association to upgrade the plaza with new turf, decking, shade structures and seating areas. Additional reinvestment in the City's destination centers can also be seen with the City's partnership with the management of First Colony Mall, which in the aggregate is the largest source of sales tax revenue in the City. Mall management is making improvements to the adjacent Lifestyle Center in order to compete in a constantly changing retail market. The new space will have artificial turf accompanied by shade awnings, oversized lawn games, a large digital screen and other amenities to enhance the shopping experience. By supporting reinvestment in key retail areas, the City is helping them adapt and stay relevant in today's changing marketplace, thereby ensuring healthy sales tax revenues that support City services and lower the overall tax burden for residents.

Financial Management

There are other tools that the City uses to create value for the community. Part of that tool-set includes the active and strategic management of the City finances. The City completed an advance refunding of \$98 million in outstanding Surface Water bonds in December 2017, resulting in over \$600,000 in annual debt service savings. As part of the refunding, the City's AAA bond rating was affirmed by rating agencies, who cited the City's financial stability and planning efforts as key components in support of the AAA rating. The City also received another clean audit opinion from its external auditors for fiscal year 2017, highlighting the reliability of the City's financial data and integrity.

Over the last few years, the uncertainty in the regional economy has caused the City to revisit its financial strategy to ensure that it is strong and resilient. This introspective review and evaluation has led to the City's development of resiliency initiatives and its focus on innovative constraint. These ongoing resiliency initiatives and the focus on innovative constraint, formalized in the Financial Management Policy Statements and then incorporated into financial plans, are allowing the City to exceed its financial expectations in the current fiscal year and have positioned the City for success in the future. These initiatives include a conservative approach to sales tax forecasting, implementing and maintaining belt-tightening cuts to recurring expenditures, and ensuring recurring rehabilitation is funded from more diverse and reliable revenue streams and then supplementing with one-time funding if revenues exceed budgeted levels. To ensure the most efficient use of resources, the City has evaluated innovations in Fire and EMS staffing and training and several improvements are funded in the budget.

It's because of the resiliency initiatives that the City has undertaken that have allowed for the consistent delivery of high quality services, with one of the lowest tax rates for cities over 60,000 in population, as Fiscal Year 2018 has been a challenging year for the City. The year began with the continued downturn in the oil and gas industry, as well as the lingering impacts associated with the devastation inflicted by Hurricane Harvey, which imposed additional stress on the greater Houston regional economy. As the year progressed, the City began to see a return to normalcy in the economy, which is reflected in the increased collections the City has seen in its sales tax revenue. The regional economy is highly influenced by the oil and gas industry, which has begun to rebound in the last few months. While

the strength of the recovery is yet to be determined, there are positive signs that momentum is being gained. Despite these challenging swings in the economy, the City has been able to maintain its core service levels and complete major projects in this fiscal year.

With that said, in years with high volatility, the importance of resiliency initiatives becomes more apparent, as they allow the organization to withstand and maintain strength, despite challenging economic conditions. The resiliency initiatives that began in FY18 were designed to further strengthen the financial position of the City by lessening the impact of economic swings associated with sales tax - a major revenue stream for the City, but one that is highly volatile and difficult to forecast. These changes include conservative sales tax estimates, based on actual recurring collections, as well as predefined growth assumptions. The methodology has worked well this year. In fact, sales tax has shown signs of a return to reasonable growth, which are consistent with the new methodology. Through the fourth quarter, which ended in September, sales tax continued to outperform recurring estimates and has shown stability through the end of the fiscal year. Total collections ended the year \$3.7 million higher than the original budget and \$0.84 million higher than the revised budget, with a total of \$2.4 million in one-time collections received. Recurring sales tax for in FY18 ended at \$49.78 million, which is 3.1% higher than the prior year. Since revenue estimates become the base of the next fiscal year's budget, it is critical that they not be over-estimated; any additional revenue that might come in will be set aside for one-time expenditures in the future.

FY19 Budget Preparation and Priorities

Financial Policies

The FY19 budget development process focused on the fundamental assumptions that drive the budget. Traditionally, Council meets in the spring with staff and management to identify priorities for the upcoming year's budget and to receive an update on the City's financial condition. This year, a series of workshops was held to review changes to the Financial Management Policy Statements (FMPS) as part of the biennial review and update.

The Financial Management Policy Statements is the City Council's guiding document relative to the management of the City's finances. Through this year's review and revision process, City Council formalized a conservative approach to forecasting sales tax, and affirmed policy direction on budgeting property tax revenues at the effective tax rate plus 3%, as economic conditions permit. The effective tax rate plus 3% funds the base budget and a merit pool of 3%, consistent with Council's previous direction on compensation for employees, and permits for meaningful merit to employees based on performance.

One of the major changes included as part of the revisions to the Financial Management Policy Statements was the addition of language that clearly defines the methodology for managing sales tax growth, particularly in the long-range forecast. Sales tax is now divided into two components: recurring and one-time revenue. Recurring revenue is an important component of balancing the budget, because recurring revenue streams should cover recurring expenditures. The FY18 projected sales tax is \$49.8 million in recurring collections, of which \$37.35 million supports the general operating budget. No recurring increases are built into the budget; and one-time revenues received in FY18 are available to support one-time needs in FY19. This change in policy was important because sales tax is one of the most volatile revenue streams and is highly sensitive to changes in the economy. Sales tax also comprises a significant portion of the total revenues in the general fund and supports 43% of the expenditures. This is one of the primary reasons that it is important to be conservative when preparing revenue estimates, particularly with sales tax.

Operating Budget

Staff reviewed the City's financial position with City Council during a workshop in June and highlighted the organization's priorities for the coming year, which include Fire and EMS needs, replacement of the Enterprise Resource Planning (ERP) system, facilities, and drainage projects. In the General Fund, other than base adjustments,

which are primarily limited to contractual increases, there are only a small number of additions to the budget, and **there are no additional programs or personnel included.** Out of \$1.6 million in recurring budget reductions in fiscal year 2018, the fiscal year 2019 budget reinstates funding of only about \$230,000, as the other reductions have been absorbed and service levels adjusted.

The operating budget reflects the City's focus on maintaining financial resiliency, particularly with infrastructure rehabilitation, and reinvestment in infrastructure. Funding for infrastructure - such as streets, sidewalks, parks and municipal facilities, is a critical part of the operating budget, as it ensures that the City's assets are maintained properly. The City is continuing to budget recurring rehabilitation in the General Fund using a more diverse set of revenue streams as a funding source, rather than relying on sales tax to fund through the capital improvement program. The FY19 budget increases recurring rehabilitation funding by \$300,000 -through a ¼ - cent shift in the tax rate from debt service to maintenance & operations, consistent with the planned rehabilitation increases over five years, plus a \$600,000 one-time enhancement in FY19 from sales tax revenue received in FY18.

Employee Compensation and Benefits

The City's championship workforce understands that public service is still a noble calling, and our employees' commitment to making life sweeter and more refined for businesses, residents and visitors, is simply known as "The Sugar Land Way". As a personnel-driven public safety and service provider, a main driver in the City's budget is employee compensation and benefits- approximately 75% of General Fund expenditures are directly tied to employee compensation. The FY19 adopted budget includes a compensation and benefits package for employees that allows the City to attract and retain highly skilled, qualified and quality employees. The City recognizes pay for performance as a guiding principle in the City Council adopted Compensation Philosophy, and a merit pool equal to 3% of budgeted salaries is included in the adopted budget. This funding allows management to develop a merit matrix that provides an incentive for high and outstanding performance from employees only slightly greater than the 2018 CPI increase of 2.6%. The City does not give cost of living adjustments, so the merit program is the primary way for employees to receive salary increases.

The City also has a competitive health benefits program available for employees and their dependents. Based on 2018 claim trends, the City anticipates an overall 7% increase is needed to both the City's and employees' insurance contributions for 2019. Staff continues its work with the City's benefits consultant to develop a rate structure, as well as reviewing plan changes and options that would produce the overall lowest cost to the City, while maintaining quality coverage for the employees and their dependents.

The City participates in the Texas Municipal Retirement System (TMRS) for full-time employees but does not participate in Social Security. TMRS calculates the City's required contributions based on an actuarial formula that looks at the City's pension liabilities compared to its pension assets. The City's mandatory contribution rate for 2019 is 14.93%, a decline from the 2018 contribution rate of 15.27%, and resulting in overall savings to the City. Changes to the funding ratio and contribution rate are largely due to changes in the assumptions used by the actuaries in calculating the current and future liabilities of the City's plan. The City's contribution rates are established by TMRS to achieve 100% funding of the City's pension liability over time; plan funding currently stands at a healthy 87% of the City's pension obligation, which is better than the industry benchmark of 80%. The City's participation in the TMRS system provides a financially sound pension for employees, which is very different from self-funded pensions for some major cities that have been in the news in recent years.

Capital Projects

The Capital Improvement Program (CIP) anticipates project funding capacity similar to what was included in previous years. A proposed increase in support from the utility fund for water & wastewater debt assumed from the annexation provides additional capacity for new projects compared to pre-annexation financial assumptions.

The Five-Year CIP totals \$157.08 million, with \$28.3 million in projects proposed for funding in FY19. It is important to understand that only the first year of the CIP is included for funding in the annual budget, while the remaining years are included for planning purposes only and will change from one year to the next, based on the best information available at the time. Drainage projects make up the majority of funding at 28% of the project funding over the five years. The CIP is fiscally constrained based on the financial forecast for the major operating funds, which determines the City's funding capacity. For the 2019-2023 period, the CIP focuses on Drainage, Streets, Fire and EMS needs, Facilities, and replacement of the City's aging ERP System. Projects that are not affordable within the five-year financial forecast are included as "Unfunded" in an appendix to the Five Year CIP.

Drainage Projects

The City has had tremendous success in implementing aggressive and responsive drainage improvements over the past five-plus years, and the City's recent experience with the torrential rains associated with Hurricane Harvey resulted in the City funding drainage studies in FY18 that looked at how drainage in the City could be further improved. These studies are just one way the City is committed to protecting residents and their property. As a result of those studies and existing drainage projects, the City has prepared a five-year plan for drainage that is over \$43 million. This level of funding steps up the funding from the previous pace of \$35 million in drainage projects that were funded over the last five fiscal years. As part of the overall process, the drainage projects have been prioritized, and synchronized with other projects to ensure they have the most meaningful impact and are completed as efficiently as possible.

Street Projects

Mobility improvements are a priority of Sugar Land residents – and the City is committed to a multi-faceted approach through capital projects and cutting-edge technology to reduce the amount of time residents spend in their cars. Over the five-year forecast, the City anticipates spending over \$26 million to address street reconstruction and major rehabilitation needs. Of this amount, \$5.2 million is planned for the FY19 budget. Within the General Fund, about \$800,000 is set aside for pavement repairs and maintenance as part of the ongoing infrastructure rehabilitation program.

Municipal Projects

Public Safety and Organizational Accountability

The Fire/EMS Department has both training and equipment needs that are proposed to be addressed through this year's CIP. The City has set aside funds in FY19 for the next steps of the Public Safety Training Facility, including roadway infrastructure, enhancements to the gun range, and a modular burn tower for fire training. This facility would provide a local training site where staff can both enhance their skills and maintain their required certifications. In addition to the training facility the Fire/EMS Department has a need to replace some capital equipment that is nearing the end of its useful life, including a portion of its bunker gear, as well as a ladder truck. The EMS division has also identified additional training needs that can be met through the capital program, such as a need to purchase equipment to train paramedics and first responders in providing critical care to patients. This equipment primarily consists of life like mannequins that allow first responders hands-on practice in performing lifesaving procedures.

City facilities have also been an issue within the CIP the last few years. At the beginning of FY18, as capacity was constrained due to revenue assumption changes, several projects moved outside of the five-year window of the CIP. With a new five-year forecast and added capacity, those facility projects are being included back in the forecast.

These projects include the design and construction of the Emergency Operations Center (EOC)/Dispatch Center, as well as a new Animal Shelter, with design funded in FY19 for both projects. The reinvestment in existing assets is also a focus this year, particularly with facilities. The CIP includes funding each year to address major facility rehabilitation projects, such as the full replacement of roofs and other major rehabilitation projects that extend the useful life of assets.

Finally, the City has been planning and evaluating the need to replace its aging Enterprise Resource Planning (ERP) System. The ERP system is the centralized software suite used to integrate the functions of several departments into one cohesive application. An ERP system can provide efficiency and continuity of information to employees across the organization, as well as an avenue in which citizens can interact with their government. The City's current ERP system, which is built on technology that is well over 25-years-old, has reached the end of its useful life, and. Because of the age of this technology, the City has found it difficult to perform modern processes and has looked to standalone software applications that result in added costs. The City is looking to move away from standalone systems, which don't integrate well with the City's current ERP system, to a more robust and modern ERP system, which can perform all or most of the functions of the standalone products. This process is expected to take two years to complete, but in the end is anticipated to generate savings through both operational efficiencies and reductions to maintenance costs.

Tax Rate and User Fees

2018 Tax Rate

Consistent with the FMPS, the budget was developed on a revenue stream from the effective tax rate plus 3%. The adopted tax rate is \$0.31762 per \$100 of value. There are no changes to the homestead exemption, which will remain at 10% for 2018, along with the optional exemption of \$70,000 for over-65 and disabled persons.

Fee Changes

In the Utility Fund there are no changes for water, wastewater, or surface water rates in FY19. This is consistent with the five-year forecast that was shared with City Council for the last several years. In fact, the City has not adjusted water or wastewater rates since 2011, minimizing the impact to customers while the surface water rates were being implemented. The budget consolidates the Water Utility Fund and the Surface Water Fund into a combined Utility Enterprise Fund that covers the operations and maintenance of all water and wastewater systems, including the Surface Water Treatment Plant and cost related to the Groundwater Reduction Plan. It's important to note that the Surface Water Treatment Plant expansion to meet the 60% groundwater reduction mandate is not included in the proposed CIP or the five year forecast. The plant expansion and design will be driven by the Integrated Water Resource Master Plan (IWRP) that is scheduled to be completed in the fall. After the results and analysis of this plan, changes to the rate structure will likely be necessary to fund the expansion of this unfunded mandate. Solid Waste includes a 2.5% increase to residential rates, based on the City's contracts with Republic Services and Best Trash. Solid Waste rates will increase from \$18.45 to \$18.91 per month in January 2019, with no changes to service levels.

The FMPS contains guidance on evaluating user fees for an annual CPI adjustment and for calculation of new fees. In FY19, an increase of 2.6% is incorporated into certain fees, based on changes in the CPI between 2017 and 2018. Fee adjustments are effective January 1, 2019. Additionally, the City is working toward setting parks fees to ensure that General Fund dollars are not supporting non-resident use of City facilities and recreational programs, with the first round of changes included in the proposed budget and fee ordinance and more to follow mid-year after completing a process of stakeholder engagement.

Financial Summary

Based on the priorities addressed identified and discussed above, the FY19 adopted budget totals \$247 million. Of the total, \$219 million is for operations and \$28 million is for capital projects.

| Fund | FY19 Adopted Budget |
|--|----------------------------|
| General Fund | \$ 89,200,221 |
| Debt Service Funds | 31,314,262 |
| Utility Enterprise Fund | 41,830,180 |
| Airport Enterprise Fund | 15,329,997 |
| Solid Waste Fund | 8,133,256 |
| Economic Development Corporations | 13,943,094 |
| Other Funds | 19,245,797 |
| Total Operating Funds | \$ 219,096,807 |
| Capital Projects | 28,321,056 |
| Total Adopted Budget | \$ 247,417,863 |

I encourage you to read further into the information describing the FY19 budget. The executive summary that follows this transmittal letter provides an overview of revenues and expenditures included in each of the operating funds and a description of the adopted CIP and employee compensation plans.

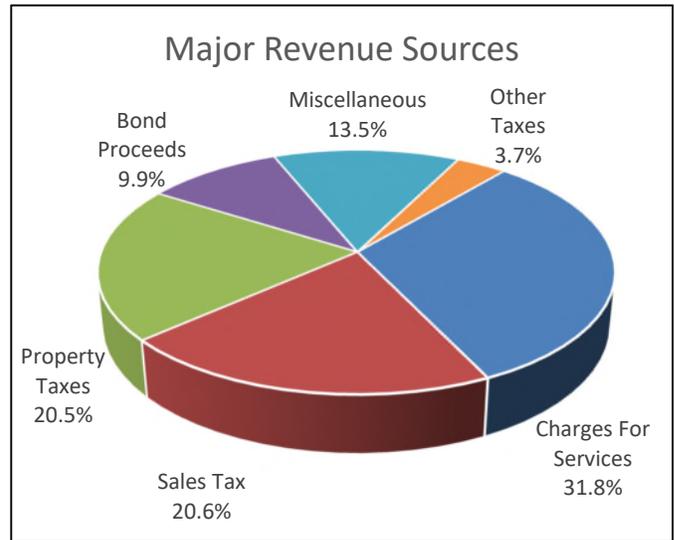
Respectfully,

Allen Bogard
City Manager

Executive Summary

Major Revenue Sources

Major revenue sources for the City total \$242.05 million (excluding inter-fund transfers). The five primary revenue categories comprised of property taxes, sales tax, other taxes (franchise taxes and hotel occupancy taxes), charges for services and bond proceeds, which represent 86.5% of total revenues for the City. Miscellaneous revenues include licenses and permits, fines and forfeitures, interest income, intergovernmental, and contributions, which make up the remaining 13.5%. The chart to the right illustrates the breakdown of the revenue sources.



Property Tax

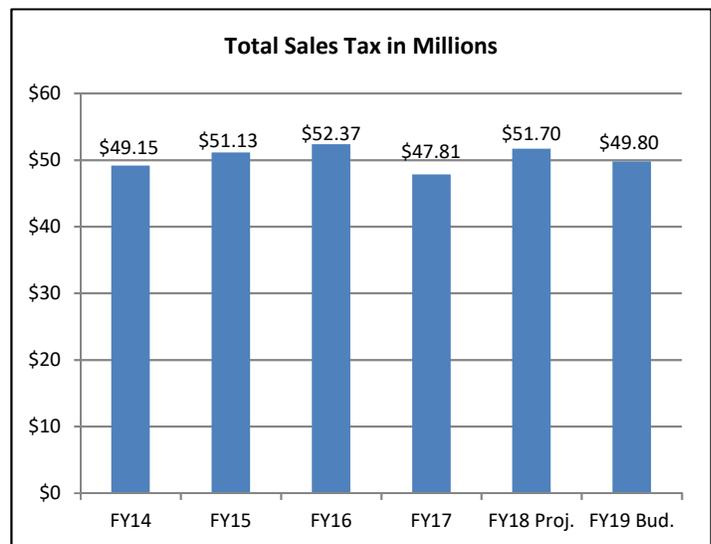
Revenues from ad valorem or property taxes represent 20.5% of overall revenues at \$49.72 million. Property tax revenues are based on the nominal tax rate is \$0.31762 per \$100 of assessed valuation for the tax year 2018. Property tax collection is authorized by the State of Texas up to \$2.50 per \$100 of assessed valuation for maintenance and operations and debt service.

Sales Tax

Sales tax revenue, estimated at \$49.8 million, represents 20.6% of total revenues. The sales tax rate in Sugar Land is 8.25% for goods or services sold or delivered within the boundaries of the City. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, quarterly or annual basis. Of the 8.25% tax, the State retains 6.25% and distributes 2% to the City. Of the total 2% local share, 0.25% is allocated to the Sugar Land Development Corporation (SLDC) and 0.25% to the Sugar Land 4B Corporation (SL4B); the remaining 1.5% is deposited in the General Fund.

The State allows cities to enter into incentive agreements with companies that locate within the City and report sales tax to the City for local collections. In turn, the City grants a portion of the collections to the company in the form of an incentive payment. The City currently has one active incentive agreement in place and is expected to payout \$292,070 in incentives in FY19.

Sales tax revenue estimates are prepared using a combination of forecasting methodologies. FY18 collections are expected to fall within the revised revenue estimates. The total budget for sales tax for FY19 is \$49.8 million, which is a 3.83% decrease which represents no growth in recurring collections from the prior year's projections. Consistent with the Financial Management Policy Statements, one-time sales tax is not forecasted for the upcoming year. The chart to the right illustrates the historical trend of sales tax collections in the City.



Other Taxes

Other Taxes represent 3.7% of City revenues at \$8.91 million and are comprised of franchise and hotel occupancy taxes. Franchise taxes are anticipated to total \$6.27 million. Franchise revenues are derived from non-exclusive franchise agreements the City has with utilities and the solid waste providers that use the City's right-of-way to conduct business. Besides defining the responsibilities of the utilities maintaining their assets, the agreements contain a franchise fee clause that requires the utilities and solid waste companies to compensate the City for use of right-of-way and streets. Generally, the fees are based on a percentage of gross receipts or a per-unit of usage charge (generated by customers located within the City's corporate limits) that range from 2% to 5%. Hotel occupancy taxes are anticipated to total \$2.64 million. Both franchise taxes and hotel occupancy taxes are estimated using trend analysis. Historic performance is analyzed and growth from new development is factored into the estimates when developing the budget.

Charges for Services

Charges for services represent 31.9% of total revenues at \$76.89 million and include fees for services in the General, Utilities, Airport, and Solid Waste Funds.

General Fund Charges for Services

Charges for services in the General Fund total \$3.78 million and are primarily derived from fees for services for fire protection in the City's extraterritorial jurisdiction, emergency medical services, parks and recreation activities and rentals, and administrative fees.

Fire protection fees total \$1,000,000 and represent 26.5% of charges for services. Fire protection fees are paid by Municipal Utility Districts (MUDs) within the City's extraterritorial jurisdiction (ETJ) and by Fort Bend County for areas outside the City but served by the Sugar Land Fire Department. Fire fees are adjusted each January based on an updated cost of fire service calculation as defined in the strategic partnership agreements between the City and the districts.

Park fees total \$537,700 and represent 14.2% of charges for services. Park fees are generated by facility usage cards, facility rentals, leisure classes, senior programs and camp programs.

EMS fees total \$1,666,634 and represent 44.1% of charges for services. EMS fees are paid by patients transported by City ambulances to a medical facility for emergency treatment. The City's billing provider will bill private insurance on behalf of the patient.

Other charges for services total \$570,756 and represent 15.1% of charges for services. This includes false alarm charges, hazardous materials responses, and sale of property. With the exception of administrative fees, charges for services are budgeted based on historic collections, with growth factors included where appropriate.

Utility System Charges for Services

Utility charges for services are anticipated to generate \$49.91 million. The City charges fees for the provision of water and wastewater services to residents and businesses located within the City. Customers are charged a base rate for water and wastewater, depending on the size of the meter installed, and a volume fee based on metered consumption. Volumetric revenues are budgeted based on estimated water consumption of 7.71 billion gallons for water and surface water, and 3.85 billion gallons for wastewater. The City also charges non-city participants GRP fees. Groundwater Reduction Plan (GRP) pumpage fees are established by ordinance by City Council. The FY19 budget maintains the GRP pumpage of \$1.75 per 1,000 gallons of groundwater produced. There are no changes to water, surface water or wastewater rates for FY19.

Airport Charges for Services

Charges for services at the Airport are anticipated to total \$14.18 million. Budgeted fuel sales of \$12.75 million represent estimated fuel sales of 3,181,500 gallons. Aviation fuel is sold at cost plus markup. The remaining charges for services are derived from hangar and land leases, catering services, customs fees, fuel additive sales, and rental car fees. Fuel estimates are based on historic monthly fuel sales, with some growth anticipated due to international marketing of the airport. Other fees are budgeted based on historic collections.

Solid Waste Charges for Services

Charges for services in the Solid Waste Fund are anticipated to total \$8.59 million. The City contracts solid waste service and provides twice weekly automated trash collection and weekly automated recycling. Residents currently pay \$18.45 per month for this service. Effective January 1, 2019, the new rate will increase to \$18.91 per month based on the CPI adjustments in the contracts with Republic Services and Best Trash. The budget anticipates 35,126 households served during the fiscal year.

Bond Proceeds

Bond proceeds of \$23.96 million represent 9.9% of total revenues. The proceeds will be used to fund the FY19 capital improvement projects and will be from property tax backed bonds and utility revenue bonds.

Miscellaneous Revenues

Miscellaneous revenues represent the remaining 13.5% of total revenues at \$32.77 million. Miscellaneous revenues include licenses and permits, fines and forfeitures, participation rent, reimbursements, interest income, contributions, and intergovernmental revenues such as grants.

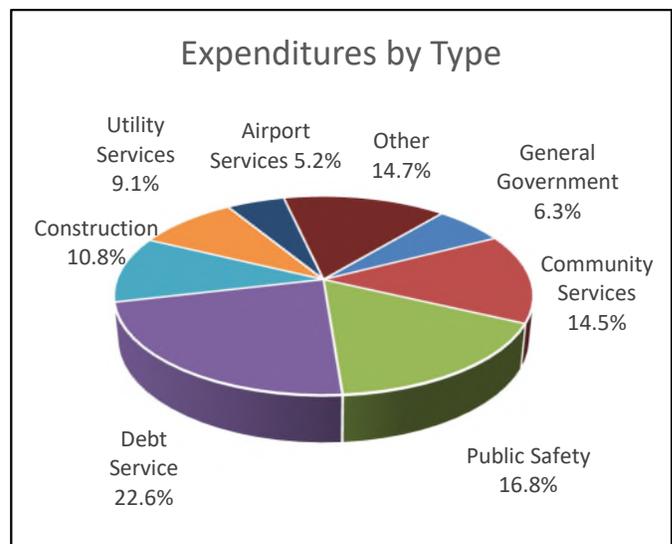
Expenditures by Type

The FY19 budget totals \$247.35 million (excluding inter-fund transfers). The chart at the right illustrates expenditures by type.

General Government expenditures represent 6.3% of overall expenditures at \$15.69 million. General Government expenditures are for administrative functions, including City Management, City Secretary, City Attorney, Human Resources, Information Technology, Communications, Performance & Accountability, Economic Development, and Tourism.

Community Services expenditures represent 14.5% of total expenditures at \$35.90 million. Community Services expenditures include Parks, Public Works, Environmental & Neighborhood Services, and Community Development. Services provided include: park and recreation activities and facilities, right-of-way maintenance, streetlights, streets, sidewalks, traffic signals, drainage maintenance, code enforcement, engineering, planning, permits & inspections, animal services, fleet, and facilities maintenance among others.

Public Safety expenditures represent 16.8% of total expenditures at \$41.55 million and include the Police and Fire-EMS departments and Public Safety Dispatch.



Debt Service represents 22.6% of total expenditures at \$55.91 million and includes principal and interest payments on debt issued through bonds, lease purchases, and other instruments. The City, through debt issued directly and debt assumed from MUDs, has 41 current issues including Property Tax-backed, debt pledged with hotel occupancy tax, Utility, Airport, Surface Water and Corporation debt. A portion of the tax rate is directed to the Debt Service Fund to meet debt backed by taxes. A transfer from the Tourism Fund to the Debt Service Fund covers its portion of debt pledged with hotel occupancy tax. Outstanding debt for Utilities and Airport is paid through user fees and GRP revenues. Debt for the corporations is repaid with sales tax collections from the SLDC and SL4B. A separate fund accounts for Taxable Certificates of Obligation that are to be supported by lease revenues for the Smart Financial Centre at Sugar Land.

Construction represents 10.8% of total expenditures at \$26.67 million. Construction expenditures are related to capital improvement projects within the City. Capital projects are funded with sales tax from the City and economic development corporations, system revenues from Utilities and Airport Funds, grants, inter-local funding and debt. Project types include parks, streets, drainage, traffic, municipal, water, and wastewater.

Utility Services represent 9.1% of total expenditures at \$22.42 million. Utility Services expenditures are related to the operations, maintenance, and repair of water and wastewater infrastructure, as well as sanitation and recycling services. Utility services also include expenses related to surface water conversion.

Airport Services represent 5.21% of total expenditures at \$12.89 million. The fixed based operator at the airport is Global Select, which provides fuel and aviation customer services.

Other expenditures represent 14.7% of expenditures at \$36.32 million and include expenditures for Finance, insurance coverage, economic development incentives, capital replacement, sales tax rebates, and property tax rebates to in-City MUDs.

Expenditures by Fund

The narrative below provides a summary on how funds are appropriated within key operating funds. A detailed explanation of expenditures within all funds can be found in the financial section of this document.

Debt Service Funds

The budget in the Debt Service Funds, excluding inter-fund transfers, totals \$31.28 million. Expenditures include \$29.43 million in debt service payments and fiscal fees. The budget also includes \$1.85 million in property tax rebates to in-city MUDs. The ending fund balance of \$7.00 million is above the policy requirement of 10% of debt service requirements.

General Fund

The General Fund budget, excluding inter-fund transfers, totals \$89.20 million. The budget includes an average merit pool of 3% for employees effective in January 2019.

The General Fund budget fund balance has planned a one-time drawdown of \$2,093,733. The anticipated FY19 ending fund balance in the General Fund is \$22.45 million, which is higher than the policy requirement of three months of recurring operating expenditures.

Capital Improvement Program

The 2019-2023 capital improvement program totals \$157.08 million. Of this total, \$28.32 million are funded in the FY19 budget. Wastewater projects make up 10.6% of FY19 allocation. Street projects are 18.2% and includes pavement rehabilitation, and street construction. Water projects accounts for 21.1%. Municipal projects represent 30.6% and includes a Public Safety training facility, replacement of a fire ladder truck, replacement of fire bunker

gear, major facility rehabilitation, fuel tank/dispenser replacement, Enterprise Resource Planning (ERP) system implementation, Animal Shelter design, EOC/Dispatch design, PID developer reimbursement, and Public Art Projects.

Drainage projects are 7.7% and include Covington Woods drainage improvements, replacement of Riverbend sluice gate structure at Dulles Avenue, replacement of Riverbend inlets and pipes, and Settlers Park Greenfield West drainage improvements. Parks and Traffic makes up 4.7% and include Joint participation in CIP, and installation of restrooms at Mayfield Park.

Funding for the FY19 CIP includes \$15.38 million in certificates of obligation, \$8.97 million in revenue bonds, \$1.16 million from the Sugar Land 4B Corporation, \$2.01 million in airport revenues, and \$0.79 million from other funding sources. Other funding sources include donations, Grants, Tourism Fund, and Utility CIP fund balances. Interest income is budgeted for \$215,000.

Utility System Fund

The Utility Fund budget totals \$41.83 million, excluding CIP projects and inter-fund transfers. One-time additions are included in the Utility System Fund for supplemental meter replacement and for a main system water loss audit, the recurring additions are for the meter replacement program. An increase in cash equivalents of \$1,283,370 is anticipated for the fiscal year. The FY19 budgeted ending cash equivalent totals \$14.64 million and exceeds the 25% cash operating reserve requirement.

Airport Fund

The Airport Fund budget totals \$15.33 million excluding CIP projects and inter-fund transfers. There are recurring addition is for contractual services for the new Airport maintenance building and one-time additions for Taxiway F lighting repair, SLRA Westside diesel tank, repainting of fuel farm lines/pipes, Foreign Object Debris sweeper replacement pads, airfield barricades, maintenance building service consumables, fuel spill equipment, security camera program expansion, operations center furniture, and new staff uniforms. The fund anticipates a decrease in cash equivalents of \$872,112. The FY19 budgeted ending balance of \$3.10 million is above the policy requirement of 25% of operating expenditures.

Solid Waste Fund

The Solid Waste Fund operating budget totals \$8.13 million that includes contracted residential solid waste collection, excluding inter-fund transfers. Through contracted services, the City provides twice weekly automated trash collection and once weekly automated recycling. The ending balance in the fund is anticipated to be \$433,852. This fund has no minimum fund balance per policy.

Sugar Land Development Corporation

The FY19 budget for SLDC totals \$8.23 million, excluding inter-fund transfers. The budget includes operating expenditures for the Economic Development program, Economic Development incentives, and contractual services with the City for support services. Debt service payments are budgeted at \$4.11 million for outstanding debt issues. The FY19 budgeted available ending balance of \$1,895,060 is over the policy requirement of 15% of budgeted sales tax collections.

Sugar Land 4B Corporation

The FY19 budget for SL4B totals \$5.72 million, excluding inter-fund transfers. The budget includes operating expenditures for the Economic Development program and staffing, contractual services with the City for support services, and capital projects management. Additionally, debt service payments are budgeted at \$3.34 million for outstanding debt issues. The FY19 budgeted available ending balance of \$1,195,930 is over the policy requirement of 15% of budgeted sales tax collections.

Tourism Fund

Expenditures in the Tourism Fund total \$1.21 million, excluding inter-fund transfers. The budget includes operating expenditures for Tourism and Destination Services staffing. The fund has a projected ending fund balance of \$718,937. In FY19 it is anticipated the fund is over the policy requirement of 10% of the hotel occupancy tax.

Employee Compensation

The City offers a competitive benefit package to employees, including medical and dental coverage and contributions toward dependent coverage. The City participates in the Texas Municipal Retirement System (TMRS); employees contribute 7% of their gross pay and the City matches employee contributions 2 to 1, and employees are vested after five years of service. Because the City does not participate in Social Security, the City has chosen the highest level plan offered by TMRS. The contribution rate to TMRS for the City changes each year and is based on actuarial analysis of funding needs in the City's plan. The City's contribution rate to TMRS is decreasing from 15.27% in 2018 to 14.93% in 2019 (effective January 1, 2019).

In 2012, the City moved from a fully insured health insurance model to a self-funded model to help reduce costs and stabilize premiums. Stability in TMRS and medical plan costs has allowed the City to plan for merit increases for qualified employees.

The budget includes funding for an average 3% merit increase for employees based on performance evaluations. The City does not provide cost of living increases, so the merit increases are the only time employees see an increase to their pay, except for internal promotions and salary structure maintenance. Merit increases are a key factor in staying competitive in the market and retaining quality employees. The merit increases will be effective in January 2019.

The compensation philosophy adopted by City Council addresses the benefits burden as it relates to total compensation. Based on the adopted policy, benefits should not exceed a percentage of total employee compensation comparable to private sector employees. In FY19, the benefit burden is within the limits established by the Council policy at 30.68% of total compensation.

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
REVENUES AND EXPENDITURES**

| | FY17 Actuals | FY18 Adjusted Budget | FY18 Projection | FY19 Adopted Budget |
|---|-------------------------|-------------------------------------|----------------------------|------------------------------------|
| REVENUES: | | | | |
| Property Taxes | \$ 38,999,063 | \$ 44,284,002 | \$ 44,284,002 | \$ 49,719,000 |
| Sales Tax | 47,805,712 | 51,300,000 | 51,700,000 | 49,800,000 |
| Other Taxes | 8,535,340 | 8,934,230 | 8,934,230 | 8,913,179 |
| Licenses & Permits | 3,055,582 | 3,401,640 | 3,401,640 | 3,508,672 |
| Charges For Service | 64,460,994 | 76,835,717 | 76,835,717 | 76,885,182 |
| Fines & Forfeitures | 3,898,849 | 4,408,850 | 4,408,850 | 4,577,996 |
| Interest Income | 1,624,728 | 1,136,344 | 1,136,344 | 989,572 |
| Intergovernmental | 19,874,749 | 1,820,479 | 1,820,479 | 4,123,170 |
| Miscellaneous | 11,659,452 | 14,985,999 | 14,985,999 | 8,780,731 |
| Bond Proceeds | 51,618,730 | 99,098,650 | 99,098,650 | 23,964,056 |
| Contributions | 9,545,360 | 10,153,946 | 10,153,946 | 10,785,800 |
| Total Revenues | 261,078,559 | 316,359,857 | 316,759,857 | 242,047,358 |
| Transfers from other funds | 48,721,083 | 34,778,320 | 34,778,320 | 34,123,920 |
| Total Available Resources | 309,799,641 | 351,138,177 | 351,538,177 | 276,171,278 |
| EXPENDITURES: | | | | |
| General Government | 13,884,993 | 15,964,026 | 15,964,026 | 15,685,376 |
| Finance | 3,756,287 | 4,513,091 | 4,513,091 | 4,740,740 |
| Public Works | 9,257,829 | 11,207,294 | 11,207,294 | 11,600,740 |
| Parks & Recreation | 4,792,532 | 4,782,092 | 4,782,092 | 4,937,022 |
| Community Development | 5,223,988 | 5,841,531 | 5,841,531 | 5,654,984 |
| Environmental & Neighborhood Services | 11,135,231 | 13,649,395 | 13,649,395 | 13,695,455 |
| Police Department | 23,233,381 | 25,337,210 | 25,337,210 | 25,083,834 |
| Fire Department | 14,394,751 | 16,096,365 | 16,096,365 | 16,462,007 |
| Debt Service | 46,860,728 | 142,032,346 | 142,032,346 | 55,912,642 |
| Other | 6,178,344 | 4,223,481 | 4,223,481 | 11,600,444 |
| Construction | 76,226,500 | 20,824,792 | 20,824,792 | 28,321,056 |
| Utility Services | 17,608,365 | 23,769,525 | 23,769,525 | 22,420,454 |
| Airport Services | 10,680,410 | 12,927,408 | 12,927,408 | 12,891,423 |
| Insurance Coverage | 9,973,982 | 12,516,328 | 12,516,328 | 11,254,296 |
| Equipment Replacement | 2,483,738 | 3,012,678 | 3,012,678 | 2,473,665 |
| Rebates & Assignments | 4,599,088 | 4,394,948 | 4,394,948 | 4,611,364 |
| Total Expenditures | 260,290,148 | 321,092,510 | 321,092,510 | 247,345,502 |
| Transfers to other funds | 48,721,083 | 34,778,320 | 34,778,320 | 34,123,920 |
| Total Expenditures & Transfers | \$ 309,011,230 | \$ 355,870,830 | \$ 355,870,830 | \$ 281,469,422 |

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2019
ADOPTED BUDGET**

REVENUES

| Category Description | Governmental Funds | | |
|----------------------------------|--------------------|-------------------|-------------------|
| | General Fund | Debt Service Fund | Capital Projects |
| Property Taxes | \$ 28,385,000 | \$ 21,334,000 | - |
| Sales Tax | 37,350,000 | - | - |
| Other Taxes | 6,269,479 | - | - |
| Licenses & Permits | 3,508,672 | - | - |
| Charges For Service | 3,775,090 | - | - |
| Fines & Forfeitures | 1,654,300 | - | - |
| Interest Income | 287,800 | 63,200 | 135,000 |
| Intergovernmental | 98,198 | - | - |
| Miscellaneous | 826,547 | 1,901,286 | 977,500 |
| Bond Proceeds | - | - | 14,559,056 |
| Contributions | - | - | - |
| Total Revenue | 82,155,086 | 23,298,486 | 15,671,556 |
| Transfers from other funds | 8,061,002 | 9,521,299 | 1,717,639 |
| Total Available Resources | 90,216,088 | 32,819,785 | 17,389,195 |

EXPENDITURES

| | | | |
|---|----------------------|---------------------|---------------------|
| General Government | 13,239,123 | - | - |
| Finance | 4,638,990 | - | - |
| Public Works | 11,600,740 | - | - |
| Parks & Recreation | 4,937,022 | - | - |
| Community Development | 5,465,473 | - | - |
| Environmental & Neighborhood Services | 5,632,199 | - | - |
| Police Department | 24,063,248 | - | - |
| Fire Department | 16,462,007 | - | - |
| Debt Service | - | 29,427,708 | - |
| Other | 405,349 | 4,000 | 962,300 |
| Construction | - | - | 16,673,695 |
| Utility Services | - | - | - |
| Airport Services | - | - | - |
| Insurance Coverage | - | - | - |
| Equipment Replacement | - | - | - |
| Rebates & Assignments | 2,756,070 | 1,852,554 | - |
| Total Expenditures | 89,200,221 | 31,284,262 | 17,635,995 |
| Transfers to other funds | 3,109,600 | 57,170 | 605,905 |
| Total Expenditures & Transfers | 92,309,821 | 31,341,432 | 18,241,900 |
| Revenue over (under) | | | |
| Expenditures | (2,093,733) | 1,478,353 | (852,705) |
| BEGINNING BALANCE | \$ 31,612,658 | \$ 5,820,215 | \$ 5,794,525 |
| Reserved for Debt Service | | (300,187) | - |
| Reserved for Self Insurance | | - | - |
| Reserved for Transportation Fees | | - | (1,639,018) |
| GAAP Accruals | (7,066,605) | - | - |
| END BUDGET BALANCE | \$ 22,452,320 | \$ 6,998,381 | \$ 3,302,802 |

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2019
ADOPTED BUDGET**

REVENUES

| Category Description | Enterprise Funds | | |
|----------------------------------|---------------------------|--------------------|------------------|
| | Utility System Fund & CIP | Airport Fund & CIP | Solid Waste |
| Property Taxes | - | - | - |
| Sales Tax | - | - | - |
| Other Taxes | - | - | - |
| Licenses & Permits | - | - | - |
| Charges For Service | 49,911,015 | 14,176,902 | 8,572,467 |
| Fines & Forfeitures | - | - | - |
| Interest Income | 205,789 | 40,000 | 200 |
| Intergovernmental | - | 2,390,000 | - |
| Miscellaneous | 3,063,753 | 872,600 | 12,600 |
| Bond Proceeds | 9,405,000 | - | - |
| Contributions | - | - | - |
| Total Revenue | 62,585,557 | 17,479,502 | 8,585,267 |
| Transfers from other funds | 9,639,125 | 2,147,390 | - |
| Total Available Resources | 72,224,682 | 19,626,892 | 8,585,267 |

EXPENDITURES

| | | | |
|---|----------------------|---------------------|-------------------|
| General Government | - | - | - |
| Finance | - | - | - |
| Public Works | - | - | - |
| Parks & Recreation | - | - | - |
| Community Development | - | - | - |
| Environmental & Neighborhood Services | - | - | 8,063,256 |
| Police Department | - | - | - |
| Fire Department | - | - | - |
| Debt Service | 16,759,846 | 2,268,623 | - |
| Other | 2,865,880 | 169,951 | 70,000 |
| Construction | 9,495,000 | 2,010,000 | - |
| Utility Services | 22,420,454 | - | - |
| Airport Services | - | 12,891,423 | - |
| Insurance Coverage | - | - | - |
| Equipment Replacement | - | - | - |
| Rebates & Assignments | - | - | - |
| Total Expenditures | 51,541,180 | 17,339,997 | 8,133,256 |
| Transfers to other funds | 20,495,147 | 3,159,007 | 412,526 |
| Total Expenditures & Transfers | 72,036,327 | 20,499,004 | 8,545,782 |
| Revenue over (under) | | | |
| Expenditures | 188,355 | (872,112) | 39,485 |
| BEGINNING BALANCE | \$ 36,209,271 | \$ 5,105,534 | \$ 394,367 |
| Reserved for Debt Service | (9,738,723) | (991,626) | |
| Reserved for Self Insurance | - | - | |
| Reserved for Transportation Fees | - | - | |
| GAAP Accruals | - | - | |
| END BUDGET BALANCE | \$ 26,658,903 | \$ 3,241,796 | \$ 433,852 |

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2019
ADOPTED BUDGET**

REVENUES

| Category Description | Internal Service Funds | | |
|----------------------------------|------------------------|---------------------|-------------------|
| | Fleet Replacement | Hi-Tech Replacement | Employee Benefits |
| Property Taxes | - | - | - |
| Sales Tax | - | - | - |
| Other Taxes | - | - | - |
| Licenses & Permits | - | - | - |
| Charges For Service | - | - | - |
| Fines & Forfeitures | - | - | - |
| Interest Income | 26,634 | 20,426 | 5,500 |
| Intergovernmental | - | - | - |
| Miscellaneous | 217,500 | 1,445 | 825,000 |
| Bond Proceeds | - | - | - |
| Contributions | - | - | 10,785,800 |
| Total Revenue | 244,134 | 21,871 | 11,616,300 |
| Transfers from other funds | 1,635,644 | 1,290,048 | - |
| Total Available Resources | 1,879,778 | 1,311,919 | 11,616,300 |

EXPENDITURES

| | | | |
|---|---------------------|---------------------|---------------------|
| General Government | - | - | - |
| Finance | - | - | - |
| Public Works | - | - | - |
| Parks & Recreation | - | - | - |
| Community Development | - | - | - |
| Environmental & Neighborhood Services | - | - | - |
| Police Department | - | - | - |
| Fire Department | - | - | - |
| Debt Service | - | - | - |
| Other | - | - | 354,609 |
| Construction | - | - | - |
| Utility Services | - | - | - |
| Airport Services | - | - | - |
| Insurance Coverage | - | - | 11,254,296 |
| Equipment Replacement | 1,632,996 | 840,669 | - |
| Rebates & Assignments | - | - | - |
| Total Expenditures | 1,632,996 | 840,669 | 11,608,905 |
| Transfers to other funds | - | - | - |
| Total Expenditures & Transfers | 1,632,996 | 840,669 | 11,608,905 |
| Revenue over (under) | | | |
| Expenditures | 246,782 | 471,250 | 7,395 |
| BEGINNING BALANCE | \$ 2,435,770 | \$ 1,977,826 | \$ 1,480,652 |
| Reserved for Debt Service | | | |
| Reserved for Self Insurance | | | (1,450,000) |
| Reserved for Transportation Fees | | | |
| GAAP Accruals | | | |
| END BUDGET BALANCE | \$ 2,682,552 | \$ 2,449,076 | \$ 38,047 |

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2019
ADOPTED BUDGET**

REVENUES

| Category Description | Special Revenue Funds | | | | |
|----------------------------------|---------------------------|----------------------------|------------------|----------------|---------------|
| | Enclave at River Park PID | Brazos River Festival Site | Tourism | Court Security | Court Tech |
| Property Taxes | - | - | - | - | - |
| Sales Tax | - | - | - | - | - |
| Other Taxes | - | - | 2,643,700 | - | - |
| Licenses & Permits | - | - | - | - | - |
| Charges For Service | 132,133 | 20,103 | - | 36,193 | 48,263 |
| Fines & Forfeitures | - | - | - | - | - |
| Interest Income | 1,000 | - | 9,100 | 125 | 508 |
| Intergovernmental | - | - | - | - | - |
| Miscellaneous | - | - | 2,500 | - | - |
| Bond Proceeds | - | - | - | - | - |
| Contributions | - | - | - | - | - |
| Total Revenue | 133,133 | 20,103 | 2,655,300 | 36,318 | 48,771 |
| Transfers from other funds | 44,450 | 60,854 | - | - | 6,469 |
| Total Available Resources | 177,583 | 80,957 | 2,655,300 | 36,318 | 55,240 |

EXPENDITURES

| | | | | | |
|---|-------------------|-----------------|---------------------|------------------|-----------------|
| General Government | - | 81,281 | 1,206,333 | - | - |
| Finance | - | - | - | 37,612 | 64,138 |
| Public Works | - | - | - | - | - |
| Parks & Recreation | - | - | - | - | - |
| Community Development | - | - | - | - | - |
| Environmental & Neighborhood Services | - | - | - | - | - |
| Police Department | - | - | - | - | - |
| Fire Department | - | - | - | - | - |
| Debt Service | - | - | - | - | - |
| Other | 491,000 | - | - | - | - |
| Construction | - | - | - | - | - |
| Utility Services | - | - | - | - | - |
| Airport Services | - | - | - | - | - |
| Insurance Coverage | - | - | - | - | - |
| Equipment Replacement | - | - | - | - | - |
| Rebates & Assignments | - | - | - | - | - |
| Total Expenditures | 491,000 | 81,281 | 1,206,333 | 37,612 | 64,138 |
| Transfers to other funds | 179,000 | - | 1,511,005 | - | - |
| Total Expenditures & Transfers | 670,000 | 81,281 | 2,717,338 | 37,612 | 64,138 |
| Revenue over (under) | | | | | |
| Expenditures | (492,417) | (324) | (62,038) | (1,294) | (8,898) |
| BEGINNING BALANCE | \$ 495,488 | \$ 2,495 | \$ 1,419,781 | \$ 15,369 | \$ 8,898 |
| Reserved for Debt Service | | | | | |
| Reserved for Self Insurance | | | | | |
| Reserved for Transportation Fees | | | | | |
| GAAP Accruals | | | (638,806) | | |
| END BUDGET BALANCE | \$ 3,071 | \$ 2,171 | \$ 718,937 | \$ 14,075 | \$ - |

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2019
ADOPTED BUDGET**

REVENUES

| Category Description | Special Revenue Funds | | | |
|----------------------------------|-----------------------|-----------------|---------------------------|--------------------|
| | CDBG | Law Enforcement | Photo Traffic Enforcement | SPA Debt Reduction |
| Property Taxes | - | - | - | - |
| Sales Tax | - | - | - | - |
| Other Taxes | - | - | - | - |
| Licenses & Permits | - | - | - | - |
| Charges For Service | - | - | - | 213,016 |
| Fines & Forfeitures | - | - | 2,923,696 | - |
| Interest Income | - | 690 | 1,100 | 5,500 |
| Intergovernmental | 331,872 | - | - | - |
| Miscellaneous | - | - | - | - |
| Bond Proceeds | - | - | - | - |
| Contributions | - | - | - | - |
| Total Revenue | 331,872 | 690 | 2,924,796 | 218,516 |
| Transfers from other funds | - | - | - | - |
| Total Available Resources | 331,872 | 690 | 2,924,796 | 218,516 |

EXPENDITURES

| | | | | |
|---|----------------|------------------|------------------|---------------------|
| General Government | - | - | - | - |
| Finance | - | - | - | - |
| Public Works | - | - | - | - |
| Parks & Recreation | - | - | - | - |
| Community Development | 189,511 | - | - | - |
| Environmental & Neighborhood Services | - | - | - | - |
| Police Department | - | - | 1,020,586 | - |
| Fire Department | - | - | - | - |
| Debt Service | - | - | - | - |
| Other | - | - | 952,105 | - |
| Construction | 142,361 | - | - | - |
| Utility Services | - | - | - | - |
| Airport Services | - | - | - | - |
| Insurance Coverage | - | - | - | - |
| Equipment Replacement | - | - | - | - |
| Rebates & Assignments | - | - | - | - |
| Total Expenditures | 331,872 | - | 1,972,691 | - |
| Transfers to other funds | - | - | 952,105 | 1,250,090 |
| Total Expenditures & Transfers | 331,872 | - | 2,924,796 | 1,250,090 |
| Revenue over (under) | | | | |
| Expenditures | - | 690 | - | (1,031,574) |
| BEGINNING BALANCE | \$ - | \$ 64,329 | \$ - | \$ 2,149,292 |
| Reserved for Debt Service | | | | |
| Reserved for Self Insurance | | | | |
| Reserved for Transportation Fees | | | | |
| GAAP Accruals | | | | |
| END BUDGET BALANCE | \$ - | \$ 65,019 | \$ - | \$ 1,117,718 |

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2019
ADOPTED BUDGET**

REVENUES

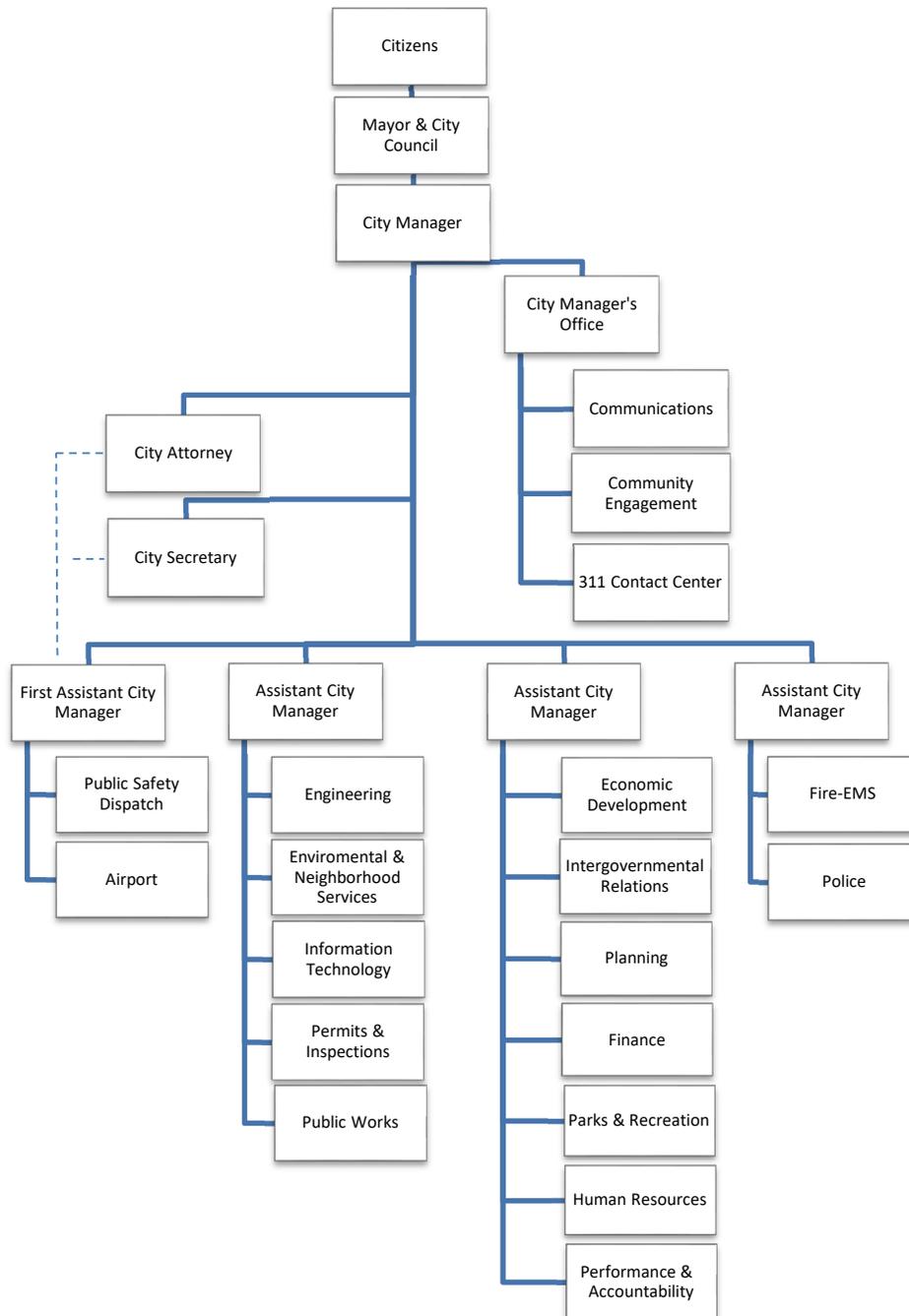
| Category Description | Total City | Component Units | | TOTAL |
|----------------------------------|--------------------|------------------|------------------|--------------------|
| | | SLDC | SL4B | |
| Property Taxes | \$ 49,719,000 | - | - | \$ 49,719,000 |
| Sales Tax | 37,350,000 | 6,225,000 | 6,225,000 | 49,800,000 |
| Other Taxes | 8,913,179 | - | - | 8,913,179 |
| Licenses & Permits | 3,508,672 | - | - | 3,508,672 |
| Charges For Service | 76,885,182 | - | - | 76,885,182 |
| Fines & Forfeitures | 4,577,996 | - | - | 4,577,996 |
| Interest Income | 802,572 | 75,000 | 112,000 | 989,572 |
| Intergovernmental | 2,820,070 | 1,150,000 | 153,100 | 4,123,170 |
| Miscellaneous | 8,700,731 | - | 80,000 | 8,780,731 |
| Bond Proceeds | 23,964,056 | - | - | 23,964,056 |
| Contributions | 10,785,800 | - | - | 10,785,800 |
| Total Revenue | 228,027,258 | 7,450,000 | 6,570,100 | 242,047,358 |
| Transfers from other funds | 34,123,920 | - | - | 34,123,920 |
| Total Available Resources | 262,151,178 | 7,450,000 | 6,570,100 | 276,171,278 |

EXPENDITURES

| | | | | |
|---|----------------------|---------------------|---------------------|-----------------------|
| General Government | 14,526,737 | 597,018 | 561,621 | 15,685,376 |
| Finance | 4,740,740 | - | - | 4,740,740 |
| Public Works | 11,600,740 | - | - | 11,600,740 |
| Parks & Recreation | 4,937,022 | - | - | 4,937,022 |
| Community Development | 5,654,984 | - | - | 5,654,984 |
| Environmental & Neighborhood Services | 13,695,455 | - | - | 13,695,455 |
| Police Department | 25,083,834 | - | - | 25,083,834 |
| Fire Department | 16,462,007 | - | - | 16,462,007 |
| Debt Service | 48,456,177 | 4,112,871 | 3,343,594 | 55,912,642 |
| Other | 6,275,194 | 3,515,300 | 1,809,950 | 11,600,444 |
| Construction | 28,321,056 | - | - | 28,321,056 |
| Utility Services | 22,420,454 | - | - | 22,420,454 |
| Airport Services | 12,891,423 | - | - | 12,891,423 |
| Insurance Coverage | 11,254,296 | - | - | 11,254,296 |
| Equipment Replacement | 2,473,665 | - | - | 2,473,665 |
| Rebates & Assignments | 4,608,624 | 2,740 | - | 4,611,364 |
| Total Expenditures | 233,402,408 | 8,227,929 | 5,715,165 | 247,345,502 |
| Transfers to other funds | 31,731,555 | 593,191 | 1,799,174 | 34,123,920 |
| Total Expenditures & Transfers | 265,133,963 | 8,821,120 | 7,514,339 | 281,469,422 |
| Revenue over (under) | | | | |
| Expenditures | (2,982,785) | (1,371,120) | (944,239) | (5,298,144) |
| BEGINNING BALANCE | \$ 94,986,470 | \$ 8,302,439 | \$ 6,121,602 | \$ 109,410,511 |
| Reserved for Debt Service | (11,030,536) | (4,044,391) | (2,989,565) | (18,064,492) |
| Reserved for Self Insurance | (1,450,000) | | | (1,450,000) |
| Reserved for Transportation Fees | (1,639,018) | | | (1,639,018) |
| GAAP Accruals | (7,705,411) | (991,868) | (991,868) | (9,689,147) |
| END BUDGET BALANCE | \$ 70,178,719 | \$ 1,895,060 | \$ 1,195,930 | \$ 73,269,709 |

City of Sugar Land Organizational Chart

As of October 1, 2018



City Overview

Location and Background

Located 20 miles southwest of downtown Houston, Sugar Land is a full-service municipality providing police and fire protection, water/wastewater utilities, solid waste collection, curbside recycling, a regional airport, parks and recreation, public works, planning/zoning and other services. Founded as a sugar plantation in the mid-1860s, Sugar Land was a busy commercial center for nearly 100 years. Formally incorporated in 1959, the City has grown more rapidly than anyone could imagine. Today, the City has a population of about 118,023 due to a recent annexation and is nationally recognized for its low crime and excellent opportunities afforded to residents.



City Management

Sugar Land operates under the Council-Manager form of government. This system of local government combines the political leadership of elected officials in the form of a Council with the managerial experience of an appointed City Manager. The City Manager acts as the chief executive officer of the government and carries out policy and administers City programs. All department heads report to the City Manager, with the exception of the Municipal Court Judge, who is also appointed by Council. The City Secretary and City Attorney both report to the City Manager but require City Council approval for any employment action.

ROLE OF CITY COUNCIL

- Appoint City Manager
- Establish City Policy
- Legislative Body
- Approve Budget

ROLE OF CITY MANAGER

- Manage Day-to-Day Affairs
- Enforce Laws and Ordinances
- Prepare Budget
- Make Recommendation to Council on General Welfare of the City

Local Economy

Sugar Land benefits from its proximity to Houston and the economic opportunities afforded by a large metropolitan area. Supported by strong regional infrastructure, the Sugar Land economy is diverse and offers strong corporate vitality. The table below contains a list of top private sector employers by number of employees.

| EMPLOYER | TYPE OF BUSINESS |
|--------------------------------------|--------------------------------|
| Methodist Sugar Land Hospital | Medical |
| Fluor Enterprises, Inc.* | Engineering |
| Schlumberger | Oilfield Services / Technology |
| UnitedHealthcare/UnitedHealth Group* | Data Center |
| Memorial Hermann Sugar Land | Medical |
| Tramontina USA, Inc. | Manufacturing |
| St. Luke's Hospital Sugar Land | Medical |
| Baker Hughes | Specialty Polymers |

| | |
|--|----------------------------|
| Accredo Packaging, Inc. | Manufacturing |
| AmerisourceBergern/Pharmedium Services, LLC* | Pharmaceutical Compounding |
| Texas Instruments* | Technology |
| Applied Optoelectronics, Inc. | Technology R&D |
| OptumRx/Unitedhealth Group* | Data Center |
| Noble Drilling Services, Inc. | Energy |
| ABM Industries* | Facility Services |

*2018 Fortune 500 Company

Economic Development Activity

Sugar Land has achieved its sustainable, strong local economy through an aggressive, focused economic development program that creates opportunities for new business investment and jobs. The City’s growing economy provides an excellent location for relocating and expanding companies to thrive, as evidenced by the fact that Sugar Land’s assessed commercial valuation has more than doubled in just over a decade—increasing by over \$2 billion.

As a regional employment center with more than 64,600 jobs, Sugar Land is home to high-profile regional and international corporations housed in more than 26 million square feet of commercial space, including several Fortune 500 companies with a significant presence.

The attraction of primary employers is an extremely important driver of Sugar Land’s economy. Jobs in Sugar Land generate demand for new retail services and result in increased commercial property tax values, the creation of new sales tax dollars and additional hotel occupancy tax revenues enabling the City to continue to keep property taxes low for residents.

While the increase in commercial property tax values offsets the cost of providing public services to residents, the increase in restricted revenue funds, such as economic development sales taxes and hotel occupancy taxes, is able to be reinvested into projects that increase the quality of life in Sugar Land, such as parks, support of higher education, cultural arts and entertainment. These amenities help Sugar Land become a premier destination location for primary employers, leisure travelers and residents, making it even more possible for people to live, work, shop and play in Sugar Land—all with one of the lowest property tax rates in the State of Texas.

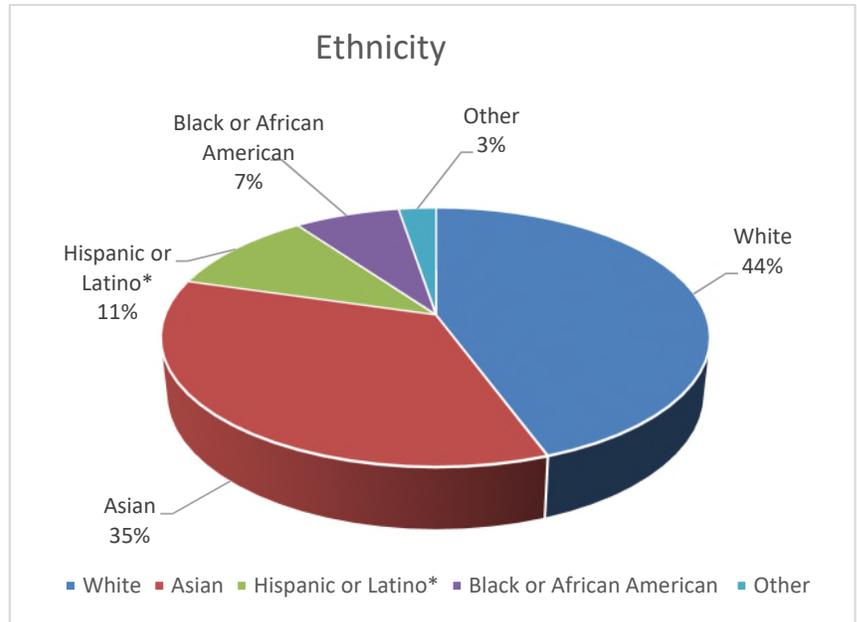
Evidence of Sugar Land’s thriving business community includes the expansion of Accredo Packaging, Inc. (API), a manufacturer of sustainable high added value flexible packaging predominantly for the pre-packaged foods and consumer products markets in North America. API opened their Sugar Land Headquarters and manufacturing facility in 2007. This recent announcement of their Phase III manufacturing and warehouse facility will make them one of the largest employers with one of the highest taxable property values in the city.

Sugar Land also continues to establish itself as a destination city with now over a full year of operation at the Smart Financial Centre at Sugar Land, the region’s first state-of-the-art, indoor performance venue. In its first year, the Smart Financial Centre at Sugar Land had over 350,000 paid attendees, smashing its expected attendance of 260,000. Additionally, Constellation Field continues to pass its attendance goals while the Houston Museum of Natural Science at Sugar Land approaches 100,000 attendees on an annual basis. Other venues such as Sugar Land Town Square Plaza, the Crown Festival Park at Sugar Land, and the Fort Bend Children’s Discovery Center have all helped increase Sugar Land’s reputation as a tourist destination

Diversity

Sugar Land is a highly educated and globally diverse community and was recognized as the nation's first Community of Respect® by the Anti-Defamation League in 2007.

* According to the US Census, persons who identify themselves as Hispanic or Latino can be of any race; the figures shown in the chart represent the percentage of individuals who identify themselves as Non-Hispanic or Latino by race or Hispanic or Latino.



City Profile

| | FY16 | FY17 | FY18 | FY19 |
|---|------------|------------|------------|------------|
| Population (January 1st estimate) | 87,504 | 87,730 | 117,869 | 118,023 |
| Square Miles | 32.73 | 36.33 | 42.52 | 42.85 |
| Acres | 22,868 | 23,253 | 27,208 | 27,424 |
| | | | | |
| Budgeted Full Time Employees | 711 | 722 | 804.5 | 804.5 |
| Total Operating Budget | \$177.56 M | \$186.18 M | \$207.11 M | \$247.35 M |
| Fire Protection-Emergency Medical Services | | | | |
| Number of Stations | 7 | 7 | 7 | 7 |
| Certified Firefighters | 115 | 116 | 124 | 124 |
| Calls for Service | 7,176 | 7,328 | 8,614 | 8,900 |
| Police Protection | | | | |
| Number of Stations | 1 | 1 | 1 | 1 |
| Certified Police Officers | 151 | 151 | 172 | 172 |
| Calls for Service | 28,455 | 28,455 | 34,146 | 37,485 |
| Parks & Recreation | | | | |
| Number of Parks | 27 | 27 | 27 | 27 |
| Park Acreage | 2,132 | 2,132 | 2,132 | 2,248 |
| Swimming Pools | 1 | 1 | 1 | 1 |
| Community Centers | 5 | 5 | 5 | 5 |
| Recreation Centers | 1 | 1 | 2 | 2 |
| Special Events Offered | 26 | 26 | 26 | 26 |
| Public Works | | | | |
| Lane Miles of Streets | 840 | 842 | 1,022 | 1,052 |
| Linear Miles of Sidewalk | 537 | 538 | 848 | 846 |
| Miles of Storm Sewer/Open Ditch | 338 | 338 | 477 | 494 |
| Traffic Signals Maintained | 85 | 85 | 94 | 90 |
| City Facilities | 61 | 61 | 63 | 73 |
| Utilities | | | | |
| Equivalent Single Family Connections | 45,666 | 45,478 | 60,462 | 61,951 |
| Water Produced (Million Gallons) | 6,781 | 6,678 | 7,346 | 7,526 |
| Wastewater Treated (Million Gallons) | 3,103 | 3,541 | 3,893 | 3,988 |
| Community Development | | | | |
| Building Permits Issued | 7,242 | 7,249 | 7,386 | 7,500 |
| Airport | | | | |
| Gallons of Fuel Sold | 3,031,285 | 2,953,717 | 3,003,271 | 3,181,500 |
| Aircraft Served | 13,353 | 15,101 | 15,408 | 15,721 |

Budget Process & Calendar

The fiscal year begins October 1 of each year and ends on the following September 30. Each fiscal year City Council adopts a fiscal plan containing the goals established by Council and the City Manager's plan to meet those goals. The plan adopted is comprised of the Operating Budget and the Capital Improvement Program. A calendar that outlines the budget process is included on the following page.

Operating Budget

Prior to the official budget kickoff, the Budget Office prepares a preliminary estimate of revenues and expenditures for the major funds, including the General, Debt Service, Utility, Surface Water and Airport funds. This overview is prepared to allow the City Manager to assess the overall financial position of the City, including potential revenue shortfalls or excess funding capacity for enhanced services. The City Manager shares this information with City Council at a planning retreat where City Council establishes priorities for the upcoming fiscal year. The City Manager prepares a budget message from this information that instructs the departments on how to prepare the budget for the upcoming fiscal year.

In April, the budget process officially begins with the City Manager delivering the budget message and departments developing line-item operating budgets based on the message delivered by the City Manager. The expectation for departments is to formulate a budget that will allow services to be maintained at current levels. Requests that enhance or expand services are requested in conjunction with the preparation of the operating budget. Supplemental budget requests are based on items identified through Council priorities, departmental business plans, and state or federal mandates. The operating budget and enhancement submissions are due to the Budget Office in early May and are reviewed for completeness and to ensure submissions are consistent with the City Manager's message.

City management meets with departments in June to review proposed operating budgets and supplemental requests. Requests are prioritized by the City Manager and recommended to City Council for funding based on available resources. The budget is filed with City Council in July and reviewed in detail through a series of budget workshops in August. Changes that result from the Council workshops are incorporated into the final budget. The final budget is adopted by Council no later than the 25th of September in accordance with the City charter. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Internal Service Funds, Component Units, and Debt Service Fund. The budgets for the Enterprise Funds are adopted as a financial plan and guide. After Council adoption, the Annual Budget is compiled and distributed.

Capital Improvement Program

Annually, City staff prepares and files a Five-Year Capital Improvement Program (CIP). The CIP identifies needed capital improvements and financing for those improvements. The first year of the plan is incorporated into the annual budget to appropriate funds for the specific projects. The five-year CIP is fiscally constrained for all years. Cost estimates for years two through five of the five-year CIP are for planning purposes only, and are used in conjunction with the five-year financial plan of the City to determine potential project funding sources or to adjust project timing based on affordability.

CIP development is a continuous process that utilizes a "project ready" approach whereby the scope and budget for a proposed improvement are clearly defined prior to the appropriation of funds for construction. It is a multi-year process and may extend over a one to three-year period. Each year future projects are re-evaluated and projects may be added, moved back or forward, depending on the current assessment of priority and project readiness. Project information is solicited from all departments, City Council, boards and commissions, and homeowner associations.

Staff also maintains a list of potential projects from citizen requests received either by telephone, e-mail or through youth sports leagues. A recommended project list is compiled, prioritized by year, and cost estimates assigned.

Funding sources and levels are identified and developed by the Budget Office. The CIP has several layers of review by project managers, the Planning and Zoning Commission, and the City Manager. The recommended five-year CIP is filed with the annual budget in July. City Council reviews the draft and any changes requested by Council are incorporated into the final document. A summary for the final five-year CIP is then prepared and filed with the annual budget for Council consideration and approval. Upon Council adoption, the five-year CIP document is reproduced and distributed for implementation of the program.

FY19 Budget Calendar

| | |
|------------------|---|
| February | <ul style="list-style-type: none"> • Cost allocation plan updated • Key issues identified and prioritized by City Management |
| March | <ul style="list-style-type: none"> • CIP Kick-Off • Budget Office prepares preliminary five-year forecast • City Manager develops budget message for departments • Budget Office develops instructions and forms for budget preparation • City Council workshop – define priorities for FY19 |
| April | <ul style="list-style-type: none"> • Budget kick-off meeting: Directors and Managers <ul style="list-style-type: none"> - Introduce and distribute budget instructions - Line item allocation of budgets by departments - Departments prepare requests for additional funds • Budget Office develops preliminary funding plan for five-year CIP |
| May | <ul style="list-style-type: none"> • Review list of CIP projects with Planning & Zoning • Budget Office reviews departmental budget submissions |
| June | <ul style="list-style-type: none"> • Review list of CIP projects with City Council • City Management reviews departmental budget submissions • City Manager balances the proposed budget • CIP project list finalized and fiscally constrained • Five-year financial forecast finalized |
| July | <ul style="list-style-type: none"> • Prepares proposed budget document, transmittal letter and budget presentations • July 17th: Proposed budget filed with City Council • Certified tax roll due from Central Appraisal District |
| August | <ul style="list-style-type: none"> • Council budget workshops (Thursday mornings) • Public hearing on budget • Publish effective tax rate calculations |
| September | <ul style="list-style-type: none"> • Final FY19 Budget Amendment Ordinance • City Council adoption of FY19: <ul style="list-style-type: none"> ○ Annual budget, five-year CIP, compensation plan, tax rate, fee ordinance |

Legal Requirements & Basis of Budgeting

Legal Requirements for the Budget

Pursuant to Section 6.03 of the Charter, the City Manager is responsible for preparing an annual budget for submission to City Council for review, consideration and revision. Both a letter describing the proposed new budget, as well as a balanced budget for the forthcoming fiscal year, are required to be filed not later than sixty days prior to the end of the current fiscal year. The budget must set forth the funding for services, programs, and activities of the various City departments. It must also include a multi-year capital improvement program (CIP) and a current year CIP budget.

The City Secretary posts a notice at City Hall and publishes the notice in the official newspaper stating the times and places where copies of the message and budget are available for public review. One public hearing must be held on the budget at least 14 days after it is filed and before the budget is adopted. The budget is adopted by ordinance with one reading prior to the 25th day of the last month of the fiscal year, as required by the City charter.

Budgets are approved by City Council at the fund level. Revenues approved through the budget process are estimates. During the fiscal year, the City Manager may transfer balances allocated by the budget between departments or activities within the total appropriation without City Council approval. City Council typically approves budget amendments during the year to reflect increases to expenditures as a result of grants received or to allocate from fund balances at the request of staff. Expenditure of funds that would exceed the total appropriation by fund requires City Council approval of an ordinance to amend the budget for that fund. At year end, as part of the next year's budget process, the current fiscal year budget is amended by ordinance to capture any budget amendments that have been approved by City Council during the year. Capital Project funds are appropriated on a project length and as projects are completed and closed out staff may request a budget amendment to utilize those funds for other projects as appropriate. Capital projects are appropriated at the project level and most increase to project budgets require a Council budget amendment.

At the end of each fiscal year, any unencumbered appropriation balances lapse or revert to the undesignated fund balance, except for capital projects, which are adopted using project length rather than fiscal year. Open encumbrances carry forward to the next fiscal year, but the budget is not adjusted to reflect those encumbrances. After the close of the fiscal year, Council has an opportunity to approve a budget ordinance that reflects an amendment of the current year's budget for carry-over funding for non-recurring items that were budgeted but not completed during the prior fiscal year.

Financial Management Policy Statements

The Financial Management Policy Statements are approved through City Council Resolution. These statements give general guidelines for the development of fiscal policies to ensure that financial resources are available to meet present and future needs of citizens and aid in fulfilling the goal of a responsible city government. These policy statements are reviewed semi-annually and recommended revisions are discussed with City Council. The statements were last updated and approved by City Council Resolution 18-18 in June 2018. A copy of the current policy statements can be found at the end of this document.

Budget Basis of Presentation

Governmental and Fiduciary Funds

Governmental fund budgets are prepared using the modified accrual basis. Revenues are budgeted when they are anticipated to be received and expenditures are budgeted in the period in which the liability is incurred, which is in accordance with Generally Accepted Accounting Principles (GAAP). The fund balance approach of governmental

funds or working capital approach can be identified as current assets less current liabilities. Governmental funds budget capital outlays as expenditures, but do not budget for non-cash expenditures such as accruals for sick and vacation liabilities and depreciation.

Budgetary fund balances differ from the GAAP basis fund balances as they are adjusted for year-end accruals of revenues such as sales tax, franchise fees, and hotel occupancy taxes. Although these revenues are measurable at fiscal year-end, they are not available to fund obligations of the City on a cash basis. As such, the budget will show a different fund balance than the Comprehensive Annual Financial Report (CAFR). The budget also does not differentiate between the various categories of governmental fund balances under GASB 54.

Proprietary and Internal Service Funds

All proprietary funds are budgeted using a flow of economic resources, which is similar to the accrual basis of accounting, with exceptions listed below. Available balances are determined using the cash equivalent approach. The cash equivalent approach is defined as: cash + investments + accounts receivable + prepaid expenses - accounts payable = cash equivalents available.

- Revenues are budgeted in the period they are earned and measurable.
- Expenses are budgeted in the period in which the liability was incurred.
- Depreciation of assets is not budgeted.
- Expenses to recognize unfunded liabilities are not budgeted, such as OPEB and IBNR claims.
- Capital outlay is budgeted as an expense in the year purchased.
- Principal payments are budgeted as an expense rather than a reduction to the liability.
- Bond proceeds are budgeted as revenue in the enterprise operating fund and transferred to the enterprise capital projects fund.

Basis of Accounting

The governmental fund financial statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means that the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues susceptible to accrual include sales and use taxes, hotel occupancy taxes, franchise fees, charges for services and interest on temporary investments. Property tax levies collected after the fiscal year-end, which would be available to finance current operations, are immaterial and remain deferred. Other receipts become measurable and available when cash is received by the government and are recognized as revenue at that time.

All proprietary funds are accounted for on an accrual basis. Revenues are recognized in the period in which they are earned and become measurable, and expenses in the period in which they are incurred and measurable. However, accruals are made only at fiscal year-end. Proprietary funds also record depreciation and amortization at fiscal year-end. Payment of principal is recorded as a reduction to the long-term liability at fiscal year-end.

Financial Structure

The accounts of the City are organized on the basis of funds and account groups, each of which operates separately and independently. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses. Following is a description of the fund types and funds contained within each. A more detailed description of each fund can be found within the fund summary of the individual funds.

Governmental Funds

The General Fund is the general operating fund and is used to account for all financial transactions not properly included in other funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has several special revenue funds such as: Court Security, Court Technology, Tourism, Community Development Block Grant, Photographic Traffic Signal Enforcement, four SPA Debt Reduction Funds, and Police Seizures, Special Events, Enclave at River Park, and Trust Funds as required.

Debt Service Fund is used to account for the payment of interest and principal on all tax-backed bonds and other long-term debt not supported by enterprise funds. The City has a separate fund to account for taxable debt vs. tax-exempt debt.

Capital Projects Fund is used to account for the expenditures of resources transferred from operating funds, the sale of bonds, and other revenues for capital improvement projects. Projects are budgeted on a project length basis rather than a fiscal year basis, and funding carries over to the next fiscal year if the project is not completed.

Proprietary Funds

Enterprise Funds are used to account for services that are financed and operated in a manner similar to private business where the intent of the governing body is that the costs of providing goods and services to the general public will be financed or recovered primarily through user charges. The City operates three enterprise funds: Utility System, Airport and Solid Waste. The Water Utility and Surface Water funds are now combined funds, where previously, they were reported separately. The enterprise funds also have corresponding capital project funds.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City has three internal service funds: Fleet Replacement, High Tech Replacement, and Employee Benefits.

Fiduciary Funds

Component Units are primarily used to account for sales tax revenues for economic development activities and expenditures associated with promoting, assisting, and enhancing economic and industrial development activities. Each component unit has a separate board of directors. The City accounts for five component units: Sugar Land Development Corporation (SLDC), Sugar Land 4B Corporation (SL4B), Sugar Land Town Square TIRZ#1, Imperial TIRZ#3, and TIRZ#4. The SLDC is a blended component unit and is included as a special revenue fund in the government-wide financial statements. The TIRZ's are not included in the City's adopted budget, although TIRZ#3 and TIRZ#4 budgets are approved by City Council.

Goals & Vision

City Council has identified and developed five priorities to direct the City's growth and define staff responsibilities. Each year, the City reviews these priorities and the progress being made. Underlying each priority are strategies for the City to strive for in the near future.

Although the City adopts a one-year budget, the budget implements multi-year programs and strategies that extend programs and affect future budgets. Within each priority there are measures for City staff to achieve.

The five City Council mid-term priorities and strategies are as follows:

Safest City in America: Feeling Safe, Rapid Response

- Have a rapid, effective and coordinated response to an emergency – Police, Fire, EMS, Public Works
- Maintain people feeling safe, secure and comfortable throughout the community
- Maintain a low crime rate in Sugar Land with a high clearance rate
- Develop effective public safety communications with adequate staffing and using appropriate technology
- Improve all-hazards and disaster preparedness, response and recovery through better coordination and intergovernmental cooperation
- Utilizing technology to contribute to a safe community

Strong Local Economy: Growing Business Investment

- Attract targeted businesses with primary jobs: National and international
- Growing tax base: Property and sales tax generators
- Develop major business parks with class A office environment: Tract II and prison property / Newland (300 acres)
- Expand tourism: venues, marketing and number of visitors
- Develop three destination activity centers – major community focal points and regional destinations: Brazos River Park Festival Site, TIRZ #4, Imperial area
- Protect strength of current economic generators

Responsible City Government: Financially Sound, Exceptional Service

- Maintain a high level of citizen satisfaction and cost-effective delivery of City Services: Value for tax dollars
- Continue "championship" workforce: professional, well-trained, appropriately compensated, retention / internal promotional opportunities
- Have City employees serve as the primary contact with customers
- Maintain financially responsible government consistent with City's mission
- City of Sugar Land – a leader in customer service and superior service
- City and partners operating efficiently and as a service business

Great Place to Live: Development, Redevelopment, Mobility, Environment

- Have predictable, compatible development and land uses consistent with Comprehensive Plan
- Maintain adequate infrastructure and services to support growth and sustain the existing community
- Revitalize / redevelop older commercial centers: Appearance and business vitality
- Improve mobility within Sugar Land: Automobiles, bicycles and walking
- Strive for land uses that build the wealth of the City – Balancing property tax value, sales tax revenue & primary jobs

Building Community: Diverse Cultures, Leisure, Arts

- Develop City facilities and venues that support community arts, events and festivals
- Develop residents' understanding of civic processes and community infrastructure
- Support community events and festivals of diverse ages and cultures
- Adapt to Sugar Land's changing demographics
- Expand arts throughout the community

Vision 2032

Vision 2032 is an update to Vision 2025 which was developed through a process of community input and City Council guidance. Vision 2032 was formally adopted by the City Council through Resolution 17-04 in March 2017. Vision 2032 provides long-term goals for the ongoing development and improvement of the community.

Sugar Land 2032 is a Safe, Beautiful, Inclusive, and Environmentally Responsible Community.

Sugar Land 2032 has Destination Activity Centers, Great Neighborhoods, Superior Mobility, Outstanding Cultural, Educational, and Recreational Opportunities, and is a Regional Business Center of Excellence.

Sugar Land 2032 has Balanced Development and Redevelopment.

The Community Takes Pride in Sugar Land.

Goals and Objectives

Goal A: Safe Community

1. Safest city in the United States
2. People feeling safe, secure and comfortable at home, in the neighborhood, at the parks, in commercial areas, and throughout the community
3. Informed citizens participating in and taking responsibility for community safety and emergency preparedness
4. Rapid, professional and coordinated response to an emergency call for service
5. City prepared for all hazards, disaster and post-disaster recovery including coordination with local, regional and state resources
6. Health and building codes promoting highest reasonable standards for safety
7. Adequate supply of safe drinking water meeting national and state standards
8. City infrastructure to support pedestrians and bicycle riding safety

Goal B: Beautiful Community

1. Attractive, well-designed and well-maintained public buildings, public parks and venues, streetscapes incorporating gateways, public spaces and public art throughout the city
2. Attractive, well-designed and well-maintained commercial areas and buildings, including beautiful landscapes, and appropriate signage
3. Attractive, well-maintained homes
4. Clean, well-maintained, attractive lakes and waterways, both public and private

Goal C: Inclusive Community

1. Celebrating America, such as: 4th of July, Veteran’s Day, Memorial Day, flying the flag
2. Community respecting and celebrating the history and heritage of Sugar Land, Texas, Fort Bend County, and the United States of America
3. All family generations and cultures feeling welcome and having fun
4. Celebrating and respecting the unique international and inter-cultural community that we have become
5. Residents informed, actively involved/engaged in and participating in community and civic affairs

Goal D: Environmentally Responsible Community

1. City as a leader – model for standards, processes and operations
2. Open green spaces throughout the city
3. Effective storm water management and drainage system enhancing quality of surface water and protecting neighborhoods
4. Quality wastewater treatment system
5. Water conservation
6. Reduced energy consumption and increased use of renewable resources
7. Convenient, easy, state-of-the-art recycling system with options and incentives
8. Developments, redevelopments and buildings incorporating the concepts of environmental sustainability
9. Improved air quality
10. Reasonable approach and balance with a “return on investments” – economic and/or community benefit

Goal E: Destination Activity Centers

1. Each destination activity center having positive image and reputation – a sense of place
2. Variety of unique quality features that define each destination activity center
3. Pedestrian-friendly activity centers connected by alternative transportation modes and trails
4. Major community focal points and regional destinations, such as: Town Center, Brazos River Park, Performing Arts Center and Imperial Area
5. Public open space and parks for people to gather and enjoy; neighborhood to use; and to conduct community events
6. Cultural and entertainment events making Sugar Land a regional destination

Goal F: Great Neighborhoods

1. Strong neighborhood identity and pride
2. Renovated, modernized and well-maintained older housing stock
3. High percentage of owner occupied homes
4. Well-maintained, replaced and up to date neighborhood infrastructure: streets, utilities, sidewalks, street lights and drainage
5. Strong, effective home owner and neighborhood associations maintaining and investing in community common areas, streetscapes and public spaces
6. Maintaining quality neighborhoods buffered from or blended with adjacent commercial areas and non-residential land uses
7. Residents involved in and taking responsibility for making the neighborhood a great place to live and call home
8. Top quality community and neighborhood parks with active and passive areas

Goal G: Superior Mobility

1. Effective traffic management facilitating predictable, acceptable travel times within Sugar Land
2. Effective intra-city public transportation system linking activity centers: trolley, electric bus, monorail
3. North/south mobility with several corridors
4. Interstate and U.S. highways efficiently moving traffic through and to/from Sugar Land (U.S. 59, Highway 6, 90A)
5. Successful, award winning corporate airport for businesses and general aviation
6. Commuter transit serving to link Sugar Land to the Greater Houston Metro Area and Fort Bend County/Southwest
7. Pedestrian-friendly community with multi-use trails network for bikes and pedestrians connecting neighborhoods and the community
8. Well-designed, well-maintained streets, sidewalks and multi-use trails
9. Relocation of freight rail through traffic

Goal H: Outstanding Cultural Arts, Educational and Recreational Opportunities

1. Brazos River Park as a regional destination with water-based activities on the river and lakes; hike and bike trails; innovative, unique venues and activities
2. Variety of cultural art opportunities, programs and venues serving as regional destinations
3. Public art throughout the city
4. Major museums having educational significance
5. Performing Arts Center (large community and small venues) for theater, concerts and entertainment serving as a regional destination
6. Regional, family oriented, professional sports venue
7. Major university campus serving residents, non-residents, and businesses with full range of undergraduate, graduate and post graduate programs
8. Strong relationship and partnership between City of Sugar Land, schools, colleges, and universities
9. Recreational programs serving the community

Goal I: Regional Business Center of Excellence

1. Targeted national and international businesses as defined in the Economic Development Plan
2. State of the art, world class infrastructure and technology to support local businesses
3. Business-friendly environment and reputation
4. Quality jobs at or above the average income in the community
5. Tract II and the Central Prison Unit property developed as major business park. Commercial areas near U.S. 59 at University Boulevard developed with a Class A office component.
6. Hotel and conference center targeting the best second tier market
7. Major regional state-of-the-art medical and health services center serving the southwest area
8. Multiple, high-quality, full and limited service hotels for business travelers and visitors
9. Unique, “upscale” retail with upgraded products

Goal J: Balanced Development and Redevelopment

1. Balanced land use (70% residential/no less than 30% commercial, retail, office) and tax base (60% residential/40% commercial, retail, office) within city
2. Well-designed, well-maintained city infrastructure and facilities throughout the city
3. Innovative designs meeting city’s development standards and adding value to the surrounding neighborhoods
4. New developments and redevelopments consistent with city vision, comprehensive plan, policies and standards
5. Upgrading or reusing older commercial areas and commercial strip centers
6. Redevelopment uses that are appropriate for different locations and proactive city policies to assist
7. Redevelopment of historic structures into creative uses to showcase the city’s history
8. High-quality and well-maintained housing stock throughout the city
9. Mixed-use developments with commercial and multi-family residential elements

Goal K: Community Pride in Sugar Land

1. City working in partnership with residents, community organizations, businesses and other government entities
2. People want to live here, businesses want to invest here
3. Successful community events and celebrations bringing people together
4. Being “A Community of Excellence” and recognized as such
5. Residents engaged in civic and community affairs
6. Businesses and residents volunteering and contributing to the Sugar Land community
7. Strong community organizations, charitable organizations and institutions
8. City leadership facilitating and being a catalyst for community pride
9. City demonstrating sound financial management practices and policies including cost-effective service delivery
10. Comprehensive Plan and associated master plans guide City decision making
11. Transparent and ethical decision-making process by City officials

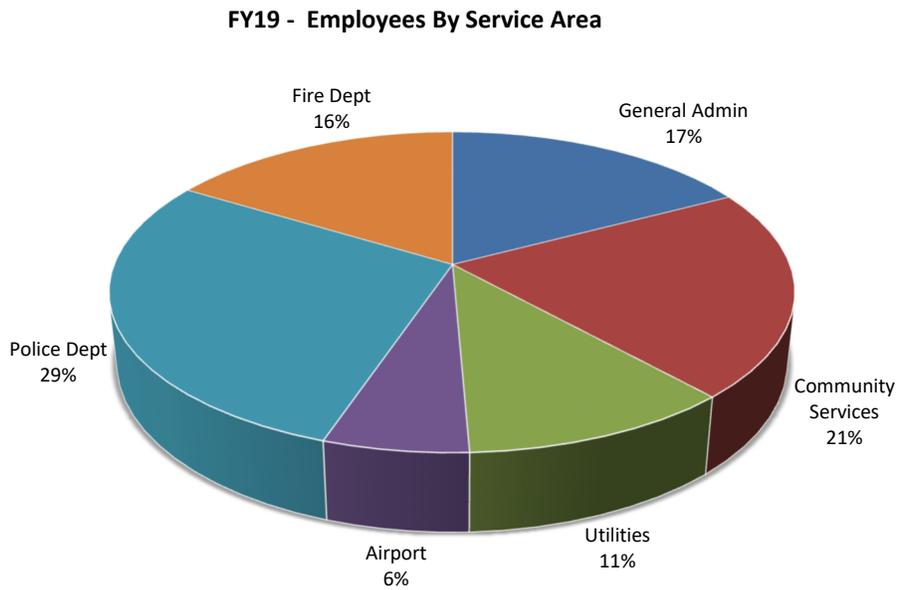
Staffing Levels

FY19 Budget

The number of budgeted Full Time Equivalent (FTE) positions in FY19 Budget totals 804.50.

Employees by Service Areas

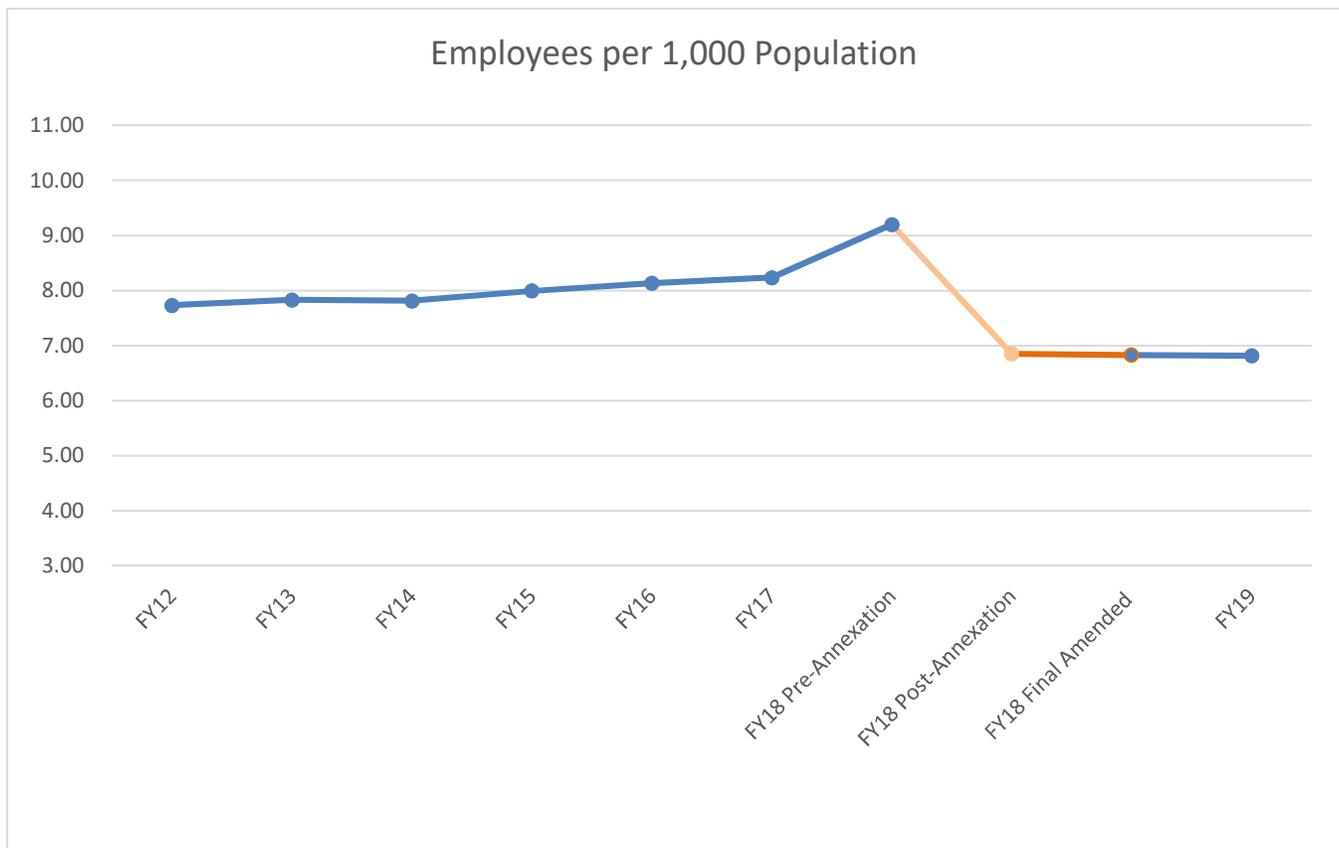
The chart below illustrates the 804.50 FTE count by Service Area. General Administration is comprised of General Government, Tourism and Finance. Community Services is comprised of Public Works, Parks & Recreation, Environmental & Neighborhood Services, and Community Development. Utilities include Solid Waste and Utility System.



Employees per 1,000 Population

The table and graph below show the number of FTE positions per 1,000 residents. These figures exclude seasonal and temporary employees. FY12 saw a reduction of 18 positions through attrition due to the economic downturn. The decrease in the Employees per 1,000 Population ratio for FY18 is the result of the annexation of the Greatwood and New Territory communities as well as the FY18 Budget Amendment. The lower ratio has brought the city back to levels not seen since prior to FY12.

| Fiscal Year | FTE | Percent Change | Population | Employees per 1,000 Population |
|-------------------------------------|--------|----------------|------------|--------------------------------|
| FY12 | 642.00 | -2.73% | 82,999 | 7.74 |
| FY13 | 658.95 | 2.64% | 84,134 | 7.83 |
| FY14 | 675.97 | 2.58% | 86,495 | 7.82 |
| FY15 | 695.49 | 2.89% | 86,972 | 8.00 |
| FY16 | 711.99 | 2.37% | 87,504 | 8.14 |
| FY17 | 722.49 | 1.47% | 87,730 | 8.24 |
| FY18 Pre-Annexation | 807.50 | 11.77% | 87,730 | 9.20 |
| FY18 Post-Annexation Adopted Budget | 807.50 | 0.00% | 117,869 | 6.85 |
| FY18 Post-Annexation Amended Budget | 804.50 | -0.37% | 117,869 | 6.83 |
| FY19 | 804.50 | 0.00% | 118,023 | 6.82 |



Historical Detail of Authorized Full-Time Equivalents

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|-----------------------------------|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Agenda Coordinator | - | - | 1.00 | 1.00 | (1.00) | - |
| Administrative Manager | 1.00 | 1.00 | (1.00) | - | 1.00 | 1.00 |
| Assistant to City Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| City Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Customer Service Manager | - | 1.00 | - | 1.00 | - | 1.00 |
| Director of Public Affairs | - | - | 1.00 | 1.00 | - | 1.00 |
| Management Assistant I | - | 1.00 | 3.00 | 4.00 | - | 4.00 |
| Executive Assistant | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| City Manager | 5.00 | 7.00 | 4.00 | 11.00 | - | 11.00 |
| Administrative Coordinator | 0.50 | - | - | - | - | - |
| Asset & Operations Manager | - | - | 1.00 | 1.00 | - | 1.00 |
| Assistant City Manager | 2.00 | 3.00 | - | 3.00 | - | 3.00 |
| Director of Special Projects | - | - | 1.00 | 1.00 | - | 1.00 |
| Executive Assistant | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Management Assistant I | - | 1.00 | (1.00) | - | - | - |
| Fire Analyst | - | - | 1.00 | 1.00 | - | 1.00 |
| Management Assistant II | - | 1.00 | (1.00) | - | - | - |
| First Assistant City Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Assistant City Managers | 5.50 | 8.00 | 1.00 | 9.00 | - | 9.00 |
| Community Outreach Coordinator | - | 1.00 | - | 1.00 | - | 1.00 |
| Community Engagement Manager | - | 1.00 | - | 1.00 | - | 1.00 |
| Community Engagement | - | 2.00 | - | 2.00 | - | 2.00 |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Administrative Specialist | 1.00 | 1.00 | (1.00) | - | - | - |
| City Secretary | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Department Specialist | - | - | 1.00 | 1.00 | - | 1.00 |
| Deputy City Secretary | 1.00 | - | - | - | - | - |
| Assistant City Secretary | - | 1.00 | - | 1.00 | - | 1.00 |
| Executive Secretary | 2.00 | 2.00 | (2.00) | - | - | - |
| Information Process Technician | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Receptionist - PT | 1.20 | 1.20 | (1.20) | - | - | - |
| Records Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Records Specialist | 1.00 | 1.00 | (1.00) | - | - | - |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| City Secretary | 9.20 | 9.20 | (2.20) | 7.00 | - | 7.00 |
| Assistant Communications Director | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Communications Director | 1.00 | - | - | - | - | - |
| Communications Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Graphics Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Producer / Videographer | 1.00 | 1.00 | (1.00) | - | - | - |
| Publications Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Videographer/Producer | - | - | 1.00 | 1.00 | - | 1.00 |
| Website Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Communications | 8.00 | 7.00 | - | 7.00 | - | 7.00 |
| 311 Contact Center Ambassadors | - | 2.00 | 3.00 | 5.00 | - | 5.00 |
| 311 Contact Center Supervisor | - | - | 1.00 | 1.00 | - | 1.00 |
| Receptionist - PT | - | - | 1.20 | 1.20 | - | 1.20 |
| 311 Contact Center | - | 2.00 | 5.20 | 7.20 | - | 7.20 |
| Administrative Coordinator | 1.00 | 1.00 | (1.00) | - | - | - |
| Administrative Manager | - | - | 1.00 | 1.00 | - | 1.00 |
| Assistant Director of HR | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Department Specialist | - | - | 1.00 | 1.00 | - | 1.00 |
| Director of Human Resources | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| HR Business Partner | 3.00 | 3.00 | 1.00 | 4.00 | - | 4.00 |
| Human Resources Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| HR Specialist | 2.00 | 2.00 | (2.00) | - | - | - |
| Risk Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Safety Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Human Resources | 11.00 | 11.00 | - | 11.00 | - | 11.00 |
| Assistant City Attorney | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| City Attorney | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Executive Assistant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| First Assistant City Attorney | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| City Attorney | 6.00 | 6.00 | - | 6.00 | - | 6.00 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|---|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Director of Information Technology | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| End User Support Specialist | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| G.I.S. Specialist | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| IT Manager | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| IT Operations Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| IT Project Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Lead Programmer Analyst | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Project Analyst | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| System Administrator | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| System Analyst | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Telecommunications Specialist | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| User Services Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Information Technology | 23.00 | 23.00 | - | 23.00 | - | 23.00 |
| Performance & Accountability Analyst | - | - | 2.00 | 2.00 | - | 2.00 |
| Management Assistant I | 4.00 | 4.00 | (4.00) | - | - | - |
| Management Assistant II | 2.00 | 1.00 | (1.00) | - | - | - |
| Performance & Accountability Director | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Performance & Accountability Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Office of Performance & Accountability | 8.00 | 7.00 | (3.00) | 4.00 | - | 4.00 |
| Assistant Dir. Of Economic Dev. | 2.00 | 2.00 | (1.00) | 1.00 | - | 1.00 |
| Business Retention Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Compliance Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Cultural Arts Manager | 1.00 | 1.00 | (0.50) | 0.50 | - | 0.50 |
| Director of Economic Development | - | 1.00 | - | 1.00 | - | 1.00 |
| Executive Assistant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Executive Director of Business and Governmental Affairs | 1.00 | - | - | - | - | - |
| Intergov'tl Relations Manager | 0.50 | 1.00 | - | 1.00 | - | 1.00 |
| Public/Private Partnership Coordinator | 1.00 | 1.00 | (1.00) | - | - | - |
| Public/Private Partnership Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Economic Development | 9.50 | 10.00 | (2.50) | 7.50 | - | 7.50 |
| Tourism & Destination Services Administrator | 0.50 | 0.50 | (0.50) | - | - | - |
| Tourism & Destination Events | 0.50 | 0.50 | (0.50) | - | - | - |
| General Government Total | 85.70 | 92.70 | 2.00 | 94.70 | - | 94.70 |
| Director of Finance | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Assistant Director of Finance | - | 1.00 | - | 1.00 | - | 1.00 |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Financial/Investment Analyst | 1.00 | 1.00 | (1.00) | - | - | - |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Finance Administration | 3.00 | 4.00 | (1.00) | 3.00 | - | 3.00 |
| Budget Analyst | 3.00 | 2.00 | (1.00) | 1.00 | - | 1.00 |
| Budget Officer | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Financial Analyst | 1.00 | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Financial Analyst | - | 2.00 | - | 2.00 | - | 2.00 |
| Budget Office | 5.00 | 5.00 | - | 5.00 | - | 5.00 |
| Accountant I & II | 2.00 | 3.00 | (1.00) | 2.00 | - | 2.00 |
| Accounting Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Accounts Payable Specialist | 2.00 | 1.50 | - | 1.50 | - | 1.50 |
| Senior Accounts Payable Specialist | 1.00 | 2.00 | - | 2.00 | - | 2.00 |
| Accounts Payable Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Chief Accountant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Deputy Chief Accountant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Principal Accountant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Accountant | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Accounting | 11.00 | 12.50 | - | 12.50 | - | 12.50 |
| Administrative Specialist | 1.00 | - | - | - | - | - |
| Buyer | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Contracts Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Contracts Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Contracts Specialist | - | - | 1.00 | 1.00 | - | 1.00 |
| Department Specialist | - | - | 2.00 | 2.00 | - | 2.00 |
| Purchasing Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Purchasing Specialist | 2.00 | 3.00 | (3.00) | - | - | - |
| Purchasing | 7.00 | 7.00 | - | 7.00 | - | 7.00 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|--|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Compliance Collections Supervisor | - | - | 1.00 | 1.00 | - | 1.00 |
| Court Clerk | 4.00 | 4.00 | (1.00) | 3.00 | - | 3.00 |
| Court Docket Coordinator | 1.00 | 1.00 | (1.00) | - | - | - |
| Court Docket Specialist | - | - | 1.00 | 1.00 | - | 1.00 |
| Court Services Specialist | 1.00 | 1.00 | (1.00) | - | - | - |
| Court Services Supervisor | - | - | 1.00 | 1.00 | - | 1.00 |
| Deputy Court Administrator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Juvenile C.S.W. Coordinator - PT | 0.50 | - | - | - | - | - |
| Municipal Court Administrator | 1.00 | 1.00 | (1.00) | - | - | - |
| Municipal Court Administrator In Training | - | - | 1.00 | 1.00 | - | 1.00 |
| Municipal Court Judge | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Records Clerk - PT | 0.50 | - | - | - | - | - |
| Records Clerk | - | 1.00 | (1.00) | - | - | - |
| Sr. Court Clerk | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Warrant Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Municipal Court | 12.00 | 12.00 | - | 12.00 | - | 12.00 |
| Finance & Municipal Court Total | 38.00 | 40.50 | (1.00) | 39.50 | - | 39.50 |
| Administrative Manager | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Assistant Director of Public Works | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Director of Public Works | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Asset & Operations Manager | - | 0.50 | (0.50) | - | - | - |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Department Analyst | - | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Secretary | 1.00 | - | - | - | - | - |
| Public Works Administration | 4.00 | 4.50 | (0.50) | 4.00 | - | 4.00 |
| Crew Chief | 5.00 | 5.00 | - | 5.00 | - | 5.00 |
| Field Supervisor | 2.00 | 3.00 | - | 3.00 | - | 3.00 |
| General Maintenance Worker (I & II) | 8.00 | 12.00 | - | 12.00 | - | 12.00 |
| Project Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Contract Inspector | 1.00 | - | - | - | - | - |
| Street/Drainage Superintendent | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Street & Drainage Maintenance | 18.00 | 22.00 | - | 22.00 | - | 22.00 |
| Contract Services Monitor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| ROW Service Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| ROW Service Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| ROW Maintenance | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Engineer (I) | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Field Supervisor | 1.00 | 2.00 | - | 2.00 | - | 2.00 |
| Traffic Engr & Controls Manager | 1.00 | - | - | - | - | - |
| City Traffic Engineer | - | 1.00 | - | 1.00 | - | 1.00 |
| Traffic Mgmt Center Operator | - | 2.00 | - | 2.00 | - | 2.00 |
| Traffic Operations Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Traffic Technician (I & II) | 5.00 | 7.00 | - | 7.00 | - | 7.00 |
| Traffic Operations | 9.00 | 14.00 | - | 14.00 | - | 14.00 |
| Public Works Total | 34.00 | 43.50 | (0.50) | 43.00 | - | 43.00 |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Administrative Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Assistant Director of Parks & Recreation | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Director of Parks & Recreation | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Parks Administration | 6.00 | 6.00 | - | 6.00 | - | 6.00 |
| Crew Chief | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Field Supervisor | 1.00 | 1.00 | (1.00) | - | - | - |
| General Maintenance Worker (I & II) | 9.00 | 9.00 | - | 9.00 | - | 9.00 |
| Parks Superintendent | 1.00 | - | 1.00 | 1.00 | - | 1.00 |
| Parks Development Manager | - | 1.00 | - | 1.00 | - | 1.00 |
| Park Ambassador - PT | - | 0.50 | - | 0.50 | - | 0.50 |
| Temporary Help | 0.50 | - | - | - | - | - |
| Parks Development | 15.50 | 15.50 | - | 15.50 | - | 15.50 |
| Event Coordinator | - | 1.00 | - | 1.00 | - | 1.00 |
| Event Coordinator - PT | - | 1.00 | - | 1.00 | - | 1.00 |
| Event Production Manager | - | 1.00 | - | 1.00 | - | 1.00 |
| Special Events | - | 3.00 | - | 3.00 | - | 3.00 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|---|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Administrative Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Day Camp Counselor (seasonal) | 1.78 | 1.75 | - | 1.75 | - | 1.75 |
| Day Camp Lead Counselor (seasonal) | 0.46 | 0.50 | - | 0.50 | - | 0.50 |
| Day Camp Supervisor (seasonal) | 0.24 | 0.25 | - | 0.25 | - | 0.25 |
| Event Coordinator | 1.00 | - | - | - | - | - |
| Event Coordinator - PT | 1.00 | - | - | - | - | - |
| Event Production Manager | 1.00 | - | - | - | - | - |
| Parks Ambassador - PT | 1.81 | 1.80 | - | 1.80 | - | 1.80 |
| Parks Facility Technician | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Recreation Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Recreation Coordinator | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Recreation Specialist - PT | 2.98 | 3.00 | - | 3.00 | - | 3.00 |
| Recreation | 17.27 | 14.30 | - | 14.30 | - | 14.30 |
| Parks & Recreation Total | 38.77 | 38.80 | - | 38.80 | - | 38.80 |
| Director of Planning | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Transportation & Mobility Planner | 1.00 | - | - | - | - | - |
| Community Development Administration | 2.00 | 1.00 | - | 1.00 | - | 1.00 |
| Administrative Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Building Inspector | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Building Official | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Deputy Building Official | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Permits Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Permits Technician | 1.00 | 2.00 | - | 2.00 | - | 2.00 |
| Plans Examiner | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Sr. Building Inspector | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Sr. Permit Technician | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Temporary Help | 0.08 | 0.25 | - | 0.25 | - | 0.25 |
| Permits & Inspections | 15.08 | 16.25 | - | 16.25 | - | 16.25 |
| City Planner - Development | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Development Review Coordinator | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Planner I | - | 1.00 | (1.00) | - | - | - |
| Planner II | 1.00 | 2.00 | - | 2.00 | - | 2.00 |
| Principal Planner | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Planner | 2.00 | 1.00 | (1.00) | - | - | - |
| Planning & Development | 6.00 | 7.00 | (1.00) | 6.00 | - | 6.00 |
| City Planner - Long Range Plan | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Administrative Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Planner I | 1.00 | 1.00 | (1.00) | - | - | - |
| Planner II | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Planner | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Transportation & Long Range Planning | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Administrative Coordinator | 2.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Administrative Coordinator | - | 1.00 | - | 1.00 | - | 1.00 |
| Assistant City Engineer | 2.00 | 2.00 | (1.00) | 1.00 | - | 1.00 |
| City Engineer | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Construction Inspector | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Construction Services Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Engineer (I, II, III, IV) | 3.00 | 3.00 | 1.00 | 4.00 | - | 4.00 |
| Engineering Manager | - | - | 1.00 | 1.00 | - | 1.00 |
| Manager, Vertical Construction | - | - | 1.00 | 1.00 | - | 1.00 |
| Project Manager | 4.00 | 4.00 | (2.00) | 2.00 | - | 2.00 |
| Project Manager - Performing Arts Center | 1.00 | - | - | - | - | - |
| Project Manager - Facilities | - | 1.00 | (1.00) | - | - | - |
| Real Property Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Construction Inspector | 2.00 | 2.00 | (1.00) | 1.00 | - | 1.00 |
| Sr. Engineer | 2.00 | 2.00 | (1.00) | 1.00 | - | 1.00 |
| Sr. Engineer Manger | - | - | 1.00 | 1.00 | - | 1.00 |
| Transportation & Mobility Innovations Manager | - | - | 1.00 | 1.00 | - | 1.00 |
| City Engineer | 23.00 | 23.00 | (1.00) | 22.00 | - | 22.00 |
| Assistant Director of ENS | 2.00 | 1.00 | 1.00 | 2.00 | - | 2.00 |
| Community Outreach Coordinator | 1.00 | - | - | - | - | - |
| Director of Environmental & Neighborhood Services | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| ENS Administration | 4.00 | 2.00 | 1.00 | 3.00 | - | 3.00 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|--|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Automotive Technician (I & II) | 4.00 | 5.00 | - | 5.00 | - | 5.00 |
| Fleet Clerk | - | - | 1.00 | 1.00 | - | 1.00 |
| Fleet Services Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Fleet Services Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fleet Services | 7.00 | 8.00 | 1.00 | 9.00 | - | 9.00 |
| Administrative Coordinator | - | - | 1.00 | 1.00 | - | 1.00 |
| Courier | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Facilities Services Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Facilities Services Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Facility Services Technician | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Sr. Facility Services Tech | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Support Services Coordinator | 1.00 | 1.00 | (1.00) | - | - | - |
| Facilities Management | 8.00 | 8.00 | - | 8.00 | - | 8.00 |
| Administrative Coordinator | - | - | 1.00 | 1.00 | - | 1.00 |
| Animal Services Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Animal Services Officer | 3.00 | 4.00 | - | 4.00 | - | 4.00 |
| Animal Shelter Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Kennel Technician - P/T | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Kennel Technician | - | 1.00 | - | 1.00 | - | 1.00 |
| Administrative Coordinator | 1.00 | 1.00 | (1.00) | - | - | - |
| Temporary Help | 0.98 | 1.00 | - | 1.00 | - | 1.00 |
| Veterinary Technician | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Animal Services | 8.98 | 11.00 | - | 11.00 | - | 11.00 |
| Environmental Services Inspector | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Storm Water Coordinator | 1.00 | - | - | - | - | - |
| Stormwater Management | 1.50 | 0.50 | - | 0.50 | - | 0.50 |
| Sanitarian | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Sr. Sanitarian | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Food Inspection | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Code Compliance Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Code Enforcement Inspector | 3.00 | 4.00 | - | 4.00 | - | 4.00 |
| Department Specialist | - | - | 1.00 | 1.00 | - | 1.00 |
| Neighborhood Services Specialist | 1.00 | 1.00 | (1.00) | - | - | - |
| Code Enforcement | 5.00 | 6.00 | - | 6.00 | - | 6.00 |
| Code Compliance Administrator | - | 1.00 | (1.00) | - | - | - |
| Code Compliance Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Code Enforcement Inspector | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Residential Rental Inspector | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Rental Registration | 3.00 | 4.00 | (1.00) | 3.00 | - | 3.00 |
| Environmental and Neighborhood Services Total | 41.48 | 43.50 | 1.00 | 44.50 | - | 44.50 |
| Community Development Total | 91.56 | 94.75 | (1.00) | 93.75 | - | 93.75 |
| Administrative Manager | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Assistant Police Chief | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Crime Analyst | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Department Analyst | 1.00 | - | - | - | - | - |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Police Chief | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Police Sergeant | 1.00 | 1.00 | (1.00) | - | - | - |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Police Administration | 8.50 | 7.50 | (2.00) | 5.50 | - | 5.50 |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Administrative Manager | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Police Captain | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Police Lieutenant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Police Officer | 3.00 | 4.00 | 8.60 | 12.60 | - | 12.60 |
| Police Sergeant | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Receptionist | 1.00 | 1.00 | (1.00) | - | - | - |
| Records Clerk | 4.00 | 4.00 | (4.00) | - | - | - |
| Records Manager | - | 0.50 | (0.50) | - | - | - |
| Sr. Secretary | 2.00 | 2.00 | (2.00) | - | - | - |
| Support Services Bureau | 14.50 | 16.00 | 2.10 | 18.10 | - | 18.10 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|--|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Administrative Assistant | - | - | 2.00 | 2.00 | - | 2.00 |
| Crime Analyst | - | - | 1.00 | 1.00 | - | 1.00 |
| Police Captain | - | - | 1.00 | 1.00 | - | 1.00 |
| Police Lieutenant | - | - | 1.00 | 1.00 | - | 1.00 |
| Police Sergeant | - | - | 2.00 | 2.00 | - | 2.00 |
| Records Clerk | - | - | 5.00 | 5.00 | - | 5.00 |
| Records Manager | - | - | 0.50 | 0.50 | - | 0.50 |
| Professional Services | - | - | 12.50 | 12.50 | - | 12.50 |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Police Captain | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Police Lieutenant | 7.00 | 8.00 | (1.00) | 7.00 | - | 7.00 |
| Police Officer | 84.00 | 96.00 | (5.00) | 91.00 | - | 91.00 |
| Crime Prevention Officer | - | 1.00 | (1.00) | - | - | - |
| Police Sergeant | 18.00 | 21.00 | (1.00) | 20.00 | - | 20.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Patrol | 111.00 | 128.00 | (8.00) | 120.00 | - | 120.00 |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Asst. Victim Services Liaison - P/T | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Crime Analyst | 1.00 | 1.00 | (1.00) | - | - | - |
| Crime Scene Technician | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Police Captain | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Police Lieutenant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Police Officer | 21.50 | 21.50 | 0.50 | 22.00 | - | 22.00 |
| Detectives | - | 3.00 | (3.00) | - | - | - |
| Police Sergeant | 5.00 | 5.00 | (1.00) | 4.00 | - | 4.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Warrant Clerk | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Criminal Investigations | 34.00 | 37.00 | (4.50) | 32.50 | - | 32.50 |
| Detention Officer | 5.00 | 5.00 | - | 5.00 | - | 5.00 |
| Police Sergeant | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Detention Center | 6.00 | 6.00 | - | 6.00 | - | 6.00 |
| Deputy PS Dispatch Manager | 1.00 | - | - | - | - | - |
| PS Dispatch Shift Supervisor | 4.00 | 6.00 | - | 6.00 | - | 6.00 |
| PS Dispatcher PT | 1.00 | 1.00 | 0.50 | 1.50 | - | 1.50 |
| PS Quality Assurance Supervisor | 1.00 | - | - | - | - | - |
| Public Safety Dispatch Director | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Public Safety Dispatch Manager | - | 2.00 | - | 2.00 | - | 2.00 |
| Public Safety Dispatch Recruit | 1.00 | 10.00 | (4.50) | 5.50 | - | 5.50 |
| Public Safety Dispatcher (I & II) | 18.00 | 15.00 | 4.00 | 19.00 | - | 19.00 |
| Public Safety Dispatch | 27.00 | 35.00 | - | 35.00 | - | 35.00 |
| Police & Public Safety Dispatch Total | 201.00 | 229.50 | 0.10 | 229.60 | - | 229.60 |
| Administrative Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Administrative Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fire Chief | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fire Administration | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Assistant Fire Chief | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Battalion Chief | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Fire Captain | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fire Driver | 21.00 | 21.00 | - | 21.00 | - | 21.00 |
| Fire Lieutenant | 22.00 | 22.00 | 1.00 | 23.00 | - | 23.00 |
| Firefighter | 42.00 | 42.00 | - | 42.00 | - | 42.00 |
| Emergency Services | 90.00 | 90.00 | 1.00 | 91.00 | - | 91.00 |
| Battalion Chief EMS | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fire Captain | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Firefighter | 11.00 | 18.00 | - | 18.00 | - | 18.00 |
| Emergency Medical Services | 13.00 | 20.00 | - | 20.00 | - | 20.00 |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Asst. Fire Chief | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Asst. Fire Marshall | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fire Captain | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fire Inspector/Investigator | 2.00 | 3.00 | - | 3.00 | - | 3.00 |
| Fire Lieutenant | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Prevention | 8.00 | 9.00 | - | 9.00 | - | 9.00 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|--|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Assistant Fire Chief | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Emergency Mgmt Specialist | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Emergency Management | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Assistant Fire Chief | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Battalion Chief Admin | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Battalion Chief/Training | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Fire Captain | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Professional Development | 5.00 | 5.00 | - | 5.00 | - | 5.00 |
| Fire Total | 122.00 | 130.00 | 1.00 | 131.00 | - | 131.00 |
| GENERAL FUND | 611.03 | 669.75 | 0.60 | 670.35 | - | 670.35 |
| LESS PROGRAM EMPLOYEES | (10.00) | (4.00) | - | (4.00) | - | (4.00) |
| LESS TEMPORARY EMPLOYEES | (1.56) | (1.25) | - | (1.25) | - | (1.25) |
| GENERAL FUND NET | 599.47 | 664.50 | 0.60 | 665.10 | - | 665.10 |
| Police Officer | 0.50 | 0.50 | (0.10) | 0.40 | - | 0.40 |
| Court Security | 0.50 | 0.50 | (0.10) | 0.40 | - | 0.40 |
| COURT SECURITY FUND | 0.50 | 0.50 | (0.10) | 0.40 | - | 0.40 |
| Destination Event Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| SPECIAL EVENTS | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Visitor Service Specialist (P/T) | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Visitor Services Supervisor | - | 1.00 | - | 1.00 | - | 1.00 |
| Cultural Arts Manager | - | - | 0.50 | 0.50 | - | 0.50 |
| Convention & Visitors Bureau | 1.00 | 2.00 | 0.50 | 2.50 | - | 2.50 |
| Tourism Coordinator | 1.00 | - | - | - | - | - |
| Tourism & Destination Services Administrator | 0.50 | 0.50 | 0.50 | 1.00 | - | 1.00 |
| Tourism & Visitor Services Manager | - | - | 1.00 | 1.00 | - | 1.00 |
| Tourism & Marketing Manager | 1.00 | 1.00 | (1.00) | - | - | - |
| Tourism Program | 2.50 | 1.50 | 0.50 | 2.00 | - | 2.00 |
| TOURISM FUND | 3.50 | 3.50 | 1.00 | 4.50 | - | 4.50 |
| Records Manager | - | 0.50 | - | 0.50 | - | 0.50 |
| Administrative Coordinator | 0.50 | - | - | - | - | - |
| Safe Light Sugar Land | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| RED LIGHT CAMERA FUND | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| SPECIAL REVENUE FUNDS | 5.50 | 5.50 | 0.90 | 6.40 | - | 6.40 |
| Administrative Manager | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Assistant Director of Public Works | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Asset & Operations Manager | - | 0.50 | (0.50) | - | - | - |
| Contract Services Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Director of Public Works | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Executive Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Sr. Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Sr. Secretary | 1.00 | 1.00 | (1.00) | - | - | - |
| Utility Administration | 5.00 | 5.50 | (1.50) | 4.00 | - | 4.00 |
| Crew Chief | 4.00 | 5.00 | - | 5.00 | - | 5.00 |
| Facility Operations Manager | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Field Operations Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Field Supervisor | 0.50 | 1.00 | - | 1.00 | - | 1.00 |
| General Maintenance Worker (I & II) | 4.00 | 6.00 | - | 6.00 | - | 6.00 |
| Water Distribution | 10.00 | 13.50 | - | 13.50 | - | 13.50 |
| Field Supervisor | 1.00 | 1.00 | 0.50 | 1.50 | - | 1.50 |
| I & C Technician | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Lead Operator | 1.00 | - | - | - | - | - |
| Lead Utilities Operator | - | 2.00 | - | 2.00 | - | 2.00 |
| Utilities Operator | 1.50 | 3.50 | - | 3.50 | - | 3.50 |
| Water Services Supervisor | 0.50 | 0.50 | (0.50) | - | - | - |
| Water Production | 4.50 | 7.50 | - | 7.50 | - | 7.50 |
| Crew Chief | 2.00 | 3.00 | - | 3.00 | - | 3.00 |
| Electrician | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Field Supervisor | 0.50 | 1.00 | - | 1.00 | - | 1.00 |
| General Maintenance Worker (I & II) | 5.00 | 6.00 | - | 6.00 | - | 6.00 |
| Wastewater Collection | 8.00 | 10.50 | - | 10.50 | - | 10.50 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|---|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Crew Chief | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Electrician | - | 1.00 | - | 1.00 | - | 1.00 |
| Facility Support Specialist | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Field Supervisor | - | - | 0.50 | 0.50 | - | 0.50 |
| P&M Technician I | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| P&M Technician II | - | 1.00 | - | 1.00 | - | 1.00 |
| Utilities Operator | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Water Services Supervisor | 0.50 | 0.50 | (0.50) | - | - | - |
| Wastewater Treatment | 6.00 | 8.00 | - | 8.00 | - | 8.00 |
| Crew Chief | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Field Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| General Maintenance Worker II | 6.00 | 8.00 | - | 8.00 | - | 8.00 |
| Customer Service | 9.00 | 11.00 | - | 11.00 | - | 11.00 |
| Lab Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Lab Technician | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Pretreatment Coordinator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Water Quality Technician | 2.00 | 3.00 | - | 3.00 | - | 3.00 |
| Water Quality | 4.50 | 5.50 | - | 5.50 | - | 5.50 |
| Water Conservation Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Water Conservation | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Electrician | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| I & C Technician | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Lab Technician | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Facility Operations Manager | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Intergov'tl Relations Manager | 0.50 | - | - | - | - | - |
| General Maintenance Worker II | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Lead Operator | 2.00 | - | - | - | - | - |
| Lead Utilities Operator | - | 2.00 | - | 2.00 | - | 2.00 |
| Mechanic | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Utilities Operator | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Surface Water Chief Operator | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Surface Water Plant Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Water Resources Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Surface Water | 12.50 | 12.00 | - | 12.00 | - | 12.00 |
| Billing/Collection Spec. (I & II) | 3.00 | 4.00 | - | 4.00 | - | 4.00 |
| Billing Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Customer Service Rep | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Collections & Customer SVC Sup (I & II) | 1.00 | 2.00 | (1.00) | 1.00 | - | 1.00 |
| Department Specialist | - | - | 1.00 | 1.00 | - | 1.00 |
| Treasury Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Treasury Specialist | 1.00 | 1.00 | (1.00) | - | - | - |
| Treasury | 11.00 | 13.00 | (1.00) | 12.00 | - | 12.00 |
| UTILITY SYSTEM FUND | 71.50 | 87.50 | (2.50) | 85.00 | - | 85.00 |
| Sr. Secretary | - | 1.00 | (1.00) | - | - | - |
| Administrative Assistant | - | - | 1.00 | 1.00 | - | 1.00 |
| Administrative Manager | - | - | 1.00 | 1.00 | - | 1.00 |
| Administrative Secretary | 1.00 | - | - | - | - | - |
| Administrative Specialist | 1.00 | - | - | - | - | - |
| Administrative Supervisor | 1.00 | 1.00 | (1.00) | - | - | - |
| Airport Business Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Airport Development Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Airport Leasing Coordinator | - | - | 1.00 | 1.00 | - | 1.00 |
| Airport Specialist | - | 1.00 | (1.00) | - | - | - |
| Assistant Director of Aviation | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Director of Aviation | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Airport Administration | 7.00 | 7.00 | - | 7.00 | - | 7.00 |
| Airport Operations Agent | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Airport Operations Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Airport Operations Specialist | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Airfield Operations | 3.00 | 3.00 | - | 3.00 | - | 3.00 |

| Position Title | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Adjustments | FY19 Budget |
|-------------------------------------|----------------|----------------|---------------------|---------------------|---------------------|----------------|
| Airport Services Rep - P/T | 0.50 | 0.50 | - | 0.50 | - | 0.50 |
| Airport Services Rep I | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Airport Services Rep II | 2.00 | 2.00 | 1.00 | 3.00 | - | 3.00 |
| ASR Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Line Services Superintendent | - | 1.00 | - | 1.00 | - | 1.00 |
| Field Supervisor Superintendent | 1.00 | - | - | - | - | - |
| Line Crew I | 9.00 | 7.00 | - | 7.00 | - | 7.00 |
| Line Crew II | 3.00 | 2.00 | 1.00 | 3.00 | - | 3.00 |
| Line Crew III | - | 3.00 | (1.00) | 2.00 | - | 2.00 |
| Line Services Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Line Supervisor | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| FBO Services | 22.50 | 22.50 | 1.00 | 23.50 | - | 23.50 |
| Café Attendant I | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Café Supervisor | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Café Select | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Airfield & Facilities Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Crew Chief | 2.00 | 2.00 | - | 2.00 | - | 2.00 |
| Custodian - PT | - | 1.50 | - | 1.50 | - | 1.50 |
| Janitor | 1.50 | - | - | - | - | - |
| General Maintenance Worker (I & II) | 6.00 | 6.00 | (1.00) | 5.00 | - | 5.00 |
| Grounds & Runway Technician | - | - | 1.00 | 1.00 | - | 1.00 |
| Maintenance & Operations | 10.50 | 10.50 | - | 10.50 | - | 10.50 |
| AIRPORT FUND | 46.00 | 46.00 | 1.00 | 47.00 | - | 47.00 |
| Environmental Manager | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Environment Coordinator | - | 1.00 | - | 1.00 | - | 1.00 |
| Environment Services Inspector | 1.50 | 1.50 | - | 1.50 | - | 1.50 |
| Solid Waste | 2.50 | 3.50 | - | 3.50 | - | 3.50 |
| SOLID WASTE FUND | 2.50 | 3.50 | - | 3.50 | - | 3.50 |
| TOTAL ENTERPRISE FUNDS | 120.00 | 137.00 | (1.50) | 135.50 | - | 135.50 |
| TOTAL ALL FUNDS | 724.97 | 807.00 | - | 807.00 | - | 807.00 |
| Less Seasonal | (2.48) | (2.50) | - | (2.50) | - | (2.50) |
| TOTAL FULL TIME EQUIVALENT | 722.49 | 804.50 | - | 804.50 | - | 804.50 |

Property Taxes

The City's property tax is levied each October 1st on the certified assessed value as of January 1st for all real and personal property. The appraisal of property is the responsibility of the Fort Bend Central Appraisal District. Appraisals may be challenged through various appeals and, if necessary, legal action. The City is permitted by the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services including the payment of principal and interest on general obligation long-term debt.

The City owns and operates the Sugar Land Regional Airport and has a policy to transfer all taxes received on airport valuations to the Airport Enterprise Fund for operating expenses and development. The City also has a policy whereby the City rebates a portion of the property taxes collected from in-City MUDs back to the districts.

In 1998, TIRZ#1 was formed, which includes Sugar Land Town Square. Taxes assessed and collected by the participating entities (City, County, and LID #2) over and above the base value of the property upon creation of the TIRZ #1 (\$5.5 million) are deposited to the benefit of the TIRZ to support improvements within the TIRZ #1. For FY19 the City expects to contribute \$610,354 in property tax for TIRZ#1 at 100% participation.

TIRZ #3 – Imperial was formed in 2007. The purpose of TIRZ #3 is to facilitate a program of public improvements to allow the development and redevelopment of property as a master-planned and mixed-use community. Taxes assessed and collected by the participating entities (City and County) over and above the base value of the property upon creation of the TIRZ #3 (\$5.6 million) are deposited to the benefit of the TIRZ. Included in the development is the preservation and/or reuse of certain historic structures at the Imperial Sugar site and the location of a museum to house Imperial Sugar artifacts. For FY19 the City expects to contribute \$335,407 in property tax for TIRZ#3 at 50% participation.

TIRZ #4 – located at US59 and University Boulevard was formed in 2009. Taxes assessed and collected by the participating entities (City, County, Fort Bend MUD138, and Fort Bend MUD139) over and above the base value of the property upon creation of the TIRZ #4 (\$21.5 million) are deposited to the benefit of the TIRZ. The purpose of the zone is to support development of employment, commercial, cultural arts, and an entertainment district within an urban-density mixed-use center. For FY19 the City expects to

contribute \$287,136 in property tax for TIRZ#4 at 50% participation.

Fiscal Year 2018

The total property tax collections for FY18 are projected to be \$40,799,296 or 99.5% of the adjusted levy, including all three TIRZs. Revenues are distributed between operations and maintenance (\$22,406,666), debt service (\$17,305,433), TIRZ # 1 (\$558,255), TIRZ #3 (\$279,873), and TIRZ #4 (\$249,069).

Fiscal Year 2019

The certified net assessed valuation of \$16,098,562,501 for tax year 2018 is \$3,188,696,228 or 24.7% greater than the 2018 adjusted tax roll, including values inside the TIRZs. The majority of this increase is due to the annexation of nine municipal utility districts in December 2017. Of the \$16.1 billion in taxable value, \$193.13 million is incremental value in TIRZ #1, \$106.13 million in TIRZ #3, and \$90.86 million in TIRZ #4. Taxes collected on the incremental value from each TIRZ will be allocated from the City. Net assessed residential value increased 34.35%, and net assessed commercial value increased by 6.26% over the 2017 adjusted tax roll, including new value. Based on the certified tax roll and the 2018 tax rate of \$0.31762 per \$100 of assessed value, the anticipated tax collections for FY19 are \$50,870,843 at a 99.5% collection rate or \$10,071,547 greater than FY18 projections including the three TIRZs. Based on the 99.5% collection rate, \$49,643,696 will remain with the City and \$1,227,147 will be conveyed to the three TIRZs.

The homestead exemption for tax year 2018 remains the same as in tax year 2017 at 10%. The optional exemption for over-65 and disabled persons remains at \$70,000.

The overall adopted tax rate for tax year 2018 is \$0.31762. The allocation for tax year 2017 and 2018 tax rate is as follows:

| | 2017 | % | 2018 | % |
|--------------|----------------|----------------|----------------|----------------|
| M&O | \$ 0.17921 | 56.42% | \$ 0.18131 | 57.08% |
| Debt Service | 0.13841 | 43.58% | 0.13631 | 42.92% |
| Total | 0.31762 | 100.00% | 0.31762 | 100.00% |

Texas truth-in-taxation laws require public notices, a public vote and public hearings for adoption of a tax rate that exceeds the effective tax rate. The effective tax rate is the tax rate that would generate the same tax revenues in tax year 2018 as the 2017 tax rate did in the prior year, based on the values of properties that are taxed in both years. The rollback rate allows for an 8% increase in the operations and maintenance rate, after accounting for the impact of sales tax

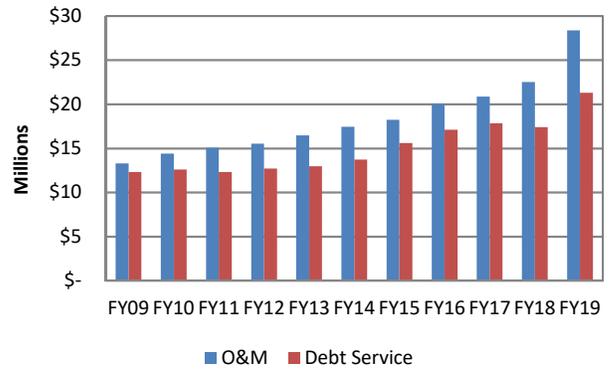
for property tax reduction. The results of the effective tax rate calculations are as follows:

Effective Tax Rate \$0.30948
 Rollback Rate \$0.34341

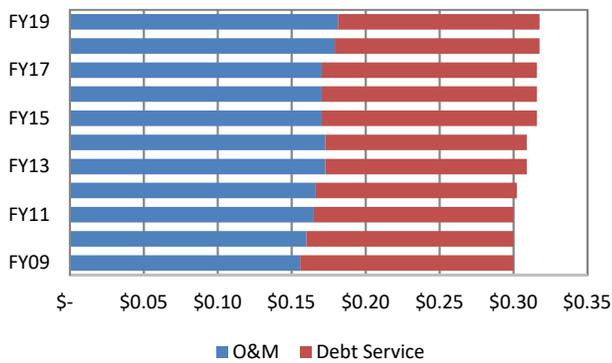
Based on the average residential value of \$375,210 with a 10% homestead exemption at the adopted 2018 tax rate of \$0.31762, the average tax bill is \$1,072.

The charts below represent historical views of the City’s tax rate and the allocation of the levy based on the tax rate.

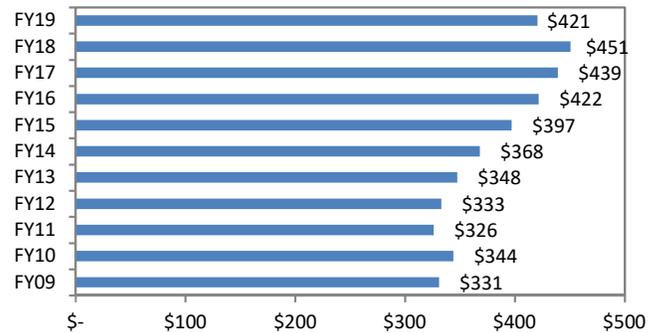
Historical Tax Levy



Tax Rate by Fiscal Year



Property Taxes per Capita*



In FY19, property taxes per capita, excluding TIRZ valuation, is approximately \$421. Taxes per capita decreased in FY19 due the population increase associated with the annexation, with a new population of 118,023.

* Excludes TIRZ Valuation

**CITY OF SUGAR LAND
TAX COLLECTIONS**

| | FY17 Adjusted Levy | FY18 Budget Certified Levy | FY18 Projections Adjusted Levy | FY19 Base Budget | FY19 Changes | FY19 Budget Adopted Levy |
|------------------------------|-----------------------|----------------------------------|--------------------------------------|---------------------|-----------------|--------------------------------|
| REVENUES: | | | | | | |
| City Levy | \$38,851,395 | \$40,090,782 | \$39,911,657 | \$49,893,162 | | \$49,893,162 |
| TIRZ #1 | 478,251 | 561,050 | 561,060 | 613,422 | - | 613,422 |
| TIRZ #3 | 144,049 | 275,047 | 281,279 | 331,314 | - | 331,314 |
| TIRZ #4 | 208,880 | 253,037 | 250,321 | 288,578 | - | 288,578 |
| Total Tax Levy @ 100% | 39,705,800 | 41,224,586 | 41,004,317 | 51,126,476 | | 51,126,476 |
| Collection Rate 99.5% | 39,507,271 | 41,018,463 | 40,799,296 | 50,870,843 | | 50,870,843 |
| ALLOCATION: | | | | | | |
| Maintenance | 20,842,676 | 22,507,228 | 22,406,666 | 28,010,348 | 328,228 | 28,338,576 |
| Debt | 17,814,462 | 17,383,100 | 17,305,433 | 21,633,348 | -328,228 | 21,305,120 |
| Total City Revenues | 38,657,138 | 39,890,328 | 39,712,099 | 49,643,696 | | 49,643,696 |
| TIRZ #1 | 475,859 | 558,245 | 558,255 | 610,354 | | 610,354 |
| TIRZ #3 | 143,329 | 273,672 | 279,873 | 329,657 | | 329,657 |
| TIRZ #4 | 207,836 | 251,771 | 249,069 | 287,136 | | 287,136 |
| TOTAL TAX REVENUE | \$39,484,162 | \$40,974,017 | \$40,799,296 | \$50,870,843 | | \$50,870,843 |

| <u>Tax Year</u> | <u>2016</u> | <u>2017</u> | <u>2017</u> | <u>2018</u> | <u>2018</u> | <u>2018</u> |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|-----------------------|
| Net Assessed Value | \$12,567,115,139 | \$12,979,216,179 | \$12,909,866,273 | \$16,098,562,501 | | \$16,098,562,501 |
| TIRZ #1 Value @ 100% | (151,369,076) | (176,642,055) | (176,645,055) | (193,130,657) | | (193,130,657) |
| TIRZ #3 Value @ 50% | (45,592,471) | (86,596,312) | (88,558,381) | (106,130,711) | | (106,130,711) |
| TIRZ #4 Value @ 50% | (66,111,776) | (79,666,459) | (78,811,392) | (90,856,507) | | (90,856,507) |
| Taxable to City | 12,296,690,838 | 12,622,247,347 | 12,565,851,446 | 15,708,444,627 | | 15,708,444,627 |
| Tax Rate Per \$100 | | | | | | |
| Maintenance | \$ 0.17035 | \$ 0.17921 | \$ 0.17921 | \$ 0.17921 | \$ 0.00210 | \$ 0.18131 |
| Debt | 0.14560 | 0.13841 | 0.13841 | 0.13841 | (0.00210) | 0.13631 |
| Total Tax Rate | \$ 0.31595 | \$ 0.31762 | \$ 0.31762 | \$ 0.31762 | \$ - | \$ 0.31762 |
| Tax Rate Split: | | | | | | |
| Maintenance | 53.92% | 56.42% | 56.42% | 56.42% | | 57.08% |
| Debt | 46.08% | 43.58% | 43.58% | 43.58% | | 42.92% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | | 100.00% |
| Certified Levy - 100% | \$38,851,395 | \$40,090,782 | \$39,911,657 | \$49,893,162 | | \$49,893,162 |

**CITY OF SUGAR LAND
ANALYSIS OF CERTIFIED TAX ROLL**

| Tax Year | Supplement #9 2017 FY18 | Certified 2018 FY19 | % Change |
|-------------------------------------|-------------------------------|---------------------------|---------------|
| No. of Items | 39,645 | 50,436 | 27.22% |
| Residential Property: | | | |
| Land | \$ 2,019,261,170 | \$ 2,498,655,714 | 23.74% |
| Improvements | 7,674,309,376 | 10,455,516,699 | 36.24% |
| Total Residential Property | 9,693,570,546 | 12,954,172,413 | 33.64% |
| Commercial Property: | | | |
| Land | 1,093,807,784 | 1,262,769,154 | 15.45% |
| Improvements | 3,218,388,192 | 3,344,637,430 | 3.92% |
| Personal Property | 1,465,113,615 | 1,479,437,674 | 0.98% |
| Total Commercial Property | 5,777,309,591 | 6,086,844,258 | 5.36% |
| Agricultural Property | 11,030,700 | 10,513,100 | -4.69% |
| Automobiles | 110,823,178 | 133,597,965 | 20.55% |
| Total Market Value | 15,592,734,015 | 19,185,127,735 | 23.04% |
| Productivity Loss | (10,828,370) | (10,307,510) | -4.81% |
| Homestead CAP Adjustment | (34,705,235) | (40,347,071) | 16.26% |
| Exempt Properties | (1,116,209,066) | (1,155,989,337) | 3.56% |
| Total Assessed Value | 14,430,991,344 | 17,978,483,817 | 24.58% |
| Less: | | | |
| Homestead Exemptions | (803,716,092) | (1,058,078,340) | 31.65% |
| Over 65 Exemptions | (441,412,809) | (553,974,747) | 25.50% |
| Disabled Persons Exemptions | (14,748,661) | (18,242,051) | 23.69% |
| Disabled Veterans Exemptions | (1,612,750) | (2,169,500) | 34.52% |
| Disabled Veterans 100% | (20,317,963) | (26,473,606) | 30.30% |
| First Responder Surviving Spouse | | (159,220) | |
| Abatements | (119,616,988) | (111,281,196) | -6.97% |
| Pollution | (5,676,820) | (4,971,325) | -12.43% |
| Personal Leased Vehicles | (93,249,436) | (104,191,279) | 11.73% |
| Prorated Exempt Property | (5,337,044) | (367,942) | -93.11% |
| Disaster Exemption | (15,422,878) | | -100.00% |
| House Bill 366 Exemptions | (13,630) | (12,111) | -11.15% |
| Total Exemptions | (1,521,125,071) | (1,879,921,316) | 23.59% |
| Net Assessed Valuation (NAV) | 12,909,866,273 | 16,098,562,501 | 24.70% |
| Less: TIRZ #1 Value @ 100% | (176,645,055) | (193,130,657) | 9.33% |
| Less: TIRZ #3 Value @ 50% | (88,558,381) | (106,130,711) | 19.84% |
| Less: TIRZ #4 Value @ 50% | (78,811,392) | (90,856,507) | 15.28% |
| Taxable Valuation to City | \$ 12,565,851,446 | \$ 15,708,444,627 | 25.01% |

**CITY OF SUGAR LAND
PRINCIPAL TAXPAYERS
2018 TOP TEN**

| Taxpayer | Type of Business | 2018 Taxable Assessed Valuation | Percentage of Total Net Assessed Valuation |
|---|-------------------------|--|---|
| 1 LCFRE Sugar Land Town Square LLC | Mixed-Use Development | \$ 126,274,299 | 0.78% |
| 2 AmerisourceBergen Drug Corporation | Pharmacy/Medical | 121,651,480 | 0.76% |
| 3 Tramontina USA Inc | Manufacturing | 105,711,410 | 0.66% |
| 4 First Colony Mall LLC | Shopping Center | 87,022,910 | 0.54% |
| 5 Lakepointe Assets LLC | Real Estate/Engineering | 84,341,250 | 0.52% |
| 6 Sugar Creek/EPG LLC & Sugar Creek TIC Investors LLC | Real Estate | 64,970,390 | 0.40% |
| 7 Schlumberger Tech Corp | Energy Technology | 56,549,520 | 0.35% |
| 8 Nalco Texas Leasing LLC | Energy Technology | 49,290,410 | 0.31% |
| 9 BRE RC Riverpark SC TX LP | Shopping Center | 46,614,226 | 0.29% |
| 10 Houston Sugar Creek LLC | Energy Services | 45,884,310 | 0.29% |
| Other | | 15,310,252,296 | 95.10% |
| Total Net Assessed Valuation - Certified Roll | | 16,098,562,501 | 100.00% |

Debt Service Funds

The City has two debt service funds, a tax-exempt Debt Service Fund for the repayment of tax-exempt debt for certificates of obligation and general obligation bonds, and a taxable Debt Service Fund established for the repayment of taxable debt issued for the Smart Financial Centre at Sugar Land.

The Debt Service Funds account for the issuance of debt and provides for the payment of debt principal and interest as they come due. In the Debt Service Fund for tax-exempt debt, an ad valorem (property) tax rate and tax levy is required to be computed and levied to produce sufficient revenue to satisfy annual debt service requirements. The City has no general obligation legal debt limit other than a ceiling on the tax rate specified by the State of Texas. Under the rules of the Texas Attorney General, the City may issue general obligation debt in an amount no greater than that which can be serviced by a debt service tax rate of \$1.50 per \$100 assessed valuation based on 99% collection.

The City’s tax backed bond rating is “AAA” by Fitch Ratings and Standard and Poor’s.

The City’s Financial Management Policy Statements designate that property taxes generated from the Airport are to be transferred to the Airport in support of development and operations. The City also has a policy to rebate 50% of the city property taxes collected from properties within in-City MUDs back to the districts. The Debt Service Fund expenditures include the debt service component of these agreements.

General Debt Service Fund

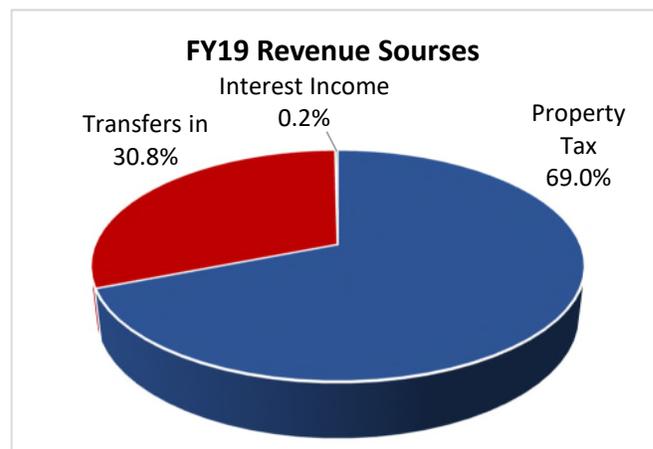
Fiscal Year 2018

Revenues total \$29,118,074, which includes \$17,488,211 in current and delinquent property taxes, and a total of \$7.5 million from the annexation of Greatwood and New Territory for the district property tax and fund balance. Other funding sources include transfers from other funds and interest income. Transfers from the Utility Fund and Tourism Fund support debt service related to activities supported by those funds. Transfers from CIP represent the funds needed from transportation fees to support debt issued for University Boulevard South.

Expenditures are projected at \$28,856,724, which includes \$26,908,344 in debt service payment, \$25,000 for fiscal fees, \$1,821,020 for rebates to in-City MUDs, \$93,243 transfer to the Airport Fund for taxes collected on Airport values, and \$9,117 to the Enclave at River Park Public Improvement District. The fund balance at 9/30/18 is projected to be \$5,187,492, which is \$2,496,658 over the fund balance policy requirement of 10% of annual debt service.

Fiscal Year 2019

Total revenues are budgeted for \$30,915,299. Funding from property taxes includes \$21,280,000 in current property taxes and \$54,000 in delinquent property taxes. Total property taxes for \$21,334,000 represents 69.0% of funding sources. Tax revenues are budgeted based on the 2018 certified tax roll and a debt tax rate of \$0.13631 per \$100 valuation. Other funding sources include transfers from the Utility Fund, CIP Funds, Tourism Fund, Debt Reduction Funds, Enclave at River Park Fund, and interest income.



The budget includes 100% recovery on water/wastewater debt assumed from MUDs through an inter-fund transfer. The FY19 transfer from the Utility Fund totals \$6,086,153.

In 2002, the City issued \$10.1 million in combination Tax and Hotel Occupancy Tax COs for a portion of the \$19.3 million total City contribution to construction of a conference center in the Sugar Land Marriott. The certificates are backed by a pledge of Hotel Occupancy Taxes. This issue was refunded in FY10 with the GO Refunding Bonds, Series 2010 with the savings being passed on to the Tourism Fund. For FY19, \$708,113 will be transferred to cover the debt service requirement for the conference center. In addition, a total of \$692,038 will also be transferred to cover the annual debt payment for debt issued in FY15 to fund a portion of the Smart Financial Centre at Sugar Land along with the adjacent plaza.

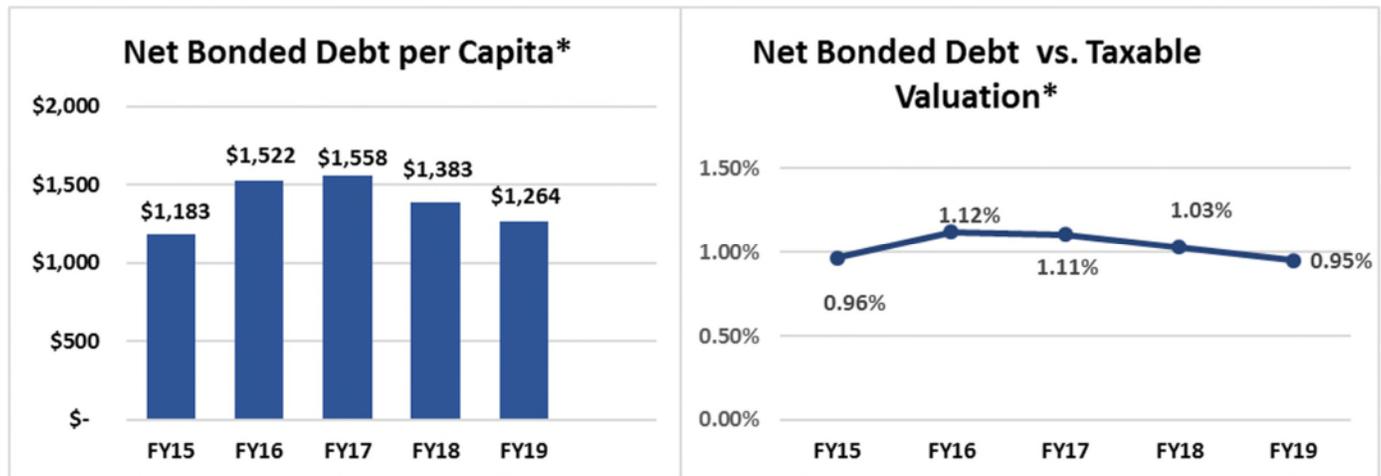
There are also a transfers in from Non-Bond CIP fund from transportation fees for \$472,500 to support the debt issued for University Boulevard South, from Enclave at River Park Fund for \$179,000 to support debt issued to reimburse to the developer, from CIP Bond fund for \$133,405 to help offset the debt for GO Bonds, and from Debt Reduction Funds (Greatwood and New Territory) for \$1,250,090 to pay down remaining debt from annexed districts.

The debt service requirement on the current outstanding and the anticipated debt is \$27,986,461. Fiscal fees are budgeted at \$25,250.

Rebates to in-City MUDs and inter-fund transfers total \$1,852,554.

The budgeted ending fund balance at 9/30/19 is \$6,353,558, which is \$3,572,132 above the policy requirement of 10% of annual debt service requirements.

For FY19 the ratio of net bonded debt to taxable value is expected to decrease from 1.03% to 0.95%, which is a healthy ratio. The ratio is utilized by bond rating agencies to compare the City’s ability to repay debt. Net bonded debt per capita is expected to decrease from \$1,383 to \$1,264.



- Excludes anticipated new debt

Debt Service Fund – Taxable Debt

One of the sources of funding for the Smart Financial Centre at Sugar Land is taxable Certificates of Obligation for \$27 million. The taxable CO issue carries the City's AAA bond rating from Standard and Poor's and Fitch, and will not be repaid by property taxes. While the Smart Financial Centre at Sugar Land was under construction, the SLDC covered the debt service payments (interest only) for the 2015 and 2016 debt service payments. As the lease began in December 2016, lease payments from ACE now supports the debt payments and will eventually fund a debt service reserve equal to the last three years' debt payments. Payments will be made monthly according to the terms of the thirty-year lease.

Fiscal Year 2018

Total revenues are projected at \$1,602,049. Lease revenue from ACE Sugar Land, LLC for the Smart Financial Centre at Sugar Land is projected at \$1,601,299 and interest income of \$750.

Total debt service payments due in fiscal year 2018 is \$1,591,199. Fiscal fees are budgeted at \$1,000.

The projected ending fund balance at 9/30/18 is \$632,723.

Fiscal Year 2019

Total revenues are budgeted for \$1,904,486. Lease revenue from ACE Sugar Land, LLC for the Smart Financial Centre at Sugar Land is budgeted at \$1,901,286 and interest income of \$3,200.

Total debt service payments due in fiscal year 2019 is \$1,591,199. Payments are due in December and June. Fiscal fees are budgeted at \$1,000.

The budgeted fund balance at 9/30/19 is \$644,823.

**CITY OF SUGAR LAND
DEBT SERVICE FUND
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|--|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Current Property Tax | \$ 17,826,870 | \$ 17,369,811 | \$ 17,369,811 | \$ 21,280,000 | \$ - | \$ 21,280,000 |
| Delinquent Property Taxes | 44,472 | 118,400 | 118,400 | 54,000 | - | 54,000 |
| District Property Taxes and Fund Balance - Annex | - | 7,502,206 | 7,502,206 | - | - | - |
| Interest on Investments | 32,815 | 50,000 | 50,000 | 60,000 | - | 60,000 |
| Miscellaneous | 6,241 | - | - | - | - | - |
| Operating Revenues | 17,910,399 | 25,040,417 | 25,040,417 | 21,394,000 | - | 21,394,000 |
| Total Transfers In | 4,061,279 | 4,077,657 | 4,077,657 | 9,521,299 | - | 9,521,299 |
| Non-operating Revenues | 4,061,279 | 4,077,657 | 4,077,657 | 9,521,299 | - | 9,521,299 |
| Total Revenues | 21,971,678 | 29,118,074 | 29,118,074 | 30,915,299 | - | 30,915,299 |
| EXPENDITURES | | | | | | |
| Current Outstanding & New Debt | 20,998,548 | 26,908,344 | 26,908,344 | 27,814,259 | - | 27,814,259 |
| Issuance Costs/Fiscal Fees/Other | 15,650 | 25,000 | 25,000 | 25,250 | - | 25,250 |
| Total Debt Service | 21,014,198 | 26,933,344 | 26,933,344 | 27,839,509 | - | 27,839,509 |
| Rebates & Assignments | 1,648,283 | 1,821,020 | 1,821,020 | 1,852,554 | - | 1,852,554 |
| Transfers to Other Funds | 73,203 | 102,360 | 102,360 | 57,170 | - | 57,170 |
| Total Other Expenditures | 1,721,487 | 1,923,380 | 1,923,380 | 1,909,724 | - | 1,909,724 |
| Total Expenditures | 22,735,685 | 28,856,724 | 28,856,724 | 29,749,233 | - | 29,749,233 |
| Change in Fund Balance | (764,006) | 261,350 | 261,350 | 1,166,066 | - | 1,166,066 |
| Fund Balance - Beginning | 5,690,148 | 4,926,142 | 4,926,142 | 5,187,492 | - | 5,187,492 |
| Fund Balance - Ending | \$ 4,926,142 | \$ 5,187,492 | \$ 5,187,492 | \$ 6,353,558 | \$ - | \$ 6,353,558 |
| Policy Requirement | \$ 2,099,855 | \$ 2,690,834 | \$ 2,690,834 | \$ 2,781,426 | \$ - | \$ 2,781,426 |
| Over/(Under) Policy | 2,826,287 | 2,496,658 | 2,496,658 | 3,572,132 | - | 3,572,132 |
| Policy Requirement | 10% | 10% | 10% | 10% | | 10% |

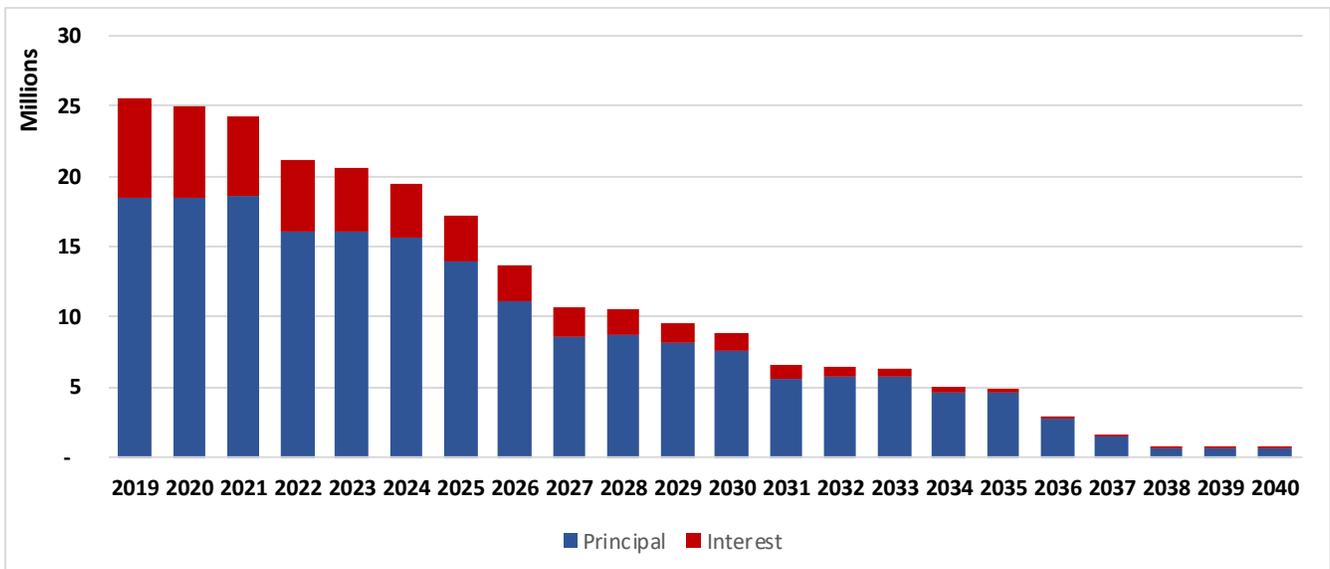
**CITY OF SUGAR LAND
DEBT SERVICE FUND - TAXABLE CO'S
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|--------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Rent | \$ 1,118,103 | \$ 1,601,299 | \$ 1,601,299 | \$ 1,901,286 | \$ - | \$ 1,901,286 |
| Interest Income | 1,479 | 750 | 750 | 3,200 | - | 3,200 |
| Operating Revenues | 1,119,583 | 1,602,049 | 1,602,049 | 1,904,486 | - | 1,904,486 |
| Transfers In | 555,499 | - | - | - | - | - |
| Non-operating Revenues | 555,499 | - | - | - | - | - |
| Total Revenues | 1,675,082 | 1,602,049 | 1,602,049 | 1,904,486 | - | 1,904,486 |
| EXPENDITURES | | | | | | |
| Current Outstanding & New Debt | 1,110,999 | 1,591,199 | 1,591,199 | 1,591,199 | - | 1,591,199 |
| Fiscal Fees/Other | 750 | 1,000 | 1,000 | 1,000 | - | 1,000 |
| Total Expenditures | 1,111,749 | 1,592,199 | 1,592,199 | 1,592,199 | - | 1,592,199 |
| Change in Fund Balance | 563,333 | 9,850 | 9,850 | 312,287 | - | 312,287 |
| Fund Balance - Beginning | 59,540 | 622,873 | 622,873 | 632,723 | - | 632,723 |
| Debt Service Reserve | - | - | - | (300,187) | - | (300,187) |
| Fund Balance - Ending | \$ 622,873 | \$ 632,723 | \$ 632,723 | \$ 644,823 | \$ - | \$ 644,823 |

**CITY OF SUGAR LAND
DEBT SERVICE REQUIREMENTS TO MATURITY
TOTAL OF ALL DEBT OUTSTANDING***

| FY Ending September 30 | Principal | Interest | Total |
|-----------------------------------|--------------------|-------------------|--------------------|
| 2019 | 18,451,024 | 7,134,214 | 25,585,238 |
| 2020 | 18,515,406 | 6,460,857 | 24,976,263 |
| 2021 | 18,595,996 | 5,760,646 | 24,356,643 |
| 2022 | 16,095,000 | 5,074,744 | 21,169,744 |
| 2023 | 16,140,000 | 4,441,207 | 20,581,207 |
| 2024 | 15,675,000 | 3,776,644 | 19,451,644 |
| 2025 | 13,990,000 | 3,165,875 | 17,155,875 |
| 2026 | 11,080,000 | 2,621,469 | 13,701,469 |
| 2027 | 8,555,000 | 2,178,703 | 10,733,703 |
| 2028 | 8,750,000 | 1,833,094 | 10,583,094 |
| 2029 | 8,120,000 | 1,514,116 | 9,634,116 |
| 2030 | 7,565,000 | 1,224,319 | 8,789,319 |
| 2031 | 5,620,000 | 987,707 | 6,607,707 |
| 2032 | 5,690,000 | 792,187 | 6,482,187 |
| 2033 | 5,760,000 | 602,003 | 6,362,003 |
| 2034 | 4,610,000 | 435,597 | 5,045,597 |
| 2035 | 4,670,000 | 289,184 | 4,959,184 |
| 2036 | 2,805,000 | 170,181 | 2,975,181 |
| 2037 | 1,500,000 | 99,044 | 1,599,044 |
| 2038 | 580,000 | 61,600 | 641,600 |
| 2039 | 610,000 | 37,800 | 647,800 |
| 2040 | 640,000 | 12,800 | 652,800 |
| Total | 194,017,426 | 48,673,991 | 242,691,417 |

* Excludes anticipated new debt



**CITY OF SUGAR LAND
DEBT SERVICE SCHEDULE OF REQUIREMENTS*
FISCAL YEAR 2019 BY ISSUE**

| Issue | Description | | Principal | Interest | Total |
|-------------------------------|----------------------------|---------------------|----------------------|---------------------|----------------------|
| 2010 | General Obligation | New | \$ 110,000 | \$ 24,038 | \$ 134,038 |
| 2010 | Certificates of Obligation | New | 1,050,000 | 262,975 | 1,312,975 |
| 2010 | General Obligation | Refunding | 1,530,000 | 340,800 | 1,870,800 |
| 2012 | General Obligation | Refunding | 145,000 | 10,450 | 155,450 |
| 2012A | General Obligation | Refunding | 390,000 | 91,650 | 481,650 |
| 2013 | Certificates of Obligation | New | 1,345,000 | 604,781 | 1,949,781 |
| 2014 | Tax Notes | New | 1,066,024 | 53,976 | 1,120,000 |
| 2014 | Certificates of Obligation | New | 270,000 | 422,038 | 692,038 |
| 2014 | General Obligation | Refunding | 2,015,000 | 565,825 | 2,580,825 |
| 2015 | Certificates of Obligation | New | 570,000 | 472,281 | 1,042,281 |
| 2015 | General Obligation | New | 500,000 | 388,619 | 888,619 |
| 2015 | General Obligation | Refunding | 205,000 | 388,925 | 593,925 |
| 2016 | General Obligation | Refunding | 1,550,000 | 955,350 | 2,505,350 |
| 2016 | Certificates of Obligation | New | 960,000 | 556,500 | 1,516,500 |
| 2016 | General Obligation | New | 380,000 | 187,350 | 567,350 |
| 2017 | Certificates of Obligation | New | 955,000 | 731,650 | 1,686,650 |
| | Sub Total | | 13,041,024 | 6,057,208 | 19,098,232 |
| 1997 | FB MUD 111 | Assumed Obligations | | 44,550 | 44,550 |
| 2009 | FB MUD 106 | Assumed Obligations | 360,000 | 36,694 | 396,694 |
| 2009 | FB MUD 111 | Assumed Obligations | 955,000 | 66,113 | 1,021,113 |
| 2011 | FB MUD 112 | Assumed Obligations | 470,000 | 130,800 | 600,800 |
| 2012 | FBC MUD 21 | Assumed Obligations | 425,000 | 31,125 | 456,125 |
| 2012 | FB MUD 106 | Assumed Obligations | 845,000 | 94,675 | 939,675 |
| 2012 | FB MUD 109 | Assumed Obligations | 545,000 | 114,000 | 659,000 |
| 2012 | FB MUD 117 | Assumed Obligations | 625,000 | 247,700 | 872,700 |
| 2015 | FB MUD 109 | Assumed Obligations | 295,000 | 137,700 | 432,700 |
| 2016 | FB MUD 117 | Assumed Obligations | 890,000 | 173,650 | 1,063,650 |
| | Sub-Total | | 5,410,000 | 1,077,006 | 6,487,006 |
| Total Debt Requirement | | | \$ 18,451,024 | \$ 7,134,214 | \$ 25,585,238 |

* Excludes anticipated new debt

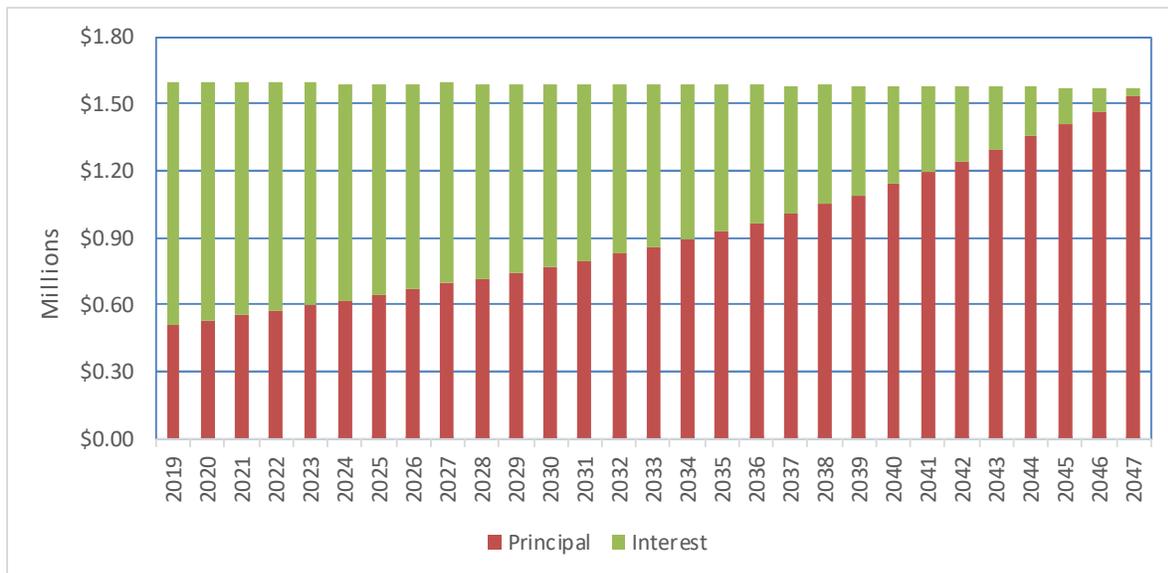
**CITY OF SUGAR LAND
DEBT SERVICE SCHEDULE OF REQUIREMENTS*
TO MATURITY BY ISSUE**

| Issue | Description | | Principal | Interest | Total |
|-------------------------------|----------------------------|---------------------|-----------------------|----------------------|-----------------------|
| 2010 | General Obligation | New | \$ 650,000 | \$ 232,531 | \$ 882,531 |
| 2010 | Certificates of Obligation | New | 7,340,000 | 2,259,163 | 9,599,163 |
| 2010 | General Obligation | Refunding | 8,245,000 | 1,287,750 | 9,532,750 |
| 2012 | General Obligation | Refunding | 445,000 | 19,600 | 464,600 |
| 2012A | General Obligation | Refunding | 2,535,000 | 325,550 | 2,860,550 |
| 2013 | Certificates of Obligation | New | 19,275,000 | 4,944,603 | 24,219,603 |
| 2014 | Tax Notes | New | 3,247,426 | 105,242 | 3,352,668 |
| 2014 | Certificates of Obligation | New | 9,200,000 | 5,072,533 | 14,272,533 |
| 2014 | General Obligation | Refunding | 12,420,000 | 1,959,500 | 14,379,500 |
| 2015 | Certificates of Obligation | New | 13,425,000 | 4,290,385 | 17,715,385 |
| 2015 | General Obligation | New | 11,620,000 | 3,510,428 | 15,130,428 |
| 2015 | General Obligation | Refunding | 9,275,000 | 2,154,000 | 11,429,000 |
| 2016 | General Obligation | Refunding | 22,745,000 | 5,296,950 | 28,041,950 |
| 2016 | Certificates of Obligation | New | 17,270,000 | 4,794,900 | 22,064,900 |
| 2016 | General Obligation | New | 6,815,000 | 1,806,675 | 8,621,675 |
| 2017 | Certificates of Obligation | New | 18,105,000 | 6,388,625 | 24,493,625 |
| | Sub Total | | 162,612,426 | 44,448,435 | 207,060,860 |
| 1997 | FB MUD 111 | Assumed Obligations | 990,000 | 157,725 | 1,147,725 |
| 2009 | FB MUD 106 | Assumed Obligations | 820,000 | 65,081 | 885,081 |
| 2009 | FB MUD 111 | Assumed Obligations | 1,970,000 | 96,825 | 2,066,825 |
| 2011 | FB MUD 112 | Assumed Obligations | 3,505,000 | 482,300 | 3,987,300 |
| 2012 | FBC MUD 21 | Assumed Obligations | 1,250,000 | 55,800 | 1,305,800 |
| 2012 | FB MUD 106 | Assumed Obligations | 2,975,000 | 201,975 | 3,176,975 |
| 2012 | FB MUD 109 | Assumed Obligations | 2,850,000 | 345,000 | 3,195,000 |
| 2012 | FB MUD 117 | Assumed Obligations | 6,510,000 | 1,314,650 | 7,824,650 |
| 2015 | FB MUD 109 | Assumed Obligations | 3,840,000 | 736,850 | 4,576,850 |
| 2016 | FB MUD 117 | Assumed Obligations | 6,695,000 | 769,350 | 7,464,350 |
| | Sub-Total | | 31,405,000 | 4,225,556 | 35,630,556 |
| Total Debt Requirement | | | \$ 194,017,426 | \$ 48,673,991 | \$ 242,691,417 |

* Excludes anticipated new debt

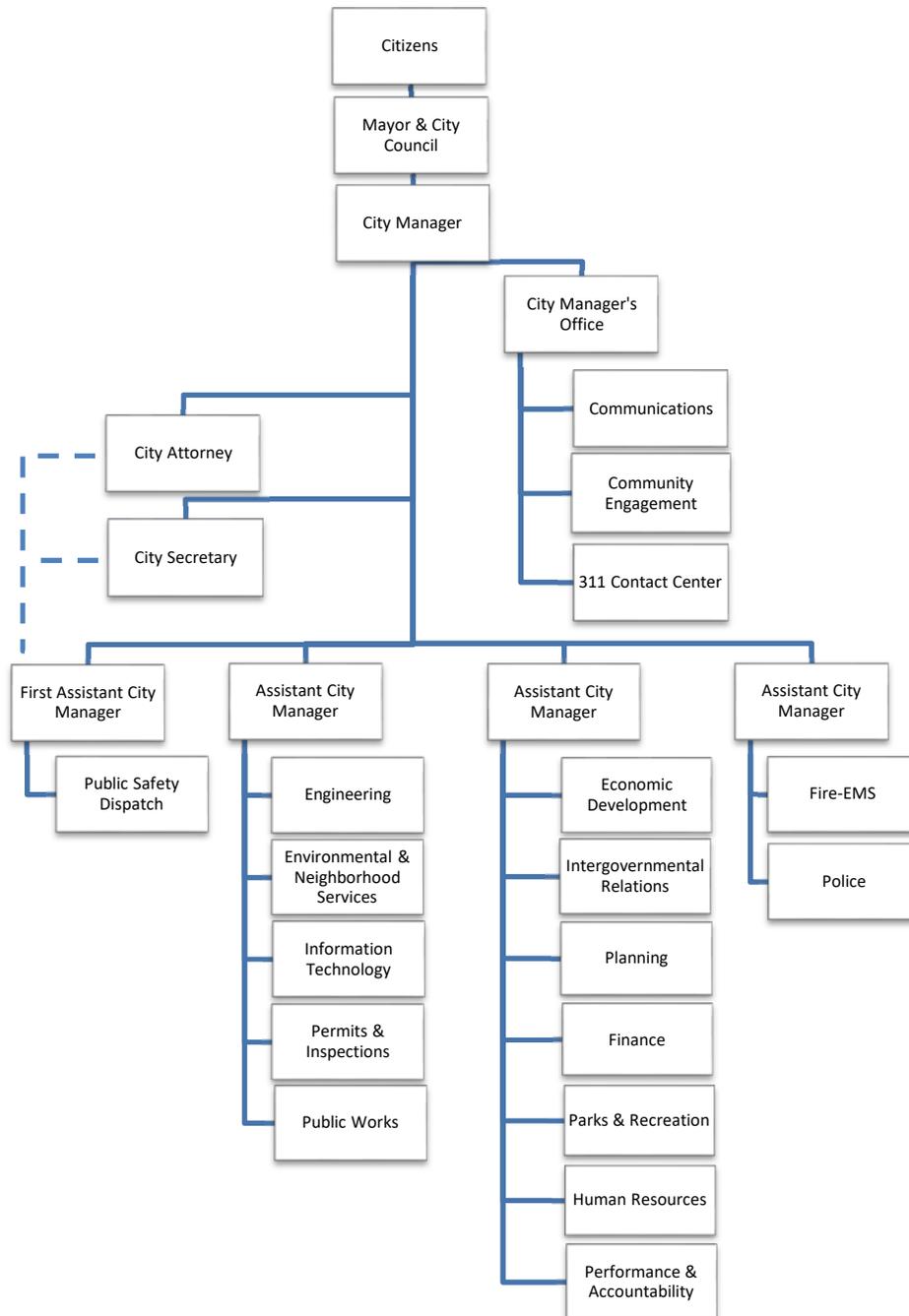
**CITY OF SUGAR LAND
DEBT SERVICE REQUIREMENTS TO MATURITY
TOTAL OF ALL DEBT OUTSTANDING - TAXABLE CO'S**

| FY Ending September 30 | Principal | Interest | Total |
|---------------------------|----------------------|----------------------|----------------------|
| 2019 | \$ 510,000 | \$ 1,081,199 | \$ 1,591,199 |
| 2020 | 530,000 | 1,060,399 | 1,590,399 |
| 2021 | 555,000 | 1,038,699 | 1,593,699 |
| 2022 | 575,000 | 1,016,099 | 1,591,099 |
| 2023 | 600,000 | 992,599 | 1,592,599 |
| 2024 | 620,000 | 968,199 | 1,588,199 |
| 2025 | 645,000 | 942,899 | 1,587,899 |
| 2026 | 670,000 | 919,530 | 1,589,530 |
| 2027 | 695,000 | 897,768 | 1,592,768 |
| 2028 | 715,000 | 874,319 | 1,589,319 |
| 2029 | 740,000 | 849,029 | 1,589,029 |
| 2030 | 765,000 | 821,933 | 1,586,933 |
| 2031 | 795,000 | 793,065 | 1,588,065 |
| 2032 | 825,000 | 762,174 | 1,587,174 |
| 2033 | 855,000 | 729,090 | 1,584,090 |
| 2034 | 890,000 | 694,190 | 1,584,190 |
| 2035 | 925,000 | 657,890 | 1,582,890 |
| 2036 | 965,000 | 618,643 | 1,583,643 |
| 2037 | 1,005,000 | 576,288 | 1,581,288 |
| 2038 | 1,050,000 | 532,105 | 1,582,105 |
| 2039 | 1,090,000 | 486,095 | 1,576,095 |
| 2040 | 1,140,000 | 438,150 | 1,578,150 |
| 2041 | 1,190,000 | 388,055 | 1,578,055 |
| 2042 | 1,240,000 | 335,810 | 1,575,810 |
| 2043 | 1,295,000 | 281,308 | 1,576,308 |
| 2044 | 1,350,000 | 224,440 | 1,574,440 |
| 2045 | 1,405,000 | 165,208 | 1,570,208 |
| 2046 | 1,465,000 | 102,038 | 1,567,038 |
| 2047 | 1,535,000 | 34,538 | 1,569,538 |
| TOTAL | \$ 26,640,000 | \$ 19,281,759 | \$ 45,921,759 |



General Fund Organizational Chart

As of October 1, 2018



General Fund

The General Fund is used to account for all transactions not properly includable in other funds. The principal sources of revenue include property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general administration, finance, public works, parks and recreation, community development, environmental and neighborhood services, and public safety. Budgetary fund balance reflects audited fund balance with adjustments for accrued sales and franchise taxes to properly reflect funds available for appropriation during the year.

Fiscal Year 2018

Total revenues

Total revenues are projected to come in at the amended budget amount of \$92,946,829. The sales tax budget is projected to come in at \$38,775,000. License and permits, which reflects building activities in the community are anticipated to remain at budget. Charges for services, fines and forfeitures, other income, intergovernmental revenues and interest income are anticipated to remain at the budgeted amount.

Total expenditures

Overall, General Fund departmental expenditures are expected to end the year within the current budget, with total expenditures projected to be \$90,427,625.

Total fund balance

The fund balance is projected to be \$24,546,053 as of September 30, 2018. This fund balance is \$4,760,205 greater than the policy requirement which is 25% of recurring budgeted expenditures.

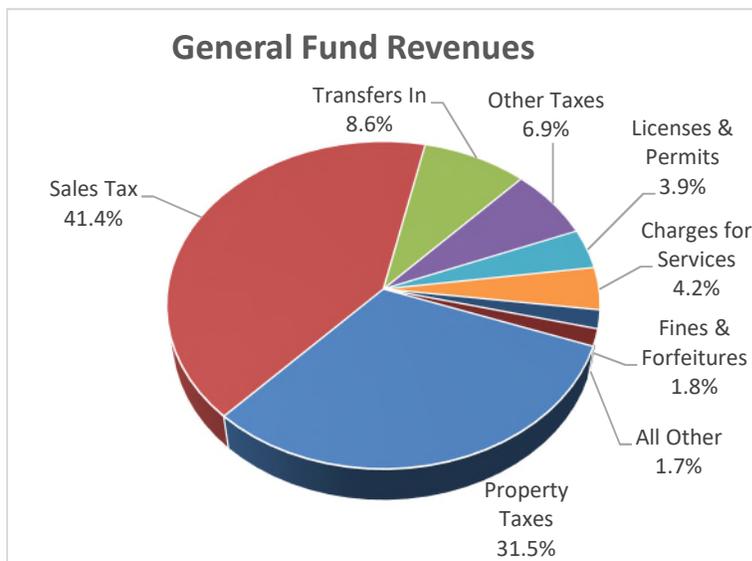
Fiscal Year 2019

Budgeted revenues

The budgeted revenues total of \$90,216,088. The chart on the right shows a breakdown of General Fund revenues by type.

Sales tax revenue of \$37,350,000 represents the largest portion of General Fund operating revenues at 41.4%. Sales tax is highly dependent on economic conditions and can fluctuate. Sales tax for FY19 is budgeted at the FY18 recurring projection, in accordance with the Financial Management Policy Statements.

The adopted budget incorporates property taxes of \$28,385,000 at the adopted M&O tax rate of \$0.18131.



A total of \$7,746,388 are transfers into to the General Fund. These transfers are from the Utility System, Solid Waste, and Airport funds as reimbursement for overhead costs as determined by a cost allocation model. A transfer from the Sugar Land Development and Sugar Land 4B Corporations reimburse cost for Economic Development staff and activity, as well as for managing capital projects funded by the corporations.

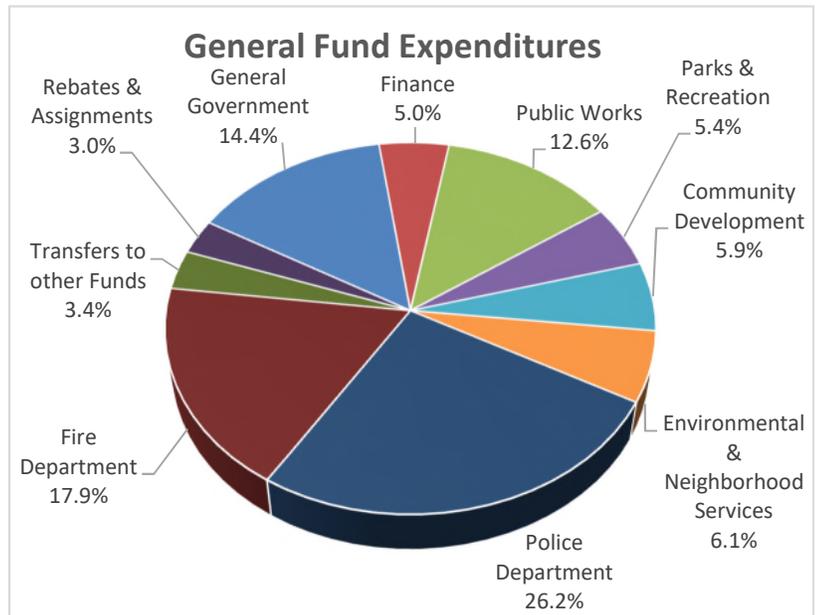
Other taxes total \$6,269,479 and are made up of franchise payments the City receives from electric, natural gas, cable, and telephone providers for use of the City’s right-of-way. Licenses and Permits revenue is \$3,508,672. Charges for services is budgeted at \$3,775,090 and include park facility fees, animal adoption fees, EMS billing, fire protection fees and other miscellaneous fees; EMS billing fees of \$1,666,634 accounts for 44.1% of charges for services. The remaining income totals \$3,181,459 and is made up of fines and forfeitures, interest income, and other miscellaneous revenues.

Budgeted expenditures

General Fund budgeted expenditures total \$92,309,821 for FY19. Of this total, \$86,038,802 is for departmental expenditures and \$6,271,019 is for non-departmental expenditures including transfers, rebates & assignments, and miscellaneous expenditures.

A total of \$287,150 in recurring additions is included in the FY19 budget. These include: \$154,000 in Right-of-Way maintenance, \$70,000 in Trek funding for Community Development and \$27,000 for Fire Field Training Officer compensation. \$18,000 for Fire-EMS operations and repair, \$12,000 for Suite catering expenses, \$5,100 for social media archiving and \$1,050 to update the TeleStaff software.

One-time funding included in the FY19 budget totals \$1,427,800. This includes: \$600,000 to fund additional rehabilitation, \$500,000 for traffic safety improvements, \$100,000 for the Hazard Mitigation Plan, \$90,000 for Fire physical ability testing validation, \$60,000 for organizational assessments, \$50,000 in special events, \$22,800 for additional costs associated with the election and \$5,000 in asset management training.



Budgeted fund balance

The fund balance ending of \$22,452,320 is \$2,287,032 greater than the reserve policy requirement, which is 25% of recurring budgeted expenditures. The FY19 budget is anticipated to have \$2,093,733 in revenues under expenditures.

**CITY OF SUGAR LAND
GENERAL FUND
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 21,127,721 | \$ 22,623,689 | \$ 22,623,689 | \$ 28,385,000 | \$ - | \$ 28,385,000 |
| Sales Tax | 35,854,284 | 38,475,000 | 38,775,000 | 37,350,000 | - | 37,350,000 |
| Other Taxes | 6,160,774 | 6,187,700 | 6,187,700 | 6,269,479 | - | 6,269,479 |
| Licenses & Permits | 3,055,582 | 3,401,640 | 3,401,640 | 3,508,672 | - | 3,508,672 |
| Charges for Services | 5,721,145 | 5,395,690 | 5,395,690 | 3,775,090 | - | 3,775,090 |
| Fines & Forfeitures | 1,550,458 | 1,642,200 | 1,642,200 | 1,654,300 | - | 1,654,300 |
| Other | 582,345 | 796,096 | 796,096 | 819,100 | - | 819,100 |
| Intergovernmental | 606,720 | 550,061 | 550,061 | 420,259 | - | 420,259 |
| Interest Income | 332,383 | 287,800 | 287,800 | 287,800 | - | 287,800 |
| Operating Revenues | 74,991,411 | 79,359,876 | 79,659,876 | 82,469,700 | - | 82,469,700 |
| Transfers In | 9,211,108 | 13,286,953 | 13,286,953 | 7,746,388 | - | 7,746,388 |
| Lease Proceeds | - | - | - | - | - | - |
| Non-operating Revenues | 9,211,108 | 13,286,953 | 13,286,953 | 7,746,388 | - | 7,746,388 |
| Total Revenues | 84,202,519 | 92,646,829 | 92,946,829 | 90,216,088 | - | 90,216,088 |
| EXPENDITURES | | | | | | |
| General Government | 12,029,799 | 13,349,797 | 13,349,797 | 13,048,173 | 190,950 | 13,239,123 |
| Finance | 3,639,613 | 4,412,279 | 4,412,279 | 4,638,990 | - | 4,638,990 |
| Public Works | 9,257,829 | 11,207,294 | 11,207,294 | 11,446,740 | 154,000 | 11,600,740 |
| Parks & Recreation | 4,792,532 | 4,782,092 | 4,782,092 | 4,887,022 | 50,000 | 4,937,022 |
| Community Development | 5,065,675 | 5,645,614 | 5,645,614 | 5,390,473 | 75,000 | 5,465,473 |
| Environmental & Neighborhood SVC | 5,057,840 | 5,947,290 | 5,947,290 | 5,632,199 | - | 5,632,199 |
| Police Department | 22,334,369 | 24,143,912 | 24,143,912 | 24,063,248 | - | 24,063,248 |
| Fire Department | 14,394,751 | 16,096,365 | 16,096,365 | 16,344,007 | 118,000 | 16,462,007 |
| Departmental Expenditures | 76,572,408 | 85,584,643 | 85,584,643 | 85,450,852 | 587,950 | 86,038,802 |
| Transfers to other Funds | 3,789,242 | 3,515,344 | 3,515,344 | 2,609,600 | 500,000 | 3,109,600 |
| Miscellaneous | 1,002,091 | (1,243,550) | (1,243,550) | (221,651) | 627,000 | 405,349 |
| Rebates & Assignments | 2,287,671 | 2,571,188 | 2,571,188 | 2,756,070 | - | 2,756,070 |
| Non-departmental Expenditures | 7,079,003 | 4,842,982 | 4,842,982 | 5,144,019 | 1,127,000 | 6,271,019 |
| Total Expenditures | 83,651,411 | 90,427,625 | 90,427,625 | 90,594,871 | 1,714,950 | 92,309,821 |
| Revenues Over/(Under) Expenditures | 551,108 | 2,219,204 | 2,519,204 | (378,783) | (1,714,950) | (2,093,733) |
| Fund Balance - Beginning | 28,542,346 | 29,093,454 | 29,093,454 | 31,612,658 | - | 31,612,658 |
| Accrued Sales/Franchise Taxes | (7,066,605) | (7,066,605) | (7,066,605) | (7,066,605) | - | (7,066,605) |
| Fund Balance - Ending | \$ 22,026,849 | \$ 24,246,053 | \$ 24,546,053 | \$ 24,167,270 | \$ (1,714,950) | \$ 22,452,320 |
| Ending Fund Balance- % of Oper Exp | | 30% | 31% | 30% | | 28% |
| Fund Balance - Requirement | | \$ 20,249,767 | \$ 19,785,849 | \$ 20,368,521 | | \$ 20,165,308 |
| Over / (Under) Policy | | 3,996,286 | 4,760,205 | 3,798,749 | | 2,287,012 |

GENERAL FUND

SCHEDULE OF REVENUES

| Description | FY18 | | | FY19 | | |
|-----------------------------------|-------------------|-------------------|---------------------|-------------------|-----------------|-------------------|
| | FY17 Actuals | Current Budget | FY18 Projections | Base Budget | FY19 Changes | FY19 Budget |
| CURRENT TAXES | \$ 20,913,223 | \$ 22,468,289 | \$ 22,468,289 | \$ 28,314,000 | \$ - | \$ 28,314,000 |
| DELINQUENT TAXES | 52,018 | - | - | 71,000 | - | 71,000 |
| PENALTY & INTEREST | 162,470 | 142,800 | 142,800 | - | - | - |
| SPECIAL INVENTORY/OVERAGE | 10 | 12,600 | 12,600 | - | - | - |
| Property Taxes | 21,127,721 | 22,623,689 | 22,623,689 | 28,385,000 | - | 28,385,000 |
| SALES TAXES | 35,854,284 | 38,475,000 | 38,775,000 | 37,350,000 | - | 37,350,000 |
| Sales Tax | 35,854,284 | 38,475,000 | 38,775,000 | 37,350,000 | - | 37,350,000 |
| MIXED DRINK TAX | 589,050 | 630,000 | 630,000 | 638,500 | - | 638,500 |
| ELECTRIC FRANCHISE | 3,660,589 | 3,755,100 | 3,755,100 | 3,827,579 | - | 3,827,579 |
| GAS FRANCHISE | 236,495 | 240,600 | 240,600 | 241,400 | - | 241,400 |
| FRANCHISE TELECOMM. | 217,675 | 214,000 | 214,000 | 214,000 | - | 214,000 |
| MISC. FRANCHISE FEES | 327,540 | 247,000 | 247,000 | 247,000 | - | 247,000 |
| CABLE TV FRANCHISE | 1,129,424 | 1,101,000 | 1,101,000 | 1,101,000 | - | 1,101,000 |
| Other Taxes | 6,160,774 | 6,187,700 | 6,187,700 | 6,269,479 | - | 6,269,479 |
| BUILDING PERMITS | 1,592,886 | 1,746,400 | 1,746,400 | 1,746,400 | - | 1,746,400 |
| INFRASTRUCTURE REVIEW | 38,067 | 98,600 | 98,600 | 98,600 | - | 98,600 |
| LAND DISTURBANCE FEE | 2,936 | 900 | 900 | 900 | - | 900 |
| RENTAL INSPECTION LICENSE | 280,888 | 348,261 | 348,261 | 356,181 | - | 356,181 |
| RENTAL REINSPECTION FEE | 3,951 | 5,609 | 5,609 | 6,083 | - | 6,083 |
| BLDG PERMITS - ELECTRICAL PERMITS | 166,656 | 188,638 | 188,638 | 209,509 | - | 209,509 |
| IRRIGATION PERMITS | 37,474 | 47,019 | 47,019 | 50,536 | - | 50,536 |
| HEALTH PERMITS | 326,556 | 330,284 | 330,284 | 376,747 | - | 376,747 |
| BLDG PERMITS - HVAC PERMITS | 224,711 | 225,250 | 225,250 | 235,595 | - | 235,595 |
| LIQUOR PERMITS | 36,120 | 43,500 | 43,500 | 43,500 | - | 43,500 |
| BLDG PERMITS - PLUMBING PERMITS | 137,679 | 140,383 | 140,383 | 152,053 | - | 152,053 |
| MOWING LIENS | 8,618 | 13,100 | 13,100 | 14,200 | - | 14,200 |
| PLAT FEES | 26,450 | 67,700 | 67,700 | 67,700 | - | 67,700 |
| REINSPECTION FEES | 34,260 | 18,600 | 18,600 | 18,600 | - | 18,600 |
| PARKING PERMITS | 34 | - | - | - | - | - |
| SIGN PERMITS | 23,858 | 24,071 | 24,071 | 23,598 | - | 23,598 |
| FLOOD ZONE DEVEL PERMIT | 800 | 2,100 | 2,100 | 2,600 | - | 2,600 |
| CONTRACTOR REGISTRATION | 41,240 | 43,303 | 43,303 | 45,962 | - | 45,962 |
| R-O-W PERMIT | 2,492 | 1,700 | 1,700 | 1,700 | - | 1,700 |
| SOLICITOR PERMITS | 9,569 | 6,222 | 6,222 | 8,208 | - | 8,208 |
| SITE PLAN FEES | 24,764 | 20,700 | 20,700 | 20,700 | - | 20,700 |
| ZONING & CONDITIONAL USE | 21,556 | 22,300 | 22,300 | 22,300 | - | 22,300 |
| PERMIT PENALTIES | 14,017 | 7,000 | 7,000 | 7,000 | - | 7,000 |
| Licenses & Permits | 3,055,582 | 3,401,640 | 3,401,640 | 3,508,672 | - | 3,508,672 |
| REIMBURSEMENTS | 361,207 | 1,628,834 | 1,628,834 | 245,100 | - | 245,100 |
| STREET LIGHT CHARGES | 22,478 | 15,300 | 15,300 | 15,300 | - | 15,300 |
| ANIMAL ADOPTION FEES | 41,399 | 44,400 | 44,400 | 45,000 | - | 45,000 |
| ANIMAL IMPOUNDMENT FEES | 693 | 800 | 800 | 800 | - | 800 |
| POOL ADMISSIONS | 7,683 | 7,500 | 7,500 | 7,500 | - | 7,500 |
| SWIM LESSIONS | 2,957 | 1,700 | 1,700 | 1,500 | - | 1,500 |
| FACILITY USAGE CARDS | 79,575 | 62,800 | 62,800 | 60,600 | - | 60,600 |
| POOL RENTAL | 1,236 | - | - | - | - | - |
| P&R BUILDING RENTALS | 108,525 | 104,900 | 104,900 | 104,200 | - | 104,200 |
| COMM. EVENTS-RECREATION | 1,702 | 2,300 | 2,300 | 2,300 | - | 2,300 |
| ATHLETIC LEAGUES | 23,518 | 26,800 | 26,800 | 27,000 | - | 27,000 |
| PAVILION RENTALS | 51,570 | 45,900 | 45,900 | 45,000 | - | 45,000 |
| CAMP PROGRAMS | 129,380 | 136,500 | 136,500 | 136,500 | - | 136,500 |
| LIGHT FEES | 44,421 | 42,400 | 42,400 | 42,000 | - | 42,000 |
| LEISURE CLASSES | 110,020 | 86,900 | 86,900 | 86,900 | - | 86,900 |

GENERAL FUND

SCHEDULE OF REVENUES

| Description | FY18 | | | FY19 | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------|----------------------|
| | FY17 Actuals | Current Budget | FY18 Projections | Base Budget | FY19 Changes | FY19 Budget |
| ATHLETIC FIELD RENTAL | 7,428 | 12,000 | 12,000 | 12,000 | - | 12,000 |
| SENIOR PROGRAMS | 3,334 | 11,800 | 11,800 | 11,800 | - | 11,800 |
| PARKS VENDING MACHINE | - | 400 | 400 | 400 | - | 400 |
| ACCIDENT REPORTS | 10,749 | 10,600 | 10,600 | 10,600 | - | 10,600 |
| CASH OVER & SHORT | 37 | - | - | - | - | - |
| FALSE ALARM FEES | 70,000 | 65,300 | 65,300 | 65,300 | - | 65,300 |
| REPRODUCTION COPIES | 4,619 | 6,400 | 6,400 | 6,400 | - | 6,400 |
| FINGER PRINTING | 6,534 | 7,500 | 7,500 | 7,500 | - | 7,500 |
| EMS BILLING | 1,495,543 | 1,630,187 | 1,630,187 | 1,666,634 | - | 1,666,634 |
| FIRE PROTECTION FEES | 2,978,291 | 1,274,000 | 1,274,000 | 1,000,000 | - | 1,000,000 |
| HAZ MAT RESPONSE | 13,786 | - | - | - | - | - |
| FIRE ALARM PERMITS | 33,928 | 36,428 | 36,428 | 37,000 | - | 37,000 |
| OTHER FIRE CODE PERMITS | 110,536 | 134,041 | 134,041 | 137,756 | - | 137,756 |
| Charges for Services | 5,721,145 | 5,395,690 | 5,395,690 | 3,775,090 | - | 3,775,090 |
| ADMINISTRATIVE COURT FEES | 69,369 | 60,000 | 60,000 | 60,000 | - | 60,000 |
| DPS FEES - CITY PORTION | 7,978 | 8,600 | 8,600 | 8,700 | - | 8,700 |
| CHILD SAFETY FINES | 118,472 | 117,100 | 117,100 | 118,000 | - | 118,000 |
| MUNICIPAL COURT FINES | 1,233,871 | 1,281,300 | 1,281,300 | 1,291,000 | - | 1,291,000 |
| JUDICIAL EFFICIENCY | 9,885 | 10,000 | 10,000 | 10,000 | - | 10,000 |
| CMV FINES | - | 34,600 | 34,600 | 34,600 | - | 34,600 |
| WARRANT FEES | 100,594 | 120,000 | 120,000 | 120,000 | - | 120,000 |
| COURT CONVENIENCE FEE | 10,290 | 10,600 | 10,600 | 12,000 | - | 12,000 |
| Fines & Forfeitures | 1,550,458 | 1,642,200 | 1,642,200 | 1,654,300 | - | 1,654,300 |
| DONATIONS | 137,263 | 175,896 | 175,896 | 213,200 | - | 213,200 |
| MISCELLANEOUS | 168,689 | 78,200 | 78,200 | 79,900 | - | 79,900 |
| PROPERTY INS RECOVERY | 168,305 | 515,000 | 515,000 | 500,000 | - | 500,000 |
| SALE OF CAPITAL PROPERTY | 75,706 | 12,000 | 12,000 | 13,000 | - | 13,000 |
| UNCLAIMED & NON-CAPITAL | 32,382 | 15,000 | 15,000 | 13,000 | - | 13,000 |
| Other | 582,345 | 796,096 | 796,096 | 819,100 | - | 819,100 |
| LEOSE FUNDS | - | 9,400 | 9,400 | 9,400 | - | 9,400 |
| STEP WAVE GRANT | 0 | 4,085 | 4,085 | - | - | - |
| CONSOLIDATED GRANTS | 99,151 | 96,676 | 96,676 | - | - | - |
| FEDERAL FUNDS | 41,643 | - | - | - | - | - |
| STATE FUNDS | 26,537 | 5,500 | 5,500 | 7,700 | - | 7,700 |
| TIRZ FUND 111 | 70,000 | 70,000 | 70,000 | 78,262 | - | 78,262 |
| TRANSFER FROM TIRZ 3 | - | 5,400 | 5,400 | 9,835 | - | 9,835 |
| TRANSFER FROM TIRZ 4 | - | 50,500 | 50,500 | 701 | - | 701 |
| FROM CU SL4B FUND 114 | 369,389 | 308,500 | 308,500 | 314,361 | - | 314,361 |
| Intergovernmental | 606,720 | 550,061 | 550,061 | 420,259 | - | 420,259 |
| INTEREST ON INVESTMENTS | 423,373 | 215,800 | 215,800 | 215,800 | - | 215,800 |
| UNREALIZ GAIN/LOSS-INVEST | (90,990) | 72,000 | 72,000 | 72,000 | - | 72,000 |
| Interest Income | 332,383 | 287,800 | 287,800 | 287,800 | - | 287,800 |
| ADMINISTRATIVE FEES | 5,438,643 | 5,620,046 | 5,620,046 | 6,494,536 | - | 6,494,536 |
| TRANSFER FROM UTILITIES | 5,000 | 750,000 | 750,000 | - | - | - |
| TRANSFER FROM SOLID WASTE | - | 300,000 | 300,000 | 300,000 | - | 300,000 |
| TRF FR DEBT REDUCTION 074 GTWOOD | 1,510,456 | 2,885,617 | 2,885,617 | - | - | - |
| TRF FR DEBT REDUCTION 079 NT | 1,510,456 | 2,885,617 | 2,885,617 | - | - | - |
| TRF FR RED LIGHT FUND 073 | 746,553 | 845,673 | 845,673 | 951,852 | - | 951,852 |
| Transfers In | 9,211,108 | 13,286,953 | 13,286,953 | 7,746,388 | - | 7,746,388 |
| GRAND TOTAL | \$ 84,202,519 | \$ 92,646,829 | \$ 92,946,829 | \$ 90,216,088 | \$ - | \$ 90,216,088 |

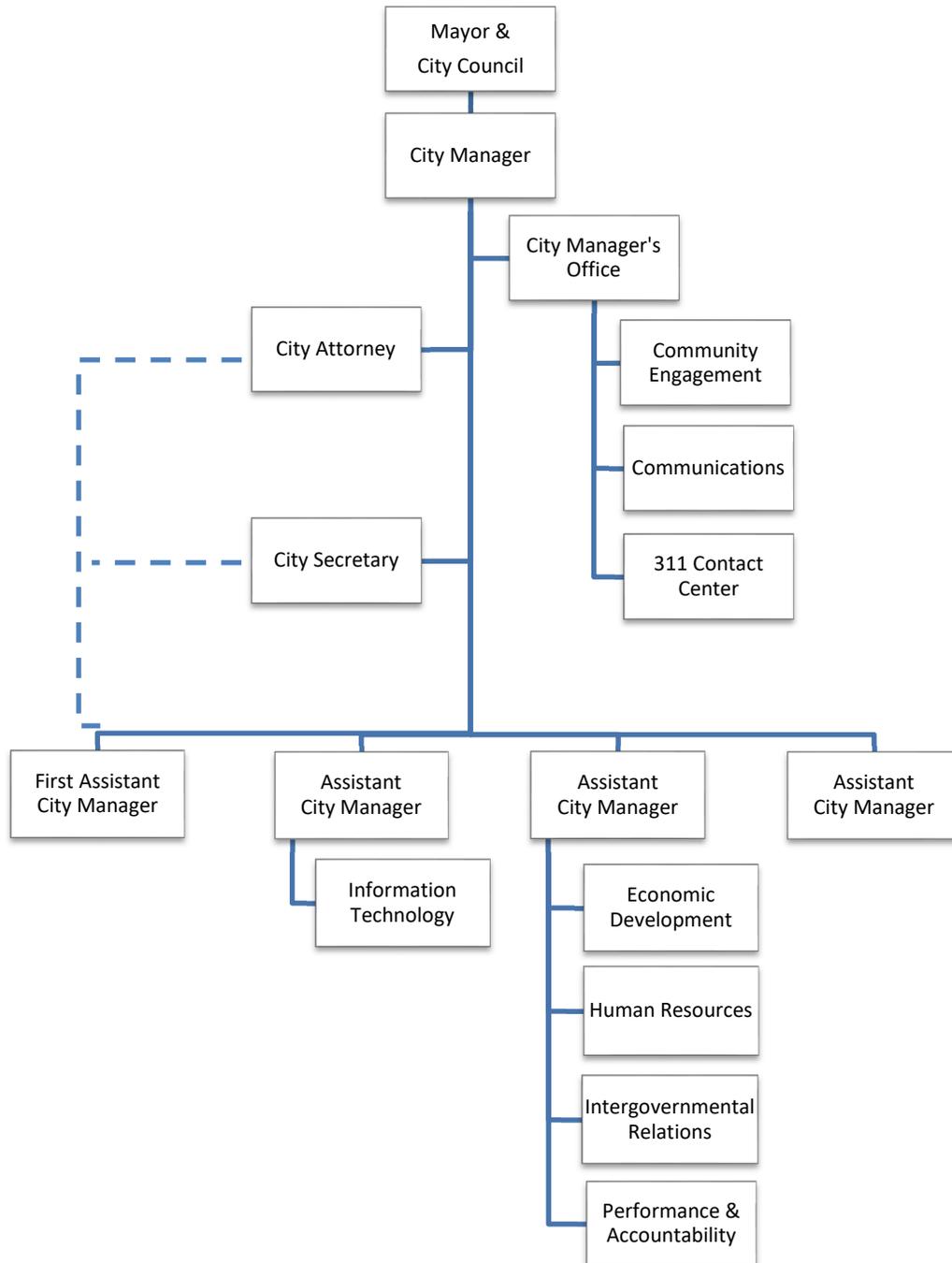
**GENERAL FUND
SUMMARY OF EXPENDITURES**

| Description | FY18 | | FY19 | | FY19 Changes | FY19 Budget |
|---|-------------------|-------------------|---------------------|-------------------|-----------------|-------------------|
| | FY17 Actuals | Current Budget | FY18 Projections | Base Budget | | |
| Mayor & City Council | \$ 252,732 | \$ 237,839 | \$ 237,839 | \$ 237,151 | \$ - | \$ 237,151 |
| City Manager | 854,971 | 886,052 | 886,052 | 870,318 | - | 870,318 |
| Assistant City Managers | 1,073,579 | 1,054,468 | 1,054,468 | 1,207,670 | - | 1,207,670 |
| Community Outreach Department | 33,591 | 154,642 | 154,642 | 197,717 | - | 197,717 |
| City Secretary | 872,524 | 956,541 | 956,541 | 867,607 | 22,800 | 890,407 |
| Public Communications | 908,277 | 1,240,941 | 1,240,941 | 854,043 | 5,100 | 859,143 |
| 311 Contact Center | 127,639 | 274,403 | 274,403 | 421,291 | - | 421,291 |
| Human Resources | 1,540,203 | 1,486,443 | 1,486,443 | 1,518,197 | 90,000 | 1,608,197 |
| City Attorney | 810,697 | 968,893 | 968,893 | 860,077 | - | 860,077 |
| Information Technology | 3,798,158 | 4,069,236 | 4,069,236 | 4,199,163 | 1,050 | 4,200,213 |
| Office of Performance & Accountability | 716,439 | 666,664 | 666,664 | 660,484 | 60,000 | 720,484 |
| Economic Development | 1,040,990 | 1,353,675 | 1,353,675 | 1,154,455 | 12,000 | 1,166,455 |
| General Government | 12,029,799 | 13,349,797 | 13,349,797 | 13,048,173 | 190,950 | 13,239,123 |
| Finance Administration | 721,907 | 1,115,202 | 1,115,202 | 1,028,108 | - | 1,028,108 |
| Budget Office | 467,382 | 417,936 | 417,936 | 531,025 | - | 531,025 |
| Accounting | 987,743 | 1,295,148 | 1,295,148 | 1,268,083 | - | 1,268,083 |
| Purchasing | 536,769 | 567,028 | 567,028 | 595,290 | - | 595,290 |
| Municipal Court | 925,812 | 1,016,965 | 1,016,965 | 1,216,484 | - | 1,216,484 |
| Finance | 3,639,613 | 4,412,279 | 4,412,279 | 4,638,990 | - | 4,638,990 |
| Public Works Administration | 684,801 | 637,390 | 637,390 | 581,340 | - | 581,340 |
| Street & Drainage Maintenance | 2,769,689 | 3,824,132 | 3,824,132 | 3,895,491 | 85,000 | 3,980,491 |
| ROW Maintenance | 1,776,082 | 2,004,286 | 2,004,286 | 2,251,080 | 69,000 | 2,320,080 |
| Traffic Operations | 4,027,257 | 4,741,486 | 4,741,486 | 4,718,829 | - | 4,718,829 |
| Public Works | 9,257,829 | 11,207,294 | 11,207,294 | 11,446,740 | 154,000 | 11,600,740 |
| Parks Administration | 650,566 | 683,364 | 683,364 | 706,327 | - | 706,327 |
| Development & Maintenance | 2,499,719 | 2,526,289 | 2,526,289 | 2,623,313 | - | 2,623,313 |
| Special Events | 69 | 404,488 | 404,488 | 428,094 | 50,000 | 478,094 |
| Recreation | 1,642,177 | 1,167,951 | 1,167,951 | 1,129,288 | - | 1,129,288 |
| Parks & Recreation | 4,792,532 | 4,782,092 | 4,782,092 | 4,887,022 | 50,000 | 4,937,022 |
| Community Development Administration | 285,559 | 175,291 | 175,291 | 178,626 | - | 178,626 |
| Permits & Inspections | 1,295,073 | 1,392,109 | 1,392,109 | 1,437,766 | - | 1,437,766 |
| Planning & Development | 476,643 | 605,347 | 605,347 | 630,702 | - | 630,702 |
| Transportation & Long Range Planning | 477,019 | 449,310 | 449,310 | 390,511 | 70,000 | 460,511 |
| City Engineer | 2,531,381 | 3,023,557 | 3,023,557 | 2,752,868 | 5,000 | 2,757,868 |
| Community Development | 5,065,675 | 5,645,614 | 5,645,614 | 5,390,473 | 75,000 | 5,465,473 |
| ENS Administration | 422,893 | 403,930 | 403,930 | 419,746 | - | 419,746 |
| Community Outreach | 25,229 | - | - | - | - | - |
| Fleet Services | 752,001 | 778,661 | 778,661 | 761,191 | - | 761,191 |
| Facilities Management | 2,101,731 | 2,515,991 | 2,515,991 | 2,372,499 | - | 2,372,499 |
| Animal Services | 737,896 | 970,381 | 970,381 | 996,142 | - | 996,142 |
| Stormwater Management | 93,265 | 209,300 | 209,300 | 95,337 | - | 95,337 |
| Food Inspection | 253,027 | 313,622 | 313,622 | 327,011 | - | 327,011 |
| Code Enforcement | 415,180 | 427,115 | 427,115 | 426,196 | - | 426,196 |
| Rental Registration | 256,618 | 328,290 | 328,290 | 234,077 | - | 234,077 |
| Environmental & Neighborhood SVC | 5,057,840 | 5,947,290 | 5,947,290 | 5,632,199 | - | 5,632,199 |
| Police Administration | 1,077,236 | 1,077,930 | 1,077,930 | 900,274 | - | 900,274 |
| Support Services Bureau | 2,369,775 | 1,996,338 | 1,996,338 | 2,559,083 | - | 2,559,083 |
| Professional services | - | 1,031,758 | 1,031,758 | 1,303,753 | - | 1,303,753 |
| TCLEOSE Training | 9,900 | 8,041 | 8,041 | - | - | - |
| Patrol | 12,430,453 | 12,909,620 | 12,909,620 | 12,391,142 | - | 12,391,142 |
| Criminal Investigations | 3,714,187 | 3,734,238 | 3,734,238 | 3,566,182 | - | 3,566,182 |

| Description | FY18 | | FY18 Projections | FY19 | | FY19 Budget |
|-------------------------------------|----------------------|----------------------|----------------------|------------------------|---------------------|----------------------|
| | FY17 Actuals | Current Budget | | FY19 Base Budget | FY19 Changes | |
| Detention Center | 409,642 | 421,498 | 421,498 | 436,893 | - | 436,893 |
| SWAT | 29,600 | 25,000 | 25,000 | 25,000 | - | 25,000 |
| Public Safety Dispatch | 2,293,576 | 2,939,489 | 2,939,489 | 2,880,921 | - | 2,880,921 |
| Police Department | 22,334,369 | 24,143,912 | 24,143,912 | 24,063,248 | - | 24,063,248 |
| Fire Administration | 400,353 | 407,961 | 407,961 | 418,813 | - | 418,813 |
| Emergency Services | 10,089,194 | 10,985,619 | 10,985,619 | 11,312,249 | 3,000 | 11,315,249 |
| Emergency Medical Services | 1,711,486 | 2,303,642 | 2,303,642 | 2,207,499 | 15,000 | 2,222,499 |
| Haz Mat | 16,595 | 44,539 | 44,539 | 44,539 | - | 44,539 |
| Prevention | 979,098 | 1,231,559 | 1,231,559 | 1,215,621 | - | 1,215,621 |
| Emergency Management | 457,195 | 388,451 | 388,451 | 398,478 | 100,000 | 498,478 |
| Professional Development | 740,831 | 734,594 | 734,594 | 746,808 | - | 746,808 |
| Fire Department | 14,394,751 | 16,096,365 | 16,096,365 | 16,344,007 | 118,000 | 16,462,007 |
| Total Operating Expenditures | 76,572,408 | 85,584,643 | 85,584,643 | 85,450,852 | 587,950 | 86,038,802 |
| Transfers to other Funds | 3,789,242 | 3,515,344 | 3,515,344 | 2,609,600 | 500,000 | 3,109,600 |
| Miscellaneous | 1,002,091 | (1,243,550) | (1,243,550) | (221,651) | 627,000 | 405,349 |
| Rebates & Assignments | 2,287,671 | 2,571,188 | 2,571,188 | 2,756,070 | - | 2,756,070 |
| Debt Service | - | - | - | - | - | - |
| Total Non-Operating | 7,079,003 | 4,842,982 | 4,842,982 | 5,144,019 | 1,127,000 | 6,271,019 |
| Total Expenditures | 83,651,411 | 90,427,625 | 90,427,625 | 90,594,871 | 1,714,950 | 92,309,821 |
| Category Summary | | | | | | |
| Salary & Benefits | 57,684,415 | 63,981,285 | 63,981,285 | 65,037,562 | - | 65,037,562 |
| Supplies | 2,834,289 | 2,985,982 | 2,985,982 | 4,605,494 | 115,000 | 4,720,494 |
| Professional Services | 7,158,990 | 7,972,394 | 7,972,394 | 7,197,902 | 259,900 | 7,457,802 |
| Repairs & Maintenance | 5,171,482 | 7,557,865 | 7,557,865 | 6,401,809 | 158,050 | 6,559,859 |
| Purchased Services | 2,263,945 | 2,170,507 | 2,170,507 | 2,038,640 | 55,000 | 2,093,640 |
| Capital Items/Other | 1,459,288 | 916,610 | 916,610 | 169,445 | - | 169,445 |
| Total Category Expenditures | 76,572,408 | 85,584,643 | 85,584,643 | 85,450,852 | 587,950 | 86,038,802 |
| Total Non-Operating | 7,079,003 | 4,842,982 | 4,842,982 | 5,144,019 | 1,127,000 | 6,271,019 |
| Total Expenditures | \$ 83,651,411 | \$ 90,427,625 | \$ 90,427,625 | \$ 90,594,871 | \$ 1,714,950 | \$ 92,309,821 |

General Government

As of October 1, 2018



Mayor and City Council

Services Provided

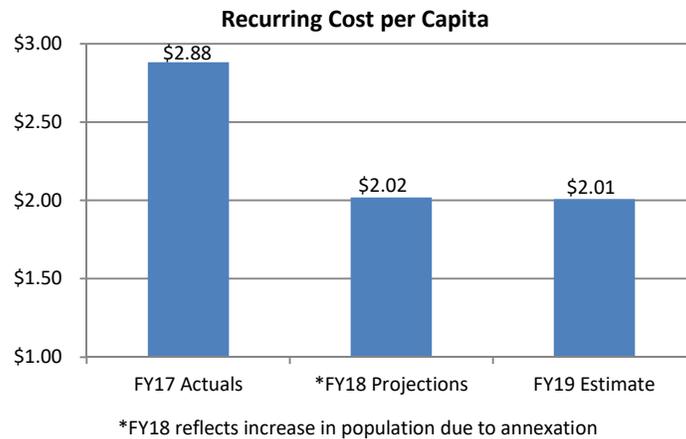
The **Mayor and City Council** provide direction to the City Manager and staff to achieve service level objectives. The long-range vision of the City is established by adopting goals, objectives, and strategies. Two regular City Council meetings are held each month on the first and third Tuesday, as well as a workshop on the fourth Tuesday of the month. The Mayor and City Council adopt policies and may modify policy recommendations from the City Manager. The annual budget and five-year CIP, filed by the City Manager, is reviewed by the Mayor and City Council through a series of workshops and public hearings and is adopted by ordinance per the City’s charter requirements.

FY19 Requests

There are no additions to the Mayor and City Council FY19 budget.

Performance Measures: Responsible City Government

The City Council measure for “cost-effective delivery of City services” is a recurring cost per capita, the fiscal year estimate is based on total population.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------|------------------------|---------------------|---------------------|-----------------|-------------------|
| Salary & Benefits | \$ 165,202 | \$ 169,834 | \$ 169,834 | \$ 164,146 | \$ - | \$ 164,146 |
| Supplies | 8,790 | 5,274 | 5,274 | 10,274 | - | 10,274 |
| Professional Services | 31,442 | 31,700 | 31,700 | 28,200 | - | 28,200 |
| Repairs & Maintenance | - | - | - | - | - | - |
| Purchased Services | 47,298 | 31,031 | 31,031 | 34,531 | - | 34,531 |
| Capital/Other | - | - | - | - | - | - |
| Category Totals | \$ 252,732 | \$ 237,839 | \$ 237,839 | \$ 237,151 | \$ - | \$ 237,151 |

City Manager

Services Provided

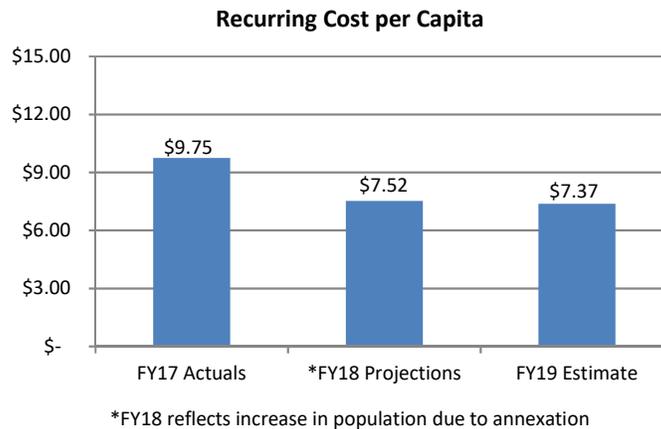
The **City Manager** is appointed by City Council and serves as Chief Executive Officer of the City. The City Manager is responsible for making recommendations to City Council, filing the annual budget, five-year CIP, strategic project work plan and five-year financial forecast, and providing leadership and direction to City staff to achieve City Council goals and objectives. On a day-to-day basis, however, the City Manager focuses on “Responsible City Government,” as evidenced by the emphasis on implementing City Council direction, managing the City organization through the appointment and removal of employees, and encouraging citizen engagement and education.

FY19 Requests

There are no additions to the City Manager’s FY19 budget.

Performance Measures: Responsible City Government

The City Council measure for “cost-effective delivery of City services” is recurring cost per capita.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------|---------------------|-------------------|-------------------|--------------|-------------------|
| Salary & Benefits | \$ 777,390 | \$ 809,713 | \$ 809,713 | \$ 814,684 | \$ - | \$ 814,684 |
| Supplies | 20,120 | 18,200 | 18,200 | 26,653 | - | 26,653 |
| Professional Services | 5,687 | 3,781 | 3,781 | 2,210 | - | 2,210 |
| Repairs & Maintenance | - | - | - | - | - | - |
| Purchased Services | 43,577 | 53,059 | 53,059 | 26,771 | - | 26,771 |
| Capital/Other | 8,196 | 1,299 | 1,299 | - | - | - |
| Category Totals | \$ 854,971 | \$ 886,052 | \$ 886,052 | \$ 870,318 | \$ - | \$ 870,318 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|-------------|-------------|------------------|------------------|----------------|--------------|
| City Manager | 5.00 | 7.00 | 4.00 | 11.00 | - | 11.00 |
| FTE Count Totals | 5.00 | 7.00 | 4.00 | 11.00 | - | 11.00 |

Assistant City Managers

Services Provided

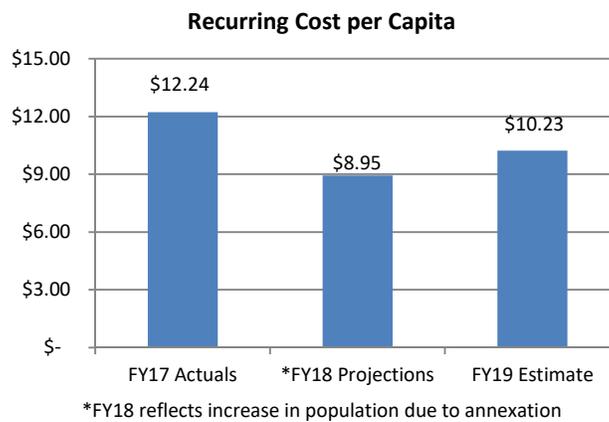
The **Assistant City Managers** provide executive oversight, guidance, and support to respective departments to ensure the priorities of the City are understood and achieved. The First Assistant City Manager and Assistant City Managers serve on behalf of the City Manager in managing projects, assignments, and representing the organization and the community. The Assistant City Managers also act in place of the City Manager in his absence.

FY19 Requests

There are no additions to the Assistant City Managers' FY19 budget.

Performance Measures: Responsible City Government

The City Council measure for "cost-effective delivery of City services" is a recurring cost per capita.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|---------------------|---------------------|---------------------|--------------|---------------------|
| Salary & Benefits | \$ 1,008,969 | \$ 955,406 | \$ 955,406 | \$ 1,121,007 | \$ - | \$ 1,121,007 |
| Supplies | 17,319 | 16,178 | 16,178 | 18,178 | - | 18,178 |
| Professional Services | 8,365 | 41,849 | 41,849 | 9,450 | - | 9,450 |
| Repairs & Maintenance | - | - | - | - | - | - |
| Purchased Services | 32,170 | 39,035 | 39,035 | 59,035 | - | 59,035 |
| Capital/Other | 6,756 | 2,000 | 2,000 | - | - | - |
| Category Totals | \$ 1,073,579 | \$ 1,054,468 | \$ 1,054,468 | \$ 1,207,670 | \$ - | \$ 1,207,670 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|-------------|-------------|------------------|------------------|----------------|-------------|
| Assistant City Managers | 5.50 | 8.00 | 1.00 | 9.00 | - | 9.00 |
| FTE Count Totals | 5.50 | 8.00 | 1.00 | 9.00 | - | 9.00 |

Community Engagement

Mission Statement

Community Engagement seeks to enhance the quality of life in the community with a commitment to excellence in connecting residents with city resources and citizen programs.

Services Provided

The **Community Engagement** Division is responsible for connecting, communicating, and engaging with the residents of the City of Sugar Land. The Community Engagement Division manages the Serve Sugar Land volunteer program in addition to numerous citizen engagement opportunities. The Division also provides resources for residents to register concerns and receive information, serving as a portal for resident contact.

FY19 Requests

There are no additions to the Community Engagement's FY19 budget.

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|------------------|------------------------|---------------------|---------------------|-----------------|-------------------|
| Salary & Benefits | \$ 30,026 | \$ 125,055 | \$ 125,055 | \$ 150,267 | \$ - | \$ 150,267 |
| Supplies | 3,452 | 21,083 | 21,083 | 42,750 | - | 42,750 |
| Professional Services | - | 2,500 | 2,500 | 2,500 | - | 2,500 |
| Repairs & Maintenance | - | - | - | - | - | - |
| Purchased Services | 113 | 2,710 | 2,710 | 2,200 | - | 2,200 |
| Capital/Other | - | 3,294 | 3,294 | - | - | - |
| Category Totals | \$ 33,591 | \$ 154,642 | \$ 154,642 | \$ 197,717 | \$ - | \$ 197,717 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| Community Engagement | - | 2.00 | - | 2.00 | - | 2.00 |
| FTE Count Totals | - | 2.00 | - | 2.00 | - | 2.00 |

City Secretary

Mission Statement

Act as stewards of open and accountable government, committed to uphold statutory principles, serve as guardians of the municipal legislative processes and official information, practice integrity, and provide excellent service that respects the uniqueness and diversity of the City organization and the community.

Services Provided

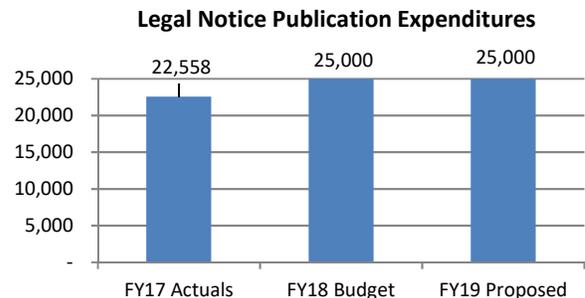
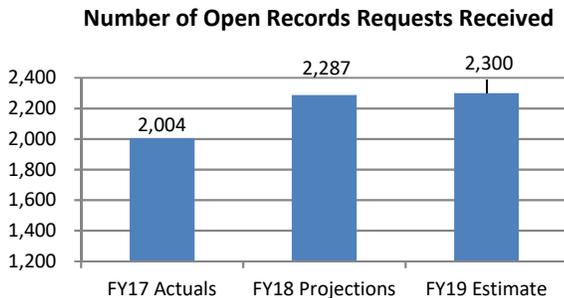
The Office of the **City Secretary** is responsible for three primary functions: legislative service, records management, and public information services. Legislative services include managing and coordinating all public meetings, elections, ordinance codification, contract execution, legal notice publications, crafting recognitions and proclamations, policy adoption, and board and commission appointments. For records management, the department maintains a centralized records center archive, an electronic document management system, and a database for vehicle registration and property documents. The department also facilitates record disposition. Public information services provided by the department include response to open records requests, and standardized guidelines for City Hall displays and meeting presentations.

FY19 Requests

A total of \$22,800 in one-time funding is included in the City Secretary’s FY19 budget to cover the costs of City Council legislative services.

Performance Measures: Responsible City Government

The City Council measure for “Customer Response Management” is the number of open records requests received by the department.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------|---------------------|-------------------|-------------------|------------------|-------------------|
| Salary & Benefits | \$ 749,648 | \$ 751,900 | \$ 751,900 | \$ 695,206 | \$ - | \$ 695,206 |
| Supplies | 47,465 | 70,467 | 70,467 | 40,000 | - | 40,000 |
| Professional Services | 16,156 | 48,759 | 48,759 | 55,954 | 22,800 | 78,754 |
| Repairs & Maintenance | 5,213 | 3,432 | 3,432 | 6,532 | - | 6,532 |
| Purchased Services | 31,484 | 47,583 | 47,583 | 44,915 | - | 44,915 |
| Capital/Other | - | 9,400 | 9,400 | - | - | - |
| Legal Notices | 22,558 | 25,000 | 25,000 | 25,000 | - | 25,000 |
| Category Totals | \$ 872,524 | \$ 956,541 | \$ 956,541 | \$ 867,607 | \$ 22,800 | \$ 890,407 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|-------------|-------------|------------------|------------------|----------------|-------------|
| City Secretary | 9.20 | 9.20 | (2.20) | 7.00 | - | 7.00 |
| FTE Count Totals | 9.20 | 9.20 | (2.20) | 7.00 | - | 7.00 |

Communications

Mission Statement

To clearly and accurately communicate information of key City services, programs, messages and values; to foster an engaged and informed citizenry; to protect the safety and welfare of our citizens; to provide leadership in further strengthening and promoting Sugar Land’s “brand” as a benchmark for superior municipal government service through all City communication tools including publications, website, social media, municipal television, media relations, emergency communications; and to serve as a resource to City departments for delivery of their specific communication needs.

Services Provided

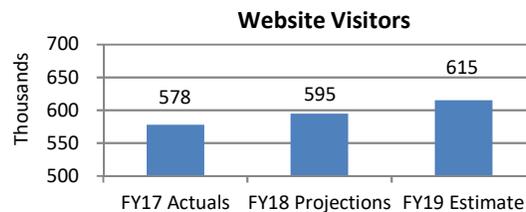
Communications is responsible for providing accurate, responsive and timely information to citizens and the public through a variety of communication tools including publications, website, SLTV16, social media, media relations, public safety and emergency communications; also facilitate and serve as a resource to City departments to manage their individual communication needs effectively and efficiently.

FY19 Requests

A total of \$5,100 in recurring additions is included in Communications FY19 budget for social media archiving.

Performance Measures: Responsible City Government

The City Council measures for “Easy access to city government” are citizen satisfaction with City publications, website and municipal television (SLtv16), and number of website visitors.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------|---------------------|---------------------|-------------------|-----------------|-------------------|
| Salary & Benefits | \$ 695,457 | \$ 624,317 | \$ 624,317 | \$ 636,682 | \$ - | \$ 636,682 |
| Supplies | 25,387 | 31,478 | 31,478 | 18,514 | - | 18,514 |
| Professional Services | 70,373 | 67,164 | 67,164 | 44,220 | 5,100 | 49,320 |
| Repairs & Maintenance | - | 230 | 230 | 230 | - | 230 |
| Purchased Services | 113,680 | 43,807 | 43,807 | 34,397 | - | 34,397 |
| Capital/Other | 3,380 | 473,945 | 473,945 | 120,000 | - | 120,000 |
| Category Totals | \$ 908,277 | \$ 1,240,941 | \$ 1,240,941 | \$ 854,043 | \$ 5,100 | \$ 859,143 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|-------------|-------------|------------------|------------------|----------------|-------------|
| Communications | 8.00 | 7.00 | - | 7.00 | - | 7.00 |
| FTE Count Totals | 8.00 | 7.00 | - | 7.00 | - | 7.00 |

311 Contact Center

Mission Statement

The 311 Contact Center provides superior customer service to the residents and visitors of the City of Sugar Land by answering general inquiry questions and processing requests for city services swiftly and accurately.

Services Provided

Utilizing automated call distribution software, inquiries are routed to Ambassadors to respond and document in the city's citizen relationship management (CRM) software. The Contact Center creates a single point of contact for residents and visitors, provides enhanced reporting and analytics, and enables departments to focus on their core mission.

FY19 Requests

There are no additions to the 311 Contact Center's FY19 budget.

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------|------------------------|---------------------|---------------------|-----------------|-------------------|
| Salary & Benefits | \$ 24,082 | \$ 179,323 | \$ 179,323 | \$ 352,059 | \$ - | \$ 352,059 |
| Supplies | 24,775 | 30,427 | 30,427 | 37,732 | - | 37,732 |
| Professional Services | - | 7,990 | 7,990 | 10,000 | - | 10,000 |
| Repairs & Maintenance | 4,603 | 5,203 | 5,203 | - | - | - |
| Purchased Services | 51,784 | 38,255 | 38,255 | 21,500 | - | 21,500 |
| Capital/Other | 22,394 | 13,205 | 13,205 | - | - | - |
| Category Totals | \$ 127,639 | \$ 274,403 | \$ 274,403 | \$ 421,291 | \$ - | \$ 421,291 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| 311 Contact Center | - | 2.00 | 5.20 | 7.20 | - | 7.20 |
| FTE Count Totals | - | 2.00 | 5.20 | 7.20 | - | 7.20 |

Human Resources

Mission Statement

Serve managers and employees by providing excellent human resources systems and risk management programs to help them be a “Champion Workforce,” helping the organization achieve excellence in delivering public services and impacting the organization’s financial resources through cost effective/efficient government.

Services Provided

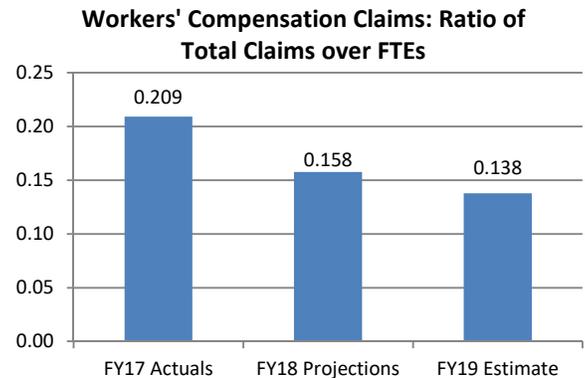
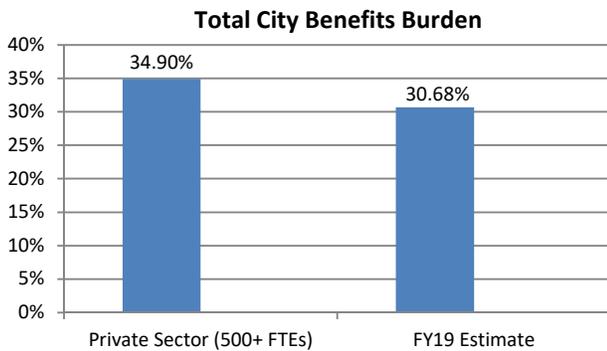
Human Resources is responsible for recruitment, total compensation, organization development, health and wellness, leave administration, employee policies and procedures, and employee recognition for all City departments. **Risk Management** oversees the City’s insurance program for workers’ compensation, property, auto, crime, and all lines of liability, as well as the review of contractual insurance requirements, claims management, and the safety and loss prevention program.

FY19 Requests

A total of \$90,000 in one-time funding is included in the Human Resources’ FY19 budget for the Physical Ability Test Validation for the Fire Department.

Performance Measures: Responsible City Government

The “Benefits Burden” is the ratio of the cost of defined benefits to total compensation, and by City policy, the Burden will be no greater than the private sector. The “Workers’ Compensation Claims” performance measure is the ratio of total claims over the number of employees, and the target is to reduce on-the-job injuries, illnesses and exposures.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Salary & Benefits | \$ 1,211,713 | \$ 1,166,663 | \$ 1,166,663 | \$ 1,189,607 | \$ - | \$ 1,189,607 |
| Supplies | 98,004 | 78,562 | 78,562 | 76,262 | - | 76,262 |
| Professional Services | 80,725 | 72,519 | 72,519 | 74,419 | 90,000 | 164,419 |
| Repairs & Maintenance | 400 | 600 | 600 | 600 | - | 600 |
| Purchased Services | 149,360 | 168,099 | 168,099 | 177,309 | - | 177,309 |
| Capital/Other | - | - | - | - | - | - |
| Category Totals | \$ 1,540,203 | \$ 1,486,443 | \$ 1,486,443 | \$ 1,518,197 | \$ 90,000 | \$ 1,608,197 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|--------------|--------------|------------------|------------------|----------------|--------------|
| Human Resources | 11.00 | 11.00 | - | 11.00 | - | 11.00 |
| FTE Count Totals | 11.00 | 11.00 | - | 11.00 | - | 11.00 |

City Attorney

Mission Statement

The City Attorney’s Office seeks to provide legal services to the City Council, boards and commissions, management, and employees that are timely; understandable and accessible to the client; achieve the City’s goals within the boundaries of the law; based on the Department’s independent judgment of the law; and protect the legal interests of the City as a municipal corporation.

Services Provided

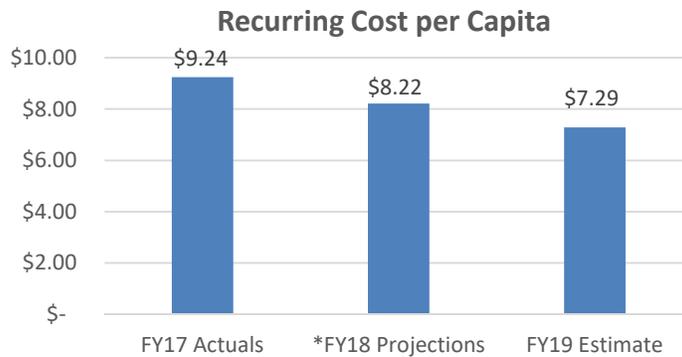
The **City Attorney’s Office** provides legal services to the City and the City’s development corporations. These services include contract review, ordinance preparation, policy review, and prosecution of violations of State law and City ordinances in Municipal Court.

FY19 Requests

There are no additions to the City Attorney’s FY19 budget.

Performance Measures: Responsible City Government

The City Council measure for “cost-effective delivery of City services” is recurring cost per capita.



*FY18 reflects increase in population due to annexation

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------|---------------------|-------------------|-------------------|--------------|-------------------|
| Salary & Benefits | \$ 742,561 | \$ 758,417 | \$ 758,417 | \$ 783,219 | \$ - | \$ 783,219 |
| Supplies | 6,711 | 12,085 | 12,085 | 12,085 | - | 12,085 |
| Professional Services | 45,813 | 175,684 | 175,684 | 42,066 | - | 42,066 |
| Repairs & Maintenance | - | - | - | - | - | - |
| Purchased Services | 15,612 | 13,056 | 13,056 | 6,056 | - | 6,056 |
| Capital/Other | - | 9,651 | 9,651 | 16,651 | - | 16,651 |
| Category Totals | \$ 810,697 | \$ 968,893 | \$ 968,893 | \$ 860,077 | \$ - | \$ 860,077 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|-------------|-------------|------------------|------------------|----------------|-------------|
| City Attorney | 6.00 | 6.00 | - | 6.00 | - | 6.00 |
| FTE Count Totals | 6.00 | 6.00 | - | 6.00 | - | 6.00 |

Information Technology

Mission Statement

The mission of the Information Technology (IT) department is to provide guidance in an effective, strategic, and fiscally responsible manner for all technology applications by: maintaining a thorough knowledge of operating systems, applications, and hardware; providing a secure infrastructure, that promotes the integrity of the electronic data that is collected, stored, and retrieved; proactively evaluate departmental needs to position them for successful delivery of service while providing efficient, effective, reliable, timely and courteous service to all users.

Services Provided

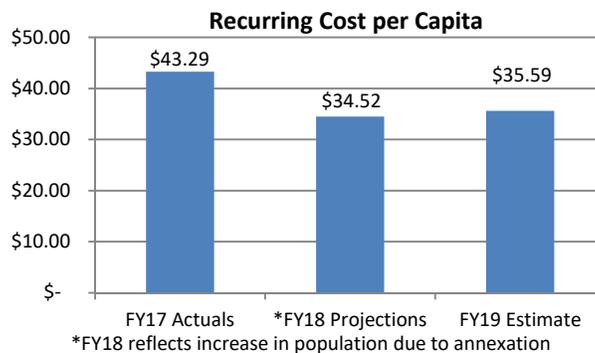
The **IT Department** provides City-wide support to all departments by maintaining the integrity of computer and communications infrastructure of the City. This includes City-wide coordination for advanced systems in Public Safety, Telecommunications, and Geographic Information System (GIS). A primary function of the department is end-user support for all City employees in their use of technology, which involves inventories, configuration, installation, and maintenance of desktop systems. The department is also responsible for project management from City-wide technology projects to application development.

FY19 Requests

A total of \$1,050 in recurring additions are included in IT's FY19 budget for the alignment of the TeleStaff software with its latest version.

Performance Measures: Responsible City Government

The City Council measure for "cost-effective delivery of city services" is recurring cost per capita.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|---------------------|---------------------|---------------------|-----------------|---------------------|
| Salary & Benefits | \$ 2,078,375 | \$ 2,206,335 | \$ 2,206,335 | \$ 2,242,610 | \$ - | \$ 2,242,610 |
| Supplies | 28,006 | 30,176 | 30,176 | 21,708 | - | 21,708 |
| Professional Services | 461,179 | 367,080 | 367,080 | 345,900 | - | 345,900 |
| Repairs & Maintenance | 1,092,810 | 1,311,690 | 1,311,690 | 1,450,650 | 1,050 | 1,451,700 |
| Purchased Services | 131,603 | 133,955 | 133,955 | 138,295 | - | 138,295 |
| Capital/Other | 6,184 | 20,000 | 20,000 | - | - | - |
| Category Totals | \$ 3,798,158 | \$ 4,069,236 | \$ 4,069,236 | \$ 4,199,163 | \$ 1,050 | \$ 4,200,213 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|--------------|--------------|------------------|------------------|----------------|--------------|
| Information Technology | 23.00 | 23.00 | - | 23.00 | - | 23.00 |
| FTE Count Totals | 23.00 | 23.00 | - | 23.00 | - | 23.00 |

Performance & Accountability

Mission Statement

Office of Performance and Accountability (OPA) is a team of innovative, big-picture thinkers who work on cutting edge initiatives that benefit the entire organization with a unique focus on continuous improvement, efficiency, and accountability. These include performance measures, goal measures, business plans, service delivery plans, and organizational assessments.

Services Provided

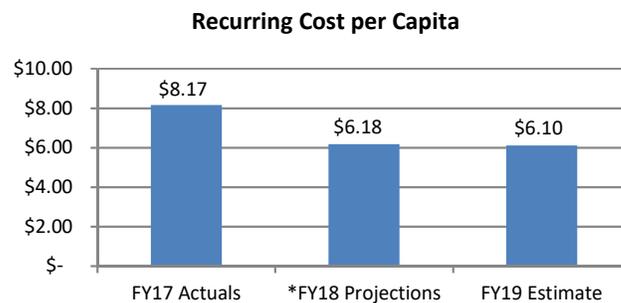
The Office of Performance and Accountability oversees the City Council goal measures program and the implementation of an organization wide performance measurement system. OPA is also responsible for conducting organizational (departmental) assessments, process improvement initiatives and manages the City-wide business plan process. The goal of these programs is to enhance accountability, efficiency and effectiveness with departments and offices.

FY19 Requests

There is a total of \$60,000 in one-time additions to Performance and Accountability's FY19 budget for the organizational assessment of Public Safety Dispatch through outside consultation.

Performance Measures: Responsible City Government

The City Council measure for "cost-effective delivery of city services" is recurring cost per capita.



*FY19 reflects increase in population due to annexation

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------|---------------------|-------------------|-------------------|------------------|-------------------|
| Salary & Benefits | \$ 576,220 | \$ 583,190 | \$ 583,190 | \$ 625,083 | \$ - | \$ 625,083 |
| Supplies | 16,252 | 1,585 | 1,585 | 2,135 | - | 2,135 |
| Professional Services | 108,148 | 69,508 | 69,508 | 22,160 | 60,000 | 82,160 |
| Repairs & Maintenance | - | - | - | - | - | - |
| Purchased Services | 15,818 | 12,381 | 12,381 | 11,106 | - | 11,106 |
| Capital/Other | - | - | - | - | - | - |
| Category Totals | \$ 716,439 | \$ 666,664 | \$ 666,664 | \$ 660,484 | \$ 60,000 | \$ 720,484 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|----------------------------------|-------------|-------------|------------------|------------------|----------------|-------------|
| Office of Perf. & Accountability | 8.00 | 7.00 | (3.00) | 4.00 | - | 4.00 |
| FTE Count Totals | 8.00 | 7.00 | (3.00) | 4.00 | - | 4.00 |

Economic Development

Mission Statement

The mission of the Economic Development Department is to facilitate the creation of a sustainable business environment that promotes a consistent, quality economy that enhances the standard of living for our residents and to provide the necessary financial resources for the City of Sugar Land through an expanded and diversified tax base.

Services Provided

The **Economic Development** program is responsible for several services including targeted business recruitment, business retention, expansion, and development; business incentives, and revenue enhancement and diversification. Marketing on the regional and national level is conducted along with retail activity analysis. Administration of funds, agreements, and project management services are also fulfilled under the leadership of City Council, City administration, and associated boards and committees.

Tourism & Destination Events is responsible for attracting leisure travelers, professional convention and meeting planners as well as sporting tournaments and event producers to Sugar Land in an effort to increase the City's economic vitality with an increase in overnight guests and day-trippers.

The **Office of Intergovernmental Relations** is responsible for regional, local, state and federal intergovernmental relations, including the development of legislative agendas, coordination of information and monitoring of relationships through the ambassador program.

FY19 Requests

A total of \$12,000 in recurring additions for Suite funding is included in Economic Development's FY19 budget.

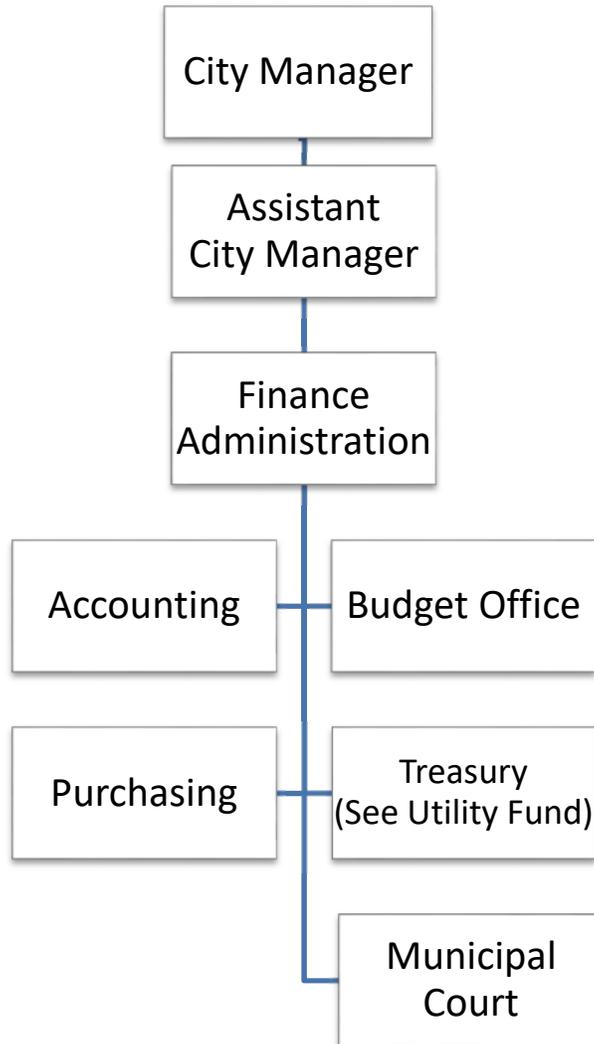
| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|------------------|---------------------|
| Salary & Benefits | \$ 934,177 | \$ 1,183,725 | \$ 1,183,725 | \$ 1,032,505 | \$ - | \$ 1,032,505 |
| Supplies | 24,398 | 49,500 | 49,500 | 1,500 | - | 1,500 |
| Professional Services | 74,880 | 107,300 | 107,300 | 110,800 | 12,000 | 122,800 |
| Repairs & Maintenance | - | - | - | - | - | - |
| Purchased Services | 7,534 | 13,150 | 13,150 | 9,650 | - | 9,650 |
| Capital/Other | - | - | - | - | - | - |
| Category Totals | \$ 1,040,990 | \$ 1,353,675 | \$ 1,353,675 | \$ 1,154,455 | \$ 12,000 | \$ 1,166,455 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|---------------------------------|---------------------|------------------------|---------------------|---------------------|------------------|---------------------|
| Economic Development | \$ 821,687 | \$ 1,079,073 | \$ 1,079,073 | \$ 934,726 | \$ 12,000 | \$ 946,726 |
| Office of Intergov'tl Relations | 162,406 | 216,068 | 216,068 | 219,729 | - | 219,729 |
| Tourism & Destination Events | 56,897 | 58,534 | 58,534 | - | - | - |
| Category Totals | \$ 1,040,990 | \$ 1,353,675 | \$ 1,353,675 | \$ 1,154,455 | \$ 12,000 | \$ 1,166,455 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|---------------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| Economic Development | 9.00 | 9.00 | (2.50) | 6.50 | - | 6.50 |
| Office of Intergov'tl Relations | 0.50 | 1.00 | - | 1.00 | - | 1.00 |
| Tourism & Destination Events | 0.50 | 0.50 | (0.50) | - | - | - |
| FTE Count Totals | 10.00 | 10.50 | (3.00) | 7.50 | - | 7.50 |

Finance

As of October 1, 2018



Finance

Mission Statement

The mission of the Finance Department is to use available resources, ethical principles, and professional practices to deliver superior and responsive financial services to City customers while maximizing effectiveness and minimizing costs in the areas of Finance Administration, Budget, Accounting, Purchasing, and Municipal Court.

Programs of Service

The Finance Department is made up of Finance Administration, Budget, Accounting, Purchasing, and Municipal Court. **Finance Administration** is responsible for reviewing and implementing financial policies and managing the City's debt issuance and investment of public funds. **Budget** oversees the budget process and provides assistance to departments regarding budgeting and financial analysis. **Accounting** provides payroll, accounts payable, capital assets, grant management, general ledger, internal controls and administrative services. **Purchasing** oversees competitive purchasing, verifies insurance for contracts surplus/salvage, City auction management, purchasing training, and emergency management/resource management. **Municipal Court** is responsible for providing arraignments and trials, photo enforcement appeals, warrant servicing, accurate reporting and customer service.

FY19 Requests

There are no additions to the Finance Department's FY19 budget.

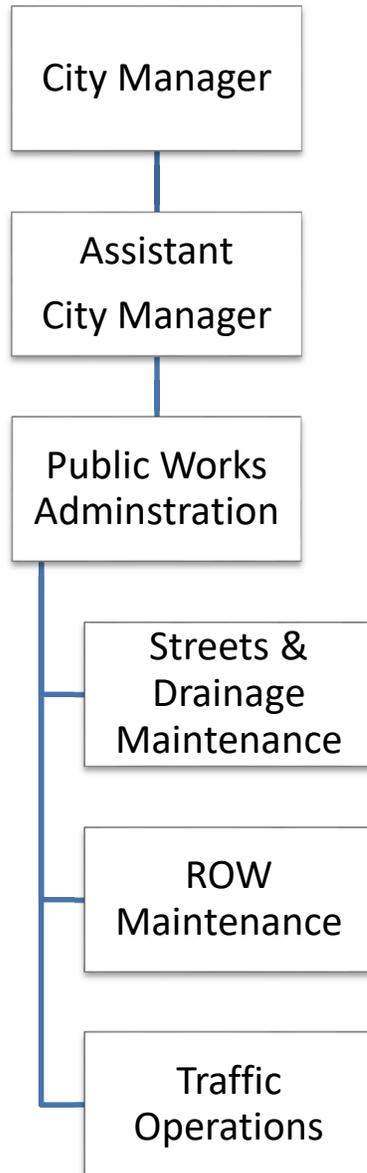
| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Salary & Benefits | \$ 2,998,497 | \$ 3,351,425 | \$ 3,351,425 | \$ 3,576,777 | \$ - | \$ 3,576,777 |
| Supplies | 39,690 | 45,733 | 45,733 | 45,540 | - | 45,540 |
| Professional Services | 462,666 | 820,238 | 820,238 | 798,383 | - | 798,383 |
| Repairs & Maintenance | 844 | 2,250 | 2,250 | 2,250 | - | 2,250 |
| Purchased Services | 135,256 | 190,009 | 190,009 | 216,040 | - | 216,040 |
| Capital/Other | 2,661 | 2,624 | 2,624 | - | - | - |
| Category Totals | \$ 3,639,613 | \$ 4,412,279 | \$ 4,412,279 | \$ 4,638,990 | \$ - | \$ 4,638,990 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Finance Administration | \$ 721,907 | \$ 1,115,202 | \$ 1,115,202 | \$ 1,028,108 | \$ - | \$ 1,028,108 |
| Budget Office | 467,382 | 417,936 | 417,936 | 531,025 | - | 531,025 |
| Accounting | 987,743 | 1,295,148 | 1,295,148 | 1,268,083 | - | 1,268,083 |
| Purchasing | 536,769 | 567,028 | 567,028 | 595,290 | - | 595,290 |
| Municipal Court | 925,812 | 1,016,965 | 1,016,965 | 1,216,484 | - | 1,216,484 |
| Category Totals | \$ 3,639,613 | \$ 4,412,279 | \$ 4,412,279 | \$ 4,638,990 | \$ - | \$ 4,638,990 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| Finance Administration | 3.00 | 4.00 | (1.00) | 3.00 | - | 3.00 |
| Budget Office | 5.00 | 5.00 | - | 5.00 | - | 5.00 |
| Accounting | 11.00 | 12.50 | - | 12.50 | - | 12.50 |
| Purchasing | 7.00 | 7.00 | - | 7.00 | - | 7.00 |
| Municipal Court | 12.00 | 12.00 | - | 12.00 | - | 12.00 |
| FTE Count Totals | 38.00 | 40.50 | (1.00) | 39.50 | - | 39.50 |

Public Works

As of October 1, 2018



Public Works

Mission Statement

The Public Works Department will strive to enhance the quality of life for all residents by providing safe, reliable and effective services consistent with the stated goals of the City.

Services Provided

The Public Works Department is responsible for the repair, and operations and maintenance of the City's public streets, traffic control devices, sidewalks, bridges, drainage system, and water conservation. The Department administers a number of contracts with private sector firms for a range of goods and services that play an important role in effectively maintaining the City's infrastructure and providing essential services.

Programs of Service

The **Administration** program manages components common to all divisions such as customer service, emergency management, the safety program, public education, personnel management, infrastructure data capture, asset management and event assistance. The **Street & Drainage** Maintenance program is responsible for the administration and operation of public streets, sidewalks, and bridges along with maintenance of sewer lines and open ditches. **Right of Way** maintenance manages the turf, landscape and irrigation in the City's Rights of Way, along with the City's Bike and Pedestrian Master Plan and enforcement of the City's Tree Ordinance. The **Traffic Program** is responsible for the engineering, maintenance, and operation of all traffic control and traffic calming devices within the City limits, and includes maintenance and monitoring of traffic signals, school zones, regulatory signs, street name signs and public information signs located on all City streets, and the railroad wayside horn system. The **Water Conservation Program** is overseen by Public Works but housed in the Water Utilities Fund.

FY19 Requests

A total of \$154,000 in recurring additions is included in Public Works' FY19 budget. This includes \$85,000 in Street Sweeping and \$69,000 in Mulch/Fertilizer in replacement of budget cuts from FY18.

Performance Measures: Traffic Corridor Performance

The City of Sugar Land's most vital vehicular travel corridors support commercial enterprise and quality of life. Shorter travel times help improve both commercial enterprise and quality of life.

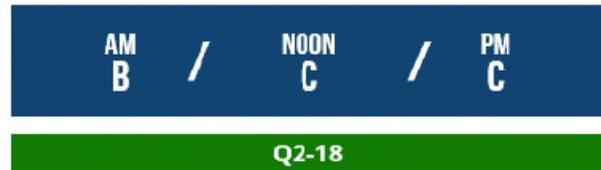
Public Works

| Levels of Service | Scale |
|--|-----------------------------------|
| A: ≥86% | Highest Possible Level of Service |
| B: 68% - 85% | |
| C: 51% - 67% | |
| D: 41% - 50% | |
| E: 31% - 40% | |
| F: ≤30% | Lowest Possible Level of Service |
| % = % of posted speed (avg. speed achieved/posted speed limit) | |

Traffic - Corridor State Highway 6 Performance



Traffic - Corridor State Highway 90 Performance



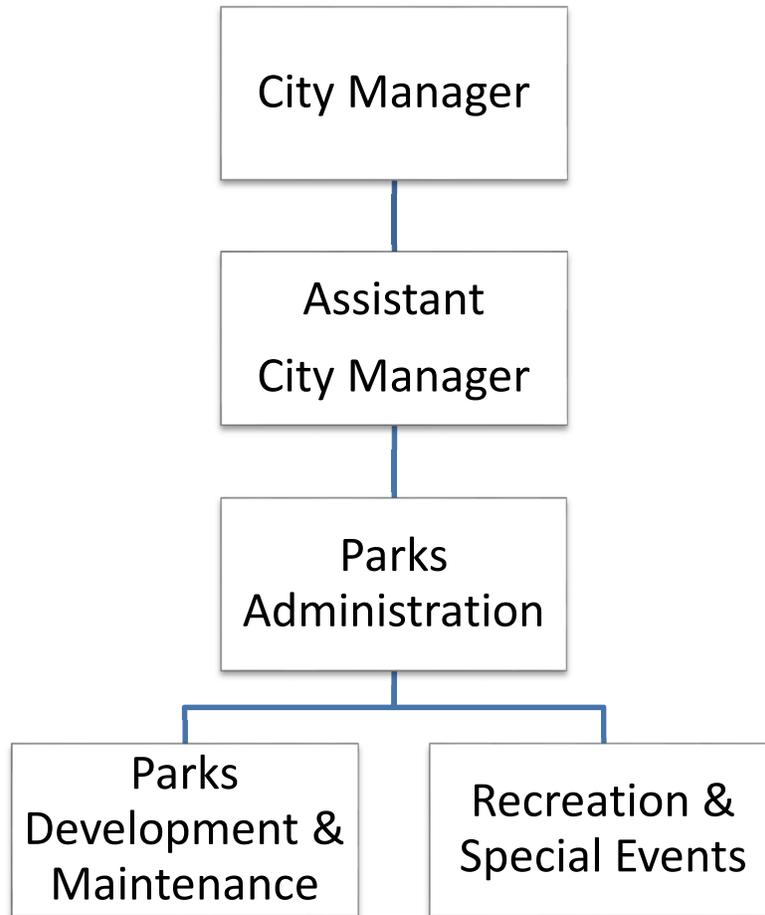
| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|----------------------|----------------------|-------------------|----------------------|
| Salary & Benefits | \$ 2,518,780 | \$ 3,353,749 | \$ 3,353,749 | \$ 3,333,572 | \$ - | \$ 3,333,572 |
| Supplies | 316,598 | 373,756 | 373,756 | 1,767,091 | - | 1,767,091 |
| Professional Services | 3,508,366 | 3,601,404 | 3,601,404 | 3,651,398 | - | 3,651,398 |
| Repairs & Maintenance | 2,158,410 | 3,605,057 | 3,605,057 | 2,605,967 | 154,000 | 2,759,967 |
| Purchased Services | 81,908 | 116,028 | 116,028 | 67,188 | - | 67,188 |
| Capital/Other | 673,767 | 157,300 | 157,300 | 21,524 | - | 21,524 |
| Category Totals | \$ 9,257,829 | \$ 11,207,294 | \$ 11,207,294 | \$ 11,446,740 | \$ 154,000 | \$ 11,600,740 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|-------------------------------|---------------------|------------------------|----------------------|----------------------|-------------------|----------------------|
| Public Works Administration | \$ 684,801 | \$ 637,390 | \$ 637,390 | \$ 581,340 | \$ - | \$ 581,340 |
| Street & Drainage Maintenance | 2,769,689 | 3,824,132 | 3,824,132 | 3,895,491 | 85,000 | 3,980,491 |
| ROW Maintenance | 1,776,082 | 2,004,286 | 2,004,286 | 2,251,080 | 69,000 | 2,320,080 |
| Traffic Operations | 4,027,257 | 4,741,486 | 4,741,486 | 4,718,829 | - | 4,718,829 |
| Category Totals | \$ 9,257,829 | \$ 11,207,294 | \$ 11,207,294 | \$ 11,446,740 | \$ 154,000 | \$ 11,600,740 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| Public Works Administration | 4.00 | 4.50 | (0.50) | 4.00 | - | 4.00 |
| Street & Drainage Maintenance | 18.00 | 22.00 | - | 22.00 | - | 22.00 |
| ROW Maintenance | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Traffic Operations | 9.00 | 14.00 | - | 14.00 | - | 14.00 |
| FTE Count Totals | 34.00 | 43.50 | (0.50) | 43.00 | - | 43.00 |

Parks & Recreation

As of October 1, 2018



Parks & Recreation

Mission Statement

The mission of the Parks & Recreation Department is to create and maintain unparalleled recreational opportunities through unique, high quality parks and public spaces that enhance the community.

Services Provided

The Parks & Recreation Department is responsible for planning, developing, implementing and managing parks, recreation and leisure services.

Programs of Service

Administration is responsible for implementing the programs, policies and services established under the leadership of City Council, City administration, and associated advisory boards of the City. **Development & Maintenance** is responsible for the planning, design, construction of park facilities, park area landscape, pest control, custodial services and repairs. **Recreation & Special Events** creates, manages and delivers City-hosted events and cultural activities, oversees leisure classes, youth sports associations, senior activities, contractual operation of the municipal pool including swim lessons, life guards, and swim team usage.

FY19 Requests

There are no recurring additions to the Parks & Recreation FY19 budget. One-time funding of \$50,000 is included for special events.

Performance Measures: Well Planned Community & Great Place to Live

The performance measure for a “Well Planned Community & Great Place” to Live is based on the most recent citizen survey.



Parks & Recreation

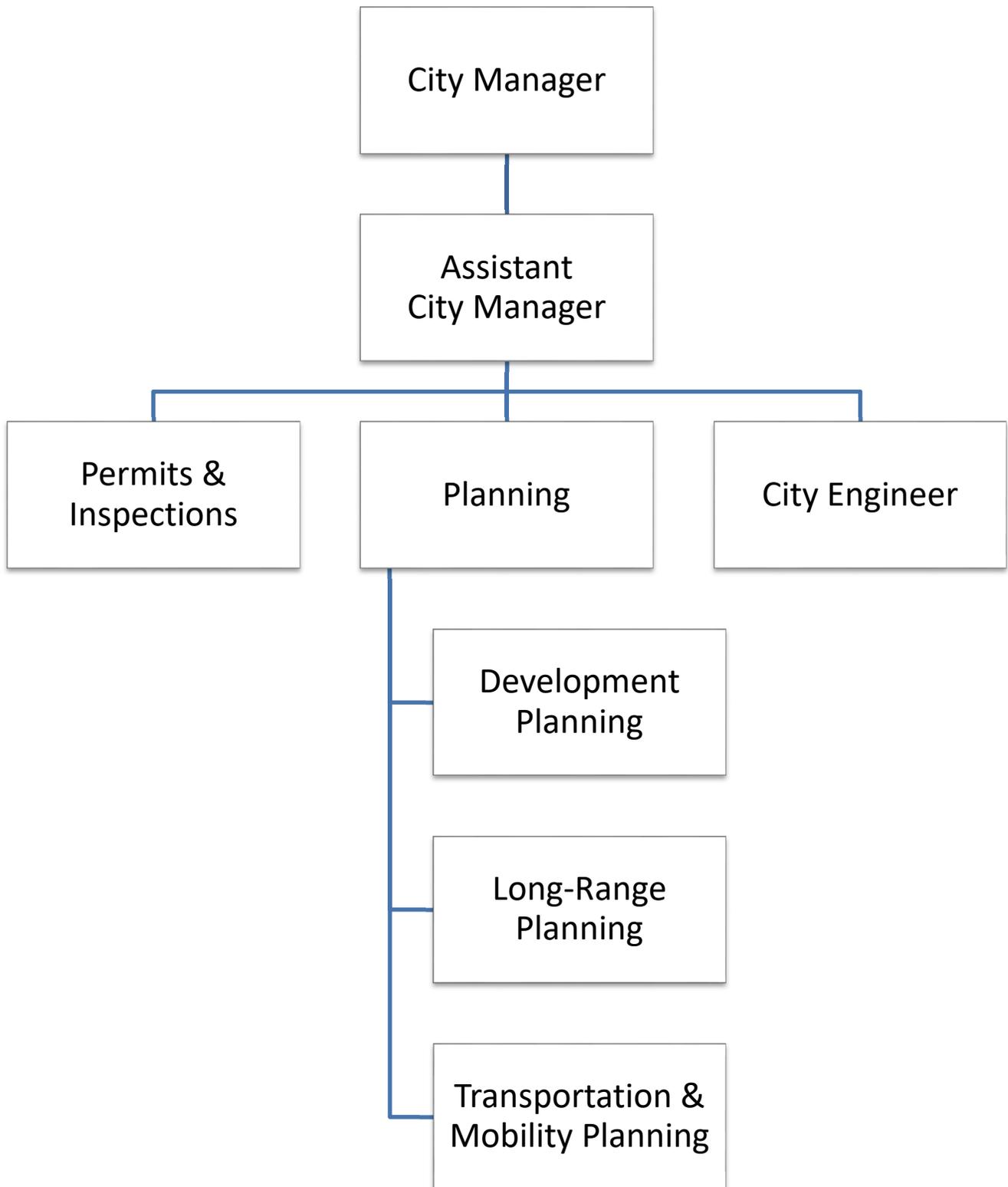
| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|----------------------------|-------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Salary & Benefits | \$ 2,437,854 | \$ 2,526,850 | \$ 2,526,850 | \$ 2,659,765 | \$ - | \$ 2,659,765 |
| Supplies | 291,829 | 282,279 | 282,279 | 398,497 | - | 398,497 |
| Professional Services | 602,403 | 643,274 | 643,274 | 563,274 | - | 563,274 |
| Repairs & Maintenance | 833,685 | 929,899 | 929,899 | 896,452 | - | 896,452 |
| Purchased Services | 622,001 | 389,790 | 389,790 | 359,034 | 50,000 | 409,034 |
| Capital/Other | 4,759 | 10,000 | 10,000 | 10,000 | - | 10,000 |
| Category Totals | \$ 4,792,532 | \$ 4,782,092 | \$ 4,782,092 | \$ 4,887,022 | \$ 50,000 | \$ 4,937,022 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|---------------------------|-------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Parks Administration | 650,566 | 683,364 | 683,364 | 706,327 | - | 706,327 |
| Development & Maintenance | 2,499,719 | 2,526,289 | 2,526,289 | 2,623,313 | - | 2,623,313 |
| Special Events | 69 | 404,488 | 404,488 | 428,094 | 50,000 | 478,094 |
| Recreation | 1,642,177 | 1,167,951 | 1,167,951 | 1,129,288 | - | 1,129,288 |
| Category Totals | \$ 4,792,532 | \$ 4,782,092 | \$ 4,782,092 | \$ 4,887,022 | \$ 50,000 | \$ 4,937,022 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|------------------------|------------------------|-----------------------------|-----------------------------|---------------------------|------------------------|
| Parks Administration | 6.00 | 6.00 | - | 6.00 | - | 6.00 |
| Parks Development | 15.50 | 15.50 | - | 15.50 | - | 15.50 |
| Special Events | - | 3.00 | - | 3.00 | - | 3.00 |
| Recreation | 17.27 | 14.30 | - | 14.30 | - | 14.30 |
| FTE Count Totals | 38.77 | 38.80 | - | 38.80 | - | 38.80 |

Community Development

As of October 1, 2018



Permits & Inspections

Mission Statement

The Permits and Inspections Department is committed to the public's safety, enhances quality of life by providing plan review, permit and inspection services that ensure code compliance in the development and redevelopment of buildings and their components.

Services Provided

The Permits & Inspections Department provides assistance for all issues relating to permitting of residential and commercial construction and enforces building code compliance through plan review and inspections. The permits processed allow certified plan examiners and/or inspectors to check the proposed and completed work for building code standards. The City adopted building codes are intended to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to fire fighters and emergency responders during emergency operations.

Programs of Service

The **Permits & Inspections** Department provides extensive customer service to homeowners, contractors and business owners. This technical assistance is provided via walk-in customers, phone requests and questions, and faxed-in permit requests. The Permits and Inspections Department answers technical questions and provides guidance for all aspects of plan review (both at the Permit Technician desk and with the Plan Reviewers), issuing of permits (including taking the payments) and inspections (inspectors are licensed through the State and International Code Council to be able to perform multi-disciplined inspections) of residential and commercial buildings based upon the regulatory authority of City Council adopted building codes.

FY19 Requests

There are no additions to Permits & Inspections' FY19 budget.

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Salary & Benefits | \$ 1,224,949 | \$ 1,293,864 | \$ 1,293,864 | \$ 1,339,286 | \$ - | \$ 1,339,286 |
| Supplies | 18,241 | 26,317 | 26,317 | 25,652 | - | 25,652 |
| Professional Services | 11,647 | 13,742 | 13,742 | 13,742 | - | 13,742 |
| Repairs & Maintenance | 3,816 | 3,564 | 3,564 | 3,564 | - | 3,564 |
| Purchased Services | 36,420 | 54,622 | 54,622 | 55,522 | - | 55,522 |
| Capital/Other | - | - | - | - | - | - |
| Category Totals | \$ 1,295,073 | \$ 1,392,109 | \$ 1,392,109 | \$ 1,437,766 | \$ - | \$ 1,437,766 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| Permits & Inspections | 15.08 | 16.25 | - | 16.25 | - | 16.25 |
| FTE Count Totals | 15.08 | 16.25 | - | 16.25 | - | 16.25 |

Planning

Mission Statement

The Planning Department ensures a well-planned City that is safe, beautiful and livable. This is accomplished by facilitating the development and implementation of long-range plans and policies such as the City’s comprehensive plan and master plans, shaping the city’s physical environment through diligent enforcement of codes and standards and ensuring development quality for the City.

Services Provided

The Development Planning Program is responsible for administrating development review for applications such as subdivision plats, site plans, general land plans, rezoning and conditional use permit cases, variances, special exceptions, and appeals. The Long-Range Planning program provides comprehensive plan and master plans development and maintenance, land use planning, regional land use activities, demographics and development agreements tracking and monitoring, and annexation planning. The department is also involved in the city’s transportation and mobility planning efforts by providing leadership in strategically implementing the City’s transportation and mobility related policy goals and working directly with the City’s Transportation and Mobility Innovation Manager.

Programs of Service

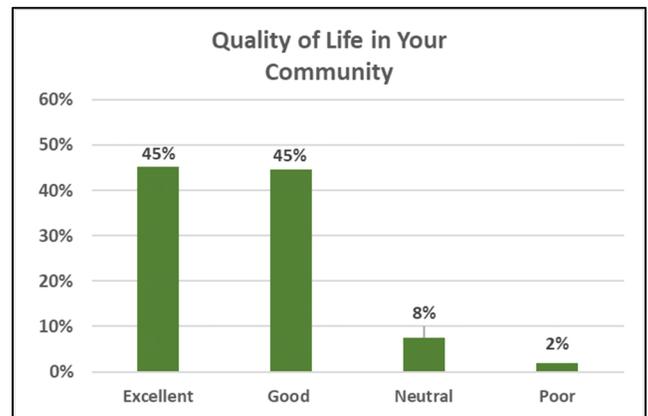
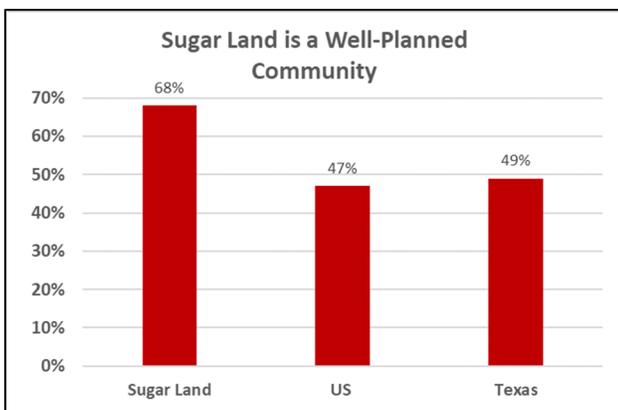
Development Planning reviews plats, site plans, and rezoning applications to ensure compliance with City development policies, codes and planning. **Long Range Planning** leads the City’s efforts to plan for the long range needs of the City including development and maintenance of the City’s comprehensive plan and master plans, annexation planning and implementation, and land use planning.

FY19 Requests

A total of \$70,000 in recurring additions are included in Planning’s FY19 budget, these additions are for Fort Bend County Transit funding.

Performance Measures: Well Planned Community & Livable Neighborhoods

The City measure for “Predictable, compatible land uses through zoning and comprehensive planning” is the percent of citizens who agree that Sugar Land is a well-planned community. The most recent survey results are shown below.



Planning

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|----------------------------|-------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Salary & Benefits | \$ 1,059,997 | \$ 1,072,998 | \$ 1,072,998 | \$ 1,126,551 | \$ - | \$ 1,126,551 |
| Supplies | 10,666 | 12,267 | 12,267 | 13,209 | - | 13,209 |
| Professional Services | 134,879 | 89,667 | 89,667 | 8,455 | 70,000 | 78,455 |
| Repairs & Maintenance | 946 | 3,000 | 3,000 | 3,000 | - | 3,000 |
| Purchased Services | 32,734 | 49,259 | 49,259 | 47,354 | - | 47,354 |
| Capital/Other | - | 2,757 | 2,757 | 1,270 | - | 1,270 |
| Category Totals | \$ 1,239,222 | \$ 1,229,948 | \$ 1,229,948 | \$ 1,199,839 | \$ 70,000 | \$ 1,269,839 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|-----------------------------|-------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Community Development | \$ 285,559 | \$ 175,291 | \$ 175,291 | \$ 178,626 | \$ - | \$ 178,626 |
| Planning & Development | 476,643 | 605,347 | 605,347 | 630,702 | - | 630,702 |
| Transportation & Long Range | 477,019 | 449,310 | 449,310 | 390,511 | 70,000 | 460,511 |
| Category Totals | \$ 1,239,222 | \$ 1,229,948 | \$ 1,229,948 | \$ 1,199,839 | \$ 70,000 | \$ 1,269,839 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|------------------------------|------------------------|------------------------|-----------------------------|-----------------------------|---------------------------|------------------------|
| Community Development Admin | 2.00 | 1.00 | - | 1.00 | - | 1.00 |
| Planning & Development | 6.00 | 7.00 | (1.00) | 6.00 | - | 6.00 |
| Transp & Long Range Planning | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| FTE Count Totals | 12.00 | 12.00 | (1.00) | 11.00 | - | 11.00 |

Engineering

Mission Statement

As the engineering authority for the City, the Engineering Department provides expertise and regulatory guidance for all planning, design and construction of CIP and development projects within our jurisdiction, and manages and maintains master plans as required through the comprehensive plan. The Engineering Department develops business processes and control mechanisms, including coordination with outside agencies, to ensure projects are on-time and within budget with complete and accurate reporting. The Engineering Department is committed to maintaining a high level of professionalism through open lines of communication and transparency while delivering superior customer service.

Services Provided

The **Engineering Department** provides centralized support to owner and stakeholder departments for development of the CIP and design and construction of capital projects and external services dealing with public infrastructure related to development improvements, floodplain regulations and adherence to City regulations, development code and engineering design standards. In addition, the department manages all real estate services and master plan updates. These services are focused on consistency and efficiency for success and rely on sound communication throughout the department in order to accomplish the large amount of work that is part of these services.

FY19 Requests

A total of \$5,000 in one-time additions are included in Engineering’s FY19 budget for Asset Management training to assist in the City’s effort of moving into data driven and risk based investment planning.

Performance Measures: Well Planned Community

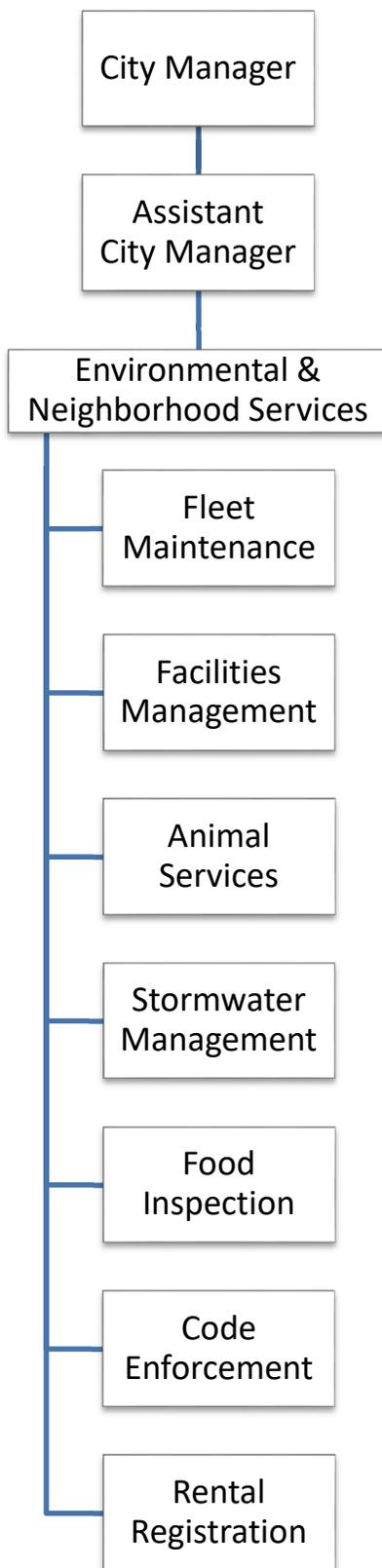
The department strives to meet the City Council’s goal of a “Well Planned Community.” According to the most recent Citizen Survey, “93% agree with the statement: ‘Sugar Land is a well-planned community that ensures compatible land use for residential, office, and retail purposes.’”

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Salary & Benefits | \$ 2,359,187 | \$ 2,538,367 | \$ 2,538,367 | \$ 2,537,504 | \$ - | \$ 2,537,504 |
| Supplies | 27,600 | 29,965 | 29,965 | 35,647 | - | 35,647 |
| Professional Services | 100,636 | 376,306 | 376,306 | 127,720 | - | 127,720 |
| Repairs & Maintenance | 5,582 | 39,450 | 39,450 | 9,450 | - | 9,450 |
| Purchased Services | 38,376 | 39,469 | 39,469 | 42,547 | 5,000 | 47,547 |
| Capital/Other | - | - | - | - | - | - |
| Category Totals | \$ 2,531,381 | \$ 3,023,557 | \$ 3,023,557 | \$ 2,752,868 | \$ 5,000 | \$ 2,757,868 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| City Engineer | 23.00 | 23.00 | (1.00) | 22.00 | - | 22.00 |
| FTE Count Totals | 23.00 | 23.00 | (1.00) | 22.00 | - | 22.00 |

Environmental & Neighborhood Services

As of October 1, 2018



Environmental & Neighborhood Services

Mission Statement

To enhance the quality of life for all residents by providing safe, reliable and effective services consistent with the stated goals of the City and to realize the City's vision of a safe, beautiful, well-planned community by supporting growth and maintaining existing development through fair and consistent regulation and coordination, coupled with excellent customer service.

Services Provided

Environmental & Neighborhood Services is responsible for Animal Services, the Community Development Block Grant, Code Enforcement, Facilities, Fleet, Food Inspections, the Rental Licensing Program, Solid Waste and Stormwater. The department administers a number of contracts with private sector firms for a range of goods and services that play an important role in effectively maintaining City facilities and providing essential services. Special projects and assignments on behalf of the City Manager and community are also carried out.

Programs of Service

Fleet Maintenance maintains over 400 vehicles, fire apparatus, EMS vehicles and small pieces of machinery. **Facilities Management** manages a maintenance and improvement program, retires assets, provides immediate repairs, and engages in special projects and new vertical construction projects. **Animal Services** operates the City's animal shelter and enforces animal-related City ordinances. **Storm Water Management** is responsible for developing and implementing the City's Storm Water Management Program and providing water quality guidelines for storm water discharge as required by federal and state agencies. The **Food Inspection** program is responsible for the permitting and inspection of temporary, mobile and permanent food establishments in order to ensure they are safe, sanitary and in compliance with applicable codes and regulations. **Code Enforcement** works to protect the health, safety and welfare of residents through enforcement of the City's Codes and Ordinances. The **Rental Licensing** program ensures that the approx. 3,100 active rental properties are conforming to property maintenance standards and are safe for occupancy.

FY19 Requests

There are no additions to Environmental & Neighborhood Services' FY19 budget.

Environmental & Neighborhood Services

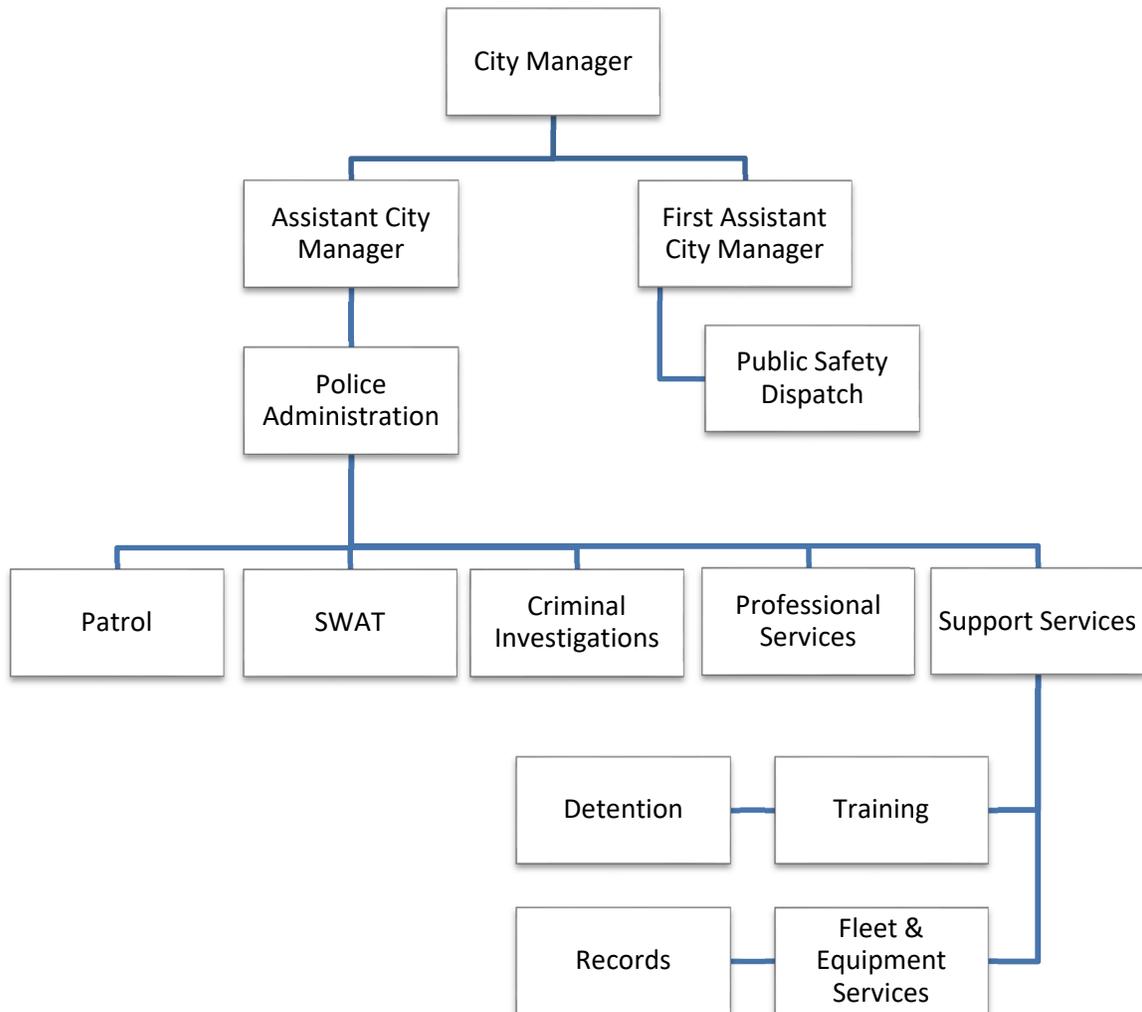
| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Salary & Benefits | \$ 2,864,324 | \$ 3,328,896 | \$ 3,328,896 | \$ 3,239,814 | \$ - | \$ 3,239,814 |
| Supplies | 302,872 | 439,480 | 439,480 | 642,040 | - | 642,040 |
| Professional Services | 1,040,383 | 1,003,995 | 1,003,995 | 854,382 | - | 854,382 |
| Repairs & Maintenance | 553,475 | 921,903 | 921,903 | 669,127 | - | 669,127 |
| Purchased Services | 196,987 | 222,837 | 222,837 | 226,836 | - | 226,836 |
| Capital/Other | 99,799 | 30,179 | 30,179 | - | - | - |
| Category Totals | \$ 5,057,840 | \$ 5,947,290 | \$ 5,947,290 | \$ 5,632,199 | \$ - | \$ 5,632,199 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| ENS Administration | \$ 422,893 | \$ 403,930 | \$ 403,930 | \$ 422,906 | \$ - | \$ 422,906 |
| Community Outreach | 25,229 | - | - | - | - | - |
| Fleet Services | 752,001 | 778,661 | 778,661 | 761,191 | - | 761,191 |
| Facilities Management | 2,101,731 | 2,515,991 | 2,515,991 | 2,372,499 | - | 2,372,499 |
| Animal Services | 737,896 | 970,381 | 970,381 | 992,982 | - | 992,982 |
| Stormwater Management | 93,265 | 209,300 | 209,300 | 95,337 | - | 95,337 |
| Food Inspection | 253,027 | 313,622 | 313,622 | 327,011 | - | 327,011 |
| Code Enforcement | 415,180 | 427,115 | 427,115 | 426,196 | - | 426,196 |
| Rental Registration | 256,618 | 328,290 | 328,290 | 234,077 | - | 234,077 |
| Category Totals | \$ 5,057,840 | \$ 5,947,290 | \$ 5,947,290 | \$ 5,632,199 | \$ - | \$ 5,632,199 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| ENS Administration | 4.00 | 2.00 | 1.00 | 3.00 | - | 3.00 |
| Fleet Services | 7.00 | 8.00 | 1.00 | 9.00 | - | 9.00 |
| Facilities Management | 8.00 | 8.00 | - | 8.00 | - | 8.00 |
| Animal Services | 8.98 | 11.00 | - | 11.00 | - | 11.00 |
| Stormwater Management | 1.50 | 0.50 | - | 0.50 | - | 0.50 |
| Food Inspection | 4.00 | 4.00 | - | 4.00 | - | 4.00 |
| Code Enforcement | 5.00 | 6.00 | - | 6.00 | - | 6.00 |
| Rental Registration | 3.00 | 4.00 | (1.00) | 3.00 | - | 3.00 |
| FTE Count Totals | 41.48 | 43.50 | 1.00 | 44.50 | - | 44.50 |

Police Department & Public Safety Dispatch

As of October 1, 2018



Police Department

Mission Statement

The Sugar Land Police Department places an emphasis on quality law enforcement, crime prevention, and community policing. The overall goal of the organization is to develop partnerships and joint problem-solving techniques with the community that will increase the safety and quality of life for residents and visitors.

Services Provided

The Sugar Land Police Department provides quality police services in an active and efficient manner to the citizens of Sugar Land, daily business population, pass-through commuters, shoppers, and visitors. The Police Department operates under the Beat Accountability System, which keeps officers close to one area. The City is divided into five beats, with officers assigned to each area partnering with residents to increase safety in the community.

Programs of Service

The **Administration** program is responsible for community relations, beat accountability, financial management, accreditation, policy establishment and compliance, internal affairs, red light camera enforcement and overall administration of the department. **Patrol** provides response to calls for service, active patrol, general traffic enforcement, directed assignments, traffic and DWI investigations, public education and presentations, new personnel training, court testimony, house watches, oversight of C.A.S.T. and Citizen's Police Academy, bicycle patrol, honor guard, Municipal Court Bailiff, and security at public meetings. **Special Weapons and Tactics** (S.W.A.T.) is part of a multi-jurisdictional taskforce that serves felony warrants, responses to hostage/barricaded situations, surveillance and other tactical call-outs beyond normal patrol functions. The **Criminal Investigations** program provides prompt responses to crime scenes with investigators who collect, correlate, and analyze facts and evidence in each case, process and document the evidence and property, interview victims and witnesses of the crime, provide testimony for court and follow up with crime victim's compensation, along with fingerprinting for civilians needing passports, concealed handgun licenses, and various occupations. **Support Services** is composed of four entities: *Training*, which is responsible for the coordination and implementation of all police personnel training and recruitment of new personnel; *Records*, which is responsible for processing, maintaining, and securing the official records of the Police Department and providing a primary call taker/receptionist for the department, *Detention*, which is responsible for housing detainees and *Fleet & Equipment Services*, which is responsible for maintaining the department's fleet vehicles.

FY19 Requests

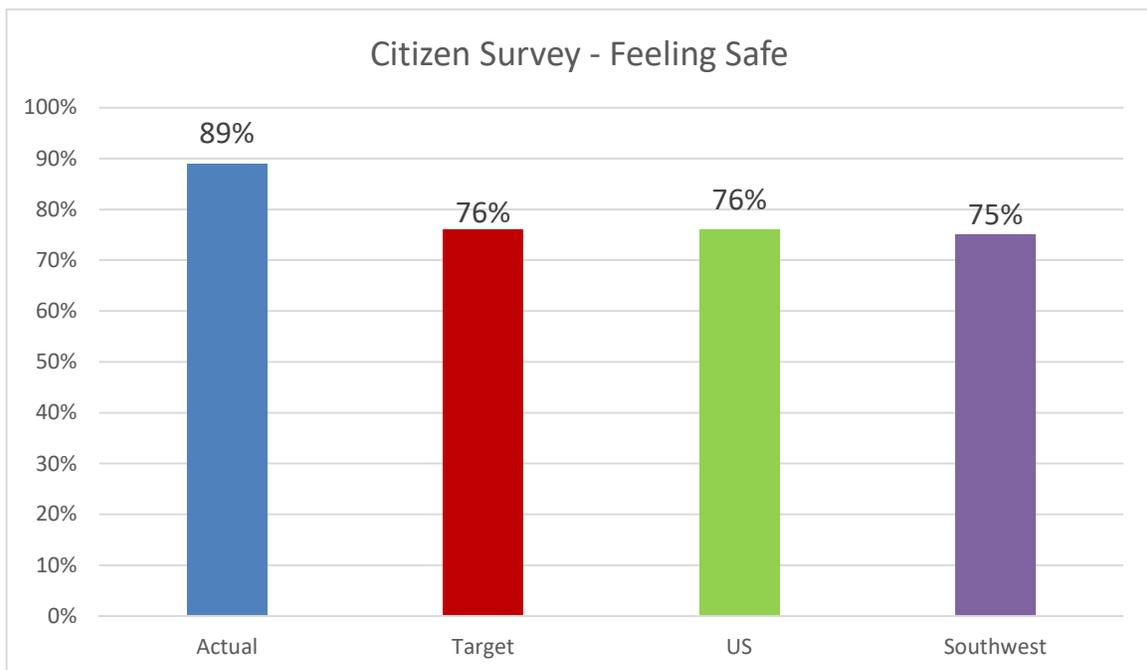
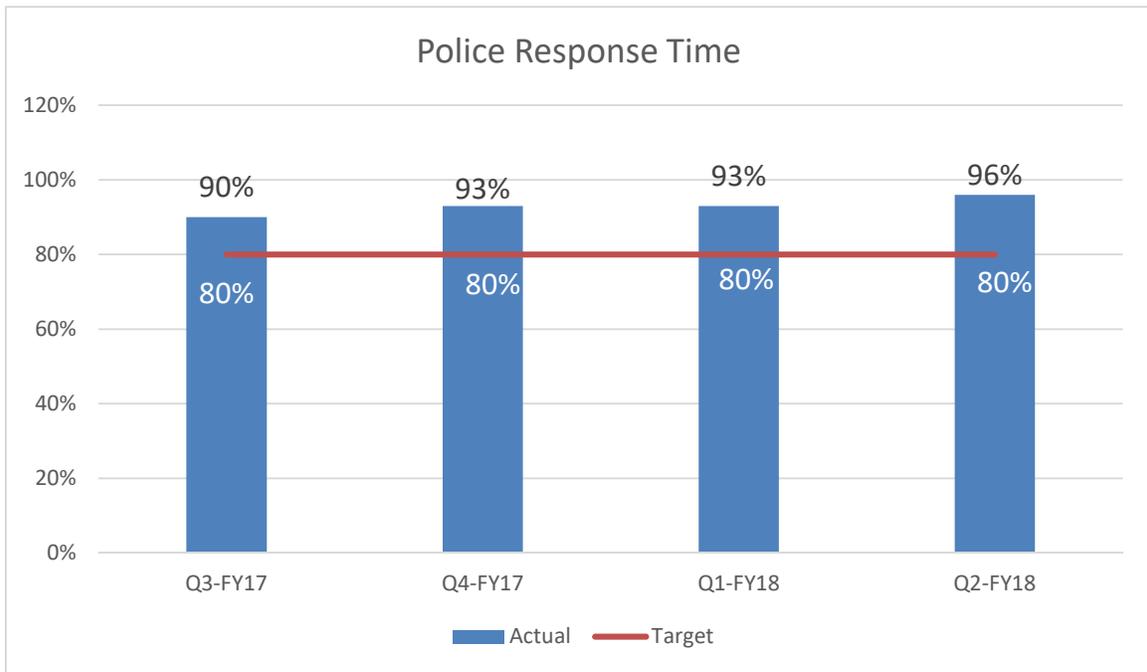
There are no additions to the Police Department FY19 budget.

Police Department

Performance Measures: Safest City in America

The City Council measure for “Rapid, Effective, and Coordinated Response to an Emergency for Police” is response time to a Priority emergency. The target is 80% of responses within a target of 7 minutes.

The City Council measure “Police work highly visible with people feeling safe and confident in the response” is citizen response to the latest citizen satisfaction survey.



Police Department

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|----------------------|------------------------|----------------------|----------------------|-----------------|----------------------|
| Salary & Benefits | \$ 17,803,844 | \$ 19,663,803 | \$ 19,663,803 | \$ 19,730,090 | \$ - | \$ 19,730,090 |
| Supplies | 984,957 | 773,982 | 773,982 | 743,376 | - | 743,376 |
| Professional Services | 108,115 | 144,850 | 144,850 | 134,280 | - | 134,280 |
| Repairs & Maintenance | 280,928 | 307,839 | 307,839 | 308,739 | - | 308,739 |
| Purchased Services | 281,809 | 279,464 | 279,464 | 265,842 | - | 265,842 |
| Capital/Other | 581,140 | 34,485 | 34,485 | - | - | - |
| Category Totals | \$ 20,040,793 | \$ 21,204,423 | \$ 21,204,423 | \$ 21,182,327 | \$ - | \$ 21,182,327 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|-------------------------|----------------------|------------------------|----------------------|----------------------|-----------------|----------------------|
| Police Administration | \$ 1,077,236 | \$ 1,077,930 | \$ 1,077,930 | \$ 900,274 | \$ - | \$ 900,274 |
| Support Services Bureau | 2,369,775 | 1,996,338 | 1,996,338 | 2,559,083 | - | 2,559,083 |
| Professional Services | - | 1,031,758 | 1,031,758 | 1,303,753 | - | 1,303,753 |
| TCLEOSE Training | 9,900 | 8,041 | 8,041 | - | - | - |
| Patrol | 12,430,453 | 12,909,620 | 12,909,620 | 12,391,142 | - | 12,391,142 |
| Criminal Investigations | 3,714,187 | 3,734,238 | 3,734,238 | 3,566,182 | - | 3,566,182 |
| Detention Center | 409,642 | 421,498 | 421,498 | 436,893 | - | 436,893 |
| SWAT | 29,600 | 25,000 | 25,000 | 25,000 | - | 25,000 |
| Category Totals | \$ 20,040,793 | \$ 21,204,423 | \$ 21,204,423 | \$ 21,182,327 | \$ - | \$ 21,182,327 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| Police Administration | 8.50 | 7.50 | (2.00) | 5.50 | - | 5.50 |
| Support Services Bureau | 14.50 | 16.00 | 2.10 | 18.10 | - | 18.10 |
| Professional Services | - | - | 12.50 | 12.50 | - | 12.50 |
| Patrol | 111.00 | 128.00 | (8.00) | 120.00 | - | 120.00 |
| Criminal Investigations | 34.00 | 37.00 | (4.50) | 32.50 | - | 32.50 |
| Detention Center | 6.00 | 6.00 | - | 6.00 | - | 6.00 |
| FTE Count Totals | 174.00 | 194.50 | 0.10 | 194.60 | - | 194.60 |

Public Safety Dispatch

Mission Statement

The mission of Sugar Land Public Safety Dispatch is to provide support to the city’s public safety operations through a specialized communications network. Our collective goal is to provide superior service to the citizens and visitors of the city by increasing their safety, as well as to our internal customers, by providing quick and accurate information.

Services Provided

The Sugar Land Public Safety Dispatch Center is the public safety answering point for the City of Sugar Land. The center answers 911 and other emergency and non-emergency calls and requests for assistance and ensures that each one is processed accurately. The Dispatch Center is housed in the Police Department and provides dispatching to both the Police and Fire Departments.

Programs of Service

Public Safety Dispatch answers calls routed through emergency and non-emergency phone systems and processes the calls to determine the service needed. After gathering information from the caller, the nature of the call is determined and the appropriate field responders are dispatched via radio and computer. All Dispatchers/Call Takers are trained in Emergency Medical Dispatch protocols and Fire Service Dispatch protocols and licensed as Law Enforcement Telecommunicators by the State of Texas.

FY19 Requests

There are no additions to Public Safety Dispatch’s FY19 budget.

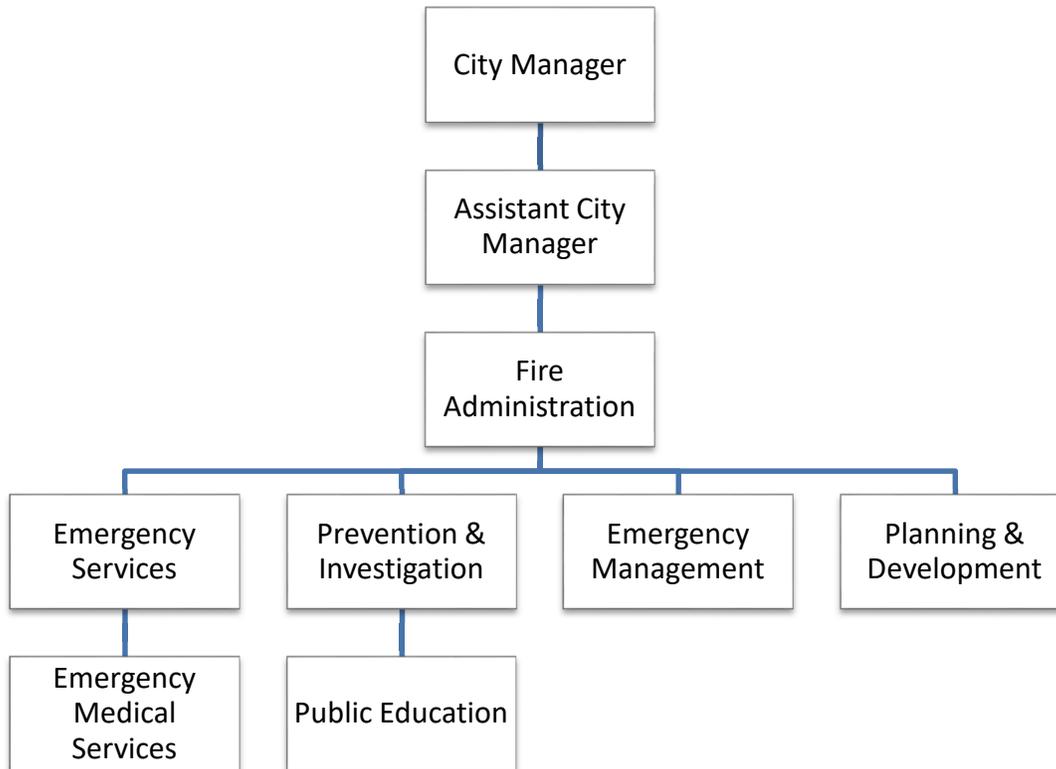
| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Salary & Benefits | \$ 2,128,871 | \$ 2,779,178 | \$ 2,779,178 | \$ 2,720,610 | \$ - | \$ 2,720,610 |
| Supplies | 20,188 | 10,747 | 10,747 | 15,400 | - | 15,400 |
| Professional Services | 61,056 | 61,245 | 61,245 | 61,245 | - | 61,245 |
| Repairs & Maintenance | 27,626 | 30,200 | 30,200 | 51,700 | - | 51,700 |
| Purchased Services | 55,836 | 58,119 | 58,119 | 31,966 | - | 31,966 |
| Capital/Other | - | - | - | - | - | - |
| Category Totals | \$ 2,293,576 | \$ 2,939,489 | \$ 2,939,489 | \$ 2,880,921 | \$ - | \$ 2,880,921 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Public Safety Dispatch | \$ 2,293,576 | \$ 2,939,489 | \$ 2,939,489 | \$ 2,880,921 | \$ - | \$ 2,880,921 |
| Category Totals | \$ 2,293,576 | \$ 2,939,489 | \$ 2,939,489 | \$ 2,880,921 | \$ - | \$ 2,880,921 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|-------------------------|----------------|----------------|---------------------|---------------------|-------------------|----------------|
| Public Safety Dispatch | 27.00 | 35.00 | - | 35.00 | - | 35.00 |
| FTE Count Totals | 27.00 | 35.00 | - | 35.00 | - | 35.00 |

Fire-EMS

As of October 1, 2018



Fire-EMS

Mission Statement

The Mission of the Fire-EMS Department is to offer excellent service by collaborating, acting with integrity and exhibiting trust, creating a safe place to live, work, and play.

Services Provided

Fire-EMS provides core emergency services, including fire and emergency medical services to the citizens of Sugar Land, daily business population, commuters, shoppers, and visitors. Fire-EMS operates out of seven fire stations four of them have ambulances to serve residents and businesses and utilizes mutual aid agreements as needed.

Programs of Service

Administration is responsible for strategic planning, intergovernmental relations, human resources management, and overall administration of the department. **Emergency Services** provides fire suppression, technical rescue, aircraft rescue, firefighting, hazardous materials response, and aquatic rescues. **EMS Services** provides emergency medical treatment and ambulance transport to those in need of urgent medical care within the city limits or through mutual aid agreements. **Prevention/Investigation** provides fire protection engineering, fire code enforcement, and fire investigations to determine the cause and origin of fires. **Public Education** engages in a variety of public outreach programs including home safety surveys, smoke alarm programs, and a citizens' fire academy to promote fire safety awareness in homes and businesses in Sugar Land. **Planning & Development** is responsible for planning, professional standards, professional development, and training. **Emergency Management** is responsible for the all-hazards emergency management plan for the City. Emergency Management provides emergency preparedness, emergency response and emergency recovery services.

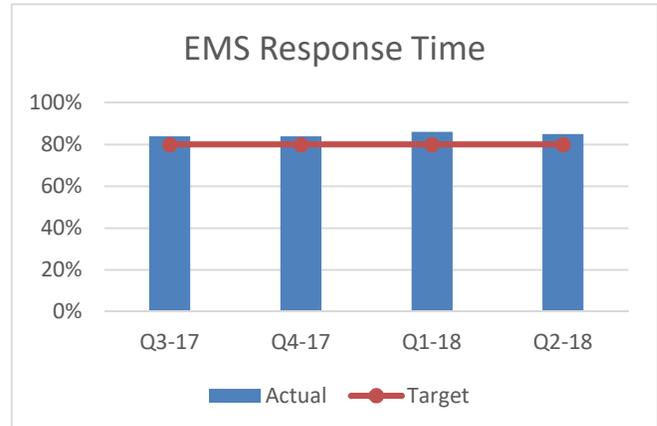
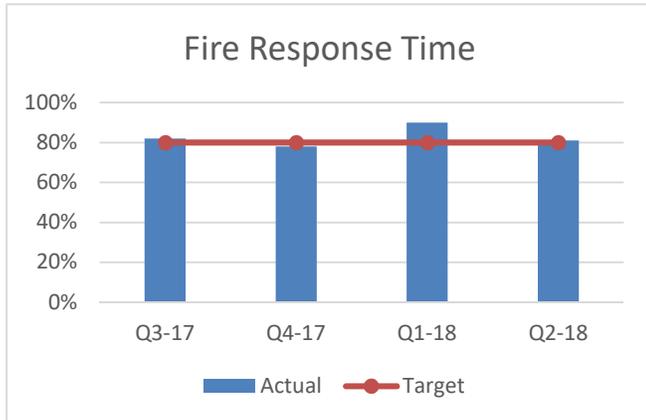
FY19 Requests

A total of \$118,000 in additions are included in Fire-EMS's FY19 budget. These additions include recurring costs of \$18,000 for the EMS Simulation Laboratory and \$100,000 in one-time additions for the Hazard Mitigation Plan.

Fire-EMS

Performance Measures: Safest City in America

The City Council measure for “Rapid, effective, and coordinated response to an emergency for Fire and EMS” is response time to an emergency. The target is 80% of all responses to all Emergency Calls within 8 minutes and 30 seconds.



| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------|
| Salary & Benefits | \$ 13,294,293 | \$ 14,558,277 | \$ 14,558,277 | \$ 14,966,518 | \$ - | \$ 14,966,518 |
| Supplies | 500,969 | 626,441 | 626,441 | 611,251 | 115,000 | 726,251 |
| Professional Services | 226,069 | 221,839 | 221,839 | 237,144 | - | 237,144 |
| Repairs & Maintenance | 203,146 | 393,548 | 393,548 | 393,548 | 3,000 | 396,548 |
| Purchased Services | 120,025 | 149,789 | 149,789 | 135,546 | - | 135,546 |
| Capital/Other | 50,249 | 146,471 | 146,471 | - | - | - |
| Category Totals | \$ 14,394,751 | \$ 16,096,365 | \$ 16,096,365 | \$ 16,344,007 | \$ 118,000 | \$ 16,462,007 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|----------------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------|
| Fire Administration | 400,353 | 407,961 | 407,961 | 418,813 | - | 418,813 |
| Emergency Services | 10,089,194 | 10,985,619 | 10,985,619 | 11,312,249 | 3,000 | 11,315,249 |
| Emergency Medical Services | 1,711,486 | 2,303,642 | 2,303,642 | 2,207,499 | 15,000 | 2,222,499 |
| Haz Mat | 16,595 | 44,539 | 44,539 | 44,539 | - | 44,539 |
| Prevention | 979,098 | 1,231,559 | 1,231,559 | 1,215,621 | - | 1,215,621 |
| Emergency Management | 457,195 | 388,451 | 388,451 | 398,478 | 100,000 | 498,478 |
| Professional Development | 740,831 | 734,594 | 734,594 | 746,808 | - | 746,808 |
| Category Totals | \$ 14,394,751 | \$ 16,096,365 | \$ 16,096,365 | \$ 16,344,007 | \$ 118,000 | \$ 16,462,007 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Additions | FY19 Budget |
|----------------------------|---------------|---------------|------------------|------------------|----------------|---------------|
| Fire Administration | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Emergency Services | 90.00 | 90.00 | 1.00 | 91.00 | - | 91.00 |
| Emergency Medical Services | 13.00 | 20.00 | - | 20.00 | - | 20.00 |
| Prevention | 8.00 | 9.00 | - | 9.00 | - | 9.00 |
| Emergency Management | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Professional Development | 5.00 | 5.00 | - | 5.00 | - | 5.00 |
| FTE Count Totals | 122.00 | 130.00 | 1.00 | 131.00 | - | 131.00 |

Non-Departmental

Services Provided

Non-departmental is used to account for expenditures and transfers that are not assigned to any one department.

Transfers

Inter-fund transfers are budgeted in non-departmental. Transfers are made to the Fleet and High Tech replacement funds for replacement of vehicles and technology equipment, and the Airport fund for property taxes paid on airport property as per policy. A total of \$500,000 is budgeted in transfers to the Capital Projects fund to cover traffic safety improvements at State Highway 6 and US59. This transfer utilizes funding from the photographic traffic signal enforcement fund, to support traffic safety improvements.

Rebates and Assignments

The City has seven in-City MUDs eligible for a rebate of a percentage of the City taxes collected from property within the district. There is currently one incentive agreement that is monitored for sales tax revenues, and grant payments are requested in accordance with the agreement.

Miscellaneous

Miscellaneous includes payments for property insurance premiums and deductibles, salary savings, contingency funds, and other miscellaneous expenditures. Other miscellaneous expenditures include one-time funding of \$600,000 for additional rehabilitation and \$27,000 in recurring costs for Field Training Officer pay in the Fire Department.

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|----------------------------|-------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Transfers to other Funds | 3,789,242 | 3,515,344 | 3,515,344 | 2,609,600 | 500,000 | 3,109,600 |
| Miscellaneous | 1,002,091 | (1,243,550) | (1,243,550) | (221,651) | 627,000 | 405,349 |
| Rebates & Assignments | 2,287,671 | 2,571,188 | 2,571,188 | 2,756,070 | - | 2,756,070 |
| Category Totals | \$ 7,079,003 | \$ 4,842,982 | \$ 4,842,982 | \$ 5,144,019 | \$ 1,127,000 | \$ 6,271,019 |

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenues that are legally restricted to expenditures for specified purposes. The City has fourteen Special Revenue Funds budgeted for Fiscal Year 2019.

Court Security Fund

The City collects a \$3 fee from each defendant found guilty of a misdemeanor. Pursuant to Article 102.017 of the Texas Code of Criminal Procedure, revenues generated from this fee must be deposited into a special revenue fund. The money collected may be used only to fund court security and includes such items as metal detectors, surveillance equipment, security personnel, security hardware, security training, or other security measures.

Fiscal Year 2018

Revenues are projected to be \$36,355, which includes security fees of \$36,270 and interest income of \$85. Operating expenditures total \$36,674, which represents 40% of personnel costs for the Court Bailiff salary and benefits. Fund balance at 9/30/18 is projected to be \$15,783.

Fiscal Year 2019

Revenues budgeted total \$36,318, which includes security fees of \$36,193 and \$125 in interest income. Operating expenditures of \$37,612 represent 40% of personnel costs for the Court Bailiff. The remaining 60% of the bailiff position is funded in the General Fund. Ending fund balance at 9/30/19 is estimated to be \$14,075.

Court Technology Fund

The City collects a \$4 fee from each defendant found guilty of a misdemeanor under Article 102.0172 of the Texas Code of Criminal Procedure. Revenues generated from the fee can only be used to fund court technology such as computer equipment, imaging systems, electronic kiosks, docket management systems, and electronic ticket writers.

Fiscal Year 2018

Revenues are projected to be \$48,771, which includes technology fees of \$48,263 and \$508 for interest income. Operating expenditures total \$64,138, and includes funds for annual maintenance contracts for the court software. Fund balance at 9/30/18 is projected to be \$8,898.

Fiscal Year 2019

Revenues budgeted total \$55,240, which includes \$48,263 for technology fees, with \$6,469 transfers from other funds, and \$508 in interest income. Budgeted expenditures total \$64,138, which is for the annual maintenance contracts for court software. Fund balance at 9/30/19 is estimated to be zero.

Community Development Block Grant

The U.S. Department of Housing and Urban Development provides eligible metropolitan cities and urban counties (called “entitlement communities”) with annual direct grants that can be used to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, primarily to benefit low and moderate income persons. Under the Community Development Block Grant (CDBG) guidelines, up to 15% of the block grant may be spent on public services and up to 20% may be spent on administration.

Fiscal Year 2018

Revenues projected total \$303,292, which represents funds received from the CDBG program. Operating expenditures total \$303,292 and include \$66,213 for professional services, \$129,704 for other contractual services, and \$107,375 for capital project funding used to improve facilities. Fund balance at 9/30/18 is projected to be zero.

Fiscal Year 2019

Revenues total \$331,872, which represents funds to be received from the CDBG program. Operating expenditures total \$331,872, which include \$65,000 for professional services, \$124,511 for other contractual services, and \$142,361 in capital for Mayfield Park Restroom. Fund balance at 9/30/19 is estimated to be zero.

Tourism Fund

The Tourism Fund accounts for revenues realized from the collection of Hotel Occupancy Taxes. By law, cities with populations of less than 125,000 must spend at least 1% of hotel tax rate or 1/7 of the budget on advertising, no more than 15% on art programs and a maximum of 50% on historical preservation. Hotels submit an occupancy tax based on 7% of total room receipts to the City within 30 days of each quarter.

Sugar Land is home to nine hotels, with a total of 1,396 rooms. Hotel taxes from the Sugar Land Marriott are used to pay the debt service on the \$10 million Certificates of Obligation that were issued by the City to finance the Sugar Land Conference Center, which is leased and operated by the Sugar Land Town Square Marriott. The fund also supports the \$9.98 million in certificates of obligation issued in 2014 for the Smart Financial Centre at Sugar Land, and TIRZ #4 Plaza.

Fiscal Year 2018

Projected revenues total \$2,757,963 with \$2,746,530 in occupancy tax, \$2,410 in miscellaneous revenue and \$9,023 in interest income. Projected expenditures total \$2,470,282, which includes \$978,395 for advertising to attract tourists, \$266,117 for the operation of the convention and information centers and \$61,324 for the promotion and improvement of the arts. The transfers out include the transfer to the Debt Service Fund to cover the debt for the Marriott conference center and the Smart Financial Centre at Sugar Land, the transfer to CIP to fund Public Arts project, and a one-time transfer to Employee Benefits Fund. Fund balance at 9/30/18 is projected to be \$780,975.

Fiscal Year 2019

Budgeted revenues are \$2,655,300 with \$2,643,700 in hotel occupancy tax, \$2,500 in miscellaneous revenue and \$9,100 in interest income. Expenditures total \$2,717,338 and includes \$930,984 for advertising to attract tourists, \$219,258 for the operation of the convention and information centers and \$56,091 for the promotion and improvement of the arts. The transfers out include the transfer to the Debt Service Fund to cover the debt for the Marriott conference center, the Smart Financial Centre at Sugar Land and TIRZ #4 Plaza, the transfer to CIP to fund Public Arts project and the transfer to Special Events Fund.

Fund balance at 9/30/19 is estimated to be \$718,937, which is \$454,567 over the policy requirement, which is 10% of the budgeted hotel occupancy tax.

State Seizures Fund

State seizure funds are deposited into a special fund and may only be used for law enforcement purposes, such as salaries and overtime pay for officers, training for officers, specialized investigative equipment and supplies, and items used by officers in direct law enforcement duties. Seizure funds are acquired through the sale of seized property that was used in commission of a crime. Sugar Land receives a percentage of the sale of property seized by Sugar Land Police or the Fort Bend County Narcotics Task Force.

Fiscal Year 2018

Projected revenues are \$5,417 with \$5,104 coming from Fort Bend County Narcotics Task Force and \$313 in interest income. There are \$116,894 in projected expenditures. Fund balance at 9/30/18 is projected to be \$26,337.

Fiscal Year 2019

Budgeted revenues are \$350 in interest income. Revenue from the narcotics task force is irregular and generally not budgeted for. There are no expenditures budgeted for FY19. Fund balance at 9/30/19 is estimated to be \$26,687.

Federal Seizures Fund

When the City receives equitably shared property from federal agencies, it is deposited in the Federal Seizure Fund. The use of the fund is not as limited as the shared property that was forfeited as a result of a particular federal violation, e.g. use of the funds for drug enforcement. The funds can be used for law enforcement investigations and other law enforcement related activities as allowed.

Fiscal Year 2018

Projected revenues are \$281. Expenditures are projected to be zero. Fund balance at 9/30/18 is projected to be \$33,417.

Fiscal Year 2019

Budgeted revenues are \$300. There are no expenditures budgeted for FY18. Fund balance at 9/30/19 is estimated to be \$33,717.

Law Enforcement Fund

Chapter 683 of the Texas Transportation Code provides that any vehicle abandoned on public property within the City may be taken into custody and after efforts to contact the owner have failed, the vehicle may be auctioned. If still unclaimed by the owner of the vehicle, all proceeds from the sale, up to \$1,000, must be set aside to cover the costs of dealing with future vehicle abandonment, but proceeds in excess of \$1,000 may be considered general revenues and used to fund department activities. The revenue in this fund represents such proceeds and may be used to fund Police Department activities.

Fiscal Year 2018

Budgeted revenues are projected to be \$38 for interest income. There are no projected expenditures. Fund balance at 9/30/18 is projected to be \$4,575.

Fiscal Year 2019

Budgeted revenues of \$40 in interest income and there are no expenditures budgeted for FY19. Fund balance at 9/30/19 is estimated to be \$4,615.

Photographic Traffic Signal Enforcement

The 80th legislature included SB1119 that amended the transportation code to allow photographic enforcement of traffic violations. The act provides for civil penalties that may be imposed on the owner of a vehicle identified by a camera in violation of a traffic control signal. The act requires the City to deposit revenue generated into a special fund. Any revenue generated net of costs required to operate, install, and maintain the photographic traffic signal enforcement equipment, reviewing violations, processing payment and administrative hearings, is to be shared with the State. The City's share of net revenue is limited to fund traffic safety programs including pedestrian safety, public safety, intersection improvements and traffic enforcement.

Fiscal Year 2018

Projected revenues total \$2,767,750 and include \$1,100 from interest income, and \$2,766,650 from civil fines from cameras currently located at the following intersections: Westbound and Eastbound West Airport and Eldridge, Southbound US 59 and Highway 6, Westbound Highway 6 and Lexington, Westbound Highway 6 and US 59, Northbound Dairy Ashford and US 90A, Westbound Dairy Ashford and US 90A including right hand turn, Westbound US 90A at Eldridge/Lombardy/FM1876 and Westbound South University Boulevard and Elkins Road.

Operating expenditures total \$1,076,404 including \$229,718 for administrative personnel cost and \$846,686 for operations and maintenance. Net revenue of \$1,691,346 is to be split 50/50 with the State. The City portion is being transferred to the General Fund in support of traffic programs. Fund balance at 9/30/18 is projected to be zero.

Fiscal Year 2019

Budgeted revenues total \$2,924,796, which include \$2,923,696 from civil fines. Operating expenditures budgeted total \$1,020,586, including \$247,713 for administrative personnel cost, and \$772,873 for operations and maintenance. Net revenues of \$1,904,210 are to be split 50/50 with the State. The City portion is transferred to the General Fund to support traffic programs in accordance with State Statute. FY18 funds will be transferred to capital projects fund in FY19 to support traffic safety improvements. Fund balance at 09/30/19 is estimated to be zero.

Greatwood Debt Reduction Fund

Prior to the Annexation the City maintained Strategic Partnership Agreements (SPA), which were in effect until December 12, 2017 when the City annexed the Greatwood MUDs.

Previously the SPAs with the MUDs were subject to an out-of-city-service fee for services received from the City after the SPA effective date and prior to annexation into the City. All revenues deposited in the fund were reserved for future retirement of debt that was assumed by the City when the districts were annexed into the City and dissolved.

Revenues consisted of out-of-city service fees and a transfer of a portion of sales taxes collected from the River Park area, up to \$150,000 per year. In addition, commercial areas in Greatwood were annexed for limited purposes including sales tax, and the City's portion of the sales tax (excluding the economic development portion) is transferred to the Debt Reduction Fund.

These areas were fully incorporated to the City on December 12, 2017 and this fund is anticipated to be dissolved at the end of fiscal year 2019.

Fiscal Year 2018

Projected operating revenues total \$150,207, which include \$121,683 for out-of-city service fees and \$28,524 of interest income. Expenditures in FY18 include transfers to other funds for Annexation related items in the amount of \$2,888,173. Ending fund balance at 9/30/18 is projected at \$402,117.

Fiscal Year 2019

There are no revenues budgeted for FY19. Expenditures in FY19 are budgeted at \$402,117 and include transfer to the Debt Service Fund to pay down annexed districts remaining debt. Budgeted ending fund balance at 9/30/19 is zero.

Tara Plantation Debt Reduction Fund

Tara Plantation is a participant in the Groundwater Reduction Plan (GRP). The GRP participation agreement imposed a 20% out-of-city service fee for services received from the City. In anticipation of approval of a SPA, these fees are being deposited into the Tara Plantation Debt Reduction Fund. These fees will be reserved for future retirement of debt that will be assumed by the City if the district is annexed into the City and dissolved.

Fiscal Year 2018

Operating revenues are projected at \$46,300, which includes out-of-city service fees and interest income. There are no budgeted expenditures in operations and maintenance. Fund balance at 9/30/18 is projected to be \$335,016.

Fiscal Year 2019

Revenues budgeted total \$51,084 and include \$48,584 for out-of-city service fees and \$2,500 for interest income. There are no budgeted expenditures. Fund balance at 9/30/19 is estimated to be \$386,100. This fund balance will continue to grow until the City annexes the district in the future.

New Territory Debt Reduction Fund

Prior to the Annexation the City maintained Strategic Partnership Agreements (SPA), which were in effect until December 12, 2017 when the City annexed the New Territory MUDs.

According to the terms of the SPA with MUDs in New Territory, the MUDs were subject to an out-of-city-service fee for services received from the City after the SPA effective date and prior to annexation into the City. All revenues deposited in the fund were reserved for future retirement of debt that was assumed by the City when the districts were annexed into the City and dissolved. Revenues consisted of out-of-city service charges on pumpage and fire fees along with a transfer of \$150,000 in sales taxes collected from the River Park area.

These areas were fully incorporated to the City on December 12, 2017 and this fund is anticipated to be dissolved at the end of fiscal year 2019.

Fiscal Year 2018

Projected operating revenues total \$158,882 which include out-of-city service fees of \$113,802 and interest income of \$45,080. Expenditures in FY18 are transfers to the other funds in the amount of \$2,888,172 to fund annexation related expenses. Ending fund balance at 9/30/18 is projected at \$847,973.

Fiscal Year 2019

There are no revenues budgeted for FY19. Expenditures in FY19 are budgeted at \$847,973 and include transfer to the Debt Service Fund to pay down annexed districts remaining debt. Budgeted ending fund balance at 9/30/19 is zero.

Riverstone Debt Reduction Fund

Fort Bend Municipal Utility District No. 128 has an agreement with the City that states that any out-of-city service fees paid by the District for raw water or re-use water will be deposited into a debt reduction fund. All revenues deposited in the fund will be reserved for future retirement of debt upon the City's annexation of the District, repairs and maintenance of public infrastructure within the Tract, offset direct costs of City services to the Tract, and other direct costs incurred by the City because of annexation of the District.

Fiscal Year 2018

Revenues projected total \$163,609 and include \$161,033 for out-of-city service fees and \$2,576 for interest income. There are no budgeted expenditures for FY18. Projected ending fund balance at 9/30/18 is \$564,186.

Fiscal Year 2019

Revenues budgeted total \$167,432 and include \$164,432 for out-of-city service fees and \$3,000 for interest income. There are no budgeted expenditures for FY19. Budgeted ending fund balance at 9/30/19 is \$731,618.

Enclave at River Park PID

Authorized under the Public Improvement District Assessment Act (Chapter 372 of LGC). Enclave at River Park PID allows the City to levy and collect an assessment on property within the PID for reimbursement of expenses associated with improvement projects which include: Water, wastewater, or drainage facility construction/improvements; Street and sidewalk construction/improvements; Park and recreation establishment/improvements; Acquisition of property; and Administration/operational expenses.

Fiscal Year 2018

Revenues projected total \$163,685 and include \$136,907 for PID assessment fees, \$3,785 for interest income, and \$22,993 for transfers in from the General Fund and Debt Service Fund. There are no budgeted expenditures for FY18. Projected ending fund balance at 9/30/18 is \$495,488.

Fiscal Year 2019

Revenues budgeted total \$177,583 and include \$132,133 for PID assessment fees, \$1,000 for interest income, and \$44,450 for transfers in from the General Fund and Debt Service Fund. Expenditures total \$670,000, which includes \$490,000 for the reimbursement due to the developer paid from available fund balance, the transfer out of \$179,000 to the Debt Service Fund to support debt service associated with bonds issued to fund the rest of the developer reimbursement, and \$1,000 for miscellaneous expenses. Budgeted ending fund balance at 9/30/19 is \$3,071.

Special Events Fund

The Special Events fund accounts for City Services such as fire, traffic, and police, that are activated due to a special event being conducted in the City. A special event is a unique activity, occurring for a limited or fixed duration, and having an impact to public property. Additionally, the Special Events fund accounts for the rental fees collected for the Crown Festival Park and Brazos River Park. Both facilities were approved by Sugar Land voters in November 2013 as part of a general obligation bond proposition. Specifically, the Festival Site has been designed to contain festival grounds that could accommodate large-scale events like the annual Fourth of July celebration, cultural offerings, and possibly commercial entertainment events that could benefit the local economy.

Fiscal Year 2018

Revenues projected total \$78,630 and includes \$19,578 in rental and special event permit fees from the festival grounds, and \$59,052 for transfers in from the General Fund. Expenditures total \$79,131, which includes personnel costs for a Destination Event Manager. Projected ending fund balance at 9/30/18 is \$2,495.

Fiscal Year 2019

Revenues budgeted total \$80,957 and includes \$20,103 in rental and special event permit fees from the festival grounds, and \$60,854 for transfers in from the Tourism Fund. Expenditures total \$81,281, for personnel. Budgeted ending fund balance at 9/30/19 is \$2,171.

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - COURT SECURITY FUND
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Security Fees | \$ 36,436 | \$ 36,270 | \$ 36,270 | \$ 36,193 | \$ - | \$ 36,193 |
| Interest Income | 31 | 85 | 85 | 125 | - | 125 |
| Total Revenues | 36,467 | 36,355 | 36,355 | 36,318 | - | 36,318 |
| EXPENDITURES | | | | | | |
| Personnel | 44,369 | 36,674 | 36,674 | 37,612 | - | 37,612 |
| Total Expenditures | 44,369 | 36,674 | 36,674 | 37,612 | - | 37,612 |
| Revenues Over/(Under) Expenditures | (7,903) | (319) | (319) | (1,294) | - | (1,294) |
| Fund Balance - Beginning | 24,005 | 16,102 | 16,102 | 15,369 | - | 15,369 |
| Fund Balance - Ending | \$ 16,102 | \$ 15,783 | \$ 15,783 | \$ 14,075 | \$ - | \$ 14,075 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - COURT TECHNOLOGY FUND
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Technology Fees | \$ 48,577 | \$ 48,263 | \$ 48,263 | \$ 48,263 | \$ - | \$ 48,263 |
| Interest Income | 306 | 508 | 508 | 508 | - | 508 |
| Transfers in | - | - | - | 6,469 | - | 6,469 |
| Total Revenues | 48,883 | 48,771 | 48,771 | 55,240 | - | 55,240 |
| EXPENDITURES | | | | | | |
| Operations & Maintenance | 72,305 | 64,138 | 64,138 | 64,138 | - | 64,138 |
| Total Expenditures | 72,305 | 64,138 | 64,138 | 64,138 | - | 64,138 |
| Revenues Over/(Under) Expenditures | (23,423) | (15,367) | (15,367) | (8,898) | - | (8,898) |
| Fund Balance - Beginning | 47,688 | 24,265 | 24,265 | 8,898 | - | 8,898 |
| Fund Balance - Ending | \$ 24,265 | \$ 8,898 | \$ 8,898 | \$ - | \$ - | \$ - |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT BLOCK GRANT**

INCOME STATEMENT

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| CDBG | \$ 461,617 | \$ 303,292 | \$ 303,292 | \$ 331,872 | \$ - | \$ 331,872 |
| Interest Income | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total Revenues | 461,617 | 303,292 | 303,292 | 331,872 | - | 331,872 |
| EXPENDITURES | | | | | | |
| Professional Services | 52,163 | 66,213 | 66,213 | 65,000 | - | 65,000 |
| Other Contractual | 106,150 | 128,623 | 128,623 | 124,511 | - | 124,511 |
| Capital | 303,304 | 107,375 | 108,456 | 142,361 | - | 142,361 |
| Total Expenditures | 461,617 | 302,211 | 303,292 | 331,872 | - | 331,872 |
| Revenues Over/(Under) Expenditures | - | 1,081 | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ 1,081 | \$ - | \$ - | \$ - | \$ - |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - TOURISM
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|--|-------------------|---------------------------|---------------------|------------------------|-----------------|-------------------|
| REVENUES | | | | | | |
| Hotel/Motel Occupancy Tax | \$ 2,374,566 | \$ 2,746,530 | \$ 2,746,530 | \$ 2,643,700 | \$ - | \$ 2,643,700 |
| Interest Income | 2,785 | 9,023 | 9,023 | 9,100 | - | 9,100 |
| Miscellaneous | - | 2,410 | 2,410 | 2,500 | - | 2,500 |
| Total Revenues | 2,377,351 | 2,757,963 | 2,757,963 | 2,655,300 | - | 2,655,300 |
| EXPENDITURES | | | | | | |
| Advertising to attract tourists | 855,653 | 978,395 | 978,395 | 930,984 | - | 930,984 |
| Convention or information centers | 48,677 | 266,117 | 266,117 | 219,258 | - | 219,258 |
| The promotion and improvement of the arts | 66,786 | 61,324 | 61,324 | 56,091 | - | 56,091 |
| Historical restoration and preservation projects | 75,000 | - | - | - | - | - |
| Total Operating Expenditures | 1,046,115 | 1,305,836 | 1,305,836 | 1,206,333 | - | 1,206,333 |
| Trsf out - Convention or information centers | 958,697 | 1,406,064 | 1,406,064 | 1,400,151 | - | 1,400,151 |
| Trsf out - The promotion and improvement of the ar | 25,000 | 25,000 | 25,000 | 50,000 | - | 50,000 |
| Trsf out - Other | - | 3,382 | 3,382 | 60,854 | - | 60,854 |
| Total Non-Operating Expenditures | 983,697 | 1,434,446 | 1,434,446 | 1,511,005 | - | 1,511,005 |
| Total Expenditures | 2,029,812 | 2,740,282 | 2,740,282 | 2,717,338 | - | 2,717,338 |
| Revenues Over/(Under) Expenditures | 347,538 | 17,681 | 17,681 | (62,038) | - | (62,038) |
| Fund Balance - Beginning | 1,054,562 | 1,402,100 | 1,402,100 | 1,419,781 | - | 1,419,781 |
| GAAP Adjustments | (638,806) | (638,806) | (638,806) | (638,806) | - | (638,806) |
| Fund Balance - Ending | \$ 763,294 | \$ 780,975 | \$ 780,975 | \$ 718,937 | \$ - | \$ 718,937 |
| Fund Balance Policy (10% of Budgeted HOT) | | \$ 274,653 | \$ 274,653 | \$ 264,370 | | \$ 264,370 |
| Over/Under Policy | | 506,322 | 506,322 | 454,567 | | 454,567 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUNDS - STATE SEIZURES
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Other Income | \$ 121,000 | \$ 5,104 | \$ 5,104 | \$ - | \$ - | \$ - |
| Interest Income | 67 | 313 | 313 | 350 | - | 350 |
| Total Revenues | 121,067 | 5,417 | 5,417 | 350 | - | 350 |
| EXPENDITURES | | | | | | |
| Maintenance and Operations | - | 116,894 | 116,894 | - | - | - |
| Transfers to other funds | 109,000 | - | - | - | - | - |
| Total Expenditures | 109,000 | 116,894 | 116,894 | - | - | - |
| Revenues Over/(Under) Expenditures | 12,067 | (111,477) | (111,477) | 350 | - | 350 |
| Fund Balance - Beginning | 125,747 | 137,814 | 137,814 | 26,337 | - | 26,337 |
| Fund Balance - Ending | \$ 137,814 | \$ 26,337 | \$ 26,337 | \$ 26,687 | \$ - | \$ 26,687 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUNDS - FEDERAL SEIZURES
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|------------------|---------------------------|---------------------|------------------------|-----------------|------------------|
| REVENUES | | | | | | |
| Other Income | \$ 23,141 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Income | 17 | 281 | 281 | 300 | - | 300 |
| Total Revenues | 23,157 | 281 | 281 | 300 | - | 300 |
| EXPENDITURES | | | | | | |
| Maintenance and Operations | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - |
| Revenues Over/(Under) Expenditures | 23,157 | 281 | 281 | 300 | - | 300 |
| Fund Balance - Beginning | 9,979 | 33,136 | 33,136 | 33,417 | - | 33,417 |
| Fund Balance - Ending | \$ 33,136 | \$ 33,417 | \$ 33,417 | \$ 33,717 | \$ - | \$ 33,717 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUNDS - LAW ENFORCEMENT
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Other Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest Income | 7 | 38 | 38 | 40 | - | 40 |
| Transfers In | - | - | - | - | - | - |
| Total Revenues | 7 | 38 | 38 | 40 | - | 40 |
| EXPENDITURES | | | | | | |
| Maintenance and Operations | - | - | - | - | - | - |
| Transfers to other funds | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - |
| Revenues Over/(Under) Expenditures | 7 | 38 | 38 | 40 | - | 40 |
| Fund Balance - Beginning | 4,530 | 4,537 | 4,537 | 4,575 | - | 4,575 |
| Fund Balance - Ending | \$ 4,537 | \$ 4,575 | \$ 4,575 | \$ 4,615 | \$ - | \$ 4,615 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - PHOTOGRAPHIC TRAFFIC SIGNAL ENFORCEMENT
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|---|------------------|---------------------------|---------------------|------------------------|-----------------|------------------|
| REVENUES | | | | | | |
| Civil Fines | \$ 2,348,422 | \$ 2,766,650 | \$ 2,766,650 | \$ 2,923,696 | \$ - | \$ 2,923,696 |
| Interest Income | 797 | 1,100 | 1,100 | 1,100 | - | 1,100 |
| Total Revenues | 2,349,219 | 2,767,750 | 2,767,750 | 2,924,796 | - | 2,924,796 |
| EXPENDITURES | | | | | | |
| Personnel Costs | 198,788 | 229,718 | 229,718 | 247,713 | - | 247,713 |
| Operations & Maintenance | 700,224 | 846,686 | 846,686 | 772,873 | - | 772,873 |
| Total Operating Expenditures | 899,011 | 1,076,404 | 1,076,404 | 1,020,586 | - | 1,020,586 |
| State Share | 746,553 | 845,673 | 845,673 | 952,105 | - | 952,105 |
| Transfers Out | 746,553 | 845,673 | 845,673 | 952,105 | - | 952,105 |
| Total Non-Operating Expenditures | 1,493,106 | 1,691,346 | 1,691,346 | 1,904,210 | - | 1,904,210 |
| Total Expenditures | 2,392,117 | 2,767,750 | 2,767,750 | 2,924,796 | - | 2,924,796 |
| Revenues Over/(Under) Expenditures | (42,899) | - | - | - | - | - |
| Fund Balance - Beginning | - | - | - | - | - | - |
| GAAP Adjustment | 42,899 | - | - | - | - | - |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - SPA DEBT REDUCTION FUND GREATWOOD
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|------------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Out of City Service Fees | \$ 419,500 | \$ 121,683 | \$ 121,683 | \$ - | \$ - | \$ - |
| Interest Income | 27,611 | 28,524 | 28,524 | - | - | - |
| Transfers In | 275,186 | - | - | - | - | - |
| Total Revenues | 722,297 | 150,207 | 150,207 | - | - | - |
| EXPENDITURES | | | | | | |
| Operations & Maintenance | - | - | - | - | - | - |
| Transfers to Other Funds | 1,532,556 | 2,888,173 | 2,888,173 | 402,117 | - | 402,117 |
| Total Expenditures | 1,532,556 | 2,888,173 | 2,888,173 | 402,117 | - | 402,117 |
| Revenues Over/(Under) Expenditures | (810,260) | (2,737,966) | (2,737,966) | (402,117) | - | (402,117) |
| Fund Balance - Beginning | 3,950,343 | 3,140,083 | 3,140,083 | 402,117 | - | 402,117 |
| Fund Balance - Ending | \$ 3,140,083 | \$ 402,117 | \$ 402,117 | \$ - | \$ - | \$ - |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - SPA DEBT REDUCTION FUND - TARA PLANTATION
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-------------------|---------------------------|---------------------|------------------------|-----------------|-------------------|
| REVENUES | | | | | | |
| Out of City Service Fees | \$ 59,225 | \$ 44,520 | \$ 44,520 | \$ 48,584 | \$ - | \$ 48,584 |
| Interest Income | 896 | 1,780 | 1,780 | 2,500 | - | 2,500 |
| Total Revenues | 60,121 | 46,300 | 46,300 | 51,084 | - | 51,084 |
| EXPENDITURES | | | | | | |
| Operations & Maintenance | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - |
| Revenues Over/(Under) Expenditures | 60,121 | 46,300 | 46,300 | 51,084 | - | 51,084 |
| Fund Balance - Beginning | 228,595 | 288,716 | 288,716 | 335,016 | - | 335,016 |
| Fund Balance - Ending | \$ 288,716 | \$ 335,016 | \$ 335,016 | \$ 386,100 | \$ - | \$ 386,100 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - SPA DEBT REDUCTION FUND - NEW TERRITORY
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|------------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Out of City Service Fees | \$ 519,268 | \$ 113,802 | \$ 113,802 | \$ - | \$ - | \$ - |
| Interest Income | 26,223 | 45,080 | 45,080 | - | - | - |
| Transfers In | 150,000 | - | - | - | - | - |
| Total Revenues | 695,492 | 158,882 | 158,882 | - | - | - |
| EXPENDITURES | | | | | | |
| Operations & Maintenance | - | - | - | - | - | - |
| Transfers to Other Funds | 1,532,556 | 2,888,172 | 2,888,172 | 847,973 | - | 847,973 |
| Total Expenditures | 1,532,556 | 2,888,172 | 2,888,172 | 847,973 | - | 847,973 |
| Revenues Over/(Under) Expenditures | (837,065) | (2,729,290) | (2,729,290) | (847,973) | - | (847,973) |
| Fund Balance - Beginning | 4,414,328 | 3,577,263 | 3,577,263 | 847,973 | - | 847,973 |
| Fund Balance - Ending | \$ 3,577,263 | \$ 847,973 | \$ 847,973 | \$ - | \$ - | \$ - |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - SPA DEBT REDUCTION FUND - RIVERSTONE
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Out of City Service Fees | \$ 167,295 | \$ 161,033 | \$ 161,033 | \$ 164,432 | \$ - | \$ 164,432 |
| Interest Income | 1,222 | 2,576 | 2,576 | 3,000 | - | 3,000 |
| Transfers In | - | - | - | - | - | - |
| Total Revenues | 168,517 | 163,609 | 163,609 | 167,432 | - | 167,432 |
| EXPENDITURES | | | | | | |
| Operations & Maintenance | - | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - | - |
| Revenues Over/(Under) Expenditures | 168,517 | 163,609 | 163,609 | 167,432 | - | 167,432 |
| Fund Balance - Beginning | 232,060 | 400,577 | 400,577 | 564,186 | - | 564,186 |
| Fund Balance - Ending | \$ 400,577 | \$ 564,186 | \$ 564,186 | \$ 731,618 | \$ - | \$ 731,618 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - ENCLAVE AT RIVER PARK PID
INCOME STATEMENT**

| | FY17 | FY18 | FY18 | FY19 | FY19 | FY19 |
|------------------------------------|----------------|----------------|----------------|----------------|----------|----------------|
| | Actuals | Current Budget | Projections | Base Budget | Changes | FY19 Budget |
| REVENUES | | | | | | |
| PID Assessment Fees | \$ 154,084 | \$ 136,907 | \$ 136,907 | \$ 132,133 | \$ - | \$ 132,133 |
| Interest Income | 1,199 | 3,785 | 3,785 | 1,000 | - | 1,000 |
| Transfers In | 11,192 | 22,993 | 22,993 | 44,450 | - | 44,450 |
| Total Revenues | 166,475 | 163,685 | 163,685 | 177,583 | - | 177,583 |
| EXPENDITURES | | | | | | |
| Reimbursements | - | - | - | 490,000 | - | 490,000 |
| Miscellaneous | - | - | - | 1,000 | - | 1,000 |
| Transfers to Other Funds | - | - | - | 179,000 | - | 179,000 |
| Total Expenditures | - | - | - | 670,000 | - | 670,000 |
| Revenues Over/(Under) Expenditures | 166,475 | 163,685 | 163,685 | (492,417) | - | (492,417) |
| Fund Balance - Beginning | 165,328 | 331,803 | 331,803 | 495,488 | - | 495,488 |
| Fund Balance - Ending | \$ 331,803 | \$ 495,488 | \$ 495,488 | \$ 3,071 | \$ - | \$ 3,071 |

CITY OF SUGAR LAND
SPECIAL REVENUE FUND - SPECIAL EVENTS
INCOME STATEMENT

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|-------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Rental Fees | \$ 4,875 | \$ 19,578 | \$ 19,578 | \$ 20,103 | \$ - | \$ 20,103 |
| Transfers In | 50,000 | 59,052 | 59,052 | 60,854 | - | 60,854 |
| Total Revenues | 54,875 | 78,630 | 78,630 | 80,957 | - | 80,957 |
| EXPENDITURES | | | | | | |
| Personnel Costs | 50,929 | 79,131 | 79,131 | 81,281 | - | 81,281 |
| Operations & Maintenance | 950 | - | - | - | - | - |
| Total Operating Expenditures | 51,879 | 79,131 | 79,131 | 81,281 | - | 81,281 |
| Total Expenditures | 51,879 | 79,131 | 79,131 | 81,281 | - | 81,281 |
| Revenues Over/(Under) Expenditures | 2,996 | (501) | (501) | (324) | - | (324) |
| Fund Balance - Beginning | - | 2,996 | 2,996 | 2,495 | - | 2,495 |
| Fund Balance - Ending | \$ 2,996 | \$ 2,495 | \$ 2,495 | \$ 2,171 | \$ - | \$ 2,171 |

Capital Projects Fund

Capital Project Funds account for the acquisition or construction of major capital activities. Funding is provided by debt issuance, Sugar Land Development Corporation, Sugar Land 4B Corporation, Airport revenues, Utility revenues, Tourism Fund, grants and donations.

Capital Improvement Process

Section 6.03 of the City Charter states that the City shall file a multi-year capital improvement program and a current year capital budget. Annually, City staff prepares and files a five-year Capital Improvement Program (CIP). The CIP identifies needed capital improvements and financing for those improvements. The first year of the plan is incorporated into the annual budget to appropriate funds for the specific projects.

The five-year Capital Improvement Program (CIP) for FY19-FY23 totals \$157.08 million. Cost estimates for years two through five of the five-year CIP are for planning purposes only and are used in conjunction with the long-range financial plan of the City to determine potential project funding sources or to adjust project timing based on affordability. Estimates are based on the best information available, and ultimate project budgets may vary from estimates.

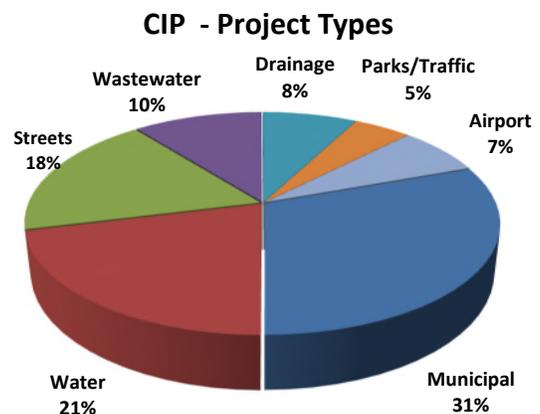
Funding sources and levels are identified and developed through the Budget Office. The first draft of the five-year CIP is prepared without fiscal constraints. The CIP is reviewed by the departments, Planning and Zoning Commission, the Sugar Land Development Corporation (SLDC), Sugar Land 4B Corporation (SL4B), and the City Manager. The City Council reviews the list of proposed projects without respect to dollar amounts or timing. A final draft of the fiscally constrained five-year CIP is then prepared and filed with the annual budget for Council consideration and approval. Upon City Council adoption, the five-year CIP document is reproduced and distributed for implementation of the program. There are no identified operational impacts associated with the implementation of the current year Capital Improvement Program.

Fiscal Year 2018

The FY18 capital project budget totaled \$21,505,556. Many projects included in FY18 are still in progress as most capital projects are multi-year projects.

Fiscal Year 2019

FY19 capital projects total \$28,321,056. Municipal projects make up the majority of the distribution at 31%, followed by Water projects with 21%. Streets projects are at 18%, Wastewater at 10%, Drainage at 8%, Airport at 7%, while Parks and Traffic projects combine to represent 5% of the approved project budgets for the FY19 CIP.



Drainage projects total \$1,985,000 and include: Covington Woods drainage improvements, replacement of Riverbend sluice gate structure at Dulles Avenue, replacement of Riverbend inlets and pipes, Settlers Park Greenfield West drainage improvements and design of Settler’s Park/ Mesquite North drainage improvements.

Municipal projects total \$7,915,000 and include: Public Safety training facility, replacement of a Fire Department ladder truck, replacement of fire bunker gear, major facility rehabilitation, fuel tank/dispenser replacement,

Enterprise Resource Planning (ERP) implementation, Animal Shelter design, EOC/Dispatch design, PID developer reimbursement, and Public Art Projects.

Airport projects total \$2,010,000 and include: parallel taxiway relocation and hangars ALD # and ALD #11, Oyster Creek maintenance bridge replacement, US90A drainage improvements for airport taxiway, and the airport west side entry roadway.

Parks projects total \$400,000 and include: Joint participation in CIP, and installation of restrooms at Mayfield Park. The CDBG funding for Mayfield Park is budgeted in the CDBG fund, and is shown in the grants and other sources.

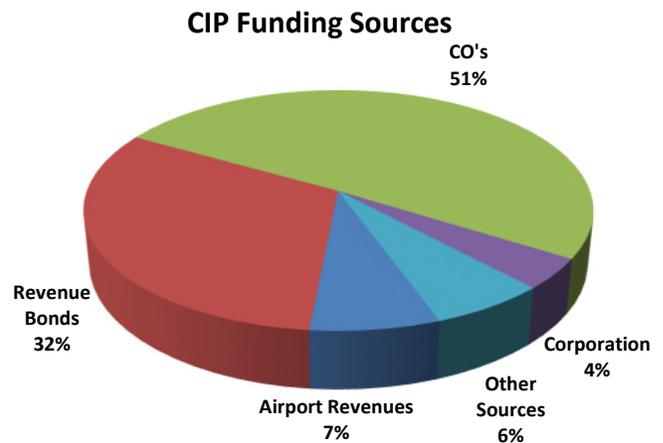
Streets projects total \$5,166,056 and include: Street reconstruction for Seventh St. from Muirwood to Woodlake, Soldiers Field extension design, roundabout at First Colony Blvd and Soldiers Field Drive, Brooks Street bridge improvements, US59/90A hardscape improvements, and major street rehabilitation.

Traffic projects total \$925,000 and include: Sweetwater/Elkins improvements, SH6/Settlers Way improvements, SH6 NB @ US59 triple left turn construction, and landscape replacement for major roadways.

Wastewater projects total \$3,000,000 and include: Oyster Creek siphon replacement, lift station rehabilitation, and easement acquisition-force main from North Waste Water Treatment Plant (WWTP) to West WWTP.

Water projects total \$5,970,000 and include: Well rehabilitation, distribution system water main rehabilitation program, ground storage tank rehabilitation, and ground water plant rehabilitation.

Funding for the FY19 CIP consists of \$14,356,056 in Certificates of Obligation, \$8,970,000 in Revenue Bonds, \$1,167,639 from Sugar Land 4B Corporation, \$2,010,000 in Airport revenues, and \$1,817,361 from other funding sources. Other funding sources include funds from CDBG, funds from Tourism, and Red Light Camera funds. Interest income is budgeted at \$215,000. If a project has an operation and maintenance cost (O&M), the O&M impact has been identified and the annual cost calculated. The amounts are included in the five-year forecast to measure the impact on the long-range financial capacity of each operating fund.



**CITY OF SUGAR LAND
CAPITAL PROJECTS FUNDS
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES**

| | General CIP | Grants and Other Sources | Development Corporations | Utility CIP | Airport CIP | Total Capital Projects |
|-------------------------------------|---------------------|-----------------------------|-----------------------------|----------------------|-------------------|---------------------------|
| Revenues | | | | | | |
| Bond Proceeds | \$ 14,559,056 | \$ - | \$ - | \$ 9,405,000 | \$ - | \$ 23,964,056 |
| Transfers In | 1,005,000 | 192,361 | 1,167,639 | - | 2,010,000 | 4,375,000 |
| Transportation Fees | 472,500 | - | - | - | - | 472,500 |
| Interest Income | 135,000 | - | - | 80,000 | - | 215,000 |
| Total Revenues | 16,171,556 | 192,361 | 1,167,639 | 9,485,000 | 2,010,000 | 29,026,556 |
| Expenditures | | | | | | |
| Airport | - | - | - | - | 2,010,000 | 2,010,000 |
| Drainage | 2,185,000 | - | - | - | - | 2,185,000 |
| Municipal | 7,880,000 | 50,000 | 210,000 | 525,000 | - | 8,665,000 |
| Parks | - | 142,361 | 257,639 | - | - | 400,000 |
| Streets | 4,666,056 | - | 500,000 | - | - | 5,166,056 |
| Traffic | 725,000 | - | 200,000 | - | - | 925,000 |
| Surface Water | - | - | - | - | - | - |
| Water | - | - | - | 5,970,000 | - | 5,970,000 |
| Wastewater | - | - | - | 3,000,000 | - | 3,000,000 |
| Total CIP Expenditures | 15,456,056 | 192,361 | 1,167,639 | 9,495,000 | 2,010,000 | 28,321,056 |
| Issuance Costs | 443,000 | - | - | 10,000 | - | 453,000 |
| Other Non-operating | 519,300 | - | - | 6,000 | - | 525,300 |
| Transfers Out | 605,905 | - | - | 200,000 | - | 805,905 |
| Non-operating Expenditures | 1,568,205 | - | - | 216,000 | - | 1,784,205 |
| Total Expenditures | 17,024,261 | 192,361 | 1,167,639 | 9,711,000 | 2,010,000 | 30,105,261 |
| Revenues Over/(Under) Expenditures | (852,705) | - | - | (226,000) | - | (1,078,705) |
| Fund Balance - Beginning | 5,794,526 | - | - | 13,117,150 | 143,054 | 19,054,731 |
| Reserved Funds- Transportation Fees | (1,639,018) | - | - | - | - | (1,639,018) |
| Fund Balance - Ending | \$ 3,302,804 | \$ - | \$ - | \$ 12,891,150 | \$ 143,054 | \$ 16,337,008 |

CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2019

| Project # | Project Name | Project Description |
|---------------------------|--|--|
| Airport Projects | | |
| AP1201 | Parallel Taxiway Relocation and Hangars ALD #4 and ALD#11 | Build a new parallel taxiway to the east of the existing Taxiway "Foxtrot" (which will then be removed). Construct a new 37,500 sq. ft. aircraft storage hangar and a new 10,625 sq. ft. hangar/office space to replace two existing hangars that will be demolished due to the new taxiway and to give space for existing customers to store their aircraft. |
| AP1901 | Oyster Creek Maintenance Bridge Replacement | Replace the existing wooden bridge with a concrete structure, improve the elevation of the bridge so it is one-foot above existing flood elevation and improve the hydraulic channel by cleaning the debris accumulated at Oyster Creek during the Harvey storm. |
| AP1902 | US90A Drainage Improvements for Airport Taxiway | Reduce stormwater ponding at the south end of the taxiway by connecting to FBC LID No. 17 72-inch drainage structure and outflowing the low area of the taxiway to an existing Texas Department of Transportation (TxDOT) detention pond, south of US Highway 90A. |
| AP1903 | Airport West Side Access Roadway | Design and construction of a new roadway, west of the Airport. Project includes design of approximately 2800 lineal feet, undivided, concrete section with drainage. As the Airport finalizes the Airport Development Plan, this roadway will provide access for future development. |
| Airport Total | | |
| Drainage Projects | | |
| DR1801 | Covington Woods Drainage Improvements - Sugar Land MS/Sugar Mill Relief Line | Design and construction of a new storm sewer line along the City-owned park adjacent to Sugar Land Middle School and the outfall to Ditch A-22. Project is designed to increase the capacity of the storm sewer system in the area. |
| DR1901 | Riverbend Sluice Gate Structure at Dulles Avenue Replacement | Replace the existing sheet pile structure with a sluice gate control structure that allows to lower the water level downstream of Dam 3 during major storm events. This project will reduce the ponding depth and durations in the Riverbend area neighborhoods during major storm events. |
| DR1902 | Riverbend Inlets and Pipes Replacement | Replace existing 24-in reinforced concrete pipes and inlets with 36-in to 54-in reinforced concrete pipes along Plantation Bend Drive, Winding River Dr., Cannons Point Drive, and Randall Oak Dr. The outfall at Laurel Hill will be replaced with a 48-in reinforced concrete pipe. |
| DR1903 | Settlers Park Greenfield West Drainage Improvements | This project requires the replacement of the existing stormwater pipes along Greenfield Drive with new 60-in and 72-in reinforced concrete pipe and the replacement of the outfall into FBC LID No. 2 Ditch C. This project will reduce the street ponding depth and duration in the Settlers Park neighborhood area. |
| DR1904 | Settlers Park Mesquite North Drainage Improvements | This project requires the replacement of the existing stormwater pipes along Sleepy Hollow Drive and Mesquite Drive with 36-in and 48-in reinforced concrete pipes. |
| Drainage Total | | |
| Municipal Projects | | |
| MU1901 | Public Safety Training Facility | Develop an infrastructure package including roads and utilities for the Public Safety Training Facility. Review existing drainage conditions, and establish grades for future roadwork, pad sites for training and preparation for the fire training prop. |
| MU1902 | Fire/EMS Equipment | Purchase of training aids, bunker gear replacement and mannequins for the EMS Training facility. |
| MU1903 | Fire/EMS Apparatus Replacement | Replacement of fire/EMS truck apparatus on the required replacement schedule to ensure first responder equipment is operable and adequate to meet demands. |
| MU1904 | Major Facility Rehabilitation | Improvements to city's buildings & the associated internal operating systems. FY19 projects to include roof replacements/rehabilitation at Fire Station 2, Fire Station 3 and the T.E. Harman Center. |
| MU1905 | Fuel Tank/Dispenser Replacement - PH I | Take the three (3) oldest underground storage tanks out of service and install one (1) 10,000 gallon unleaded above ground storage tank, including the necessary piping, dispensers, monitoring sensors, canopy and concrete pad. |
| MU1906 | ERP Implementation | An organizational project to update the City's current Enterprise Resource Planning (ERP) software. The ERP is the central application for all City business. This includes integrating critical City functions. |
| MU1907 | Public Arts Project | Public art projects identified each year through development of the annual work plan that achieve the goals of the Public Art Plan (adopted Dec 2016). |
| MU1908 | Animal Shelter Design/Construction | Design and construct a new animal shelter in conjunction with the PD/Court on SH6. The new shelter will accommodate the projected animal capacity needs due to annexation and growth. The project will include design and programming of the new shelter. This project will be combined with MU1909 EOC/Dispatch Building Design and Construction. |
| MU1909 | EOC/Dispatch Building Design/Construction | Design and construct a new Emergency Management Center to host emergency operations and public safety dispatch staff. The project will included building programming and security elements. This project will be combined with MU1908 Animal Shelter Design and Construction. |
| MU1910 | PID Developer Reimbursement | Reimbursement to the Developer of expenses for improvement projects completed within the Enclave at River Park PID (an approximately 54 acre/139 lots single family residential development located along US59) includes: Water, wastewater, drainage improvements; Streets/sidewalk; Park/recreation establishment and/or improvements; acquisition of property; and administration/operational expenses. |
| Municipal Total | | |
| Parks Projects | | |
| PK1901 | Mayfield Park Restroom | Add a restroom building to the recently expanded and renovated park. A prefabricated restroom would be procured through a cooperative purchasing method. It would be located at the site of the former Head Start school building utilizing the existing utilities. |
| PK1902 | Joint Participation CIP | Provide funds for joint participation in CIP projects between the City and citizen-based organizations that benefit the general public. Project takes advantage of partnering opportunities to enhance and preserve the quality of life for City residents. |
| Parks Total | | |

| General Fund | Transfers from Operating Funds | | | Bond Proceeds | | Miscellaneous | Total FY19 CIP Budget |
|--------------|---------------------------------------|------------------|------------------|------------------|---------|---------------------------|-----------------------|
| | Water Utilities & Surface Water Funds | Airport Revenues | SLDC / SL4B Corp | GO / CO | Revenue | Grants / FB Other Sources | |
| | | 600,000 | | | | | 600,000 |
| | | 300,000 | | | | | 300,000 |
| | | 130,000 | | | | | 130,000 |
| | | 980,000 | | | | | 980,000 |
| | | 2,010,000 | | | | | 2,010,000 |
| | | | | 1,370,000 | | | 1,370,000 |
| | | | | 200,000 | | | 200,000 |
| | | | | 55,000 | | | 55,000 |
| | | | | 360,000 | | | 360,000 |
| | | | | 200,000 | | | 200,000 |
| | | | | 2,185,000 | | | 2,185,000 |
| | 100,000 | | | 1,250,000 | | | 1,350,000 |
| | | | | 240,000 | | | 240,000 |
| | | | | 1,440,000 | | | 1,440,000 |
| | | | | 215,000 | | | 215,000 |
| | | | | 300,000 | | | 300,000 |
| | | | | 2,025,000 | | | 2,025,000 |
| | | | 210,000 | | | 50,000 | 260,000 |
| | | | | 500,000 | | | 500,000 |
| | | | | 700,000 | | | 700,000 |
| | | | | 1,635,000 | | | 1,635,000 |
| | 100,000 | | 210,000 | 8,305,000 | | 50,000 | 8,665,000 |
| | | | 57,639 | | | 142,361 | 200,000 |
| | | | 200,000 | | | | 200,000 |
| | | | 257,639 | | | 142,361 | 400,000 |

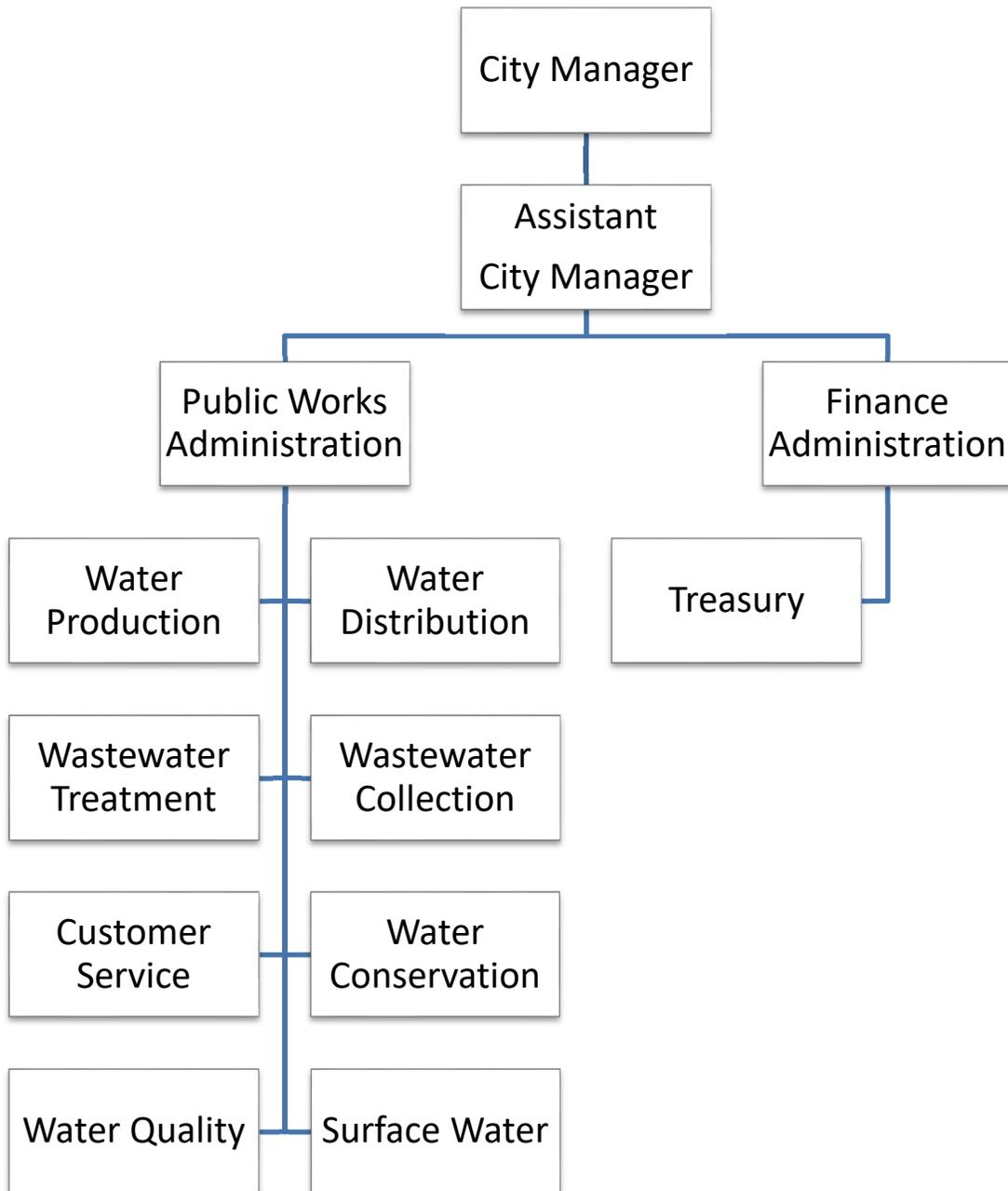
CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2019

| Project # | Project Name | Project Description |
|----------------------------|--|---|
| Streets Projects | | |
| ST1804 | Street Reconstruction - Seventh St. from Muirwood to Woodlake | Reconstruction of Seventh St. from Muirwood to Woodlake Cir; including subgrade and full panel replacement. |
| ST1901 | Soldiers Field Extension Design | Extension will include the design and construction of a 2-lane, concrete pavement, storm sewer installation, and utilities from the existing Soldiers Field and First Colony Blvd intersection to SH6. |
| ST1902 | Roundabout at First Colony Blvd and Soldiers Field Drive | Design and construct a roundabout at the intersection of Soldiers Field Drive and First Colony Boulevard. |
| ST1903 | Major Street Rehabilitation (Pavement Rehabilitation) | Annual street pavement rehabilitation program as identified by the Pavement Management and Maintenance Program (PMMP). This project includes major street rehabilitation as identified by the pavement assessment rankings. Locations include West Airport, Austin Parkway, Longview, and Greenbriar. |
| ST1904 | Brooks Street Bridge Improvements | Install a small concrete pad and wall on the west side of the street to match the east side, remove existing guardrail and install new railing with imbedded lighting on both sides of the roadway. The lighting would light the walkway and the wall. An art installation on the wall will be installed after construction. |
| ST1905 | US59/90A Hardscape Improvements | Develop a plan and install non-plant material enhancements by removing all current plant material and underground irrigation system and replacing with decorative aggregates, to provide visual interest on two major corridors that enter the City of Sugar Land. |
| Streets Total | | |
| Traffic Projects | | |
| TR1901 | Sweetwater/Elkins Improvements | Design triple left turn on the northbound US 59 frontage road at SH 6. The project will include the in pavement lights and geometric improvements for the approach. A TxDOT right-of-way permit will be required. |
| TR1902 | SH6/Settlers Way Improvements | Design will address issues through access management and assess adding an additional left turn bay for added capacity. Intersection at Flintwood will be evaluated to determine if improvements are necessary since vehicles will be forced to make u-turns at the intersection. |
| TR1903 | SH6 NB @ US59 Triple Left Turn Construction | Construction of a triple left turn on the northbound US 59 frontage road at SH 6. The project will include the in pavement lights and geometric improvements for the approach. A TxDOT right-of-way permit will be required. |
| TR1904 | Landscape Replacement for Major Roadway and Enhancement Projects | Reconstruction of landscape beds along major routes through Sugar Land to improve the streetscape treatments of areas directly adjacent to interstate and state highways. Routes will include US 59/I-69, US 90A, SH6 which are classified as Imperial and Highway 6 routes according to the Beautification Policy. |
| Traffic Total | | |
| Wastewater Projects | | |
| WW1804 | Oyster Creek Siphon Replacement | Construction of a new 24-inch siphon to replace an abandoned 18-inch siphon that crosses Oyster Creek along HWY 59 (within TxDOT ROW). There is an existing 24-inch siphon segment that is in service but an adjacent parallel 18-inch siphon segment was abandoned/grouted due to aged infrastructure. This project is a critical component of the City's sewer system. |
| WW1901 | Easement Acquisition-FM from North WWTP to West WWTP | Acquisition of easements for a future forcemain to divert wastewater flow from the North Wastewater Treatment Plant to the West Wastewater Treatment Plant. |
| WW1902 | Lift Station Rehabilitation | The lift stations are recommended for rehabilitation due to aging infrastructure, reliability concerns, extreme wet well deterioration, and pump and control panel wear. Lift stations will be identified from the lift station assessment efforts. |
| Wastewater Total | | |
| Water Projects | | |
| WA1901 | Well Rehabilitation | Design and construction of scheduled maintenance of water wells for one of the 23 City water wells. Maintenance of water wells includes pulling of pumps from wells and cleaning well screens. Repairs required for the wells and pumps are determined when the wells are pulled. |
| WA1902 | Distribution System Water Main Rehabilitation Program | The bi-ennial projects include design and construction of distribution system waterlines to replace aged and high maintenance existing waterlines. Design in one year, construction in the next. This project includes waterline replacement in Sugar Creek area. |
| WA1903 | Ground Storage Tank Rehabilitation | Annual funding for refurbishment of existing ground storage water tanks at a site to be determined and prioritized by scheduled evaluation and assessment. Work includes structural repairs and modifications as needed, blasting and proper removal of old coatings and repainting. |
| WA1904 | Ground Water Plant Rehabilitation | Annual investment in the ground water plants. Work includes: improvements to booster pumps, on site facilities, hydro-pneumatic tanks, yard piping, site grading and drainage. The first year of the program includes improvements to the Greatwood and New Territory water treatment plants. Improvements were identified through the conditions assessment completed prior to annexation. |
| Water Total | | |
| Grand Total | | |

| Transfers from Operating Funds | | | | Bond Proceeds | | Miscellaneous | Total FY19 CIP Budget |
|--------------------------------|--|---------------------|---------------------|---------------|--------------|------------------------------|-----------------------------|
| General Fund | Water Utilities & Surface Water Funds | Airport Revenues | SLDC / SL4B Corp | GO / CO | Revenue | Grants / FB Other Sources | |
| | | | | | | | - |
| | | | | 1,284,000 | | | 1,284,000 |
| | | | | | | | 200,000 |
| | | | | 200,000 | | | 100,000 |
| | | | | 100,000 | | | 100,000 |
| | | | | 3,082,056 | | | 3,082,056 |
| | | | | | | | 350,000 |
| | | | 350,000 | | | | 350,000 |
| | | | | | | | 150,000 |
| | | | 150,000 | | | | 150,000 |
| - | - | - | 500,000 | 4,666,056 | - | - | 5,166,056 |
| | | | | | | | 180,000 |
| | | | | 180,000 | | | 180,000 |
| | | | | | | | 45,000 |
| | | | | 45,000 | | | 45,000 |
| 500,000 | | | | | | | 500,000 |
| | | | 200,000 | | | | 200,000 |
| 500,000 | - | - | 200,000 | 225,000 | - | - | 925,000 |
| | | | | | | | - |
| | | | | | 1,300,000 | | 1,300,000 |
| | | | | | 350,000 | | 350,000 |
| | | | | | 1,350,000 | | 1,350,000 |
| - | - | - | - | - | 3,000,000 | - | 3,000,000 |
| | | | | | | | - |
| | | | | 880,000 | | | 880,000 |
| | | | | 2,200,000 | | | 2,200,000 |
| | | | | 770,000 | | | 770,000 |
| | | | | 2,120,000 | | | 2,120,000 |
| - | - | - | - | 5,970,000 | - | - | 5,970,000 |
| \$ 500,000 | \$ 100,000 | \$ 2,010,000 | \$ 1,167,639 | \$ 21,351,056 | \$ 3,000,000 | \$ 192,361 | \$ 28,321,056 |

Utility System Fund Organizational Chart

As of October 1, 2018



Utility System Fund

The City's water and wastewater utilities are financed and operated in a manner similar to private business enterprises, where costs of providing the services to the public are financed primarily through user charges.

Surface Water accounts for all operating activities related to the City's required conversion to surface water, which is funded through a fee per 1,000 gallons of water produced. Customers outside the City limits pay a 20% out-of-City service charge over the monthly fees; service charges from Tara Plantation are credited to the debt reduction fund based on Strategic Partnership Agreements (SPA).

The Water Utility and Surface Water funds, previously reported separately, are now combined into one Utility System Fund.

Fiscal Year 2018

FY18 total revenues are estimated to be \$143,721,036. Charges for services are projected at \$33,869,742. Surface water fees billed to residents are estimated at \$13,407,370. Interest income is projected at \$165,000. Non-operating revenues consist of refunding bond proceeds projected at \$91,056,594, transfers of \$581,947 from connection fees, and the first payment on the inter-fund loan of \$1,563,972 from the Airport and SLDC. All other revenues total \$3,076,411.

Operating expenditures are projected to remain at the budgeted amount of \$23,769,525.

Non-operating expenditures total \$119,017,469 and include debt service payments of \$16,779,905, payment to Escrow account of \$86,921,410, miscellaneous expenditures of \$469,674, transfers out of \$6,864,774, contingency of \$523,206 and CIP transfers of \$7,458,500,

Ending cash equivalent balance at 9/30/18 is projected to be \$13,353,397. The fund is projected to have a 56% operating reserve, which is above of the 25% established by policy. The fund has a required debt service reserve of \$9,738,723 at fiscal year-end.

Fiscal Year 2019

FY19 total revenues are estimated to be \$62,739,682. Total revenues for charges for services are budgeted at \$34,376,885. There are no rate increases for FY19. Surface water fees are budgeted at \$14,570,533, GRP fees at \$701,600, interest income at \$110,789, out of City service charges at \$49,584, and tap fees at \$212,413. Other revenues total \$1,363,863 and are made up of penalties, connection fees, and other charges. Bond proceeds are budgeted at \$8,970,000 for FY19 CIP projects. Transfers in of \$869,015 from connection fees cover FY19 debt service requirements for connection fee projects. Inter-fund loan payments from the Airport and SLDC are budgeted at \$1,515,000, which fully repays the loan from 2016.

On May 17, 2016 the City Council approved resolution 16-19, authorizing the City to enter into an inter fund loan agreement with the Surface Water Fund to cash flow the purchase price of the Central Prison Unit property, with a total principal amount of \$3M. This agreement included principal payments, plus interest which would accrue annually at 1%. The first loan payment will be made on September 30, 2018 and the final loan payment will be made on September 30, 2019. The Airport is responsible for \$2M in principal repayments, plus accrued interest, and the SLDC is responsible for repayment to the Capital Projects Fund of \$1M in principal payments, plus accrued interest.

Operating expenditures total \$22,420,454. FY19 additions include one-time costs of \$270,800 for water meter replacement and a main system water loss audit. FY19 recurring additions total \$100,890 to cover water meter change outs.

Non-operating expenditures total \$39,035,858. Debt service payments are budgeted at \$16,759,846 for existing debt and new debt on the planned CIP debt issuance. Transfer to CIP fund is estimated to be \$8,970,000. Rehabilitation projects funding is budgeted at \$1,657,000. Transfers out to other funds total \$10,656,132, and include transfers to the Fleet and High-Tech Replacement Funds, General Fund and Debt Service Fund. Contingency is budgeted at \$523,206 and miscellaneous at \$469,674, which includes insurance premiums and deductibles.

The Utility System has a total debt service reserve of \$9,738,723. The cash equivalents balance on 9/30/19 is estimated to be \$14,636,767, which is a 65% of operating reserve.

Financial Analysis

Financial ratios are used to analyze the financial position and operating results of the funds. A comparison based on FY18 projections and the FY19 budget is shown below:

| | FY18 Projections | FY19 Budget |
|----------------------|---------------------|----------------|
| Cash Reserve Ratio | 56% | 65% |
| Direct Bond Coverage | 1.59 | 1.73 |

The targeted minimum cash reserve ratio is 25% of operating expenses. The bond coverage minimum is 1.25 times the average annual debt service requirements. The FY19 cash reserve ratio is budgeted at 65%. Rates will be adjusted annually as necessary to ensure cash reserves and bond coverage requirements are maintained.

The financial strength of the utility system is recognized by the rating agencies. Fitch and Standard & Poor's both assigned an AA+ rating to the outstanding revenue bonds.

**CITY OF SUGAR LAND
ENTERPRISE FUND - UTILITY SYSTEM
INCOME STATEMENT**

| | FY17 | FY18 | FY18 | FY19 | FY19 | FY19 |
|------------------------------------|---------------|----------------|------------------|---------------|--------------|---------------|
| | Actuals | Current Budget | FY18 Projections | Base Budget | Changes | FY19 Budget |
| REVENUES | | | | | | |
| Charges for Services | \$ 24,823,507 | \$ 33,869,742 | \$ 33,869,742 | \$ 34,376,885 | \$ - | \$ 34,376,885 |
| Surface Water Fees | 9,185,062 | 13,407,370 | 13,407,370 | 14,570,533 | - | 14,570,533 |
| Tap Fees | 233,610 | 252,608 | 252,608 | 212,413 | - | 212,413 |
| Interest Income | 187,485 | 165,000 | 165,000 | 110,789 | - | 110,789 |
| Other | 1,360,309 | 1,198,863 | 1,198,863 | 1,363,863 | - | 1,363,863 |
| GRP Fees | 4,286,726 | 1,102,242 | 1,102,242 | 701,600 | - | 701,600 |
| Out of City Service Charge | 36,944 | 49,986 | 49,986 | 49,584 | - | 49,584 |
| Miscellaneous | 47,487 | 472,712 | 472,712 | - | - | - |
| Operating Revenues | 40,161,130 | 50,518,523 | 50,518,523 | 51,385,667 | - | 51,385,667 |
| Bond Proceeds | 20,719,970 | 91,056,594 | 91,056,594 | 8,970,000 | - | 8,970,000 |
| Inter-Fund Loan Repayment | - | 1,563,972 | 1,563,972 | 1,515,000 | - | 1,515,000 |
| Transfers In | 581,107 | 581,947 | 581,947 | 869,015 | - | 869,015 |
| Non-operating Revenues | 21,301,077 | 93,202,513 | 93,202,513 | 11,354,015 | - | 11,354,015 |
| Total Revenues | 61,462,207 | 143,721,036 | 143,721,036 | 62,739,682 | - | 62,739,682 |
| EXPENDITURES | | | | | | |
| Utility Administration | 763,038 | 1,018,814 | 1,018,814 | 676,450 | - | 676,450 |
| Water Distribution | 1,518,385 | 2,562,715 | 2,562,715 | 2,415,104 | 316,690 | 2,731,794 |
| Water Production | 2,081,690 | 2,941,997 | 2,941,997 | 2,923,711 | - | 2,923,711 |
| Wastewater Collection | 936,292 | 1,183,149 | 1,183,149 | 1,304,339 | - | 1,304,339 |
| Wastewater Treatment | 4,423,501 | 6,153,864 | 6,153,864 | 5,257,001 | - | 5,257,001 |
| Customer Service | 787,304 | 1,017,640 | 1,017,640 | 927,622 | - | 927,622 |
| Water Quality | 455,584 | 582,395 | 582,395 | 603,911 | - | 603,911 |
| Water Conservation | 228,357 | 294,493 | 294,493 | 291,963 | 55,000 | 346,963 |
| Treasury | 1,312,675 | 1,658,754 | 1,658,754 | 1,602,974 | - | 1,602,974 |
| Surface Water | 5,101,536 | 6,355,704 | 6,355,704 | 6,045,689 | - | 6,045,689 |
| Total Operating Expenditures | 17,608,365 | 23,769,525 | 23,769,525 | 22,048,764 | 371,690 | 22,420,454 |
| Debt Service | 15,998,518 | 16,779,905 | 16,779,905 | 16,759,846 | - | 16,759,846 |
| Payment to Escrow Account | - | 86,921,410 | 86,921,410 | - | - | - |
| Miscellaneous | 271,501 | 469,674 | 469,674 | 469,674 | - | 469,674 |
| Rehabilitation Projects | - | - | - | 1,657,000 | - | 1,657,000 |
| Transfers Out | 19,374,409 | 6,864,774 | 6,864,774 | 10,656,132 | - | 10,656,132 |
| Contingency | - | 523,206 | 523,206 | 523,206 | - | 523,206 |
| CIP Transfers | 9,175,553 | 7,458,500 | 7,458,500 | 8,970,000 | - | 8,970,000 |
| Total Non-Operating Expenditures | 44,819,981 | 119,017,469 | 119,017,469 | 39,035,858 | - | 39,035,858 |
| Total Expenditures | 62,428,346 | 142,786,994 | 142,786,994 | 61,084,622 | 371,690 | 61,456,312 |
| Revenues Over/(Under) Expenditures | (966,139) | 934,042 | 934,042 | 1,655,060 | (371,690) | 1,283,370 |
| Fund Balance - Beginning | 23,124,217 | 22,158,078 | 22,158,078 | 23,092,120 | - | 23,092,120 |
| Reserve - Debt Service | (9,738,723) | (9,738,723) | (9,738,723) | (9,738,723) | - | (9,738,723) |
| Fund Balance - Ending | \$ 12,419,355 | \$ 13,353,397 | \$ 13,353,397 | \$ 15,008,457 | \$ (371,690) | \$ 14,636,767 |
| Bond Coverage | 1.41 | 1.59 | 1.59 | 1.75 | | 1.73 |
| Target | 1.25 | 1.25 | 1.25 | 1.25 | | 1.25 |
| Operating Reserves | 71% | 56% | 56% | 68% | | 65% |
| Target | 25% | 25% | 25% | 25% | | 25% |

Utility System Fund

Mission Statement

The **Utility System Department** takes pride in maintaining a tradition of producing ample superior quality water, vigilantly maintaining water and wastewater infrastructure, and providing responsive and efficient customer-oriented service in a cost-effective and innovative manner emphasizing responsible environmental stewardship and compliance with all regulatory requirements.

Services Provided

The **Water Utilities Department** is responsible for the long-range planning, administration and operation of the City's water and wastewater systems including regulatory compliance for all mandated EPA and TCEQ programs. The Utilities Department is also responsible for all operating and capital improvement activities related to the City's required conversion to surface water, which is funded through a fee per 1,000 gallons of water produced. Those outside the City limits pay an out-of-City service charge over the monthly fees; service charges from Tara Plantation are credited to the debt reduction fund in anticipation of a Strategic Partnership Agreement (SPA).

Programs of Service

Utilities Administration sets departmental goals and strategies, provides organizational direction and control to accomplish those goals and manages long range planning to ensure there is adequate system capacity for growth. The **Water Distribution** program is responsible for ensuring that water produced is delivered to meet customer expectations including maintaining and repairing water lines, meters and fire hydrants. **Water Production** is responsible for producing, treating and supplying quality water that complies with all federal and state water quality standards and with sufficient water pressure to meet customer needs and fire flow requirements in an emergency. **Wastewater Collection** operates, maintains, and repairs sanitary sewer collection lines and manholes to meet or exceed all state and federal guidelines. The **Wastewater Treatment** program is responsible for transporting and treating wastewater to a quality that meets federal and state water quality standards, and operating, maintaining and repairing sanitary sewer lift stations and wastewater treatment plants. The **Customer Service** program responds to all requests for service 24 hours a day 7 days a week and reads all water meters monthly. The **Water Quality** program monitors the safety and quality of drinking water through water testing and compliance monitoring and handles backflow prevention, grease trap inspections, and the mandated wastewater industrial pretreatment programs. The **Water Conservation** program is responsible for water education, conservation and communication and is managed through the Public Works Department Environmental Services Division. The **Treasury** program, managed through the Finance Department, provides centralized collection of City funds for utility and other billings, as well as daily receipts from other operating departments and receipts from outside payments including property tax payments received from Fort Bend County. Treasury also bills for utilities, alarms, airport rentals, and other miscellaneous receivables for all city departments. **Surface Water** is responsible for all planning and implementation of the City's reduction in ground water use. Based on the mandated surface water conversion, the program is also responsible for coordinating the identification, pursuit, acquisition and implementation of alternatives to groundwater sources, including but not limited to surface water, effluent reuse, conservation, and direct reuse projects.

FY19 Budget Requests

A total of \$100,890 in recurring expenditures are included in the FY19 budget for regular meter change out. One-time expenditures total \$270,800 and include \$215,800 for supplemental meter replacements in the annexed areas and \$55,000 for the main system water loss audit.

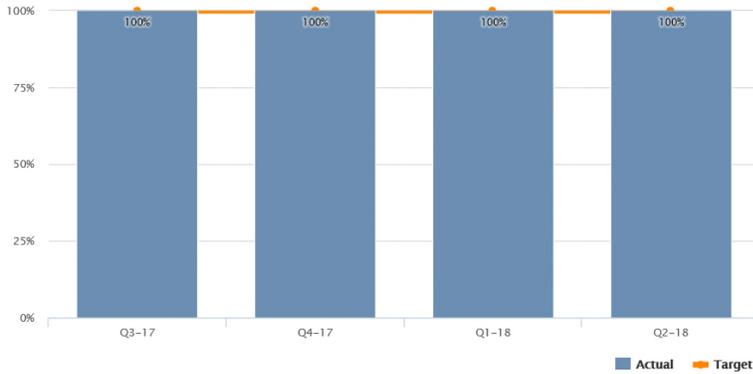
Performance Measures: Well Planned Community

The City Council Goal Measures for the Utility System are Water Quality, Adequate Water and Water Accountability.

WATER QUALITY

Safest City In America

Status Indicators: ■ Proceeding as Anticipated | ■ Monitoring Progress | ■ Reviewing for Improvement | ■ Information Unavailable



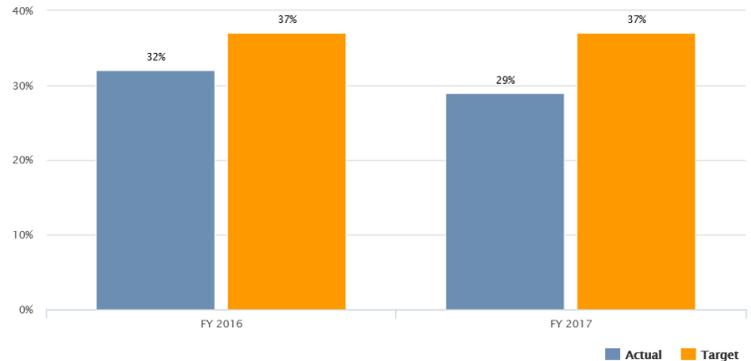
Water Quality is reported as a percentage of time the City meets all health related drinking water standards. The City measures its compliance relative to primary maximum contaminate levels and treatment techniques. The indicator is calculated on a rolling annual basis.

Adequate water is expressed as a percentage, and demonstrates an assessment of current water demand compared to available water supplies.

ADEQUATE WATER

Great Place To Live

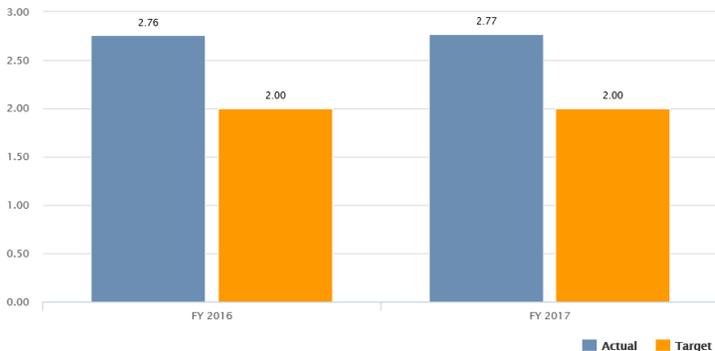
Status Indicators: ■ Proceeding as Anticipated | ■ Monitoring Progress | ■ Reviewing for Improvement | ■ Information Unavailable



WATER ACCOUNTABILITY

Great Place To Live

Status Indicators: ■ Proceeding as Anticipated | ■ Monitoring Progress | ■ Reviewing for Improvement | ■ Information Unavailable



Water Accountability addresses the systems water loss. Even the most well maintain and managed systems will experience some unavoidable leakage, the International Water Association support the use of an Infrastructure Leakage Index (ILI). This index is the ratio of water loss to water leaks as compared to unavoidable water loss. It is accepted within the industry that a score of 1-2 is exceptional; whereas the majority of utilities operate between a 2 and a 4. Utilities above a 4 need to consider more immediate updates to their water distribution system.

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|----------------------------|-------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Salary & Benefits | \$ 5,245,413 | \$ 6,327,324 | \$ 6,327,324 | \$ 6,323,157 | \$ - | \$ 6,323,157 |
| Supplies | 2,184,426 | 3,148,539 | 3,148,539 | 3,163,085 | - | 3,163,085 |
| Professional Services | 5,270,065 | 7,053,341 | 7,053,341 | 6,218,622 | 55,000 | 6,273,622 |
| Repairs & Maintenance | 3,661,481 | 6,046,661 | 6,046,661 | 5,234,160 | 316,690 | 5,550,850 |
| Purchased Services | 755,122 | 1,173,140 | 1,173,140 | 1,109,740 | - | 1,109,740 |
| Capital/Other | 491,859 | 20,520 | 20,520 | - | - | - |
| Category Totals | \$ 17,608,365 | \$ 23,769,525 | \$ 23,769,525 | \$ 22,048,764 | \$ 371,690 | \$ 22,420,454 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------------|--------------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Utility Administration | \$ 763,038 | \$ 1,018,814 | \$ 1,018,814 | \$ 676,450 | \$ - | \$ 676,450 |
| Water Distribution | 1,518,385 | 2,562,715 | 2,562,715 | 2,415,104 | 316,690 | 2,731,794 |
| Water Production | 2,081,690 | 2,941,997 | 2,941,997 | 2,923,711 | - | 2,923,711 |
| Wastewater Collection | 936,292 | 1,183,149 | 1,183,149 | 1,304,339 | - | 1,304,339 |
| Wastewater Treatment | 4,423,501 | 6,153,864 | 6,153,864 | 5,257,001 | - | 5,257,001 |
| Customer Service | 787,304 | 1,017,640 | 1,017,640 | 927,622 | - | 927,622 |
| Water Quality | 455,584 | 582,395 | 582,395 | 603,911 | - | 603,911 |
| Water Conservation | 228,357 | 294,493 | 294,493 | 291,963 | 55,000 | 346,963 |
| Treasury | 1,312,675 | 1,658,754 | 1,658,754 | 1,602,974 | - | 1,602,974 |
| Surface Water | 5,101,536 | 6,355,704 | 6,355,704 | 6,045,689 | - | 6,045,689 |
| Category Totals | \$ 17,608,365 | \$ 23,769,525 | \$ 23,769,525 | \$ 22,048,764 | \$ 371,690 | \$ 22,420,454 |

| FTE Count | FY17 Actuals | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|-------------------------|------------------------|-----------------------------|-----------------------------|-------------------------|------------------------|
| Utility Administration | 5.00 | 5.50 | (1.50) | 4.00 | - | 4.00 |
| Water Distribution | 10.00 | 13.50 | - | 13.50 | - | 13.50 |
| Water Production | 4.50 | 7.50 | - | 7.50 | - | 7.50 |
| Wastewater Collection | 8.00 | 10.50 | - | 10.50 | - | 10.50 |
| Wastewater Treatment | 6.00 | 8.00 | - | 8.00 | - | 8.00 |
| Customer Service | 9.00 | 11.00 | - | 11.00 | - | 11.00 |
| Water Quality | 4.50 | 5.50 | - | 5.50 | - | 5.50 |
| Water Conservation | 1.00 | 1.00 | - | 1.00 | - | 1.00 |
| Treasury | 11.00 | 13.00 | (1.00) | 12.00 | - | 12.00 |
| Surface Water | 12.50 | 12.00 | - | 12.00 | - | 12.00 |
| Category Totals | 71.50 | 87.50 | (2.50) | 85.00 | - | 85.00 |

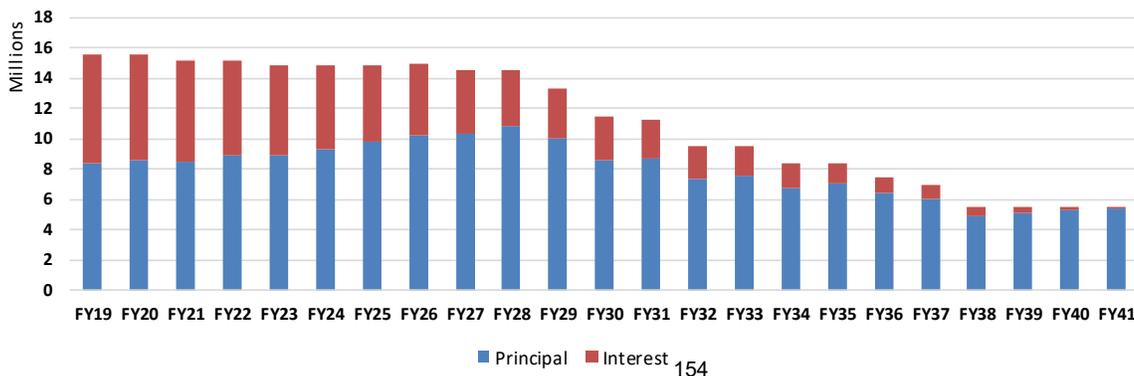
ENTERPRISE FUND - WATER/SURFACE WATER UTILITY SYSTEM
TOTAL DEBT SERVICE OUTSTANDING*

| Due During FY Ending September 30 | Principal | Interest | Total |
|---|-----------------------|----------------------|-----------------------|
| FY19 | 8,325,000 | 7,179,238 | 15,504,238 |
| FY20 | 8,620,000 | 6,895,163 | 15,515,163 |
| FY21 | 8,490,000 | 6,610,663 | 15,100,663 |
| FY22 | 8,840,000 | 6,289,438 | 15,129,438 |
| FY23 | 8,910,000 | 5,916,938 | 14,826,938 |
| FY24 | 9,340,000 | 5,509,288 | 14,849,288 |
| FY25 | 9,775,000 | 5,106,288 | 14,881,288 |
| FY26 | 10,225,000 | 4,657,850 | 14,882,850 |
| FY27 | 10,335,000 | 4,187,225 | 14,522,225 |
| FY28 | 10,780,000 | 3,739,126 | 14,519,126 |
| FY29 | 10,060,000 | 3,278,663 | 13,338,663 |
| FY30 | 8,570,000 | 2,852,913 | 11,422,913 |
| FY31 | 8,680,000 | 2,511,888 | 11,191,888 |
| FY32 | 7,300,000 | 2,176,338 | 9,476,338 |
| FY33 | 7,585,000 | 1,897,425 | 9,482,425 |
| FY34 | 6,750,000 | 1,606,713 | 8,356,713 |
| FY35 | 7,010,000 | 1,348,119 | 8,358,119 |
| FY36 | 6,390,000 | 1,079,544 | 7,469,544 |
| FY37 | 6,060,000 | 829,444 | 6,889,444 |
| FY38 | 4,905,000 | 589,819 | 5,494,819 |
| FY39 | 5,080,000 | 412,344 | 5,492,344 |
| FY40 | 5,245,000 | 251,016 | 5,496,016 |
| FY41 | 5,410,000 | 84,531 | 5,494,531 |
| TOTAL | \$ 182,685,000 | \$ 75,009,967 | \$ 257,694,967 |

* Does not include anticipated issuance of new debt.

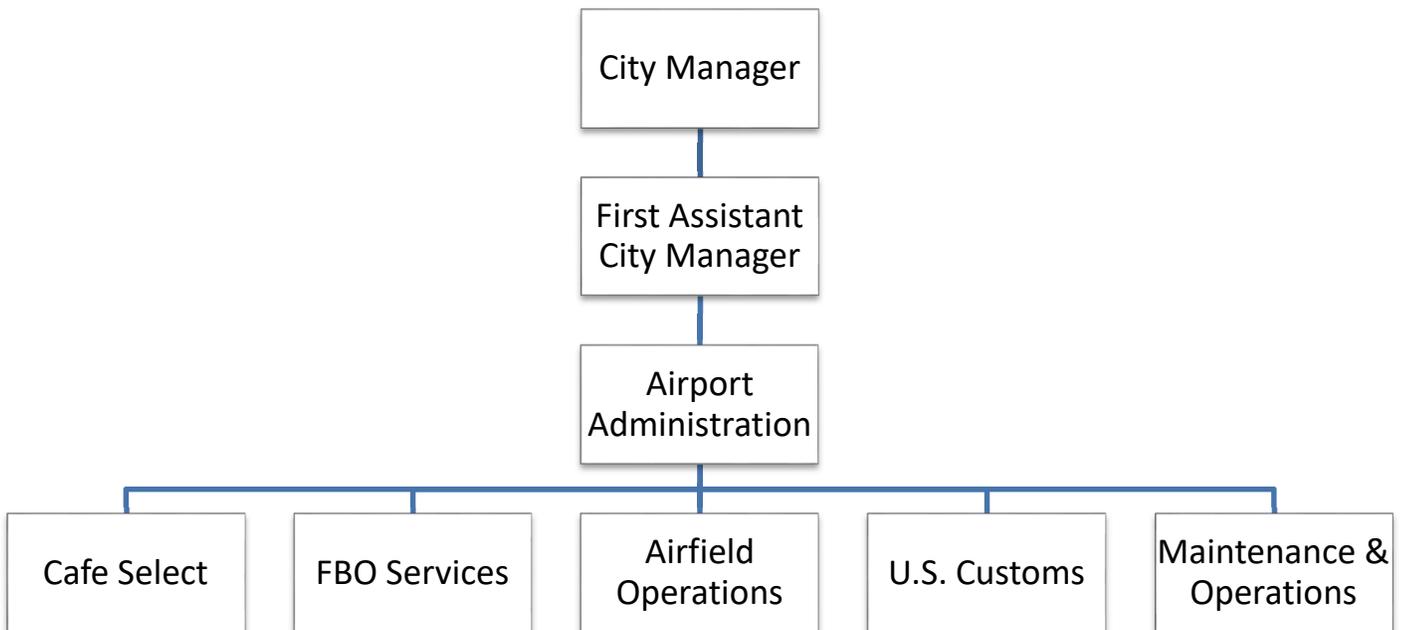
| Series | Amount | |
|---|-----------------------|----------|
| | Outstanding | Maturity |
| Combination Tax & Revenue Certificates of Obligation, Series 2011 | \$ 4,465,000 | FY20 |
| Waterworks & Sewer System Revenue Bonds, Series 2012 | 16,855,000 | FY31 |
| Waterworks & Sewer System Revenue Refunding Bonds, Series 2012A | 4,940,000 | FY30 |
| Waterworks & Sewer System Revenue Bonds, Series 2013 | 12,630,000 | FY33 |
| Waterworks & Sewer System Revenue and Refunding Bonds, Series 2015 | 13,665,000 | FY35 |
| Combination Tax and Revenue Certificates of Obligation, Series 2016 | 1,515,000 | FY36 |
| Waterworks & Sewer System Revenue and Refunding Bonds, Series 2016 | 31,280,000 | FY36 |
| Waterworks & Sewer System Revenue Bonds, Series 2017 | 19,140,000 | FY37 |
| General Obligation Refunding Bonds, Series 2017 | 78,195,000 | FY41 |
| Total | \$ 182,685,000 | |

Debt Service Schedule



Airport Fund Organizational Chart

As of October 1, 2018



Airport Fund

Sugar Land Regional Airport, which is owned and operated by the City, is a self-supporting enterprise funded by user charges. The Airport is home to several aircraft and expects to sell an average of 262,500 gallons of fuel per month during FY19. The City serves as a fixed based operator by providing fuel and general aviation customer services.

Fiscal Year 2018

Total revenues for FY18 are projected to be \$15,089,203. Projected operating revenues total \$14,900,654, which includes \$12,624,854 in fuel sales, \$1,388,200 in hangar leases, \$40,000 in interest income and \$847,600 in miscellaneous revenues from rental cars, ramp fees and other fees. Non-operating revenues are projected to total \$188,549 and consist of transfers in and grants.

Total expenses for FY18 are projected to be \$16,433,860. Operating expenses, which include Administration, FBO Services, Airfield Operations, Café Select, US Customs and Maintenance programs, are projected to be \$12,927,408. Non-operating expenses are projected to total \$3,506,452 and include transfers for capital projects, administrative overhead, debt service payments, and the first of two inter-fund loan payments. On May 17, 2016 the City Council approved resolution 16-19, authorizing the City to enter into an inter fund loan agreement with the Surface Water Fund to cash flow the purchase price of the Central Prison Unit property, with a total principal amount of \$3M. This agreement included principal payments, plus interest which would accrue annually at 1%. The first loan payment will be made on September 30, 2018 and the final loan payment will be made on September 30, 2019. The Airport is responsible for \$2M in principal repayments, plus accrued interest, and the SLDC is responsible for repayment to the Capital Projects Fund of \$1M in principal payments, plus accrued interest. Ending cash equivalent balance at 9/30/18 is projected to be \$3,970,853.

Fiscal Year 2019

Total operating revenues for FY19 are budgeted at \$17,616,892. Revenues from fuel sales are budgeted at \$12,751,102, a 1.0% increase over FY18 projections. Gallons sold are also estimated to increase by 1.0% higher than FY18 projections. Non-operating revenues in FY19 are budgeted at \$2,527,390, which includes grant proceeds of \$50,000 operating transfers in of \$137,390, and the first TxDOT reimbursement of \$2.34M for the 2016 Westside land acquisition. The transfers from the General Fund and Debt Service Fund are equal to the estimated property taxes collected on taxable value at the airport. The transfer from the Sugar Land Development Corporation is for international marketing efforts.

Total operating expenses are budgeted at \$12,891,423, which include the Administrative, Airfield Operations, FBO Services, Café Select, US Customs and Maintenance programs. Expenses are increasing by \$247,842 over the base budget largely due to capital items and recurring additions. There are no personnel additions in the FY19 budget. Recurring additions include \$59,000 in contractual services for the new maintenance building. One-time additions of \$188,842 include Taxiway F lighting repair, a new diesel fuel tank, repainting of fuel farm lines/pipes, Foreign Object Debris sweeper replacement pads, airfield barricades, maintenance building service consumables, fuel spill equipment, security camera program expansion, operations center furniture, and new staff uniforms.

Total non-operating expenses are estimated at \$5,597,581, which includes overhead reimbursement to the General Fund, debt service payments on outstanding Airport bonds, transfers to capital projects, and the final inter-fund loan payments to the Water Utility Fund for the 2016 Westside land acquisition. Ending cash equivalent balance at 9/30/19 is expected to be \$3,098,741.

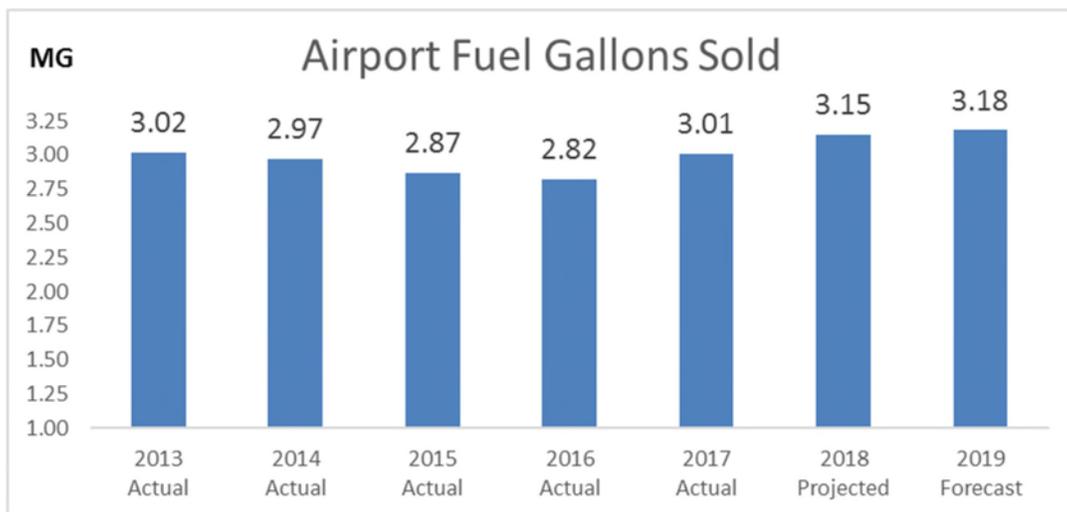
Financial Analysis

As the Airport is intended to be financially independent and self-supporting, financial ratios are used to analyze financial position and operating results. A comparison based on FY18 projections and FY19 budget amounts is shown below.

| | Projections FY 18 | Budget FY19 |
|----------------------|----------------------|----------------|
| Cash Reserve Ratio | 80% | 60% |
| Direct Bond Coverage | 1.90 | 1.86 |

Cash reserve ratios for both FY18 projections and FY19 are above the targeted minimum of 25% of expenses net of fuel for resale. The bond coverage ratio is above the target of 1.25 for both FY18 projections and FY19.

The graph below shows gallons of fuel sold. Projected total gallons of fuel sold in FY18 are 3.15 million gallons and the FY19 forecast is based on current trends. The aviation community has recognized Sugar Land as a great place to land and base their aircraft, not only for the convenience as a gateway to the greater Houston area, but also for the highest level of customer service.



**CITY OF SUGAR LAND
ENTERPRISE FUND - AIRPORT
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Fuel Sales | \$ 11,187,373 | \$ 12,624,854 | 12,624,854 | \$ 12,751,102 | \$ - | \$ 12,751,102 |
| Hangar Leases | 1,400,555 | 1,388,200 | 1,388,200 | 1,425,800 | - | 1,425,800 |
| Miscellaneous Revenues | 928,121 | 847,600 | 847,600 | 872,600 | - | 872,600 |
| Interest Income | 59,034 | 40,000 | 40,000 | 40,000 | - | 40,000 |
| Operating Revenues | 13,575,084 | 14,900,654 | 14,900,654 | 15,089,502 | - | 15,089,502 |
| Transfers In | 197,670 | 138,549 | 138,549 | 137,390 | - | 137,390 |
| Grant Proceeds | 53,807 | 50,000 | 50,000 | 50,000 | - | 50,000 |
| TxDot Grant Reimbursement | - | - | - | 2,340,000 | - | 2,340,000 |
| Bond Proceeds | 2,223,295 | - | - | - | - | - |
| Non-operating Revenues | 2,474,772 | 188,549 | 188,549 | 2,527,390 | - | 2,527,390 |
| Total Revenues | 16,049,856 | 15,089,203 | 15,089,203 | 17,616,892 | - | 17,616,892 |
| EXPENDITURES | | | | | | |
| Airport Administration | 976,642 | 1,018,739 | 1,018,739 | 1,043,923 | - | 1,043,923 |
| Airfield Operations | 345,561 | 372,231 | 372,231 | 322,360 | 33,842 | 356,202 |
| FBO Services | 7,877,494 | 9,665,041 | 9,665,041 | 9,794,110 | 30,000 | 9,824,110 |
| Café Select | 230,689 | 260,736 | 260,736 | 263,197 | - | 263,197 |
| Customs | 193,356 | 259,898 | 259,898 | 209,898 | - | 209,898 |
| Maintenance and Operations | 1,056,668 | 1,350,763 | 1,350,763 | 1,010,093 | 184,000 | 1,194,093 |
| Total Operating Expenditures | 10,680,410 | 12,927,408 | 12,927,408 | 12,643,581 | 247,842 | 12,891,423 |
| Debt Service | 1,208,455 | 1,262,514 | 1,262,514 | 1,258,623 | - | 1,258,623 |
| Miscellaneous | 109,842 | 169,951 | 169,951 | 169,951 | - | 169,951 |
| Inter-Fund Loan & Reimbursement | - | 1,043,397 | 1,043,397 | 1,010,000 | - | 1,010,000 |
| Operating Transfers Out | 3,208,475 | 1,030,590 | 1,030,590 | 3,159,007 | - | 3,159,007 |
| Total Non-Operating Expenditures | 4,526,773 | 3,506,452 | 3,506,452 | 5,597,581 | - | 5,597,581 |
| Total Expenditures | 15,207,182 | 16,433,860 | 16,433,860 | 18,241,162 | 247,842 | 18,489,004 |
| Revenues Over/(Under) Expenditures | 842,673 | (1,344,657) | (1,344,657) | (624,270) | (247,842) | (872,112) |
| Fund Balance - Beginning | 5,464,463 | 6,307,136 | 6,307,136 | 4,962,479 | - | 4,962,479 |
| Debt Service Reserve | (991,626) | (991,626) | (991,626) | (991,626) | - | (991,626) |
| Fund Balance - Ending | \$ 5,315,510 | \$ 3,970,853 | \$ 3,970,853 | \$ 3,346,583 | \$ (247,842) | \$ 3,098,741 |
| CASH EQ. RESERVE RATIO (25% min) | | 75% | 80% | 68% | | 60% |
| BOND COVERAGE (1.25x min) | | 1.90 | 1.90 | 2.05 | | 1.86 |
| FUEL GALLONS SOLD | 3,063,737 | 3,003,271 | 3,150,000 | 3,181,500 | | 3,181,500 |

ENTERPRISE FUND - AIRPORT

SCHEDULE OF REVENUES

| Description | FY17 | | FY17 | | FY19 | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------|----------------------|
| | FY17 Actuals | Current Budget | FY17 Projections | Base Budget | FY19 Changes | FY19 Budget |
| Aviation Fuel Sales | \$ 11,187,373 | \$ 12,624,854 | \$ 12,624,854 | \$ 12,751,102 | \$ - | \$ 12,751,102 |
| Fuel Sales | 11,187,373 | 12,624,854 | 12,624,854 | 12,751,102 | - | 12,751,102 |
| Short Term Land Lease | 35,400 | 35,000 | 35,000 | 35,000 | - | 35,000 |
| Long Term Land Lease | 181,932 | 155,000 | 155,000 | 192,000 | - | 192,000 |
| Corporate Hangar (I) Lease | 190,759 | 190,000 | 190,000 | 204,000 | - | 204,000 |
| Corporate Hangar (II) Lease | 114,596 | 110,000 | 110,000 | 120,000 | - | 120,000 |
| Northwest (I) Hangar Lease | 77,106 | 84,000 | 84,000 | 60,000 | - | 60,000 |
| Northwest (II) Hangar Lease | 19,406 | 23,000 | 23,000 | 14,400 | - | 14,400 |
| Leased Premises | 36,157 | 40,000 | 40,000 | 25,200 | - | 25,200 |
| Tie Downs | 7,344 | 7,200 | 7,200 | 7,200 | - | 7,200 |
| T - Hangar Rental | 737,857 | 744,000 | 744,000 | 768,000 | - | 768,000 |
| Hangar Leases | 1,400,555 | 1,388,200 | 1,388,200 | 1,425,800 | - | 1,425,800 |
| Café Revenue | 79,399 | 77,000 | 77,000 | 77,000 | - | 77,000 |
| Parking Revenues | 1,990 | 1,000 | 1,000 | 3,600 | - | 3,600 |
| Rental Cars | 351,354 | 360,000 | 360,000 | 360,000 | - | 360,000 |
| Ramp Fees | 306,082 | 210,000 | 210,000 | 228,000 | - | 228,000 |
| Gift Shop | 508 | 400 | 400 | 400 | - | 400 |
| Jet Fuel Additive - Prist | 16,115 | - | - | - | - | - |
| Catering Commission | 4,842 | 4,000 | 4,000 | 6,000 | - | 6,000 |
| Royalties - Mineral | 153 | - | - | - | - | - |
| Call Out Fees | 5,400 | 6,000 | 6,000 | 8,400 | - | 8,400 |
| Aircraft Maintenance | 1,533 | 1,200 | 1,200 | 1,200 | - | 1,200 |
| Miscellaneous | 160,746 | 188,000 | 188,000 | 188,000 | - | 188,000 |
| Miscellaneous Revenues | 928,121 | 847,600 | 847,600 | 872,600 | - | 872,600 |
| Interest | 59,034 | 40,000 | 40,000 | 40,000 | - | 40,000 |
| Interest Income | 59,034 | 40,000 | 40,000 | 40,000 | - | 40,000 |
| From General Fund | 79,624 | 49,962 | 49,962 | 49,700 | - | 49,700 |
| From SLDC | 50,000 | 50,000 | 50,000 | 50,000 | - | 50,000 |
| From Debt Service | 68,046 | 38,587 | 38,587 | 37,690 | - | 37,690 |
| Transfers In | 197,670 | 138,549 | 138,549 | 137,390 | - | 137,390 |
| State Funds | 50,000 | 50,000 | 50,000 | 50,000 | - | 50,000 |
| Federal Funds | 3,807 | - | - | 2,340,000 | - | 2,340,000 |
| Grant Proceeds | 53,807 | 50,000 | 50,000 | 2,390,000 | - | 2,390,000 |
| Bond Proceeds | 2,223,295 | - | - | - | - | - |
| Bond Proceeds Total | 2,223,295 | - | - | - | - | - |
| Total Revenues | \$ 16,049,856 | \$ 15,089,203 | \$ 15,089,203 | \$ 17,616,892 | \$ - | \$ 17,616,892 |

Airport

Mission Statement

The mission of Sugar Land Regional Airport is to be the safest, best planned, and most recognized premier reliever airport within the Houston Metropolitan area. This is accomplished through a thoughtful marketing plan that communicates the airport is an upscale destination, providing a lasting impression through superior services, containing a multitude of facilities and state of the art technology, while proving itself to be both a valued neighbor and financially successful.

Services Provided

The Sugar Land Regional Airport is a first class corporate aviation enterprise servicing private, corporate, and international clients. While servicing new markets worldwide, customers travel from every corner of the globe to do business in Sugar Land, and the surrounding region. The Fixed Based Operator (FBO), also known as GlobalSelect, provides concierge services to cater to the needs of pilots and passengers alike. The combination of award winning facilities, U.S. Customs services, a general aviation center, and multi-year designation as a top rated FBO in the Americas, ensures that the Airport will continue as a leader among its competition and peers.

Programs of Service

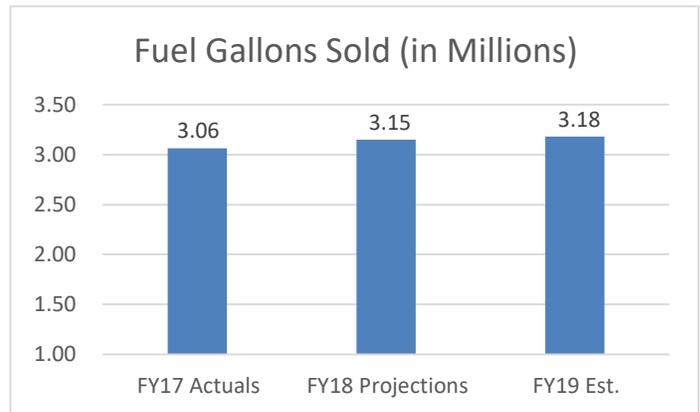
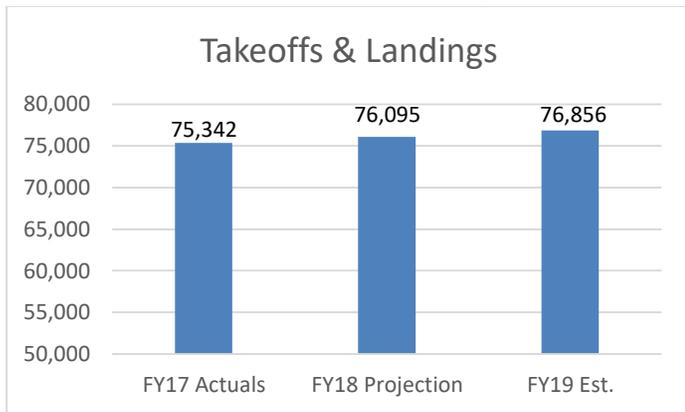
Airport Administration is responsible for the overall management, planning, marketing and outreach efforts of the airport along with contract administration and CIP project completion. Lease management of airport property is also fulfilled by this program. **Airfield Operations** is responsible for assessing and coordinating all airport activities to ensure Sugar Land Regional Airport is in compliance with all Federal, State and Local Regulations. Acting as the **Fixed Base Operator (FBO)** under the name "GlobalSelect," staff provides line services including aircraft refueling and marshalling services. Customer service is provided to handle customer invoices and customer requests for hotel reservations, food, rental car requests, and catering orders. **US Customs** provides passenger and luggage inspection for international arrivals, and oversees the FBO in handling and the disposal of international garbage to maintain federal compliances. **Maintenance & Operations** oversees building, ground, and custodial maintenance of airport facilities. **Café Select** provides first-class customer service and amenities to the airport's customers by providing food and beverages.

FY19 Requests

A total of \$59,000 in recurring additions is added to Airport's FY19 budget. The recurring addition is for contractual services for the new Airport maintenance building. In addition, a total of \$188,842 in one-time expenditures for Taxiway F lighting repair, SLRA Westside diesel tank, repainting of fuel farm lines/pipes, Foreign Object Debris sweeper replacement pads, airfield barricades, maintenance building service consumables, fuel spill equipment, security camera program expansion, operations center furniture, and new staff uniforms.

Airport

Performance Measures: Strong Local Economy



A key airport measure of activity is take-offs and landings, or operations. As the number of operations increase, additional demands are placed on FBO staff to provide service to customers.

The airport is self-supporting, bringing in most of its revenue from sales of aviation fuel. The number of gallons sold is tracked monthly to identify trends. Annual Fuel Gallons Sold is a good indicator of growth in activity levels at the airport.

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------|
| Salary & Benefits | \$ 2,656,076 | \$ 3,133,101 | \$ 3,133,101 | \$ 3,247,784 | \$ - | \$ 3,247,784 |
| Supplies | 6,355,566 | 7,913,396 | 7,913,396 | 7,911,554 | 172,000 | 8,083,554 |
| Professional Services | 722,762 | 707,607 | 707,607 | 688,675 | - | 688,675 |
| Repairs & Maintenance | 401,877 | 683,045 | 683,045 | 401,964 | 12,000 | 413,964 |
| Purchased Services | 269,691 | 332,225 | 332,225 | 342,854 | 8,000 | 350,854 |
| Capital/Other | 274,437 | 158,034 | 158,034 | 50,750 | 55,842 | 106,592 |
| Category Totals | \$ 10,680,410 | \$ 12,927,408 | \$ 12,927,408 | \$ 12,643,581 | \$ 247,842 | \$ 12,891,423 |

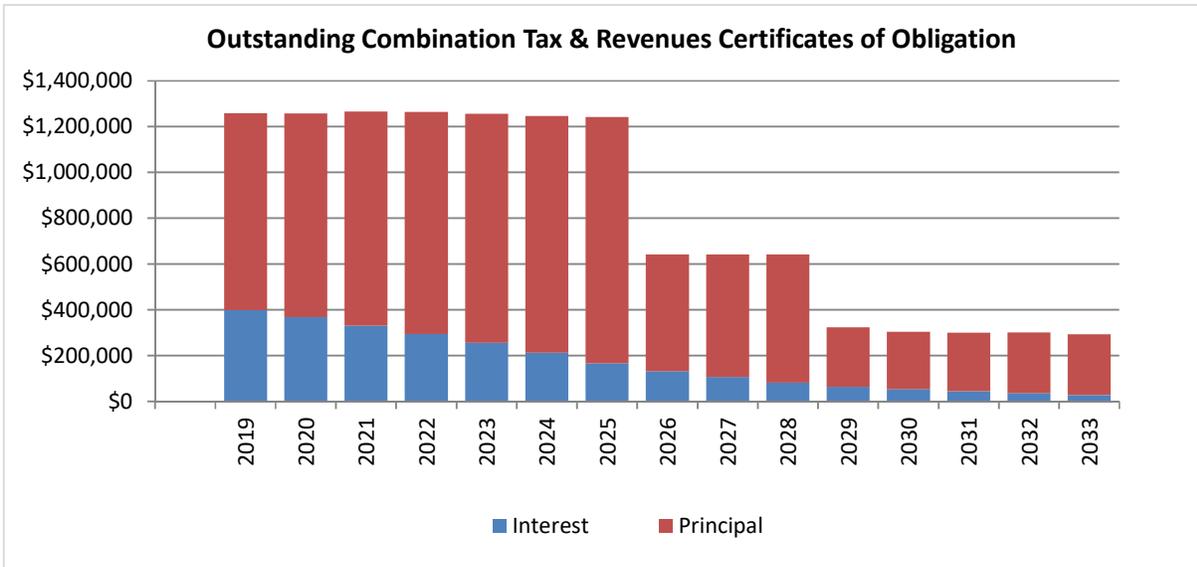
| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|----------------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------|
| Airport Administration | \$ 976,642 | \$ 1,018,739 | \$ 1,018,739 | \$ 1,043,923 | \$ - | \$ 1,043,923 |
| Airfield Operations | 345,561 | 372,231 | 372,231 | 322,360 | 33,842 | 356,202 |
| FBO Services | 7,877,494 | 9,665,041 | 9,665,041 | 9,794,110 | 30,000 | 9,824,110 |
| Café Select | 230,689 | 260,736 | 260,736 | 263,197 | - | 263,197 |
| Customs | 193,356 | 259,898 | 259,898 | 209,898 | - | 209,898 |
| Maintenance and Operations | 1,056,668 | 1,350,763 | 1,350,763 | 1,010,093 | 184,000 | 1,194,093 |
| Category Totals | \$ 10,680,410 | \$ 12,927,408 | \$ 12,927,408 | \$ 12,643,581 | \$ 247,842 | \$ 12,891,423 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Changes | FY19 Budget |
|----------------------------|--------------|--------------|------------------|------------------|--------------|--------------|
| Airport Administration | 7.00 | 7.00 | - | 7.00 | - | 7.00 |
| Airfield Operations | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| FBO Services | 22.50 | 22.50 | 1.00 | 23.50 | - | 23.50 |
| Café Select | 3.00 | 3.00 | - | 3.00 | - | 3.00 |
| Maintenance and Operations | 10.50 | 10.50 | - | 10.50 | - | 10.50 |
| Category Totals | 46.00 | 46.00 | 1.00 | 47.00 | - | 47.00 |

**ENTERPRISE FUND - AIRPORT
GENERAL OBLIGATION AND CERTIFICATES OF OBLIGATION
TOTAL DEBT SERVICE OUTSTANDING**

| Fiscal Year | Principal | Interest | Total |
|--------------|----------------------|---------------------|----------------------|
| 2019 | 860,000 | 398,623 | 1,258,623 |
| 2020 | 890,000 | 368,036 | 1,258,036 |
| 2021 | 935,000 | 331,279 | 1,266,279 |
| 2022 | 970,000 | 294,217 | 1,264,217 |
| 2023 | 1,000,000 | 255,673 | 1,255,673 |
| 2024 | 1,035,000 | 212,073 | 1,247,073 |
| 2025 | 1,075,000 | 166,748 | 1,241,748 |
| 2026 | 510,000 | 131,601 | 641,601 |
| 2027 | 535,000 | 106,939 | 641,939 |
| 2028 | 560,000 | 81,611 | 641,611 |
| 2029 | 260,000 | 63,814 | 323,814 |
| 2030 | 250,000 | 54,223 | 304,223 |
| 2031 | 255,000 | 45,193 | 300,193 |
| 2032 | 265,000 | 36,469 | 301,469 |
| 2033 | 265,000 | 28,103 | 293,103 |
| 2034 | 240,000 | 20,219 | 260,219 |
| 2035 | 250,000 | 12,728 | 262,728 |
| 2036 | 140,000 | 6,719 | 146,719 |
| 2037 | 145,000 | 2,266 | 147,266 |
| TOTAL | \$ 10,440,000 | \$ 2,616,533 | \$ 13,056,533 |

| Series | Outstanding | Maturity |
|--------------|----------------------|----------|
| 2012A | \$ 3,730,000 | 2025 |
| 2013 | 570,000 | 2033 |
| 2015 | 1,495,000 | 2035 |
| 2015 | 2,430,000 | 2028 |
| 2016 | 225,000 | 2029 |
| 2017 | 1,990,000 | 2037 |
| TOTAL | \$ 10,440,000 | |



Solid Waste Fund Organizational Chart

As of October 1, 2018



Solid Waste Fund

The Solid Waste Enterprise Fund is used to account for residential solid waste removal. This fund is primarily supported through user charges.

Republic Services will provide solid waste services in the City excluding Greatwood where solid waste services will continue to be provided by Best Trash. Current year rate for residential solid waste removal is \$18.45 per household per month. Beginning January 1, 2019, a 2.5% CPI adjustment will result in a new monthly rate of \$18.91.

Residents receive automated garbage collection twice per week, automated recycling collection once per week, bulky waste collection once per month and an on-call collection service. A green waste program ensures grass clippings, leaves, brush, and tree limbs are recycled into mulch or compost instead of being sent to a landfill.

Fiscal Year 2018

Total revenues for FY18 are projected to be \$8,155,349 and include \$7,356,164 from collection and recycling fees, \$646,805 from franchise fees, \$7,400 in commercial license fees, \$113,199 in miscellaneous revenues, \$1,500 from recycling programs, \$200 in interest income and \$24,970 HGAC Solid Waste Implementation Grant. Transfers from Debt Reduction Funds to support the Annexation related costs are projected to be \$5,111.

Total expenses are projected to be \$8,189,942, which includes personnel, contracted services, and general operating costs. Personnel expenses total \$278,987 for contract monitoring and program administration. The estimated annual cost for solid waste and curbside recycling programs contracted with Republic Services and Best Trash is \$7,181,663. General operations & maintenance costs are projected to be \$201,928, which includes \$105,311 to remediate environmental issues that occurred during the year. The education program is project at \$39,527 including an additional \$24,970 for Solid Waste Implementation Grant related expenses. Miscellaneous expenditures are projected to be \$72,600 for contingency. The Solid Waste Fund transfers of \$415,237 include administrative support and pavement rehabilitation program to the General Fund.

The estimated ending cash equivalents balance at 9/30/2018 is projected to be \$394,367.

Fiscal Year 2019

Total revenues for FY19 are budgeted at \$8,585,267. Total budgeted revenue from residential collection and recycling fees is \$7,911,310. The City does not bill for Commercial Services; businesses contract and pay Republic directly. Other revenues include \$661,157 from franchise fees, \$9,400 in commercial license fees, \$1,700 in miscellaneous revenues, \$1,500 from recycling programs, and \$200 in interest income.

Total expenses are \$8,545,782 and include \$262,339 in personnel expenses for contract monitoring and program administration, \$7,717,742 for the solid waste contracts, \$14,557 for the education program, \$68,618 in operation and maintenance costs, and \$70,000 in contingency. Transfers out total \$412,526 and include transfers to the Fleet Replacement Fund for \$6,966, the General Fund to support pavement rehabilitation efforts in Public Works for \$300,000 and to reimburse administrative overhead for \$105,560.

The estimated ending cash equivalents balance as of 9/30/2019 is estimated to be \$433,852.

**CITY OF SUGAR LAND
ENTERPRISE FUND - SOLID WASTE
INCOME STATEMENT**

| | FY17 | FY18 | FY18 | FY19 | FY19 | FY19 |
|---|------------------|------------------|------------------|------------------|----------|------------------|
| | Actuals | Current Budget | Projections | Base Budget | Changes | Budget |
| REVENUES | | | | | | |
| Solid Waste Collections | \$ 5,541,759 | \$ 7,356,164 | \$ 7,356,164 | \$ 7,911,310 | \$ - | \$ 7,911,310 |
| Franchise Fees | 591,694 | 646,805 | 646,805 | 661,157 | - | 661,157 |
| Commercial SW License | 11,673 | 7,400 | 7,400 | 9,400 | - | 9,400 |
| Miscellaneous | 331,147 | 113,199 | 113,199 | 1,700 | - | 1,700 |
| Recycling Programs | 1,315 | 1,500 | 1,500 | 1,500 | - | 1,500 |
| Interest Income | 76 | 200 | 200 | 200 | - | 200 |
| Grants | - | 24,970 | 24,970 | - | - | - |
| Trsfs from Debt Reduction Funds | 44,200 | 5,111 | 5,111 | - | - | - |
| Total Revenues | 6,521,864 | 8,155,349 | 8,155,349 | 8,585,267 | - | 8,585,267 |
| EXPENDITURES | | | | | | |
| Contractual Services | 5,457,425 | 7,181,663 | 7,181,663 | 7,717,742 | - | 7,717,742 |
| Salary & Benefits | 204,015 | 278,987 | 278,987 | 262,339 | - | 262,339 |
| Education Programs | - | 39,527 | 39,527 | 14,557 | - | 14,557 |
| Operations & Maintenance | 415,951 | 201,928 | 201,928 | 68,618 | - | 68,618 |
| Total Operating Expenditures | 6,077,391 | 7,702,105 | 7,702,105 | 8,063,256 | - | 8,063,256 |
| Miscellaneous | - | 72,600 | 72,600 | 70,000 | - | 70,000 |
| Transfers Out | 421,537 | 415,237 | 415,237 | 412,526 | - | 412,526 |
| Total Non-Operating Expenditures | 421,537 | 487,837 | 487,837 | 482,526 | - | 482,526 |
| Total Expenditures | 6,498,928 | 8,189,942 | 8,189,942 | 8,545,782 | - | 8,545,782 |
| Revenues Over/(Under) Expenditures | 22,936 | (34,593) | (34,593) | 39,485 | - | 39,485 |
| Fund Balance - Beginning | 406,024 | 428,960 | 428,960 | 394,367 | - | 394,367 |
| Fund Balance - Ending | \$ 428,960 | \$ 394,367 | \$ 394,367 | \$ 433,852 | \$ - | \$ 433,852 |

Solid Waste

Services Provided

Solid Waste programs are primarily supported through user charges. Services include residential solid waste pickup and curbside recycling.

Programs of Service

The **Solid Waste** program provides commercial solid waste collections, residential solid waste collections, facilitates a recycling program, provides emergency response for debris collection, and engages the community with education and outreach activities.

FY19 Requests

There were no budget requests added to the Solid waste Budget in FY19.

Performance Measures: Responsible City Government Services

The key measure for the Solid Waste Fund is the number of households serviced as the City outsources residential solid waste collection. As the number of households increases, additional demands are placed on the contractor. At the end of FY19 it is estimated that 35,126 households will be served.

| Summary by Category | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Salary & Benefits | \$ 204,015 | \$ 278,987 | \$ 278,987 | \$ 262,339 | \$ - | \$ 262,339 |
| Supplies | 12,709 | 48,949 | 48,949 | 22,756 | - | 22,756 |
| Professional Services | 5,796,070 | 7,312,089 | 7,312,089 | 7,735,249 | - | 7,735,249 |
| Repairs & Maintenance | 1,953 | 13,890 | 13,890 | 2,490 | - | 2,490 |
| Purchased Services | 33,097 | 46,353 | 46,353 | 40,422 | - | 40,422 |
| Capital/Other | 29,547 | 1,837 | 1,837 | - | - | - |
| Category Totals | \$ 6,077,391 | \$ 7,702,105 | \$ 7,702,105 | \$ 8,063,256 | \$ - | \$ 8,063,256 |

| Summary by Type | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|--------------------------|---------------------|------------------------|---------------------|---------------------|-----------------|---------------------|
| Contractual Services | \$ 5,457,425 | \$ 7,181,663 | \$ 7,181,663 | \$ 7,717,742 | \$ - | \$ 7,717,742 |
| Salary & Benefits | 204,015 | 278,987 | 278,987 | 262,339 | - | 262,339 |
| Education Programs | - | 39,527 | 39,527 | 14,557 | - | 14,557 |
| Operations & Maintenance | 415,951 | 201,928 | 201,928 | 68,618 | - | 68,618 |
| Category Totals | \$ 6,077,391 | \$ 7,702,105 | \$ 7,702,105 | \$ 8,063,256 | \$ - | \$ 8,063,256 |

| FTE Count | FY17 Budget | FY18 Budget | FY18 Adjustments | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------|----------------|----------------|---------------------|---------------------|-----------------|----------------|
| Solid Waste | 2.50 | 3.50 | - | 3.50 | - | 3.50 |
| Category Totals | 2.50 | 3.50 | - | 3.50 | - | 3.50 |

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one fund or department to another fund or department on a cost reimbursement basis. The City of Sugar Land currently has three internal service funds: Employee Benefits, Fleet Replacement, and High Technology Replacement.

Employee Benefits Fund

This fund accounts for all financial resources associated with employee benefits, excluding workers' compensation and retirement. The City provides health and dental benefits for full-time employees. Part-time employees are not eligible for coverage. Employees choosing dependent coverage reimburse the City for premiums through payroll deductions. Additional coverage includes, but is not limited to, short-term disability, voluntary life, dependent life insurance, and vision. Prepaid legal services and cancer insurance are also available to purchase. Revenues and expenditures for optional coverage are pass-through only, therefore, are not included in the City contribution. The City also pays 100% of long-term disability, accidental death and dismemberment, and provides a \$50,000 life insurance policy for all full-time employees. The City transitioned to a self-funded medical plan out of the traditional private insurance model in January 2012 to help lower costs and maintain stability in premiums.

Fiscal Year 2018

The total projected revenues are \$12,693,741. FY18 contributions from the City, employees, and retirees are estimated to total \$10,153,946. Transfer from other funds is projected at \$813,200, miscellaneous revenues at \$1,721,186, and interest income at \$5,409.

Projected expenses total \$12,880,460 and include insurance premiums, claim payments, administrative fees, and unemployment compensation. The projected cash equivalents balance at 9/30/18 is \$230,652.

Fiscal Year 2019

FY19 total revenues are budgeted at \$11,616,300, which are contributions from the City, employees, miscellaneous, and interest income. The budget anticipates a 7% increase in the City contribution will cover expected claims.

FY19 total expenses are budgeted at \$11,608,905. This includes claims payment and other premiums for \$11,254,296, and other expenses for \$354,609. The reserve for self-insurance is being increased in accordance with the new reserve requirements in the Financial Management Policy Statements, which target the City's maximum liability before aggregate stop-loss coverage. This year available funding in the fund balance is expected to increase the reserve to \$1,450,000.

The budgeted ending cash equivalents balance at 9/30/19 is \$38,047.

Fleet Replacement Fund

This fund accounts for vehicle replacement under the City's Fleet Replacement Policy, SS-102. Each year during the budget process an inventory is compiled of all fleet equipment. The list is reviewed and rated by Fleet Maintenance. Each vehicle or piece of equipment is assigned a code that reflects its working condition. Fleet Maintenance prepares a list of vehicles recommended for replacement based on the criteria in the policy and Purchasing provides estimated replacement prices. The vehicles on the recommended list may not be the actual vehicles replaced in the upcoming budget year due to the constant changing vehicle conditions. Annual contributions are funded through operating transfers from the participating funds based on purchase price and useful life of each vehicle. Fire trucks and ambulances are excluded from this fund. The fund balance policy for the Fleet Replacement Fund is to maintain a fund balance of at least 10% of the estimated value of the inventory. Vehicles are added to the inventory list in the

fiscal year purchased and begin contributing to the Fleet Replacement Fund the following fiscal year to ensure adequate funds are available when replacement is due.

Fiscal Year 2018

The projected contributions, auction proceeds, and other revenues total \$1,939,892. Expenses for purchase of vehicles, and related equipment total \$1,653,880, leaving a projected ending cash equivalent balance at 9/30/18 of \$2,435,770.

Fiscal Year 2019

Total revenues are budgeted at \$1,879,778. Contributions from participating funds total \$1,635,644. Insurance reimbursement, sale of property and interest income total \$244,134. This includes insurance proceeds for vehicles that are totaled and replaced prior to their planned replacement date.

Total expenditures are budgeted at \$1,632,996, for the replacement of 31 vehicles. Also included are funds to place vehicles in operation, such as decal work, the installation of electronic equipment, and a contingency of 10% to ensure adequate funds are available in the event prices increase. The budget also includes funds for unexpected replacements due to insurance totaling. The budgeted ending cash equivalents balance at 9/30/19 is \$2,682,552.

High-Technology Replacement Fund

This fund provides centralized accounting and management for the City's high-tech equipment, which includes computers, radar and telecommunications equipment. The fund is managed under the City's policy on Technology Equipment Replacement, IT-101. This fund operates in the same manner as the Fleet Replacement Fund. The Information Technology staff assigns condition codes and after review and approval, the replacement list is compiled and scheduled through the annual budget process. Contributions to the fund are based on the purchase cost of the equipment.

Fiscal Year 2018

Projected revenues for FY18 total \$1,298,693, and expenditures are projected at \$1,363,432. Expenditures include computers, printers, servers, routers, installations, and public safety radios. The projected ending cash equivalent balance at 9/30/18 is \$1,977,826.

Fiscal Year 2019

Budgeted revenues total \$1,311,919 and include transfers from other funds, interest income, and sale of property. Contributions to the fund include payments for equipment replacement according to the schedule identified in the High Tech Replacement policy. Total expenditures for equipment and contractual services are budgeted at \$840,669. The budgeted ending cash equivalent balance at 9/30/19 is \$2,449,076.

CITY OF SUGAR LAND
INTERNAL SERVICE FUND - EMPLOYEE BENEFITS
INCOME STATEMENT

| | FY17 | FY18 | FY18 | FY19 | FY19 | FY19 |
|---|-------------------|-------------------|-------------------|-------------------|-------------|-------------------|
| | Actuals | Current | Projections | Base | Changes | Budget |
| | | Budget | | Budget | | |
| REVENUES | | | | | | |
| Contributions | \$ 9,545,360 | \$ 10,153,946 | \$ 10,153,946 | \$ 10,785,800 | \$ - | \$ 10,785,800 |
| Miscellaneous | 550,793 | 1,721,186 | 1,721,186 | 825,000 | - | 825,000 |
| Interest Income | 6,964 | 5,409 | 5,409 | 5,500 | - | 5,500 |
| Transfers in | - | 813,200 | 813,200 | - | - | - |
| Total Revenues | 10,103,118 | 12,693,741 | 12,693,741 | 11,616,300 | - | 11,616,300 |
| EXPENDITURES | | | | | | |
| Premiums & Claims | 9,719,457 | 12,516,328 | 12,516,328 | 11,254,296 | - | 11,254,296 |
| Other | 237,568 | 364,132 | 364,132 | 354,609 | - | 354,609 |
| Total Operating Expenditures | 9,957,025 | 12,880,460 | 12,880,460 | 11,608,905 | - | 11,608,905 |
| Transfers to Other Funds | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total Non-Operating Expenditures | - | - | - | - | - | - |
| Total Expenditures | 9,957,025 | 12,880,460 | 12,880,460 | 11,608,905 | - | 11,608,905 |
| Revenues Over/(Under) Expenditures | 146,093 | (186,719) | (186,719) | 7,395 | - | 7,395 |
| Fund Balance - Beginning | 1,521,278 | 1,667,371 | 1,667,371 | 1,480,652 | - | 1,480,652 |
| Reserve for Self Insurance | (1,250,000) | (1,250,000) | (1,250,000) | (1,450,000) | - | (1,450,000) |
| Fund Balance - Ending | \$ 417,371 | \$ 230,652 | \$ 230,652 | \$ 38,047 | \$ - | \$ 38,047 |

**CITY OF SUGAR LAND
INTERNAL SERVICE FUND - FLEET REPLACEMENT FUND
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|---------------------|---------------------------|---------------------|------------------------|-----------------|---------------------|
| REVENUES | | | | | | |
| Sale of Property | \$ 165,841 | \$ 72,500 | \$ 72,500 | \$ 77,500 | \$ - | \$ 77,500 |
| Interest Income | 6,246 | 17,974 | 17,974 | 26,634 | - | 26,634 |
| Transfers From Other Funds | 1,320,478 | 1,709,418 | 1,709,418 | 1,635,644 | - | 1,635,644 |
| Miscellaneous | 17 | 140,000 | 140,000 | 140,000 | - | 140,000 |
| Total Revenues | 1,492,583 | 1,939,892 | 1,939,892 | 1,879,778 | - | 1,879,778 |
| EXPENDITURES | | | | | | |
| Vehicles & Contractual Service | 1,193,259 | 1,653,880 | 1,653,880 | 1,632,996 | - | 1,632,996 |
| Total Expenditures | 1,193,259 | 1,653,880 | 1,653,880 | 1,632,996 | - | 1,632,996 |
| Revenues Over/(Under) Expenditures | 299,323 | 286,012 | 286,012 | 246,782 | - | 246,782 |
| Fund Balance - Beginning | 1,850,435 | 2,149,758 | 2,149,758 | 2,435,770 | - | 2,435,770 |
| Fund Balance - Ending | \$ 2,149,758 | \$ 2,435,770 | \$ 2,435,770 | \$ 2,682,552 | \$ - | \$ 2,682,552 |

**CITY OF SUGAR LAND
INTERNAL SERVICE FUND - HIGH-TECH REPLACEMENT FUND
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|------------------|---------------------------|---------------------|------------------------|-----------------|------------------|
| REVENUES | | | | | | |
| Sale of Capital Property | \$ 556 | \$ 1,390 | \$ 1,390 | \$ 1,445 | \$ - | \$ 1,445 |
| Interest Income | 10,519 | 12,739 | 12,739 | 20,426 | - | 20,426 |
| Transfers in | 1,251,522 | 1,284,564 | 1,284,564 | 1,290,048 | - | 1,290,048 |
| Total Revenues | 1,262,597 | 1,298,693 | 1,298,693 | 1,311,919 | - | 1,311,919 |
| EXPENDITURES | | | | | | |
| Equipment & Contractual Services | 1,290,350 | 1,363,432 | 1,363,432 | 840,669 | - | 840,669 |
| Total Expenditures | 1,290,350 | 1,363,432 | 1,363,432 | 840,669 | - | 840,669 |
| Revenues Over/(Under) Expenditures | (27,753) | (64,739) | (64,739) | 471,250 | - | 471,250 |
| Fund Balance - Beginning | 2,070,318 | 2,042,565 | 2,042,565 | 1,977,826 | - | 1,977,826 |
| Fund Balance - Ending | \$ 2,042,565 | \$ 1,977,826 | \$ 1,977,826 | \$ 2,449,076 | \$ - | \$ 2,449,076 |

Component Units

The City of Sugar Land has five entities that are considered component units of the City and is included in the City's CAFR. They are the Sugar Land Development Corporation (SLDC), the Sugar Land 4B Corporation (SL4B), the Tax Increment Reinvestment Zone (TIRZ) #1 that covers the Town Square area, TIRZ #3 that covers the Imperial site, and TIRZ #4 that covers property in Telfair near the intersection of U.S. Highway 59 and University Boulevard. The SLDC and the SL4B are the only component units included in the City's budget as their budget is approved by City Council. A component unit is defined as a legally separate organization for which the elected officials of the primary government (the City) are financially accountable. The SLDC and SL4B are the only components units included in the City's budget. The TIRZ budgets are not part of the City's budget and are not included in this document.

The SLDC was created in 1993 by the City under the Texas Development Corporation Act of 1979 and the SL4B was created in 1995. The role of the SLDC is to provide guidance and funding for the operations of the City's economic development program and provide business incentives to support and promote the growth and diversification of the City's economic base through various programs run through the Economic Development Department. The function of the SL4B is to provide guidance and funding for quality of life projects such as parks and aesthetics, and support economic development efforts through the City's economic development program. The City Council must approve the budget and any bond issues for the SL4B.

The Corporations are financed by sales taxes of a quarter cent for each Corporation, which was approved by the voters. The SLDC is a type A sales tax corporation and the SL4B is a type B sales tax corporation. State law allows the City to collect this sales tax to assist in the promotion, enhancement, and development on behalf of the City. The Boards of Directors are appointed by and serve at the discretion of the City Council. In the event of dissolution, net assets of the Corporations shall be conveyed to the City.

The Tax Increment Reinvestment Zone #1 (TIRZ#1) represents the property improvements on 32 acres located at the Sugar Land Town Square development at the southeast corner of U.S. Highway 59 and State Highway 6. The City of Sugar Land, Fort Bend County, and LID#2 are the entities participating in TIRZ#1. The TIRZ#1 budget is not included in the City's total budget and is not included in this document.

The Tax Increment Reinvestment Zone #3 (TIRZ#3) represents the property improvements on approximately 839 acres including the former Imperial Sugar property north of U.S. Highway 90A and the former prison property north of U.S. Highway 90A and east of State Highway 6, with the exclusion of the parcel retained by TxDOT. The City of Sugar Land and Fort Bend County are the entities participating in TIRZ#3. The purpose of TIRZ#3 is to generate revenues for the costs of public infrastructure, recreational facilities, historic preservation, re-use of Imperial property, museums, and other eligible expenses. The TIRZ#3 budget is not included in the City's total budget and is not included in this document.

The Tax Increment Reinvestment Zone #4 (TIRZ#4) represents the property improvements on approximately 700 acres located at the intersection of U.S. Highway 59 and University Boulevard. The City of Sugar Land, Fort Bend County, Fort Bend MUD 138 and Fort Bend MUD 139 are the entities participating in TIRZ#4. The purpose of TIRZ#4 is to fund certain infrastructure costs for entertainment, office and higher density retail development proposed within its boundaries. The TIRZ#4 budget is not included in the City's total budget and is not included in this document.

Sugar Land Development Corporation

Fiscal Year 2018

Total revenues are projected to be \$7,735,868, which includes sales tax of \$6,462,500, interest income of \$73,000, incentives reimbursement of \$97,846, participation rent from ACE Sugar Land, LLC of \$52,522 and an assignment from TIRZ#1 for \$1,050,000.

Expenditures are projected at \$7,094,410 and include Economic Development Program costs of \$601,018. These expenditures include items such as business recruitment, travel and training, dues and memberships, professional services for marketing efforts, research and advertising. Contractual services are estimated at \$15,040. Economic Development Incentive projections total \$864,046. Capital Projects Reimbursement is estimated to be \$404,468. The Corporation projects to pay \$4,149,296 for debt service. The Inter-Fund Loan Reimbursement is projected at \$520,575 to repay a portion of the inter-fund loan for the Central Prison Unit land acquisition. On May 17, 2016 the City Council approved resolution 16-19, authorizing the City to enter into an inter fund loan agreement with the Surface Water Fund to cash flow the purchase price of the Central Prison Unit property, with a total principal amount of \$3M. This agreement included principal payments, plus interest which would accrue annually at 1%. The first loan payment was made on September 30, 2018 and the final loan payment will be made on September 30, 2019. The Airport is responsible for \$2M in principal repayments, plus accrued interest, and the SLDC is responsible for repayment to the Capital Projects Fund of \$1M in principal payments, plus accrued interest. Transfers to other funds in the amount of \$539,967 includes \$50,000 to the Airport Fund for international marketing, and \$489,967 to the General Fund for cost allocation overhead and reimbursement of staff salaries.

Projected available funding at 9/30/18 is \$3,216,518. The fund balance is \$2,247,143 higher than the policy requirement of \$969,375, which constitutes 15% of budgeted sales tax.

Fiscal Year 2019

Revenues are budgeted at \$7,450,000. Sales tax is estimated at \$6,225,500, interest income at \$75,000, an assignment at \$1,150,000 from TIRZ#1 supports the debt service requirement on the sales tax revenue bonds issued for Town Square infrastructure.

Budgeted expenditures total \$8,821,120. Economic Development Program expenditures total \$597,018, and include items such as business recruitment, travel and training, dues and memberships, professional services for marketing efforts, research and advertising. Contractual services are budgeted at \$15,290. The budget includes \$1,700,000 for economic development incentives and \$1,300,000 for Reserve for Opportunities. Inter-Fund Loan Reimbursement is budgeted at \$505,000 to repay second portion of the interfund loan for the Central Prison Unit land acquisition. There are no budgeted capital improvement projects. The Corporation has a debt service of \$4,110,621 for outstanding issues. Transfers to other funds total \$593,191 and include \$543,191 to the General Fund for Economic Development staff and support services and \$50,000 to the Sugar Land Regional Airport for international marketing.

Estimated available funding at 9/30/19 is \$1,895,060. The Corporation has a bond coverage ratio of 1.54, which is above the 1.25 minimum. Ending fund balance is \$961,310 over the policy requirement of \$933,750, which is 15% of the budgeted sales tax.

Sugar Land 4B Corporation

Fiscal Year 2018

Total revenues are projected to be \$6,810,756. This includes sales tax for \$6,462,500, interest income of \$112,000, TIRZ#1 assignment of \$156,156 and miscellaneous revenue of \$80,000 from the Sugar Land Skeeters.

Total expenditures are projected to be \$9,954,821. Economic Development program costs are projected to be \$628,244 and contractual services are estimated at \$24,600. Transfers to Capital Projects are projected to be \$4,664,367, and must remain budgeted until the final project close-out is complete. Debt Service payments are estimated at \$3,348,781. Transfers to other funds are \$720,829, which includes of reimbursement to the City for support staff and CIP management fee.

Projected available funding at 9/30/18 is \$2,077,200. The fund balance is projected to be \$1,107,825 higher than policy requirements of \$969,375, which constitutes 15% of budgeted sales tax.

Fiscal Year 2019

Total revenues are projected to be \$6,570,100. Sales tax is estimated at \$6,225,000. Other revenues include interest income of \$112,000, TIRZ#1 assignment of \$153,100 and miscellaneous revenue of \$80,000, which is from the lease payment for off-site parking at Constellation Field.

Expenditures are budgeted at \$7,514,339. Economic Development Program expenditures total \$561,621, and contractual services total \$12,200. Capital projects funding is budgeted at \$1,167,639, which includes Joint Participation in CIP, Public Arts Project, Brooks Street Bridge Improvements, US59/90A Hardscape Improvements, Mayfield Park Restroom, and Landscape Replacement for Major Roadway and Enhancement Projects. Reserve for Opportunities is budgeted at \$1,800,000. Debt Service is budgeted at \$3,341,344 and transfers to other funds are at \$631,535, which includes a reimbursement for support staff and CIP management fee.

Estimated available funding at 9/30/19 is \$1,195,930. The Corporation has a bond coverage ratio of 1.89, which is above the 1.25 minimum. Ending fund balance is \$262,180 over the policy requirement of \$933,750, which is 15% of the budgeted sales tax.

Tax Increment Reinvestment Zone #1

Fiscal Year 2018

Revenues for FY18 are projected to be \$1,549,450, \$14,690 higher than anticipated in the original budget. The budget for incremental taxes was based on the 2017 certified tax roll. Property taxes allocated from the City, Fort Bend County and LID#2 total \$1,542,916 and interest income is projected at \$6,534.

Expenditures are projected to be \$1,532,124 and include \$250,000 for marketing events in Town Square put on by the Town Square Property Owners Association. Assignments totaling \$1,206,156 were made to Sugar Land Development Corporation and Sugar Land 4B Corporation toward repayment of debt issued in December 2005 for developer reimbursements in Town Square. The projected ending fund balance at 9/30/18 is \$38,112.

Fiscal Year 2019

Revenues are budgeted to be \$1,621,342, which includes property taxes for \$1,620,342 and interest income for \$1,000. Property taxes are based on the added value from 2018 certified tax roll for the TIRZ#1, proposed 2018 City, County and LID #2 proposed tax rates at a 99.5% collection rate for each participating entity.

Operating expenditures are estimated to be \$261,620, which includes \$250,000 for marketing events in Town Square, and \$11,620 for insurance, banking fees, auditing services, and administrative services from City staff. Non-operating expenditures include \$70,000 for Town Square Plaza events and anticipated assignment of revenues to the SLDC for \$1,150,000 and SL4B for \$153,100. The assignments will support a portion of the debt service requirements on sales tax revenue bonds issued in December 2005 to reimburse the developer for Town Square infrastructure and expansion of the Texas Garage. Estimated ending fund balance at 9/30/19 is \$27,734. TIRZ#1 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #3

Fiscal Year 2018

Revenues for FY18 are projected to be \$624,836. The budget for incremental taxes was based on the 2016 certified tax roll. Property taxes allocated from the City and County total \$624,569 and interest income is projected at \$267.

Expenditures are projected to be \$647,705 for administrative support, legal services, and an assignment to Imperial Redevelopment District. Fund balance at 9/30/18 is projected to be zero.

Fiscal Year 2019

Revenues are budgeted to be \$761,229, which includes City and County property taxes for \$761,179 and interest income for \$50. Property taxes are based on the added value from 2018 certified tax roll for the TIRZ#3, proposed 2018 City and County proposed tax rates at a 99.5% collection rate for each participating entity.

Operating expenditures are estimated to be \$785,839 for administrative support, legal and an assignment to Imperial Redevelopment District. Fund balance at 9/30/19 is estimated to be zero. TIRZ#3 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #4

Fiscal Year 2018

Revenues for FY18 are projected to be \$719,469. Property taxes allocated from the City, County, and MUDs total \$697,569 and interest income is projected at \$21,900. Expenditures are projected to be \$100,500 for administrative support and legal services. The projected ending fund balance at 9/30/18 is \$2,222,543.

Fiscal Year 2019

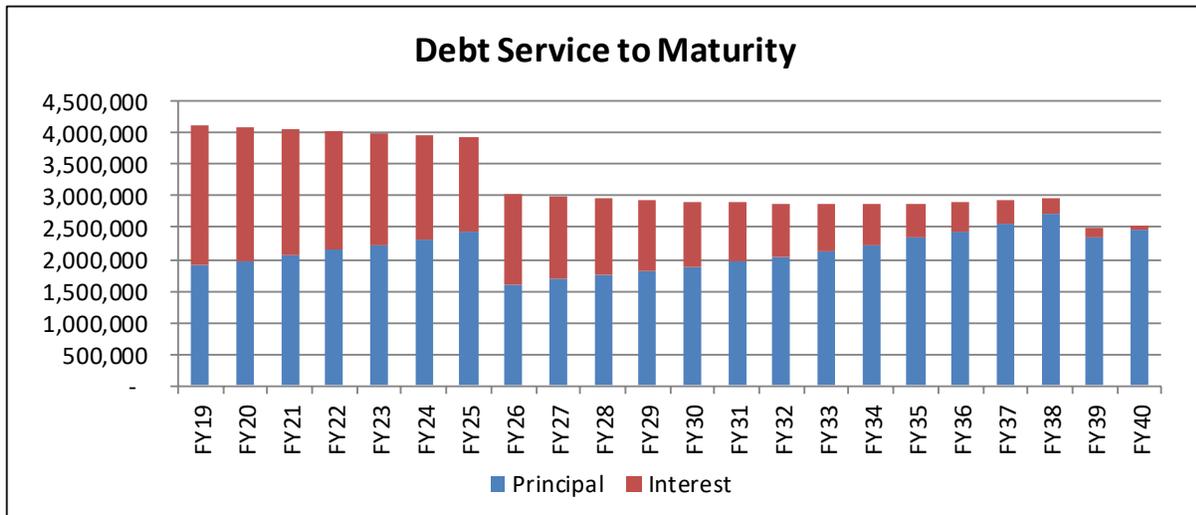
Revenues are budgeted to be \$852,650, which includes City, County, and MUDs property taxes for \$842,650 and interest income for \$10,000. Operating expenditures are estimated to be \$85,701 for administrative support and legal services. Estimated ending fund balance at 9/30/19 is \$2,989,492. TIRZ#4 has no minimum fund policy balance requirement.

**CITY OF SUGAR LAND
SUGAR LAND DEVELOPMENT CORPORATION
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|---|---------------------|---------------------------|---------------------|------------------------|-----------------|---------------------|
| REVENUES | | | | | | |
| Sales Tax | \$ 5,975,714 | \$ 6,412,500 | 6,462,500 | \$ 6,225,000 | \$ - | \$ 6,225,000 |
| Interest Income | 51,595 | 73,000 | 73,000 | 75,000 | - | 75,000 |
| Miscellaneous | 388,639 | 150,368 | 150,368 | - | - | - |
| TIRZ#1 | 900,000 | 1,050,000 | 1,050,000 | 1,150,000 | - | 1,150,000 |
| TIRZ#3 | - | - | - | - | - | - |
| Total Revenues | 7,315,947 | 7,685,868 | 7,735,868 | 7,450,000 | - | 7,450,000 |
| EXPENDITURES | | | | | | |
| Economic Development Program | 373,227 | 601,018 | 601,018 | 597,018 | - | 597,018 |
| Economic Development Incentives | 2,029,217 | 864,046 | 864,046 | 1,700,000 | - | 1,700,000 |
| Contractual Services | 674,634 | 15,040 | 15,040 | 15,290 | - | 15,290 |
| Total Operating Expenditures | 3,077,079 | 1,480,104 | 1,480,104 | 2,312,308 | - | 2,312,308 |
| Debt Service | 4,185,290 | 4,149,296 | 4,149,296 | 4,110,621 | - | 4,110,621 |
| Reserve for Opportunities | - | - | - | 1,300,000 | - | 1,300,000 |
| Inter-Fund Loan & Reimbursement | - | 520,575 | 520,575 | 505,000 | - | 505,000 |
| Capital Projects Reimbursement | 1,238,411 | 404,468 | 404,468 | - | - | - |
| Transfers to Other Funds | 1,089,490 | 539,967 | 539,967 | 593,191 | - | 593,191 |
| Total Non-Operating Expenditures | 6,513,191 | 5,614,306 | 5,614,306 | 6,508,812 | - | 6,508,812 |
| Total Expenditures | 9,590,269 | 7,094,410 | 7,094,410 | 8,821,120 | - | 8,821,120 |
| Revenues Over/(Under) Expenditures | (2,274,322) | 591,458 | 641,458 | (1,371,120) | - | (1,371,120) |
| Fund Balance - Beginning | 9,935,303 | 7,660,981 | 7,660,981 | 8,302,439 | - | 8,302,439 |
| Accrued Sales Tax | (991,868) | (991,868) | (991,868) | (991,868) | - | (991,868) |
| Debt Service Reserve | (4,463,718) | (4,094,053) | (4,094,053) | (4,044,391) | - | (4,044,391) |
| Fund Balance - Ending | \$ 2,205,395 | \$ 3,166,518 | \$ 3,216,518 | \$ 1,895,060 | \$ - | \$ 1,895,060 |
| Minimum Fund Balance (15% by FY18) | \$ 597,571 | \$ 961,875 | \$ 969,375 | \$ 933,750 | - | \$ 933,750 |
| Over/Under Policy | 1,607,823 | 2,204,643 | 2,247,143 | 961,310 | - | 961,310 |
| Bond Coverage Ratio (>1.25x) | 1.45 | 1.58 | 1.59 | 1.54 | - | 1.54 |

**COMPONENT UNIT
SUGAR LAND DEVELOPMENT CORPORATION
DEBT SERVICE REQUIREMENTS TO MATURITY**

| | | | | Outstanding Debt Issues | | |
|------|----------------------|----------------------|----------------------|--------------------------------|----------------------|---------|
| | Principal | Interest | Total | Series | Principal | Matures |
| FY19 | 1,900,000 | 2,210,621 | 4,110,621 | 2013 | \$ 6,220,000 | FY38 |
| FY20 | 1,980,000 | 2,108,984 | 4,088,984 | 2014R | 5,415,000 | FY25 |
| FY21 | 2,055,000 | 1,998,721 | 4,053,721 | 2014 | 35,385,000 | FY40 |
| FY22 | 2,140,000 | 1,884,090 | 4,024,090 | Total | <u>\$ 47,020,000</u> | |
| FY23 | 2,225,000 | 1,768,821 | 3,993,821 | | | |
| FY24 | 2,315,000 | 1,644,571 | 3,959,571 | | | |
| FY25 | 2,420,000 | 1,512,268 | 3,932,268 | | | |
| FY26 | 1,610,000 | 1,402,659 | 3,012,659 | | | |
| FY27 | 1,675,000 | 1,311,318 | 2,986,318 | | | |
| FY28 | 1,740,000 | 1,216,346 | 2,956,346 | | | |
| FY29 | 1,815,000 | 1,122,215 | 2,937,215 | | | |
| FY30 | 1,885,000 | 1,028,807 | 2,913,807 | | | |
| FY31 | 1,965,000 | 933,457 | 2,898,457 | | | |
| FY32 | 2,045,000 | 835,944 | 2,880,944 | | | |
| FY33 | 2,135,000 | 734,110 | 2,869,110 | | | |
| FY34 | 2,225,000 | 639,431 | 2,864,431 | | | |
| FY35 | 2,330,000 | 552,075 | 2,882,075 | | | |
| FY36 | 2,450,000 | 457,600 | 2,907,600 | | | |
| FY37 | 2,575,000 | 355,478 | 2,930,478 | | | |
| FY38 | 2,705,000 | 248,172 | 2,953,172 | | | |
| FY39 | 2,355,000 | 146,100 | 2,501,100 | | | |
| FY40 | 2,475,000 | 49,500 | 2,524,500 | | | |
| | <u>\$ 47,020,000</u> | <u>\$ 24,161,287</u> | <u>\$ 71,181,287</u> | | | |

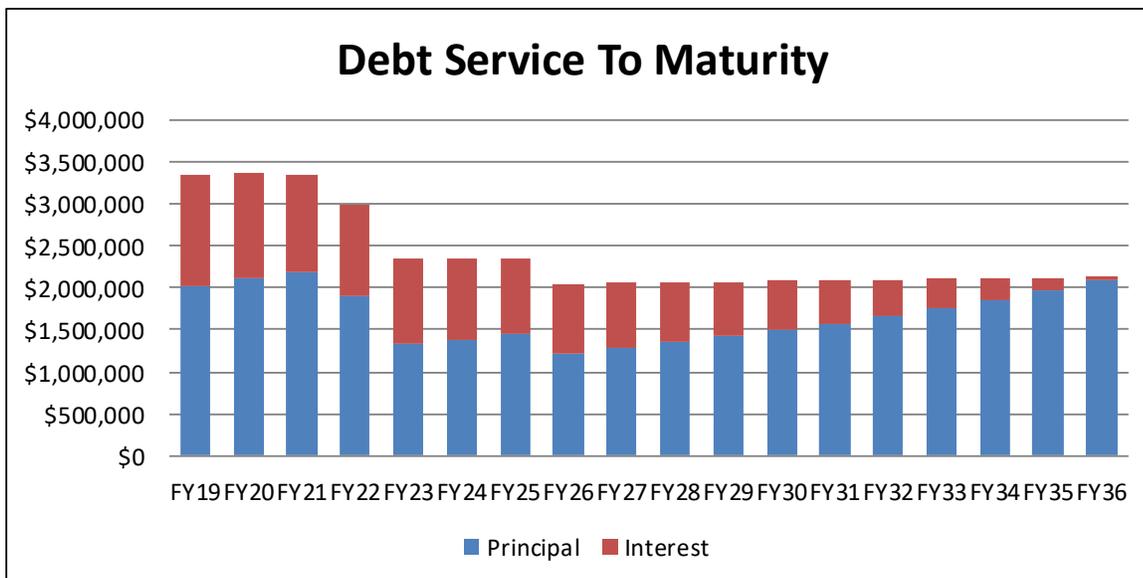


**CITY OF SUGAR LAND
SUGAR LAND 4B CORPORATION
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|---|---------------------|---------------------------|---------------------|------------------------|-----------------|---------------------|
| REVENUES | | | | | | |
| Sales Tax | \$ 5,975,714 | \$ 6,412,500 | \$ 6,462,500 | \$ 6,225,000 | \$ - | \$ 6,225,000 |
| Interest Income | 81,886 | 112,100 | 112,100 | 112,000 | - | 112,000 |
| TIRZ#1 | 155,403 | 156,156 | 156,156 | 153,100 | - | 153,100 |
| TIRZ#3 | - | - | - | - | - | - |
| Miscellaneous | 80,000 | 80,000 | 80,000 | 80,000 | - | 80,000 |
| Total Revenues | 6,293,003 | 6,760,756 | 6,810,756 | 6,570,100 | - | 6,570,100 |
| EXPENDITURES | | | | | | |
| Economic Development Program | 383,973 | 628,244 | 628,244 | 561,621 | - | 561,621 |
| Sales Tax Incentive Grant | 154,863 | - | - | - | - | - |
| Contractual Services | 8,389 | 24,600 | 24,600 | 12,200 | - | 12,200 |
| Total Operating Expenditures | 547,225 | 652,844 | 652,844 | 573,821 | - | 573,821 |
| Debt Service | 3,342,419 | 3,348,781 | 3,348,781 | 3,341,344 | - | 3,341,344 |
| Reserve for Opportunities | - | 568,000 | 568,000 | 1,800,000 | - | 1,800,000 |
| Reimbursement | - | - | - | - | - | - |
| Transfers to Capital Projects | 5,024,887 | 4,664,367 | 4,664,367 | 1,167,639 | - | 1,167,639 |
| Transfers to Other Funds | 406,316 | 720,829 | 720,829 | 631,535 | - | 631,535 |
| Total Non-Operating Expenditures | 8,773,622 | 9,301,977 | 9,301,977 | 6,940,518 | - | 6,940,518 |
| Total Expenditures | 9,320,847 | 9,954,821 | 9,954,821 | 7,514,339 | - | 7,514,339 |
| Revenues Over/(Under) Expenditures | (3,027,844) | (3,194,065) | (3,144,065) | (944,239) | - | (944,239) |
| Fund Balance - Beginning | 12,293,511 | 9,265,667 | 9,265,667 | 6,121,602 | - | 6,121,602 |
| Accrued Sales Tax | (991,868) | (991,868) | (991,868) | (991,868) | - | (991,868) |
| Debt Service Reserve | (3,122,646) | (3,052,534) | (3,052,534) | (2,989,565) | - | (2,989,565) |
| Fund Balance - Ending | \$ 5,151,153 | \$ 2,027,200 | \$ 2,077,200 | \$ 1,195,930 | \$ - | \$ 1,195,930 |
| Minimum Fund Balance (15% by FY18) | \$ 597,571 | \$ 961,875 | \$ 969,375 | \$ 933,750 | | \$ 933,750 |
| Over/Under Policy | 4,553,582 | 1,065,325 | 1,107,825 | 262,180 | | 262,180 |
| Bond Coverage Ratio (>1.25x) | 1.81 | 1.95 | 1.97 | 1.89 | | 1.89 |

**COMPONENT UNIT
SUGAR LAND 4B CORPORATION
DEBT SERVICE REQUIREMENTS TO MATURITY**

| | Principal | Interest | Total | Outstanding Debt Issues | | |
|------|----------------------|----------------------|----------------------|--------------------------------|----------------------|---------|
| | | | | Series | Principal | Matures |
| FY19 | 2,025,000 | 1,316,344 | 3,341,344 | 2005 | \$ 1,760,000 | FY25 |
| FY20 | 2,115,000 | 1,239,175 | 3,354,175 | 2010 | 3,440,000 | FY22 |
| FY21 | 2,195,000 | 1,156,850 | 3,351,850 | 2011 | 24,940,000 | FY36 |
| FY22 | 1,900,000 | 1,076,631 | 2,976,631 | | <u>\$ 30,140,000</u> | |
| FY23 | 1,330,000 | 1,011,694 | 2,341,694 | | | |
| FY24 | 1,390,000 | 953,169 | 2,343,169 | | | |
| FY25 | 1,460,000 | 888,863 | 2,348,863 | | | |
| FY26 | 1,225,000 | 828,269 | 2,053,269 | | | |
| FY27 | 1,290,000 | 771,681 | 2,061,681 | | | |
| FY28 | 1,355,000 | 712,169 | 2,067,169 | | | |
| FY29 | 1,425,000 | 648,728 | 2,073,728 | | | |
| FY30 | 1,500,000 | 580,150 | 2,080,150 | | | |
| FY31 | 1,580,000 | 506,013 | 2,086,013 | | | |
| FY32 | 1,670,000 | 425,750 | 2,095,750 | | | |
| FY33 | 1,765,000 | 339,875 | 2,104,875 | | | |
| FY34 | 1,865,000 | 249,125 | 2,114,125 | | | |
| FY35 | 1,970,000 | 153,250 | 2,123,250 | | | |
| FY36 | 2,080,000 | 52,000 | 2,132,000 | | | |
| | <u>\$ 30,140,000</u> | <u>\$ 12,909,734</u> | <u>\$ 43,049,734</u> | | | |



**SUGAR LAND 4B CORPORATION
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2019**

| | Project Title | FY19 | Description |
|------------------|--|---------------------|---|
| MUNICIPAL | Public Arts Project | \$ 210,000 | Public art projects identified each year through development of the annual work plan that achieve the goals of the Public Art Plan |
| PARKS | Mayfield Park Restroom | 57,639 | Land acquisition (2.6 acres) and park development was completed in FY18 on this neighborhood level park. This project would add a restroom building to the recently expanded and renovated park. A prefabricated restroom would be procured through a cooperative purchasing method. It would be located at the site of the former Head Start school building utilizing the existing utilities. Total Project budget of \$200,000 is split between CDBG and SL4B. |
| | Joint Participation in CIP | 200,000 | Provide funds for joint participation in CIP projects between the City and citizen-based organizations that benefit the general public. Project takes advantage of partnering opportunities to enhance and preserve the quality of life for City residents. |
| STREETS | US50/90A Hardscape Improvements | 150,000 | Develop a plan and install non-plant material enhancements with decorative aggregates to provide visual interest on two major corridors that enter the City of Sugar Land. |
| | Brooks Street Bridge Improvements | 350,000 | Install a small concrete pad and wall on the west side of the street to match the east side. The existing guardrail would be removed. A new railing with imbedded lighting would be installed on both sides of the roadway. The lighting would light the walkway, as well as the wall. An art installation on the wall will be installed after construction. |
| TRAFFIC | Landscape Replacement for Major Roadway and Enhancement Projects | 200,000 | Reconstruction of landscape beds along major routes through Sugar Land to improve the streetscape treatments of areas directly adjacent to interstate and state highways. Routes will include US 59/I-69, US 90A, SH6 which are classified as Imperial and Highway 6 routes according to the Streetscape Policy. |
| | Total | \$ 1,167,639 | |

**CITY OF SUGAR LAND
TAX INCREMENT REINVESTMENT ZONE No. 1
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|------------------------------------|------------------|---------------------------|---------------------|------------------------|-----------------|------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 1,381,142 | \$ 1,534,285 | \$ 1,542,916 | \$ 1,620,342 | \$ - | \$ 1,620,342 |
| Underground Conduit | 16 | - | - | - | - | - |
| Interest Income | 105 | 475 | 6,534 | 1,000 | - | 1,000 |
| Total Revenues | 1,381,262 | 1,534,760 | 1,549,450 | 1,621,342 | - | 1,621,342 |
| EXPENDITURES | | | | | | |
| Insurance | 1,840 | 1,859 | 1,859 | 1,877 | - | 1,877 |
| Town Square POA Events | 250,000 | 250,000 | 250,000 | 250,000 | - | 250,000 |
| Contractual Services | 1,000 | 1,467 | 1,467 | 1,481 | - | 1,481 |
| Support Services Reimb | 2,616 | 2,642 | 2,642 | 8,262 | - | 8,262 |
| Operating Expenditures | 255,456 | 255,968 | 255,968 | 261,620 | - | 261,620 |
| Plaza Events- Trsf to General Fund | 70,000 | 70,000 | 70,000 | 70,000 | - | 70,000 |
| Assignment to SLDC | 900,000 | 1,050,000 | 1,050,000 | 1,150,000 | - | 1,150,000 |
| Assignment to SL4B | 155,403 | 156,156 | 156,156 | 153,100 | - | 153,100 |
| Non-Operating Expenditures | 1,125,403 | 1,276,156 | 1,276,156 | 1,373,100 | - | 1,373,100 |
| Total Expenditures | 1,380,859 | 1,532,124 | 1,532,124 | 1,634,720 | - | 1,634,720 |
| Revenues Over/(Under) Expenditures | 403 | 2,636 | 17,326 | (13,378) | - | (13,378) |
| Fund Balance - Beginning | 20,383 | 20,786 | 20,786 | 38,112 | - | 38,112 |
| Fund Balance - Ending | \$ 20,786 | \$ 23,422 | \$ 38,112 | \$ 24,734 | \$ - | \$ 24,734 |

**CITY OF SUGAR LAND
TAX INCREMENT REINVESTMENT ZONE No. 3
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|--------------------------------------|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Incremental Property Taxes - County | \$ 176,974 | \$ 360,031 | \$ 361,634 | \$ 431,522 | \$ - | \$ 431,522 |
| Incremental Property Taxes - City | 142,158 | 267,864 | 262,935 | 329,657 | - | 329,657 |
| Interest Income | 116 | 50 | 267 | 50 | - | 50 |
| Total Revenues | 319,248 | 627,945 | 624,836 | 761,229 | - | 761,229 |
| EXPENDITURES | | | | | | |
| Legal Services | 21,824 | 30,000 | 30,000 | 30,000 | - | 30,000 |
| Admin Services | 22,000 | 5,366 | 5,366 | 9,835 | - | 9,835 |
| Assignment to IRD- TIRZ Revenue Fund | 312,854 | 615,386 | 612,339 | 746,004 | - | 746,004 |
| Total Expenditures | 356,678 | 650,752 | 647,705 | 785,839 | - | 785,839 |
| Revenues Over/(Under) Expenditures | (37,430) | (22,807) | (22,869) | (24,610) | - | (24,610) |
| Fund Balance - Beginning | 103,155 | 65,726 | 65,726 | 42,856 | - | 42,856 |
| Reserve for Admin Services | (65,726) | (42,918) | (42,856) | (18,246) | - | (18,246) |
| Fund Balance - Ending | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

**CITY OF SUGAR LAND
TAX INCREMENT REINVESTMENT ZONE No. 4
INCOME STATEMENT**

| | FY17 Actuals | FY18 Current Budget | FY18 Projections | FY19 Base Budget | FY19 Changes | FY19 Budget |
|--|-----------------|---------------------------|---------------------|------------------------|-----------------|----------------|
| REVENUES | | | | | | |
| Incremental Property Taxes- City | \$ 209,375 | \$ 251,771 | \$ 230,689 | \$ 287,136 | \$ - | \$ 287,136 |
| Incremental Property Taxes- FB County | 179,406 | 237,003 | 241,013 | 287,932 | - | 287,932 |
| Incremental Property Taxes- FB MUD 138 | 123,854 | 145,026 | 141,912 | 191,874 | - | 191,874 |
| Incremental Property Taxes- FB MUD 139 | 79,198 | 83,295 | 83,955 | 75,708 | - | 75,708 |
| Interest Income | 8,989 | 1,200 | 21,900 | 10,000 | - | 10,000 |
| Total Revenues | 600,823 | 718,295 | 719,469 | 852,650 | - | 852,650 |
| EXPENDITURES | | | | | | |
| Support Services- Legal Services | 369 | 50,000 | 50,000 | 50,000 | - | 50,000 |
| Support Services- Admin Support | 30,000 | 50,500 | 50,500 | 35,701 | - | 35,701 |
| Total Expenditures | 30,369 | 100,500 | 100,500 | 85,701 | - | 85,701 |
| Revenues Over/(Under) Expenditures | 570,454 | 617,795 | 618,969 | 766,949 | - | 766,949 |
| Fund Balance - Beginning | 1,033,120 | 1,603,574 | 1,603,574 | 2,222,543 | - | 2,222,543 |
| Fund Balance - Ending | \$ 1,603,574 | \$ 2,221,369 | \$ 2,222,543 | \$ 2,989,492 | \$ - | \$ 2,989,492 |

Five-Year Forecast

The City's Financial Management Policy Statements (FMPS) specify that a long-range forecast is to be prepared annually for the City's major operating funds. This forecast is based on the guidelines provided by the policy statements; reasonable assumptions can be made regarding future actions based on these policies, which provides a more meaningful forecast to elected officials as they provide direction to City management. The forecast provides management a fiscally constrained plan that funds the operations of the City and the Five-Year CIP requirements. It provides an opportunity to look into the future and advise elected officials regarding anticipated events and strategies to handle the financial implications of decisions.

The forecast outcome is highly dependent on several key assumptions that are based on information available at the time of preparation. A change in one or more of these assumptions can significantly alter the outcome of the forecast, which could have a tremendous impact on the City's operations and maintenance tax rate and capacity for future needs. Based on these assumptions, the forecast shows that the City will be able to accomplish the following:

- Maintain approximately 3.0% growth from tax revenues over the forecast period
- Fund existing services at current service levels in all funds
- Maintain sales tax to fund operations below 45%
- Meet current and future debt service needs
- Fund the recommended Five-Year CIP and resulting operating expenditures
- Continued Economic Development and Tourism efforts through reserves for opportunities

The financial forecast is updated annually as part of the budget process to ensure that the City can continue to meet challenges, fulfill obligations, and assess long-range implications of approved operating, capital budgets and policies. The five-year financial forecast of the major funds indicates the City is in sound financial health, can maintain current service levels, and meet current and anticipated debt obligations.

Forecast Assumptions

The calculations in this forecast and the analysis of results obtained are based on the following data.

Revenues

Valuation & Tax Rate

General Fund and Debt Service revenues are dependent on the net assessed property valuation assumptions, which are derived from anticipated residential and commercial development, revaluation of existing property, and the scheduled roll-off of tax abatements. The forecast assumes no change to the property tax rate for the five-year forecast. For the five-year forecast a 3.0% revaluation was used for both residential and commercial properties.

| Tax Rate | FY19 | FY20 | FY21 | FY22 | FY23 |
|----------|---------|---------|---------|---------|---------|
| O&M | 0.18131 | 0.18131 | 0.18131 | 0.18131 | 0.18131 |
| Debt | 0.13631 | 0.13631 | 0.13631 | 0.13631 | 0.13631 |
| Total | 0.31762 | 0.31762 | 0.31762 | 0.31762 | 0.31762 |

The forecast assumes the following allocation between the debt service and the maintenance and operations components:

| Tax Rate | FY19 | FY20 | FY21 | FY22 | FY23 |
|----------|---------|---------|---------|---------|---------|
| O&M | 57.08% | 57.08% | 57.08% | 57.08% | 57.08% |
| Debt | 42.92% | 42.92% | 42.92% | 42.92% | 42.92% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Sales Tax

Sales tax growth is assumed to be 2.6% in FY20 and 3% in FY21-FY23.

Interest Earnings

Interest earnings for each fund are estimated based on available fund balances and the current rate of return trend.

Hotel Occupancy Transfer for Debt Service

Hotel occupancy tax is pledged toward repayment of existing debt issued for the Conference Center at Town Square and the Smart Financial Centre at Sugar Land. The forecast assumes a transfer to the Debt Service Fund in an amount equal to each year's debt service requirement.

| Hotel Occupancy Tax Transfer | FY19 | FY20 | FY21 | FY22 | FY23 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| | \$ 1,400,151 | \$ 1,395,251 | \$ 1,386,732 | \$ 1,383,018 | \$ 1,382,503 |

Utility Transfer for Annexed & Dissolved MUD Debt

The Utility System Fund includes a transfer to the Debt Service Fund in an amount equal to 100% of the annual debt service requirement for water/wastewater debt assumed from annexed and dissolved municipal utility districts.

| Utility Transfer for MUD Debt | FY19 | FY20 | FY21 | FY22 | FY23 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| | \$ 6,086,153 | \$ 5,908,215 | \$ 5,747,309 | \$ 4,698,176 | \$ 4,610,751 |

Issuance of New Debt

The forecast builds in debt service based on the timing of each anticipated issuance of debt.

| Issuance of New Debt | FY19 | FY20 | FY21 | FY22 | FY23 | Total |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Tax Backed Debt | \$ 15,381,056 | \$ 25,766,193 | \$ 6,384,291 | \$ 33,025,607 | \$ 16,073,796 | \$ 96,630,943 |
| Utility Revenue Bonds | 8,970,000 | 6,057,000 | 10,141,000 | 11,540,000 | 12,850,000 | 49,558,000 |
| Total | \$ 24,351,056 | \$ 31,823,193 | \$ 16,525,291 | \$ 44,565,607 | \$ 28,923,796 | \$146,188,943 |

Water Consumption

Revenues in the Utility System Water Fund are based on the following billed consumption estimates, based on average annual rainfall and pumpage estimates from all GRP participants.

| Consumption (1,000 gallons) | FY19 | FY20 | FY21 | FY22 | FY23 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| Water | 7,708,476 | 7,787,989 | 7,873,147 | 7,958,446 | 8,043,161 |
| Waste Water | 3,849,635 | 3,891,378 | 3,938,718 | 3,983,361 | 4,025,305 |

| Pumpage (1,000 gallons) | FY19 | FY20 | FY21 | FY22 | FY23 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| City | 8,586,115 | 8,672,076 | 8,764,138 | 8,856,353 | 8,947,937 |
| Non-City | 384,427 | 384,427 | 384,427 | 384,427 | 384,427 |

Airport Fuel Sales

Fuel sales are built into the forecast based on estimated fuel prices. Total sales include Jet-A and AvGas.

| Aviation Fuel Sales | FY19 | FY20 | FY21 | FY22 | FY23 |
|---------------------|-----------|-----------|-----------|-----------|-----------|
| Gallons | 3,181,500 | 3,213,315 | 3,245,448 | 3,277,903 | 3,310,682 |
| Percent Growth | 1% | 1% | 1% | 1% | 1% |

Expenditures

Operating Expenditures

Throughout the forecast, personnel costs increase by an average of 2.25%. Operations and maintenance costs grow by an average of 2% per year for the Utility Fund, and 1% per year for the General Fund and Airport Fund.

Property Tax Rebates

The City reimburses tax rebates to in-city MUDs at 50% of the tax collected since newest development is occurring within in-City MUDs. Values in each area are grown based on estimated revaluation plus new value based on development assumptions from the City's Planning Department. The estimated tax rebates are shown in the table at right:

| Property Tax Rebates | FY19 | FY20 | FY21 | FY22 | FY23 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Debt Service Fund | \$ 1,852,554 | \$ 1,923,014 | \$ 2,046,499 | \$ 2,182,978 | \$ 2,260,979 |
| General Fund | 2,464,000 | 2,719,000 | 2,722,000 | 2,904,000 | 3,007,000 |

Sales Tax Grant

Sales tax grant is built in to the forecast based on estimated sales tax collections and the percentage subject to the grant calculation. There is one Section 380 agreement for Etail Direct where the City reimburses 37.50% of sales tax, that agreement expires in June 2019.

Forecast Analysis

General Fund

The General Fund encompasses the majority of the City's services. Resources to the fund are generated through property and sales taxes, franchise fees, fines, charges for services and miscellaneous income. Expenditures from the fund support municipal services such as Public Safety, Parks, Finance, Community Development, Environmental & Neighborhood Services and Public Works operations. The forecast includes additions to operating expenditures for rehabilitation projects. Recurring operating expenditures increase annually by an average of 2.1 % from FY19 to FY23 due to growth in personnel costs and operations and maintenance.

Sales tax receipts are the largest source of revenue for the City and have historically accounted for about 50% of operating revenues. Due to the growth in property tax revenue after the annexation, sales tax currently represents about 45% of operating revenues. The growth in sales tax is estimated conservatively in order to reduce dependence on sales, which is a volatile revenue stream. Based on the Financial Management Policy Statements, sales tax growth is forecast at 2.6% in FY20 and at 3% in FY21-FY23. Sales tax revenues make up 41.2% of the total revenues in the General Fund while property taxes represent 32.5%.

Infrastructure Rehabilitation projects are funded out the diverse revenue streams of the General Fund and are planned to increase over the five-year forecast:

| Infrastructure Rehabilitation | FY19 | FY20 | FY21 | FY22 | FY23 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| | 2,367,066 | 2,091,592 | 2,416,119 | 2,740,645 | 3,002,000 |

Additional recurring expenditures are limited in the out years based on the structural balance. The forecast indicates that no additional recurring funds can be added within the anticipated revenue streams.

Overall, the General Fund is in a stable financial position throughout the forecast. Between FY19 through FY23 the fund is expected to exceed the fund balance requirement.

Debt Service Funds

The City has two debt service funds, a tax-exempt Debt Service Fund for the repayment of tax-exempt debt for certificates of obligation and general obligation bonds, and a taxable Debt Service Fund established for the repayment of taxable debt issued for the Smart Financial Centre at Sugar Land.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of monies that are set aside to pay principal and interest on debt incurred through sale of bonds and other debt instruments. These securities finance long-term capital improvement projects such as streets, parks and buildings.

Property taxes make up an average of 74.4% of the revenues for the Debt Service Fund. The forecast was prepared with an average 3% growth in commercial and residential revaluation. The fund includes a transfer from CIP non-bond fund, which is the developer fee reimbursement from the Riverstone development agreement. The developer pays \$1,750 per lot at the time of platting. These fees are used to fund debt service requirements for the issuance of 2010 Certificates of Obligation for the extension of University Boulevard. Transfers in from the Utility Fund support water and wastewater debt assumed through annexation and dissolution of MUDs at 100% recovery for the duration of the forecast. Transfers in from the Tourism Fund cover the existing debt issued for the Sugar Land Conference Center in Town Square and Smart Financial Centre at Sugar Land and adjacent plaza. Transfers in from the Enclave at River Park Fund are used to support debt issued to pay reimbursements to the developer for infrastructure improvements within Public Improvement District (PID).

The Debt Service Fund maintains the policy requirement throughout the five-year forecast. The fund balance continues to grow through the forecast and is able to support nearly \$96.6 million in new debt for projects in the five-year CIP.

Debt Service Fund – Taxable Debt

This fund records the taxable debt issued for the Smart Financial Centre at Sugar Land. Property tax is not used to cover the debt service payment. Lease payments will be made monthly according to the terms of the thirty-year lease. In accordance with the operating lease, beginning in January 2019, lease payments increase to 125% of annual debt service payments. The fund begins to accumulate a debt service reserve that will equal the last three years’ debt service payments. Until the reserve is fully funded with cash, a letter of credit has been secured by ACE Sugar Land, LLC to cover their obligation.

Utility System Fund

The Utility System Fund is an enterprise fund providing for the administration, billing and collection activities, and operation and maintenance of the City’s water, surface water and wastewater system. Ground Water Reduction Program (GRP) Participants pay a fee per thousand gallons of groundwater pumped. GRP Participants in the City include Tara Plantation, Royal Lake Estates, private well owners, homeowner associations, and Texas Department of Corrections within the City limits. Participants outside of the City limits pay a 20% out-of-City service charge on GRP fees.

Services are financed primarily through utility user fees. Strategies used in the generation of the Utility financial plan are aimed to ensure the fund is self-supporting and that capital improvement funding is adequate to maintain or expand the City's infrastructure. Based on the forecast, the fund meets all reserve and bond coverage requirements.

The forecast shows that the charges for water & wastewater services make up an average of 55.2% of the revenues for the Utility Fund. The surface water fees represent 23.3% of total fund revenues.

Users of the utility system generate revenues through service charges to support operations of the water, wastewater and surface water systems, along with all related debt service payments, infrastructure rehabilitation and operating transfers. Revenues are dependent on the number of users in the system as well as weather experienced during the year. The forecast assumes average rainfall for each year; however, variation from the average can have a significant impact on water demand and subsequent revenues. There are no rate increases included in the forecast. The future expansion of the surface water treatment plant is likely to require a rate increase in the future. The Integrated Water Recourses Master Plan (IWRP), which is expected to be completed in the fall will determine the cost of expansion.

In FY19, the fund will receive the final inter-fund loan payments with interest of \$505,000 from SLDC for the General CIP Fund, and \$1,010,000 from the Airport.

Operating expenses show an increase of \$1,083,890 or 4.8% during the forecast, which is due to growth in personnel and operating cost.

Revenue bonds for the forecast total \$49.6 million that is planned to be issued for capital improvement projects. The required debt service reserve averages \$9.7 million from FY19 to FY23.

Between FY19 through FY23 the fund is expected to exceed cash reserves and bond coverage requirements.

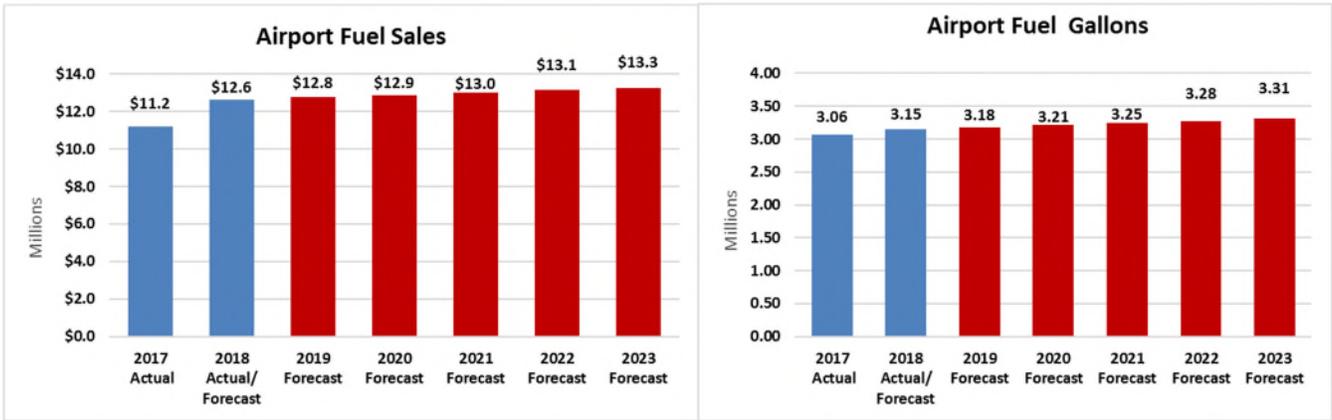
Airport Fund

The Sugar Land Regional Airport is a user fee supported business enterprise fund. The City has been able to attract and maintain quality corporate customers due to the location and amenities offered by the Airport. The Airport is continuing improvements to enhance its image among the business users of airport services and to attract new customers. The Airport is able to fund capital improvements, provide services, and make debt service payments on outstanding debt issues, and meet its reserve and bond coverage requirements.

Total Revenues for the airport are expected to increase over the next five years based on increasing fuel sales and other fees.

Projections indicate that fuel sales will steadily increase over the next five years. The graphs below depict the projected fuel revenues over the next five years as well as gallons sold.

Airport operating expenses are projected to increase in the forecast at an average of 1.0% over the five-year period, excluding fuel expenditures and credit card fees, which have offsetting revenues.

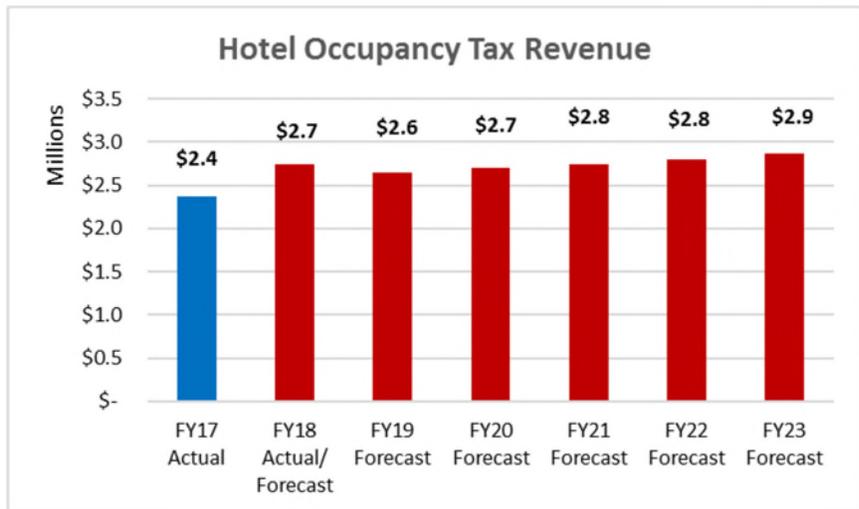


Tourism Fund

The purpose of the fund is to promote tourism in the City and state statutes restrict the use of funds. The City’s Hotel Occupancy Tax is the source of revenues in the fund, which is based on 7% of room revenue.

For FY19, the Tourism Fund will support the debt service for the Smart Financial Centre at Sugar Land and adjacent plaza as well as the Special Events Fund. The Tourism Fund will contribute \$50,000 to the Public Art CIP project in FY19 and \$250,000 over the forecast period in total.

Hotel occupancy tax revenues are projected to increase 8.2% from FY19 to FY23 based on anticipated growth from existing hotels. The City has pledged hotel tax revenues from the Marriott as a transfer to the Debt Service Fund to pay for the City’s debt service requirements for the Conference Center. This arrangement confirms the City’s commitment to the principle that hotel taxes should pay for the debt and not property taxes.



Expenditures in the fund are used to finance marketing and destination development for the City, according to limits imposed by state statutes. Over the forecast period, an estimated \$4.8 million will be spent on advertising to attract tourists, \$1.1 million on convention and information centers and \$0.3 million on the promotion and improvement of the arts.

The fund will transfer \$7.0 million to the Debt Service Fund to support existing debt service payments for the conference center and Smart Financial Centre at Sugar Land as well as \$0.3 million to support the Special Events Fund. The fund is anticipated to exceed the fund balance policy requirement in FY19-FY23.

Five-Year Capital Improvement Program

The City's Five-Year CIP totals \$154.5 million for FY19-FY23. Funding sources were identified in the various financial plans and the timing of projects was adjusted to meet affordability. All projects included in the CIP have identified funding sources.

Funding for CIP projects are derived from various sources including utility revenue bonds, certificates of obligation, economic development sales taxes, airport revenues, hotel occupancy tax, red light camera funds and donations. Major projects in the Five-Year CIP include drainage, municipal, streets, traffic, water, waste water and surface water. A summary by project type and the funding totals appears in the table below.

| Project Type | Five-Year Funding | % of Funds |
|---------------|-------------------|------------|
| Airport | \$ 2,420,500 | 1.54% |
| Drainage | 43,335,000 | 27.59% |
| Municipal | 29,320,000 | 18.67% |
| Parks | 2,300,000 | 1.46% |
| Streets | 26,420,943 | 16.82% |
| Surface Water | 2,300,000 | 1.46% |
| Traffic | 3,725,000 | 2.37% |
| Waste Water | 18,688,000 | 11.90% |
| Water | 28,570,000 | 18.19% |
| Total Funding | \$ 157,079,443 | 100.00% |

If CIP project has an operations and maintenance impact, that cost has to be considered along with the project cost. Once the O&M impact has been identified the annual cost is calculated and built into the respective operating fund's five-year forecast in order to give policy makers an idea of the financial impact of the CIP project.

Sugar Land Development Corporation (SLDC)

The SLDC is financed through a quarter cent sales tax approved by the voters in 1993, and its primary goal is to promote economic development of the City. Sales tax and interest income are the primary revenue sources for the Corporation, along with an assignment from TIRZ #1 for the repayment of debt issued to fund Town Square infrastructure. There is also a reimbursement from TIRZ#3 for parking and infrastructure. The reimbursement is due in 2021 in accordance with the third amendment to the Imperial Redevelopment Agreement. Once the development achieves \$400 million in assessed valuation, the reimbursement will be due. The amount of the reimbursement is estimated with accrued interest.

Expenditures over the forecast total \$46.8 million. Expenditures include staffing reimbursement to the City, support service contracts, and the economic development program for marketing and business recruitment. The Corporation has annual debt service of approximately \$4.1 million each year. The forecast allocates \$8.5 million over the five years toward Economic Development direct incentives. A total of \$10.0 million has been identified as reserve for opportunity funding in the five-year forecast. The City Council will prioritize the use of this funding as part of their strategic planning retreat. There are no identified capital projects funded from SLDC included in the forecast.

The fund is able to maintain a fund balance in excess of the 15% of budgeted sales tax policy requirement for the duration of the forecast with a budgeted fund balance amount of \$1,145,953 in FY23.

Sugar Land 4B Corporation (SL4B)

The SL4B is financed by a quarter cent sales tax authorized by voters in 1995. Uses of 4B funds are restricted by law, but are less restricted than the use of SLDC funds. Sales tax is the primary revenue source for the Corporation, along with an assignment of revenues from TIRZ #1 toward repayment of debt issued for the Texas Garage in Sugar Land Town Square. The TIRZ#1 supports 53% of debt service on the garage spaces, which is the prorated balance after the 2009 payment from Planned Community Developers is applied to outstanding principal. There is also a reimbursement from TIRZ#3 for parking and infrastructure. The reimbursement is due in 2021 in accordance with the third amendment to the Imperial Redevelopment Agreement. Once the development achieves \$400 million in assessed valuation, the reimbursement will be due. The amount of the reimbursement is estimated with accrued interest.

In the forecast the SL4B contributes \$3.6 million for capital improvements, including Joint Participation in CIP, Central Prison Unit Demolition, Wayfinding for Pedestrian and Bikes, University Boulevard North Landscape, and Public Art

Projects. The Corporation has three outstanding debt issues that mature in 2036. The annual debt service payment is \$3.3 million in FY19 and remains at that level for FY20-FY21, the annual debt service payment is \$2.98 million in FY22 and \$2.3 million in FY23. A total of \$18.3 million has been identified as reserve for opportunity funding in the five-year forecast. The City Council will prioritize the use of this funding as part of their strategic planning retreat.

SL4B meets its reserve and bond coverage requirements and is able to maintain a fund balance in excess of the 15% of budgeted sales tax receipts policy requirement during the forecast and with an ending fund balance of \$1,232,522 in FY23.

**CITY OF SUGAR LAND
GENERAL FUND
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|------------------------------------|---------------------|----------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 22,623,689 | \$ 28,385,000 | \$ 29,361,000 | \$ 30,570,000 | \$ 31,781,000 | \$ 32,848,000 |
| Sales Tax | 38,775,000 | 37,350,000 | 38,325,000 | 39,450,000 | 40,650,000 | 41,850,000 |
| Other Taxes | 6,187,700 | 6,269,479 | 6,709,000 | 6,742,000 | 6,775,000 | 6,808,000 |
| Licenses & Permits | 3,401,640 | 3,508,672 | 3,526,000 | 3,533,000 | 3,540,000 | 3,547,000 |
| Charges for Services | 5,395,690 | 3,775,090 | 3,811,000 | 3,828,000 | 3,845,000 | 3,862,000 |
| Fines & Forfeitures | 1,642,200 | 1,654,300 | 1,671,000 | 1,680,000 | 1,689,000 | 1,698,000 |
| Other | 796,096 | 819,100 | 827,000 | 832,000 | 837,000 | 842,000 |
| Intergovernmental | 550,061 | 420,259 | 373,000 | 373,000 | 373,000 | 373,000 |
| Interest Income | 287,800 | 287,800 | 336,000 | 339,000 | 342,000 | 345,000 |
| Operating Revenues | 79,659,876 | 82,469,700 | 84,939,000 | 87,347,000 | 89,832,000 | 92,173,000 |
| Transfers In | 13,286,953 | 7,746,388 | 7,820,000 | 7,858,000 | 7,896,000 | 7,934,000 |
| Non-operating Revenues | 13,286,953 | 7,746,388 | 7,820,000 | 7,858,000 | 7,896,000 | 7,934,000 |
| Total Revenues | 92,946,829 | 90,216,088 | 92,759,000 | 95,205,000 | 97,728,000 | 100,107,000 |
| EXPENDITURES | | | | | | |
| General Government | 13,349,797 | 13,239,123 | 13,314,000 | 13,569,000 | 13,826,000 | 14,088,000 |
| Finance | 4,412,279 | 4,638,990 | 4,727,000 | 4,817,000 | 4,907,000 | 5,001,000 |
| Public Works | 11,207,294 | 11,600,740 | 12,085,000 | 12,574,000 | 13,067,000 | 13,489,000 |
| Parks & Recreation | 4,782,092 | 4,937,022 | 5,011,000 | 5,137,000 | 5,266,000 | 5,383,000 |
| Community Development | 5,645,614 | 5,465,473 | 5,564,000 | 5,670,000 | 5,778,000 | 5,887,000 |
| Environmental & Neighborhood SVC | 5,947,290 | 5,632,199 | 5,739,000 | 5,848,000 | 5,959,000 | 6,099,000 |
| Police Department | 24,143,912 | 24,063,248 | 24,527,000 | 24,999,000 | 25,482,000 | 25,973,000 |
| Fire Department | 16,096,365 | 16,462,007 | 16,677,000 | 16,998,000 | 17,325,000 | 17,659,000 |
| Departmental Expenditures | 85,584,643 | 86,038,802 | 87,644,000 | 89,612,000 | 91,610,000 | 93,579,000 |
| Transfers to other Funds | 3,515,344 | 3,109,600 | 3,138,000 | 3,164,000 | 3,192,000 | 3,220,000 |
| Miscellaneous | (1,243,550) | 405,349 | (198,000) | (200,000) | (202,000) | (204,000) |
| Rebates & Assignments | 2,571,188 | 2,756,070 | 2,719,000 | 2,722,000 | 2,904,000 | 3,007,000 |
| Non-departmental Expenditures | 4,842,982 | 6,271,019 | 5,659,000 | 5,686,000 | 5,894,000 | 6,023,000 |
| Total Expenditures | 90,427,625 | 92,309,821 | 93,303,000 | 95,298,000 | 97,504,000 | 99,602,000 |
| Revenues Over/(Under) Expenditures | 2,519,204 | (2,093,733) | (544,000) | (93,000) | 224,000 | 505,000 |
| Fund Balance - Beginning | 29,093,454 | 31,612,658 | 29,518,925 | 28,974,925 | 28,881,925 | 29,105,925 |
| Accrued Sales/Franchise Taxes | (7,066,605) | (7,066,605) | (7,066,605) | (7,066,605) | (7,066,605) | (7,066,605) |
| Fund Balance - Ending | \$ 24,546,053 | \$ 22,452,320 | \$ 21,908,320 | \$ 21,815,320 | \$ 22,039,320 | \$ 22,544,320 |
| Ending Fund Balance- % of Oper Exp | 31% | 28% | 26% | 26% | 25% | 26% |
| Fund Balance - Requirement | \$ 19,785,849 | \$ 20,165,288 | \$ 20,835,808 | \$ 21,239,792 | \$ 21,651,305 | \$ 22,071,298 |
| Over / (Under) Policy | 4,760,205 | 2,287,032 | 1,072,513 | 575,529 | 388,015 | 473,023 |

**CITY OF SUGAR LAND
DEBT SERVICE FUND
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|---|---------------------|----------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | | | |
| Current Property Tax | \$ 17,369,811 | \$ 21,280,000 | \$ 22,012,000 | \$ 22,919,000 | \$ 23,827,000 | \$ 24,626,000 |
| Delinquent Property Taxes | 118,400 | 54,000 | 55,000 | 58,000 | 60,000 | 62,000 |
| District Property Taxes and Fund Balance - Annex | 7,502,206 | - | | | | |
| Interest on Investments | 50,000 | 60,000 | 70,000 | 80,000 | 85,000 | 90,000 |
| Operating Revenues | 25,040,417 | 21,394,000 | 22,137,000 | 23,057,000 | 23,972,000 | 24,778,000 |
| Total Transfers In | 4,077,657 | 9,521,299 | 8,081,015 | 7,904,809 | 6,845,181 | 6,749,310 |
| Non-operating Revenues | 4,077,657 | 9,521,299 | 8,081,015 | 7,904,809 | 6,845,181 | 6,749,310 |
| Total Revenues | 29,118,074 | 30,915,299 | 30,218,015 | 30,961,809 | 30,817,181 | 31,527,310 |
| EXPENDITURES | | | | | | |
| Current Outstanding & New Debt Issuance Costs/Fiscal Fees/Other | 26,908,344 | 27,814,259 | 29,588,703 | 29,448,643 | 29,174,064 | 29,845,047 |
| Total Debt Service | 26,933,344 | 27,839,509 | 29,614,206 | 29,474,400 | 29,200,079 | 29,871,322 |
| Rebates & Assignments | 1,821,020 | 1,852,554 | 1,923,014 | 2,046,499 | 2,182,978 | 2,260,979 |
| Transfers to Other Funds | 102,360 | 57,170 | 64,150 | 66,070 | 68,050 | 70,090 |
| Total Other Expenditures | 1,923,380 | 1,909,724 | 1,987,164 | 2,112,569 | 2,251,028 | 2,331,069 |
| Total Expenditures | 28,856,724 | 29,749,233 | 31,601,369 | 31,586,969 | 31,451,107 | 32,202,391 |
| Change in Fund Balance | 261,350 | 1,166,066 | (1,383,354) | (625,160) | (633,926) | (675,081) |
| Fund Balance - Beginning | 4,926,142 | 5,187,492 | 6,353,558 | 4,970,204 | 4,345,044 | 3,711,118 |
| Fund Balance - Ending | \$ 5,187,492 | \$ 6,353,558 | \$ 4,970,204 | \$ 4,345,044 | \$ 3,711,118 | \$ 3,036,037 |
| Policy Requirement | \$ 2,690,834 | \$ 2,781,426 | \$ 2,958,870 | \$ 2,944,864 | \$ 2,917,406 | \$ 2,984,505 |
| Over/(Under) Policy Requirement | 2,496,658 | 3,572,132 | 2,011,333 | 1,400,179 | 793,711 | 51,532 |
| Policy Requirement | 10% | 10% | 10% | 10% | 10% | 10% |

**CITY OF SUGAR LAND
DEBT SERVICE FUND - TAXABLE CO'S
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|--------------------------------|---------------------|----------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | | | |
| Rent | \$ 1,601,299 | \$ 1,901,286 | \$ 2,004,811 | \$ 2,003,936 | \$ 2,005,123 | \$ 2,001,998 |
| Interest Income | 750 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| Operating Revenues | 1,602,049 | 1,904,486 | 2,008,011 | 2,007,136 | 2,008,323 | 2,005,198 |
| Transfers In | - | - | - | - | - | - |
| Non-operating Revenues | - | - | - | - | - | - |
| Total Revenues | 1,602,049 | 1,904,486 | 2,008,011 | 2,007,136 | 2,008,323 | 2,005,198 |
| EXPENDITURES | | | | | | |
| Current Outstanding & New Debt | 1,591,199 | 1,591,199 | 1,590,399 | 1,593,699 | 1,591,099 | 1,592,599 |
| Fiscal Fees/Other | 1,000 | 1,000 | 1,010 | 1,020 | 1,030 | 1,040 |
| Total Expenditures | 1,592,199 | 1,592,199 | 1,591,409 | 1,594,719 | 1,592,129 | 1,593,639 |
| Change in Fund Balance | 9,850 | 312,287 | 416,602 | 412,417 | 416,194 | 411,559 |
| Fund Balance - Beginning | 622,873 | 632,723 | 945,010 | 1,361,612 | 1,774,029 | 2,190,223 |
| Debt Service Reserve | - | (300,187) | (701,149) | (1,101,937) | (1,502,961) | (1,903,361) |
| Fund Balance - Ending | \$ 632,723 | \$ 644,823 | \$ 660,463 | \$ 672,092 | \$ 687,262 | \$ 698,422 |

**CITY OF SUGAR LAND
ENTERPRISE FUND - UTILITY SYSTEM
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|------------------------------------|---------------------|----------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | | | |
| Charges for Services | \$ 33,869,742 | \$ 34,376,885 | \$ 34,710,837 | \$ 35,079,859 | \$ 35,439,090 | \$ 35,787,734 |
| Surface Water Fees | 13,407,370 | 14,570,533 | 14,641,420 | 14,801,516 | 14,961,879 | 15,121,143 |
| Tap Fees | 252,608 | 212,413 | 249,233 | 246,492 | 243,752 | 241,011 |
| Interest Income | 165,000 | 110,789 | 145,963 | 181,830 | 217,375 | 246,687 |
| Other | 1,198,863 | 1,363,863 | 1,363,863 | 1,363,863 | 1,363,863 | 1,363,863 |
| GRP Fees | 1,102,242 | 701,600 | 701,600 | 701,600 | 701,600 | 701,600 |
| Out of City Service Charge | 49,986 | 49,584 | 49,584 | 49,584 | 49,584 | 49,584 |
| Miscellaneous | 472,712 | - | - | - | - | - |
| Operating Revenues | 50,518,523 | 51,385,667 | 51,862,499 | 52,424,744 | 52,977,142 | 53,511,623 |
| Bond Proceeds | 91,056,594 | 8,970,000 | 6,057,000 | 10,141,000 | 11,540,000 | 12,850,000 |
| Inter-Fund Loan Repayment | 1,563,972 | 1,515,000 | - | - | - | - |
| Transfers In | 581,947 | 869,015 | 868,819 | 869,491 | 870,900 | 1,031,492 |
| Non-operating Revenues | 93,202,513 | 11,354,015 | 6,925,819 | 11,010,491 | 12,410,900 | 13,881,492 |
| Total Revenues | 143,721,036 | 62,739,682 | 58,788,318 | 63,435,234 | 65,388,041 | 67,393,114 |
| EXPENDITURES | | | | | | |
| Utility Administration | 1,018,814 | 676,450 | 689,578 | 702,980 | 716,663 | 730,632 |
| Water Distribution | 2,562,715 | 2,731,794 | 2,553,821 | 2,592,310 | 2,631,477 | 2,671,332 |
| Water Production | 2,941,997 | 2,923,711 | 2,960,550 | 2,997,929 | 3,035,856 | 3,074,342 |
| Wastewater Collection | 1,183,149 | 1,304,339 | 1,326,572 | 1,349,233 | 1,372,333 | 1,395,880 |
| Wastewater Treatment | 6,153,864 | 5,257,001 | 5,316,323 | 5,376,390 | 5,437,213 | 5,498,803 |
| Customer Service | 1,017,640 | 927,622 | 945,541 | 963,833 | 982,508 | 1,001,572 |
| Water Quality | 582,395 | 603,911 | 615,288 | 626,900 | 638,750 | 650,844 |
| Water Conservation | 294,493 | 346,963 | 296,890 | 301,911 | 307,028 | 312,244 |
| Treasury | 1,658,754 | 1,602,974 | 1,627,607 | 1,652,680 | 1,678,202 | 1,704,182 |
| Surface Water | 6,355,704 | 6,045,689 | 6,059,258 | 6,185,693 | 6,324,691 | 6,464,512 |
| Total Operating Expenditures | 23,769,525 | 22,420,454 | 22,391,427 | 22,749,861 | 23,124,722 | 23,504,344 |
| Debt Service | 16,779,905 | 16,759,846 | 17,197,086 | 17,675,225 | 18,654,400 | 19,403,891 |
| Payment to Escrow Account | 86,921,410 | - | - | - | - | - |
| Miscellaneous | 469,674 | 469,674 | 469,674 | 469,674 | 469,674 | 469,674 |
| Rehabilitation Projects | - | 1,657,000 | 1,057,000 | 807,000 | 1,157,000 | 807,000 |
| Transfers Out | 6,864,774 | 10,656,132 | 10,523,894 | 10,409,145 | 9,406,630 | 9,366,289 |
| Contingency | 523,206 | 523,206 | 523,206 | 523,206 | 523,206 | 523,206 |
| CIP Transfers | 7,458,500 | 8,970,000 | 6,057,000 | 10,141,000 | 11,540,000 | 12,850,000 |
| Total Non-Operating Expenditures | 119,017,469 | 39,035,858 | 35,827,860 | 40,025,249 | 41,750,910 | 43,420,061 |
| Total Expenditures | 142,786,994 | 61,456,312 | 58,219,288 | 62,775,110 | 64,875,631 | 66,924,404 |
| Revenues Over/(Under) Expenditures | 934,042 | 1,283,370 | 569,030 | 660,124 | 512,410 | 468,710 |
| Fund Balance - Beginning | 22,158,078 | 23,092,120 | 24,375,490 | 24,944,520 | 25,604,645 | 26,117,055 |
| Reserve - Debt Service | (9,738,723) | (9,738,723) | (9,738,723) | (9,738,723) | (9,738,723) | (9,738,723) |
| Fund Balance - Ending | \$ 13,353,397 | \$ 14,636,767 | \$ 15,205,797 | \$ 15,865,922 | \$ 16,378,332 | \$ 16,847,042 |
| Bond Coverage | 1.59 | 1.73 | 1.71 | 1.68 | 1.60 | 1.55 |
| Target | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Operating Reserves | 56% | 65% | 68% | 70% | 71% | 72% |
| Target | 25% | 25% | 25% | 25% | 25% | 25% |

**CITY OF SUGAR LAND
ENTERPRISE FUND - AIRPORT
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|------------------------------------|---------------------|----------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | | | |
| Fuel Sales | \$ 12,624,854 | \$ 12,751,102 | \$ 12,878,613 | \$ 13,007,400 | \$ 13,137,474 | \$ 13,268,848 |
| Hangar Leases | 1,388,200 | 1,425,800 | 1,447,738 | 1,470,049 | 1,492,740 | 1,515,817 |
| Miscellaneous Revenues | 847,600 | 872,600 | 881,326 | 890,139 | 899,041 | 908,031 |
| Interest Income | 40,000 | 40,000 | 40,400 | 40,804 | 41,212 | 41,624 |
| Operating Revenues | 14,900,654 | 15,089,502 | 15,248,077 | 15,408,392 | 15,570,466 | 15,734,321 |
| Transfers In | 138,549 | 137,390 | 137,390 | 137,390 | 137,390 | 137,390 |
| Grant Proceeds | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| TxDot Grant Reimbursement | - | 2,340,000 | 540,000 | - | - | - |
| Non-operating Revenues | 188,549 | 2,527,390 | 727,390 | 187,390 | 187,390 | 187,390 |
| Total Revenues | 15,089,203 | 17,616,892 | 15,975,467 | 15,595,782 | 15,757,856 | 15,921,711 |
| EXPENDITURES | | | | | | |
| Airport Administration | 1,018,739 | 1,043,923 | 1,054,362 | 1,068,171 | 1,082,193 | 1,096,433 |
| Airfield Operations | 372,231 | 356,202 | 325,584 | 329,848 | 334,178 | 338,575 |
| FBO Services | 9,665,041 | 9,824,110 | 9,892,051 | 9,990,972 | 10,090,881 | 10,191,790 |
| Café Select | 260,736 | 263,197 | 265,829 | 269,310 | 272,846 | 276,436 |
| Customs | 259,898 | 209,898 | 211,997 | 214,773 | 217,593 | 220,456 |
| Maintenance and Operations | 1,350,763 | 1,194,093 | 1,079,784 | 1,093,926 | 1,108,286 | 1,122,869 |
| Total Operating Expenditures | 12,927,408 | 12,891,423 | 12,829,607 | 12,967,000 | 13,105,977 | 13,246,559 |
| Debt Service | 1,262,514 | 1,258,623 | 1,258,036 | 1,266,279 | 1,264,217 | 1,255,673 |
| Miscellaneous | 169,951 | 169,951 | 171,651 | 173,367 | 175,101 | 176,852 |
| Inter-Fund Loan & Reimbursement | 1,043,397 | 1,010,000 | - | - | - | - |
| Operating Transfers Out | 1,030,590 | 3,159,007 | 1,188,158 | 1,228,970 | 1,271,542 | 1,726,481 |
| Total Non-Operating Expenditures | 3,506,452 | 5,597,581 | 2,617,844 | 2,668,616 | 2,710,859 | 3,159,005 |
| Total Expenditures | 16,433,860 | 18,489,004 | 15,447,451 | 15,635,616 | 15,816,837 | 16,405,565 |
| Revenues Over/(Under) Expenditures | (1,344,657) | (872,112) | 528,017 | (39,834) | (58,981) | (483,854) |
| Fund Balance - Beginning | 6,307,136 | 4,962,479 | 4,090,367 | 4,618,384 | 4,578,549 | 4,519,568 |
| Debt Service Reserve | (991,626) | (991,626) | (991,626) | (991,626) | (991,626) | (991,626) |
| Fund Balance - Ending | \$ 3,970,853 | \$ 3,098,741 | \$ 3,626,758 | \$ 3,586,923 | \$ 3,527,942 | \$ 3,044,088 |

| | | | | | | |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| CASH EQ. RESERVE RATIO (25% min) | 80% | 60% | 70% | 68% | 66% | 56% |
| BOND COVERAGE (1.25x min) | 1.90 | 1.86 | 1.87 | 1.89 | 1.92 | 1.95 |
| FUEL GALLONS SOLD | 3,150,000 | 3,181,500 | 3,213,315 | 3,245,448 | 3,277,903 | 3,310,682 |

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - TOURISM
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | | | |
| Hotel/Motel Occupancy Tax | \$ 2,746,530 | \$ 2,643,700 | \$ 2,696,317 | \$ 2,750,000 | \$ 2,805,400 | \$ 2,861,600 |
| Interest Income | 9,023 | 9,100 | 11,200 | 11,200 | 11,200 | 11,200 |
| Miscellaneous | 2,410 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Total Revenues | 2,757,963 | 2,655,300 | 2,710,017 | 2,763,700 | 2,819,100 | 2,875,300 |
| EXPENDITURES | | | | | | |
| Advertising to attract tourists | 978,395 | 930,984 | 942,874 | 954,942 | 967,189 | 979,620 |
| Convention or information centers | 266,117 | 219,258 | 222,772 | 226,351 | 229,997 | 233,709 |
| The promotion and improvement of the arts | 61,324 | 56,091 | 57,353 | 58,643 | 59,963 | 61,312 |
| Historical restoration and preservation projects | - | - | - | - | - | - |
| Total Operating Expenditures | 1,305,836 | 1,206,333 | 1,223,000 | 1,239,937 | 1,257,149 | 1,274,641 |
| Trsf out - Convention or information centers | 1,406,064 | 1,400,151 | 1,395,251 | 1,386,732 | 1,383,018 | 1,382,503 |
| Trsf out - The promotion and improvement of the arts | 25,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Trsf out - Other | 3,382 | 60,854 | 62,223 | 63,623 | 65,055 | 66,518 |
| Total Non-Operating Expenditures | 1,434,446 | 1,511,005 | 1,507,474 | 1,500,355 | 1,498,073 | 1,499,021 |
| Total Expenditures | 2,740,282 | 2,717,338 | 2,730,474 | 2,740,292 | 2,755,221 | 2,773,663 |
| Revenues Over/(Under) Expenditures | 17,681 | (62,038) | (20,456) | 23,408 | 63,879 | 101,637 |
| Fund Balance - Beginning | 1,402,100 | 1,419,781 | 1,357,743 | 1,337,287 | 1,360,695 | 1,424,574 |
| GAAP Adjustments | (638,806) | (638,806) | (638,806) | (638,806) | (638,806) | (638,806) |
| Fund Balance - Ending | \$ 780,975 | \$ 718,937 | \$ 698,480 | \$ 721,888 | \$ 785,767 | \$ 887,404 |
| Fund Balance Policy (10% of Budgeted HOT) | \$ 274,653 | \$ 264,370 | \$ 269,632 | \$ 275,000 | \$ 280,540 | \$ 286,160 |
| Over/Under Policy | \$ 506,322 | \$ 454,567 | \$ 428,848 | \$ 446,888 | \$ 505,227 | \$ 601,244 |

**CITY OF SUGAR LAND
SUGAR LAND DEVELOPMENT CORPORATION
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | | | |
| Sales Tax | \$ 6,462,500 | \$ 6,225,000 | \$ 6,387,500 | \$ 6,575,000 | \$ 6,775,000 | \$ 6,975,000 |
| Interest Income | 73,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Miscellaneous | 150,368 | - | - | - | - | - |
| TIRZ#1 | 1,050,000 | 1,150,000 | 1,150,000 | 1,300,000 | 1,350,000 | 1,400,000 |
| TIRZ#3 | - | - | 4,793,527 | - | - | - |
| Total Revenues | 7,735,868 | 7,450,000 | 12,406,027 | 7,950,000 | 8,200,000 | 8,450,000 |
| EXPENDITURES | | | | | | |
| Economic Development Program | 601,018 | 597,018 | 602,988 | 609,018 | 615,108 | 621,259 |
| Economic Development Incentives | 864,046 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 |
| Contractual Services | 15,040 | 15,290 | 15,450 | 15,550 | 15,650 | 15,750 |
| Total Operating Expenditures | 1,480,104 | 2,312,308 | 2,318,438 | 2,324,568 | 2,330,758 | 2,337,009 |
| Debt Service | 4,149,296 | 4,110,621 | 4,088,984 | 4,053,721 | 4,024,090 | 3,993,821 |
| Reserve for Opportunities | - | 1,300,000 | 4,800,000 | 1,000,000 | 1,300,000 | 1,600,000 |
| Inter-Fund Loan & Reimbursement | 520,575 | 505,000 | 1,367,311 | - | - | - |
| Capital Projects Reimbursement | 404,468 | - | - | - | - | - |
| Transfers to Other Funds | 539,967 | 593,191 | 600,615 | 608,144 | 615,778 | 623,519 |
| Total Non-Operating Expenditures | 5,614,306 | 6,508,812 | 10,856,910 | 5,661,865 | 5,939,868 | 6,217,340 |
| Total Expenditures | 7,094,410 | 8,821,120 | 13,175,348 | 7,986,433 | 8,270,626 | 8,554,349 |
| Revenues Over/(Under) Expenditures | 641,458 | (1,371,120) | (769,321) | (36,433) | (70,626) | (104,349) |
| Fund Balance - Beginning | 7,660,981 | 8,302,439 | 6,931,319 | 6,161,998 | 6,125,565 | 6,054,939 |
| Accrued Sales Tax | (991,868) | (991,868) | (991,868) | (991,868) | (991,868) | (991,868) |
| Debt Service Reserve | (4,094,053) | (4,044,391) | (3,992,302) | (3,936,355) | (3,876,840) | (3,812,769) |
| Fund Balance - Ending | \$ 3,216,518 | \$ 1,895,060 | \$ 1,177,828 | \$ 1,197,342 | \$ 1,186,231 | \$ 1,145,953 |
| Minimum Fund Balance (15% by FY18) | \$ 969,375 | \$ 933,750 | \$ 958,125 | \$ 986,250 | \$ 1,016,250 | \$ 1,046,250 |
| Over/Under Policy | 2,247,143 | 961,310 | 219,703 | 211,092 | 169,981 | 99,703 |
| Bond Coverage Ratio (>1.25x) | 1.59 | 1.54 | 1.59 | 1.65 | 1.72 | 1.77 |

**CITY OF SUGAR LAND
SUGAR LAND 4B CORPORATION
FIVE-YEAR FINANCIAL FORECAST**

| | FY18 Projections | FY19 Budget | FY20 Forecast | FY21 Forecast | FY22 Forecast | FY23 Forecast |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | | | |
| Sales Tax | \$ 6,462,500 | \$ 6,225,000 | \$ 6,387,500 | \$ 6,575,000 | \$ 6,775,000 | \$ 6,975,000 |
| Interest Income | 112,100 | 112,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| TIRZ#1 | 156,156 | 153,100 | 155,962 | 155,813 | 155,350 | 154,568 |
| TIRZ#3 | - | - | 7,821,017 | - | - | - |
| Miscellaneous | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| Total Revenues | 6,810,756 | 6,570,100 | 14,524,479 | 6,890,813 | 7,090,350 | 7,289,568 |
| EXPENDITURES | | | | | | |
| Economic Development Program | 628,244 | 561,621 | 567,237 | 572,910 | 578,639 | 584,425 |
| Sales Tax Incentive Grant | - | - | - | - | - | - |
| Contractual Services | 24,600 | 12,200 | 13,500 | 13,600 | 13,700 | 13,800 |
| Total Operating Expenditures | 652,844 | 573,821 | 580,737 | 586,510 | 592,339 | 598,225 |
| Debt Service | 3,348,781 | 3,341,344 | 3,354,175 | 3,351,850 | 2,976,631 | 2,341,694 |
| Reserve for Opportunities | 568,000 | 1,800,000 | 8,850,000 | 1,950,000 | 2,450,000 | 3,250,000 |
| Reimbursement | - | - | 750,000 | - | - | - |
| Transfers to Capital Projects | 4,664,367 | 1,167,639 | 600,000 | 600,000 | 600,000 | 600,000 |
| Transfers to Other Funds | 720,829 | 631,535 | 614,570 | 625,709 | 637,074 | 648,669 |
| Total Non-Operating Expenditures | 9,301,977 | 6,940,518 | 14,168,745 | 6,527,559 | 6,663,705 | 6,840,363 |
| Total Expenditures | 9,954,821 | 7,514,339 | 14,749,483 | 7,114,069 | 7,256,044 | 7,438,588 |
| Revenues Over/(Under) Expenditures | (3,144,065) | (944,239) | (225,004) | (223,256) | (165,694) | (149,020) |
| Fund Balance - Beginning | 9,265,667 | 6,121,602 | 5,177,363 | 4,952,359 | 4,729,104 | 4,563,410 |
| Accrued Sales Tax | (991,868) | (991,868) | (991,868) | (991,868) | (991,868) | (991,868) |
| Debt Service Reserve | (3,052,534) | (2,989,565) | (2,811,500) | (2,600,000) | (2,380,500) | (2,190,500) |
| Fund Balance - Ending | \$ 2,077,200 | \$ 1,195,930 | \$ 1,148,991 | \$ 1,137,236 | \$ 1,191,042 | \$ 1,232,022 |
| Minimum Fund Balance (15% by FY18) | \$ 969,375 | \$ 933,750 | \$ 958,125 | \$ 986,250 | \$ 1,016,250 | \$ 1,046,250 |
| Over/Under Policy | 1,107,825 | 262,180 | 190,866 | 150,986 | 174,792 | 185,772 |
| Bond Coverage Ratio (>1.25x) | 1.97 | 1.89 | 1.93 | 2.24 | 2.93 | 3.00 |

**CITY OF SUGAR LAND
2019 - 2023 CAPITAL IMPROVEMENT PROGRAM
TOTAL SUMMARY**

| PROJECT TYPE | 2019 BUDGET | 2020 ESTIMATE | 2021 ESTIMATE | 2022 ESTIMATE | 2023 ESTIMATE | 2019 - 2023 TOTAL |
|----------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
| AIRPORT | \$ 2,010,000 | \$ - | \$ - | \$ - | \$ 410,500 | \$ 2,420,500 |
| DRAINAGE | 2,185,000 | 7,220,000 | 2,240,000 | 24,280,000 | 7,410,000 | 43,335,000 |
| MUNICIPAL | 8,665,000 | 14,915,000 | 500,000 | 3,950,000 | 1,290,000 | 29,320,000 |
| PARKS | 400,000 | 300,000 | 1,200,000 | 200,000 | 200,000 | 2,300,000 |
| STREETS | 5,166,056 | 4,691,193 | 3,894,291 | 5,045,607 | 7,623,796 | 26,420,943 |
| SURFACE WATER | - | - | 650,000 | 1,650,000 | - | 2,300,000 |
| TRAFFIC | 925,000 | 700,000 | 700,000 | 700,000 | 700,000 | 3,725,000 |
| WASTEWATER | 3,000,000 | 2,187,000 | 2,061,000 | 6,020,000 | 5,420,000 | 18,688,000 |
| WATER | 5,970,000 | 3,870,000 | 7,430,000 | 3,870,000 | 7,430,000 | 28,570,000 |
| TOTAL FUNDING | \$ 28,321,056 | \$ 33,883,193 | \$ 18,675,291 | \$ 45,715,607 | \$ 30,484,296 | \$ 157,079,443 |

| SOURCE OF FUNDS | 2019 BUDGET | 2020 ESTIMATE | 2021 ESTIMATE | 2022 ESTIMATE | 2023 ESTIMATE | 2019 - 2023 TOTAL |
|----------------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------------|
| General Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CO's | 14,356,056 | 25,766,193 | 6,384,291 | 33,025,607 | 16,073,796 | 95,605,943 |
| CO's/Enterprise Funds | - | - | - | - | - | - |
| GO's | - | - | - | - | - | - |
| Revenue Bonds | 8,970,000 | 6,057,000 | 10,141,000 | 11,540,000 | 12,850,000 | 49,558,000 |
| SLDC | - | - | - | - | - | - |
| SL4B | 1,167,639 | 600,000 | 600,000 | 600,000 | 600,000 | 3,567,639 |
| Airport Revenues | 2,010,000 | - | - | - | 410,500 | 2,420,500 |
| System Revenues | - | - | - | - | - | - |
| Other Funding Sources | | | | | | |
| <i>CDBG</i> | 142,361 | - | - | - | - | 142,361 |
| <i>Cullinan Foundation</i> | - | 100,000 | 1,000,000 | - | - | 1,100,000 |
| <i>CIP Fund Balance</i> | 525,000 | - | - | - | - | 525,000 |
| <i>Future PAYG Funding</i> | 600,000 | 810,000 | - | - | - | 1,410,000 |
| <i>Red Light Camera</i> | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,500,000 |
| <i>Tourism</i> | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 250,000 |
| TOTAL | \$ 28,321,056 | \$ 33,883,193 | \$ 18,675,291 | \$ 45,715,607 | \$ 30,484,296 | \$ 157,079,443 |

City of Sugar Land

Financial Management Policy Statements

Introduction

The Financial Management Policy Statements, adopted by City Council, are an overview of the City's financial policies and provide guidelines to City staff in managing and planning the City's finances. Some policy statements are driven by requirements of state law or City Charter, while others are formally documented through policies and procedures. Statements that are driven by legal requirements will be noted as such.

In some case, exceptions to the policy statements may be appropriate and/or necessary. Exceptions to stated policies will be specifically identified and the need for the exception will be documented and explained to City Council and/or the City Manager.

Accounting, Auditing & Financial Reporting

Maintain accounting practices that conform to generally accepted accounting principles and comply with prevailing federal, state, and local statutes and regulations. Prepare and present regular reports that analyze and evaluate the City's financial performance and economic condition.

Accounting Practices and Principles

The City will maintain accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All city financial documents, except monthly interim financial reports, including official statements accompanying debt issues, Comprehensive Annual Financial Reports and continuing disclosure statements will meet GASB standards. Monthly interim financial reports are on a cash basis and will be reported as budgeted. At year-end the general ledger and financials will be converted to full accrual basis.

Financial and Management Reports

Pursuant to City Charter requirements, Interim Financial Reports will be provided monthly to management and City Council that explain key economic and fiscal developments and note significant deviations from the budget. These reports will be reviewed monthly with the City Manager and provided to City Council by the end of each month for the prior month. These reports will be prepared on a cash basis. Quarterly reports on the status of the City's Strategic Projects will be provided through the City Manager's office and made available to the City Council. The reports will include project scope and work plan as well as comment on noteworthy activity.

Quarterly, departments will report on service level measures and/or indicators as compared to target and prior years through the Office of Strategic Initiatives. Capital Projects are reported quarterly to the City Manager and included in the quarterly report to City Council.

Annual Audit

Pursuant to State Statute, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be performed by a certified public accounting (CPA) firm, licensed to practice in the State of Texas. Although the Texas Local Government Code, Section 103.003 Filing: Public Record requires the annual financial statement including the auditor's opinion on the statement to be filed with the City Secretary within 180 days after the last day of the fiscal year, it is the City's goal to file the

audit at the second City Council meeting in February. The audit firm shall provide a management letter to the City prior to the filing of the audit. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary.

The objective of the ordinary audit of financial statements by the independent auditor is the expression of an opinion on the fairness with which they present, in all material respects, financial position, results of operations, and its cash flows in conformity with generally accepted accounting principles. The auditor has a responsibility to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. The financial statements are management's responsibility. The auditor's responsibility is to express an opinion on the financial statements.

An official Comprehensive Annual Financial Report (CAFR) shall be issued no later than six (6) months following the end of the fiscal year. The CAFR shall be prepared to meet the requirements of the Certificate of Achievement for Excellence in Financial Reporting program through GFOA. This program establishes criteria that go beyond the minimum requirements for Generally Accepted Accounting Principles to prepare CAFRs that evidence the spirit of transparency and full disclosure. The Chief Accountant (or equivalent) shall be responsible for establishing a process to ensure timely resolution of audit recommendations.

Finance/Audit Committee

The City Council shall designate a Finance/Audit Committee. The role of the committee is to review and guide financial policy and strategic financial issues as needed and determined by the City Manager or City Council. The Finance/Audit Committee responsibilities related to the audit will include but not be limited to:

- Overview of the planning and timeline of the audit and risk assessment.
- Final audit review, results, findings, management letter as well as major audit adjustments as identified under Sarbanes-Oxley Act of 2002.
- Meet as soon as practical and appropriate after final audit review to assess the status of issues addressed in the management letter, if warranted.
- Meet during the course of the audit regarding any major issues/concerns/findings that may arise.

Continuing Disclosure

The Director of Finance will ensure that the Municipal Securities Rulemaking Board's EMMA® website is current and all disclosures are filed timely with assistance from the City's Municipal Advisor and Bond Counsel. EMMA® is the official repository for information on virtually all municipal securities. Continuing disclosure includes annual disclosure required within 180 days of fiscal year end, as well as material event disclosure required under the Securities and Exchange Commission (SEC) Rule 15c2-12 within 10 days of the occurrence of the event.

Signature of Checks

All checks shall have two signatures. Three persons shall be authorized to sign checks: the City Manager, an Assistant City Manager or Director of Finance, and the Chief Accountant. Signatures shall be affixed to all City checks via facsimile signatures, made with a secure laser check printing system or through handwritten signatures affixed to each check.

FINANCIAL CONSULTANTS

The City will employ qualified financial advisors and consultants as needed in the administration and management of the City's financial functions. These areas include but are not limited to audit services, debt administration, delinquent tax collection attorney, and financial modeling. The City shall implement evaluation criteria for each financial consultant to ensure the City receives the highest quality services available. The principal factors in the selection of these consultants will be experience/expertise, ability to perform, the services offered, references, and methodology to name a few. In no case should price be allowed to serve as the sole criterion for the selection.

Independent Auditors

In all matters relating to the assignment, an independence in mental attitude is to be maintained by the auditor or auditors. To emphasize independence from management, many corporations follow the practice of having the independent auditor appointed by the board of directors or elected by the stockholders. As such, the City has established a practice of the City Council appointing the auditor, and the auditor reporting to the City Council.

At least every five years, the City shall request proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records, and render an opinion on the financial statements of the City.

- It is the City's preference to rotate auditor firms every five years to ensure that the City's financial statements are reviewed and audited with an objective, impartial, and unbiased point of view. The rotation of the audit firm will be based upon the proposals received, the qualifications of the firm, and the firm's ability to perform a quality audit.
- However, if through the proposal and review process, management and the Finance/Audit Committee select the current audit firm, then, under the Sarbanes Oxley Act of 2002, the lead audit partner must be rotated as well as the lead reviewer after a maximum of five years.
- Annually, the independent auditor will provide a letter of engagement to the City for annual audit services.

Arbitrage Consultants

While the City is responsible to ensure that the records are in order, the calculations made, reporting completed, and filings made, the actual arbitrage calculation and reporting shall be contracted out to a qualified firm.

- The City's Chief Accountant and the Arbitrage Consultant shall complete a risk assessment of positive arbitrage on each bond issue annually to determine the necessity for a calculation of positive/negative arbitrage in the current year.
- All bond issues in accordance with arbitrage regulation shall have each 5th year and final arbitrage calculations completed.
- Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with the Arbitrage Consultant shall be considered evergreen, however with a termination clause.
- In order to ensure that the City is still receiving services for fair market value, staff will conduct a survey every five years of arbitrage calculation fees and present a comparison and analysis to the City Manager and Finance/Audit Committee.

Delinquent Tax Collections

Due to the nature and expertise required, the City shall hire a delinquent tax collection attorney to collect delinquent taxes, represent the City in filing bankruptcy claims, foreclose on real property, seize personal property, and represent the City in court cases and property sales.

- The City shall contract for a delinquent tax collection attorney either through Fort Bend County in conjunction with the contract for billing and collection of the City's property taxes or shall contract directly with an attorney.
- The City shall review delinquent tax collection services and determine if they choose to contract direct or contract through the County either at the end of a direct contract for delinquent tax services or annually if contracted with Fort Bend County.
- If the City chooses to contract directly for delinquent tax collection services, requests for proposals and statements of qualifications are to be solicited at least every five years.
- There is not a requirement for rotation.

Bond Counsel

Bond Counsel to the City has the role of an independent expert who provides an objective legal opinion concerning the issuance and sale of bonds and other debt instruments. As bond counsel are specialized attorneys who have developed necessary expertise in a broad range of practice areas, the City will always use a consultant for these services. Generally, bonds are not marketable without an opinion of nationally recognized bond counsel stating that the bonds are valid and binding obligations stating the sources of payment and security for the bonds and that the bonds are exempt from State and Federal income taxes (if applicable).

Bond Counsel is responsible for the following tasks in a transaction:

1. Prepares and oversees bond proceedings;
 2. Gets required government approval;
 3. Ensures that the City meets all the legal requirements and authorization of the bond offering;
 4. Discloses and analyzes all relevant legal proceedings that may have a bearing on the validity of the offering;
 5. Interprets relevant regulations and laws and assists in structuring the issue;
 6. Writes key financing documents.
- Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with Bond Counsel shall be considered evergreen, however with a termination clause.
 - In order to ensure that the City is still receiving services for fair market value, staff will conduct a survey every five years of bond counsel fees and present a comparison and analysis to the City Manager and Finance/Audit Committee.

Disclosure Counsel

Disclosure Counsel is an independent firm, separate from bond counsel, retained by the City to provide a legal opinion concerning accuracy of the information presented in disclosure and bond documents. With scrutiny of municipal disclosure increasing by the SEC and Municipal Securities Rulemaking Board, the engagement of

disclosure counsel provides an added layer of assurance that the City's financial position is accurately presented in bond documents.

- Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with Disclosure Counsel shall be considered evergreen, however with a termination clause.
- In order to ensure that the City is still receiving services for fair market value, staff will conduct a survey every five years of disclosure counsel fees and present a comparison and analysis to the City Manager and Finance/Audit Committee.

Municipal Advisor

The Government Finance Officers Association (GFOA) recommends that issuers hire a municipal advisor (MA) prior to the undertaking of a debt financing unless the issuer has sufficient in-house expertise and access to current bond market information. The City issues various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue; preparation of disclosure documents; coordinating rating agency relations; evaluation of and advice on the pricing of securities; assisting with closing and debt management; calculating debt service schedules; and providing recommendations on management of the City's finances, including evaluation of debt structures and refinancing opportunities.

- While retaining the services of an MA, the City shall post an IRMA Exemption Certificate on the City's website and on EMMA (Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board). The IRMA Exemption Certificate states that the City has retained an independent registered municipal advisor (IRMA) and that the City will rely on the advice of the Municipal Advisor in the issuance of municipal securities.
- The Municipal Advisor must be registered with the Securities & Exchange Commission and Municipal Securities Rulemaking Board as a Municipal Advisor
- As municipal advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services, until such time that the City wishes to bring these services in-house.
- Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with the Municipal Advisor shall be considered evergreen, however with a termination clause.
- In order to ensure that the City is still receiving services for fair market value, staff will conduct a survey every five years of Municipal Advisory fees and present a comparison and analysis to the City Manager and Finance/Audit Committee.
- While a municipal advisor plays a key role on the financing team, it is important to note that the City remains in control of the decision making process necessary for the issuance and sale of the bonds or implementing the financing.
- The selected Municipal Advisor shall not be permitted to serve as underwriter on any bond transactions while serving in the Municipal Advisor role. Upon termination of the Municipal Advisor contract, a period of one year should pass before the firm may be engaged as an underwriter on any bond transaction for the City.

Depository Bank

Pursuant to State law, the City of Sugar Land may approve a depository services contract whose term does not exceed five years. There is no requirement for rotation. The City of Sugar Land will select its official banking institution through a formal process based on best value in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available. Depository accounts may only be opened by employees with authority specifically granted in the depository agreements approved by City Council.

BUDGET AND LONG RANGE FINANCIAL PLANNING

Establish guidelines for budgeting to ensure a financially sound City and to establish a long-range financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets.

Balanced Budget

The City Manager shall file annually, a balanced budget for the ensuing fiscal year with City Council in compliance with state law and the City Charter.

In addition, it is expected that the annual operating budget will be structurally balanced. A structurally balanced budget is further defined as recurring revenues funding recurring expenditures and adherence to fund balance policies. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques. If economic conditions dictate that the City Manager file a structurally imbalanced budget, it shall be accompanied by a plan to return the budget to structural balance and the resulting five-year financial forecast that reflects steps to be taken to return the budget to structural balance.

Current Funding Basis (Recurring Revenues)

The City shall budget and operate on a current funding basis. Revenues and expenditures shall be budgeted on a cash basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues. Recurring expenses will be funded exclusively with recurring revenue sources to facilitate operations on a current funding basis.

Use of Non-Recurring Revenues

Non-recurring revenue sources, such as a one-time revenue remittance or fund balance in excess of policy can only be budgeted / used to fund non-recurring expenditures, such as capital purchases or capital improvement projects. This will ensure that recurring expenditures are not funded by non-recurring sources.

The following expenditures are considered non-recurring for budgetary purposes:

1. Transfers to Replacement Funds (Fleet and High Technology)
2. Capital Expenditures
3. Contingency Funds
4. Lump sum payments to employees

The following revenues are considered non-recurring in the definition of a structurally balanced budget:

1. Grant Revenues
2. Red Light Camera proceeds
3. Annexation/Dissolution Proceeds
4. Reimbursements for One Time Items
5. Short Term/Inter-Fund Loans

Allowable uses of one-time revenues received during the year (over the budgeted amounts):

1. To replenish a draw down in the fund balance below policy requirements (including Self-Insurance Reserve in the Employee Benefits Fund)
2. Provide a one-time boost to infrastructure rehabilitation funding
3. To fund capital projects without an identified funding source
4. Lump sum payment to employees if merit pool is reduced
5. To fund one-time expenditures in the following fiscal year's budget

Property Taxes

Tax Rate

By law, the City must levy a tax rate sufficient to generate revenues that will meet outstanding debt obligations, net of outside funding sources (transfers from other funds). The City Manager will recommend a tax rate that the City finances require in order to operate efficiently, yet effectively, and meets the City Council's expectations of services provided and service levels.

As economic conditions permit, the City Manager will recommend a tax rate not greater than the effective tax rate plus 3%. The goal is not to exceed an average annual increase in the residential tax bill of 3% unless the voters approve a general obligation bond referendum. The following shall be taken into account in managing growth in the average tax bill: property revaluation, tax rate adjustments and/or changes to the residential homestead exemption.

The effective tax rate is defined by the State of Texas as the tax rate that raises the same amount of total tax revenue in the current year as the prior year's tax rate for properties taxed in both years. The effective tax rate is calculated based on a formula mandated by the state truth in taxation laws, and excludes new property value. Depending on valuation changes, the effective tax rate may be higher or lower than the prior year's tax rate and generate the same amount of total property tax levy. The only increase in tax revenue is from new value added to the tax roll since the prior year. Therefore, the effective tax rate plus 3% also may result in an increase to the nominal tax rate in order to achieve a 3% increase in the tax levy, excluding new value.

Homestead Exemption

Annually the City Manager shall review the homestead exemption based on anticipated revaluation increases. When the financial health of the City's finances and the economic and market conditions of the local economy justify, the City Manager may recommend an increase to the homestead exemption to minimize the impact of revaluation on homeowners. In accordance with state statute, a recommended change in the homestead exemption shall be presented to City Council to allow approval prior to July 1. The 2015 legislative session saw passage of Senate Bill 1, which prohibits cities from reducing or repealing the residential homestead exemption below the 2014 value (7%) through December 31, 2019.

The total exemption percentage granted cannot exceed the state limitation of 20%.

Over-Age Exemptions and Disabled Persons Exemption

The City shall grant a \$70,000 over-age exemption and disabled persons' exemption each year when economic and financial conditions allow. This amount shall remain stable during the period in which the City is considering adjusting the homestead exemption.

If a tax freeze were ever implemented for over-age and disabled persons, these exemptions would be reduced to zero. (Chapter 2 Article V Sec 2-119, Code of Ordinances)

Sales Tax

Sales tax used to fund recurring operations shall have a target of 45%. As sales tax revenue fluctuates due to changes in economic conditions, the City shall endeavor through long-term strategies to reduce its reliance on sales tax revenues for funding recurring operating expenditures. The goal is to reduce the percentage dependence on sales tax for recurring operations, and set aside extra funds for one time needs. Sales Tax revenue shall be estimated conservatively (See Revenue Estimating for Budgeting).

Sales Tax from Incentive Grant Agreements

1. Sales tax revenues generated from incentive grant agreements will not be used to fund recurring operating expenditures but rather non-recurring capital purchases, economic development projects or capital improvement projects.
2. As the economic development sales tax is intended for use to promote economic development activities, the City shall strive to fund incentive agreements from economic development sales tax first, then from general fund sales taxes.
3. The portion of the City's sales tax adopted for property tax reduction shall not be included in the calculation of incentive grants.

Water/Wastewater Transfer for Pay-As-You-Go Capital Projects

As discussed under Capital Expenditures, the transfer from the City's Utility Fund to fund pay-as-you-go capital projects will be budgeted at a target of \$2,500,000, when financially feasible. It will be based on the financial health of the Utility Fund with the long-term goal of adequately funding rehabilitation.

Revenue Estimating for Budgeting

In order to protect the City from revenue shortfalls and to maintain a stable level of services, the City shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends. This approach should reduce the likelihood of actual revenues falling short of budget estimates and should avoid mid-year service changes.

Sales Tax

With such a large portion of the City's operating budget dependent on sales tax, it is important to forecast revenue conservatively. Sales tax revenue shall utilize the current year's projected revenue as a baseline for the following year's budget, net of audit adjustments and large one-time payments.

The purpose of defining forecast parameters is to better realize when changes in the utilization of property tax use may be necessary (ie. slowing general CIP due to shifting the tax rate from debt service to O&M), as well as permit for better planning opportunities. These parameters are designed to simulate the cyclical nature of the economy based on the most often used economic indicator, the Consumer Price Index.

The Long Range Sales Tax Forecast will utilize the following parameters to grow sales tax in years 2-5 of the forecast: February CPI as published by the Bureau of Labor Statistics for -All Urban Consumers.

1. Positive CPI:
 - a. Year 2 growth = lesser of CPI or 3%
 - b. Year 3-5 growth = 3%
2. Negative CPI:
 - a. Year 2 growth = flat from current year projection

- b. Year 3 growth = lesser of 3% or 5-year average CPI
- c. Year 4-5 growth = 3%

Water and Wastewater Revenues

The Utility Fund and Surface Water Fund revenues will be budgeted using consumption based on an average year's rainfall/consumption (excluding extremely wet and dry years). The City will anticipate neither drought nor wet conditions. Adjustments to utility rates shall be made based on revenue requirements over the five year forecast for the utility fund, and increases necessary to maintain revenue coverage requirements shall be made in advance of anticipated bond issues, if possible, to allow for smaller increases to be made over time.

Employee Compensation

When funding is available, the proposed budget shall include an amount adequate to cover an overall average performance and merit increase as determined annually by the City Manager. This amount will be calculated for each department, based on budgeted salaries for the year, and will be placed in the appropriate budget accounts. The City does not give cost of living increases. Other than adjustments due to changes in the compensation plan, salary increases are to be earned through merit and/or promotion increases.

The City's compensation plan shall be approved by City Council and administered by the City Manager as identified in the City Charter and the Council adopted Compensation Philosophy. All employees shall be paid within the approved budget and established salary ranges.

Budget Management

The budget is adopted by City Council through one reading of an ordinance, no later than the 25th day of September, as directed by Section 6.03b of the City Charter. Upon approval, the budget can be either amended or adjusted based on the level of changes needed. Under Local Government Code 102.009(a)- The governing body may levy taxes only in accordance with the budget. This means that the budget must be adopted before an ad valorem tax rate may be adopted.

- Amendment- an increase to the overall appropriation in the fund or capital project. Must be approved by City Council through one reading of an ordinance.
- Adjustment- a reallocation of funds between departments without changing the total operating fund budget. Must be approved by the City Manager.

Operating Budget Adjustments

The City Manager is responsible for managing the operating budget after it is formally adopted by City Council, including the transfer of funds within program, between programs, between departments, and expenditure of contingency funds as long as there is no change in service levels as a result of the adjustments. The City Manager may further delegate levels of authority for the daily operation of the budget.

Operating Budget Amendments

Under State law, the budget must be adopted before a tax rate can be adopted. Should the adopted tax rate generate more or less ad valorem tax revenue than the adopted budget, the operating budget shall be amended as soon as possible to ensure that budgeted expenditures remain balanced with anticipated revenue sources.

Budget reductions shall be targeted to regain structural balance and focused on reductions to recurring expenditures for non-core services, when the imbalance is due to recurring a revenue shortfall.

In order to preserve projected fund balances/ ending balances based on projected revenues and expenditures for the current fiscal year, City Council will amend the annual operating budget for all funds, excluding capital improvements funds, as set forth in the projections. City Council will amend the current fiscal year budget to projections annually through adoption of an ordinance amending the budget.

Contracts or purchases presented for City Council approval shall identify the budgeted amount for the item within the current approved budget. A budget amendment by City Council is only necessary if the total appropriation for the fund is increased. This could occur under, but is not limited to, the following situations:

1. The budgeted appropriation will be exceeded at the fund level prior to year-end.
2. Acceptance of a grant that was not included in the annual budget.
3. Appropriation from fund balances for items that were not budgeted.
4. A donation or sponsorship that exceeds budgeted revenues and cannot be absorbed within contingency funding.

To streamline the process, budget amendments are to be considered by City Council on an as-needed basis and then formally adopted by ordinance periodically. Each budget ordinance shall summarize and include all budget amendments approved by City Council for affected funds since the last ordinance was approved.

At year end, the annual operating budget will be amended by ordinance through projections and will reflect adjustments that were approved by the City Manager.

Capital Projects Budget Amendments

As capital projects are budgeted on a project length basis and not a fiscal year basis, a project budget needs approval of a budget amendment when one of the following applies:

1. Increase to project funding with a corresponding increase in revenues
 - a. Inter-local agreements
 - b. Award of a grant to enhance or expand the project
2. Reallocation of funding from one capital project to another, except:
 - a. When splitting funding for a project into multiple projects for tracking purposes when the total amount budgeted for the overall project does not change, or
 - b. When allocating additional funds from CIP fund balance to a project to accommodate a change order, as long as the additional funding needed does not exceed the lesser of 5% of the original project budget or \$50,000, and the change order does not need approval from City Council nor materially change the scope of the project.
3. Increase to project funding from the Capital Projects Fund Balance
4. Reduction to project budgets as discussed below:
 - Capital Project budgets shall be amended (reduced) when construction bids come in significantly under estimates, project estimates shall be adjusted to reflect the construction bid plus a sufficient contingency and other project needs, and the remaining budget shall be reduced as necessary to reflect savings.
 - When a project is funded from the issuance of debt, if the debt has not been sold at the time of the budget reduction, the revenue budget for bond proceeds shall be reduced accordingly.

Mid-Year Operating Deficits

During the fiscal year, the City may find revenues falling short of anticipated levels. If so, the City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year end. Corrective actions are to be implemented by the City Manager with a report to advise the City Council of the actions taken. Corrective actions in order of precedence are:

1. Manage Vacant Positions
2. Deferral of capital purchases
3. Expenditure reductions
4. Hiring freezes
5. Freeze merit increases
6. Use of fund balance, including Replacement Fund balances.
7. Increase fees
8. Lay-off employees

Short-term loans shall be avoided to balance the budget.

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a plan prepared as part of the annual budget to replenish the fund balance within two years if it is brought down below policy level.

Five-year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures shall be prepared in conjunction with the annual budget process for the following funds:

- General Fund
- Debt Service Funds
- Tourism Fund
- Water/Wastewater Utility Fund
- Surface Water Fund
- Airport Fund
- Economic Development Corporations
- Five-Year Capital Improvement Program

The forecast assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve the City's goals. The forecast will provide an understanding of available funding; evaluate financial risk; assess the likelihood that services can be sustained; assess the level at which capital investment can be made; identify future commitments and resource demands; and identify the key variables that may cause change in the level of revenue. The forecast will be used to identify anticipated financial issues so that a plan can be developed to correct anticipated issues before they become reality. The assumptions used to prepare the five-year forecast shall be consistent with those used to prepare the annual operating budget, unless specifically directed by a majority of City Council.

REVENUES AND OTHER RESOURCES

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which may adversely impact that source. The Budget Office shall maintain a revenue manual documenting the various revenue sources of the City and how those revenues are derived and estimated.

Property Taxes

- a. Taxes on Airport Value- Property taxes collected on taxable property at the Airport will be transferred to the Airport Fund to use for operations and development. This will ensure that users paying the property tax will see a direct benefit to the Airport.
- b. Rebates to Municipal Utility Districts (MUDs) – As stipulated in the individual utility agreements, the City has agreed to rebate a portion of City taxes collected on properties within in-city MUDs back to the districts through various utility agreements. Rebate payments shall be calculated based on the taxes collected by the City on properties within the district since the point of the last rebate calculation (quarterly or semi-annually depending on the MUD), less any refunds given on those properties during that period.
- c. Payments to Tax Increment Reinvestment Zones (TIRZ)- The City has several TIRZ established within the City. Taxes paid to the City on properties in each zone are paid to each TIRZ annually; payments due shall be adjusted for any refunds given on those properties since the last TIRZ payment was made.

Sales Tax Revenue

- a. Monthly, the Economic Development Corporations will be allocated their percentage of the actual monthly sales tax remittances.
- b. Of the remaining amount allocated to the City, funds will be allocated to General Fund operations, based upon the budgeted sales tax for operations, to ensure operating expenditures are funded. .
- c. Actual sales tax revenue received above the amount budgeted, on a cumulative annual basis, will be treated as one-time revenue and only used as identified in the section “use of non-recurring revenues” :
- d. Sales Tax from Sale of Aircraft
 1. Sales/Use tax remitted to the City that is determined to be from the sale/purchase of aircraft at the City’s Airport will be transferred to the Airport Fund, excluding the percent allocated to the Economic Development Corporations.
 2. The proceeds that are allocated to the Economic Development Corporations will be identified as potential funding for Airport projects that legally meet the requirements of the Corporations.

Administrative Services Charges

The City shall determine annually the administrative services charges due to the General Fund from the enterprise funds for overhead and staff support using a cost allocation model.

Utility Transfer to the Debt Service Fund for Assumed Water/Wastewater Debt

The Utility Fund shall transfer to the Debt Service fund an amount/percent calculated annually for water/wastewater infrastructure debt assumed by the City due to annexation and dissolution of municipal utility districts.

- a. The goal is to have water/wastewater debt funded by water/wastewater revenues as much as possible within the financial resources of the Utility Fund, without negatively impacting the utility fund.
- b. The City's intent is to fund a transfer amount that equates to 100% of the annual debt service requirements for water/wastewater debt in the Debt Service Fund.
- c. If the City should assume additional debt from municipal utility districts in the Debt Service Fund, the annual transfer for water/wastewater infrastructure debt will be reviewed and recalculated, if necessary. The overall percentage covered may need to be adjusted based on affordability.

Surface Water Revenues

The City will maintain a Surface Water Fund to account for revenues and expenses associated with the mandated reduction in groundwater usage.

- a. All participants in the City's Groundwater Reduction Plan will pay into the fund an amount based on water supplied at a rate established per 1,000 gallons (GRP fee).
- b. The GRP fee shall be paid monthly based on metered water pumped from groundwater sources.
- c. City customers will be billed a surface water fee based on billed water consumption. The City shall contribute monthly GRP fees to the Surface Water Fund for City customers.

Water/Wastewater Billings

Water, wastewater and surface water charges are billed in arrears, as customer meters are read monthly for the previous month's water usage. At year end, revenues are accrued to adjust revenues to full accrual basis but during the year, revenues are recorded on a modified accrual basis (when billed).

Revenue Collections

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City.

- a. The City shall contract for billing and collection services when it makes financial sense to do so.
 - a. Emergency Medical Transport billing requires a high level of knowledge relating to medical billing; in this case, outsourcing the billing & collection of EMS transport fees is the most prudent thing to do.
 - b. Property Tax billing & collection requires certification of a tax assessor/collector and significant staff time; contracting this service to Fort Bend County makes financial sense.
- b. The City shall contract for collection of delinquent receivables when it makes economic sense for the City to do so. The City currently contracts directly for the following delinquent receivables:
 - a. Court Fines & Warrants
 - b. Photographic Traffic Signal Fines
 - c. Emergency Medical Services
 - d. Miscellaneous Receivables, including Alarm Response Fees
 - e. Property Taxes- through the contract with Fort Bend County Tax Office
- c. Write-off of Uncollectible Receivables (excludes court fines and warrants)

- a. Receivables shall be considered for write-off as follows:
 - i. Undeliverable mail – accounts that remain outstanding for 6 months and all steps have been exhausted
 - ii. State Statute authorizing the release or extinguishment, in whole or in part, of any indebtedness, liability, or obligation, if applicable
 - iii. Accounts outstanding for 3 years, identified as uncollectible, and all attempts to collect have been taken
 - iv. The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City.
 - v. The City shall estimate uncollectible accounts through an allowance for doubtful accounts in each fund with receivables.

User Fees

The City shall design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified and sufficient revenue stream to support desired City services.

General Fund

- a. For services that benefit specific users the City shall establish and collect fees to recover the costs of those services.
- b. Where services provide a general public benefit, the City shall finance those services through property and sales taxes.
- c. For services that provide both specific benefits and a general public benefit, it may be appropriate to subsidize from property and sales tax revenues.
- d. Costs of Services are defined as full-cost; direct, indirect, and overhead.
- e. Factors in setting of fees shall include but not be limited to: market and competitive pricing, effect on demand for services, and impact on users, which may result in recovering something less than full cost.

Enterprise Funds

- a. Utility rates and other fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.
- b. The City shall seek to eliminate all forms of subsidization between the General Fund and Enterprise Funds
- c. The Five-Year Financial Plan shall serve as the basis for rate change considerations.
- d. If rate increases are necessary, the Five-Year Financial Plan shall be built around smaller rate increases annually versus higher rate increases periodically.

User Fee Creation and Revision

Working with the department or office, the Budget Office will determine the cost for each service and determine a full-cost price. Once a fee has been proposed for a particular service, the fee will be compared to market, evaluated for potential effects on users such as low-income households, market demands of service, etc. A fee will then be recommended to the City Manager and City Council based on all information gathered through the fee evaluation.

User fees shall be adjusted by the Houston- Sugar Land- Baytown MSA CPI annually as part of the budget process, and a fee ordinance shall be adopted at the beginning of each fiscal year to reflect the fee revisions. Fee changes are effective for all activity billed or generated after the effective date of the fee revision.

Non-Resident Surcharges

For services provided to municipal utility districts or individuals who reside outside the city limits, the City may assess an out-of-city service fee or non-resident user fee. The surcharges shall be set either as an additional percentage fee or a separate fee for non-residents and can be established by ordinance or by contract.

EXPENDITURES AND SERVICES

Operating Expenditures

Identify services, establish appropriate service levels and administer the expenditure of available resources to assure fiscal stability and the effective and efficient delivery of those services.

Purchasing and Vendor Selection

The City Manager shall maintain policies and procedures to ensure compliance with state laws relating to procurement of goods and services.

It is the policy of the city that, when lowest qualified bid is not the sole determining factor for a contract award, the contract shall be awarded to the highest ranked vendor based on merit as determined by a thorough evaluation by a team of staff evaluators. Merit factors that can be taken into consideration include: qualifications, past experience, quality of team, equipment, scheduling, and proven performance. In accordance with state law, City Council approval is required on purchases that will expend more \$50,000 of City funds over the term of the contract. After purchasing staff verification that all applicable state laws, purchasing policies, and procedures have been followed, a recommendation for award is made to City Council by staff.

Departmental & Office Business Plans

Departments and Offices shall prepare a business plan to define their operating objectives.

- a. The business plan should provide a link between the budget and the services provided; there should be no gaps or holes in accountability, either in accounting for resources provided or in defining services delivered.
- b. The business plan shall include an organizational chart, service description and service levels, and measures that indicate how well the service is being delivered.
- c. The business plan shall include an explanation of how services are delivered (by city staff or contracted) and expected results of the service delivery.

Annual Program of Services

Annually, as part the budget document, a program of services for each department will be established for the ensuing year. The program of services will include a summary of services and service levels from the business plan, as well as service level expectations and staffing levels.

Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

Periodic Program/Service Reviews

The City Manager and staff shall undertake periodic reviews of City programs and services for both efficiency and effectiveness. Outsourcing and contracting with other governmental agencies and/or the private sector will be evaluated as alternative approaches to service delivery. Programs or services determined to be inefficient and/or ineffective shall be recommended through the annual budget process to be reduced in scope or eliminated.

Outsourcing of City Services

The City provides many municipal services to its citizens covering a wide variety of disciplines. Attempting to perform all of these services in-house could dilute the City's efficiency and not be cost effective. Two of the management tools utilized by the City to maximize efficiency and cost effectiveness are outsourcing and managed competition processes, the mere consideration of which provides economic benefits that flow from competition. The economic benefits of competition include lower costs and improved quality of performance irrespective of whether a given service is ultimately performed in-house or outsourced.

FUND BALANCE/WORKING CAPITAL

Maintain the fund balance and working capital of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position during emergencies or economic fluctuations. Should the budgeted fund balance drop below the minimum identified by the policy below, the City will establish a plan to replenish the balances within two years.

Governmental Fund Balances

There are five categories of Fund Balance in all governmental funds, not all will always be present. The categories are defined below:

1. Non-spendable- cannot be spent due to being non-spendable in form or the city being legally or contractually required to maintain this amount intact.
2. Restricted- balances are subject to external restrictions from creditors, grantors, contributors, or laws of other governments.
3. Committed- use of funds is only for specific purposes as determined by City Council. City Council will approve obligations of funds such as multi-year contracts prior to the end of the fiscal year.
4. Assigned- intended use of balances for specific purposes is established by the City Council or delegated to the City Manager that is neither restricted or committed and includes the remaining positive balance of all governmental funds except the General Fund. Balances for encumbrances, other than those committed by City Council, fall into this category.
5. Unassigned- balances are available for any purpose; excess fund balances after above categories have been deducted. This type of balance is reported in the General Fund and negative fund balances in other than General Fund.

General Fund Unassigned Fund Balance

The City must maintain a General Fund unassigned fund balance equivalent to at least three months of normal recurring operating costs, based on current year budgeted expenditures. If the fund balance exceeds this amount, the amount in excess of policy requirements may be utilized to fund one-time expenditures in the next fiscal year's budget.

Other governmental operating funds that do not have a policy minimum defined shall adhere to the general fund balance policy.

The City will typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Working Capital of Enterprise Operating Funds

In enterprise operating funds, the City shall maintain working capital sufficient to provide for reserves for emergencies and revenue shortfalls, specifically in the Utility and Airport Funds. Enterprise funds without major infrastructure or assets will have no minimum balance requirement. A cash equivalent operating reserve will be established and maintained as follows:

1. Utility Fund - 25% of the current year's budget appropriation for recurring operations and maintenance.
2. Airport Fund - 25% of the current year's budget appropriation for recurring operations and maintenance, excluding fuel for resale.
3. Surface Water Fund – 50% of the current year's budgeted expenses, less any debt service reserve requirements. Funds in the reserve may be utilized as a general purpose reserve without limitation to type (debt, capital expense, etc).

The cash equivalent operating reserve is derived by dividing the total cash equivalents balance by recurring operating expenses. (Cash equivalents = Cash + Investments + Accounts Receivable – Accounts Payable)

Use of Fund Balance/Working Capital

Fund Balance/Working Capital shall be used only for emergencies, non-recurring expenditures/ expenses, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce balances below the level established as the minimum for that fund, the request/decision to utilize said balances will include a plan to replenish funds within two years.

Inter Fund Loans

Through the long range financial planning process, the City may identify a short term capital financing need that does not qualify for debt financing, and funds are available in special revenue or enterprise funds balances. An inter fund loan is a loan from one fund to another that specifies repayment terms, and requires approval by City Council Resolution. Inter fund loans may not be used to support operating needs, but are allowable for cash flow needs related to capital projects involving third party financial transactions, such as grants or reimbursements.

Inter fund loans may be considered in cases where a short term loan is needed to cash-flow a project that does not qualify for tax-exempt bond financing. An example of this situation, but not limiting to this case, is a future reimbursement by a grant or developer for project funding that needs to move forward prior to funds being available. This is similar to how the IRS allows the City to reimburse itself from future bond proceeds, except the funds are coming from a source other than tax exempt bonds. Inter fund loans may be considered when one fund has excess reserves (over policy requirements) that are not anticipated to be needed prior to repayment.

The inter fund loan shall be documented by City Council Resolution and shall define the following:

1. Source of the Funding
2. Use of the Funds (project)
3. Maximum Amount
4. Repayment Schedule
5. Interest accrual, consistent with City investment rates

The proposed inter fund loan shall be identified during the annual budget and CIP process as a funding source, and discussed with the Council Finance/Audit Committee prior to the Resolution being considered by City Council. Any changes to repayment terms shall be approved by City Council via Resolution and clearly identified in the budget document.

Debt Service Funds

The City shall maintain the debt service fund balance at 10% of annual debt service requirements OR a fund balance reserve as required by bond ordinances, whichever is greater.

The City shall maintain a separate Debt Service Fund for any taxable bonds. This debt service fund shall have a reserve requirement separate from the tax –exempt debt service fund to be defined in the bond documents as bonds are issued.

Internal Service Funds

1. Fleet Replacement Fund-The Fleet Replacement Fund reserve will be maintained based upon a lifecycle or useful life replacement plan to ensure adequate fund balance required for systematic replacement of fleet vehicles. Fund Balance shall not be less than 10% of the total inventory asset value.
2. Technology Replacement Fund- The High Technology Replacement Fund reserve will be maintained based upon a lifecycle or useful life replacement plan to ensure adequate fund balance required for systematic replacement of technology. Fund Balance shall not be less than 10% of the total inventory asset value.
3. Employee Benefits Fund- The Employee Benefits Fund is funded through City and employee contributions. Estimated costs shall be determined during each budget year and the contributions adjusted accordingly. This fund should carry a reserve equal to the maximum amount that the City is liable for before aggregate stop loss coverage kicks in. If the reserve drops below this level, the City should increase contributions to the fund over the next 2 years, until the aggregate stop loss liability is met.

Special Revenue Funds

Tourism Fund is supported by a 7% City tax on hotel occupancy within the City, which can fluctuate based on changes in the economy. A fund balance of no less than 10% of budgeted occupancy tax collections shall be maintained in the fund.

Economic Development Corporations

As sales taxes fluctuate due to changes in the economy, the SLDC and SL4B Corporations shall maintain a minimum fund balance of 15% of budgeted annual sales tax revenues.

CAPITAL EXPENDITURES AND IMPROVEMENTS

City staff will review and monitor the state of the City's capital equipment and infrastructure annually, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

Capitalization Threshold for Tangible Capital Assets

Tangible capital items should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and has a cost of not less than \$5,000 for any individual item.

The capitalization threshold of \$5,000 will be applied to individual items rather than to a group of similar items, (i.e.: desks, chairs, etc.) unless doing so would have a material impact on financial reporting. The capitalization threshold for infrastructure will be \$50,000 or more.

GASB requires software to be capitalized if criteria described in GASB Statement 51 (Accounting & Financial Reporting for Intangible Assets) is met. Internally developed or contracted development of or off-the-shelf and then modified software should be capitalized given cost & useful life threshold is met. Other licensed software implemented without modification or minimal modification is not capitalized.

To maintain adequate control over non-capitalized tangible items, items costing \$1,000 to \$4,999 will be monitored and tracked through the City's financial software system.

Five-Year Capital Improvement Plan (CIP)

The City shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the City's infrastructure, replacement and renovation needs, and potential new projects. Capital projects are improvements or additions to the City's physical plant/facilities and become part of the City's asset inventory. Capital projects can be further categorized into land, buildings, improvements other than buildings, and infrastructure, which includes roads, sidewalks, bridges, utility lines, etc. Capital costs typically consist of preliminary design, final design, and construction, and may involve the acquisition of land or easements. For every project identified in the plan, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.

Citizens, Parks Board and the Planning and Zoning Commission will be provided opportunities to review the list of CIP projects for the Five-Year Capital Improvement Plan and may suggest additions and/or changes to the plan as appropriate. Pursuant to the City Charter, the Planning & Zoning Commission makes recommendations to the City Manager and the City Council on the City's Five-Year Capital Improvement Plan.

The City Manager is charged with recommending a Capital Improvement Plan to City Council. Projects submitted, either by staff, through a neighborhood or citizen request, or through joint participation, will be reviewed in conjunction with the entire capital improvement program and submitted to City Council for final consideration. The Five-Year Capital Improvement Plan shall be filed and year one funding approved with the annual budget. Years two through five are for planning purposes only, and may move up, back, or be phased as the project becomes more refined based on preliminary engineering and design work gets completed.

The Five-Year CIP shall be limited to the affordability limits identified in the long-range financial plans of the City, taking into consideration pay-as-you go funding debt capacity, operating costs, etc. Affordability shall be determined by the revenue assumptions used to build the five year forecast.

Projects that cannot be funded in the Five Year CIP using the affordability assumptions will be included in the CIP for future reference as an appendix of unfunded requests, and considered for future funding or a bond referendum

The City will establish and maintain Capital Project Funds based on various funding sources as identified below:

- General Capital Projects (non-bond) - includes projects funded from general fund transfers, grants and other funding sources.
- Corporation Capital Projects (non-bond)- supported by funding resolutions of the Sugar Land Development Corporation and Sugar Land 4B Corporation. Projects must qualify for funding by the respective corporation and meet all applicable public notice and public hearing requirements.
- General Capital Projects (tax-exempt bond funds)- supported by proceeds of tax exempt bonds that are to be repaid from property taxes and interest earned thereon; projects funded from this source must be consistent with the uses identified in the bond documents.
- Taxable Bonds Capital Projects- supported by proceeds of taxable bonds that are to be repaid from sources other than property taxes.
- Federal Grant Funded Capital Projects- funding for federally funded projects, which have additional requirements that must be met; this includes matching funds from the state, which are pass-through from federal funding sources.
- Utility Enterprise CIP (non-bond) - includes projects funded from revenues of the utility system. Includes rehabilitation of infrastructure to extend its useful life. Revenues are budgeted as a transfer from the Utility System Operating fund.
- Utility Enterprise CIP (bond funds) - supported by proceeds of tax-exempt bonds that are to be repaid from enterprise utility revenue sources. Bonds payable are recognized in the Utility Enterprise Fund as long term liabilities.
- Surface Water CIP (non-bond)- includes projects funded from revenues of the surface water fund. Includes projects that facilitate the objectives of the Groundwater Reduction Plan. Revenues are budgeted as a transfer from the Surface Water Operating fund.
- Surface Water CIP (Bond Funds)- supported by proceeds of tax-exempt bonds that are to be repaid from the Surface Water Enterprise Fund. Bonds payable are recognized in the Surface Water Enterprise Fund as long term liabilities.
- Airport Enterprise CIP (non-bond) - includes projects funded from revenues of Sugar Land Regional Airport and outside funding sources. Revenues are budgeted as a transfer from the Airport Operating fund or as grants from third parties (FAA/TxDOT).
- Airport Enterprise CIP (bond funds) - supported by proceeds of tax-exempt bonds that are to be repaid from enterprise airport revenues. Bonds payable are recognized in the Airport Enterprise Fund as long term liabilities.

Annually, through the budget process and at year-end, projects are to be reviewed and if identified as complete will be closed according to the Project Close-out Procedures by Budget and Engineering, and any remaining funds closed to the CIP fund balance, which can then be re-appropriated during the next fiscal year capital budget. Funds remaining from bond proceeds will only be used in accordance with the legal use of those funds.

Appropriations for capital projects are for the life of the project; therefore, re-appropriation of capital funding for budgeted projects will not be necessary.

1. Infrastructure Evaluation and Replacement/Rehabilitation

Water, wastewater, drainage, street lighting, streets and sidewalks, municipal facilities, and other infrastructure are fundamental and essential functions for public health and safety, environmental protections and the economic well-being of the City. As a result, the City's CIP should be focused on ensuring that infrastructure is replaced or rehabilitated as necessary to protect the City's investment, to minimize future replacement and maintenance costs, extend the useful life of the asset, and to maintain existing levels of service and accommodate growth.

Infrastructure will be replaced or rehabilitated at the end of its useable service life if it is financially feasible to do so.

2. If upgrades are warranted to meet current design standards, a cost/benefit analysis will be performed. (See Infrastructure Evaluation Policy)

Community Redevelopment Projects

A Community Redevelopment Project is a capital project approved, funded, and implemented within an identified neighborhood for the purpose of upgrading public infrastructure to an established standard without regard to the remaining serviceable life of the infrastructure. Requests will be reviewed and prioritized in conjunction with the entire capital improvement program and within the City's financial ability for pay-as-you-go funding, not to exceed ½ of one percent of the total City operating budget. There will be a dollar for dollar match to City funds from non-City third-party sources. (See Capital Improvement Projects for Community Redevelopment Policy)

Joint Capital Improvement Projects

The City will establish guidelines for City participation in Joint Capital Improvement Projects with community based organizations that would either add to or enhance the City's Five-Year Capital Improvement Plan (See Resolution 14-27, Policy No. 5000-09 Joint Capital Improvement Projects with Community Based Organizations using Sugar Land 4B Funds)

The projects must benefit the general public and be located in the public right of way. In the proposed budget, \$200,000 will be set aside annually for the City's participation in these type projects, funded through the Sugar Land 4B Corporation, pending funds availability and subject to approval by the City Council. A maximum of \$75,000 will be contributed to any one project, and in no case will the Corporation contribute over 50% of project funding. The request will be reviewed, verified to ensure the request meets the criteria set forth in the policy, and prioritized within the financial ability of the Sugar Land 4B Corporation.

Replacement of Capital Assets on a Regular Schedule (Fleet and Technology)

The City shall annually prepare a schedule for the replacement of its fleet and high technology capital assets. Funding for the replacement of these assets will be accomplished through the use of an annual depreciation structure charged to each participating fund at 100% of annual depreciation based on lifecycle or useful life of the asset. Within the resources available each fiscal year, the City shall replace these assets according to the Fleet and High Technology Replacement Policies.

Capital Expenditure Financing

The City recognizes that there are three basic methods of financing its capital requirements: Funding from current revenues; funding from fund balance/working capital as allowed by the Fund Balance/Working Capital Policy; or funding through the issuance of debt. Types of debt and guidelines for issuing debt are set forth in the Debt Policy Statements.

Pay-As-You-Go Capital Improvements

1. The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt when funding capital improvements and capital purchases. This will reduce/minimize the property tax and utility rate impacts on Sugar Land citizens.
2. Pay-as-you-go projects shall be budgeted based on funding available in the section on Revenues
3. Unless CIP balances are sufficient to pre-fund pay-as-you-go projects, scheduling of pay-as-you-go capital improvement projects shall coincide with the collection and accumulation of sales tax and system revenues. CIP projects shall be initially scheduled based on the budgeted accumulation of funding. CIP projects funded by pay-as-you-go funding must receive approval from the Budget Office before they begin, to ensure funding is available.

Capital Projects Management

Capital project status reports shall be completed by project managers monthly, and project status and issues shall be reported to the City Council quarterly.

- a. Project Close Out- A project will be closed once the original scope of the stated project has been completed as determined by Engineering and the project manager.
- b. Remaining Funds- Funds left in a project after completion shall be closed out and fall to the CIP fund balance. Engineering, Accounting and Budget will identify and close out projects on a quarterly basis to facilitate identification of funds that can be used for other projects.
- c. Annual rehabilitation projects- unused funds budgeted for annual rehabilitation and repairs will close out at the end of each fiscal year if not encumbered.

DEBT

Establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

Use of Debt Financing

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligations, certificates of participation, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets that cannot be prudently acquired from either current revenues or fund balance/working capital and to fund infrastructure improvements and additions. Debt financing is utilized to better ensure inter-generational equity by spreading payments of assets and infrastructure over their useful lives. Debt will not be used to fund operating expenditures.

The City will pay cash when possible for capital improvements within the financial affordability of each fund versus issuing debt when funding capital expenditures and capital improvements. Projects that are rehabilitative in nature shall be earmarked for funding from cash instead of debt when possible. (This is not intended to include reconstruction projects that significantly extend the useful life of an asset.) Cash sources include, but are not limited to general fund one-time revenues, utility and airport system revenues, economic development corporation funding, developer fees, inter-local agreements, and state and federal grants.

Bond Ratings

In evaluating the issuance of additional debt to finance projects, the City shall take into account the statements of the rating agencies in regards to the City's financial condition.

Ratings reflect the assessment of the following factors, and these must be evaluated to determine the impact of potential bond issues:

- Local economic activity
- Strong financial policies as evaluated under the Financial Management Assessment methodology
- Budgetary performance & flexibility
- Total liquidity and reserve balances
- Debt and contingent liability- evaluation of debt carrying costs as a percent of expenditures
 - With adjustments for self-supporting debt
- Impact of future debt issuance on bond ratings/debt profile and outlook

Affordability

The City shall use an objective analytical approach to determine whether it can afford to issue new general-purpose debt, both General Obligation bonds and Certificates of Obligation. This process shall compare City accepted standards of affordability to the current values for the City. These standards may include debt per capita, debt as a percent of taxable value, taxable value per capita, and tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures. In addition, the analysis will evaluate the capacity within the General Fund to take on the operating expenditures associated with the completion of the proposed capital improvements. When a project will have a significant impact on the operating budget, the tax rate shall be shifted from debt service to maintenance & operations to support the increased expenditures. Further debt capacity shall be evaluated based on the remaining debt service tax capacity. The decision on whether or not to issue new debt shall be based on these costs and benefits, current conditions of the municipal bond market, and City's ability to "afford" new debt as determined by the aforementioned standards.

Debt Capacity

The City shall complete an annual debt capacity assessment to ensure that proposed debt is affordable and contributes to the financial strength of the City. The debt capacity is the upper limit on the dollar amount of capital improvements that the City can afford to fund from debt.

Debt capacity calculations for long-term planning shall assume market rates for the average annual interest costs at the time the capacity is determined. The analysis shall not assume future refunding of any outstanding bonds and shall consider both debt service requirements on current and proposed debt.

For property tax supported debt, maximum capacity shall be determined by an amount of annual debt service that the City can absorb within the proposed tax rate allocation for debt based on assumed growth in assessed valuation.

For revenue debt, maximum capacity shall be determined by the amount of annual debt service that the City can absorb within a proposed rate structure that has been reviewed with City Council and which can support the proposed debt within the additional bonds test as defined in the revenue bond covenants. The City shall not exceed debt capacity as defined through bond covenants or fall below bond coverage ratios for additional revenue bonds.

Factors that will be included in the annual debt capacity determination shall include:

- Existing debt obligations

- Evaluation of revenue and expenditure trends
- Various measures of debt burden on the community
- Debt per capita
- Debt to assessed value ratio
- Taxable value per capita
- Statutory or constitutional requirements
- Market factors such as interest rates, credit ratings or market status

Certificates of Obligation (CO's)

Certificates of Obligation may be issued without voter approval to finance any public works project or capital improvement, as permitted by State law. However, it is the policy of the City to utilize Certificates of Obligation to finance public improvements in certain circumstances and only after determining the City's ability to assume additional debt based on the standards identified above.

Circumstances in which Certificates might be issued include, but are not limited to the following:

- The City may issue CO's when there is insufficient funding on a general obligation bond-financed capital improvement;
- The City may issue CO's when conditions require a capital improvement to be funded rapidly rather than waiting for a GO bond election;
- The City may issue CO's for projects when the City can leverage dollars from others to reduce the City's capital cost for a community improvement;
- The City may issue CO's for projects when there is no other funding source available and the project is determined to be in the best interest of the City.
- The City may issue CO's if it would be more economical to issue Certificates of Obligation rather than issuing revenue bonds; and
- The City may issue CO's for projects for which the City will be reimbursed by Developer (principal plus interest)

General Obligation Bonds (GO's)

General Obligation bonds require voter approval. When the list of unfunded projects contains projects that the City Council wishes to fund but cannot afford, then the City will consider taking a GO Bond Proposition(s) to the voters.

1. Bond Elections-

- a. Timing of general obligation bond elections shall be determined by the inventory of current authorized, unissued bonds remaining to be sold and the City's ability to fund projects in the five-year CIP
 - b. The total dollar amount of bond election propositions recommended to the voters may not exceed the City's estimated ability to issue the bonds within a seven-year period after the election passes.
 - c. An analysis showing how the new debt combined with current debt impacts the City's tax rate and debt capacity will accompany every bond issue proposal. The analysis will also include the estimated impact on the operations and maintenance portion of the tax rate.
2. General Obligation bonds must be issued to accomplish projects identified in the bond referendum and associated material.

3. General Obligation bonds must be issued for projects that are consistent with the wording in the bond propositions.
4. In the tax year after a GO bond election, the tax rate is to be increased by the projected impact - before any projects from the GO bond election are funded in the CIP. If the tax rate is not adjusted to fully fund approved projects, the projects will not be included in the CIP nor bonds issued.

Revenue Bonds

For the City to issue new revenue bonds, revenues, as defined in the ordinance authorizing the revenue bonds in question, shall be a minimum of 125% of the average annual debt service and 110% of the debt service for the year in which debt requirements are scheduled to be the greatest. Annual adjustments to the City's rate structures for enterprise funds will be made as necessary to maintain the coverage factor.

When the City issues CO's for enterprise fund projects, the City shall prepare a five-year financial plan to ensure that the enterprise fund maintains appropriate reserves and coverage requirements without overly burdening rates and user fees.

General purpose reserves in the Surface Water Fund shall be maintained at levels high enough to meet debt service payments, if pledged revenues should fall short of projections, in addition to serving as a normal operating reserve. Future Surface Water projects will be funded through the issuance of revenue bonds.

Debt Structures

- The City shall normally issue bonds with a life not to exceed 25 years for general obligation bonds and 25 years for revenue bonds, but in no case longer than the useful life of the asset.
- The City shall seek level or declining debt repayment schedules and shall seek to retire 50% of the total principal outstanding within 10 years of the year of issuance.
- There should be no debt structures that include increasing debt service levels in subsequent years, with the first and second year of a bond payout schedule the exception or as special situations may warrant.
- There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term.
- There shall always be at least interest paid in the first fiscal year after a bond sale and principal payments starting generally no later than the second fiscal year after the bond issue.
- Normally, there shall be no capitalized interest included in the debt structure except for debt issuances reimbursing developers for infrastructure, which shall not exceed 2 years of capitalized interest.

Debt Refunding

The City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed 3.0% of the refunded maturities unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt.

Interest Earnings and Remaining Bond Proceeds

Interest earnings on bond proceeds will be limited to funding changes to the bond financed Capital Improvement Plan in compliance with the voted propositions, cost overruns on bond projects, or be applied to debt service payments on the bonds issued. Issued but unspent bond proceeds may be appropriated for projects consistent with the ballot language after completion of projects identified in the approved bond propositions.

Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing. The City shall award the bonds based on a true interest cost (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

Underwriting Syndicates

In response to the MSRB Rule G-17, which recognizes that the motivations of an underwriter may not be consistent with the best interest of the City, the City shall refer underwriters to its Municipal Advisor to review potential refunding opportunities. The City's municipal advisor is prohibited from underwriting the City's bonds while under contract with the City for municipal advisory services, and for a period of one year after termination of the municipal advisory contract.

The City will consider past participation and results of competitive City of Sugar Land and component unit bond sales when engaging one or more firm to underwrite a negotiated bond transaction.

Rating Agency Presentations

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. City staff, with the assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, currently Standard & Poor's and Fitch Ratings Inc., as recommended by the City's municipal advisor.

Bond Ratings

The City will prudently manage the General, Economic Development Corporations, and Enterprise Funds and attempt to issue and structure debt to help maintain or increase the current bond ratings.

Lease/Purchase Agreements

The City will use lease/purchase agreements for capital items (such as fire trucks) when it is cost-efficient and provides for more attractive terms than issuance of bonds.

CASH MANAGEMENT AND INVESTMENTS

To maintain the City's cash in such a manner so as to ensure the absolute safety of principal, to meet the liquidity needs of the City, and to achieve the highest possible yield in compliance with the Public Funds Investment Act (Chapter 2256 of the Local Government Code or equivalent provision) and the City's Investment Policy & Strategy, as adopted annually by City Council.

Investment Policy

All aspects of cash/investment management shall be designed to ensure safety and integrity of the City's financial assets. Cash/Investment management activities shall be conducted in full compliance with prevailing local, state, and federal regulations. Please reference the City's Investment Policy as adopted annually by City Council.

The City shall design and establish policies relating to a variety of cash/investment management issues, such as the eligibility and selection of various broker/dealers, safekeeping requirements, collateral requirements, delivery

versus payment requirements, weighted average maturity requirements and such other aspects of the program, which necessitate standard setting in pursuit of appropriate prudence and enhanced protection of assets.

Investment Strategy

The City of Sugar Land maintains a consolidated portfolio in which it pools its funds for investment purposes. The City's investment program seeks to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yield commensurate with the preservation of principal and liquidity. Refer to the City's Investment Strategy as adopted by City Council annually for detail.

Interest Income

Interest earned from investments shall be distributed to the funds from which the funds were provided.

Arbitrage Investments and Reporting

The City's investment position as it relates to arbitrage is as follows: Investments on bond proceeds will be made with safety of principal and liquidity in mind, but with a competitive rate of return. Investment of bond proceeds will be clearly tracked and investment earnings recorded for arbitrage purposes.

Depository Bank

The City of Sugar Land will select its official bank depository through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available. The City will at a minimum, bid depository services every five years. Only officials authorized by the City Council through the depository contract may open accounts in the name of the City or its component units.

Collateralization of Deposits

The City of Sugar Land shall have pledged collateral held at an independent third-party institution and evidenced by a written receipt.

The value of the pledged collateral should be marked to market monthly and shall be at least 102 percent of par or market value of the investments, whichever is greater. The City's depository bank monitors the required collateral and makes necessary adjustment to increase or decrease it.

Substitutions of collateral shall meet the requirements of the collateral agreement and have prior written approval. Collateral shall not be released until the replacement collateral has been received.

The pledge of collateral shall comply with the City's Investment Policy.

GRANTS

The City will seek, apply for, and effectively administer federal, state and local grants, which support the City's current priorities and policy objectives.

Grant Guidelines

The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priority needs identified by Council and City Management.

Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs.

The potential for incurring ongoing costs, to include assumptions of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

Grant Review and Acceptance

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the City's goals. If there is a cash match requirement, the source of funding shall be identified prior to application. (Refer to City's Inter-Departmental Grant Policy AC104)

All grants must be reflected in the budget. Grants may be officially accepted by action of the City Council during budget adoption or with a budget adjustment. If the funding is not already included in the annual budget, the budget shall be amended to reflect revenues and expenditures associated with the grant.

Grant Termination and/or Reduced Grant Funding

In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process, unless the City is obligated through the terms of the grant to maintain the positions.

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions after the grant period ends.

ORDINANCE NO. 2143

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND ADOPTING THE ANNUAL BUDGET FOR THE CITY OF SUGAR LAND, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; APPROPRIATING THE SUMS AS SET FORTH THEREIN; ADOPTING THE CAPITAL IMPROVEMENTS PROGRAM 2019 – 2023; AND ADOPTING A COMPENSATION PLAN.

WHEREAS, section 6.03 of the City Charter requires that the:

- (1) City manager prepare an annual budget for the ensuing fiscal year;
- (2) City manager submit to the city council for its review, consideration and revision, both a letter describing the proposed budget as well as a balanced budget for the forthcoming fiscal year, not later than sixty days prior to the end of the City's fiscal year;
- (3) Budget, as adopted, set forth the funding for services, programs, and activities of the various city departments and meet all fund requirements provided by law and required by bond covenants;
- (4) Budget include a multi-year capital improvement program and a current year capital budget;
- (5) Budget not be adopted or appropriations made unless the total of estimated revenues, income and funds available are equal to or in excess of the budget or appropriations, except as otherwise provided by the Charter; and
- (6) Budget be adopted by ordinance by one reading not later than the 25th day of the last month of the fiscal year; and

WHEREAS, Chapter 102 of the Texas Local Government Code requires that the:

- (1) City manager file the proposed budget with the city secretary before the 30th day before the date the city council makes its tax levy for the fiscal year; and
- (2) City council hold a public hearing on the proposed budget at least fifteen days after the date the budget is filed with the city secretary but before the date the city council makes its tax levy, notice of which hearing is to be published as required by law; and

WHEREAS, all the requirements of the City's Charter and State law have or will be met upon passage of this ordinance; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

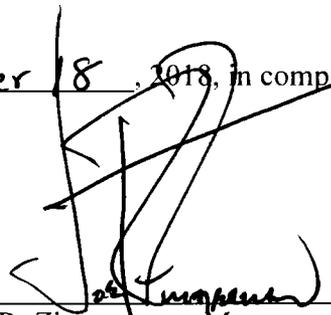
Section 1. That the budget of the City of Sugar Land, Texas, for the fiscal year beginning October 1, 2018, and ending September 30, 2019, as shown in attached Exhibit A, is adopted and the amounts specified therein for the programs, services, and activities of the City's various departments are appropriated as shown therein.

Section 2. That the Capital Improvements Program 2019 - 2023, as set forth in Exhibit B, is adopted.

Section 3. That the Compensation Plan, as set forth in Exhibit C, is adopted.

Section 4. That the budget as approved be filed with the City Secretary who in turn is authorized and directed to comply with all filing, publication and other requirements set forth in Chapter 102, Texas Local Government Code, including filing copies of this ordinance and the budget with the County Clerk of Fort Bend County, Texas, and including posting the cover page, record vote, property tax rates and such other information on the City's website as may be legally required.

APPROVED on one reading on September 18, 2018, in compliance with section 6.03 (b) of the City's Charter.



Joe R. Zimmerman, Mayor

ATTEST:

APPROVED AS TO FORM:



City Secretary



Meredith Reed

Attachments: Exhibit A – 2018-2019 Budget
Exhibit B – 2019 - 2023 Capital Improvements Program
Exhibit C – Compensation Plan

ORDINANCE NO. 2142

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, LEVYING A PROPERTY TAX RATE FOR THE YEAR 2018; AND DIRECTING THE TAX ASSESSOR-COLLECTOR TO ASSESS, ACCOUNT FOR, AND DISTRIBUTE THE PROPERTY TAXES AS HEREIN LEVIED.

WHEREAS, Section 26.05 (a) of the Tax Code requires taxing authorities to adopt a property tax rate before the later of September 30 of each year or the 60th day after the date of receipt of the certified appraisal roll; and

WHEREAS, Section 26.05 (a) of the Tax Code requires the property tax rate be approved separately in two components: (1) Maintenance and Operations; and (2) Debt Service; and

WHEREAS, Section 26.05 (b) of the Tax Code requires that the vote on the ordinance setting a tax rate that exceeds the effective tax rate must be a record vote; and

WHEREAS, Section 26.05 (b) of the Tax Code additionally requires that a motion to adopt an ordinance setting a tax rate that exceeds the effective tax rate must be made in the following form:

"I move that the property tax rate be increased with the adoption of a tax rate of \$0.31762, which is effectively a 2.63 percent increase in the tax rate"; and

WHEREAS, Section 26.05 (b) of the Tax Code further requires that if the ordinance sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must include in the ordinance in type larger than the type used in any other portion of the ordinance the following statement:

"THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

if the tax rate exceeds the effective maintenance and operations rate, the following statement:

"THE TAX RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE) PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$(Insert amount)"; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That the property tax rate per \$100.00 valuation for the City of Sugar Land for tax year 2018 is adopted as follows:

| | |
|----------------------------|-----------|
| Maintenance and Operations | \$0.18131 |
| Debt Service | \$0.13631 |
| Tax Rate | \$0.31762 |

Section 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

Section 3. That the record vote of the City Council adopting this ordinance is:

Council Members voting FOR adoption:

Joe R. Zimmerman, Himesh Gandhi, Amy Mitchell, Carol McCutcheon, Jennifer Lane

Council Members voting AGAINST adoption:

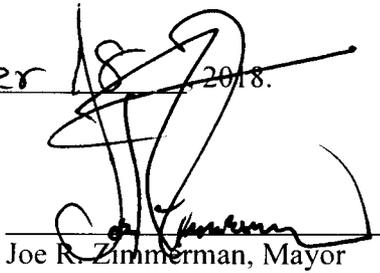
Steve R. Porter, Bridget R. Yeung

Council Members absent:

None

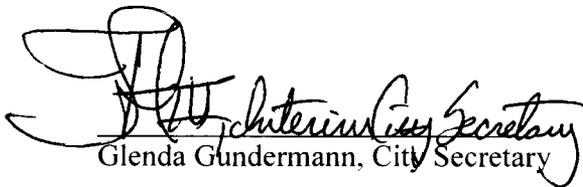
Section 4. That this ordinance is adopted upon one reading in compliance with Section 6.03 of the City Charter.

APPROVED on September 18 2018.



Joe R. Zimmerman, Mayor

ATTEST:



Glenda Gundermann, City Secretary

APPROVED AS TO FORM



**CITY OF SUGAR LAND
SALARY STRUCTURE
FOR NON-EXEMPT POSITIONS
FY19 - FINAL**

| Range | Position Title | Minimum | Midpoint | Maximum |
|---------------------|------------------------------------|-----------|-----------|-----------|
| N-01 | COURIER | \$ 12.91 | \$ 16.39 | \$ 19.87 |
| | CUSTODIAN | \$ 26,853 | \$ 34,091 | \$ 41,330 |
| N-02 | CUSTOMER SERVICE REPRESENTATIVE I | \$ 13.55 | \$ 17.21 | \$ 20.85 |
| | GENERAL MAINTENANCE WORKER I | \$ 28,184 | \$ 35,797 | \$ 43,368 |
| N-03 | CAFÉ ATTENDANT I | \$ 14.24 | \$ 18.07 | \$ 21.93 |
| | COURT CLERK | \$ 29,619 | \$ 37,586 | \$ 45,614 |
| | KENNEL TECHNICIAN | | | |
| | PERMIT TECHNICIAN | | | |
| | RECORDS CLERK | | | |
| | TRAFFIC TECHNICIAN I | | | |
| N-04 | 311 CONTACT CENTER AMBASSADOR | \$ 14.95 | \$ 19.12 | \$ 23.31 |
| | AIRPORT SERVICES REP I | \$ 31,096 | \$ 39,770 | \$ 48,485 |
| | BILLING/COLLECTION SPEC. I | | | |
| | CAFÉ ATTENDANT II | | | |
| | CUSTOMER SERVICE REPRESENTATIVE II | | | |
| N-05 | ADMINISTRATIVE ASSISTANT | \$ 15.83 | \$ 20.26 | \$ 24.70 |
| | ANIMAL SERVICES OFFICER I | \$ 32,926 | \$ 42,141 | \$ 51,376 |
| | BILLING SPECIALIST II | | | |
| | COURT DOCKET SPECIALIST | | | |
| | GENERAL MAINTENANCE WORKER II | | | |
| | LINE CREW I | | | |
| | PARKS FACILITIES TECHNICIAN | | | |
| | SR. PERMIT TECHNICIAN | | | |
| | VETERINARY TECHNICIAN | | | |
| WARRANT CLERK | | | | |
| N-06 | AIRPORT MATERIALS SPECIALIST | \$ 16.79 | \$ 21.48 | \$ 26.18 |
| | AIRPORT SERVICES REP II | \$ 34,923 | \$ 44,678 | \$ 54,454 |
| | ANIMAL SERVICES OFFICER II | | | |
| | CONTRACT SERVICES MONITOR | | | |
| | FACILITIES SERVICES TECHNICIAN | | | |
| | FACILITY SUPPORT SPECIALIST | | | |
| | LINE CREW II | | | |
| | PUMP & MOTOR TECHNICIAN I | | | |
| WARRANT COORDINATOR | | | | |
| | WATER QUALITY TECHNICIAN | | | |
| N-07 | ACCOUNTS PAYABLE SPECIALIST | \$ 17.80 | \$ 22.95 | \$ 28.11 |
| | AUTOMOTIVE TECHNICIAN I | \$ 37,024 | \$ 47,736 | \$ 58,469 |
| | CAFE SUPERVISOR | | | |
| | DEPARTMENT SPECIALIST | | | |
| | LINE CREW III | | | |
| | PUMP & MOTOR TECHNICIAN II | | | |
| | ACCOUNTANT I | \$ 19.13 | \$ 24.69 | \$ 30.25 |
| | ADMINISTRATIVE SUPERVISOR | \$ 39,790 | \$ 51,355 | \$ 62,920 |
| | AIRPORT OPERATIONS AGENT | | | |
| | ANIMAL SHELTER SUPERVISOR | | | |

| Range | Position Title | Minimum | Midpoint | Maximum |
|-------------------------------|--------------------------------------|-----------|-----------|-----------|
| N-08 | CODE ENFORCEMENT INSPECTOR | | | |
| | CREW CHIEF | | | |
| | DEVELOPMENT REVIEW COORDINATOR | | | |
| | ENVIRONMENTAL SERVICES INSPECTOR | | | |
| | LABORATORY TECHNICIAN | | | |
| | PERMITS SUPERVISOR | | | |
| | RECORDS ANALYST | | | |
| | SR. ACCOUNTS PAYABLE SPECIALIST | | | |
| | SR. ADMINISTRATIVE ASSISTANT | | | |
| | SR. COURT CLERK | | | |
| | SR. FACILITY SERVICES TECH | | | |
| | TRAFFIC TECHNICIAN II, SIGNALS | | | |
| | UTILITIES OPERATOR | | | |
| N-09 | 311 CONTACT CENTER SUPERVISOR | \$ 20.48 | \$ 26.41 | \$ 32.36 |
| | CONTRACT SERVICES COORDINATOR | \$ 42,598 | \$ 54,933 | \$ 67,309 |
| | ELECTRICIAN | | | |
| | GOVERNMENT INFORMATION ANALYST | | | |
| | LEAD UTILITIES OPERATOR | | | |
| | MECHANIC | | | |
| | RESIDENTIAL RENTAL INSPECTOR | | | |
| | SANITARIAN | | | |
| N-10 | ACCOUNTANT II | \$ 22.12 | \$ 28.75 | \$ 35.39 |
| | ADMINISTRATIVE COORDINATOR | \$ 46,010 | \$ 59,800 | \$ 73,611 |
| | AUTOMOTIVE TECHNICIAN II | | | |
| | BUILDING INSPECTOR | | | |
| | CONSTRUCTION INSPECTOR | | | |
| | COURT SERVICES SUPERVISOR | | | |
| | CRIME SCENE TECHNICIAN | | | |
| | EMERGENCY MANAGEMENT SPECIALIST | | | |
| | EXECUTIVE ASSISTANT | | | |
| | INFORMATION PROCESS TECHNICIAN | | | |
| | LINE SUPERVISOR | | | |
| PROJECT ANALYST | | | | |
| N-11 | AIRPORT LEASING COORDINATOR | \$ 25.41 | \$ 33.04 | \$ 40.67 |
| | CRIME ANALYST | \$ 52,853 | \$ 68,723 | \$ 84,594 |
| | END USER SUPPORT SPECIALIST | | | |
| | FIELD SUPERVISOR | | | |
| | FLEET SERVICES SUPERVISOR | | | |
| | G.I.S. SPECIALIST | | | |
| | INSTRUMENTATION & CONTROL TECHNICIAN | | | |
| | PLANS EXAMINER | | | |
| | SR. ACCOUNTANT | | | |
| | SR. ADMINISTRATIVE COORDINATOR | | | |
| | SR. BUILDING INSPECTOR | | | |
| | SR. CONSTRUCTION INSPECTOR | | | |
| | SYSTEM ANALYST | | | |
| TELECOMMUNICATIONS SPECIALIST | | | | |
| N-12 | SYSTEM ADMINISTRATOR | \$ 27.97 | \$ 36.34 | \$ 44.73 |
| | | \$ 58,178 | \$ 75,587 | \$ 93,038 |

Effective: January 1, 2019

**CITY OF SUGAR LAND
SALARY STRUCTURE
FOR EXEMPT POSITIONS
FY19 - FINAL**

| Range | Position Title | Minimum | Midpoint | Maximum |
|------------------------------------|--|-----------|-----------|-----------|
| E-01 | BUDGET ANALYST | \$ 24.22 | \$ 29.97 | \$ 35.72 |
| | CONTRACTS COORDINATOR | \$ 50,378 | \$ 62,338 | \$ 74,298 |
| | EMPLOYEE ENGAGEMENT & WELLNESS COORDINATOR | | | |
| | EVENT COORDINATOR | | | |
| | GRAPHICS COORDINATOR | | | |
| | MANAGEMENT ASSISTANT I PLANNER I | | | |
| | RECREATION COORDINATOR | | | |
| E-02 | AGENDA COORDINATOR | \$ 25.03 | \$ 31.81 | \$ 38.56 |
| | AIRPORT OPERATIONS SPECIALIST | \$ 52,062 | \$ 66,165 | \$ 80,205 |
| | AIRPORT SERVICES REPRESENTATIVE SUPERVISOR | | | |
| | BILLING SUPERVISOR | | | |
| | CODE COMPLIANCE COORDINATOR | | | |
| | COLLECTIONS & CUSTOMER SERVICE SUPERVISOR | | | |
| | COMMUNITY ENGAGEMENT COORDINATOR | | | |
| | COMPLIANCE COLLECTIONS SUPERVISOR | | | |
| | DATA ANALYST | | | |
| | DIGITAL JOURNALIST | | | |
| | ENVIRONMENTAL COORDINATOR | | | |
| | FACILITIES SERVICES SUPERVISOR | | | |
| | HR BUSINESS PARTNER | | | |
| | MANAGEMENT ASSISTANT II | | | |
| | PERFORMANCE & ACCOUNTABILITY ANALYST PLANNER II | | | |
| | PRETREATMENT COORDINATOR | | | |
| | SAFETY & RISK COORDINATOR | | | |
| SR. BUDGET ANALYST | | | | |
| TRAFFIC MANAGEMENT CENTER OPERATOR | | | | |
| VISITOR SERVICES SUPERVISOR | | | | |
| E-03 | ACCOUNTS PAYABLE SUPERVISOR | \$ 27.05 | \$ 34.35 | \$ 41.65 |
| | ADMINISTRATIVE MANAGER | \$ 56,264 | \$ 71,448 | \$ 86,632 |
| | COMMUNICATIONS MANAGER | | | |
| | DEPUTY COURT ADMINISTRATOR | | | |
| | ENGINEER I | | | |
| | FINANCIAL ANALYST | | | |
| | LINE SERVICES SUPERINTENDENT | | | |
| | PRINCIPAL ACCOUNTANT | | | |
| | PUBLICATIONS MANAGER | | | |
| | RECORDS MANAGER | | | |
| | SR. PLANNER | | | |
| | STREETSCAPE SUPERVISOR | | | |
| | TRAFFIC MANAGEMENT CENTER ANALYST | | | |
| USER SERVICES SUPERVISOR | | | | |
| WATER CONSERVATION MANAGER | | | | |
| WEBSITE MANAGER | | | | |
| E-04 | ACCOUNTING SUPERVISOR | \$ 29.21 | \$ 37.10 | \$ 44.98 |
| | AIRPORT BUSINESS MANAGER | \$ 60,757 | \$ 77,168 | \$ 93,558 |
| | ANIMAL SERVICES MANAGER | | | |
| | BUSINESS RETENTION MANAGER | | | |
| | COMMUNICATIONS MANAGER, VIDEO PRODUCTION | | | |
| | COMMUNITY ENGAGEMENT MANAGER | | | |
| | COMPLIANCE MANAGER | | | |
| | CONTRACTS MANAGER | | | |
| | DESTINATION EVENT MANAGER | | | |
| | ENGINEER II | | | |
| | EVENT PRODUCTION MANAGER | | | |
| | FACILITIES SERVICES MANAGER | | | |
| | FLEET SERVICES MANAGER | | | |
| | FOOD INSPECTION MANAGER | | | |
| | HUMAN RESOURCES MANAGER | | | |
| IT PROJECT MANAGER | | | | |

EXHIBIT C

| Range | Position Title | Minimum | Midpoint | Maximum |
|-------------|--|-----------|------------|------------|
| | LAB MANAGER | | | |
| | LEAD PROGRAMMER ANALYST | | | |
| | LINE SERVICES MANAGER | | | |
| | PERFORMANCE & ACCOUNTABILITY MANAGER | | | |
| | PROJECT MANAGER | | | |
| | REAL PROPERTY MANAGER | | | |
| | RECREATION MANAGER | | | |
| | RISK MANAGER | | | |
| | SURFACE WATER CHIEF OPERATOR | | | |
| | TRAFFIC OPERATIONS MANAGER | | | |
| | WATER RESOURCES MANAGER | | | |
| | AIRFIELD & FACILITIES MANAGER | \$ 31.53 | \$ 40.07 | \$ 48.57 |
| | AIRPORT DEVELOPMENT MANAGER | \$ 65,582 | \$ 83,346 | \$ 101,026 |
| | AIRPORT OPERATIONS MANAGER | | | |
| | ASSET & OPERATIONS MANAGER | | | |
| | CODE COMPLIANCE MANAGER | | | |
| | CULTURAL ARTS MANAGER | | | |
| | CUSTOMER SERVICE MANAGER | | | |
| | DEPUTY BUILDING OFFICIAL | | | |
| E-05 | ENGINEER III | | | |
| | ENVIRONMENTAL MANAGER | | | |
| | FIELD OPERATIONS MANAGER | | | |
| | PARKS DEVELOPMENT MANAGER | | | |
| | PARKS SUPERINTENDENT | | | |
| | PRINCIPAL PLANNER | | | |
| | RIGHT OF WAY SERVICES MANAGER | | | |
| | SR. FINANCIAL ANALYST | | | |
| | STREET/DRAINAGE SUPERINTENDENT | | | |
| | TOURISM & VISITOR SERVICES MANAGER | | | |
| | ASSISTANT CITY ATTORNEY | \$ 34.38 | \$ 43.67 | \$ 52.94 |
| | ASSISTANT TO THE CITY MANAGER | \$ 71,510 | \$ 90,834 | \$ 110,115 |
| | CONSTRUCTION SERVICES MANAGER | | | |
| | DEPUTY CONTROLLER | | | |
| E-06 | ENGINEERING MANAGER | | | |
| | FACILITY OPERATIONS MANAGER | | | |
| | INTERGOV'L RELATIONS MANAGER | | | |
| | MANAGER, VERTICAL CONSTRUCTION | | | |
| | PUBLIC/PRIVATE PARTNERSHIP MANAGER | | | |
| | SURFACE WATER PLANT MANAGER | | | |
| | TRANSPORTATION & MOBILITY INNOVATION MANAGER | | | |
| | ASSISTANT CITY SECRETARY | \$ 37.47 | \$ 47.61 | \$ 57.71 |
| | ASSISTANT COMMUNICATIONS DIRECTOR | \$ 77,938 | \$ 99,029 | \$ 120,037 |
| | BUDGET MANAGER | | | |
| | CITY TRAFFIC ENGINEER | | | |
| E-07 | IT MANAGER | | | |
| | MUNICIPAL COURT ADMINISTRATOR | | | |
| | PURCHASING MANAGER | | | |
| | SR. ENGINEERING MANAGER | | | |
| | TOURISM & DESTINATION SERVICES ADMINISTRATOR | | | |
| | TREASURY MANAGER | | | |
| | ASSISTANT CITY ENGINEER | \$ 40.48 | \$ 51.40 | \$ 62.33 |
| | ASSISTANT DIRECTOR OF AVIATION | \$ 84,198 | \$ 106,912 | \$ 129,646 |
| | ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT | | | |
| | ASSISTANT DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS | | | |
| | ASSISTANT DIRECTOR OF FINANCE | | | |
| E-08 | ASSISTANT DIRECTOR OF HUMAN RESOURCES | | | |
| | ASSISTANT DIRECTOR OF PARKS & RECREATION | | | |
| | ASSISTANT DIRECTOR OF PUBLIC WORKS | | | |
| | BUDGET OFFICER | | | |
| | CITY PLANNER - DEVELOPMENT PLANNING | | | |
| | CITY PLANNER - LONG RANGE PLAN | | | |
| | CONTROLLER | | | |
| | FIRST ASSISTANT CITY ATTORNEY | | | |

Effective: January 1, 2019

**CITY OF SUGAR LAND
SALARY STRUCTURE
MANAGEMENT & ELECTED OFFICIAL POSITIONS
FY19 - FINAL**

| Range | Position Title | Minimum | Midpoint | Maximum |
|--------------------------|--|------------|-----------------------|------------|
| M-01 | BUILDING OFFICIAL | \$ 40.85 | \$ 51.88 | \$ 62.90 |
| | CITY SECRETARY | \$ 84,968 | \$ 107,910 | \$ 130,832 |
| | PUBLIC SAFETY DISPATCH DIRECTOR | | | |
| | PERFORMANCE & ACCOUNTABILITY DIRECTOR | | | |
| M-02 | CITY ENGINEER | \$ 50.13 | \$ 62.67 | \$ 75.21 |
| | DIRECTOR OF AVIATION | \$ 104,270 | \$ 130,354 | \$ 156,437 |
| | DIRECTOR OF ECONOMIC DEVELOPMENT | | | |
| | DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS | | | |
| | DIRECTOR OF FINANCE | | | |
| | DIRECTOR OF HUMAN RESOURCES | | | |
| | DIRECTOR OF INFORMATION TECHNOLOGY | | | |
| | DIRECTOR OF PARKS & RECREATION | | | |
| | DIRECTOR OF PLANNING | | | |
| | DIRECTOR OF PUBLIC AFFAIRS | | | |
| DIRECTOR OF PUBLIC WORKS | | | | |
| M-03 | CITY MANAGER | | UNGRADED | |
| | FIRST ASSISTANT CITY MANAGER | | | |
| | ASSISTANT CITY MANAGER | | | |
| | DIRECTOR OF SPECIAL PROJECTS | | | |
| | CITY ATTORNEY | | | |
| | FIRE CHIEF | | | |
| | POLICE CHIEF | | | |
| MUNICIPAL COURT JUDGE | | | | |
| EO-1 | COUNCIL MEMBER | | \$ 755.60 (Monthly) | |
| | | | \$ 9,067 (Annually) | |
| EO-2 | MAYOR | | \$ 1,511.20 (Monthly) | |
| | | | \$ 18,134 (Annually) | |

Effective: January 1, 2019

CITY OF SUGAR LAND

SALARY STRUCTURE

FIRE

FY19 - FINAL

| Job Title | Range | Hourly Annual Minimum | Hourly Annual Midpoint | Hourly Annual Maximum |
|------------------------------|-------|-----------------------------|------------------------------|-----------------------------|
| FIREFIGHTER RECRUIT | F-R | \$17.20 | | |
| FIREFIGHTER | F-1 | \$18.12 | \$21.29 | \$24.46 |
| <i>(2912 Hours Annually)</i> | | \$52,765 | \$61,996 | \$71,228 |
| FIRE DRIVER | F2F | \$22.17 | \$25.63 | \$29.11 |
| <i>(2912 Hours Annually)</i> | | \$64,559 | \$74,635 | \$84,768 |
| FIRE LIEUTENANT (SHIFT) | F3F | \$26.37 | \$29.01 | \$31.66 |
| <i>(2912 Hours Annually)</i> | | \$76,789 | \$84,477 | \$92,194 |
| FIRE INSPECTOR/INVESTIGATOR | F3G | \$36.92 | \$40.61 | \$44.32 |
| FIRE LIEUTENANT (NON-SHIFT) | F3G | | | |
| <i>(2080 Hours Annually)</i> | | \$76,794 | \$84,469 | \$92,186 |
| FIRE CAPTAIN (SHIFT) | F4F | \$28.78 | \$31.67 | \$34.54 |
| <i>(2912 Hours Annually)</i> | | \$83,807 | \$92,223 | \$100,580 |
| FIRE CAPTAIN (NON-SHIFT) | F4G | \$40.29 | \$44.34 | \$48.36 |
| <i>(2080 Hours Annually)</i> | | \$83,803 | \$92,227 | \$100,589 |
| BATTALION CHIEF (SHIFT) | F5F | \$31.06 | \$34.29 | \$37.51 |
| <i>(2912 Hours Annually)</i> | | \$90,447 | \$99,852 | \$109,229 |
| BATTALION CHIEF (NON-SHIFT) | F5G | \$43.48 | \$48.01 | \$52.51 |
| ASSISTANT FIRE MARSHAL | F5G | | | |
| <i>(2080 Hours Annually)</i> | | \$90,438 | \$99,861 | \$109,221 |
| ASSISTANT FIRE CHIEF | F6G | \$48.87 | \$55.15 | \$61.42 |
| <i>(2080 Hours Annually)</i> | | \$101,650 | \$114,712 | \$127,754 |

Effective: January 1, 2019

CITY OF SUGAR LAND
SALARY STRUCTURE
POLICE, DETENTION & DISPATCH
FY19 - FINAL

| Job Title | Range | Hourly Annual Minimum | Hourly Annual Midpoint | Hourly Annual Maximum |
|---|-------|-----------------------------|------------------------------|-----------------------------|
| PUBLIC SAFETY DISPATCHER - RECRUIT | PTR | \$18.71 | | |
| PUBLIC SAFETY DISPATCHER I (CERTIFIED) | PT1 | \$19.51 | \$23.92 | \$28.32 |
| | | \$40,581 | \$49,754 | \$58,906 |
| PUBLIC SAFETY DISPATCHER II (CERTIFIED) | PT2 | \$21.94 | \$27.08 | \$32.20 |
| | | \$45,635 | \$56,326 | \$66,976 |
| PS DISPATCH SHIFT SUPERVISOR | PT3 | \$25.85 | \$30.95 | \$36.04 |
| | | \$53,768 | \$64,376 | \$74,963 |
| DEPUTY PS DISPATCH MANAGER | PT4 | \$31.67 | \$37.22 | \$42.77 |
| | | \$65,874 | \$77,418 | \$88,962 |
| DETENTION OFFICER - RECRUIT | PDR | \$18.67 | | |
| DETENTION OFFICER (CERTIFIED) | PD1 | \$19.67 | \$23.59 | \$27.52 |
| | | \$40,914 | \$49,067 | \$57,242 |
| POLICE OFFICER - RECRUIT | P-1 | \$24.16 | | |
| POLICE OFFICER | P-2 | \$28.12 | \$33.03 | \$37.95 |
| | | \$58,490 | \$68,702 | \$78,936 |
| POLICE SERGEANTS | P-3 | \$37.59 | \$41.36 | \$45.12 |
| | | \$78,187 | \$86,029 | \$93,850 |
| POLICE LIEUTENANT | P-4 | \$43.48 | \$47.70 | \$51.93 |
| | | \$90,438 | \$99,216 | \$108,014 |
| POLICE CAPTAIN | P-5 | \$48.24 | \$53.06 | \$57.89 |
| | | \$100,339 | \$110,365 | \$120,411 |
| ASSISTANT CHIEF OF POLICE | P-6 | \$53.59 | \$60.28 | \$66.98 |
| | | \$111,467 | \$125,382 | \$139,318 |

Effective: January 1, 2019

Glossary

A

ACCOUNT: An accounting unit established to record expenditures or revenues by detailed categories.

ACCOUNTS PAYABLE: A liability account reflecting amounts on an open account owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

ACCOUNTS RECEIVABLE: An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services furnished by a government.

ACCRUAL ACCOUNTING: A basis of accounting in which debits and credits are recorded at the time they are incurred as opposed to when cash is actually received or spent.

AD VALOREM: Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.

AGENDA: A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the open meetings act.

AGENDA REQUEST: A formal summary of a topic to be discussed during an open meeting. Included in the request are the proceeding, clearances, appropriation and action required, and an executive summary and attachments to explain the topic.

ANNEX: Refers to a portion of the City's Emergency Operations Plan.

APPROPRIATION: A legal authorization granted by City Council to make expenditures and incur obligations for designated purposes.

ARBITRAGE: The interest earnings derived from invested bond proceeds or debt service fund balances.

ARCIMS: The Internet map server allowing users to interact with maps on the City's web page.

ASSESSED VALUATION: A valuation set upon real estate of other property by a government as a basis for levying taxes.

ASSETS: Property with monetary value owned by the City.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to accomplish the following:

- Ascertain whether financial statements fairly represent financial position and results of operations
- Ascertain whether transactions have been recorded accurately and consistently, and
- Identify areas for possible improvements in accounting practices and procedures.

B

BALANCE SHEET: The basic financial statement that discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

BALANCED BUDGET: A budget in which revenues are equal to expenditures.

BASE BUDGET: Funding required meeting current service levels.

BENEFIT BURDEN: The ratio of the cost of defined benefits to the base payroll of employees eligible to receive benefits.

BOND: A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified date.

BOND REFERENDUM: A proposal to be voted on by registered voters within the City regarding the sale of bonds for which ad valorem taxes are pledged for repayment.

BRAZOS RIVER AUTHORITY: An agency of the State of Texas whose mission is to develop and maintain the resources of the Brazos River basin. The BRA has operated a wastewater treatment plant that serves the City since 1975.

BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. For a local government, a budget is a legal restriction on expenditures.

C

CAPITAL IMPROVEMENT PROGRAM / PROJECT (CIP): Projects that purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

CAPITAL OUTLAYS: Expenditures that result in the acquisition of or addition to fixed assets that are individually priced more than \$5,000, per the City's capitalization policy.

CARRYOVER: Expenditures budgeted in one year for materials, equipment, programs, etc but not spent until the following fiscal year. Funding for non-recurring expenditures can carry over to the following fiscal year if approved by the City Manager and City Council. City Council formally amends the budget to approve carryover funding. Revenues can also carryover if they were anticipated in one fiscal year but not received until the following year.

CERTIFICATE OF OBLIGATION (CO): A debt instrument that is issued by the City and has the same legal status as a general obligation bond. Proceeds from the issuance of the certificates may be used for construction of public works; purchase of materials, supplies, equipment, machinery, builds, land, and right a ways for authorized needs and purposes; or payment of contractual obligations for professional services. However, certificates of obligation are not authorized by the voters.

CONSUMER PRICE INDEX (CPI): The monthly data on the changes in the prices paid by urban consumers for a representative basket of goods and services.

CONTINGENCY: An amount of money set aside for unforeseen incidents.

CONTRACTUAL SERVICES: The costs related to services performed for the City by individuals, businesses, or utilities.

COST: The amount of money or other consideration exchanged for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

CURRENT ASSETS: Assets which are available or can be made readily available to finance current operations or to pay current liabilities. Current assets also include those which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and taxes receivable which will be collected within one year.

CURRENT LIABILITIES: Debt or other legal obligation arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

D

DEBT SERVICE: A cost category that typically reflects the repayment of short-term (less than five years) debt associated with the acquisition of capital equipment.

DEFICIT: The excess of expenditures over revenues during an accounting period; or, in the case of Enterprise and Intra- governmental Service Funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES: Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

DEPARTMENT: A section of the total organization that is comprised of Divisions and is under the oversight of an Executive Director, Assistant City Manager or City Manager.

DEPARTMENT HEAD: A mid-management employee charged with oversight of one or more programs. Department Heads may report to an Executive Director, Assistant City Manager or the City Manager.

DEPRECIATION: Is the process by which the City allocates an asset's cost over the duration of its useful life. Depreciation results in depreciation expense.

DEVELOPER REIMBURSEMENT: Payment to a private developer for installation of public infrastructure. The developer typically installs infrastructure such as water and sewer utilities, traffic signals and streets & sidewalks. The City or MUD can reimburse the developer through issuance of debt.

DIVISION: A subsection of a Department that carries out a specific line of work assigned to the Department. A Division may have more than one Program.

E

EFFECTIVE TAX RATE: When compared to the same property, the tax rate that produces the same effect in terms of the total amount of taxes as compared to the prior year, based on the value of properties taxed in both years.

ENCUMBRANCES: Commitments related to unperformed contracts for goods or services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENHANCEMENTS: Funds that the City has earmarked for a new service not provided in the past, or allowing an increase in the level of service already provided.

ENTERPRISE FUND: A fund established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services the general public on a continuing basis can be financed or recovered primarily through user charges.

ETJ: See Extraterritorial Jurisdiction.

EXECUTIVE DIRECTOR: An upper management employee charged with oversight of one or more departments. Executive Directors participate in high-level policy and strategic decision-making and report either to an Assistant City Manager or the City Manager.

EXEMPT: Personnel not eligible to receive overtime pay and who are expected to put in whatever hours are necessary to complete job assignments. The respective Department Head, as partial compensation for overtime hours worked, may allow compensatory time off.

EXPENDITURES: Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, debt service, and capital outlays.

EXTRATERRITORIAL JURISDICTION (ETJ): The land bordering a City's limits that the City has limited control over but does not furnish City services to nor collect ad valorem taxes from. This is an area outside of City limits that is subject to annexation.

F

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City of Sugar Land's fiscal year begins each October 1 and ends the following September 30. The term fiscal year 2014 connotes the fiscal year beginning October 1, 2013 and ending September 30, 2014.

FIXED ASSETS: Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, and machinery and equipment.

FIXED BASE OPERATOR (FBO): An operating company providing customer services including fuel and line service personnel at an airport.

FRANCHISE: A special privilege granted by a government permitting the continuing use of public property such as, City rights-of-way.

FULL-TIME EQUIVALENT (FTE): One full-time equivalent works 2,080 hours a year; a person working 1,040 hours per years is equivalent to 0.5 FTE.

FUND: A fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: The difference between governmental fund assets and liabilities. Also referred to as fund equity.

FUND BALANCE POLICY: A minimum fund balance that is required to be kept in reserve as defined in the Financial Management Policy Statements. Fund balances over the policy requirement may be appropriated in the budget.

G

GENERAL FUND: Is used to account for all transactions not properly includable in other funds.

GENERAL LEDGER: A book, file, or other device, which contains the accounts needed to reflect the financial position and the results of operations of an entity. In double entry bookkeeping, the debits and credits in the general ledger are equal; therefore, the debit balances equal the credit balances.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP): Uniform minimum standards and guidelines used for financial accounting and reporting as set forth by the Governmental Accounting Standards Board (GASB).

GENERAL OBLIGATION (GO) BONDS: Bonds for the payment of which the full faith and credit of the issuing government are pledged. In issuing its general obligation bonds, the City of Sugar Land pledges to levy whatever property tax is needed to repay the bonds for any particular year. Bonds cannot be issued without voter approval and are usually issued with maturities between 15 and 30 years.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): A governing board set up to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

GOVERNMENTAL FUNDS: Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

GROUNDWATER: Water obtained by drilling a well and pumping water from below the surface, typically at depths of thousands of feet. Pumping of groundwater is a contributing factor to subsidence.

H
HOMEOWNERS' ASSOCIATION (HOA): A group of property owners in a residential area, in which membership may be mandatory by deed restriction.

HOUSTON-GALVESTON AREA COUNCIL (HGAC): A voluntary association of counties, cities, independent school districts, and soil and water conservation districts in the Gulf Coast State Planning Region of Texas. H-GAC serves almost 150 local governments, and its region includes about 4 million people in an area of about 12,500 sq. miles.

I
ISO RATING: The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10 which is considered unacceptable.

INTERGOVERNMENTAL REVENUE: Grants, entitlements and cost reimbursements from another governmental entity.

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

K
KEY PERFORMANCE INDICATORS (KPI): Specific quantitative and qualitative measures of work performed as a productivity indicator of the program.

L
LANDSCAPE COST SHARE PROGRAM: A program that credits private funds that are used to irrigate public areas, specifically right-of-ways along arterials and state roads. Secondary goals of the program include helping to reduce peak water demand by limiting the times participants in the program can irrigate and promoting water conservation by means of rain sensors and well managed timers and management of irrigation systems.

LEASE/PURCHASE: A financing tool utilized to fund large capital outlays where the City may not have cash available immediately for purchase. The arrangement allows the City use of the item while payments are being made. A lien is placed on the item purchased and upon completion of lease payments, typically 5-7 years, the City gains ownership of the assets.

LEVEE IMPROVEMENT DISTRICT (LID): A special district with authority to levy ad valorem taxes that is used to improve flood control within its boundaries through the use of levies.

LEVY: The City Council has authority to impose or collect taxes, special assessments, or service charges.

LOCAL LAW ENFORCEMENT BLOCK GRANT: A grant program of the Department of Justice in which a local law enforcement agency is given a specified amount of funding to accomplish a goal.

LONG TERM DEBT: Debt with a maturity of more than one year after the date of issuance.

M

MAINTENANCE: The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

MAJOR FUND: Governmental or Enterprise Funds reported as a separate column in the basic fund financial statements and subject to a separate opinion by the independent auditor.

MODIFIED ACCRUAL ACCOUNTING: The basis of accounting in which revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the goods or services are received.

MUNICIPAL UTILITY DISTRICT (MUD): A special district whose purpose is to provide water and sewer services to the residences and businesses within its boundaries. The district has ad valorem taxing power and can issue bonds to pay for construction and improvements to the district's system. Districts are typically established in unincorporated areas, but can also lie within the boundaries of one or more cities.

N

NON-CAPITAL ASSETS: Expenditures that result in the acquisition of or addition to assets that are individually priced \$2,500 to \$5,000, per the City's capitalization policy. These items are not added to the fixed assets, but are tracked for inventory purposes.

NON-EXEMPT: Personnel eligible to receive overtime pay when overtime work has been authorized or requested.

O

OPERATING BUDGET: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and services delivery activities of the City are controlled, and are required by state law.

ORDINANCE: A formal legislative enactment by the governing board of a municipality that has the full force and effect of law within the boundaries of the municipality to which it applies so long as it is not in conflict with any higher form of law. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

P

PART I CRIMES: Crimes such as homicide, sexual assault, robbery, aggravated assault, burglary, larceny, auto theft and arson.

PERSONNEL SERVICES: The costs associated with compensating employees for their labor (salaries, wages, insurance, payroll taxes, and retirement contributions).

PROGRAM: A subset of a Department in which expenditures are focused on a primary function of work to be performed.

PROJECTION: Anticipated total for the current fiscal year. During the budget process, the City projects expected revenues and expenditures through the remainder of the fiscal year to gain a better picture of the City's finances. These projections are adopted as the revised budget during the budget adoption process.

PROPERTY TAX: Taxes levied on all real and personal according to the property's valuation and the tax rate, in compliance with State Property Tax Code.

PROPRIETARY FUND: In governmental accounting is a business-like fund. Examples of proprietary funds include enterprise funds and internal service funds.

PUBLIC FUNDS INVESTMENT ACT: A law that governs the investment of government funds in Texas. Under this law, specific parameters are set for Texas cities, requiring them to adopt an investment policy and to designate an investment officer who is required to attend an approved training course. The act, first adopted in 1995 and most recently amended in 2003, also limits the types of investments that can be made and requires quarterly reporting of investment activity to the governing body.

PURCHASE ORDER: A document that authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

R

RATING: The credit worthiness of an entity as evaluated by independent agencies.

REPLACEMENT COST: The cost as of certain date of a property that can render similar service (but which need not be of the same structural form) as the property to be replaced.

RESERVE: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

RETAINED EARNINGS: Is a form of equity resulting from earning activities.

REVENUE BONDS: Legal debt instruments which finance public projects for such services as water or sewer. Revenues from the public project are pledged to pay principal and interest of the bonds. In Texas, revenue bonds may or may not be authorized by public referenda.

REVENUES: Increases in governmental fund types, net current assets from other than expenditure refunds and residual equity transfers.

RIGHT-OF-WAY: The area immediately adjacent to a City's roadway or drainage channel.

S

SALES TAX: A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SERVICE LEVEL STANDARD: The expected outcome for a service that is provided. Can include minimum staffing, hours of operation, or outcome goals.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL REVENUE FUND: A fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds for specific revenue sources" establishes that one or more restricted or committed revenues should be the foundation for a special revenue fund.

STRUCTURAL BALANCE: A term used to define a budget that includes recurring revenues greater than or equal to recurring expenditures.

SUBSIDENCE: A gradual settling or sudden sinking of the Earth's surface owing to subsurface movement of earth materials. Land subsidence occurs when there is a loss of support below ground such as when water is taken out of the soil and the soil collapses. This situation occurs throughout the United States, but has had more impact in California, Texas, and Arizona.

SUGAR LAND 101: A municipal government course sponsored by the City, educating future City leaders in the workings of the Sugar Land Municipal Government.

SUGAR LAND DEVELOPMENT CORPORATIONS: Corporations that are financed by additional sales taxes approved by the voters. State law allows the City to collect this sales tax to assist in the promotion, enhancement, and development on behalf of the City.

SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY: A local government corporation created by the City for the sole purpose of carrying out the necessary tasks to accomplish the Town Square project.

SUPPLIES: A cost category for minor items (individually priced at less than \$500) required by departments to conduct their operations.

SURFACE WATER: Drinking water can come from either ground water sources (via wells) or surface water sources (such as rivers, lakes, and streams). Nationally, most water systems use a ground water source (80%), but most people (66%) are served by a water system that uses surface water. Large metropolitan areas tend to rely on surface water, whereas small and rural areas tend to rely on ground water.

T

TAX LEVY: The total amount to be raised by general property taxes for purpose specified in the Tax Levy Ordinance.

TAX RATE: The amount of tax levied for each \$100 of taxable valuation. The tax rate multiplied by the taxable valuation equals the tax levy.

TAXES: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

TEXAS COMMISSION ON LAW ENFORCEMENT OFFICERS STANDARDS AND EDUCATION (TCLEOSE): A commission that allocates funds each year to public safety agencies in Texas earmarked for peace officer training based on the number of peace officers on staff for each agency.

TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT): A state agency that provides funding, with a local match, for improvement of state highways within the City limits.

TML: See Texas Municipal League.

TEXAS MUNICIPAL LEAGUE: An organization that exists to provide services to Texas cities.

U

USER FEES: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

W

WATER CONTROL IMPROVEMENT DISTRICT (WCID): A special purpose district established to provide water and sewer facilities and services within the district. The District has taxing authority separate from any other taxing authority,

and maybe, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds.

WORKING CAPITAL: Is the current assets less current liabilities.

Y
YIELD: rate earned on an investment based on the cost of the investment, the par value of the investment, plus interest to be earned to maturity, and less any accrued interest.

Acronyms

A

AED: Automated External Defibrillator
ADA: Americans with Disability Act
AFIS: Automated Fingerprint Identification System

C

CAC: Community Action Center
CAFR: Comprehensive Annual Financial Report
CDBG: Community Development Block Grant
CID: Criminal Investigation Division
CIP: Capital Improvement Program
CO: Certificate of Obligation
CPR: Cardiopulmonary Resuscitation

D

DEM: Department of Emergency Management
DPS: Department of Public Safety

E

EMS: Emergency Medical Service
EOC: Emergency Operations Center
EPA: Environmental Protection Agency
ETJ: Extraterritorial Jurisdiction

F

FAA: Federal Aviation Administration
FBISD: Fort Bend Independent School District
FBO: Fixed Base Operator
FEMA: Federal Emergency Management Agency
FMPS: Financial Management Policy Statements
FTE: Full-time Equivalent
FY: Fiscal Year

G

GAAP: Generally Accepted Accounting Principals
GASB: Governmental Accounting Standards Board
GFOA: Government Finance Officers Association
GIS: Geographic Information Systems
GRP: Groundwater Reduction Plan

H

H-GAC: Houston - Galveston Area Council
HAZ-MAT: Hazardous Materials

K

KSLB: Keep Sugar Land Beautiful

L

LID: Levee Improvement District
LLEBG: Local Law Enforcement Block Grant

M

M&O: Maintenance and Operations
MG: millions of gallons
MGD: millions of gallons per day
MSA: metropolitan statistical area
MUD: Municipal Utility District

O

O&M: Operations and Maintenance

P

PER: Preliminary Engineering Report
PM: Preventative Maintenance
PO: Purchase Order

R

RFP: Request for Proposal
RFS: Request for Services
ROW: Right-of-Way

S

SCADA: Supervisory Control and Data Acquisition
SPA: Strategic Partnership Agreement
STEP: Selective Traffic Enforcement Program
SWAT: Special Weapons and Tactics

T

TCEQ: Texas Commission of Environmental Quality. The name changed from TNRCC effective September 1, 2002
TEEX: Texas Engineering Extension Service
TML: Texas Municipal League
TMRS: Texas Municipal Retirement System

V

VOIP: Voice over Internet Protocol

W

WCID: Water Control Improvement District

City Resources

Goal Measures

The city's goal measures dashboard serves as an account of the city's performance on 30 key operations. These operations are organized into priorities, also known as City Council's Mid-Term priorities. Through the establishment of mid-term priorities, City Council provides direction for city management in order to meet Vision 2032.

Link: <https://sugarland.clearpointstrategy.com/>

Business Plans

Business plans are the documents that departments and offices use to detail the services they provide as well as their commitment to service levels. For each service listed in the business plan, there is a definition of the service level expected. Some services include further detail through a definition of activities.

Link: <http://www.sugarlandtx.gov/126/Business-Plans>