



ADOPTED ANNUAL BUDGET

FISCAL YEAR 2021-2022





Annual Budget for October 1, 2021 - September 30, 2022

Adopted September 21, 2021

Ordinance No. 2249

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,186,435, which is a 2.13 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 \$223,364.

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

FOR:	Joe R. Zimmerman	Jennifer J. Lane
	Carol K. McCutcheon	Naushad Kermally
	William Ferguson	Stewart Jacobson
	Suzanne Whatley	

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2021-2022	2020-2021
Property Tax Rate:	\$0.346500/\$100	\$0.336500/\$100
No-New-Revenue Tax Rate:	\$0.339025/\$100	\$0.324070/\$100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.205401/\$100	\$0.190620/\$100
Voter-Approval Tax Rate:	\$0.355394/\$100	\$0.350810/\$100
Debt Rate:	\$0.137649/\$100	\$0.133450/\$100

Total debt obligation for City of Sugar Land secured by property taxes: \$25,343,587



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sugar Land
Texas**

For the Fiscal Year Beginning

October 01, 2020

Christopher P. Morill

Executive Director

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Annual Budget for October 1, 2021 – September 30, 2021



List in order: (L to R)

Stewart Jacobson.....Council Member, District Three
Naushad Kermally.....Council member, District Two
Jennifer Lane.....Council Member, At Large Position Two
Joe Zimmerman.....Mayor
William Ferguson.....Council Member, At Large Position One
Carol K. McCutcheon.....Council Member, District Four
Suzanne Whatley.....Council Member, District One

Presented By:

Mike Goodrum.....City Manager



CITY OF SUGAR LAND

City Manager's Office

July 20, 2021

Honorable Mayor and Members of City Council:

In accordance with Texas Statutes and the City of Sugar Land Charter, Section 6.03, the proposed budget for the fiscal year beginning October 1, 2021 is hereby presented. The proposed budget for Fiscal Year 2022 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. With remaining uncertainty in the economic recovery from the COVID-19 pandemic, the focus of this year's budget is on continued leadership in conservative, resilient and responsible stewardship – balancing such uncertainty with guarded optimism about recovery. The goal of such a focus is to maintain flexibility for the City to respond to both opportunities and disruptions – all in an effort to be “better than before” the COVID-19 pandemic and economic recession. As we prepare for a new normal with implementation of vaccination plans and a return of growth in the economy, priorities include taking care of our championship workforce, supporting implementation of the voter approved GO Bonds and continuing to prepare our infrastructure for future demands. The proposed budget ensures continued financial strength and resiliency through a long-range financial plan that meets all fund balance and bond coverage requirements.

FY21 Accomplishments

The Fiscal Year 2021 budget focused on continuity of base service levels and integrity of the City's finances to maintain financial stability and a structurally balanced budget and forecast. Priorities for capital funding focused on voter approved projects to address structural flooding. The budget was surrounded by uncertainty from impacts to the City's revenues from economic downturn from COVID-19 closures – both the length and depth of the economic recession were highly uncertain as well as the impact on our City.

The budget included strategies to offset potential impacts into 2021, including deferral of major expenditures for six months allow assessment of the impacts from COVID-19 on the economy and the City's finances. Strategies included:

- Conservative estimates for budgeted revenue,
- Strategic reductions to operating expenditures,
- Reduced funding levels and delayed implementation of major initiatives,
- Reallocation of resources to support areas where funding has been interrupted due to COVID-19,
- Managing vacant positions to achieve salary savings until revenue streams stabilize at normal levels, and
- A revised implementation plan for GO Bond Projects approved by voters in November 2019.

Fiscal year 2021 took a conservative approach to budgeting sales tax revenue. Estimates were based on the FY20 recurring actuals net of a 30% reduction from the retail sector and a 50% reduction from the food & entertainment sector for the first six months of the year. This resulted in a conservative revenue estimate, as these two sectors make up 60% of the City's sales tax revenue. Revenues for the second half of the year were based on the FY20 budgeted revenues – which were FY19 recurring actuals. While this was a departure from Financial Management Policy Statement

direction, it was warranted due to the highly uncertain impact on this revenue of the pandemic. The FY21 budgeted sales tax totaled \$44.6 million in recurring collections, of which \$33.3 million supports the general operating budget. Through July, collections total \$44.1 million which is 2.29% higher than FY20 actuals and 1.78% lower than FY19 actuals for the same period.

Fiscal Year 2021 also took a conservative approach for other revenues impacted by the economic closures and restrictions on gatherings – such as hotel occupancy taxes, mixed beverage taxes, fines & forfeitures, building permits and charges for services for some programs. To date, some revenues have exceeded expectations while others have fallen short of expectations due to a slower return to normal in some industries.

In November 2019, voters approved \$90.76 million in General Obligation bonds in four propositions:

- \$47.6 million for drainage
- \$26.3 million for public safety facilities
- \$10.26 million for street improvements and
- \$6.6 million for a new animal shelter

A 30-year zero-interest loan through the Texas Water Development Board was approved by the TWDB board in May and will close in August 2021 – funding the \$16.5 million Chimneystone / Austin Park Drainage Improvements project and saving the City \$7.6 million in interest costs over the life of the loan. Additionally, the City refunded several series of outstanding bonds in conjunction with the 2021 GO and Revenue Bond issuance, resulting in debt service savings to the City. Both of these initiatives help to increase debt capacity for capital projects.

Economic and Legislative Impacts

Tax year 2021 is the second year for implementation of Senate Bill 2 from the 86th legislative session. This bill set limitations of 3.5% growth in operations and maintenance revenue from property taxes with mandatory elections if that rate is exceeded. The 87th legislature passed bills further restricting the City's ability to implement the disaster provisions provided for in Senate Bill 2 and these impacts are effective for tax year 2021. The 87th session also saw bills limiting the ability of cities to issue Certificates of Obligation for project financing.

In June 2021, the City was allocated \$11.1 million in Coronavirus State and Local Fiscal Recovery Funds from the American Rescue Plan Act passed by Congress in May 2021. The funds are available to assist local governments with revenue loss and are available to be utilized consistent with treasury guidance. The budget includes these funds as received in FY21 and FY22 but the funds are not appropriated in the budget, pending further discussion with City Council in the fall on the best use of the funds as allowable under U.S. Treasury guidance.

National economic impacts on the City's finances can be seen in continued low interest rates – which are a benefit when borrowing funds for capital projects, but the offsetting loss of interest income further restricts already limited resources. Additionally, inflationary pressures and supply chain issues have resulted in price escalation on construction projects and is also impacting cost and availability of supplies and components – particularly those that utilize technology.

Financial Management Strategies

As we enter the second year of economic impacts from COVID-19 and related uncertainty, we are starting to see a return to normal and optimism for continued recovery. However, our approach to financial management continues to be conservative – though in a modified manner. We have taken a more aggressive approach to revenue estimation while identifying expenditures in the budget that can be implemented at a later date once conditions warrant. With a focus on conservative, resilient and responsible stewardship and efforts to balance both operational and financial

stability, the proposed budget ensures continued financial strength and resiliency by meeting all fund balance requirements, including the structural balance of the General Fund, and includes the first steps in beginning to restore the Sugar Land Way investments made in the FY20 budget that were cut due to the pandemic.

In years with high economic volatility, the importance of resiliency initiatives becomes more apparent as they allow the organization to withstand and maintain strength despite challenging economic conditions. These resiliency initiatives were affirmed and formalized in the June 2020 adoption of the Financial Management Policy Statements (FMPS) and were designed to 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 initiatives were tested in Fiscal Year 2021 and the conservative approach proved to be successful.

One key assumption is a conservative estimate of sales tax revenue based on current recurring collections, with no growth assumed in the budget. Using this methodology in a normal year, actual sales tax should come in higher than budgeted, as the City regularly receives one time payments and audit adjustments which are not included in the budget. These revenues are then available for one-time use in the following year’s budget as they become part of the fund balance, or are available to help the City withstand economic downturns by boosting the available fund balance. The highly unusual patterns seen in sales tax as a direct impact of the COVID-19 pandemic have led to revenue estimates for sales tax that are more aggressive than policy direction – especially given the destination venues such as Smart Financial Centre at Sugar Land that are scheduling shows to begin later this summer, drawing visitors into the City and resulting in significant direct and indirect revenue generation.

FY22 Budget Strategies and Funding Priorities

Budget Priorities

For the FY22 budget, the focus is on balancing financial and operational stability – in essence, providing additional funding for the City’s highest priorities while also protecting against continued downside risk and economic uncertainty. Priorities for funding in the proposed budget include base budget increase and limited restoration of funding levels for services to departments to allow provision of services to the public – with restoration primarily focused on infrastructure rehabilitation and investments in the fleet and high-tech replacement funds. Additionally, funding is also included for community priorities such as supplemental sidewalk rehabilitation, mobility and traffic safety, and special events; citizen engagement and customer service enhancements; public safety training, equipment, facilities and operations; and efforts to further turn the disruptions over the past two years into opportunities – including citywide “Better than Before” planning efforts and increased innovation.

Additionally, staff has internally outlined priorities for a mid-year budget amendment should recovery occur more quickly than is anticipated in the budget – recognizing that the proposed budget as presented does not fully meet the Sugar Land Way as a result of a multi-year delay and reset of recurring revenues due to the economic impacts of the pandemic.

Overall, the FY22 budget will allow for the continuity of priority service levels provided in FY21 and preserves the integrity of the City’s finances to maintain stability and a structurally balanced budget and forecast, with an identified need to further increase recurring revenues by FY23 and planned discussions with the City Council this fall to discuss long-term service level priorities beyond those reflected in the FY22 budget and five-year forecast.

Employee Compensation and Benefits

As a personnel-driven public safety and service provider, a main driver in the City’s budget is personnel costs – with approximately 71% of General Fund expenditures are directly tied to employee compensation and benefits. A merit

pool equal to 3% of budgeted salaries is included in the proposed budget, with the timing of implementation planned to ensure that the City is recovering from the recession prior to awarding.

The City budget includes a 4.1% increase for FY22 medical costs based on current claims experience. Premiums for the City will increase in January 2022 and since employees were granted lump-sum merit increases in 2021 the employee share of the increases will be absorbed by the City. General and management salary structures are moving 3% based on CPI adjustments in accordance with the Compensation Philosophy.

Continued phased implementation of the Public Safety Compensation Study recommendations is included in the adopted budget as well as maintenance of general and management salary structures consistent with Compensation Philosophy. *This is not an across the board raise; however, only those employees who fall below the minimum of their range will be adjusted to the new minimum.*

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 2022 is 14.48%, a decline from the 2021 contribution rate of 14.57%, 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 90.1% of the City's pension obligation, which is better than the industry benchmark of 80% and a 0.6% increase from last year. The City's participation in the TMRS system provides a financially sound pension for employees.

Capital Projects

The Five-Year CIP totals \$259.08 million, with \$59.1 million in projects funded in FY22. 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.

General Capital Projects

In November 2019, voters approved \$90.76 million in General Obligation bond propositions for projects to address drainage, streets, public safety facilities and a new animal shelter. The FY22 CIP includes funding for the prioritizing drainage and public safety projects for FY22, with an approximately one-cent tax increase to fund them on the 2021 tax rate. The remaining projects are distributed over FY23-25 with the tax increases anticipated from FY23-24.

GO bond projects funded in FY22 include:

- Austin Park/Chimneystone Drainage Improvements
- Riverbend Stormwater Inlets and Pipes Replacement
- Telfair Drainage Improvements – New Territory Blvd at Chatham
- Avalon/Brazos Landing/Commonwealth Drainage Improvements – Phase I
- Covington Woods Drainage Improvements – Covington West & Imperial Woods (design)
- Fire/EMS Apparatus Replacement
- Public Safety & Public Services Building Rehabilitation
- Public Safety Training Facility – Phase II (design)
- Soldiers Field Extension to SH6 & Roundabout at First Colony/Soldiers Field
- Major Street Rehabilitation

GO Bond projects include \$22.7 million in drainage, \$3.8 million in public safety and public facilities and \$3.46 million in streets. The CIP includes \$23.9 million in projects funded from Utility Revenue bonds, \$2 million from Utility Revenues, \$1 million funded from Sugar Land 4B Corporation and \$1.8 million from CIP fund balance.

Enterprise Funds Capital Projects

As the City prepares to meet the 60% groundwater reduction mandate in 2025, projects identified in the Integrated Water Resource Plan adopted in 2017 are reflected in CIP, with investment needed in infrastructure to meet these requirements and maintain the utility infrastructure. Utility projects total \$25.9 million in FY22, with \$15.844 million in water, \$10.02 million in wastewater and \$35,000 in surface water projects. Airport capital projects total \$441,565 for the City's share of the parallel taxiway relocation project.

Property Taxes and User Fees

2021 Property Taxes

The FY22 budget is funded by revenues based on an estimated 2021 tax roll of \$16.5 billion. The City's tax rate continues to be one of the lowest in the state for cities over 60,000. The proposed 2021 tax rate is an increase of approximately one cent from 2020 to fund the second phase of the 2019 voter-approved bond projects – with an emphasis this year on drainage and public safety – and will be finalized once the certified tax roll is received. The City maintained a 12% homestead exemption for the 2021 tax year. The 2021 tax rate is the second year of changes in the truth in taxation process as a result of changes from the 86th legislative session – limiting increases in the operating component of the tax rate to 3.5% compared to the prior year and requiring voter approval of a tax rate that exceeds the calculated voter approval tax rate.

Fee and Rate Changes

A utility rate study was completed in FY21 with recommendations for increases to rates that will financially sustain the water utility. After many years of no increases in rates, and completion of the Integrated Water Resources Plan (IWRP), the first phase of the study incorporates the five year CIP reflecting the 2025 mandated 60% reduction and its operating impacts. The rate study recommended three years of \$10 monthly increases to water, wastewater and surface water rates – followed by smaller annual maintenance rate increases. The proposed rates for 2022 continue the prior year's recommendations, resulting in an increase to a residential bill of \$10 per month for 10,000-gallons usage. The increases are necessary to ensure the financial sustainability of the fund, begin preparing for the upcoming 60% groundwater reduction mandate, and funds strategies identified through the IWRP for long-term water supply needs for the community.

The current rate for residential solid waste services is \$19.76 per household per month and will increase 1.25% based on CPI increases under the contract. The new monthly rate of \$20.00 will take effect January 1, 2022.

The FMPS contains guidance on evaluating user fees for an annual CPI adjustment and for calculation of new fees. In FY22, an increase of 3% is incorporated into fees based on the 12-month change in CPI 2021. Fee and rate adjustments are effective January 1, 2022.

Financial Summary

With a focus on the highest priority additions to the operating budget and a continued phased approach to implementing the GO bond program, the FY22 adopted budget totals \$299.60 million. Of the total, \$240.50 million is for operating funds and issuance costs, and \$59.1 million is for capital projects, including the projects from the voter approved GO Bond Program.

Fund	FY22 Adopted Budget
General Fund	\$ 102,096,890
Debt Service Funds	30,099,480
Utility Enterprise Fund	48,221,656
Airport Enterprise Fund	15,764,159
Solid Waste Fund	8,764,587
Economic Development Corporations	14,616,157
Other Funds	20,940,193
Total Operating Funds	\$ 240,503,122
Capital Projects	59,099,965
Total FY22 Budget	\$ 299,603,087

I encourage you to read further into the information describing the FY22 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. Further explanation and discussion of FY22 budgetary changes are included with each fund summary.

The Five-Year CIP is a separate document and contains worksheets for each project included for funding within the Five Year CIP or that will continue into FY22 with prior year funding – as the projects are funded on a project length basis that may not correspond with the City’s fiscal year.

Respectfully,

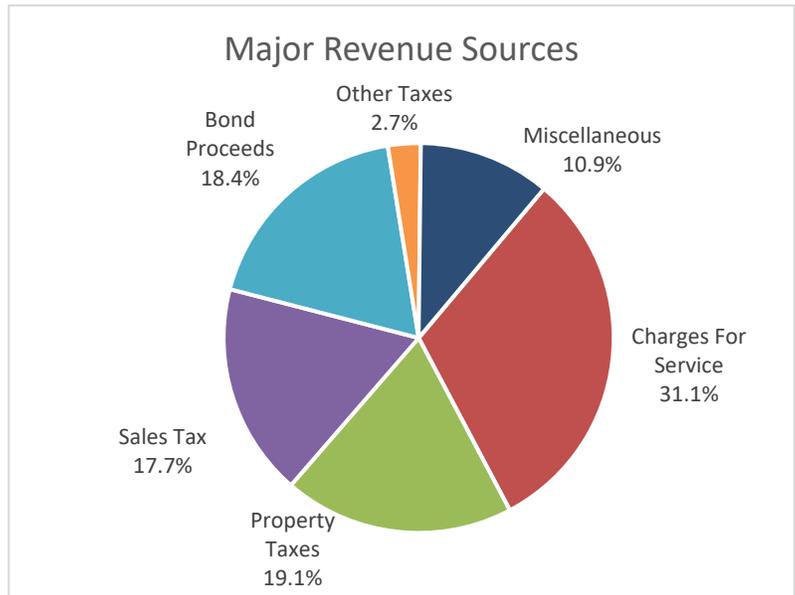


Michael W. Goodrum
City Manager

Executive Summary

Major Revenue Sources

Major revenue sources for the City total \$296.4 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 89.1% of total revenues for the City. Other revenues include licenses and permits, fines and forfeitures, interest income, intergovernmental, miscellaneous, and contributions, which make up the remaining 10.9%. The chart to the right illustrates the breakdown of the revenue sources.



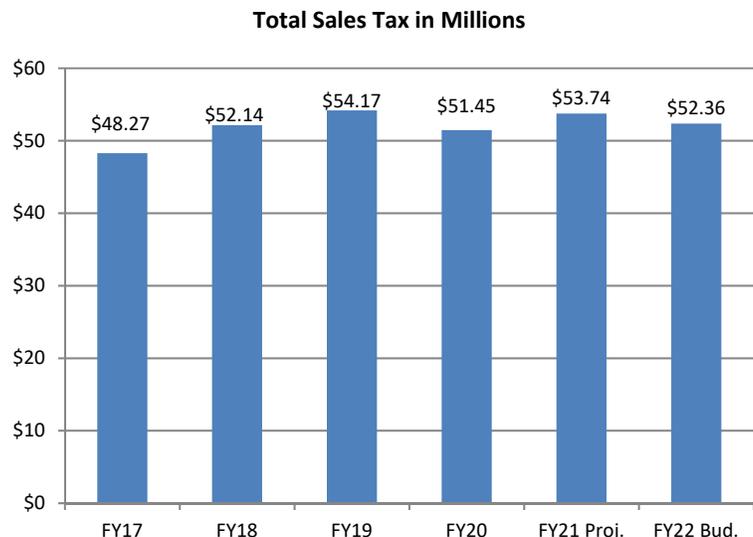
Property Tax

Revenues from ad valorem or property taxes represent 19.1% of overall revenues at \$56.66 million. The adopted 2021 tax rate is an increase of approximately one cent from 2020 to fund the second phase of the 2019 voter-approved bond projects – with an emphasis this year on drainage and public safety. The City maintained a 12% homestead exemption for the 2021 tax year. The 2021 tax rate is the second year of changes in the truth in taxation process as a result of changes from the 86th legislative session – limiting increases in the operating component of the tax rate to 3.5% compared to the prior year and requiring voter approval of a tax rate that exceeds the calculated voter approval tax rate.

Sales Tax

Sales tax revenue, estimated at \$52.36 million, represents 17.7% 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.

Sales tax revenue estimates are prepared based on the Financial Management Policy Statements and do not include any one-time revenues. FY21 projections are based on year-to-date actual revenues, including one-time revenues. Total budgeted sales tax for FY22 is \$52.36 million, based on the FY21 recurring actuals plus additional recovery in the food & entertainment sector. This approach is a change from FMPS direction and is designed to balance



both fiscal conversancy and further potential economic recovery. The chart above illustrates the historical trend of sales tax collections in the City.

Other Taxes

Other Taxes represent 2.7% of City revenues at \$8.05 million and are comprised of franchise and hotel occupancy taxes. Franchise taxes are anticipated to total \$6.44 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 \$1.6 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 31.1% of total revenues at \$92.29 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 \$3.96 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 \$1,174,457 and represent 31% 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 and set by ordinance each September.

EMS fees total \$1,897,079 and represent 51% of charges for services. EMS fees are paid by patients transported by City ambulances to a medical facility for emergency treatment. The City contracts with a third party billing company to bill for services.

Parks & Recreation fees total \$551,508 and represent 15% of charges for services. These fees are generated by facility usage cards, facility rentals, leisure classes, senior programs and camp programs.

Other charges for services total \$110,508 and represent 3% 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 \$61.18 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. Customers also pay a surface water fee based on the volume of water usage billed. Volumetric revenues are budgeted based on estimated water consumption of 7.64 billion gallons for water and surface water, and 4.05 billion gallons for wastewater. The City also charges non-city utility customers for participation in the Groundwater Reduction Plan (GRP). The FY22 Budget anticipates an increase of \$10 to a residential customer's bill based on recommended rates beginning in January 2022 and 10,000-gallons usage.

Airport Charges for Services

Charges for services at the Airport are anticipated to total \$16.63 million. Budgeted fuel sales of \$14.40 million represent estimated fuel sales of 3,269,707 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 \$8.53 million. The City contracts solid waste service and provides twice weekly automated trash collection and weekly automated recycling. Residents currently pay \$19.76 per month for this service. The January 2022 rate will increase 1.25% to \$20.00 per month. The budget anticipates 35,712 households served during the fiscal year.

Bond Proceeds

Bond proceeds of \$54.61 million represent 18.4% of total revenues. The proceeds will be used to fund FY22 capital projects and will be from voter authorized GO bonds, Certificates of Obligation funded by Airport revenue, and utility revenue bonds.

Other Revenues

Other revenues represent the remaining 10.9% of total revenues at \$32.4 million. Miscellaneous revenues include licenses and permits, fines and forfeitures, reimbursements, interest income, miscellaneous, contributions, and intergovernmental revenues such as grants.

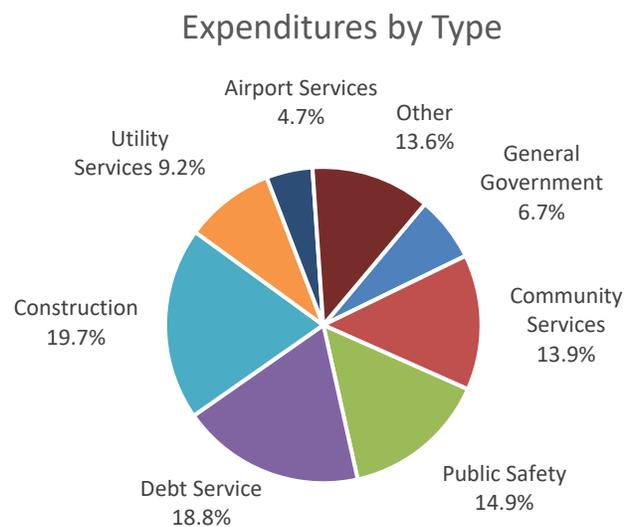
Expenditures by Type

The FY22 budget totals \$299.60 million (excluding inter-fund transfers). The chart at the right illustrates expenditures by type.

General Government expenditures represent 6.7% of overall expenditures at \$20.00 million. General Government expenditures are for administrative functions, including City Management, City Secretary, City Attorney, Human Resources, Information Technology, Emergency Management, Public Affairs, Economic Development, and Tourism.

Community Services expenditures represent 13.9% of total expenditures at \$41.55 million. Community Services expenditures include Parks, Public Works, Utilities, Environmental & Neighborhood Services, Engineering and Planning and Development Services. 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 14.9% of total expenditures at \$44.50 million and include the Police and Fire-EMS departments and Public Safety Dispatch.



Debt Service represents 18.8% of total expenditures at \$56.24 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 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. 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 19.7% of total expenditures at \$59.10 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 9.2% of total expenditures at \$27.49 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 mandated groundwater reduction.

Airport Services represent 4.7% of total expenditures at \$14.16 million. The fixed based operator at the airport is Global Select, which provides fuel and aviation customer services.

Other expenditures represent 12.2% of expenditures at \$36.55 million and include expenditures for issuance costs, insurance coverage, economic development incentives, capital replacement 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 \$30.01 million. Expenditures include \$28.28 million in debt service payments and fiscal fees. The budget also includes \$1.81 million in property tax rebates to in-city MUDs. The ending fund balance of \$7.08 million is above the policy requirement of 10% of debt service requirements.

General Fund

The General Fund budget, excluding inter-fund transfers, totals \$102.09 million. The budget includes funding for an average 3% merit increase for employees based on performance evaluations.

The General Fund budgeted fund balance has a planned one-time drawdown of \$5.93 million. The anticipated FY22 ending fund balance in the General Fund is \$29.88 million, which is higher than the policy requirement of three months of recurring operating expenditures.

Capital Improvement Program

The 2022-2026 capital improvement program totals \$259.1 million. Of this total, \$59.1 million are funded in the FY22 budget. Wastewater projects make up 17% of FY22 allocation. Street projects are 6% and includes major street rehabilitation projects. Water and Surface Water projects accounts for 27% for FY22. Municipal projects represent 7% and includes the Public Arts Projects and public safety facilities updates. Airport projects are 1% and includes Phase III of the Parallel Taxiway Relocation.

Drainage projects are 38% and includes Riverbend Inlets and Pipes Replacement, Austin Park and Chimneystone Drainage Improvements, Avalon, Brazos Landing & Commonwealth Drainage Improvement Phase I, Telfair Drainage Improvements, and Covington Woods Drainage Improvements. Parks and Traffic makes up 4% and includes enhancements to the Old Imperial Farm Cemetery, Joint Participation in CIP, Landscape Replacement for Major Roadways, Fiber Optic Cable Installation, and ITS-Railroad Monitoring, Communication and Notification System.

Funding for the FY22 CIP includes \$0.44 million in Certificates of Obligation paid by airport revenues, \$29.97 million in General Obligation bond proceeds, \$23.90 million in revenue bonds, \$2 million in utility revenues, \$1 million from the Sugar Land 4B Corporation, and \$1.79 million from CIP fund balance. Interest income is budgeted at \$10,500.

Utility System Fund

The Water Utility Fund budget totals \$48.22 million, excluding CIP projects and inter-fund transfers. Recurring additions include funding for BRA capital repairs, meter replacements, merchant bank fees, additional water rights, and audit fees. An increase in cash equivalents of \$3.46 million is anticipated for the fiscal year. The FY22 budgeted ending cash equivalent totals \$13.07 million and exceeds the 25% cash operating reserve requirement.

Airport Fund

The Airport Fund budget totals \$15.77 million excluding CIP projects and inter-fund transfers. There is a recurring addition increases for security services, cost recovery system, annual audit increase, and maintenance and operation increases. The fund anticipates an increase in cash equivalents of \$494,776. The FY22 budgeted ending balance of \$3.4 million is above the policy requirement of 25% of operating expenditures.

Solid Waste Fund

The Solid Waste Fund operating budget totals \$8.76 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 \$157,513. This fund has no minimum fund balance policy.

Sugar Land Development Corporation

The FY22 budget for SLDC totals \$8.36 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 \$4.02 million for outstanding debt issues. The FY22 budgeted available ending balance of \$5,607,389 is over the policy requirement of 15% of budgeted sales tax collections.

Sugar Land 4B Corporation

The FY22 budget for SL4B totals \$6.26 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 including obligations for the agreements with the Houston Astros. Debt service payments are budgeted at \$2.65 million for outstanding bonds. The FY22 budgeted available ending balance of \$2,468,379 is over the policy requirement of 15% of budgeted sales tax collections.

Tourism Fund

Expenditures in the Tourism Fund total \$643,865, excluding inter-fund transfers. The budget includes operating expenditures for a portion of Tourism and Destination Services staffing. The fund has a projected ending fund balance of \$302,738. In FY22 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 14.57% in 2021 to 14.48% in 2022 (effective January 1, 2022).

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 promotions. Merit increases are a key factor in staying competitive in the market and retaining quality employees. The merit increases will be deferred to at least mid-year to ensure that the City's revenues have recovered to support them.

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.

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

	FY20 Actuals	FY21 Adjusted Budget	FY21 Projections	FY22 Adopted Budget
REVENUES:				
Property Taxes	\$ 51,999,696	\$ 54,026,764	\$ 53,514,686	\$ 56,658,355
Sales Tax	50,774,034	44,367,637	53,736,778	52,364,563
Other Taxes	7,957,981	8,125,468	7,580,403	8,049,095
Licenses & Permits	4,048,651	3,326,853	3,318,883	3,628,653
Charges For Service	71,170,793	81,576,717	77,325,203	92,293,200
Fines & Forfeitures	1,318,397	1,577,979	1,201,439	1,590,504
Interest Income	2,594,111	1,649,051	303,356	395,779
Intergovernmental	8,136,738	10,529,861	11,195,111	7,499,113
Miscellaneous	12,725,597	7,429,002	8,256,154	6,216,215
Bond Proceeds	72,288,147	50,714,110	56,480,852	54,613,796
Contributions	12,363,977	12,000,036	12,608,924	13,083,881
Total Revenues	295,378,120	275,323,478	285,521,789	296,393,154
Transfers From Other Funds	33,056,807	32,973,861	22,642,044	43,850,366
Total Available Resources	328,434,927	308,297,339	308,163,833	340,243,520
EXPENDITURES:				
General Government	15,781,692	22,059,417	19,993,420	20,002,100
Finance	4,466,975	4,859,424	5,049,424	5,405,042
Public Works	12,360,173	13,968,440	13,968,440	14,433,671
Parks & Recreation	4,684,227	5,340,742	5,233,878	5,451,541
Community Development	5,454,668	6,070,662	6,050,040	6,090,309
Environmental & Neighborhood Services	14,500,043	16,022,394	16,047,003	15,575,450
Police Department	24,119,152	25,698,566	25,722,562	26,821,151
Fire Department	16,511,101	16,848,731	16,848,731	17,680,535
Debt Service	68,270,364	56,763,604	75,841,925	56,238,464
Other	32,636,389	20,916,150	5,886,517	21,150,160
Construction	24,989,930	63,818,165	73,681,238	59,099,965
Utility Services	23,946,029	27,611,622	27,611,622	27,492,760
Airport Services	9,764,709	12,017,446	12,724,446	14,161,581
Insurance Coverage	11,588,459	4,379,780	13,165,399	4,477,111
Equipment Replacement	2,544,754	3,120,696	3,184,355	3,705,781
Rebates & Assignments	4,144,939	1,780,008	4,483,928	1,817,466
Total Expenditures	275,763,605	301,275,847	325,492,928	299,603,087
Transfers To Other Funds	33,056,807	32,973,861	22,642,044	43,847,618
Total Expenditures & Transfers	\$ 308,820,412	\$ 334,249,708	\$ 348,134,972	\$ 343,450,705

Summary of Changes to FY22 Filed Budget and CIP

General Fund	Revenues	Expenditures	Fund Balance
Filed Budget	\$ 97,599,928	\$ 102,583,017	\$ 30,012,560
FY21 Projections -Sales Tax - Recognize August Actuals	-	-	672,759
FY21 Projections - Supplemental Changes to Tax Roll	-	-	(318,328)
FY21 Projections - Shifting Funds to FY22	-	-	460,000
Reallocation of funding planned for FY21 - Move to FY22	-	750,000	(750,000)
Revised Estimate for Public Safety Compensation Implementation	-	215,000	(215,000)
STEP Comprehensive & Commercial Motor Vehicle Grant	14,494	14,494	-
Adjustment to Property Tax Projections	(503)	(16,638)	16,135
Final Budget	\$ 97,613,919	\$ 103,545,873	\$ 29,878,126

Debt Service Fund	Revenues	Expenditures	Fund Balance
Filed Budget	28,829,224	28,652,605	6,616,514
FY21 Projections - Supplemental Changes to Tax Roll	-	-	(289,262)
Changes to Property Tax and Rebates with Certified Roll	(576,747)	(37,255)	(539,492)
Final Budget	\$ 28,252,477	\$ 28,615,350	\$ 5,787,760

Fleet Replacement Fund	Revenues	Expenditures	Fund Balance
Filed Budget	\$ 1,097,463	\$ 1,793,395	\$ 2,529,036
Insurance Recovery & Replacement of Totaled Vehicles	-	-	\$ (27,051)
Adjustment to Overtime & Benefits Estimates	-	2,381	(2,381)
Final Budget	\$ 1,097,463	\$ 1,795,776	\$ 2,499,604

Sugar Land Development Corporation	Revenues	Expenditures	Fund Balance
Filed Budget	\$ 8,170,570	\$ 9,091,604	\$ 5,720,263
FY21 Projections -Sales Tax - Recognize August Actuals	-	-	112,126
FY21 Projections - Reduction to TIRZ #1 Assignment	-	-	(125,000)
FY22 Reduction to TIRZ #1 Assignment	(100,000)	-	(100,000)
Final Budget	\$ 8,070,570	\$ 9,091,604	\$ 5,607,389

Sugar Land 4B Corporation	Revenues	Expenditures	Fund Balance
Filed Budget	\$ 6,787,433	\$ 8,055,908	\$ 2,356,253
FY21 Projections -Sales Tax - Recognize August Actuals	-	-	112,126
Final Budget	\$ 6,787,433	\$ 8,055,908	\$ 2,468,379

Special Revenue Fund - Contract Policing Fund	Revenues	Expenditures	Fund Balance
Filed Budget	\$ -	\$ -	\$ -
Established Fund	716,030	716,030	-
Final Budget	\$ 716,030	\$ 716,030	\$ -

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2022
ADOPTED BUDGET**

REVENUES

Category Description	Governmental Funds		
	General Fund	Debt Service Fund	Capital Projects
Property Taxes	\$ 34,164,356	\$ 22,493,999	-
Sales Tax	39,273,423	-	-
Other Taxes	6,274,495	-	-
Licenses & Permits	3,628,653	-	-
Charges For Service	3,961,852	-	-
Fines & Forfeitures	1,590,504	-	-
Interest Income	150,000	20,750	5,000
Intergovernmental	244,271	-	-
Miscellaneous	613,152	2,005,123	-
Bond Proceeds	-	-	30,264,000
Contributions	-	-	-
Total Revenue	89,900,706	24,519,872	30,269,000
Transfers From Other Funds	7,713,213	5,738,478	1,000,000
Total Available Resources	97,613,919	30,258,350	31,269,000

EXPENDITURES

General Government	16,201,484	-	-
Finance	5,328,586	-	-
Public Works	14,433,671	-	-
Parks & Recreation	5,451,541	-	-
Community Development	6,090,309	-	-
Environmental & Neighborhood Services	6,830,863	-	-
Police Department	26,105,121	-	-
Fire Department	17,680,535	-	-
Debt Service	-	28,284,754	-
Other	3,974,780	-	300,000
Construction	-	-	32,759,000
Utility Services	-	-	-
Airport Services	-	-	-
Insurance Coverage	-	-	-
Equipment Replacement	-	-	-
Rebates & Assignments	-	1,814,726	-
Total Expenditures	102,096,890	30,099,480	33,059,000
Transfers To Other Funds	1,448,983	107,719	-
Total Expenditures & Transfers	103,545,873	30,207,199	33,059,000

Revenue Over (Under) Expenditures	(5,931,954)	51,151	(1,790,000)
BEGINNING BALANCE	\$ 42,376,025	\$ 7,027,029	\$ 4,384,054
Reserved for Debt Service	-	-	-
Reserved for Self Insurance	-	-	-
Reserved for Capital Repairs	-	-	(1,726,461)
GAAP Accruals	(6,565,945)	-	-
END BUDGET BALANCE	\$ 29,878,126	\$ 7,078,180	\$ 867,593

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2022
ADOPTED BUDGET**

REVENUES

Category Description	Enterprise Funds			
	Utility System Fund & CIP	Airport Fund & CIP	Solid Waste	Fleet Replacement
Property Taxes	-	-	-	-
Sales Tax	-	-	-	-
Other Taxes	-	-	-	-
Licenses & Permits	-	-	-	-
Charges For Service	61,176,971	16,629,662	9,252,543	-
Fines & Forfeitures	-	-	-	-
Interest Income	120,628	50,500	75	5,000
Intergovernmental	-	50,000	-	-
Miscellaneous	739,426	579,650	13,200	150,000
Bond Proceeds	23,899,400	450,396	-	-
Contributions	-	-	-	-
Total Revenue	85,936,425	17,760,208	9,265,818	155,000
Transfers From Other Funds	26,809,500	666,565	-	942,463
Total Available Resources	112,745,925	18,426,773	9,265,818	1,097,463

EXPENDITURES

General Government	-	-	-	-
Finance	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Community Development	-	-	-	-
Environmental & Neighborhood Services	-	-	8,694,587	-
Police Department	-	-	-	-
Fire Department	-	-	-	-
Debt Service	19,881,342	1,397,278	-	-
Other	1,097,554	205,300	70,000	-
Construction	25,899,400	441,565	-	-
Utility Services	27,492,760	-	-	-
Airport Services	-	14,161,581	-	-
Insurance Coverage	-	-	-	-
Equipment Replacement	-	-	-	1,795,776
Rebates & Assignments	-	-	-	-
Total Expenditures	74,371,056	16,205,724	8,764,587	1,795,776
Transfers To Other Funds	36,031,144	1,725,773	503,257	-
Total Expenditures & Transfers	110,402,200	17,931,497	9,267,844	1,795,776
Revenue Over (Under) Expenditures	2,343,725	495,276	(2,026)	(698,313)
BEGINNING BALANCE	\$ 49,834,536	\$ 4,021,095	\$ 159,539	\$ 3,197,917
Reserved for Debt Service	(7,462,777)	(841,145)	-	-
Reserved for Self Insurance	-	-	-	-
Reserved for Capital Repairs	-	-	-	-
GAAP Accruals	-	-	-	-
END BUDGET BALANCE	\$ 44,715,484	\$ 3,675,226	\$ 157,513	\$ 2,499,604

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2022
ADOPTED BUDGET**

REVENUES

Category Description	Internal Service Funds		Enclave at River Park PID	Brazos River Festival Site	Tourism
	Hi-Tech Replacement	Employee Benefits			
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Other Taxes	-	-	-	-	1,604,600
Licenses & Permits	-	-	-	-	-
Charges For Service	-	-	61,589	20,000	-
Fines & Forfeitures	-	-	-	-	-
Interest Income	1,500	621	10	25	150
Intergovernmental	-	-	-	-	-
Miscellaneous	2,170	1,954,394	-	-	29,100
Bond Proceeds	-	-	-	-	-
Contributions	-	13,083,881	-	-	-
Total Revenue	3,670	15,038,896	61,599	20,025	1,633,850
Transfers From Other Funds	796,180	-	85,430	98,537	-
Total Available Resources	799,850	15,038,896	147,029	118,562	1,633,850

EXPENDITURES

General Government	-	-	-	138,537	543,865
Finance	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-	-
Police Department	-	-	-	-	-
Fire Department	-	-	-	-	-
Debt Service	-	-	-	-	-
Other	-	10,359,276	50	-	100,000
Construction	-	-	-	-	-
Utility Services	-	-	-	-	-
Airport Services	-	-	-	-	-
Insurance Coverage	-	4,477,111	-	-	-
Equipment Replacement	1,910,005	-	-	-	-
Rebates & Assignments	-	-	-	-	-
Total Expenditures	1,910,005	14,836,387	50	138,537	643,865
Transfers To Other Funds	-	-	156,494	-	1,342,893
Total Expenditures & Transfers	1,910,005	14,836,387	156,544	138,537	1,986,758
Revenue Over (Under) Expenditures	(1,110,155)	202,509	(9,515)	(19,975)	(352,908)
BEGINNING BALANCE	\$ 2,001,628	\$ 3,390,756	\$ 64,587	\$ 42,850	\$ 985,404
Reserved for Debt Service	-	-	-	-	-
Reserved for Self Insurance	-	(2,420,562)	-	-	-
Reserved for Capital Repairs	-	-	-	-	-
GAAP Accruals	-	-	-	-	(329,758)
END BUDGET BALANCE	\$ 891,473	\$ 1,172,703	\$ 55,072	\$ 22,875	\$ 302,738

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2022
ADOPTED BUDGET**

REVENUES

Category Description	Special Revenue Funds			
	Public Education Grant	Animal Shelter Donations	American Recovery Plan	Contract Policing
Property Taxes	-	-	-	-
Sales Tax	-	-	-	-
Other Taxes	170,000	-	-	-
Licenses & Permits	-	-	-	-
Charges For Service	-	-	-	716,030
Fines & Forfeitures	-	-	-	-
Interest Income	-	-	-	-
Intergovernmental	-	-	5,557,979	-
Miscellaneous	-	50,000	-	-
Bond Proceeds	-	-	-	-
Contributions	-	-	-	-
Total Revenue	170,000	50,000	5,557,979	716,030
Transfers From Other Funds	-	-	-	-
Total Available Resources	170,000	50,000	5,557,979	716,030

EXPENDITURES

General Government	223,087	-	-	-
Finance	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Community Development	-	-	-	-
Environmental & Neighborhood Services	-	50,000	-	-
Police Department	-	-	-	716,030
Fire Department	-	-	-	-
Debt Service	-	-	-	-
Other	-	-	-	-
Construction	-	-	-	-
Utility Services	-	-	-	-
Airport Services	-	-	-	-
Insurance Coverage	-	-	-	-
Equipment Replacement	-	-	-	-
Rebates & Assignments	-	-	-	-
Total Expenditures	223,087	50,000	-	716,030
Transfers To Other Funds	-	-	-	-
Total Expenditures & Transfers	223,087	50,000	-	716,030

Revenue Over (Under) Expenditures	(53,087)	-	5,557,979	-
BEGINNING BALANCE	\$ 53,087	\$ -	\$ 5,557,979	\$ -
Reserved for Debt Service	-	-	-	-
Reserved for Self Insurance	-	-	-	-
Reserved for Capital Repairs	-	-	-	-
GAAP Accruals	-	-	-	-
END BUDGET BALANCE	\$ -	\$ -	\$ 11,115,958	\$ -

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2022
ADOPTED BUDGET**

REVENUES

Category Description			Law Enforcement	SPA Debt Reduction
	Court Security	Court Tech		
Property Taxes	-	-	-	-
Sales Tax	-	-	-	-
Other Taxes	-	-	-	-
Licenses & Permits	-	-	-	-
Charges For Service	43,175	35,245	-	396,133
Fines & Forfeitures	-	-	-	-
Interest Income	10	50	60	1,400
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Bond Proceeds	-	-	-	-
Contributions	-	-	-	-
Total Revenue	43,185	35,295	60	397,533
Transfers From Other Funds	-	-	-	-
Total Available Resources	43,185	35,295	60	397,533

EXPENDITURES

General Government	-	-	-	-
Finance	41,161	35,295	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Community Development	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-
Police Department	-	-	-	-
Fire Department	-	-	-	-
Debt Service	-	-	-	-
Other	-	-	-	-
Construction	-	-	-	-
Utility Services	-	-	-	-
Airport Services	-	-	-	-
Insurance Coverage	-	-	-	-
Equipment Replacement	-	-	-	-
Rebates & Assignments	-	-	-	-
Total Expenditures	41,161	35,295	-	-
Transfers To Other Funds	-	-	-	-
Total Expenditures & Transfers	41,161	35,295	-	-

Revenue Over (Under) Expenditures	2,024	-	60	397,533
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BEGINNING BALANCE	\$ 4,271	\$ 6,107	\$ 113,572	\$ 1,773,439
Reserved for Debt Service	-	-	-	-
Reserved for Self Insurance	-	-	-	-
Reserved for Capital Repairs	-	-	-	-
GAAP Accruals	-	-	-	-
END BUDGET BALANCE	\$ 6,295	\$ 6,107	\$ 113,632	\$ 2,170,972

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2022
ADOPTED BUDGET**

REVENUES

Category Description	Total City	Component Units		TOTAL
		SLDC	SL4B	
Property Taxes	\$ 56,658,355	-	-	\$ 56,658,355
Sales Tax	39,273,423	6,545,570	6,545,570	52,364,563
Other Taxes	8,049,095	-	-	8,049,095
Licenses & Permits	3,628,653	-	-	3,628,653
Charges For Service	92,293,200	-	-	92,293,200
Fines & Forfeitures	1,590,504	-	-	1,590,504
Interest Income	355,779	25,000	15,000	395,779
Intergovernmental	5,852,250	1,500,000	146,863	7,499,113
Miscellaneous	6,136,215	-	80,000	6,216,215
Bond Proceeds	54,613,796	-	-	54,613,796
Contributions	13,083,881	-	-	13,083,881
Total Revenue	281,535,151	8,070,570	6,787,433	296,393,154
Transfers From Other Funds	43,850,366	-	-	43,850,366
Total Available Resources	325,385,517	8,070,570	6,787,433	340,243,520

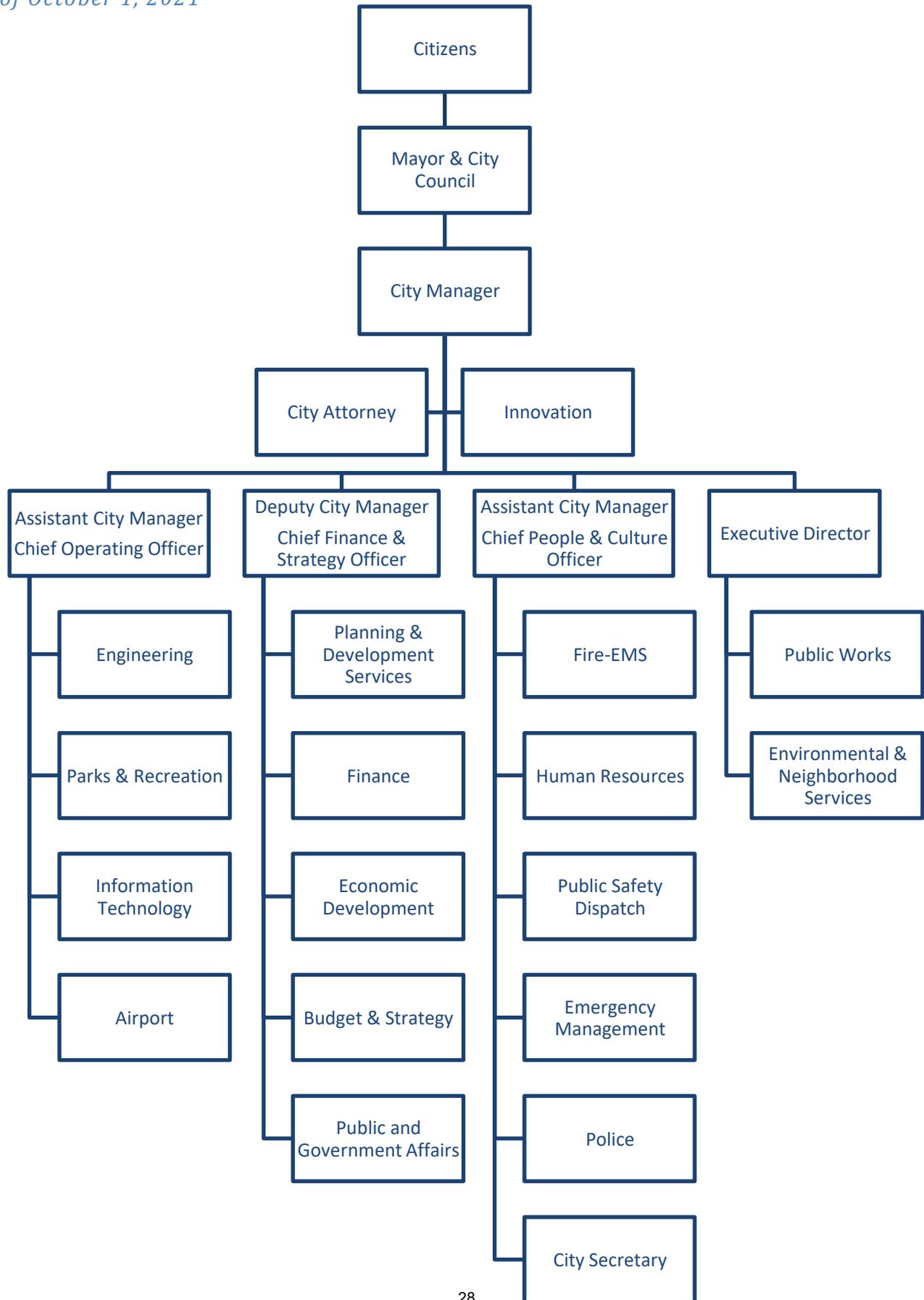
EXPENDITURES

General Government	17,106,973	2,325,257	569,870	20,002,100
Finance	5,405,042	-	-	5,405,042
Public Works	14,433,671	-	-	14,433,671
Parks & Recreation	5,451,541	-	-	5,451,541
Community Development	6,090,309	-	-	6,090,309
Environmental & Neighborhood Services	15,575,450	-	-	15,575,450
Police Department	26,821,151	-	-	26,821,151
Fire Department	17,680,535	-	-	17,680,535
Debt Service	49,563,374	4,027,140	2,647,950	56,238,464
Other	16,106,960	2,004,000	3,039,200	21,150,160
Construction	59,099,965	-	-	59,099,965
Utility Services	27,492,760	-	-	27,492,760
Airport Services	14,161,581	-	-	14,161,581
Insurance Coverage	4,477,111	-	-	4,477,111
Equipment Replacement	3,705,781	-	-	3,705,781
Rebates & Assignments	1,814,726	2,740	-	1,817,466
Total Expenditures	284,986,930	8,359,137	6,257,020	299,603,087
Transfers To Other Funds	41,316,263	732,467	1,798,888	43,847,618
Total Expenditures & Transfers	325,314,076	9,091,604	8,055,908	342,461,588

Revenue Over (Under) Expenditures	(917,676)	(1,021,034)	(1,268,475)	(3,207,185)
BEGINNING BALANCE	\$ 124,993,875	\$ 11,516,590	\$ 6,959,681	\$ 143,470,146
Reserved for Debt Service	(8,303,922)	(3,876,840)	(2,211,500)	(14,392,262)
Reserved for Self Insurance	(2,420,562)	-	-	(2,420,562)
Reserved for Capital Repairs	(1,726,461)	-	-	(1,726,461)
GAAP Accruals	(6,895,703)	(1,011,327)	(1,011,327)	(8,918,357)
END BUDGET BALANCE	\$ 104,729,551	\$ 5,607,389	\$ 2,468,379	\$ 112,805,319

City of Sugar Land Organizational Chart

As of October 1, 2021



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 118,498 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
Houston Methodist Sugar Land Hospital	Medical
Schlumberger	Energy
Memorial Hermann Sugar Land Hospital	Medical
Fluor Enterprises, Inc.*	Engineering
ChampionX*	R & D Headquarters
Accredo Packaging, Inc.	Packaging and Containers
ABM Industries*	Facilities Services
QuVa Pharma Inc	Pharmaceutical

St. Luke's Hospital Sugar Land	Medical
Applied Optoelectronics, Inc.	Telecommunications
HCSS	Technology
Healix	Medical
Tramontina	Manufacturing
Texas Instruments*	Technology
Industrial Information Resources	Marketing

*2021 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 nearly 60,000 jobs in 2021, Sugar Land is home to high-profile regional and international corporations housed in more than 29.6 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 development of new industrial space. Two new warehouse/distribution speculative buildings totaling 326,583 sqft on a 20.38-acre site were built by Transwestern Development Company (TDC). TDC is a diversified firm that develops office, industrial, multifamily, mixed-use and healthcare projects throughout the United States. The Sugar Land Business Park is also expanding with the addition of a new 320,000-square-foot industrial development by Lovett Industrial LLC. Finally, Accredo Packaging added an additional 200,000 square feet of manufacturing and warehouse space. The developments from TDC, Lovett Industrial LLC and Accredo Packaging are examples of the continued demand for new industrial space in our market.

Sugar Land also continues to establish itself as a destination city. The Smart Financial Centre at Sugar Land has far exceeded all projections in its recent years – routinely hosting more than 115 events and over 350,000 paid attendees annually – consistently earning recognition as a top theatre venue worldwide according to *Pollstar* magazine. Additionally, Constellation Field has welcomed over 2,000,000 visitors in the last 5-plus years at their various baseball games and special events - and the Houston Astros announced the selection of the Sugar Land

Skeeters as their Triple-A franchise in November 2020. The Houston Museum of Natural Science at Sugar Land serves over 100,000 attendees annually in a routine year and 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.

One focus in 2020-2021 has been supporting the City’s business community through the COVID-19 pandemic. From the very beginning of the pandemic, staff began laying out its Business Response Plan to support the Sugar Land Economy. The COVID-19 pandemic has continued to be a fluid and dynamic situation, as such the Business Response Plan continued to evolve to meet each new challenge. The plan primarily focused on the immediate economic needs of businesses and creating tasks and programs that would get Sugar Land businesses safely reopened and business levels (number of customers and sales volume) back to normal as quickly as possible.

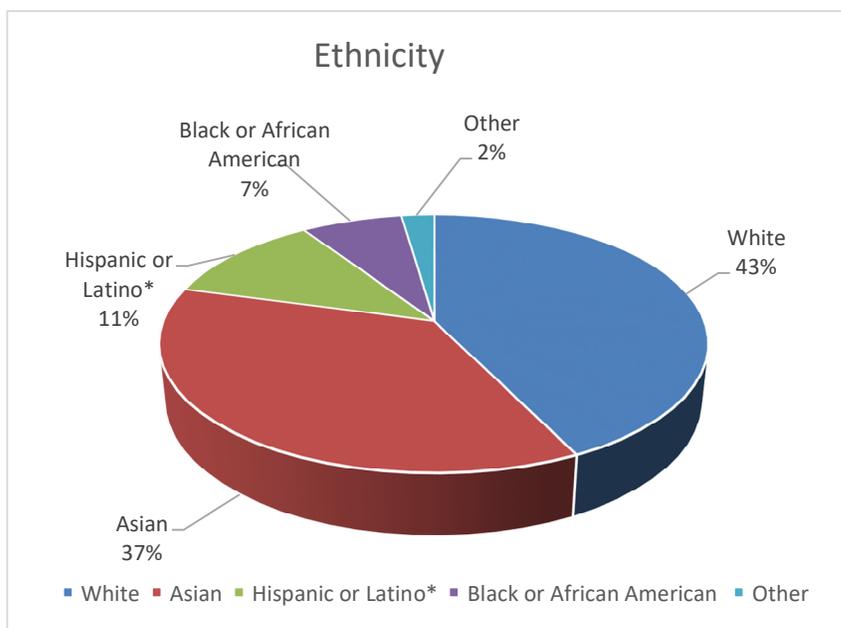
The #AllInForSLTX Campaign launched as an integrated marketing campaign designed to unite Sugar Land's efforts to combat the health and economic crisis of the COVID-19 pandemic and to demonstrate the determination and resiliency of the city. The campaign features the Sweet Cash Program, a business recovery effort to inject needed cash flow into local small businesses, which injected over \$500,000 into the local economy and directly benefitting over 200 Sugar Land Businesses.



Diversity

Sugar Land is a highly educated and globally diverse community. All cultures contribute to a unique Sugar Land community and culture, and the City 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

	FY19	FY20	FY21	FY22
Population (January 1st estimate)	118,118	118,498	118,498	118,498
Square Miles	43	43	43	43
Acres	27,424	27,402	27,402	27,402
Budgeted Full Time Employees	805.0	848.0	848.0	848.0
Total Operating Budget	\$ 247.3 M	\$ 272.11 M	\$ 253.72 M	\$ 297.68 M
Fire Protection-Emergency Medical Services				
Number of Stations	7	7	7	7
Certified Firefighters	124	124	124	124
Calls for Service	9,587	9,311	10,479	10,500
Police Protection				
Number of Stations	1	1	1	1
Certified Police Officers	172	174	174	174
Calls for Service	77,154	61,739	76,300	76,300
Parks & Recreation				
Number of Parks	27	27	27	27
Park Acreage	2,248	2,248	2,454	2,454
Swimming Pools	1	1	1	1
Community Centers	5	5	5	5
Recreation Centers	2	2	2	2
Special Events Offered	26	14	29	20
Public Works				
Lane Miles of Streets	1,052	1,060	1,068	1,068
Linear Miles of Sidewalk	846	847	848	848
Miles of Storm Sewer/Open Ditch	494	496	458	458
Traffic Signals Maintained	90	92	92	92
City Facilities	73	73	73	73
Utilities				
Equivalent Single Family Connections	61,951	62,149	62,441	62,681
Water Produced (Million Gallons)	7,526	7,550	7,586	7,641
Wastewater Treated (Million Gallons)	3,988	4,001	4,020	4,050
Community Development				
Building Permits Issued	8,585	8,057	8,600	8,600
Airport				
Gallons of Fuel Sold	3,181,500	2,889,624	3,025,431	3,269,707
Aircraft Served	13,207	11,624	12,800	13,440

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, Solid Waste 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 base budget that will allow services to meet the Sugar Land Way. Supplemental operating budget requests are based on items identified through the Sugar Land Way, 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 community input.

Staff also maintains a list of potential projects from citizen requests. 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.

FY22 Budget Calendar

February	<ul style="list-style-type: none"> • Key issues identified and prioritized by City Management • Monitor State Legislature for potential impacts
March	<ul style="list-style-type: none"> • CIP Kick-Off • Budget Office prepares preliminary five-year forecast • City Manager develops budget message based on key issues
April	<ul style="list-style-type: none"> • Budget Office develops instructions and forms for budget preparation • Budget Office develops preliminary funding plan for five-year CIP
May	<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
June	<ul style="list-style-type: none"> • Budget Office reviews departmental budget submissions • Cost allocation plan updated • City Management reviews departmental budget submissions
July	<ul style="list-style-type: none"> • Review list of CIP projects with City Council • CIP project list finalized and fiscally constrained • Finalize five-year forecast • Review list of CIP projects with Planning & Zoning • Prepare proposed budget document, transmittal letter and budget filing presentations • July 20th: 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 and Friday mornings) • Publish voter approval tax rate and proposed tax rates
September	<ul style="list-style-type: none"> • Final FY22 Budget Amendment Ordinance • Public hearing on proposed tax rate and budget • City Council adoption of FY22: <ul style="list-style-type: none"> ○ Annual budget, five-year CIP, compensation plan ○ City Council adopt 2021 tax rate • Approve Fee ordinance and PID assessment 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 15 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. The adopted budget is filed with the County Clerk.

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 20-16 in June 2020. 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 Annual Comprehensive Financial Report (ACFR). 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 Other Post-Employment Benefits (OPEB) and Incurred But Not Reported (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 fourteen active special revenue funds budgeted for FY22, such as: Court Security, Court Technology, Tourism, two 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 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

Vision 2032

Vision 2032 provides long-term goals for the ongoing development and improvement of the community. 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.

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

Mid-Term Priorities

City Council has identified and developed five priorities to direct the City's growth and define staff responsibilities, based on the Vision. 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

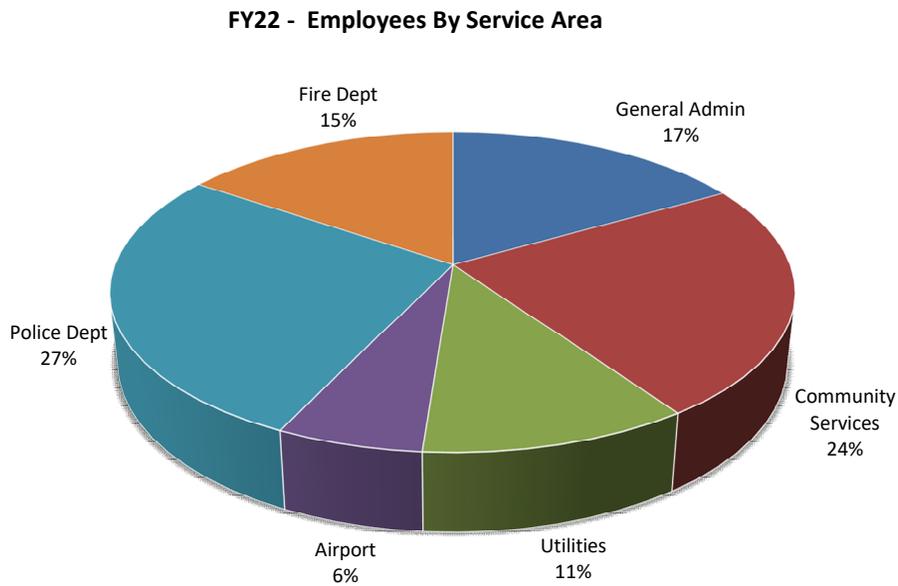
Staffing Levels

FY22 Budget

The number of budgeted Full Time Equivalent (FTE) positions in FY22 Budget totals 848.

Employees by Service Areas

The chart below illustrates the 848 FTE count by Service Area. General Administration is comprised of General Government, Tourism and Finance. Community Services is comprised of Public Works, Environmental & Neighborhood Services, Parks & Recreation, and Community Development. Utilities include Solid Waste and Utility System.



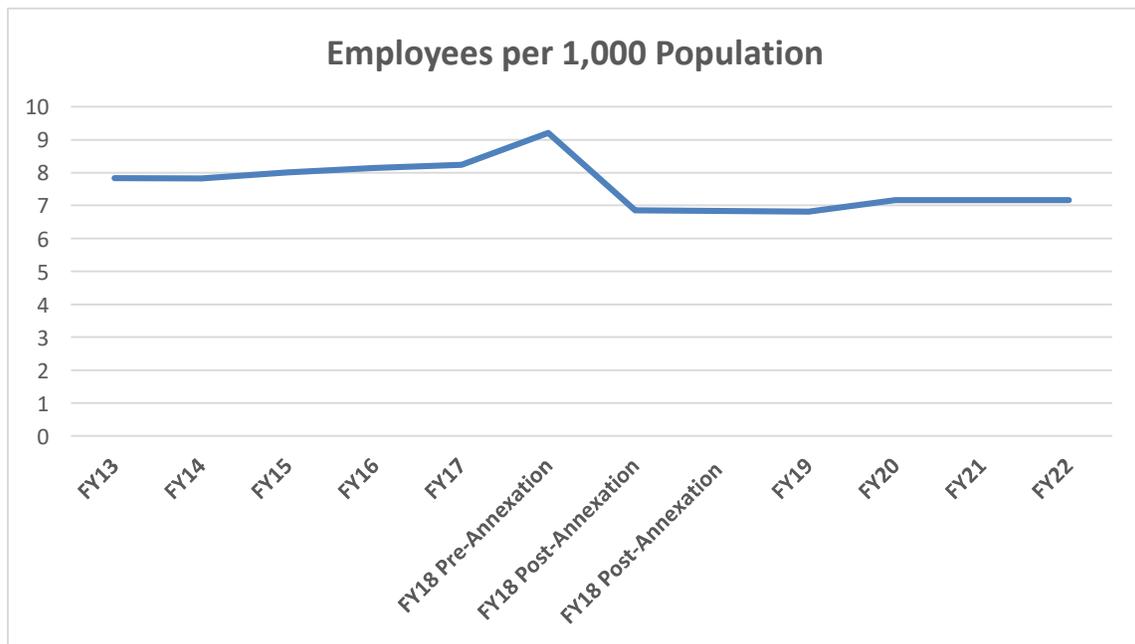
FY22 Requested Positions

There were no new FTE's added in the FY22 Budget.

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. 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.

Fiscal Year	FTE	Percent Change	Population	Employees per 1,000 Population
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	805.00	0.06%	118,118	6.82
FY20	848.00	11.77%	118,498	7.16
FY21	848.00	0.00%	118,498	7.14
FY22	848.00	0.00%	118,498	7.14



Historical Detail of Authorized Full-Time Equivalents

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Administrative Manager	1.00	1.00	-	1.00	-	1.00
Agenda Coordinator	1.00	-	-	-	-	-
Assistant to the 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	-	-	-	-	-
Management Assistant I	3.00	-	-	-	-	-
Management Assistant II	1.00	-	-	-	-	-
Director of Public Affairs	1.00	-	-	-	-	-
Director of Public & Governmental Affairs		1.00		1.00	-	1.00
Executive Assistant	2.00	2.00	-	2.00	-	2.00
City Manager	12.00	6.00	-	6.00	-	6.00
Asset & Operations Manager	1.00	-	-	-	-	-
Assistant City Manager	3.00	3.00	(1.00)	2.00	-	2.00
Director of Special Projects	1.00	1.00	-	1.00	-	1.00
Deputy City Manager			1.00	1.00		1.00
Executive Assistant	2.00	2.00	-	2.00	-	2.00
Assistant City Managers	7.00	6.00	-	6.00	-	6.00
Strategic Planning & Philanthropy Manager	-	1.00	(1.00)	-	-	-
Strategic Planning	-	1.00	(1.00)	-	-	-
Administrator, Emergency Management	-	1.00	-	1.00	-	1.00
Emergency Mgmt Specialist	-	1.00	-	1.00	-	1.00
Emergency Management	-	2.00	-	2.00	-	2.00
Community Engagement Coordinator	1.00	1.00	-	1.00	-	1.00
Community Engagement Manager	1.00	1.00	-	1.00	-	1.00
Community Engagement	2.00	2.00	-	2.00	-	2.00
Administrative Assistant - PT	-	1.00	-	1.00	-	1.00
Agenda Coordinator	-	1.00	-	1.00	-	1.00
City Secretary	1.00	1.00	-	1.00	-	1.00
Government Information Analyst	1.00	1.00	-	1.00	-	1.00
Department Specialist	1.00	1.00	-	1.00	-	1.00
Deputy City Secretary	1.00	1.00	-	1.00	-	1.00
Information Process Technician	1.00	1.00	-	1.00	-	1.00
Records Analyst	1.00	1.00	-	1.00	-	1.00
Records Manager	1.00	1.00	-	1.00	-	1.00
City Secretary	7.00	9.00	-	9.00	-	9.00
Assistant Communications Director	2.00	1.00	-	1.00	-	1.00
Communications Director	-	1.00	-	1.00	-	1.00
Content Strategist	-	1.00	-	1.00	-	1.00
Digital Communications Manager, Video Production	1.00	1.00	-	1.00	-	1.00
Digital Communications Manager	1.00	1.00	-	1.00	-	1.00
Digital Communications Manager, Web Branding	1.00	1.00	-	1.00	-	1.00
Digital Journalist	1.00	1.00	-	1.00	-	1.00
Executive Assistant	1.00	1.00	-	1.00	-	1.00
Graphic Designer/Branding Specialist	1.00	1.00	-	1.00	-	1.00
Publications Manager	1.00	-	-	-	-	-
Communications	9.00	9.00	-	9.00	-	9.00
311 Contact Center Ambassadors	5.00	6.20	-	6.20	-	6.20
311 Contact Center Supervisor	1.00	1.00	-	1.00	-	1.00
Customer Service Manager	-	1.00	-	1.00	-	1.00
Receptionist - PT	1.20	-	-	-	-	-
311 Contact Center	7.20	8.20	-	8.20	-	8.20

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Administrative Manager	1.00	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	-	1.00
Director of Human Resources	1.00	1.00	-	1.00	-	1.00
Employee Engagement & Wellness Coordinator	1.00	1.00	-	1.00	-	1.00
Employee Engagement & Wellness Manager	-	-	1.00	1.00	-	1.00
HR Business Partner	3.00	3.00	-	3.00	-	3.00
Human Resources Manager	1.00	1.00	-	1.00	-	1.00
Risk Manager	1.00	1.00	-	1.00	-	1.00
Safety & Risk Coordinator	1.00	1.00	-	1.00	-	1.00
Human Resources	11.00	11.00	1.00	12.00	-	12.00
Assistant City Attorney	4.00	4.00	-	4.00	-	4.00
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	-	-	-	-	-
Senior Assistant City Attorney	-	1.00	-	1.00	-	1.00
City Attorney	7.00	7.00	-	7.00	-	7.00
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Application Developer II	1.00	1.00	-	1.00	-	1.00
Application Developer III	2.00	2.00	-	2.00	-	2.00
Director of Information Technology	1.00	1.00	-	1.00	-	1.00
IT Manager	1.00	1.00	-	1.00	-	1.00
End User Support Specialist	4.00	4.00	-	4.00	-	4.00
G.I.S. Analyst	1.00	1.00	-	1.00	-	1.00
G.I.S. Specialist	2.00	2.00	-	2.00	-	2.00
Sr. G.I.S. Specialist	1.00	1.00	-	1.00	-	1.00
IT Manager	1.00	1.00	-	1.00	-	1.00
IT Project Manager	1.00	1.00	-	1.00	-	1.00
IT Project Manager - ERP	1.00	1.00	-	1.00	-	1.00
IT Manager	1.00	1.00	-	1.00	-	1.00
Sr. Project Manager	1.00	1.00	-	1.00	-	1.00
System Administrator	3.00	3.00	-	3.00	-	3.00
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	25.00	25.00	-	25.00	-	25.00
Business Intelligence Lead	-	1.00	-	1.00	-	1.00
Chief Innovation Officer	-	1.00	-	1.00	-	1.00
Data Analyst	1.00	-	-	-	-	-
Innovation Manager	-	2.00	-	2.00	-	2.00
Innovation Strategist	-	-	1.00	1.00	-	1.00
Management Analyst I	-	4.00	(1.00)	3.00	-	3.00
Performance & Accountability Analyst	2.00	-	-	-	-	-
Performance Analyst	-	1.00	-	1.00	-	1.00
Performance & Accountability Director	1.00	-	-	-	-	-
Performance & Accountability Manager	1.00	-	-	-	-	-
Department of Innovation	5.00	9.00	-	9.00	-	9.00
Assistant Dir. Of Economic Dev.	1.50	1.50	-	1.50	-	1.50
Business Development Manager	-	1.00	-	1.00	-	1.00
Business Development Associate	-	1.00	-	1.00	-	1.00
Business Retention Manager	1.00	-	-	-	-	-
Compliance Manager	1.00	-	-	-	-	-
Cultural Arts Manager	0.50	0.50	-	0.50	-	0.50
Director of Economic Development	1.00	1.00	-	1.00	-	1.00
Economic Development Coordinator	1.00	1.00	-	1.00	-	1.00
Executive Assistant	1.00	1.00	-	1.00	-	1.00
Public/Private Partnership Manager	1.00	1.00	-	1.00	-	1.00
Economic Development	8.00	8.00	-	8.00	-	8.00

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Intergov'tl Relations Manager	1.00	1.00	-	1.00	-	1.00
Intergovernmental Relations	1.00	1.00	-	1.00	-	1.00
Budget Analyst	1.00	3.00		3.00	-	3.00
Budget Manager	1.00	1.00	(1.00)	-	-	-
Director of Budget & Strategy	-	-	1.00	1.00		1.00
Financial Analyst	1.00	1.00	-	1.00	-	1.00
Sr. Budget Analyst	1.00	1.00	-	1.00	-	1.00
Sr. Financial Analyst	1.00	-	-	-	-	-
Strategic Planning & Philanthropy Manager	-	-	1.00	1.00	-	1.00
Budget & Strategy Department	5.00	6.00	1.00	7.00	-	7.00
General Government Total	106.20	110.20	1.00	111.20	-	111.20
Director of Finance	1.00	1.00	-	1.00	-	1.00
Deputy Director of Finance	-	-	1.00	1.00	-	1.00
Assistant Director of Finance	1.00	1.00	(1.00)	-	-	-
Finance Manager	-	-	1.00	1.00	-	1.00
Grants Officer	1.00	1.00	-	1.00	-	1.00
Sr. Administrative Assistant	-	1.00	-	1.00	-	1.00
Finance Administration	3.00	4.00	1.00	5.00	-	5.00
Accountant I & II	2.00	1.00	-	1.00	-	1.00
Accounting Supervisor	1.00	1.00	(1.00)	-	-	-
Accounts Payable Specialist	1.50	1.50	-	1.50	-	1.50
Sr. Accounts Payable Specialist	2.00	2.00	-	2.00	-	2.00
Accounts Payable Supervisor	1.00	1.00	-	1.00	-	1.00
Controller	1.00	1.00		1.00	-	1.00
Deputy Controller	1.00	1.00	1.00	2.00	-	2.00
Principal Accountant	1.00	1.00	1.00	2.00	-	2.00
Sr. Accountant	1.00	2.00	-	2.00	-	2.00
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Accounting	12.50	12.50	1.00	13.50	-	13.50
Contracts Coordinator	2.00	2.00	-	2.00	-	2.00
Contracts Manager	1.00	1.00	-	1.00	-	1.00
Department Specialist	3.00	3.00	-	3.00	-	3.00
Purchasing Manager	1.00	1.00	-	1.00	-	1.00
Purchasing	7.00	7.00	-	7.00	-	7.00
Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Compliance Collections Supervisor	1.00	1.00	-	1.00	-	1.00
Court Clerk	3.00	3.00	-	3.00	-	3.00
Court Docket Specialist	1.00	1.00	-	1.00	-	1.00
Court Services Supervisor	1.00	1.00	-	1.00	-	1.00
Compliance Collections Specialist	1.00	1.00	-	1.00	-	1.00
Deputy Court Administrator	1.00	1.00	-	1.00	-	1.00
Municipal Court Administrator	1.00	1.00	-	1.00	-	1.00
Municipal Court Judge	1.00	1.00	-	1.00	-	1.00
Sr. Court Clerk	1.00	1.00	-	1.00	-	1.00
Warrant Coordinator	1.00	1.00	-	1.00	-	1.00
Municipal Court	13.00	13.00	-	13.00	-	13.00
Finance Department Total	35.50	36.50	2.00	38.50	-	38.50
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
Executive Director	-	-	0.50	0.50	-	0.50
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Public Works Administration	3.00	3.00	0.50	3.50	-	3.50
Crew Chief	6.00	6.00	-	6.00	-	6.00
Operational Manager	1.00	1.00	-	1.00	-	1.00
Field Supervisor	3.00	3.00	-	3.00	-	3.00
General Maintenance Worker (I & II)	11.00	11.00	-	11.00	-	11.00
Project Manager	1.00	1.00	-	1.00	-	1.00
Street/Drainage Superintendent	1.00	1.00	-	1.00	-	1.00
Street & Drainage Maintenance	23.00	23.00	-	23.00	-	23.00

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
ROW Service Manager	1.00	1.00	-	1.00	-	1.00
Crew Chief	4.00	4.00	-	4.00	-	4.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
Irrigation Technician	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	12.00	12.00	-	12.00	-	12.00
Streetscape Manager	1.00	1.00	-	1.00	-	1.00
ROW Maintenance	20.00	20.00	-	20.00	-	20.00
Engineer (I)	1.00	1.00	-	1.00	-	1.00
Field Supervisor	2.00	2.00	-	2.00	-	2.00
City Traffic Engineer	1.00	1.00	-	1.00	-	1.00
ITS Operations Manager	1.00	1.00	-	1.00	-	1.00
Traffic Mgmt Center Analyst	1.00	1.00	-	1.00	-	1.00
Traffic Mgmt Center Operator	1.00	1.00	-	1.00	-	1.00
Traffic Operations Manager	1.00	1.00	-	1.00	-	1.00
Traffic Technician (I & II)	7.00	7.00	-	7.00	-	7.00
Traffic Operations	15.00	15.00	-	15.00	-	15.00
Public Works Total	61.00	61.00	0.50	61.50	-	61.50
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
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Parks Administration	5.00	5.00	-	5.00	-	5.00
Crew Chief	4.00	4.00	-	4.00	-	4.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	8.00	8.00	-	8.00	-	8.00
Parks Superintendent	1.00	1.00	-	1.00	-	1.00
Parks Development Manager	1.00	1.00	-	1.00	-	1.00
Park Ambassador - PT	0.50	0.50	-	0.50	-	0.50
Parks Development	15.50	15.50	-	15.50	-	15.50
Event Coordinator	1.00	1.00	-	1.00	-	1.00
Event Coordinator - PT	1.00	1.00	-	1.00	-	1.00
Event Production Manager	1.00	1.00	-	1.00	-	1.00
Special Events	3.00	3.00	-	3.00	-	3.00
Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Administrative Supervisor	1.00	1.00	-	1.00	-	1.00
Day Camp Counselor (temp/seasonal)	1.75	1.75	-	1.75	-	1.75
Day Camp Lead Counselor (temp/seasonal)	0.50	0.50	-	0.50	-	0.50
Day Camp Supervisor (temp/seasonal)	0.25	0.25	-	0.25	-	0.25
Parks Ambassador - PT	1.80	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	3.00	3.00	-	3.00	-	3.00
Recreation	15.30	15.30	-	15.30	-	15.30
Parks & Recreation Total	38.80	38.80	-	38.80	-	38.80
Director of Planning	1.00	-	-	-	-	-
Director of Planning and Development Services	-	1.00	-	1.00	-	1.00
Community Development Administration	1.00	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 Safety Director	1.00	-	-	-	-	-
Deputy Building Official	1.00	2.00	-	2.00	-	2.00
Permits Supervisor	1.00	1.00	-	1.00	-	1.00
Permits Technician	3.00	3.00	-	3.00	-	3.00
Plans Examiner	2.00	1.00	-	1.00	-	1.00
Sr. Building Inspector	3.00	3.00	-	3.00	-	3.00
Sr. Permit Technician	2.00	2.00	-	2.00	-	2.00
Temporary Help	0.25	0.25	-	0.25	-	0.25
Permits & Inspections	17.25	16.25	-	16.25	-	16.25

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
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	-	1.00
Planner II	1.00	-	-	-	-	-
Principal Planner	1.00	1.00	-	1.00	-	1.00
Sr. Planner	1.00	1.00	-	1.00	-	1.00
Planning & Development	6.00	6.00	-	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 II	1.00	-	-	-	-	-
Sr. Planner	1.00	2.00	-	2.00	-	2.00
Transportation & Long Range Planning	4.00	4.00	-	4.00	-	4.00
Planning & Development Services Total	28.25	27.25	-	27.25	-	27.25
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Asset & Operations Manager	-	1.00	-	1.00	-	1.00
Sr. Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Assistant City Engineer	2.00	2.00	-	2.00	-	2.00
City Engineer	1.00	1.00	-	1.00	-	1.00
Construction Inspector	4.00	4.00	(1.00)	3.00	-	3.00
Construction Manager	1.00	1.00	-	1.00	-	1.00
Engineer (I, II, III, IV)	3.00	3.00	-	3.00	-	3.00
Engineering Manager	1.00	1.00	-	1.00	-	1.00
Manager, Vertical Construction	1.00	1.00	-	1.00	-	1.00
Project Manager	3.00	1.00	-	1.00	-	1.00
Sr. Project Manager	-	2.00	-	2.00	-	2.00
Real Property Manager	1.00	1.00	-	1.00	-	1.00
Sr. Construction Inspector	1.00	1.00	1.00	2.00	-	2.00
Sr. Engineer Manager	2.00	2.00	-	2.00	-	2.00
Transportation & Mobility Innovations Manager	1.00	1.00	-	1.00	-	1.00
Transportation & Mobility Innovations Analyst	1.00	1.00	-	1.00	-	1.00
Engineering Total	24.00	25.00	-	25.00	-	25.00
Assistant Director of ENS	2.00	2.00	-	2.00	-	2.00
Director of Environmental & Neighborhood Services	1.00	1.00	-	1.00	-	1.00
ENS Administration	3.00	3.00	-	3.00	-	3.00
Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Automotive Technician (I & II)	5.00	5.00	-	5.00	-	5.00
Fleet Services Clerk	1.00	1.00	-	1.00	-	1.00
Fleet Services Supervisor	1.00	1.00	-	1.00	-	1.00
Fleet Services Manager	1.00	1.00	-	1.00	-	1.00
Fleet Services	9.00	9.00	-	9.00	-	9.00
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Mail 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	4.00	4.00	-	4.00	-	4.00
Facilities Management	10.00	10.00	-	10.00	-	10.00
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Animal Services Manager	1.00	1.00	-	1.00	-	1.00
Animal Services Officer	4.00	4.00	-	4.00	-	4.00
Animal Shelter Supervisor	1.00	1.00	-	1.00	-	1.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
Kennel Technician - P/T	1.50	1.50	-	1.50	-	1.50
Kennel Technician	1.00	1.00	-	1.00	-	1.00
Veterinary Technician	1.00	1.00	-	1.00	-	1.00
Animal Services	11.50	11.50	-	11.50	-	11.50
Stormwater Coordinator	1.00	1.00	-	1.00	-	1.00
Environmental Services Inspector	0.50	0.50	-	0.50	-	0.50
Stormwater Management	1.50	1.50	-	1.50	-	1.50

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Food Inspection Coordinator	1.00	1.00	-	1.00	-	1.00
Food Inspection Manager	1.00	1.00	-	1.00	-	1.00
Sanitarian	2.00	2.00	-	2.00	-	2.00
Food Inspection	4.00	4.00	-	4.00	-	4.00
Code Compliance Manager	1.00	1.00	-	1.00	-	1.00
Code Enforcement Inspector	4.00	4.00	-	4.00	-	4.00
Department Specialist	1.00	1.00	-	1.00	-	1.00
Code Enforcement	6.00	6.00	-	6.00	-	6.00
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	3.00	-	3.00	-	3.00
Environmental and Neighborhood Services Total	48.00	48.00	-	48.00	-	48.00
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	2.00	-	2.00	-	2.00
Police Chief	1.00	1.00	-	1.00	-	1.00
Sr. Administrative Assistant	2.00	2.00	-	2.00	-	2.00
Police Administration	6.50	7.50	-	7.50	-	7.50
Administrative Assistant	1.00	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	12.60	13.60	-	13.60	-	13.60
Police Sergeant	2.00	2.00	-	2.00	-	2.00
Support Services Bureau	18.10	19.10	-	19.10	-	19.10
Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Crime Analyst	1.00	-	-	-	-	-
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	1.00	1.00	-	1.00	-	1.00
Police Sergeant	2.00	2.00	-	2.00	-	2.00
Records Clerk	5.00	5.00	-	5.00	-	5.00
Records Manager	1.00	1.00	-	1.00	-	1.00
Professional Services	12.00	11.00	-	11.00	-	11.00
Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	7.00	7.00	-	7.00	-	7.00
Police Officer	93.00	92.00	-	92.00	-	92.00
Police Sergeant	20.00	20.00	-	20.00	-	20.00
Patrol	122.00	121.00	-	121.00	-	121.00
Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Asst. Victim Services Liaison - P/T	0.50	0.50	-	0.50	-	0.50
Crime Scene Technician	3.00	3.00	-	3.00	-	3.00
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	1.00	1.00	-	1.00	-	1.00
Police Officer	22.00	22.00	-	22.00	-	22.00
Police Sergeant	4.00	4.00	-	4.00	-	4.00
Warrant Clerk	1.00	1.00	-	1.00	-	1.00
Criminal Investigations	33.50	33.50	-	33.50	-	33.50
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
Police Department Total	198.10	198.10	-	198.10	-	198.10
PS Dispatch Shift Supervisor	6.00	6.00	-	6.00	-	6.00
Public Safety Dispatch Director	1.00	1.00	-	1.00	-	1.00
Public Safety Dispatch Manager	2.00	2.00	-	2.00	-	2.00
Public Safety Dispatch Recruit	4.50	6.50	-	6.50	-	6.50
Public Safety Dispatcher (I & II)	20.00	18.00	-	18.00	-	18.00
Quality Assurance Supervisor	1.00	1.00	-	1.00	-	1.00
Public Safety Dispatch Total	34.50	34.50	-	34.50	-	34.50

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Administrative Manager	1.00	1.00	-	1.00	-	1.00
Administrative Assistant	-	3.00	-	3.00	-	3.00
Department Analyst	1.00	1.00	-	1.00	-	1.00
Fire Chief	1.00	1.00	-	1.00	-	1.00
Fire Administration	4.00	7.00	-	7.00	-	7.00
Assistant Fire Chief	1.00	2.00	-	2.00	-	2.00
Battalion Chief	3.00	6.00	-	6.00	-	6.00
Fire Captain	1.00	3.00	-	3.00	-	3.00
Fire Driver	21.00	21.00	-	21.00	-	21.00
Fire Lieutenant	23.00	23.00	-	23.00	-	23.00
Firefighter	46.00	60.00	-	60.00	-	60.00
Emergency Services	95.00	115.00	-	115.00	-	115.00
Battalion Chief EMS	1.00	-	-	-	-	-
Fire Captain	1.00	-	-	-	-	-
Firefighter	14.00	-	-	-	-	-
Emergency Medical Services	16.00	-	-	-	-	-
Administrative Assistant	1.00	-	-	-	-	-
Asst. Fire Chief	1.00	1.00	-	1.00	-	1.00
Asst. Fire Marshal	1.00	1.00	-	1.00	-	1.00
Fire Captain	1.00	1.00	-	1.00	-	1.00
Fire Inspector/Investigator	4.00	-	-	-	-	-
Fire Lieutenant	2.00	6.00	-	6.00	-	6.00
Prevention	10.00	9.00	-	9.00	-	9.00
Assistant Fire Chief	1.00	-	-	-	-	-
Emergency Management Specialist	1.00	-	-	-	-	-
Sr. Administrative Assistant	1.00	-	-	-	-	-
Emergency Management	3.00	-	-	-	-	-
Administrative Assistant	1.00	-	-	-	-	-
Assistant Fire Chief	1.00	-	-	-	-	-
Battalion Chief Admin	1.00	-	-	-	-	-
Battalion Chief/Training	1.00	-	-	-	-	-
Fire Captain	1.00	-	-	-	-	-
Professional Development	5.00	-	-	-	-	-
Fire/EMS Department Total	133.00	131.00	-	131.00	-	131.00
GENERAL FUND	707.35	710.35	3.50	713.85	-	713.85
LESS PROGRAM EMPLOYEES	(4.00)	(7.00)	(3.00)	(10.00)	-	(10.00)
LESS TEMPORARY POSITIONS	(1.25)	(1.25)	-	(1.25)	-	(1.25)
GENERAL FUND NET FTE	702.10	702.10	0.50	702.60	-	702.60
Police Officer	0.40	0.40	-	0.40	-	0.40
Court Security	0.40	0.40	-	0.40	-	0.40
COURT SECURITY FUND	0.40	0.40	-	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	-	1.00
Destination Event Coordinator (P/T)	0.50	0.50	-	0.50	-	0.50
Cultural Arts Manager	0.50	0.50	-	0.50	-	0.50
Convention & Visitors Bureau	3.00	3.00	-	3.00	-	3.00
Assistant Director of Economic Development	0.50	0.50	-	0.50	-	0.50
Tourism & Visitor Services Manager	1.00	1.00	-	1.00	-	1.00
Tourism Program	1.50	1.50	-	1.50	-	1.50
TOURISM FUND	4.50	4.50	-	4.50	-	4.50
SPECIAL REVENUE FUNDS	5.90	5.90	-	5.90	-	5.90

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Administrative Manager	0.50	0.50	-	0.50	-	0.50
Assistant Director of Public Works	1.00	1.00	-	1.00	-	1.00
Contract Services Coordinator	1.00	1.00	-	1.00	-	1.00
Director of Public Works	0.50	0.50	-	0.50	-	0.50
Engineer I	1.00	1.00	(1.00)	-	-	-
Executive Director	-	-	0.50	0.50	-	0.50
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Utility Administration	5.00	5.00	(0.50)	4.50	-	4.50
Crew Chief	5.00	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	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	6.00	6.00	-	6.00	-	6.00
Water Distribution	13.50	13.50	-	13.50	-	13.50
Field Supervisor	1.50	1.50	-	1.50	-	1.50
I & C Technician	0.50	0.50	-	0.50	-	0.50
Lead Utilities Operator	2.00	2.00	-	2.00	-	2.00
Utilities Operator	3.50	3.50	-	3.50	-	3.50
Water Production	7.50	7.50	-	7.50	-	7.50
Crew Chief	3.00	3.00	-	3.00	-	3.00
Electrician	0.50	0.50	-	0.50	-	0.50
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	6.00	6.00	-	6.00	-	6.00
Wastewater Collection	10.50	10.50	-	10.50	-	10.50
Crew Chief	1.00	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	-	0.50
P&M Technician I	3.00	3.00	-	3.00	-	3.00
P&M Technician II	1.00	1.00	-	1.00	-	1.00
Utilities Operator	0.50	0.50	-	0.50	-	0.50
Wastewater Treatment	7.00	7.00	-	7.00	-	7.00
Crew Chief	2.00	2.00	-	2.00	-	2.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker II	9.00	9.00	-	9.00	-	9.00
Customer Service	12.00	12.00	-	12.00	-	12.00
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	3.00	3.00	-	3.00	-	3.00
Water Quality	5.50	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
General Maintenance Worker II	1.00	1.00	-	1.00	-	1.00
Lead Utilities Operator	2.00	2.00	-	2.00	-	2.00
Mechanic	1.00	1.00	-	1.00	-	1.00
Utilities Operator	5.00	5.00	-	5.00	-	5.00
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 Quality Technician	1.00	1.00	-	1.00	-	1.00
Water Resources Manager	1.00	1.00	-	1.00	-	1.00
Surface Water	15.00	15.00	-	15.00	-	15.00

Position Title	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Billing/Collection Spec. (I & II)	4.00	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	1.00	-	1.00	-	1.00
Department Specialist	1.00	1.00	-	1.00	-	1.00
Treasury Manager	1.00	1.00	-	1.00	-	1.00
Treasury (Finance Department)	12.00	12.00	-	12.00	-	12.00
Utility System Fund Total	89.00	89.00	(0.50)	88.50	-	88.50
Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Administrative Manager	1.00	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	-	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	2.00	2.00	-	2.00	-	2.00
Airport Operations Manager	1.00	-	-	-	-	-
Airport Operations Supervisor	-	1.00	-	1.00	-	1.00
Airfield Operations	3.00	3.00	-	3.00	-	3.00
Airport Services Rep - P/T	1.50	1.50	-	1.50	-	1.50
Airport Services Rep I	3.00	3.00	-	3.00	-	3.00
Airport Services Rep II	3.00	3.00	-	3.00	-	3.00
ASR Supervisor	1.00	1.00	-	1.00	-	1.00
Line Services Superintendent	1.00	1.00	-	1.00	-	1.00
Line Crew I	10.00	9.00	-	9.00	-	9.00
Line Crew II	3.00	4.00	-	4.00	-	4.00
Line Crew III	2.00	2.00	-	2.00	-	2.00
Line Supervisor	2.00	2.00	-	2.00	-	2.00
FBO Services	26.50	26.50	-	26.50	-	26.50
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
Airport Material Specialist	1.00	1.00	-	1.00	-	1.00
Crew Chief	2.00	1.00	-	1.00	-	1.00
Custodian - PT	1.50	1.50	-	1.50	-	1.50
General Maintenance Worker (I & II)	5.00	6.00	-	6.00	-	6.00
Maintenance & Operations	10.50	10.50	-	10.50	-	10.50
AIRPORT FUND	50.00	50.00	-	50.00	-	50.00
Environmental Manager	1.00	1.00	-	1.00	-	1.00
Environmental Coordinator	1.00	1.00	-	1.00	-	1.00
Environmental Services Inspector	1.50	1.50	-	1.50	-	1.50
Solid Waste	3.50	3.50	-	3.50	-	3.50
SOLID WASTE FUND	3.50	3.50	-	3.50	-	3.50
TOTAL ENTERPRISE FUNDS	142.50	142.50	(0.50)	142.00	-	142.00
TOTAL ALL FUNDS	850.50	850.50	-	850.50	-	850.50
Less Seasonal	(2.50)	(2.50)	-	(2.50)	-	(2.50)
TOTAL FULL TIME EQUIVALENT	848.00	848.00	-	848.00	-	848.00

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 FY22 the City expects to contribute \$745,018 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 FY22 the City expects to contribute \$619,051 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 FY22 the City expects to

contribute \$411,111 in property tax for TIRZ#4 at 50% participation.

Fiscal Year 2021

The total property tax collections for FY21 are projected to be \$54,652,103 or 99.5% of the adjusted levy, including all three TIRZs. Revenues are distributed between operations and maintenance (\$32,031,391), debt service (\$21,051,904), TIRZ # 1 (\$667,059), TIRZ #3 (\$529,660), and TIRZ #4 (\$372,088).

Fiscal Year 2022

The certified net assessed valuation of \$16,897,617,320 for tax year 2021 is \$574,664,446 or 3.52% greater than the 2020 adjusted tax roll, including values inside the TIRZs. Of the \$16.9 billion in taxable value, \$216.1 million is incremental value in TIRZ #1, \$179.6 million in TIRZ #3, and \$119.2 million in TIRZ #4. Taxes collected on the incremental value from each TIRZ will be allocated from the City. Net assessed residential value increased 2.22%, and net assessed commercial value increased by 6.37% over the 2020 adjusted tax roll, including new value. Based on the certified tax roll and the 2021 tax rate of \$0.34650 per \$100 of assessed value, the anticipated tax collections for FY22 are \$58,257,493 at a 99.5% collection rate or \$3,605,390 greater than FY21 projections including the three TIRZs. Based on the 99.5% collection rate, \$56,482,312 will remain with the City and \$1,775,180 will be conveyed to the three TIRZs.

The homestead exemption for tax year 2021 remains at 12%. The optional exemption for over-65 and disabled persons remains at \$70,000.

The overall adopted tax rate for tax year 2021 is \$0.34650. The allocation for tax year 2020 and 2021 tax rate is as follows:

	2020	%	2021	%
M&O	\$ 0.20305	60.34%	\$ 0.20885	60.27%
Debt Service	0.13345	39.66%	0.13765	39.73%
Total	0.33650	100.00%	0.34650	100.00%

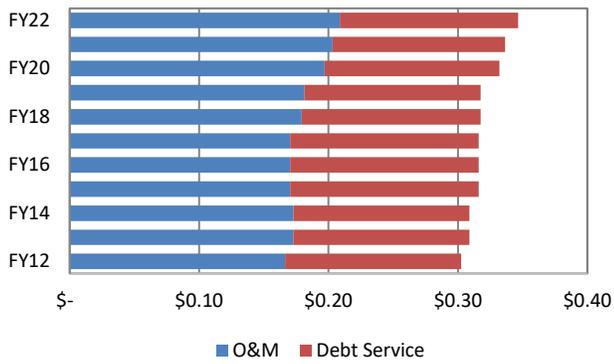
The required rates have been calculated and submitted to the governing body:

No New Revenue Tax Rate:	\$0.339025
Voter Approval Tax Rate:	\$0.355394

Based on the average residential value of \$384,471 with a 12% homestead exemption at the adopted 2021 tax rate of \$0.34650, the average tax bill is \$1,172.

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

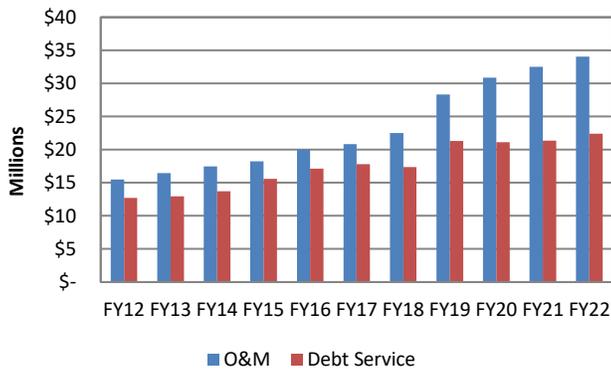
Tax Rate by Fiscal Year



In FY22 property taxes per capita, excluding TIRZ valuation, is approximately \$471. Taxes per capita increased in FY22 due to increase of the city's property tax rate.

* Excludes TIRZ Valuation

Historical Tax Levy



**CITY OF SUGAR LAND
TAX COLLECTIONS**

	FY20 Adjusted Levy	FY21 Budget Certified Levy	FY21 Projections Adjusted Levy	FY22 Base Budget	FY22 Changes	FY22 Budget Certified Levy
REVENUES:						
City Levy	\$51,978,887	\$54,211,613	\$53,350,045	\$55,127,870	\$1,638,273	\$56,766,143
TIRZ #1	645,210	727,512	670,411	727,153	21,609	748,762
TIRZ #3	441,034	537,795	532,322	604,206	17,956	622,162
TIRZ #4	345,189	382,327	373,958	401,253	11,924	413,177
Total Tax Levy @ 100%	53,410,320	55,859,247	54,926,736	56,860,482	1,689,762	58,550,244
Collection Rate 99.5%	53,143,268	55,579,951	54,652,103	56,576,180	1,681,313	58,257,493
ALLOCATION:						
Maintenance	30,696,469	32,548,676	32,031,391	33,098,798	945,610	34,044,408
Debt	21,022,524	21,391,878	21,051,904	21,753,433	684,471	22,437,904
Total City Revenues	51,718,993	53,940,555	53,083,295	54,852,231	1,630,081	56,482,312
TIRZ #1	641,984	723,875	667,059	723,517	21,501	745,018
TIRZ #3	438,829	535,106	529,660	601,185	17,866	619,051
TIRZ #4	343,463	380,416	372,088	399,246	11,865	411,111
TOTAL TAX REVENUE	\$53,143,268	\$55,579,951	\$54,652,103	\$56,576,180	\$1,681,313	\$58,257,493
Tax Year						
	<u>2019 Suppl #10</u>	<u>2020 Certified</u>	<u>2020 Suppl #12</u>	<u>2021 Certified</u>	<u>2021</u>	<u>2021 Certified</u>
Net Assessed Value	\$16,087,445,667	\$16,600,073,538	16,322,952,874	\$16,897,617,320		\$16,897,617,320
TIRZ #1 Value @ 100%	(194,340,231)	(216,199,800)	(199,230,668)	(216,092,949)		(216,092,949)
TIRZ #3 Value @ 50%	(132,841,479)	(159,820,268)	(158,193,700)	(179,556,160)		(179,556,160)
TIRZ #4 Value @ 50%	(103,972,575)	(113,618,797)	(111,131,734)	(119,243,000)		(119,243,000)
Taxable to City	15,656,291,383	16,110,434,674	15,854,396,773	16,382,725,212	-	16,382,725,212
Tax Rate Per \$100						
Maintenance	\$ 0.19705	\$ 0.20305	\$ 0.20305	\$ 0.20305	\$ 0.00580	\$ 0.20885
Debt	0.13495	0.13345	0.13345	0.13345	0.00420	0.13765
Total Tax Rate	\$ 0.33200	\$ 0.33650	\$ 0.33650	\$ 0.33650	\$ 0.01000	\$ 0.34650
Tax Rate Split:						
Maintenance	59.35%	60.34%	60.34%	60.34%	58.01%	60.27%
Debt	40.65%	39.66%	39.66%	39.66%	41.99%	39.73%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Certified Levy - 100%	\$51,978,887	\$54,211,613	\$53,350,045	\$55,127,870	\$1,638,273	\$56,766,143

CITY OF SUGAR LAND
FISCAL YEAR 2022 BUDGET
ANALYSIS OF CERTIFIED TAX ROLL

Tax Year	Supplement #12		Certified		
	2020 FY21		2021 FY22	% Change	
No. of Items		51,400	51,182	-0.42%	
Residential Property:					
Land	\$	2,638,951,290	\$	2,677,771,405	1.47%
Improvements		10,528,093,209		10,740,781,835	2.02%
Total Residential Property		13,167,044,499		13,418,553,240	1.91%
Commercial Property:					
Land		1,269,346,860		1,309,351,978	3.15%
Improvements		3,947,341,902		4,353,200,343	10.28%
Personal Property		1,490,421,631		1,462,622,900	-1.87%
Total Commercial Property		6,707,110,393		7,125,175,221	6.23%
Agricultural Property		10,937,560		10,987,300	0.45%
Automobiles		152,250,762		147,177,808	-3.33%
Total Market Value		20,037,343,214		20,701,893,568	3.32%
Productivity Loss		(10,732,660)		(10,774,850)	0.39%
Homestead CAP Adjustment		(36,454,085)		(38,693,310)	6.14%
Exempt Properties		(1,423,743,152)		(1,479,598,772)	3.92%
Total Assessed Value		18,566,413,317		19,172,826,636	3.27%
Less:					
Homestead Exemptions		(1,298,915,586)		(1,301,320,155)	0.19%
Over 65 Exemptions		(660,756,803)		(657,087,174)	-0.56%
Disabled Persons Exemptions		(20,055,000)		(19,028,338)	-5.12%
Disabled Veterans Exemptions		(2,564,000)		(2,506,500)	-2.24%
Disabled Veterans 100%		(33,282,656)		(38,518,741)	15.73%
Disabled Veterans 100% Surviving Spouse		(3,004,020)		(2,881,320)	-4.08%
First Responder Surviving Spouse		(176,780)		(180,620)	2.17%
Abatements		(101,996,623)		(138,358,374)	35.65%
Pollution		(4,533,350)		(808,290)	-82.17%
Personal Leased Vehicles		(117,425,570)		(114,024,740)	-2.90%
Prorated Exempt Property		(456,205)		(32,419)	-92.89%
Solar		(242,910)		(399,002)	64.26%
Disaster Exemption				(52,990)	-
House Bill 366 Exemptions		(50,940)		(10,653)	-79.09%
Total Exemptions		(2,243,460,443)		(2,275,209,316)	1.42%
Net Assessed Valuation (NAV)		16,322,952,874		16,897,617,320	3.52%
Less: TIRZ #1 Value @ 100%		(199,230,668)		(216,092,949)	8.46%
Less: TIRZ #3 Value @ 50%		(158,193,700)		(179,556,160)	13.50%
Less: TIRZ #4 Value @ 50%		(111,131,734)		(119,243,000)	7.30%
Taxable Valuation to City	\$	15,854,396,773	\$	16,382,725,212	3.33%

**CITY OF SUGAR LAND
PRINCIPAL TAXPAYERS
2021 TOP TEN**

Taxpayer	Type of Business	2021 Taxable Assessed Valuation	Percentage of Total Net Assessed Valuation
1 LCFRE Sugar Land Town Square LLC	Mixed-Use Development	\$ 155,770,064	0.92%
2 AmerisourceBergen Drug co	Pharmacy/Medical	102,896,110	0.61%
3 First Colony Mall LLC	Shopping Center	94,451,681	0.56%
4 Lakepointe Assets	Real Estate/Engineering	90,000,000	0.53%
5 Market Town Center Owner LLC	Shopping Center	74,664,692	0.44%
6 Sugar Creek/EPG LLC & Sugar Creek TIC Investors LLC	Real Estate	71,014,830	0.42%
7 Tramontina USA	Manufacturing	70,105,510	0.41%
8 Centerpoint Energy Electric	Electric Utility	55,923,630	0.33%
9 Memorial Hermann Hospital	Medical	54,036,137	0.32%
10 API Realty LLC	Real Estate	52,945,640	0.31%
Other		16,075,809,026	95.14%
Total Net Assessed Valuation - Certified Roll		\$ 16,897,617,320	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 bonds are rated "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 City property taxes collected from properties within in-City MUDs back to the districts. Districts are to use the rebates to reduce their tax rates. The Debt Service Fund includes the debt service tax rate component of these agreements.

Debt Service Fund

Fiscal Year 2021

Revenues total \$30,777,334, which includes \$21,139,308 in current and delinquent property taxes. Other funding sources include transfers from other funds, interest income, and bond proceeds of \$2,298,682 from the GO Improvement and Refunding Bonds, Series 2021, which refunded Series 2012. Transfers from the Utility Fund and Tourism Fund support debt service related to activities supported by those funds. Transfers from Enclave at River Park PID represent the funds needed for debt service associated with the bonds issued to fund developer reimbursements.

Expenditures are projected at \$31,817,561, which includes \$27,628,699 in debt service payments, \$25,758 for fiscal fees including issuance costs, \$2,298,682 for the payment to escrow agent from the refunding bonds, \$1,777,268 for rebates to in-City MUDs, and \$87,154 in transfers to other funds- the Airport and Enclave at River Park PID, for property taxes collected in those areas. The fund balance at 9/30/21 is projected to be \$6,150,633, which is \$3,387,763 over the fund balance policy requirement of 10% of annual debt service.

The 2021 GO Improvement and Refunding Bonds are reflected in both bond proceeds and the payment to escrow agent.

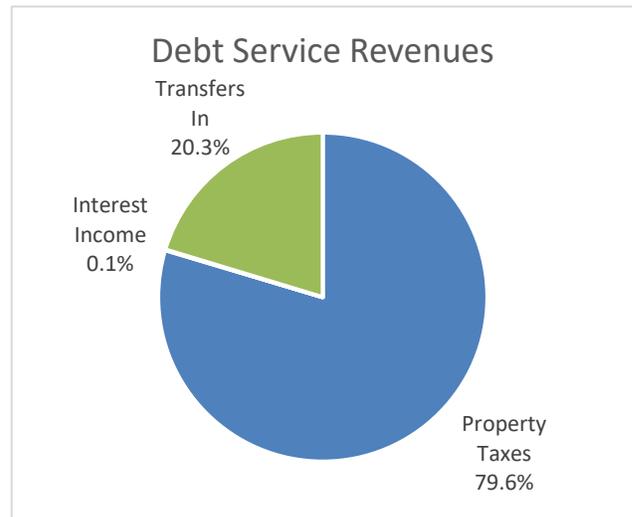
Fiscal Year 2022

Total revenues are budgeted for \$28,252,477. Funding from property taxes includes \$22,437,904 in current property taxes and \$56,095 in delinquent property taxes. Total property taxes of \$22,493,999 represents 79.6% of funding sources. Property tax revenues include the estimated impact of an approximately one-cent tax increase to implement the first phase of the voter authorized GO bonds, and a shift in capacity to the operations and maintenance component within the voter approval tax rate to offset anticipated revenue needs from the impact of the COVID-19 pandemic. Due to decreased interest rates, interest earnings are estimated at \$20,000 for the year.

Other funding sources include transfers from the Utility Fund, Tourism Fund, and Enclave at River Park PID for debt issued to support those functions.

The budget includes 100% recovery on water/wastewater debt assumed from MUDs through an inter-fund transfer. The FY22 transfer from the Utility Fund totals \$4,280,258.

The City has several bonds issued to support tourism and destination projects, including the Conference Center at the Sugar Land Marriott Town Square, the Smart Financial Centre at Sugar Land and the adjacent plaza. In FY22 the Tourism fund will transfer \$1,343,807 to support these issues from hotel occupancy tax revenues.



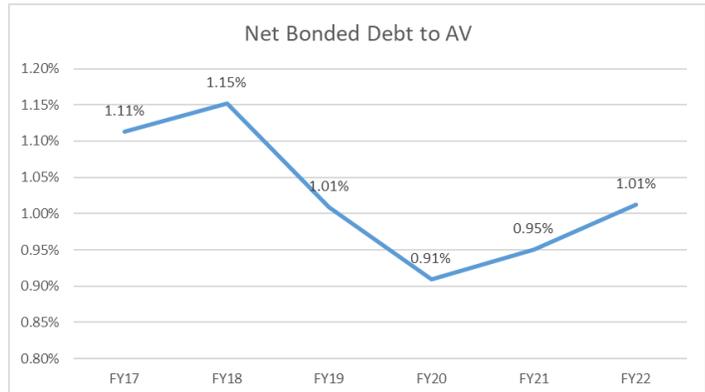
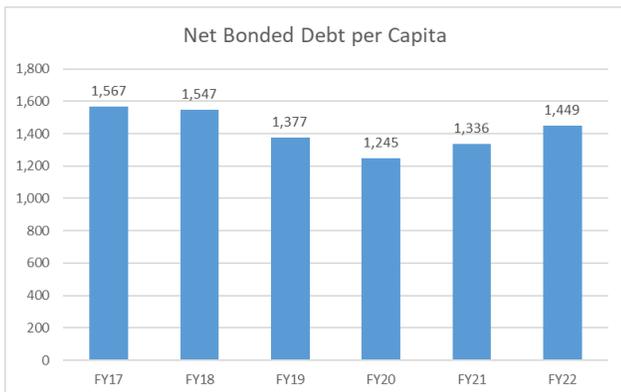
There is also a transfer in from the Enclave at River Park PID for \$114,413 to support debt issued for infrastructure in the development.

The debt service requirement on the current outstanding debt is \$25,343,587 and for the issuance of \$14.66 million in voter approved GO bonds, the budget includes \$1,319,560 for anticipated debt service payments, for a total of \$26,663,147. Fiscal fees are budgeted at \$29,758.

Rebates to in-City MUDs and inter-fund transfers total \$1,922,445 based on the anticipated 2021 tax rate allocation and estimated values in the MUDs.

The budgeted ending fund balance at 9/30/22 is \$5,787,760, which is \$3,121,445 above the policy requirement of 10% of annual debt service requirements.

For FY22 the ratio of net bonded debt to taxable value is expected to increase slightly from 0.95% to 1.01%, which is a very healthy ratio. The ratio is utilized by bond rating agencies, along with other factors, to evaluate the City’s ability to repay debt. Net bonded debt per capita increases from \$1,336 to \$1,449. These ratios have increased due to debt issued in FY21 for capital projects approved by voters in the 2019 GO bond election.



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 issued in 2014. 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. Lease payments from ACE Sugar Land, LLC are structured to support the annual debt service payments and will eventually build a debt service reserve equal to the last four years’ debt payments. Payments will be made monthly according to the terms of the thirty-year lease.

Fiscal Year 2021

Total revenues are projected at \$1,771,153. Lease revenue from ACE Sugar Land, LLC for the Smart Financial Centre at Sugar Land is projected at \$1,770,903 and interest income of \$250.

Total debt service payments due in fiscal year 2021 are \$1,593,699. Fiscal fees are budgeted at \$750.

The projected ending fund balance at 9/30/21 is \$876,396.

Fiscal Year 2022

Total revenues are budgeted at \$2,005,873. Lease revenue from ACE Sugar Land, LLC for the Smart Financial Centre at Sugar Land is budgeted at \$2,005,123 and interest income of \$750.

Total debt service payments due in fiscal year 2022 are \$1,591,099. Payments are due in December and June. Fiscal fees are budgeted at \$750.

The budgeted fund balance at 9/30/22 is \$1,290,420.

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

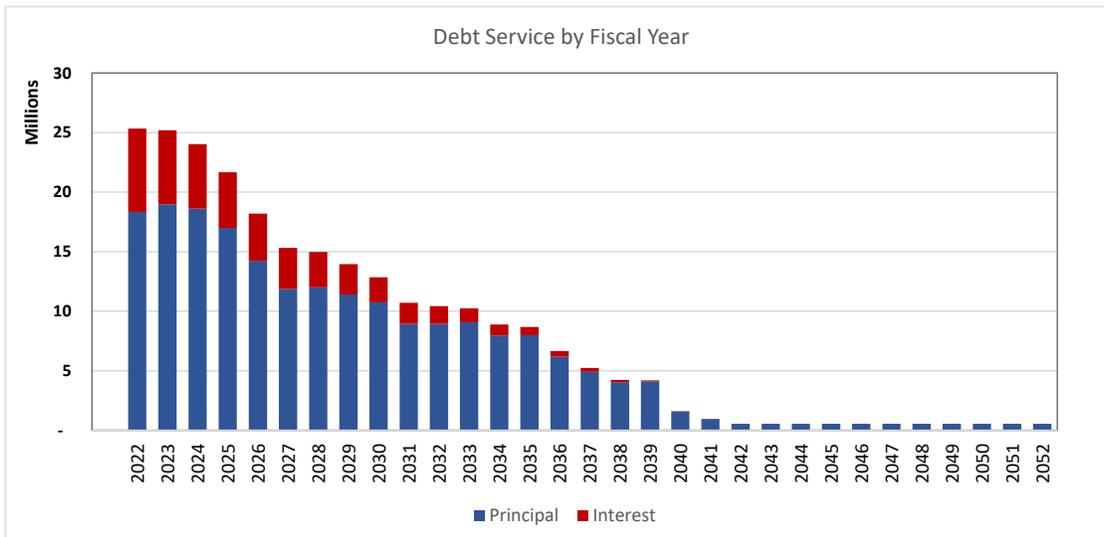
	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Current Property Tax	\$ 20,920,236	\$ 21,375,179	\$ 21,063,911	\$ 22,437,904	\$ -	\$ 22,437,904
Delinquent Property Taxes	142,477	53,391	75,397	56,095	-	56,095
Interest on Investments	97,631	50,000	20,000	20,000	-	20,000
Miscellaneous	2	-	-	-	-	-
Bond Proceeds	13,312,235	-	2,298,682	-	-	-
Operating Revenues	34,472,581	21,478,570	23,457,990	22,513,999	-	22,513,999
Total Transfers In	7,318,749	7,319,344	7,319,344	5,738,478	-	5,738,478
Non-operating Revenues	7,318,749	7,319,344	7,319,344	5,738,478	-	5,738,478
Total Revenues	41,791,330	28,797,914	30,777,334	28,252,477	-	28,252,477
EXPENDITURES						
Current Outstanding & New Debt	26,895,259	28,688,739	27,628,699	26,663,147	-	26,663,147
Issuance Costs/Fiscal Fees/Other	136,028	25,758	25,758	29,758	-	29,758
Refunding Payment to Escrow	13,716,083	-	2,298,682	-	-	-
Total Debt Service	40,747,370	28,714,497	29,953,139	26,692,905	-	26,692,905
Rebates & Assignments	1,684,724	1,777,268	1,777,268	1,814,726	-	1,814,726
Transfers to Other Funds	82,751	87,154	87,154	107,719	-	107,719
Total Other Expenditures	1,767,475	1,864,422	1,864,422	1,922,445	-	1,922,445
Total Expenditures	42,514,845	30,578,919	31,817,561	28,615,350	-	28,615,350
CHANGE IN FUND BALANCE	(723,515)	(1,781,005)	(1,040,227)	(362,873)	-	(362,873)
FUND BALANCE - BEGINNING	7,914,375	7,190,860	7,190,860	6,150,633	-	6,150,633
FUND BALANCE - ENDING	\$ 7,190,860	\$ 5,409,855	\$ 6,150,633	\$ 5,787,760	\$ -	\$ 5,787,760
Policy Requirement	\$ 2,689,526	\$ 2,868,874	\$ 2,762,870	\$ 2,666,315	\$ -	\$ 2,666,315
Over/(Under) Policy	4,501,334	2,540,981	3,387,763	3,121,445	-	3,121,445
Policy Requirement	10%	10%	10%	10%		10%

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Rent	\$ 1,352,228	\$ 1,770,086	\$ 1,770,903	\$ 2,005,123	\$ -	\$ 2,005,123
Interest Income	5,750	7,500	250	750	-	750
Total Revenues	1,357,978	1,777,586	1,771,153	2,005,873	-	2,005,873
EXPENDITURES						
Current Outstanding & New Debt	1,590,399	1,593,699	1,593,699	1,591,099	-	1,591,099
Fiscal Fees/Other	750	1,000	750	750	-	750
Total Expenditures	1,591,149	1,594,699	1,594,449	1,591,849	-	1,591,849
Change in Fund Balance	(233,170)	182,887	176,704	414,024	-	414,024
Fund Balance - Beginning	932,862	699,692	699,692	876,396	-	876,396
Fund Balance - Ending	\$ 699,692	\$ 882,579	\$ 876,396	\$ 1,290,420	\$ -	\$ 1,290,420

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

FY Ending September 30	Principal	Interest	Total
9/30/2022	18,334,358	7,009,229	25,343,587
9/30/2023	18,978,194	6,206,120	25,184,314
9/30/2024	18,622,806	5,414,501	24,037,307
9/30/2025	17,003,243	4,661,419	21,664,662
9/30/2026	14,230,000	3,976,506	18,206,506
9/30/2027	11,870,000	3,443,090	15,313,090
9/30/2028	12,010,000	2,971,731	14,981,731
9/30/2029	11,415,000	2,527,428	13,942,428
9/30/2030	10,740,000	2,119,651	12,859,651
9/30/2031	8,940,000	1,774,182	10,714,182
9/30/2032	8,945,000	1,474,912	10,419,912
9/30/2033	9,060,000	1,187,697	10,247,697
9/30/2034	7,955,000	928,475	8,883,475
9/30/2035	7,985,000	690,791	8,675,791
9/30/2036	6,170,000	483,813	6,653,813
9/30/2037	4,915,000	327,200	5,242,200
9/30/2038	4,030,000	205,013	4,235,013
9/30/2039	4,105,000	96,691	4,201,691
9/30/2040	1,590,000	24,800	1,614,800
9/30/2041	950,000	4,000	954,000
9/30/2042	550,000	-	550,000
9/30/2043	550,000	-	550,000
9/30/2044	550,000	-	550,000
9/30/2045	550,000	-	550,000
9/30/2046	550,000	-	550,000
9/30/2047	550,000	-	550,000
9/30/2048	550,000	-	550,000
9/30/2049	550,000	-	550,000
9/30/2050	550,000	-	550,000
9/30/2051	550,000	-	550,000
9/30/2052	550,000	-	550,000
	203,898,601	45,527,248	249,425,849



**CITY OF SUGAR LAND
DEBT SERVICE REQUIREMENTS FOR FY22
OUTSTANDING BOND ISSUES**

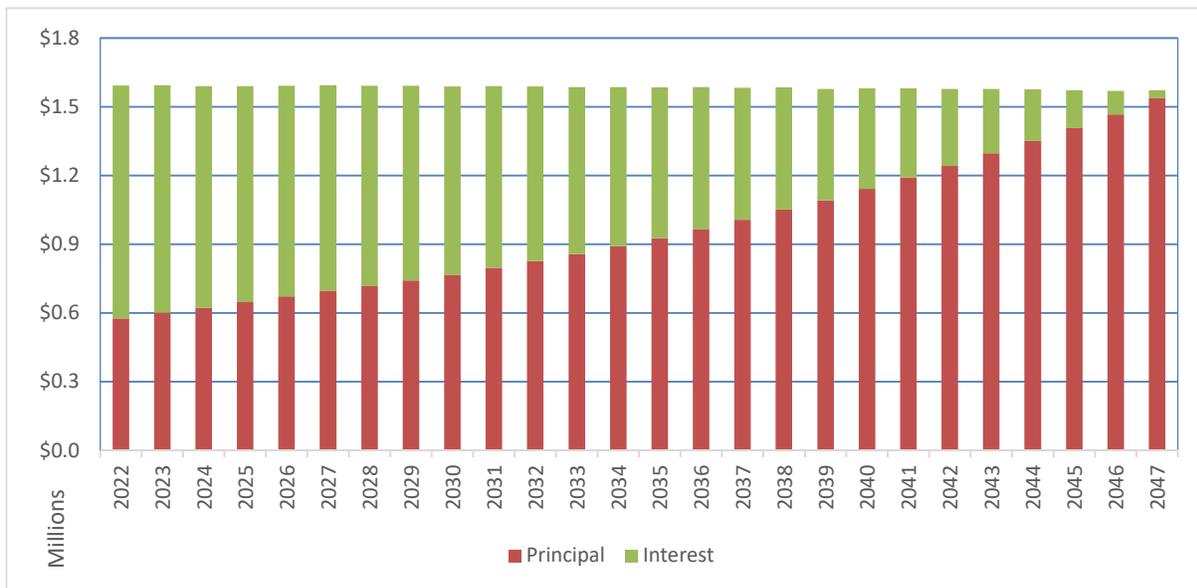
Year	Issue Description	Principal	Interest	Total
2013	Combination Tax & Revenue Certificates of Obligation, Series 2013	\$ 1,435,000	\$ 495,488	\$ 1,930,488
2014	General Obligation Refunding Bonds, Series 2014	2,060,000	260,200	2,320,200
2014	Combination Tax & Revenue Certificates of Obligation, Series 2014	295,000	373,719	668,719
2015	Unlimited Tax Refunding Bonds Series 2015	370,000	112,900	482,900
2015	Combination Tax & Revenue Certificates of Obligation, Series 2015	645,000	399,581	1,044,581
2015	General Obligation Bonds Series 2015	565,000	324,719	889,719
2015	General Obligation Refunding Bonds, Series 2015	1,395,000	302,900	1,697,900
2016	Unlimited Tax Refunding Bonds Series 2016	955,000	119,250	1,074,250
2016	General Obligation Refunding Bonds, Series 2016	2,565,000	716,700	3,281,700
2016	Combination Tax and Revenue Certificates of Obligation, Series 2016	960,000	441,300	1,401,300
2016	General Obligation Bonds, Series 2016	380,000	162,650	542,650
2017	Combination Tax & Revenue Certificates of Obligation, Series 2017	955,000	588,400	1,543,400
2019	Combination Tax & Revenue Certificates of Obligation, Series 2019	1,110,000	737,931	1,847,931
2019	General Obligation Refunding Bonds, Series 2019	1,220,000	427,100	1,647,100
2019	Combination Tax & Revenue Certificates of Obligation, Series 2019A	575,000	474,869	1,049,869
2019	General Obligation Refunding & Improvement Bonds, Series 2019A	1,965,000	613,325	2,578,325
2021	General Obligation & Improvement Bonds Series 2021	884,358	458,197	1,342,555
2021	General Obligation Bonds Series 2021A	-	-	-
Total FY22 Debt Service by Issue		\$ 18,334,358	\$ 7,009,229	\$ 25,343,587

**CITY OF SUGAR LAND
DEBT SERVICE REQUIREMENTS TO MATURITY
OUTSTANDING BOND ISSUES**

Year	Issue Description	Principal	Interest	Total
2013	Combination Tax & Revenue Certificates of Obligation, Series 2013	\$ 15,160,000	\$ 3,234,509	\$ 18,394,509
2014	General Obligation Refunding Bonds, Series 2014	6,330,000	569,150	6,899,150
2014	Combination Tax & Revenue Certificates of Obligation, Series 2014	8,365,000	3,855,657	12,220,657
2015	Unlimited Tax Refunding Bonds Series 2015	2,915,000	344,700	3,259,700
2015	Combination Tax & Revenue Certificates of Obligation, Series 2015	11,645,000	2,944,341	14,589,341
2015	General Obligation Bonds Series 2015	10,055,000	2,406,672	12,461,672
2015	General Obligation Refunding Bonds, Series 2015	7,360,000	1,052,625	8,412,625
2016	Unlimited Tax Refunding Bonds Series 2016	3,975,000	302,100	4,277,100
2016	General Obligation Refunding Bonds, Series 2016	17,245,000	2,628,275	19,873,275
2016	Combination Tax and Revenue Certificates of Obligation, Series 2016	14,390,000	3,240,600	17,630,600
2016	General Obligation Bonds, Series 2016	5,675,000	1,271,225	6,946,225
2017	Combination Tax & Revenue Certificates of Obligation, Series 2017	15,240,000	4,336,925	19,576,925
2019	Combination Tax & Revenue Certificates of Obligation, Series 2019	17,730,000	5,906,066	23,636,066
2019	General Obligation Refunding Bonds, Series 2019	10,305,000	2,126,500	12,431,500
2019	Combination Tax & Revenue Certificates of Obligation, Series 2019A	14,470,000	4,446,403	18,916,403
2019	General Obligation Refunding & Improvement Bonds, Series 2019A	16,080,000	3,808,125	19,888,125
2021	General Obligation & Improvement Bonds Series 2021	10,458,601	3,053,374	13,511,975
2021	General Obligation Bonds Series 2021A	16,500,000	-	16,500,000
Total Debt Service- Outstanding Bonds		\$ 203,898,601	\$ 45,527,247	\$ 249,425,848

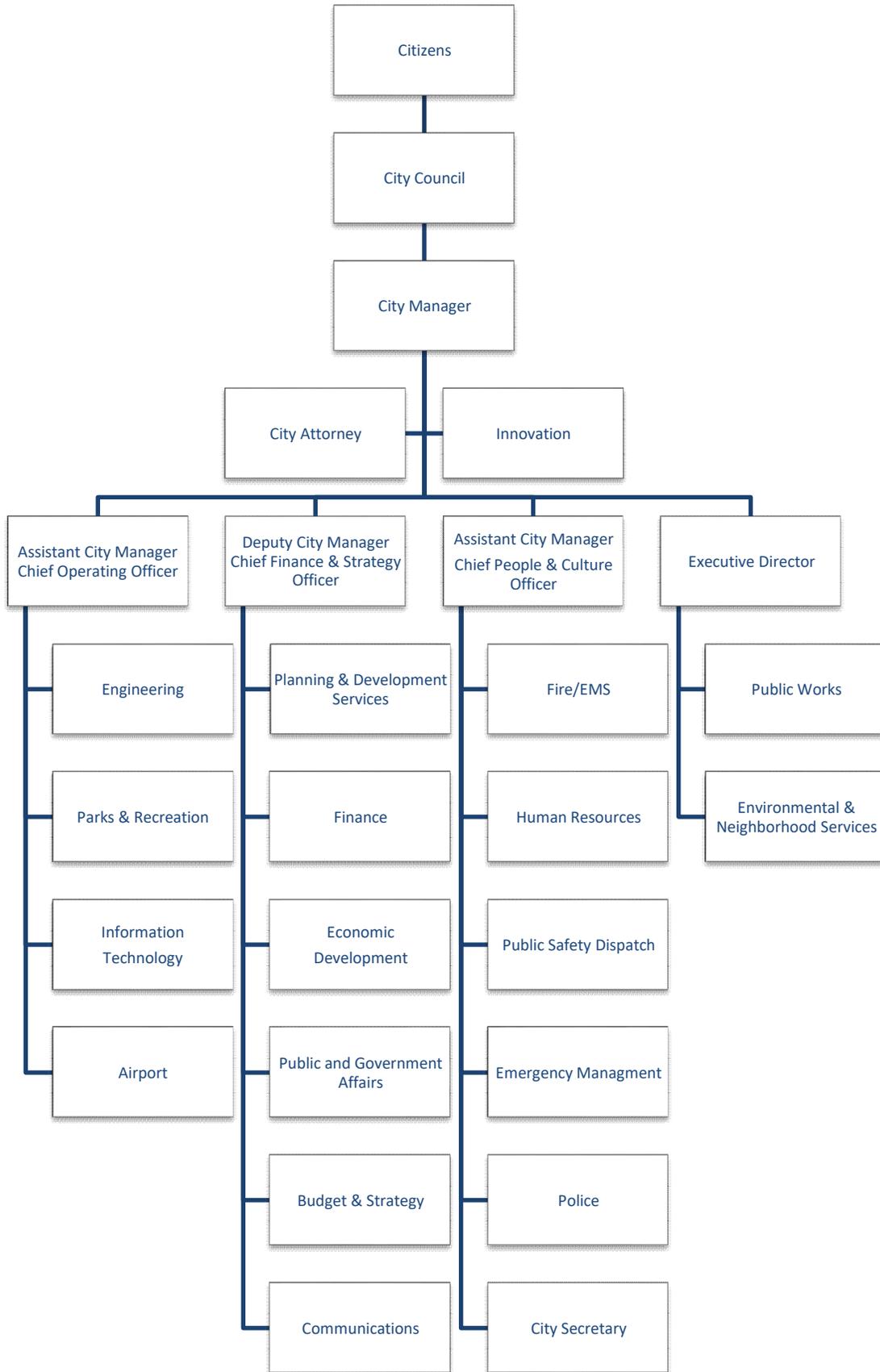
**CITY OF SUGAR LAND
DEBT SERVICE REQUIREMENTS TO MATURITY
TOTAL OF ALL DEBT OUTSTANDING - TAXABLE CO'S**

FY Ending September 30	Principal	Interest	Total
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	\$ 25,045,000	\$ 16,101,462	\$ 41,146,462



General Fund Organizational Chart

As of October 1, 2021



General Fund

The General Fund is used to account for all transactions discretionary in nature which can be allocated based on the needs and priorities of the City. 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 2021

Projected Revenues

Total revenues are projected to be \$103,548,779 and \$4,025,619 higher than the current budget. The City has begun to see some level of recovery in Sales Tax collections, however, other revenue streams such as Other Taxes, Charges for Services and Fines & Forfeitures continue to be impacted. Sales Tax revenues are projected to be \$40,302,584 which is \$7,031,733 higher than budget. Charges for Services are projected to come in lower than budget as a result of COVID-19 stay at home order including shut down of non-essential businesses and gathering restrictions impacting city activities, which has impacted the majority of Parks & Recreation related revenues. Fines & Forfeiture revenues are not only impacted by the number of citations issued being down, but courts also have been unable to hold in-person proceedings since March 2020- no jury trials have been held and bench trials have been limited. However, the court began holding in-person proceedings as of July 2021 and has established a second courtroom to catch up on the backlog of trials. Right of Way Taxes continue to be impacted by Senate Bill 1152. Interest Income is projected to come in lower than budgeted with the significant decline in interest rates.

Projected Expenditures

Total expenditures are projected to be \$100,724,056 and \$2,025,647 lower than budget. General Fund departmental expenditures are expected to end the year approximately at budget. A total of \$1,477,790 in mid-year needs has been identified and are planned to be funded through the remaining emergency reserve, including items such as an increase to contingency funding, ERP maintenance costs, and funding for the second courtroom.

Projected Fund Balance

The fund balance is projected to be \$35,798,390 as of September 30, 2021. This fund balance is \$14,841,577 over the policy requirement of 25% of recurring expenditures.

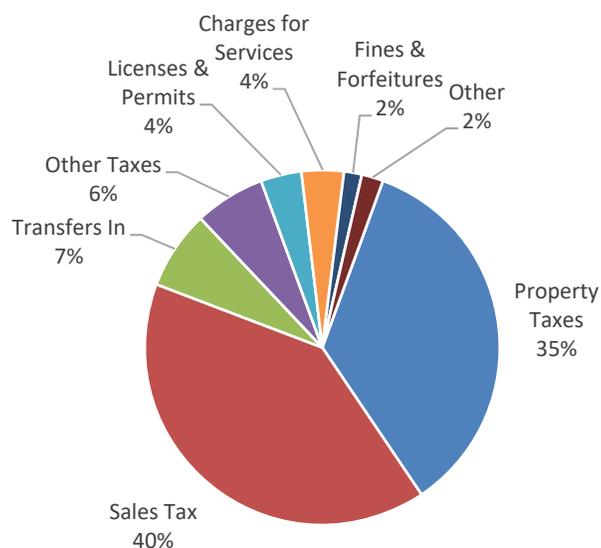
Fiscal Year 2022

Budgeted Revenues

FY22 budgeted revenues total \$97,613,919. The chart on the right shows a breakdown of General Fund revenues by type. Revenues impacted by COVID-19 are anticipated at lower than normal levels through the first six months of the year.

Sales tax revenue of \$39,273,423 represents the largest portion of General Fund operating revenues at 40%. Sales tax revenue is one of the most volatile revenue

General Fund FY22 Revenues



streams within the City’s budget and has become increasingly difficult to forecast as a result of COVID-19. In an effort to balance conservatism and further potential recovery in Sales Tax revenue, a blended approach was taken when forecasting this revenue stream. The forecast methodology includes following the Financial Management Policy for projected recurring revenue as well as additional recovery in Food & Entertainment. Property tax revenue from the operations and maintenance tax rate is budgeted at \$34,164,356, which includes a shift in capacity to the operations and maintenance component within the voter approval tax rate to offset anticipated revenue needs from the impact of the COVID-19 pandemic on the City’s revenue streams.

A total of \$7,012,862 is from transfers into to the General Fund. This includes transfers from the Utility System Fund, Solid Waste, and Airport Funds as reimbursements for overhead costs as determined by a cost allocation model. A transfer from the Sugar Land Development and Sugar Land 4B Corporations to reimburse cost for Economic Development staff and activities, as well as for managing capital projects funded by the Corporations is also included.

Other taxes total \$6,274,495, which include mixed beverage taxes and franchise payments the City receives for use of the City’s right-of-way by utility providers. Licenses and Permits revenue is estimated at \$3,628,653, which includes recommended user fee increases based on CPI and other factors. Charges for services is budgeted at \$3,745,552 and include facility rentals, animal adoptions, EMS billing, ETJ fire fees and other user fees and includes a CPI increase. Remaining revenue totals \$3,514,578, which includes fines and forfeitures, intergovernmental, interest income, and other miscellaneous revenues.

Budgeted Expenditures

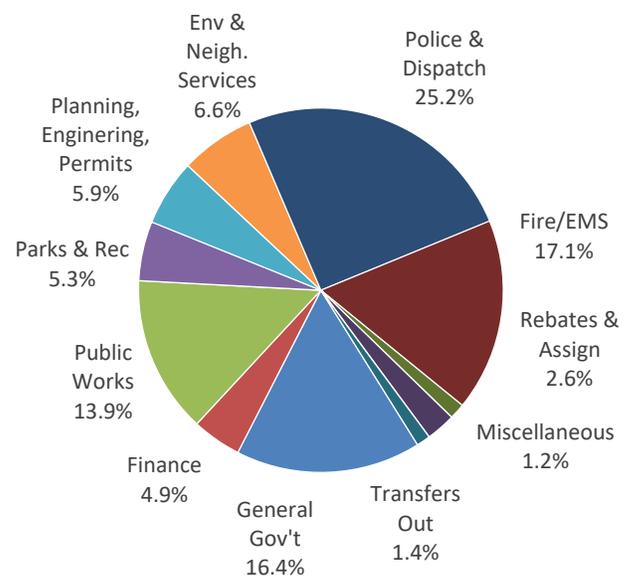
General Fund FY22 budgeted expenditures total \$103,545,873. Of this amount, \$98,122,110 is for departmental operating expenditures and \$5,423,763 is for non-departmental expenditures including transfers, rebates & assignments, and miscellaneous items.

The base budget of \$99,423,262 funds current personnel costs, including an estimated 3% merit pool for FY22. FY21 expenditure strategies included a 50% one-time reduction to travel and training funds and an approximate 15% reduction to overall rehabilitation funding, which was planned to be rebuilt over two years. The FY22 budget includes the rebuilt training funding and the first year of rehabilitation funds. The base budget also includes \$252,369 in base adjustments for increases in contractual obligations, maintenance agreements and increases in software licensing.

Changes to departmental expenditures total \$3,777,611 and consist of recurring additions of \$567,631 and one-time funding of \$3,209,980.

Priorities for funding in the adopted budget include base budget increases and limited restoration of funding levels for services to departments to allow provision of services to the public – with restoration primarily focused on infrastructure rehabilitation and investments in the fleet and high-tech replacement funds. Additionally, funding is also included for community priorities such as supplemental sidewalk rehabilitation, mobility and traffic safety, and special events; citizen engagement and customer service enhancements; public safety training, equipment, facilities and operations; and efforts to further turn the disruptions over the past two years into opportunities – including citywide “better than before” planning efforts and increased innovation.

General Fund FY22 Expenditures



Budgeted Fund Balance

The ending fund balance of \$29,866,436 is \$7,106,543 greater than the fund balance policy requirement of 25% of recurring budgeted expenditures. The FY22 budget is anticipated to have \$5,931,954 in revenues under expenditures, drawing down fund balance over policy from FY21 to balance the FY22 budget for one-time expenditures. The long-term goal for the fund is to maintain a fund balance over policy requirements throughout the forecast.

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

	FY20	FY21	FY21	FY22	FY22	FY22
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Property Taxes	\$ 30,936,982	\$ 32,598,194	\$ 32,375,378	\$ 34,164,356	\$ -	\$ 34,164,356
Sales Tax	38,080,526	33,270,851	40,302,584	39,273,423	-	39,273,423
Other Taxes	6,537,655	6,384,068	6,261,761	6,274,495	-	6,274,495
Licenses & Permits	4,048,651	3,326,853	3,318,883	3,628,653	-	3,628,653
Charges for Services	3,254,724	3,671,098	3,276,225	3,745,552	-	3,745,552
Fines & Forfeitures	1,318,397	1,577,979	1,145,242	1,590,504	-	1,590,504
Other	939,665	1,000,809	831,118	821,752	-	821,752
Intergovernmental	1,209,564	9,602,765	9,747,044	952,322	-	952,322
Interest Income	505,333	450,000	150,000	150,000	-	150,000
Operating Revenues	86,831,496	91,882,617	97,408,235	90,601,057	-	90,601,057
Transfers In	6,774,790	7,640,543	6,140,544	7,012,862	-	7,012,862
Non-operating Revenues	6,774,790	7,640,543	6,140,544	7,012,862	-	7,012,862
Total Revenues	93,606,286	99,523,160	103,548,779	97,613,919	-	97,613,919
EXPENDITURES						
General Government	14,934,088	18,246,829	18,246,829	16,102,717	895,941	16,998,658
Finance	3,997,989	4,242,919	4,432,919	4,371,432	159,980	4,531,412
Public Works	12,360,173	13,968,440	13,968,440	13,249,626	1,184,045	14,433,671
Parks & Recreation	4,684,227	5,340,742	5,233,878	5,191,541	260,000	5,451,541
Community Development	5,454,668	6,050,040	6,050,040	5,749,481	340,828	6,090,309
Environmental & Neighborhood SVC	6,180,022	6,681,866	6,681,866	6,437,619	393,244	6,830,863
Police Department	21,534,110	22,632,111	22,632,111	22,794,475	341,507	23,135,982
Public Safety Dispatch	2,585,042	3,066,455	3,066,455	2,960,539	8,600	2,969,139
Fire Department	16,102,307	16,848,731	16,848,731	17,487,069	193,466	17,680,535
Departmental Expenditures	87,832,627	97,078,133	97,161,269	94,344,499	3,777,611	98,122,110
Transfers to other Funds	2,929,456	1,122,471	1,256,025	1,448,983	-	1,448,983
Miscellaneous	1,122,288	1,829,567	(399,899)	923,224	345,000	1,268,224
Rebates & Assignments	2,457,474	2,719,531	2,706,660	2,706,556	-	2,706,556
Non-departmental Expenditures	6,509,218	5,671,569	3,562,786	5,078,763	345,000	5,423,763
Total Expenditures	94,341,845	102,749,703	100,724,056	99,423,262	4,122,611	103,545,873
Revenues Over/(Under) Expenditures	(735,559)	(3,226,542)	2,824,723	(1,809,343)	(4,122,611)	(5,931,954)
Fund Balance - Beginning	40,275,171	39,539,612	39,539,612	42,364,335	-	42,364,335
Accrued Sales/Franchise Taxes	(6,565,945)	(6,565,945)	(6,565,945)	(6,565,945)	-	(6,565,945)
Fund Balance - Ending	\$ 32,973,667	\$ 29,747,125	\$ 35,798,390	\$ 33,989,047	\$ (4,122,611)	\$ 29,866,436
Ending Fund Balance - % of Oper Exp		35%	43%	38%		33%
Fund Balance - Requirement		\$ 21,462,507	\$ 20,956,813	\$ 22,642,985		\$ 22,759,893
Over / (Under) Policy		8,284,617	14,841,577	11,346,062		7,106,543

The following information is included to comply with Local Government Code Section 140.004:

	FY20 Actual	FY21 Budget	FY21 Projection	FY22 Budget	FY22 Budget
Legal Notice Publication Expenditures	10,019	25,000	25,000	25,000	- 25,000
Legislative Consultant Expenditures	118,267	118,200	118,200	118,200	118,200

**GENERAL FUND
SCHEDULE OF REVENUES**

Description	FY21		FY22		FY22 Changes	FY22 Budget
	FY20 Actuals	Current Budget	FY21 Projections	Base Budget		
Property Tax Current	\$ 30,546,410	\$ 32,523,267	\$ 32,049,660	\$ 34,044,245	\$ -	\$ 34,044,245
Property Tax Delinquent	184,487	39,927	108,239	85,111	-	85,111
Property Tax Penalty and Int	196,476	25,000	203,417	25,000	-	25,000
Property Tax Spec Inventory	9,610	10,000	14,062	10,000	-	10,000
Property Taxes	30,936,982	32,598,194	32,375,378	34,164,356	-	34,164,356
Sales Tax	38,080,526	33,270,851	40,302,584	39,273,423	-	39,273,423
Sales Tax	38,080,526	33,270,851	40,302,584	39,273,423	-	39,273,423
Other Tax Mixed Drink	562,201	501,389	500,094	648,000	-	648,000
Other Tax-Franchise Electric	4,299,369	4,308,004	4,262,377	4,125,495	-	4,125,495
Other Tax-Franchise Gas	356,519	393,000	393,000	393,000	-	393,000
Other Tax-Franchise Telecomm	162,339	165,729	148,895	148,000	-	148,000
Other Tax-Franchise Cable TV	993,627	851,318	877,570	880,000	-	880,000
Other Tax-Right of Way	163,601	164,628	79,825	80,000	-	80,000
Other Taxes	6,537,655	6,384,068	6,261,761	6,274,495	-	6,274,495
LP Building	2,175,980	1,595,505	1,500,504	1,735,762	-	1,735,762
LP Electrical	242,851	212,589	292,232	292,232	-	292,232
LP Irrigation	25,649	17,838	23,733	23,733	-	23,733
LP Health	371,128	363,881	366,039	375,000	-	375,000
LP HVAC	254,989	197,980	237,859	237,859	-	237,859
LP Late Fees	7,200	107	2,740	2,740	-	2,740
LP Liquor	28,525	13,784	12,340	14,000	-	14,000
LP Mowing Liens	-	12,160	-	13,000	-	13,000
LP Plat Fees	10,620	15,627	14,978	16,000	-	16,000
LP Plumbing	214,702	157,434	204,324	204,324	-	204,324
LP Reinspection Fees	8,695	28,637	14,350	24,903	-	24,903
LP Parking	184	-	-	-	-	-
LP Signs	25,232	21,892	21,020	23,000	-	23,000
LP Flood Zone Development	-	2,432	-	3,000	-	3,000
LP Contractor Registration	34,353	31,626	34,251	34,251	-	34,251
LP Right of Way	11,081	2,626	320	3,000	-	3,000
LP Solicitor	5,286	4,865	6,088	6,089	-	6,089
LP Land Disturbance Fee	1,366	4,056	317	4,000	-	4,000
LP Site Plan Fees	19,938	18,064	2,594	19,000	-	19,000
LP Zoning and Conditional Use	26,343	12,299	35,392	35,392	-	35,392
Penalties	20,264	13,600	22,710	22,711	-	22,711
LP Infrastructure Review	49,952	101,504	3,580	3,580	-	3,580
LP Rental Reinspection Fees	2,518	-	-	-	-	-
LP Rental Inspection Fees	350,383	319,712	354,077	354,077	-	354,077
LP Fire Alarm	41,831	43,108	37,801	44,000	-	44,000
LP Other Fire Code	119,582	135,527	131,634	137,000	-	137,000
Licenses & Permits	4,048,651	3,326,853	3,318,883	3,628,653	-	3,628,653
Svs Chg Street Light Charges	1,185	16,000	1,000	1,000	-	1,000
Svs Chg Animal Adoption	27,814	39,000	705	40,000	-	40,000
Svs Chg Animal Impound	3,213	1,000	1,076	1,076	-	1,076
Svs Chg Swim Pool Admission	2,220	8,091	3,774	8,090	-	8,090
Svs Chg Facility Usage Cards	32,990	64,757	9,897	67,000	-	67,000
Svs Chg Swim Pool Rent	-	16	1,488	1,488	-	1,488
Svs Chg Building Rent	40,591	110,410	26,381	114,000	-	114,000
Svs Chg Comunity Event Recreat	3,314	3,000	3,000	3,000	-	3,000
Svs Chg Athletic Leagues	5,680	28,000	5,680	29,000	-	29,000
Svs Chg Pavilion Rent	11,294	47,492	20,880	49,000	-	49,000
Svs Chg Camp Programs	-	144,489	-	149,000	-	149,000
Svs Chg Light Fees	30,473	44,000	30,930	30,930	-	30,930

**GENERAL FUND
SCHEDULE OF REVENUES**

Description	FY20	FY21	FY21	FY22	FY22	FY22
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Svs Chg Leisure Classes	49,419	83,944	30,684	86,000	-	86,000
Svs Chg Athletic Field Rent	7,763	13,130	7,762	14,000	-	14,000
Svs Chg Senior Programs	3,959	12,000	-	12,000	-	12,000
Svs Chg Accident Reports	5,082	7,000	2,304	2,304	-	2,304
Svs Chg False Alarm Fees	59,433	68,000	50,350	50,350	-	50,350
Svs Chg Reproduction Copies	7,718	7,100	7,778	7,778	-	7,778
Svs Chg Finger Printing	2,160	8,000	1,000	8,000	-	8,000
Svs Chg EMS	1,819,605	1,785,669	1,897,079	1,897,079	-	1,897,079
Svs Chg Fire Protection Fees	1,139,781	1,180,000	1,174,457	1,174,457	-	1,174,457
TCLEOSE	908	-	-	-	-	-
ROYALTIES	122	-	-	-	-	-
Charges for Services	3,254,724	3,671,098	3,276,225	3,745,552	-	3,745,552
Fines Admin Court Fees	64,049	59,475	43,078	61,000	-	61,000
Fines City Portion DPS Fee	8,422	10,000	7,621	10,000	-	10,000
Fines Child Safety	125,274	135,000	122,452	142,000	-	142,000
Fines Commercial Vehicles	35,236	40,000	11,473	40,000	-	40,000
Fines Municipal Court	949,523	1,189,504	830,704	1,189,504	-	1,189,504
Fines Judicial Efficiency	5,930	9,000	2,958	9,000	-	9,000
Fines Warrants	120,793	125,000	117,776	129,000	-	129,000
Fines Online Convenience Fee	9,170	10,000	9,180	10,000	-	10,000
Fines & Forfeitures	1,318,397	1,577,979	1,145,242	1,590,504	-	1,590,504
Operating Contribution Nongov	80,301	124,987	27,357	78,430	-	78,430
Capital Contribution Nongov	-	100,000	100,000	-	-	-
Misc. Operating Revenue	14,969	54,160	26,439	21,660	-	21,660
Other Rev-Unclaimed Property	674	-	-	-	-	-
Other Rev-Insurance Recovery	505,948	492,362	492,362	492,362	-	492,362
OFS Sale of Cap Assets	22,002	-	46,714	-	-	-
OFS Sale of NonCap Assets	7,356	13,000	9,289	13,000	-	13,000
Reimbursements	251,364	216,300	128,957	216,300	-	216,300
Cash Over/Short	6	-	-	-	-	-
OTHER REVENUES	43,289	-	-	-	-	-
CONTRIBUTION	13,756	-	-	-	-	-
Other	939,665	1,000,809	831,118	821,752	-	821,752
LEOSE FUNDS	10,190	-	-	-	-	-
STEP WAVE GRANT	42,352	-	-	-	-	-
CONSOLIDATED GRANTS	88,685	-	-	-	-	-
Operating Contribution Federal	316,864	8,671,901	8,805,906	164,494	-	164,494
Operating Contribution O. Gov	2,636	52,561	62,835	7,700	-	7,700
Intergov TIRZ 1	78,370	81,150	81,150	72,594	-	72,594
Intergov TIRZ 3	19,544	2,285	2,285	6,472	-	6,472
Intergov TIRZ 4	25,808	4,328	4,328	711	-	711
Intergov SL4B	625,115	790,540	790,540	700,351	-	700,351
Intergovernmental	1,209,564	9,602,765	9,747,044	952,322	-	952,322
Interest Earnings	526,902	450,000	150,000	150,000	-	150,000
Unrealized Gain/Loss Invest	(21,569)	-	-	-	-	-
Interest Income	505,333	450,000	150,000	150,000	-	150,000
Svs Chg Fr Utility Fund	6,410,240	5,840,543	5,840,544	6,712,862	-	6,712,862
Trf in Utility Operating	64,550	-	-	-	-	-
Trf in Solid Waste	300,000	300,000	300,000	300,000	-	300,000
Trf in ISF Fleet	-	1,500,000	-	-	-	-
Transfers In	6,774,790	7,640,543	6,140,544	7,012,862	-	7,012,862
GRAND TOTAL	\$ 93,606,286	\$ 99,523,160	\$ 103,548,779	\$ 97,613,919	\$ -	\$ 97,613,919

**GENERAL FUND
SUMMARY OF EXPENDITURES**

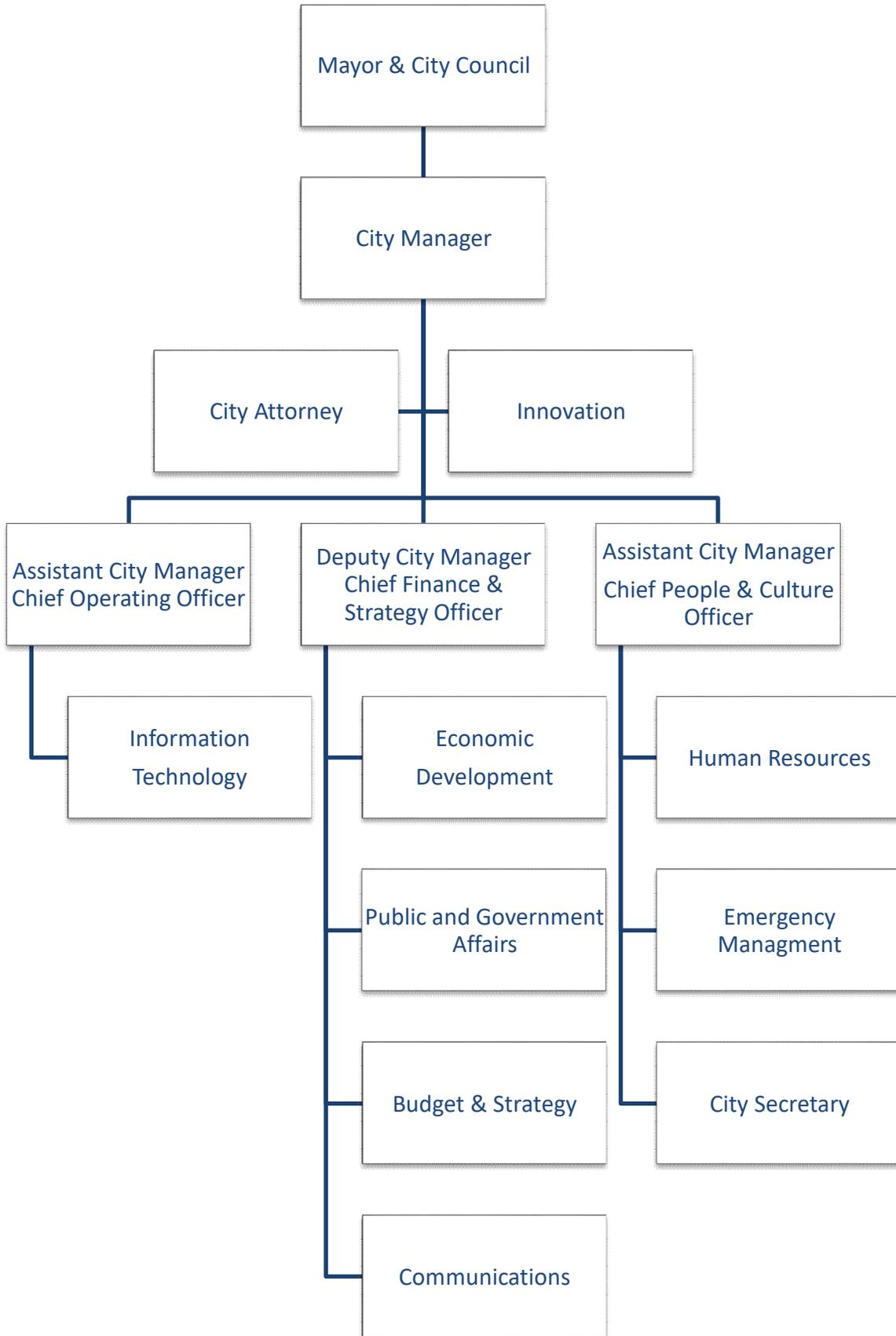
Description	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Mayor & City Council	\$ 248,552	\$ 207,744	\$ 207,744	\$ 236,784	\$ -	\$ 236,784
City Manager	1,522,917	780,802	780,802	956,391	40,000	996,391
Assistant City Managers	1,301,438	1,199,075	1,199,075	1,211,808	-	1,211,808
Emergency Management	408,794	392,701	392,701	362,148	18,000	380,148
Office of Intergovernmental Relations	200,851	230,156	230,156	234,256	9,181	243,437
Strategic Planning & Philanthropy	-	216,943	216,943	3,050	-	3,050
Budget & Strategy	380,242	541,731	541,731	797,174	-	797,174
City Secretary	870,908	1,056,736	1,056,736	961,852	43,000	1,004,852
Public Affairs	1,129,715	-	-	-	-	-
311 Contact Center	404,351	689,079	689,079	572,253	-	572,253
Community Engagement	188,954	1,265,748	1,265,748	1,298,600	108,760	1,407,360
Human Resources	1,687,470	1,519,208	1,519,208	1,434,547	76,000	1,510,547
Risk Management	-	201,937	201,937	206,965	-	206,965
City Attorney	944,514	1,024,518	1,024,518	1,049,957	-	1,049,957
Information Technology	4,517,139	4,828,879	4,828,879	4,833,958	491,000	5,324,958
Department of Innovation	526,424	1,109,517	1,109,517	891,759	110,000	1,001,759
Economic Development	601,818	2,982,055	2,982,055	1,051,215	-	1,051,215
General Government	14,934,088	18,246,829	18,246,829	16,102,717	895,941	16,998,658
Finance Administration	1,009,943	1,059,970	1,249,970	1,159,101	-	1,159,101
Accounting	1,231,624	1,277,367	1,277,367	1,382,487	-	1,382,487
Purchasing	611,411	629,921	629,921	649,990	-	649,990
Municipal Court	1,145,011	1,275,661	1,275,661	1,179,854	159,980	1,339,834
Finance	3,997,989	4,242,919	4,432,919	4,371,432	159,980	4,531,412
Public Works Administration	449,208	507,808	507,808	600,697	60,000	660,697
Street & Drainage Maintenance	4,818,049	5,795,995	5,795,995	5,086,352	710,000	5,796,352
ROW Maintenance	2,595,035	2,371,716	2,371,716	2,361,279	247,045	2,608,324
Traffic Operations	4,497,881	5,292,921	5,292,921	5,201,298	167,000	5,368,298
Public Works	12,360,173	13,968,440	13,968,440	13,249,626	1,184,045	14,433,671
Parks Administration	634,299	654,274	654,274	663,580	-	663,580
Development & Maintenance	2,779,870	3,123,287	3,016,423	2,985,544	-	2,985,544
Special Events	273,496	433,522	433,522	385,682	260,000	645,682
Recreation & Athletics	996,562	499,613	499,613	413,577	-	413,577
Senior Programs	-	332,685	332,685	361,438	-	361,438
Imperial Park	-	297,360	297,360	381,720	-	381,720
Parks & Recreation	4,684,227	5,340,742	5,233,878	5,191,541	260,000	5,451,541
Planning Administration	195,876	207,998	207,998	213,081	-	213,081
Planning & Development	526,972	645,654	645,654	585,647	-	585,647
Long Range Planning	686,288	642,974	642,974	417,656	256,000	673,656
Permits	1,325,428	688,243	688,243	784,903	9,828	794,731
Inspections	-	689,488	689,488	598,405	-	598,405
City Engineer	2,720,104	3,048,045	3,048,045	3,047,411	75,000	3,122,411
Asset Management	-	127,638	127,638	102,378	-	102,378
Community Development	5,454,668	6,050,040	6,050,040	5,749,481	340,828	6,090,309
ENS Administration	421,642	485,160	485,160	495,491	-	495,491
Fleet Services	843,336	843,929	843,929	870,487	3,332	873,819
Facilities Management	2,815,786	2,882,043	2,882,043	2,721,167	330,591	3,051,758
Animal Services	919,629	1,169,339	1,169,339	1,053,157	48,800	1,101,957
Stormwater Management	196,283	255,685	255,685	224,377	2,200	226,577
Food Inspection	315,032	322,827	322,827	327,079	2,285	329,364
Code Enforcement	412,735	454,523	454,523	473,748	3,430	477,178
Rental Registration	255,579	268,360	268,360	272,113	2,606	274,719
Environmental & Neighborhood SVC	6,180,022	6,681,866	6,681,866	6,437,619	393,244	6,830,863
Police Administration	979,497	1,041,348	1,041,348	1,067,275	126,739	1,194,014
Staff Services	2,654,956	2,181,394	2,181,394	2,481,823	122,000	2,603,823
Professional Services	1,364,351	1,907,773	1,907,773	1,903,546	70,000	1,973,546
Patrol	12,358,672	13,156,441	13,156,441	12,833,756	9,268	12,843,024
Criminal Investigations	3,724,926	3,820,974	3,820,974	3,831,705	13,500	3,845,205
Detention Center	437,736	464,038	464,038	643,079	-	643,079

**GENERAL FUND
SUMMARY OF EXPENDITURES**

Description	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
TCLEOSE Training	8	40,196	40,196	10,189	-	10,189
SWAT	13,965	19,947	19,947	23,102	-	23,102
Police Department	21,534,110	22,632,111	22,632,111	22,794,475	341,507	23,135,982
PS Dispatch	2,585,042	3,066,455	3,066,455	2,960,539	8,600	2,969,139
Public Safety Dispatch	2,585,042	3,066,455	3,066,455	2,960,539	8,600	2,969,139
Fire Administration	585,800	655,488	655,488	832,412	-	832,412
Emergency Services	14,500,043	15,180,040	15,180,040	15,685,657	193,466	15,879,123
Prevention & Investigation	1,016,464	1,013,203	1,013,203	969,000	-	969,000
Fire Department	16,102,307	16,848,731	16,848,731	17,487,069	193,466	17,680,535
Total Operating Expenditures	87,832,627	97,078,133	97,161,269	94,344,499	3,777,611	98,122,110
Transfers to Other Funds	2,929,456	1,122,471	1,256,025	1,448,983	-	1,448,983
Miscellaneous	1,122,288	1,829,567	(399,899)	923,224	345,000	1,268,224
Rebates & Assignments	2,457,474	2,719,531	2,706,660	2,706,556	-	2,706,556
Total Non-Operating	6,509,218	5,671,569	3,562,786	5,078,763	345,000	5,423,763
Total Expenditures	94,341,845	102,749,703	100,724,056	99,423,262	4,122,611	103,545,873
Category Summary						
Salary & Benefits	65,698,914	71,152,421	71,152,421	72,512,405	48,000	72,560,405
Supplies	3,304,937	7,386,791	7,386,791	6,648,348	1,213,182	7,861,530
Professional Services	7,218,659	13,427,107	13,620,529	10,179,130	1,758,668	11,937,798
Repairs & Maintenance	9,144,651	2,893,875	2,787,011	2,514,850	168,739	2,683,589
Purchased Services	1,730,652	2,121,592	2,118,169	2,468,242	583,022	3,051,264
Capital/Other	734,815	96,347	96,347	21,524	6,000	27,524
Total Category Expenditures	87,832,627	97,078,133	97,161,269	94,344,499	3,777,611	98,122,110
Total Non-Operating	6,509,218	5,671,569	3,562,786	5,078,763	345,000	5,423,763
Total Expenditures	\$ 94,341,845	\$ 102,749,703	\$ 100,724,056	\$ 99,423,262	\$ 4,122,611	\$ 103,545,873

General Government Organizational Chart

As of October 1, 2021



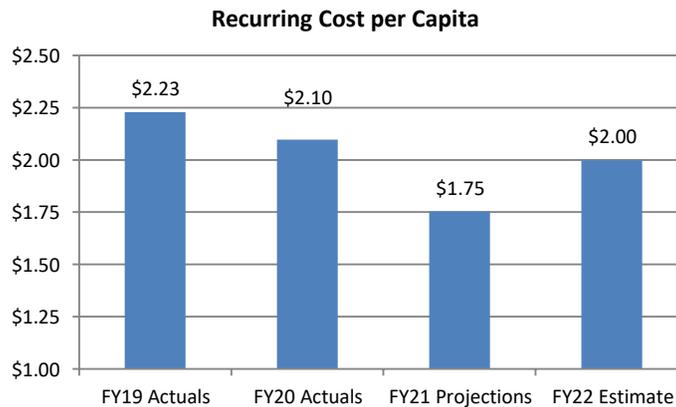
Mayor and City Council

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.

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	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 175,136	\$ 161,052	\$ 161,052	\$ 162,179	\$ -	\$ 162,179
Supplies	5,273	17,074	17,074	10,274	-	10,274
Professional Services	34,962	5,200	5,200	29,800	-	29,800
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	33,181	24,418	24,418	34,531	-	34,531
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 248,552	\$ 207,744	\$ 207,744	\$ 236,784	\$ -	\$ 236,784

City Manager

Services Provided

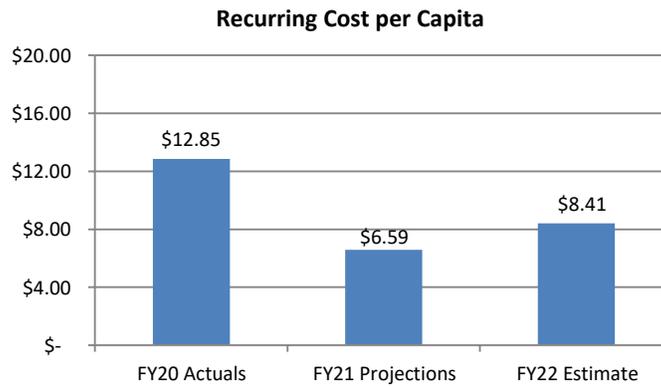
The **City Manager** is appointed by City Council and serves as Chief Executive Officer of the City. The City Manager is responsible for making recommendations to City Council, filing the annual budget, five-year CIP, strategic project work plan and five-year financial forecast, and providing leadership 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.

FY22 Changes

A \$25,000 one-time addition is included for the Placer Venue Analytics Platform contract.

Performance Measures: Responsible City Government

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



Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 1,416,269	\$ 700,497	\$ 700,497	\$ 914,564	\$ -	\$ 914,564
Supplies	16,810	14,993	14,993	18,193	-	18,193
Professional Services	21,857	10,360	10,360	2,210	-	2,210
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	40,447	53,088	53,088	21,424	40,000	61,424
Capital/Other	27,533	1,864	1,864	-	-	-
Category Totals	\$ 1,522,917	\$ 780,802	\$ 780,802	\$ 956,391	\$ 40,000	\$ 996,391

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
City Manager	12.00	6.00	-	6.00	-	6.00
FTE Count Totals	12.00	6.00	-	6.00	-	6.00

Emergency Management

Mission Statement

The mission of the Sugar Land Office of Emergency Management is to facilitate community preparedness, coordination, communication, and resource allocation in order to enable the city to respond to and recovery from emergencies or disasters.

The vision of the City of Sugar Land Office of Emergency Management is to be a unifying force for both city departments and local stakeholders in preparedness, response, recovery and mitigation of emergencies or disasters. By developing and maintaining strategic community partnerships, promoting awareness, developing efficiencies in low density high value resources, facilitated coordination, and ensuring fiscal sustainability for the emergency preparedness program, the City's emergency response and recovery functions will be ready.

Services Provided

The Office of Emergency Management provides all hazards emergency management services focused on: planning, operational coordination, educational outreach, and training / exercises. The emergency planning service line ensures relevant, accessible, and digestible plans for use by emergency management stakeholders. Operational coordination focuses on timely and relevant resource allocation and information provision for key stakeholders during times of need. Educational outreach promotes an informed and prepared community in the pursuit of a whole community approach to emergency management activities. Lastly, training and exercises address capability gaps by building institutional knowledge and broadening the perspectives of emergency management partners.

FY22 Changes

A one-time addition of \$18,000 for Critical Incident Stress Management personnel costs is included in the FY22 budget. This one-time funding will be used to identify the re-occurring funding needs in subsequent years.

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 247,616	\$ 275,505	\$ 275,505	\$ 283,684	\$ 18,000	\$ 301,684
Supplies	58,021	10,212	10,212	6,612	-	6,612
Professional Services	91,806	83,232	83,232	34,100	-	34,100
Repairs & Maintenance	6,221	4,000	4,000	4,000	-	4,000
Purchased Services	5,130	19,752	19,752	33,752	-	33,752
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 408,794	\$ 392,701	\$ 392,701	\$ 362,148	\$ 18,000	\$ 380,148

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Emergency Management	-	2.00	-	2.00	-	2.00
FTE Count Totals	-	2.00	-	2.00	-	2.00

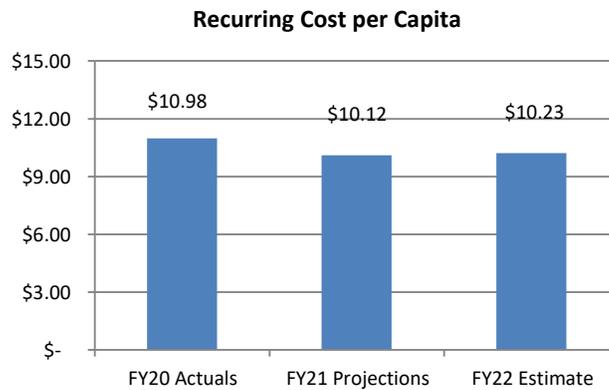
Assistant City Managers

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 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.

Performance Measures:

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



Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 1,234,996	\$ 1,118,224	\$ 1,118,224	\$ 1,134,867	\$ -	\$ 1,134,867
Supplies	10,150	5,600	5,600	11,150	-	11,150
Professional Services	15,646	30,200	30,200	3,950	-	3,950
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	40,646	45,051	45,051	61,841	-	61,841
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,301,438	\$ 1,199,075	\$ 1,199,075	\$ 1,211,808	\$ -	\$ 1,211,808

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Assistant City Managers	7.00	6.00	-	6.00	-	6.00
FTE Count Totals	7.00	6.00	-	6.00	-	6.00

Communications

Services Provided

The **Communications** team 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.

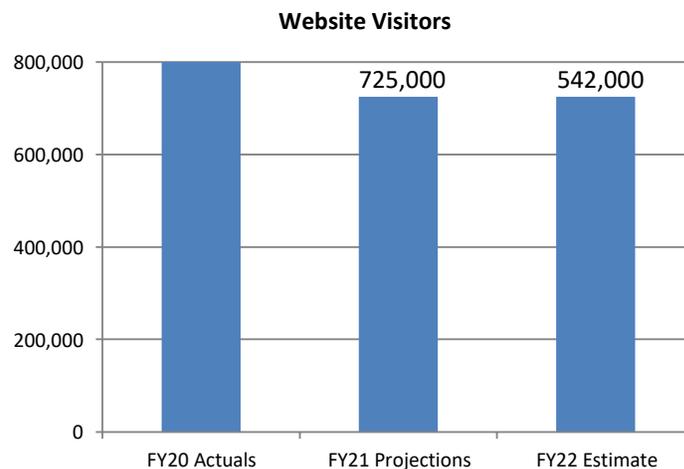
FY22 Changes

Changes totaling \$111,360 include \$77,000 in one-time additions for a videographer, \$31,760 for My Civic Community Engagement mobile application by Tyler and \$2,600 in recurring additions for the renewal of Emma listserv service.

Performance Measures: Responsible City Government

Website Visitors

The City's main website is proving to be one of the City's best tools for communications; providing news, information, emergency information, answers/tracking citizen inquiries, transparency, accessibility, and marketing of city services. The data is highly dependent on events that take place such as COVID-19 and weather events.



Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 1,039,001	\$ 1,073,737	\$ 1,073,737	\$ 1,099,989	\$ -	\$ 1,099,989
Supplies	104,176	54,764	54,764	54,764	-	54,764
Professional Services	48,285	74,300	74,300	58,300	77,000	135,300
Repairs & Maintenance	326	450	450	450	-	450
Purchased Services	31,269	62,497	62,497	85,097	31,760	116,857
Capital/Other	95,613	-	-	-	-	-
Category Totals	\$ 1,318,670	\$ 1,265,748	\$ 1,265,748	\$ 1,298,600	\$ 108,760	\$ 1,407,360

Communications

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Communications	9.00	9.00	-	9.00	-	9.00
FTE Count Totals	9.00	9.00	-	9.00	-	9.00

Community Engagement

Mission Statement

Community Engagement provides timely and dependable information, equitable public engagement, strategy, and advocacy services to the people of Sugar Land, their City Council, and other City departments, so they can prosper, build trusting relationships, and influence the future of their community.

Services Provided

The **Community Engagement** team is responsible for connecting, educating, engaging and empowering the residents of the City of Sugar Land. They manage the 'Serve Sugar Land' volunteer program in addition to numerous citizen engagement opportunities; as well as, provide resources for residents to register concerns and receive information, serving as a portal for resident contact.

Performance Measures: Responsible City Government

Volunteer Hours

The number of volunteer hours is one factor in gauging how engaged our community is with the City and the services we provide. Volunteer hours are important because if we can recruit and retain a group of committed people who are willing to voluntarily contribute to moving the city forward, then we have achieved a goal of fostering true engagement between the city and the community. Additionally, when people volunteer to complete city tasks, it ultimately saves taxpayer dollars.

Town Hall Meetings

Town Hall meetings are hosted once a year as a way to bridge the community and the council members who serve them. Town Hall meetings are important because they are an opportunity for city leadership to hear from residents and vice versa. This is important for open feedback about decision-making, addressing concerns and plans for the future.

Mayor's Youth Advisory Council

The Mayor's Youth Advisory Council empowers youth to become active members in their community by providing variety of opportunities to have an everlasting effect on the future of their city through local government and public service. This program is important because it engages a demographic on a regular basis that would typically not be reached by local government, and prepares them to continue to be civically engaged in the future.

Sugar Land 101

Sugar Land 101 allows residents to familiarize themselves with the structure, function, and purpose of city government. This program is important because it serves an opportunity for the city to be transparent in decision-making and empower residents to be part of city solutions.

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Target	2022 Target
Volunteer hours (engaging residents)	n/a	n/a	n/a	11,031	23,254
Town Hall meetings (connecting residents)	n/a	n/a	0	2	2
Mayor's Youth Advisory Council (engaging residents)	n/a	n/a	1	1	1
Sugar Land 101 (engaging residents)	n/a	n/a	1	1	1

Community Engagement

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 161,339	\$ 1,073,737	\$ 1,073,737	\$ 1,099,989	\$ -	\$ 1,099,989
Supplies	25,786	54,764	54,764	54,764	-	54,764
Professional Services	994	74,300	74,300	58,300	77,000	135,300
Repairs & Maintenance	-	450	450	450	-	450
Purchased Services	835	62,497	62,497	85,097	31,760	116,857
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 188,954	\$ 1,265,748	\$ 1,265,748	\$ 1,298,600	\$ 108,760	\$ 1,407,360

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Community Engagement	2.00	2.00	-	2.00	-	2.00
FTE Count Totals	2.00	2.00	-	2.00	-	2.00

Intergovernmental Relations

Services Provided

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. The Office is also responsible for maintaining relationships with private utility providers within the City. The entire vision as adopted by the City Council guides the City’s intergovernmental relations program specifically guided by the following statement under Goal K – Community Pride in Sugar Land: “City working in partnership with residents, community organizations, businesses and other government entities.”

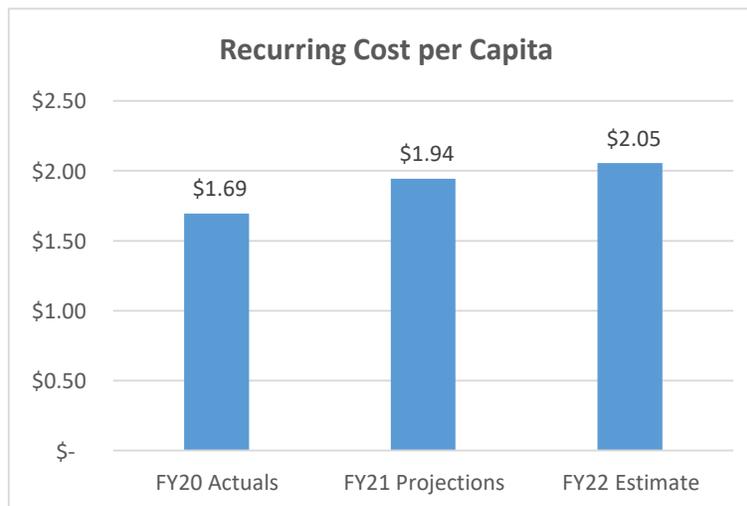
FY22 Changes

Changes totaling \$9,181 include membership to the US Conference of Mayors.

Performance Measures: Responsible City Government

Recurring Cost per Capita

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



Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 139,073	\$ 140,045	\$ 140,045	\$ 142,195	\$ -	\$ 142,195
Supplies	829	8,800	8,800	8,800	-	8,800
Professional Services	59,630	65,200	65,200	65,200	-	65,200
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	1,319	16,111	16,111	18,061	9,181	27,242
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 200,851	\$ 230,156	\$ 230,156	\$ 234,256	\$ 9,181	\$ 243,437

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Intergovernmental Relations	1.00	1.00	-	1.00	-	1.00
FTE Count Totals	1.00	1.00	-	1.00	-	1.00

Budget & Strategy

Mission Statement

To prepare a balanced annual budget that delivers community and organizational needs while supporting the strategic priorities of the city and to increase efficiencies of city services through research, policy analysis, and long-range planning strategies.

Services Provided

Budget oversees the budget process and provides assistance to departments regarding budgeting and financial analysis.

Strategic Planning is responsible for the development of the citywide strategic plan and the management of its execution and modification.

Performance Measures

Percent Variance Between Forecasted and Actual Revenue Received

Percent Variance between Forecast and Actual Revenue received is measured by comparing the actual revenue collected to the original revenue forecast used to develop the budget. Strong financial management practices are essential when planning for the short- and long-term service delivery needs of the community. Consistency and accuracy lead to effective utilization of resources to deliver service.

Community Outreach and Engagement Events

Community Outreach and Engagement Events is measured as the number of engagement initiatives held. Expanding community engagement in the budget process helps to ensure that all members of the community have opportunity to share their voice.

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Target
Percent Variance Between Forecasted and Actual Revenue Received	New	New	New	New	≤ 3%
Community Outreach and Engagement Events	New	New	New	New	

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 354,705	\$ 510,334	\$ 510,334	\$ 758,019	\$ -	\$ 758,019
Supplies	3,249	3,075	3,075	3,075	-	3,075
Professional Services	17,262	17,105	17,105	17,105	-	17,105
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	5,026	11,217	11,217	18,975	-	18,975
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 380,242	\$ 541,731	\$ 541,731	\$ 797,174	\$ -	\$ 797,174

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Budget & Strategy	5.00	6.00	1.00	7.00	-	7.00
FTE Count Totals	5.00	6.00	1.00	7.00	-	7.00

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.

FY22 Changes

A total of \$46,100 in additions are included in the FY22 Budget. These additions include \$33,000 in one-time costs for a records inventory management project and \$3,100 in recurring costs for the open records software contractual increases.

Performance Measures:

Open Records Requests

The Texas Public Information Act insures people the right of access to government information. As the stewards of open government for the City, the performance measure is to reassure the public the City Secretary is administering requests for records in accordance to the local and state statutes.

Records Management

With the migration of records management software from one system to another, the Office of the City Secretary will track the file integration. The goal of the extraction from the retired software system to the new is to have 100% of permanent records converted successfully.

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Target	2022 Target
Open Record Requests	2,309	2,492	2,341	2,514	2,514
Records Management (new measure related to records inventory software conversion)	N/A	N/A	N/A	9,768	9,768

City Secretary

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 698,945	\$ 793,697	\$ 793,697	\$ 779,405	\$ -	\$ 779,405
Supplies	45,200	141,172	141,172	55,858	-	55,858
Professional Services	53,723	13,245	13,245	8,900	500	9,400
Repairs & Maintenance	565	828	828	753	-	753
Purchased Services	72,474	107,794	107,794	116,936	42,500	159,436
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 870,908	\$ 1,056,736	\$ 1,056,736	\$ 961,852	\$ 43,000	\$ 1,004,852

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
City Secretary	7.00	9.00	-	9.00	-	9.00
FTE Count Totals	7.00	9.00	-	9.00	-	9.00

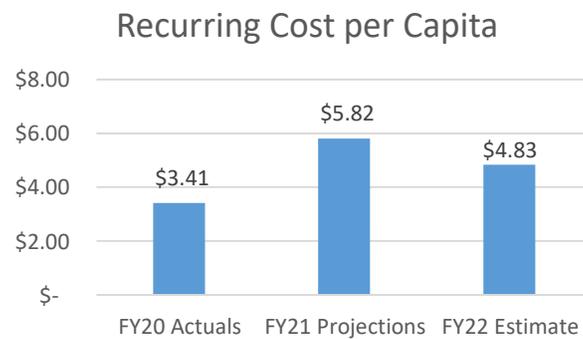
311 Contact Center

Services Provided

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. Utilizing automated call distribution software, inquiries are routed to 311 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.

Performance Measures: Responsible City Government

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

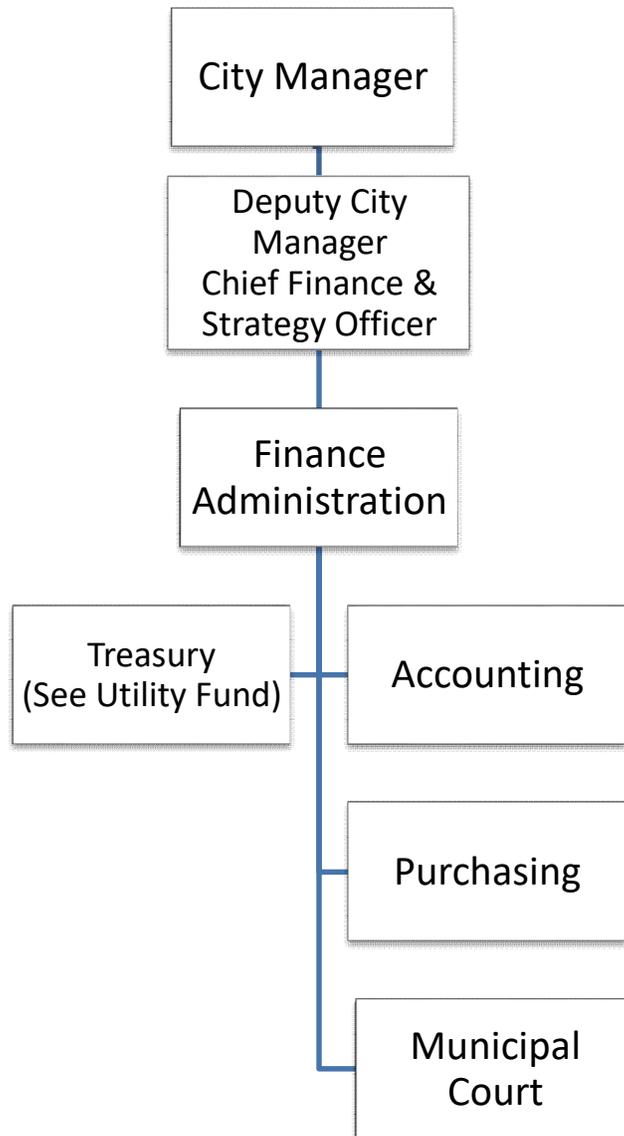


Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 334,570	\$ 602,725	\$ 602,725	\$ 489,549	\$ -	\$ 489,549
Supplies	3,155	5,026	5,026	4,126	-	4,126
Professional Services	18,659	19,900	19,900	19,900	-	19,900
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	47,967	61,428	61,428	58,678	-	58,678
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 404,351	\$ 689,079	\$ 689,079	\$ 572,253	\$ -	\$ 572,253

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
311 Contact Center	7.20	8.20	-	8.20	-	8.20
FTE Count Totals	7.20	8.20	-	8.20	-	8.20

Finance

As of October 1, 2021



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.

Services Provided

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.

Accounting provides payroll, accounts payable, capital assets, grant management, general ledger, internal controls and administrative services.

Purchasing oversees competitive purchasing, verifies insurance for contracts, City auction management, purchasing training, and emergency management/resource management.

Municipal Court is responsible for providing arraignments and trials, warrant servicing, accurate reporting and customer service.

FY22 Changes

Changes totaling \$64,205 include \$61,205 in recurring additions for Fort Bend CAD allocation, \$2,500 for audit annual increases and \$500 for Bridge Pay Network Solutions contractual increases.

Performance Measures:

Trial Date Certainty:

Trial Date Certainty is measured as the number of times cases disposed by trial are scheduled for trial. This measure provides a tool to evaluate the effectiveness of calendaring and continuance practices. For this measure, "trials" includes jury trials and bench trial. The court's goal is to have 90% of its cases disposed by trial no later than the second scheduled trial setting.

Clearance Rate:

Clearance Rate is measured as the number of outgoing cases as a percentage of the number of incoming cases. Clearance rate measures whether the court is keeping up with its incoming caseload. The court's goal is to clear (dispose of) at least as many cases as have been filed, reopened, and reactivated in a period by having a clearance rate of 100% or higher.

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Target
Trial Date Certainty:	Bench: 90.91%	Bench: 83.33%	Bench: 62.50%	Bench: 100%	Bench: 90%
	Jury: 88.64%	Jury: 90.32%	Jury: 92.31%	Jury: 44.44%	Jury: 90%
Clearance Rate:	96.64%	111.62%	108.47%	101.39%	100%+

Finance

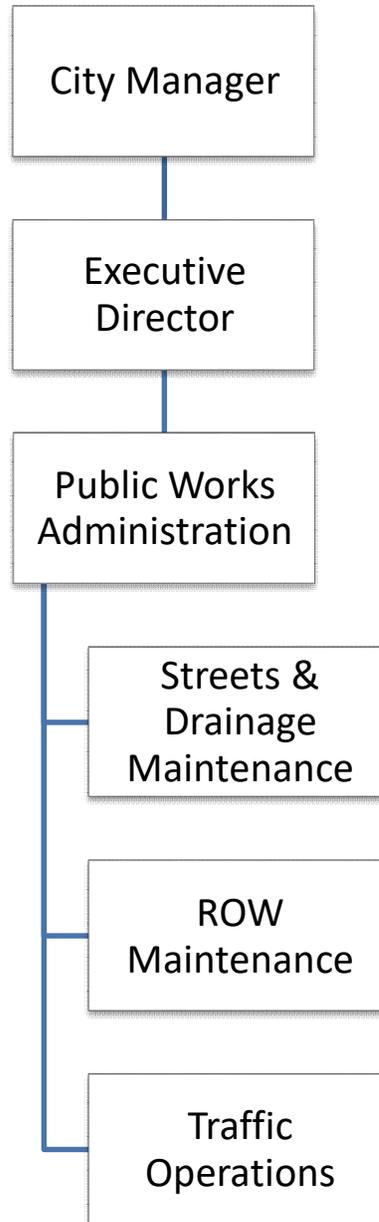
Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Finance Administration	\$ 1,009,943	\$ 1,059,970	\$ 1,249,970	\$ 1,159,101	\$ -	\$ 1,159,101
Accounting	1,231,624	1,277,367	1,277,367	1,382,487	-	1,382,487
Purchasing	611,411	629,921	629,921	649,990	-	649,990
Municipal Court	1,145,011	1,275,661	1,275,661	1,179,854	159,980	1,339,834
Category Totals	\$ 3,997,989	\$ 4,242,919	\$ 4,432,919	\$ 4,371,432	\$ 159,980	\$ 4,531,412

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 3,054,302	\$ 3,223,863	\$ 3,223,863	\$ 3,375,504	\$ -	\$ 3,375,504
Supplies	35,840	36,078	36,078	35,678	159,980	195,658
Professional Services	763,070	790,185	980,185	766,115	-	766,115
Repairs & Maintenance	3,939	1,550	1,550	1,550	-	1,550
Purchased Services	126,016	179,044	179,044	192,585	-	192,585
Capital/Other	14,822	12,199	12,199	-	-	-
Category Totals	\$ 3,997,989	\$ 4,242,919	\$ 4,432,919	\$ 4,371,432	\$ 159,980	\$ 4,531,412

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Finance Administration	3.00	4.00	1.00	5.00	-	5.00
Accounting	12.50	12.50	1.00	13.50	-	13.50
Purchasing	7.00	7.00	-	7.00	-	7.00
Municipal Court	13.00	13.00	-	13.00	-	13.00
FTE Count Totals	35.50	36.50	2.00	38.50	-	38.50

Public Works

As of October 1, 2021



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. The Public Works Department is responsible for the repair, and operations and maintenance of the City’s public streets, traffic control devices, sidewalks, bridges, and drainage system.

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 Right 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.

FY22 Changes

Changes totaling \$1,084,341 include \$1,004,045 in one-time additions and \$80,296 in recurring additions. One-time additions include \$500,000 for sidewalk & trail rehabilitation, \$125,000 for freeze-related plant replacement, \$70,000 to replace generators for emergency use, and \$45,000 for roadway light maintenance. Recurring additions include \$25,000 for traffic signage cost increases, \$17,700 for landscape reimbursement, and \$2,700 for uniform rentals.

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.

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)	

State Highway 6 Performance

AM	Noon	PM
B	C	C

Q4-21

US Highway 90 Performance

AM	Noon	PM
B	B	C

Q4-21

Public Works

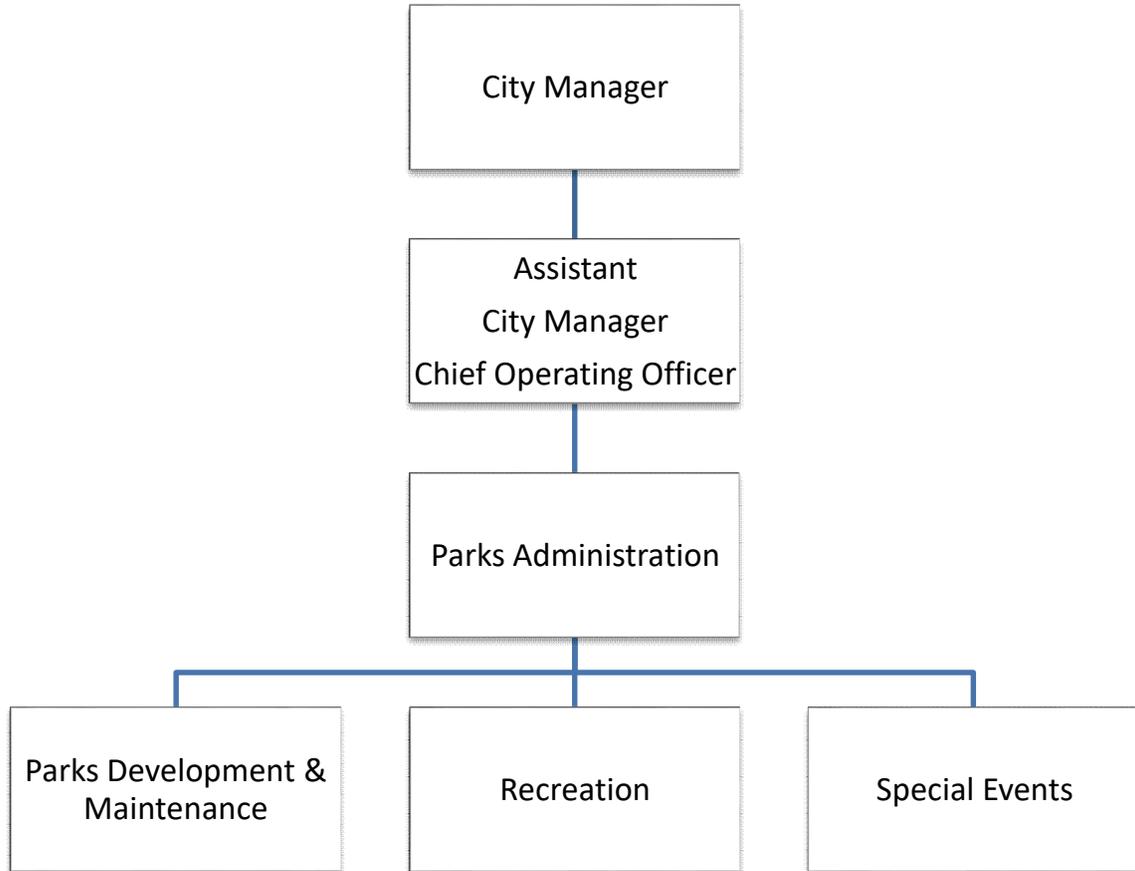
Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 3,604,413	\$ 4,543,587	\$ 4,543,587	\$ 4,651,048	\$ 30,000	\$ 4,681,048
Supplies	647,063	4,374,961	4,374,961	3,906,172	530,000	4,436,172
Professional Services	3,408,775	4,361,342	4,361,342	3,958,185	457,045	4,415,230
Repairs & Maintenance	4,270,484	565,401	565,401	592,637	167,000	759,637
Purchased Services	87,463	101,625	101,625	120,060	-	120,060
Capital/Other	341,976	21,524	21,524	21,524	-	21,524
Category Totals	\$ 12,360,173	\$ 13,968,440	\$ 13,968,440	\$ 13,249,626	\$ 1,184,045	\$ 14,433,671

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Public Works Administration	\$ 449,208	\$ 507,808	\$ 507,808	\$ 600,697	\$ 60,000	\$ 660,697
Street & Drainage Maintenance	4,818,049	5,795,995	5,795,995	5,086,352	710,000	5,796,352
ROW Maintenance	2,595,035	2,371,716	2,371,716	2,361,279	247,045	2,608,324
Traffic Operations	4,497,881	5,292,921	5,292,921	5,201,298	167,000	5,368,298
Category Totals	\$ 12,360,173	\$ 13,968,440	\$ 13,968,440	\$ 13,249,626	\$ 1,184,045	\$ 14,433,671

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Public Works Administration	3.00	3.00	0.50	3.50	-	3.50
Street & Drainage Maintenance	23.00	23.00	-	23.00	-	23.00
ROW Maintenance	20.00	20.00	-	20.00	-	20.00
Traffic Operations	15.00	15.00	-	15.00	-	15.00
FTE Count Totals	61.00	61.00	0.50	61.50	-	61.50

Parks & Recreation

As of October 1, 2021



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. 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.

Imperial Park Recreation Center includes classes, open play, sports camps, events, meeting room use, and tournaments

Recreation oversees leisure classes, youth sports associations, contractual operation of the municipal pool including swim lessons, life guards, swim team usage, and facilities rentals.

Senior Center creates, manages, and delivers seniors program and activities and T.E. Harman Center rentals.

Special Events creates, manages and delivers City-hosted events and cultural activities

FY22 Changes

Changes totaling \$305,836 include \$200,000 one-time for Fourth of July event, \$60,000 one-time for International Art and Kite Festival event, and \$23,800 recurring for parks landscape mowing contractual increases.

Performance Measures: Well Planned Community & Great Place to Live

The Parks & Recreation Department is in the business of planning, developing, implementing and professionally managing the parks, programs, policies, facilities, cultural arts, special events and leisure services established under the leadership of the City Council, City Administration and the associated advisory boards of the City of Sugar Land.

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Target	2022 Target
Maintenance/Development – Number of Developed Acres	964	967	967	1,174	1,228
Maintenance/Development – Volunteer Hours	1,714	1,513	1,178	843	1,100
Maintenance/Development – Number of Parks	27	27	27	27	27
Administration – Followers on Social Media (FB/Insta/Twitter)	29,000	30,800	32,090	34,200	36,000
Administration - Total Engagement	N/A	N/A	74,500	101,080	115,000
Recreation – Number of Program Offerings	220	332	77	91	120
IPRC – Annual Attendance	33,227	32,358	12,347	17,660	22,500
T.E. Harman Ctr – Number of Members	1,642	1,392	282	1,515	1,515
Special Events Division – Number of Events	30	26	14	26	30

Parks & Recreation

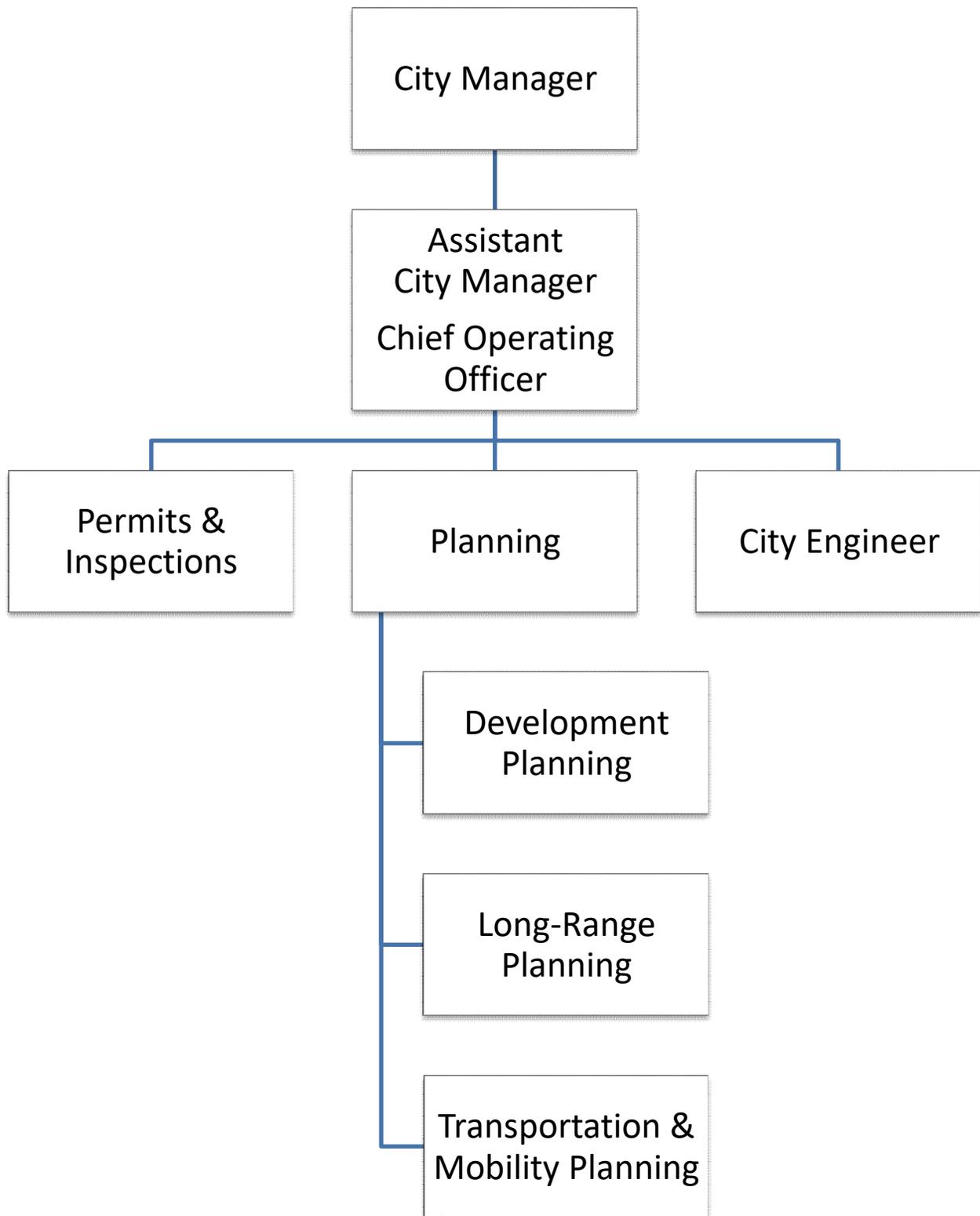
Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 2,579,458	\$ 2,716,540	\$ 2,716,540	\$ 2,680,345	\$ -	\$ 2,680,345
Supplies	254,563	501,633	501,633	462,329	-	462,329
Professional Services	508,488	570,415	573,837	573,237	-	573,237
Repairs & Maintenance	1,140,911	1,248,787	1,141,923	1,113,887	-	1,113,887
Purchased Services	200,808	303,366	299,944	361,743	260,000	621,743
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 4,684,227	\$ 5,340,742	\$ 5,233,878	\$ 5,191,541	\$ 260,000	\$ 5,451,541

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Parks Administration	\$ 634,299	\$ 654,274	\$ 654,274	\$ 663,580	\$ -	\$ 663,580
Development & Maintenance	2,779,870	3,123,287	3,016,423	2,985,544	-	2,985,544
Special Events	273,496	433,522	433,522	385,682	260,000	645,682
Recreation & Athletics	996,562	499,613	499,613	413,577	-	413,577
Senior Programs	-	332,685	332,685	361,438	-	361,438
Imperial Park	-	297,360	297,360	381,720	-	381,720
Category Totals	\$ 4,684,227	\$ 5,340,742	\$ 5,233,878	\$ 5,191,541	\$ 260,000	\$ 5,451,541

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Parks Administration	5.00	5.00	-	5.00	-	5.00
Parks Development	15.50	15.50	-	15.50	-	15.50
Special Events	4.00	4.00	-	4.00	-	4.00
Recreation	15.30	15.30	-	15.30	-	15.30
FTE Count Totals	38.80	38.80	-	38.80	-	38.80

Community Development

As of October 1, 2021



Planning & Development Services

Mission Statement

The **Planning & Development Services Department** ensures a well-planned City that is safe, beautiful and livable. We do this 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 and safety through building review and inspections to ensure code compliance for the City and the public's safety.

The **Planning & Development Services Department**

Programs of Service

Development Planning is responsible for administering 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 primary guide for the Program is the City of Sugar Land Development Code.

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.

Permits assists customers in the processing of applications and permits for residential and commercial construction and enforces building code compliance through plan review.

Inspections ensures construction complies with all building codes through the inspection of residential and commercial construction.

FY22 Changes

Changes totaling \$265,828 include \$181,000 one-time additions for Mobility Master Plan - Phase II, \$75,000 one-time additions for the Comprehensive Plan Update, and \$9,828 recurring additions for ERP cellular charges for iPads.

Performance Measures: Well Planned Community & Livable Neighborhoods

Commercial Permits

The Commercial Permits and Commercial Reinvestment measures track the dollar value (\$) of permits issued by the City for the new commercial construction and addition/alteration of commercial properties. Permit values are representative of real property investment which furthers the development and redevelopment of commercial real estate in the City. These measures provide a general demonstration of the extent of new development in the City and reinvested into the community to maintain or improve commercial property.

Residential Permits

The Residential Permits measure tracks the amount of permits issued by the City for the addition/alteration of residential properties within the city limits of Sugar Land. Residential addition/alteration permits do not include new home construction. The number of permits issued for additions/alterations represents the activity level of real property investments going into the maintenance and redevelopment of residential real estate within the city limits of Sugar Land

Planning & Development Services

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Target	2022 Target
Commercial Permits	\$163,374,529	\$87,387,700	\$128,540,261	\$129,454,995	\$129,454,995
Commercial Reinvestment	\$78,474,109	\$79,084,260	\$80,724,002	\$95,385,736	\$95,385,736
Residential Permits	356	475	362	431	431

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 2,323,038	\$ 2,575,218	\$ 2,575,218	\$ 2,445,266	\$ -	\$ 2,445,266
Supplies	24,358	37,211	37,211	37,211	-	37,211
Professional Services	293,386	182,240	182,240	17,967	265,828	283,795
Repairs & Maintenance	3,693	4,864	4,864	4,864	-	4,864
Purchased Services	90,088	74,824	74,824	94,384	-	94,384
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 2,734,564	\$ 2,874,357	\$ 2,874,357	\$ 2,599,692	\$ 265,828	\$ 2,865,520

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Planning Administration	\$ 195,876	\$ 207,998	\$ 207,998	\$ 213,081	\$ -	\$ 213,081
Planning & Development	526,972	645,654	645,654	585,647	-	585,647
Long Range Planning	686,288	642,974	642,974	417,656	256,000	673,656
Permits	1,325,428	688,243	688,243	784,903	9,828	794,731
Inspections	-	689,488	689,488	598,405	-	598,405
Category Totals	\$ 2,734,564	\$ 2,874,357	\$ 2,874,357	\$ 2,599,692	\$ 265,828	\$ 2,865,520

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Community Development Admin	1.00	1.00	-	1.00	-	1.00
Permits & Inspections	17.25	16.25	-	16.25	-	16.25
Planning & Development	6.00	6.00	-	6.00	-	6.00
Transp & Long Range Planning	4.00	4.00	-	4.00	-	4.00
FTE Count Totals	28.25	27.25	-	27.25	-	27.25

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 active transportation projects. 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.

FY22 Changes

Changes include \$75,000 in one-time additions for Public Safety Training Facility infrastructure improvements and \$16,500 in recurring additions for transportation and mobility software updates.

Performance Measures: Well Planned Community

CIP Projects Completed on Time

This measure shows the number of CIP projects completed by the assigned deadline. This is important because the public expects CIP projects (aging City-owned infrastructure) to be design and constructed in a timely manner to minimize disruption to residents as well upgrade/maintain projects to an acceptable level or standard that meets City of Sugar Land design criteria.

DRC Review Completed on Time

This measure shows the number of Development submittals reviewed on time per the set deadline. This measure is important because it is a demonstration of the City's commitment to customer service to developers, residents and businesses in the City. City staff consistently meets or exceeds the review schedule which builds a level of trust between external customers and City staff to maintain the growth and development with the City.

Public Infrastructure Inspections

This measure shows the number of City-owned public infrastructure project to be assigned by the deadline. This is important because as public infrastructure is built or rehabilitated, it is important that these be constructed to meet City design standards which can only be verified through inspections. City inspectors are engaged on a daily basis observing and inspecting construction projects from beginning of construction phase to final acceptance.

Engineering

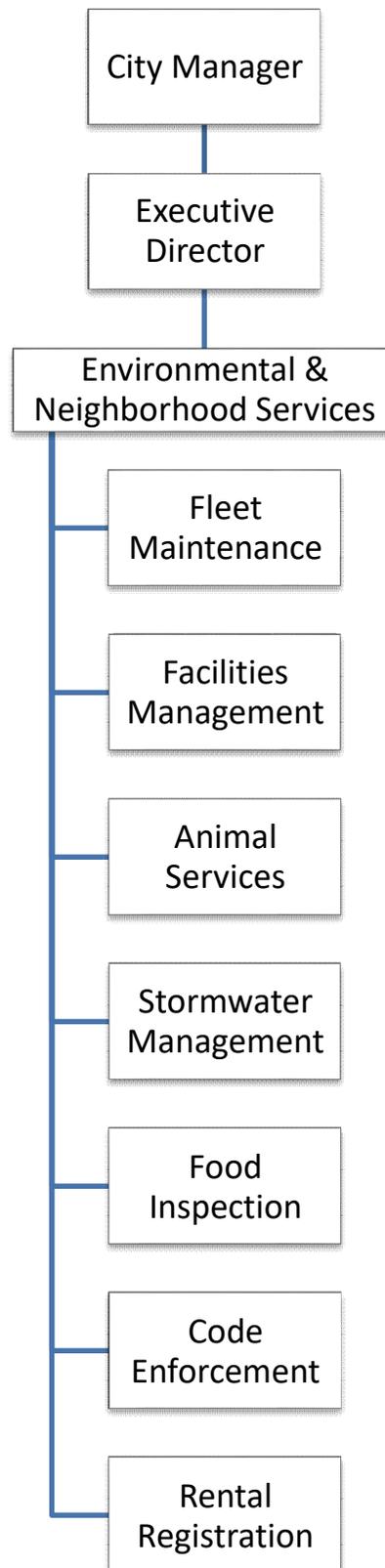
Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Target	2022 Target
CIP Projects Completed On Time	100%	100%	95%	95%	95%
DRC Review Completed On Time	100%	100%	100%	100%	100%
Public Infrastructure Inspections	100%	100%	100%	100%	100%

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 2,567,955	\$ 2,689,284	\$ 2,689,284	\$ 2,750,400	\$ -	\$ 2,750,400
Supplies	15,804	32,897	32,897	32,897	-	32,897
Professional Services	110,280	292,353	292,353	197,720	75,000	272,720
Repairs & Maintenance	4,922	7,450	7,450	7,450	-	7,450
Purchased Services	21,143	26,061	26,061	58,944	-	58,944
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 2,720,104	\$ 3,048,045	\$ 3,048,045	\$ 3,047,411	\$ 75,000	\$ 3,122,411

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
City Engineer	24.00	25.00	-	25.00	-	25.00
FTE Count Totals	24.00	25.00	-	25.00	-	25.00

Environmental & Neighborhood Services

As of October 1, 2021



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

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. **Stormwater Management** is responsible for developing and implementing the City’s Stormwater 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 Registration** ensures approximately 3,784 active rental properties are conforming to property maintenance standards and are safe for occupancy.

FY22 Changes

Changes totaling \$425,464 include \$210,000 in one-time additions for rehab funding, \$100,000 for facilities space planning, \$48,000 for feral hog management contracted services, and \$6,900 in recurring additions for increased cost of veterinary services, \$5,230 for fire alarm inspection and monitoring, and \$1,000 for fleet fuel equipment maintenance supplies

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 3,355,724	\$ 3,774,838	\$ 3,774,838	\$ 3,761,221	\$ -	\$ 3,761,221
Supplies	331,670	663,213	663,213	577,591	230,430	808,021
Professional Services	752,635	1,770,885	1,770,885	1,825,922	159,718	1,985,640
Repairs & Maintenance	1,433,652	260,521	260,521	24,125	-	24,125
Purchased Services	189,351	212,409	212,409	248,760	3,096	251,856
Capital/Other	116,990	-	-	-	-	-
Category Totals	\$ 6,180,022	\$ 6,681,866	\$ 6,681,866	\$ 6,437,619	\$ 393,244	\$ 6,830,863

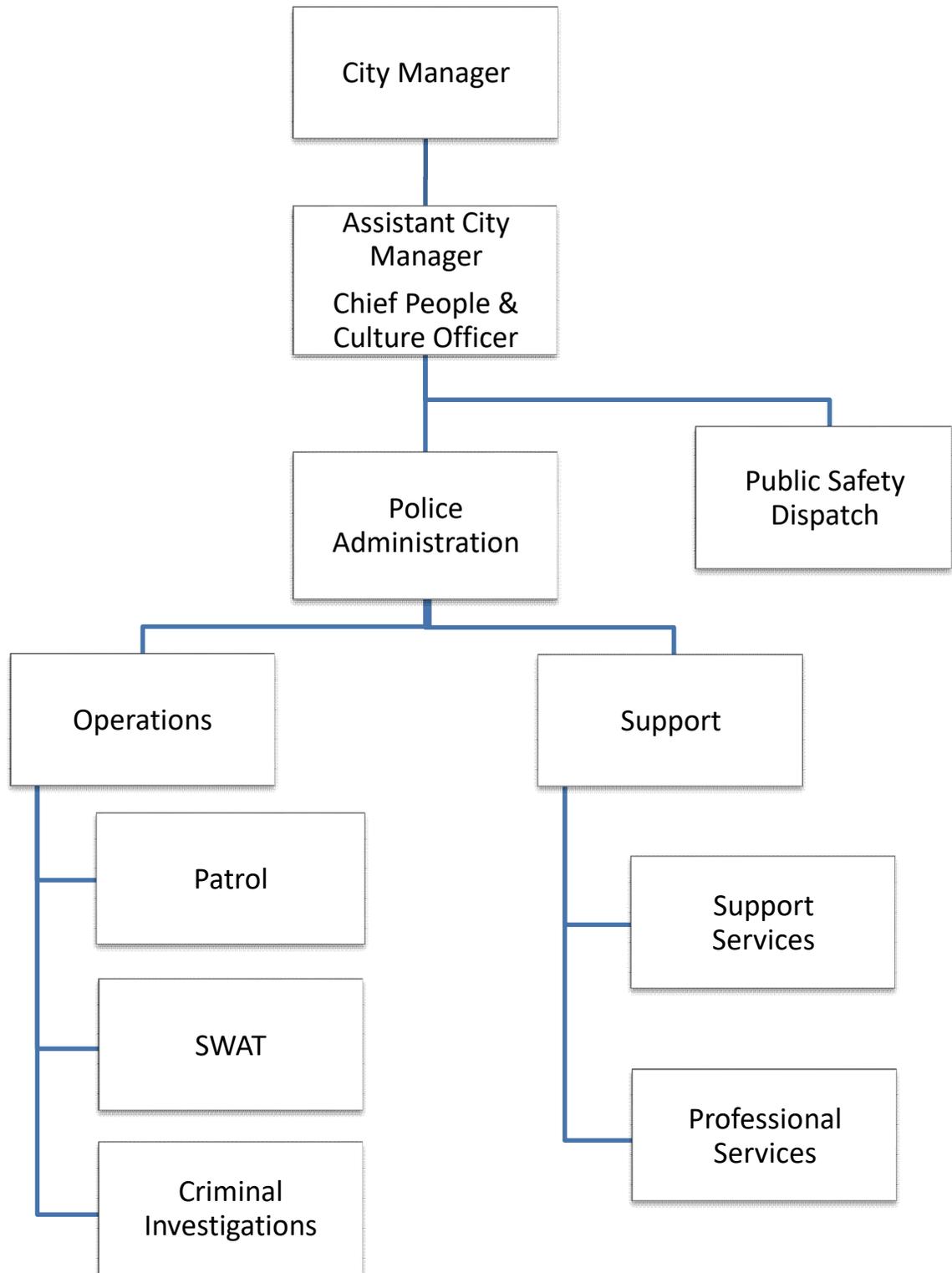
Environmental & Neighborhood Services

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
ENS Administration	\$ 421,642	\$ 485,160	\$ 485,160	\$ 495,491	\$ -	\$ 495,491
Fleet Services	843,336	843,929	843,929	870,487	3,332	873,819
Facilities Management	2,815,786	2,882,043	2,882,043	2,721,167	330,591	3,051,758
Animal Services	919,629	1,169,339	1,169,339	1,053,157	48,800	1,101,957
Stormwater Management	196,283	255,685	255,685	224,377	2,200	226,577
Food Inspection	315,032	322,827	322,827	327,079	2,285	329,364
Code Enforcement	412,735	454,523	454,523	473,748	3,430	477,178
Rental Registration	255,579	268,360	268,360	272,113	2,606	274,719
Category Totals	\$ 6,180,022	\$ 6,681,866	\$ 6,681,866	\$ 6,437,619	\$ 393,244	\$ 6,830,863

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
ENS Administration	3.00	3.00	-	3.00	-	3.00
Fleet Services	9.00	9.00	-	9.00	-	9.00
Facilities Management	10.00	10.00	-	10.00	-	10.00
Animal Services	11.50	11.50	-	11.50	-	11.50
Stormwater Management	1.50	1.50	-	1.50	-	1.50
Food Inspection	4.00	4.00	-	4.00	-	4.00
Code Enforcement	6.00	6.00	-	6.00	-	6.00
Rental Registration	3.00	3.00	-	3.00	-	3.00
FTE Count Totals	48.00	48.00	-	48.00	-	48.00

Police Department & Public Safety Dispatch

As of October 1, 2021



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. 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 six 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, and overall administration of the department.

The **Patrol** Division is composed of five Units. *Patrol*, through Beat Management, provides response to calls for service, preventative patrol, general traffic enforcement, directed assignments, traffic and DWI investigations, new personnel training, court testimony, bicycle patrol, lobby officer, honor guard, and security at public meetings. *Traffic Unit*, motorcycles, and specially marked vehicles, focuses on traffic safety, enforcement, and accident prevention and investigation. *Impact Team*, using marked and unmarked vehicles, focuses on specific crime trends as identified through crime analysis. *Parks Unit* primary responsibility is the patrol of the City's parks, focusing on safety and serving as liaison with the Parks Department. *Special Response Team (SRT)* is a part-time unit which plans, trains and is equipped for responding to situations of civil unrest. *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 callouts beyond normal patrol functions.

The **Criminal Investigations** Division includes detectives and investigators who provide follow-up investigative techniques including conducting interviews, video analysis, digital forensics and corroborates evidence to solve cases. The Division also has several specialized units. The Crime Scene Unit is comprised of personnel who conduct crime scene investigation, laboratory analyses, property/evidence management, and ANSI National Accreditation Board (ANAB) crime lab accreditation management. The Special Crimes Unit conducts gang, vice, and other special investigations. Personnel are assigned to the Fort Bend County Narcotics Task Force, the FBI's Joint Terrorism Task Force, and the Houston Metro Internet Crimes Against Children's Task Force. Personnel also serve in the department's Crime Victim's Assistance program and case coordination.

The **Support Services Division** is composed of three Units. The *Training Unit* is responsible for in-service training, recruiting, and the firearms range. The *Crime Prevention Unit* includes community outreach programs, the volunteer CAST Team, and various problem-solving initiatives. The *Detention and Warrants Unit* is responsible for the booking and housing of detainees, service of warrants, and court security.

The **Professional Services** Division has several units: *Records*, which is responsible for processing, maintaining, and securing the official records of the Police Department. *Fleet & Equipment Services*, which is responsible for maintaining the department's fleet vehicles as well as all police related uniforms and equipment. CALEA accreditation management, social media, Sugar Land Citizens Police Academy Alumni Association liaison, and crime analysis are part of the division's responsibilities.

Police Department

FY22 Changes

Changes totaling \$341,507 include \$271,000 in one-time additions and \$70,507 in recurring additions. One-time additions include \$122,000 for Public Safety training facility lease and \$125,000 for license plate recognition camera expansion project. Recurring additions include \$46,000 for uniforms, bulletproof vests, and ammunitions to restore previously cut service levels.

Performance Measures: Safest City in America

*Insert information regarding how the measure(s) connects back to the department’s goals.

Police Response Time

The City Council measure for “Rapid, Effective, and Coordinated Response to an Emergency for Police” is response time to a Priority I emergency. The target is 80% of responses within a target of 7 minutes. Response times can be affected by several factors such as roadway blocked by a train, incident is occurring in a vehicle which is still moving away from officers, difficulty locating the caller due to vague geographical information, or calls originally dispatched as routine response that were upgraded to higher priority response due to changing circumstances.

Crime Rate

The City Council measure for “Maintain a Low Crime Rate in Sugar Land” is the Uniform Crime Reporting (UCR) for Part 1 Crimes. The target is to maintain a crime rate below the state and national average. The crime rate signifies the number of crimes per 1,000 residents. 2020 was an incredibly unusual year as COVID quarantines and restrictions greatly limited people’s movements, which in turn kept crime artificially low. The Sugar Land Police Department continues to develop action plans for any new crime trends that arise. Once identified, public education campaigns are initiated, and specialized units and patrol officers are assigned to the area to address the crime trend.

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Target	2022 Target
Police Response Time	88.50%	88.75%	85.33%	80%	80%
Crime Rate	13.78	14.88	11.04	20.71	N/A

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 20,108,296	\$ 21,133,965	\$ 21,133,965	\$ 21,297,859	\$ -	\$ 21,297,859
Supplies	670,739	694,909	694,909	691,032	83,140	774,172
Professional Services	115,369	112,377	112,377	99,219	125,000	224,219
Repairs & Maintenance	324,824	307,791	307,791	312,347	1,739	314,086
Purchased Services	288,661	383,069	383,069	394,018	131,628	525,646
Capital/Other	26,221	-	-	-	-	-
Category Totals	\$ 21,534,110	\$ 22,632,111	\$ 22,632,111	\$ 22,794,475	\$ 341,507	\$ 23,135,982

Police Department

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Police Administration	\$ 979,497	\$ 1,041,348	\$ 1,041,348	\$ 1,067,275	\$ 126,739	\$ 1,194,014
Staff Services	2,654,956	2,181,394	2,181,394	2,481,823	122,000	2,603,823
Professional Services	1,364,351	1,907,773	1,909,673	1,903,546	70,000	1,973,546
Patrol	12,358,672	13,156,441	13,156,441	12,833,756	9,268	12,843,024
Criminal Investigations	3,724,926	3,820,974	3,820,974	3,831,705	13,500	3,845,205
Detention Center	437,736	464,038	464,038	643,079	-	643,079
TCLEOSE Training	8	40,196	40,196	10,189	-	10,189
SWAT	13,965	19,947	19,947	23,102	-	23,102
Category Totals	\$ 21,534,110	\$ 22,632,111	\$ 22,634,011	\$ 22,794,475	\$ 341,507	\$ 23,135,982

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Police Administration	6.50	7.50	-	7.50	-	7.50
Support Services Bureau	18.10	19.10	-	19.10	-	19.10
Professional Services	12.00	11.00	-	11.00	-	11.00
Patrol	122.00	121.00	-	121.00	-	121.00
Criminal Investigations	33.50	33.50	-	33.50	-	33.50
Detention Center	6.00	6.00	-	6.00	-	6.00
FTE Count Totals	198.10	198.10	-	198.10	-	198.10

Public Safety Dispatch

Mission Statement

The mission of Sugar Land Public Safety Dispatch is to support the city’s public safety operations by responding to requests for assistance and providing quick and accurate information. Our collective goal is to provide superior service to the citizens and visitors of the city, as well as to our internal customers, assisting in the protection of lives and property.

Programs of Service

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 and timely. After gathering information from the caller, the nature of the call is determined and the appropriate field responders are dispatched via radios and computers. 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.

FY22 Changes

A \$5,000 one-time addition for a back-up communication system is included in the FY22 budget.

Performance Measures: Safest City in America

Measuring how quickly we answer 9-1-1 calls helps us ensure that we are answering calls for help as quickly as possible. We obtain this data through reports from our 9-1-1 system. Measuring how quickly we dispatch field units to calls for service helps us to ensure that we are sending units to calls for service as quickly as possible to aid in preservation of life and property. We obtain this data through our computer-aided dispatch system.

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Target	2022 Target
Answer 95% of 9-1-1 calls within 10 seconds of ring into Dispatch	100	100	100	99	99
Average dispatch time for emergency Police calls within 60 seconds	62	54	50	42	<60
Average dispatch time for emergency Fire and EMS calls within 60 seconds	75	52	44	42	<60

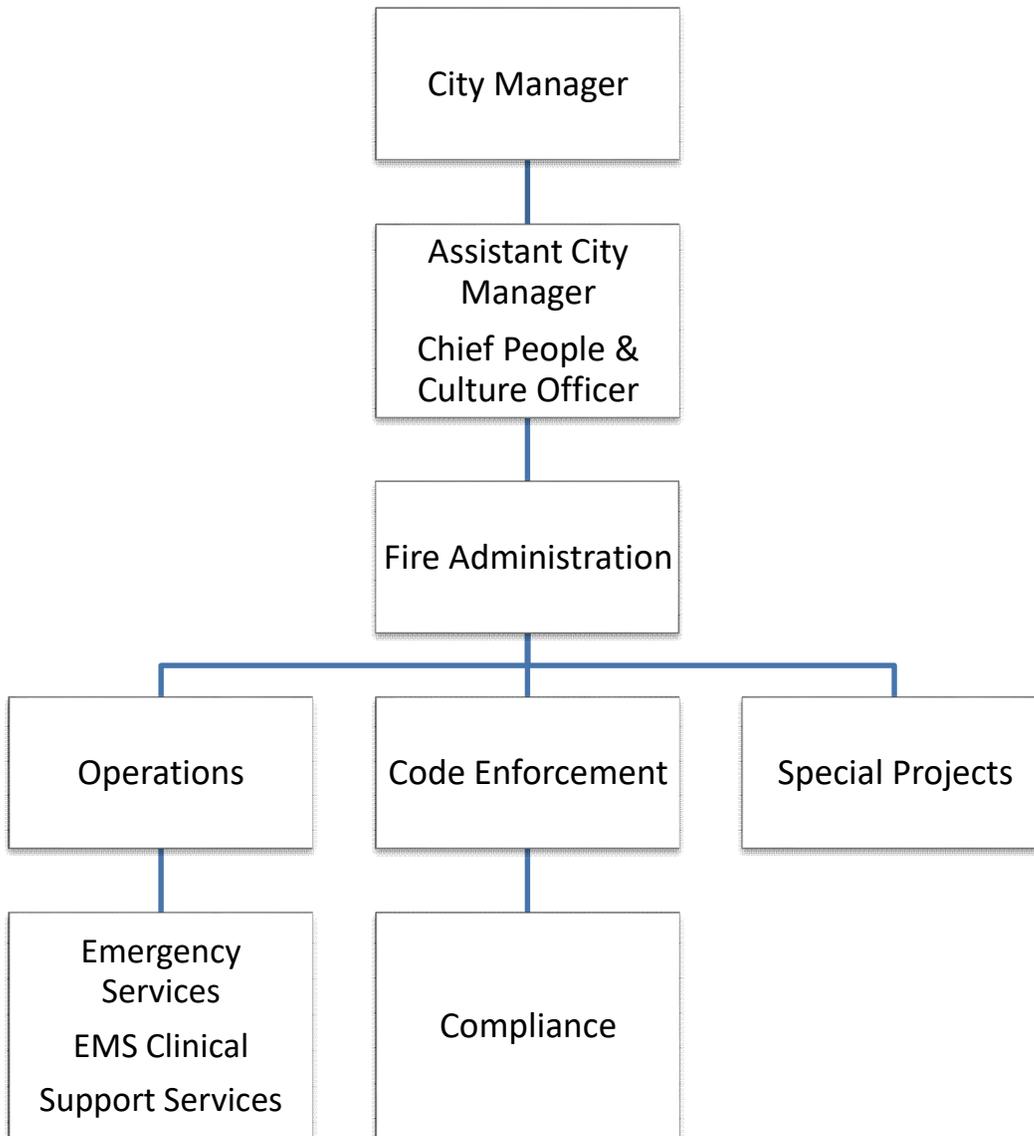
Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 2,503,885	\$ 2,958,852	\$ 2,958,852	\$ 2,838,131	\$ -	\$ 2,838,131
Supplies	8,921	9,479	9,479	9,479	-	9,479
Professional Services	35,715	34,815	34,815	33,815	8,600	42,415
Repairs & Maintenance	22,968	44,094	44,094	44,098	-	44,098
Purchased Services	13,554	19,215	19,215	35,016	-	35,016
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 2,585,042	\$ 3,066,455	\$ 3,066,455	\$ 2,960,539	\$ 8,600	\$ 2,969,139

Public Safety Dispatch

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Public Safety Dispatch	34.50	34.50	-	34.50	-	34.50
FTE Count Totals	34.50	34.50	-	34.50	-	34.50

Fire-EMS

As of October 1, 2021



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. 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 seven fire stations of which 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.

Operations includes Emergency Services that provides fire suppression, technical rescue, aircraft rescue, firefighting, hazardous materials response, and aquatic rescues; emergency medical treatment and ambulance transport to those in need of urgent medical care within the city limits or through mutual aid agreements. Also included is EMS Clinical which provides training, quality assurance, quality control and EMS assistance to Operations. Support Services provides equipment, supplies, training, community engagement to 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.

Code Enforcement includes Prevention/Investigation, which provides fire protection engineering, fire code enforcement, and fire investigations to determine the cause and origin of fires. Code Compliance ensures the department and City operates under all required laws, mandates and ensures licenses, fees, certifications are maintained for a myriad of agencies the department operates under.

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. This division has moved to General Government in FY21.

Special Projects is responsible for forming committees, establishing scopes, researching, developing, disseminating, proposing and if necessary, implementing, and budgeting final results.

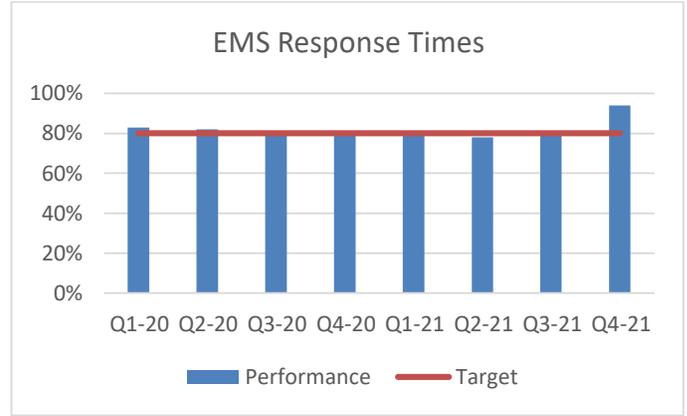
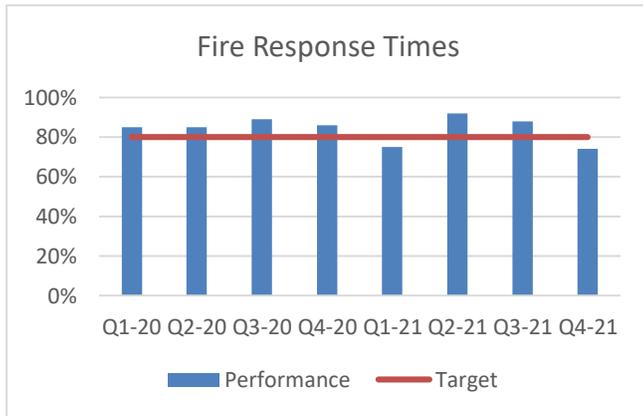
FY22 Changes

Changes totaling \$193,466 include \$82,771 in recurring additions and \$110,695 in one-time additions. Recurring additions include \$25,000 for a medical director contract and \$11,900 for Life Bands. One-time additions include \$44,723 and \$12,500 for public safety uniforms and PPE.

Performance Measures: Safest City in America

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

Fire-EMS



Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 14,376,849	\$ 15,449,306	\$ 15,449,306	\$ 16,133,509	\$ -	\$ 16,133,509
Supplies	935,782	615,122	615,122	592,766	78,632	671,398
Professional Services	156,662	183,987	183,987	221,437	43,977	265,414
Repairs & Maintenance	462,274	446,239	446,239	406,789	-	406,789
Purchased Services	59,080	93,318	93,318	132,568	64,857	197,425
Capital/Other	111,660	60,759	60,759	-	6,000	6,000
Category Totals	\$ 16,102,307	\$ 16,848,731	\$ 16,848,731	\$ 17,487,069	\$ 193,466	\$ 17,680,535

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Fire Administration	\$ 585,800	\$ 655,488	\$ 655,488	\$ 832,412	\$ -	\$ 832,412
Emergency Services	14,500,043	15,180,040	15,180,040	15,685,657	193,466	15,879,123
Prevention & Investigation	1,016,464	1,013,203	1,013,203	969,000	-	969,000
Category Totals	\$ 16,102,307	\$ 16,848,731	\$ 16,848,731	\$ 17,487,069	\$ 193,466	\$ 17,680,535

FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Fire Administration	4.00	7.00	-	7.00	-	7.00
Emergency Services	95.00	115.00	-	115.00	-	115.00
Emergency Medical Services	16.00	-	-	-	-	-
Prevention	10.00	9.00	-	9.00	-	9.00
Professional Development	5.00	-	-	-	-	-
Emergency Management	3.00	-	-	-	-	-
FTE Count Totals	133.00	131.00	-	131.00	-	131.00

Non-Departmental

Services Provided

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

Transfers

Inter-fund transfers are budgeted in non-departmental. Transfers are made to the Fleet and High Tech replacement funds for the replacement of vehicles and technology equipment, and the Airport fund for property taxes paid on airport property as per policy. Fleet and High Tech Replacement contributions were reduced by 75% and 50%, respectively, as part of FY21 strategies to offset potential revenue shortfalls resulting from the COVID-19 pandemic and were planned to be rebuilt over five years. The FY22 Budget for these transfers reflects the first year of this plan.

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. Rebates total \$2,706,556 based on anticipated MUD values for Tax Year 2021.

Miscellaneous

Miscellaneous includes payments for property insurance premiums and deductibles, salary savings, contingency funds, and other miscellaneous expenditures. Miscellaneous expenditures increase for \$345,000 includes a \$130,000 increase to the City Manager contingency fund and \$215,000 for the planned implementation of the Public Safety Compensation Study.

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Transfers to other Funds	\$ 2,929,456	\$ 1,122,471	\$ 1,244,335	\$ 1,448,983	\$ -	\$ 1,448,983
Miscellaneous	1,122,288	1,829,567	(399,899)	923,224	345,000	1,268,224
Rebates & Assignments	2,457,474	2,719,531	2,706,660	2,706,556	-	2,706,556
Category Totals	\$ 6,509,218	\$ 5,671,569	\$ 3,551,096	\$ 5,078,763	\$ 345,000	\$ 5,423,763

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 2022.

Court Security Fund

The City collects a \$4.90 fee from each defendant found guilty of a misdemeanor. Since 1/1/20, the fee is distributed as a percentage of the \$14 consolidated fee and \$4.90 per guilty finding is allocated to the fund. 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 2021

Revenues are projected to be \$30,100, which includes security fees of \$30,095 and interest income of \$5. Operating expenditures total \$40,636, which represents 40% of personnel costs for the Court Bailiff salary and benefits. Fund balance at 9/30/21 is projected to be \$4,271.

Fiscal Year 2022

Revenues budgeted total \$43,185, which includes security fees of \$43,175 and \$10 in interest income. Operating expenditures of \$41,161 represent 40% of personnel costs for the Court Bailiff. The remaining 60% of the Court Bailiff's position is funded in the General Fund. Ending fund balance at 9/30/22 is estimated to be \$6,295.

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, or electronic ticket writers.

Fiscal Year 2021

Revenues are projected to be \$26,127, which includes technology fees of \$26,102 and \$25 for interest income. Operating expenditures total \$34,138, and includes funds for annual maintenance contracts for the court software. Fund balance at 9/30/21 is projected to be \$6,107.

Fiscal Year 2022

Revenues budgeted total \$35,295, which includes \$35,245 for technology fees, and \$50 in interest income. Budgeted expenditures total \$35,295, which is for the annual maintenance contracts for court software. Due to decreased revenue in this fund, a portion of the maintenance is being shifted back to the General Fund for FY22. Fund balance at 9/30/22 is estimated to be \$6,107.

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. The Community Development Block Grant ended in FY19 with the completion of program year 2018 funding. In FY20 the City joined Fort Bend County to administer a county-wide CDBG program.

Fiscal Year 2021

Revenues projected total \$29,897, which represents funds received from the CDBG program in 2018. Operating expenditures total \$29,897 and include \$20,622 for professional services, and \$9,275 for capital project funding for the restroom at Mayfield Park, which has been completed in FY21. Fund balance at 9/30/21 is projected 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 1,395 rooms. A tenth hotel is under construction and anticipated to open in FY22. Hotel taxes from the Sugar Land Marriott are used to pay the debt service on the 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 Certificates of Obligation issued in 2014 for the Smart Financial Centre at Sugar Land, and TIRZ #4 Plaza. Revenue assumptions are more conservative in this fund than in others due to the highly elastic nature of the revenue stream, and unknown duration of the pandemic.

Fiscal Year 2021

Projected revenues total \$1,343,762 with \$1,318,642 in occupancy tax, which assumes a 25% decrease from anticipated revenue. Remaining revenue includes, \$25,000 in miscellaneous revenue and \$120 in interest income. Projected expenditures total \$1,880,592, which includes \$287,707 for the Tourism Program and \$251,235 for the Visitor Center. In response to anticipated revenue declines, Tourism staff funding was shifted to the SLDC and SL4B. The transfers out for \$1,341,650 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. Fund balance at 9/30/21 is projected to be \$655,646.

Fiscal Year 2022

Budgeted revenues are \$1,633,850 with \$1,604,600 in hotel occupancy tax, \$29,100 in miscellaneous revenue and \$150 in interest income. The occupancy taxes in FY22 are projected to increase by 13% from FY20 actuals. Expenditures total \$1,986,758 and includes \$290,454 for the Tourism Program keeping the program a reduced level and \$253,411 for the operation of the visitor center. Non-operating expenditures total \$1,422,893. This includes \$100,000 reserved for opportunities and the transfers out for \$1,342,343 include transfers to the Debt Service Fund to cover debt for the Marriott conference center, the Smart Financial Centre at Sugar Land and TIRZ #4 Plaza. Miscellaneous expenditures total \$550 for technology replacement.

Fund balance at 9/30/22 is estimated to be \$302,738, which is \$142,278 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 2021

Projected revenues are \$50 for interest income. Budgeted expenditures total \$433,996, which includes \$410,000 for a security fencing project and \$23,996 for purchase of 12 handheld ticket writers. Fund balance at 9/30/21 is projected to be \$70,450.

Fiscal Year 2022

Budgeted revenues are \$25 for interest income. Revenue from the Narcotics Task Force is irregular and generally not budgeted. There are no expenditures budgeted for FY22. Fund balance at 9/30/22 is estimated to be \$70,475.

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 2021

Projected revenues are \$5, which includes \$5 for interest income. There are no expenditures budgeted for FY21. Fund balance at 9/30/21 is projected to be \$38,388.

Fiscal Year 2022

Budgeted revenues are \$25 for interest income. There are no expenditures budgeted for FY22. Fund balance at 9/30/22 is estimated to be \$38,413.

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 2021

Budgeted revenues are projected to be \$5 for interest income. There are no projected expenditures. Fund balance at 9/30/21 is projected to be \$4,734.

Fiscal Year 2022

Budgeted revenues of \$10 for interest income. There are no expenditures budgeted for FY22. Fund balance at 9/30/22 is estimated to be \$4,744.

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 future approval of a SPA, these fees are being deposited into the Tara Plantation Debt Reduction Fund. These fees will be reserved for use in accordance with a future SPA, which will determine mutually agreed upon uses.

Fiscal Year 2021

Operating revenues are projected at \$55,769, which includes \$52,569 in out-of-city service fees and \$3,200 in interest income. There are no budgeted expenditures. Fund balance at 9/30/21 is projected to be \$492,705.

Fiscal Year 2022

Revenues budgeted total \$67,760 and include \$67,260 for out-of-city service fees and \$500 for interest income. There are no budgeted expenditures. Fund balance at 9/30/22 is estimated to be \$560,465.

Riverstone Debt Reduction Fund

Fort Bend Municipal Utility District No. 128 has an SPA 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 2021

Revenues projected total \$260,027 and include \$259,582 for out-of-city service fees and \$445 for interest income. There are no budgeted expenditures for FY21. Projected ending fund balance at 9/30/21 is \$1,280,734.

Fiscal Year 2022

Revenues budgeted total \$329,773 and include \$328,873 for out-of-city service fees and \$900 for interest income. There are no budgeted expenditures for FY22. Budgeted ending fund balance at 9/30/22 is \$1,610,507.

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. The 2020 assessment was \$560 and the 2021 assessment will be \$460. Debt to finance developer reimbursement will be paid over a 15-year schedule. The City contributes 50% of property taxes collected from properties within the PID in the prior year. PID assessments are set annually by the City Council after a public notice and public hearing process.

Fiscal Year 2021

Revenues projected total \$156,608 and include \$76,104 for PID assessment, \$10 for interest income, and \$80,494 for transfers in from the General Fund and Debt Service Fund for prior year property tax revenues. Expenditures total \$161,194, which includes transfer to other funds for \$161,144. Projected ending fund balance at 9/30/21 is \$64,587.

Fiscal Year 2022

Revenues budgeted total \$147,029 and include \$61,589 for PID assessment, \$10 for interest income, and \$85,430 for transfers in from the General Fund and Debt Service Fund. Expenditures total \$156,544, which includes transfer to the Debt Service and Utility Funds for \$156,494 to support debt service associated with bonds issued to fund the developer reimbursement. Budgeted ending fund balance at 9/30/22 is \$55,072.

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 Crown Festival Park 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 2021

Revenues projected total \$137,272 and includes \$10 in interest income, \$40,819 in reimbursements, and \$91,443 for transfers in from the Tourism Fund. Expenditures total \$221,443 for personnel costs for the Destination Event Manager. Projected ending fund balance at 9/30/21 is \$42,850.

Fiscal Year 2022

Revenues budgeted total \$118,562 and includes \$20,000 in rental fees, special event permit fees, \$25 in interest income, and \$98,537 for transfers in from the SL4B, which supports the personnel cost. Expenditures total \$138,537, \$98,537 for personnel, and \$40,000 for special events. Budgeted ending fund balance at 9/30/22 is \$22,875.

Public, Education, & Government Fund

Public, Education & Government (PEG) Fund: The State legislature approved a legislative bill (S.B. 1087) during the 2011 82nd legislative session that allows for municipalities to receive 1% of gross revenues, labeled "State Franchise Fee," on customer bills to fund capital expenditures associated with public, education and government programming for the City's PEG channel, SLTV16. These funds are restricted in their use and can only be used to purchase capital goods that support broadcast operations for the city. Since the FY21 Budget, these funds have been moved out of the General Fund and established in their own fund to improve accountability.

Fiscal Year 2021

Revenues projected total \$168,087 and includes \$160,000 established through the Comcast Franchise Agreement, and \$8,087 in transfers in from the General Fund. Expenditures total \$115,000 for Municipal Television Programming Equipment. Projected ending fund balance at 9/30/21 is \$53,087.

Fiscal Year 2022

Revenues projected total \$170,000, established through the Comcast Franchise Agreement. Expenditures total \$223,087 for Municipal Television Programming Equipment. Projected ending fund balance at 9/30/22 is \$0.

Animal Services Donations

The Animal Services division receives donations from residents, non-residents, and businesses throughout the year. These donations are used for shelter operations and maintenance. This fund was moved from the General Fund and established as a separate fund in the FY21 Budget to improve the tracking of donations.

Fiscal Year 2021

Revenues projected total \$50,000 from donations and \$25,880 from transfers in. Expenditures total \$75,880 for maintenance and operations. Projected ending fund balance at 9/30/21 is \$0.

Fiscal Year 2022

Revenues projected total \$50,000 from donations. Expenditures total \$50,000 for maintenance and operations. Budgeted ending fund balance at 9/30/22 is \$0.

American Rescue Plan Act

In response to COVID-19 and its negative economic impacts, the federal government passed the American Rescue Plan Act, an economic stimulus bill. The City has been allocated a set amount that will be used to offset revenue loss, offer premium pay to essential workers, and make necessary water, sewer, and broadband infrastructure improvements. The funds must be spent in accordance with treasury guidance and City Council will have a discussion this fall to determine how best to allocate the funding.

Fiscal Year 2021

Revenues projected total \$5,557,979 from federal funds. There are no expenditures budgeted for FY21. Fund balance at 9/30/21 is estimated to be \$5,557,979.

Fiscal Year 2022

Revenues projected total \$5,557,979 from federal funds. There are no expenditures budgeted for FY22. Prior to an anticipated mid-year budget amendment to formally allocate this funding, the fund balance at 9/30/22 is estimated to be \$11,115,958.

Contract Policing Fund

The Contract Policing Fund was established as a means of tracking the revenue and expenditures associated with the agreements between the Great Community Association, the New Territory Residential Community Association and the City for supplement policing services provided within their boundaries.

Fiscal Year 2022

Revenues projected total \$716,030 from contracted services. Total expenditures are also \$716,030, which represents the personnel costs for the contracted services provided to Greatwood and New Territory. The fund balance at 9/30/22 is estimated to be \$0.

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Security Fees	\$ 35,693	\$ 43,175	\$ 30,095	\$ 43,175	\$ -	\$ 43,175
Interest Income	136	350	5	10	-	10
Total Revenues	35,829	43,525	30,100	43,185	-	43,185
EXPENDITURES						
Personnel	39,724	40,636	40,636	41,161	-	41,161
Total Expenditures	39,724	40,636	40,636	41,161	-	41,161
Revenues Over/(Under) Expenditures	(3,895)	2,889	(10,536)	2,024	-	2,024
Fund Balance - Beginning	18,703	14,807	14,807	4,271	-	4,271
Fund Balance - Ending	\$ 14,807	\$ 17,696	\$ 4,271	\$ 6,295	\$ -	\$ 6,295

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Technology Fees	\$ 36,576	\$ 35,245	\$ 26,102	\$ 35,245	\$ -	\$ 35,245
Interest Income	252	675	25	50	-	50
Total Revenues	36,828	35,920	26,127	35,295	-	35,295
EXPENDITURES						
Operations & Maintenance	49,020	34,138	34,138	35,295	-	35,295
Total Expenditures	49,020	34,138	34,138	35,295	-	35,295
Revenues Over/(Under) Expenditures	(12,192)	1,782	(8,011)	-	-	-
Fund Balance - Beginning	26,310	14,118	14,118	6,107	-	6,107
Fund Balance - Ending	\$ 14,118	\$ 15,900	\$ 6,107	\$ 6,107	\$ -	\$ 6,107

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
CDBG	\$ 172,978	\$ 29,897	\$ 29,897	\$ -	\$ -	\$ -
Total Revenues	172,978	29,897	29,897	-	-	-
EXPENDITURES						
Professional Services	-	20,622	20,622	-	-	-
Capital	172,978	9,275	9,275	-	-	-
Total Expenditures	172,978	29,897	29,897	-	-	-
Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY20	FY21	FY21	FY22	FY22	FY22
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
REVENUES						
Hotel/Motel Occupancy Tax	\$ 1,420,325	\$ 1,571,400	\$ 1,318,642	\$ 1,604,600	\$ -	\$ 1,604,600
Interest Income	13,059	15,000	120	150	-	150
Miscellaneous	35,818	29,100	25,000	29,100	-	29,100
Total Operating Revenues	1,469,202	1,615,500	1,343,762	1,633,850	-	1,633,850
Transfers In	164,504	-	-	-	-	-
Total Non-Operating Revenues	164,504	-	-	-	-	-
Total Revenues	1,633,706	1,615,500	1,343,762	1,633,850	-	1,633,850
EXPENDITURES						
Tourism Program	504,297	388,284	287,707	290,454	-	290,454
Visitor Center	202,835	264,489	251,235	253,411	-	253,411
Cultural/Public Arts	7,500	-	-	-	-	-
Total Operating Expenditures	714,632	652,773	538,942	543,865	-	543,865
Transfer Out - Debt Service Fund	1,350,238	1,341,100	1,341,100	1,342,343	-	1,342,343
Transfer Out - Others	902	550	550	550	-	550
Reserve for Opportunities	-	-	-	-	100,000	100,000
Total Non-Operating Expenditures	1,351,140	1,341,650	1,341,650	1,342,893	100,000	1,442,893
Total Expenditures	2,065,772	1,994,423	1,880,592	1,886,758	100,000	1,986,758
Revenues Over/(Under) Expenditures	(432,066)	(378,923)	(536,830)	(252,908)	(100,000)	(352,908)
Fund Balance - Beginning	1,954,300	1,522,234	1,522,234	985,404	-	985,404
GAAP Adjustments	(329,758)	(329,758)	(329,758)	(329,758)	-	(329,758)
Fund Balance - Ending	\$ 1,192,476	\$ 813,553	\$ 655,646	\$ 402,738	\$ (100,000)	\$ 302,738
Fund Balance Policy (10% of Budgeted HOT)	\$ 142,033	\$ 157,140	\$ 131,864	\$ 160,460		\$ 160,460
Over/Under Policy	1,050,444	656,413	523,782	242,278		142,278

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Other Income	\$ 3,105	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	254	400	5	25	-	25
Transfers In	-	-	-	-	-	-
Total Revenues	3,359	400	5	25	-	25
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	3,359	400	5	25	-	25
Fund Balance - Beginning	35,024	38,383	38,383	38,388	-	38,388
Fund Balance - Ending	\$ 38,383	\$ 38,783	\$ 38,388	\$ 38,413	\$ -	\$ 38,413

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Other Income	\$ 182,568	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	2,329	2,700	50	25	-	25
Transfers In	-	-	-	-	-	-
Total Revenues	184,897	2,700	50	25	-	25
EXPENDITURES						
Maintenance and Operations	-	-	23,996	-	-	-
Capital	-	410,000	410,000	-	-	-
Total Expenditures	-	410,000	433,996	-	-	-
Revenues Over/(Under) Expenditures	184,897	(407,300)	(433,946)	25	-	25
Fund Balance - Beginning	319,499	504,396	504,396	70,450	-	70,450
Fund Balance - Ending	\$ 504,396	\$ 97,096	\$ 70,450	\$ 70,475	\$ -	\$ 70,475

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	34	125	5	10	-	10
Transfers In	-	-	-	-	-	-
Total Revenues	34	125	5	10	-	10
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	34	125	5	10	-	10
Fund Balance - Beginning	4,695	4,729	4,729	4,734	-	4,734
Fund Balance - Ending	\$ 4,729	\$ 4,854	\$ 4,734	\$ 4,744	\$ -	\$ 4,744

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Out of City Service Fees	\$ 40,601	\$ 55,823	\$ 52,569	\$ 67,260	\$ -	\$ 67,260
Interest Income	12,151	3,200	3,200	500	-	500
Transfers In	-	-	-	-	-	-
Total Revenues	52,752	59,023	55,769	67,760	-	67,760
EXPENDITURES						
Operations & Maintenance	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	52,752	59,023	55,769	67,760	-	67,760
Fund Balance - Beginning	384,184	436,936	436,936	492,705	-	492,705
Fund Balance - Ending	\$ 436,936	\$ 495,959	\$ 492,705	\$ 560,465	\$ -	\$ 560,465

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Out of City Service Fees	\$ 222,480	\$ 162,462	\$ 259,582	\$ 328,873	\$ -	\$ 328,873
Interest Income	10,898	9,500	445	900	-	900
Total Revenues	233,379	171,962	260,027	329,773	-	329,773
EXPENDITURES						
Operations & Maintenance	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	233,379	171,962	260,027	329,773	-	329,773
Fund Balance - Beginning	787,328	1,020,707	1,020,707	1,280,734	-	1,280,734
Fund Balance - Ending	\$ 1,020,707	\$ 1,192,669	\$ 1,280,734	\$ 1,610,507	\$ -	\$ 1,610,507

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
PID Assessment Fees	\$ 103,559	\$ 76,104	\$ 76,104	\$ 61,589	\$ -	\$ 61,589
Interest Income	726	400	10	10	-	10
Transfers In	60,160	80,494	80,494	85,430	-	85,430
Total Revenues	164,445	156,998	156,608	147,029	-	147,029
EXPENDITURES						
Miscellaneous	49	75	50	50	-	50
Transfers to Other Funds	165,419	161,144	161,144	156,494	-	156,494
Total Expenditures	165,468	161,219	161,194	156,544	-	156,544
Revenues Over/(Under) Expenditures	(1,024)	(4,221)	(4,586)	(9,515)	-	(9,515)
Fund Balance - Beginning	70,197	69,173	69,173	64,587	-	64,587
Fund Balance - Ending	\$ 69,173	\$ 64,952	\$ 64,587	\$ 55,072	\$ -	\$ 55,072

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Rental Fees	\$ 1,572	\$ 17,200	\$ 5,000	\$ 20,000	\$ -	\$ 20,000
Interest Income	228	200	10	25	-	25
Miscellaneous	131,874	-	40,819	-	-	-
Transfers In	50,000	91,443	91,443	98,537	-	98,537
Total Revenues	183,674	108,843	137,272	118,562	-	118,562
EXPENDITURES						
Personnel Costs	82,964	91,443	91,443	98,537	-	98,537
Operations & Maintenance	-	130,000	130,000	40,000	-	40,000
Total Expenditures	82,964	221,443	221,443	138,537	-	138,537
Revenues Over/(Under) Expenditures	100,710	(112,600)	(84,171)	(19,975)	-	(19,975)
Fund Balance - Beginning	26,311	127,021	127,021	42,850	-	42,850
Fund Balance - Ending	\$ 127,021	\$ 14,421	\$ 42,850	\$ 22,875	\$ -	\$ 22,875

**CITY OF SUGAR LAND
PUBLIC EDUCATION GRANT
INCOME STATEMENT**

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
PEG Funds	\$ -	\$ 170,000	\$ 160,000	\$ 170,000	\$ -	\$ 170,000
Interest Income	-	-	-	-	-	-
Transfers In	-	8,087	8,087	-	-	-
Total Revenues	-	178,087	168,087	170,000	-	170,000
EXPENDITURES						
Maintenance and Operations	-	178,087	115,000	223,087	-	223,087
Total Expenditures	-	178,087	115,000	223,087	-	223,087
Revenues Over/(Under) Expenditures	-	-	53,087	(53,087)	-	(53,087)
Fund Balance - Beginning	-	-	-	53,087	-	53,087
Fund Balance - Ending	\$ -	\$ -	\$ 53,087	\$ -	\$ -	\$ -

**CITY OF SUGAR LAND
ANIMAL SHELTER DONATIONS
INCOME STATEMENT**

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Donations	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 50,000
Interest Income	-	-	-	-	-	-
Transfers In	-	25,880	25,880	-	-	-
Total Revenues	-	75,880	75,880	50,000	-	50,000
EXPENDITURES						
Maintenance and Operations	-	75,880	75,880	50,000	-	50,000
Total Expenditures	-	75,880	75,880	50,000	-	50,000
Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND- AMERICAN RESCUE PLAN ACT (ARPA) FUND
INCOME STATEMENT**

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Federal Funds	\$ -	\$ -	\$ 5,557,979	\$ 5,557,979	\$ -	\$ 5,557,979
Interest Income	-	-	-	-	-	-
Total Revenues	-	-	5,557,979	5,557,979	-	5,557,979
EXPENDITURES						
Operations & Maintenance	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	-	-	5,557,979	5,557,979	-	5,557,979
Fund Balance - Beginning	-	-	-	5,557,979	-	5,557,979
Fund Balance - Ending	\$ -	\$ -	\$ 5,557,979	\$ 11,115,958	\$ -	\$ 11,115,958

**CITY OF SUGAR LAND
SPECIAL REVENUE FUND - CONTRACT POLICING FUND
INCOME STATEMENT**

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Contracted Services	\$ -	\$ -	\$ -	\$ 716,030	\$ -	\$ 716,030
Interest Income	-	-	-	-	-	-
Total Revenues	-	-	-	716,030	-	716,030
EXPENDITURES						
Personnel Costs	-	-	-	716,030	-	716,030
Total Expenditures	-	-	-	716,030	-	716,030
Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund

Capital Project Funds account for the acquisition and 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, 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 FY22-FY26 totals \$259.08 million including \$78.98 million of FY22-26 GO Bond program projects approved by voters in November 2019. 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.

Fiscal Year 2021

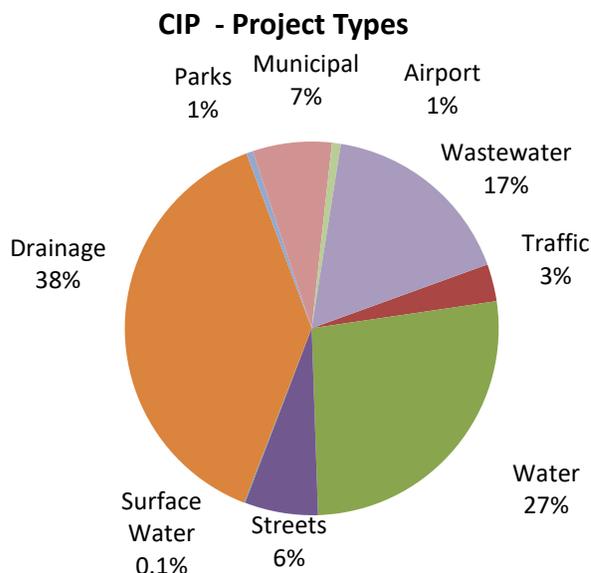
The FY21 capital project budget totaled \$27,497,700. Many projects included in FY21 are still in progress as most capital projects are multi-year projects.

Fiscal Year 2022

FY22 capital projects total \$59,099,965. Drainage projects make up the majority of the distribution at 38%, followed by Water projects with 27%, and Wastewater projects with a total of 17%. Municipal at 7%, Streets at 6%, while Airport, Surface Water, Parks, and Traffic projects combine for 5% of the approved project budgets for the FY22 CIP.

Drainage projects total \$22,704,000 and include: Riverbend Inlets and Pipes Replacement, Austin Park and Chimneystone Drainage Improvements, Avalon, Brazos Landing & Commonwealth Drainage Improvement Phase I, Telfair Drainage Improvements, and Covington Woods Drainage Improvements.

Water projects total \$15,844,400 and include: Ground Storage Tank Rehabilitation, Distribution System Water Main Rehabilitation, SCADA Improvements, City Wide WA Generator Assessment, Main System Water Modeling and



Capacity Recommendations, Utilities Costs for Soldiers Field Project and Ransom Road Project, Well Rehabilitation, Ground Water Plant Rehabilitation, and Advanced Metering Infrastructure (AMI).

Wastewater projects total \$10,020,000 and include: Collection Systems, Lift Stations Analysis and Rehabilitation, Citywide Wastewater Generator Assessment, Wastewater Treatment Plant Improvements (North Plant), and West Wastewater Treatment Plan Expansion Study.

Surface Water projects total \$35,000 and include: Groundwater Plant Surface Water Conversion.

Parks projects total \$350,000 and include: Joint Participation in CIP and design and enhancements to the Old Imperial Farm Cemetery.

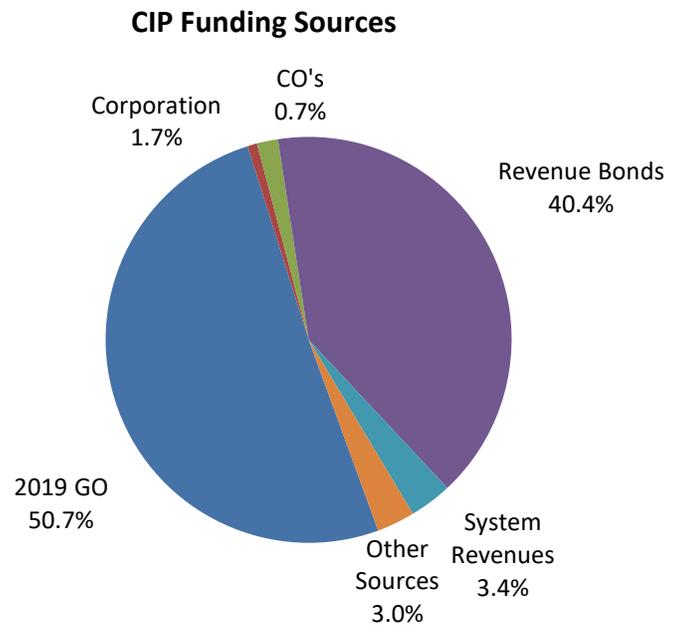
Airport project totals \$441,565 for Parallel Taxiway Relocation and Hangars.

Streets projects total \$3,750,000 and include: Major Street Rehabilitation, Brooks Street and First Colony Intersection Improvements at SH6, and widening of University Blvd.

Traffic projects total \$1,905,000 and include: Landscape Replacement for Major Roadways and Enhancement projects, Fiber Optic Cable Installation, and ITS-Railroad Monitoring, Communication and Notification System

Municipal projects total \$4,050,000 and include: Public Arts Project, Public Safety & Public Services Building Rehabilitation, Fire/EMS Apparatus Replacement, and Public Safety Training Facility- Phase II.

Total Funding for the FY22 CIP is \$59,099,965. This includes 2019 General Obligation Bonds for \$29,964,000. Revenue Bonds for \$23,899,400, \$2,000,000 from System Revenues, and Sugar Land 4B Corporation \$1,000,000. In addition, \$441,565 is funded from Airport CO's and \$1,795,000 from the CIP Fund Balance. Interest income is budgeted at \$10,500. 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	\$ 30,264,000	\$ -	\$ -	\$ 23,899,400	\$ 441,565	\$ 54,604,965
Transfers In	-	-	1,000,000	2,000,000	-	3,000,000
Mobility Bonds	-	-	-	-	-	-
Fort Bend County	-	-	-	-	-	-
Interest Income	5,000	-	-	5,000	500	10,500
Total Revenues	30,269,000	-	1,000,000	25,904,400	442,065	57,615,465
Expenditures						
Airport	-	-	-	-	441,565	441,565
Drainage	22,704,000	-	-	-	-	22,704,000
Municipal	3,800,000	-	250,000	-	-	4,050,000
Parks	-	-	350,000	-	-	350,000
Streets	3,550,000	-	200,000	-	-	3,750,000
Traffic	1,705,000	-	200,000	-	-	1,905,000
Surface Water	-	-	-	35,000	-	35,000
Water	-	-	-	15,844,400	-	15,844,400
Wastewater	-	-	-	10,020,000	-	10,020,000
Total CIP Expenditures	31,759,000	-	1,000,000	25,899,400	441,565	59,099,965
Issuance Costs	300,000	-	-	250,000	-	550,000
Transfers Out	-	-	-	-	-	-
Non-operating Expenditures	300,000	-	-	250,000	-	550,000
Total Expenditures	32,059,000	-	1,000,000	26,149,400	441,565	59,649,965
Revenues Over/(Under) Expenditures	(1,790,000)	-	-	(245,000)	500	(2,034,500)
Fund Balance - Beginning	4,384,054	-	-	8,885,924	-	13,269,978
Reserved Funds	(1,726,461)	-	-	-	-	(1,726,461)
Fund Balance - Ending	\$ 867,593	\$ -	\$ -	\$ 8,640,924	\$ 500	\$ 9,509,017

CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2022

Project #	Project Name	Project Description
Airport Projects		
CAP1201	Parallel Taxiway Relocation and Hangars ALD #4 and ALD #11	Construction of a new Taxiway "A" and replacement for the existing corporate hangars. Also, relocate a portion of the airport perimeter road including drainage, grading, paving, lighting, signage and gate/fencing installation.
Airport Total		
Drainage Projects		
CDR1902	Riverbend Inlets and Pipes Replacement	Upsizing of existing storm sewer pipes and replacement of inlets along several local streets within the Riverbend neighborhood and improving the drainage outfall into Oyster Creek.
CDR2101	Austin Park and Chimneystone Drainage Improvements	Design and construction of a new drainage channel from just south of SH6 to Acacia and the outfall of Ditch A. Improvements will reduce flooding in the neighborhoods of Austin Park and Chimneystone during major storm events and provide relief to adjacent storm sewer system.
CDR2105	Avalon/Brazos Landing/ Commonwealth Drainage Impr Phase I - Lake Control Structure Modifications	Reconstruct the existing weir at the FBC LID No. 14 outfall structure to increase the outfall and pumping efficiency while maintaining the existing lake elevation. The project will also reduce the tailwater elevation of the lake to provide additional capacity for stormwater drainage during major storm events.
CDR2108	Telfair Drainage Improvements- New Territory & Chatham	Reconstruction of the existing drainage system to reduce street ponding depths and durations during major storm events at the intersection of New Territory Boulevard and Chatham Avenue. The project will also improve ingress and egress access to Fire Station No. 7.
CDR2201	Covington Woods Drainage Improvements-Covington W. & Imperial Woods	Upsizing of the existing storm sewer pipes and replacement of the inlets. The project will also replace the existing storm sewer outfall which ties into Ditch A-22.
Drainage Total		
Municipal Projects		
CMU2201	Public Arts Project	Public Arts project identified each year through development of the annual work plan that achieve the goals of the Public Art Plan (adopted in Dec 2016).
CMU2202	Public Safety & Public Services Building Rehabilitation	Facility rehabilitation will be completed to address building envelope repairs and/or roof replacements at locations such as City Hall, the Fire Admin/City Hall Annex building, the Police Dept, Fire Stations and Public Works. Interior renovations will be conducted at various Fire Stations, the Fire Admin/City Hall Annex building and Public Works.
CMU2203	Fire/EMS Apparatus Replacement	Replacement of two (2) Fire Apparatus and one (1) Ambulance on the required replacement schedule to ensure first responder equipment is operable and available to meet demands.
CMU2204	Public Safety Training Facility- Phase II	Design and construction of a multi-purpose training facility, outdoor classrooms and restroom, drive fire track, live fire shoot house and associated paving and site work improvements for Fire and Police.
Municipal Total		
Parks Projects		
CPK2201	Joint Participation in 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.
CPK2202	Old Imperial Farm Cemetery	Design and construction of the existing cemetery to create a historical and cultural destination site.
Parks Total		

Water Utilities	Airport Revenues	SLDC Corp SL4B Corp	Bond Proceeds		Miscellaneous	Total FY22 CIP Budget
			GO / CO	Revenue	Grants / FB Other Sources	
			\$ 441,565			\$ 441,565
-	-	-	441,565	-	-	441,565
			3,250,000			3,250,000
			15,300,000			15,300,000
			1,000,000			1,000,000
			2,794,000			2,794,000
			360,000			360,000
-	-	-	22,704,000	-	-	22,704,000
			250,000			250,000
			1,000,000			1,000,000
			1,800,000			1,800,000
			1,000,000			1,000,000
-	-	250,000	3,800,000	-	-	4,050,000
			200,000			200,000
			150,000		-	150,000
-	-	350,000	-	-	-	350,000

CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2022

Project #	Project Name	Project Description
Streets Projects		
CST1901	Soldiers Field Extension to SH6/Roundabout at First Colony Boulevard and Soldiers Field	Design of a 2-lane, concrete pavement, storm sewer installation, and utilities from the existing Soldiers Field and First Colony Blvd intersection to SH6 and the design of a roundabout at the intersection of Soldiers Field Drive and First Colony Boulevard.
CST2201	Major Street Rehabilitation	Reconstruction of roadways identified as part of the Pavement Management and Maintenance Program (PMMP): including Park One Drive, portion of West Airport Blvd and local streets such as Audubon Ct. among others.
CST2202	Brooks Street and First Colony Intersection Improvements at SH6	Construction of geometric and signal timing improvements to provide for concurrent left turn movements from the Brooks Street and First Colony Boulevard approaches.
CST2203	University Blvd Widening- Mobility Bond Project	Design and construction of intersection improvements at Wescott Avenue and Branford Place along University Boulevard. Improvements to include but not limited to dual left turn lanes, bays and other necessary enhancements.
Streets Total		
Surface Water Projects		
CSW2101	Groundwater Plant Surface Water Conversion	Conduct Preliminary Engineering (PER), design and construction at one of the existing New Territory Groundwater Treatment Plant to prepare for the second phase surface water conversion, including identified storage needs, pumping capacity assessments, and surface water and ground water blending study.
Surface Water Total		
Traffic Projects		
CTR2201	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, and SH6, which are classified as Imperial and Highway 6 routes according to the Beautification Policy.
CTR2202	Fiber Optic Cable Installation	Install fiber optic cable along the US90A corridor for improved communications within the city.
CTR2203	ITS-Railroad Monitoring, Communication and Notification System	Upgrade and expand current railroad monitoring system network to portions of the city to detect blocked rail crossings, provide effective traveler notification such as automated digital messages and portable digital message signs. Also, develop a program for data collection, standards and infrastructure to create a railroad reporting dashboard to share with the public, industry and partners.
Traffic Total		
Wastewater Projects		
CWW2001	Collection Systems (Project E)	Final project of the detailed evaluation and design for system deficiencies identified in the Asset Management Program and areas that experience sanitary sewer overflows (SSO's) during heavy storm events. Rehabilitate and replacement of wastewater collection system infrastructure that has reached the end of its useful life.
CWW2101	Lift Stations No. 60, 52, and 48 Capacity Analysis	Conduct a Preliminary Engineering Report (PER) to determine needed regional lift station improvements to Lift Station 52 and Lift Station 48 due to diversion of Lift Station 60 flow per the 2020 Wastewater Master Plan.
CWW2201	Citywide WW Generator Assessment	Conduct an assessment to identify the current condition of each of the city's generators and build an annual program that will assist in the rehabilitation and/or replacement of the generators.
CWW2202	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.
CWW2203	Wastewater Treatment Plants Improvements (North Plant)	Replacement of equipment and improvements to Wastewater Treatment Plants for key components identified through operations of the plants.
CWW2204	West WWTP Expansion Study	Study the West WWTP's existing process system to mitigate existing operational issues and increase capacity to receive additional future flows.
Wastewater Total		
Water Projects		
CWA2201	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.
CWA2202	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.
CWA2203	SCADA Improvements	Annual program to maintain the Supervisory Control and Data Acquisition (SCADA) system for the city's utilities. Allows for the continuation of necessary repairs to failed parts of the system.

Water Utilities	Airport Revenues	SLDC Corp SL4B Corp	Bond Proceeds		Miscellaneous	Total FY22 CIP Budget
			GO / CO	Revenue	Grants / FB Other Sources	
			2,460,000			2,460,000
			1,000,000			1,000,000
					90,000	90,000
		200,000				200,000
-	-	200,000	3,460,000	-	90,000	3,750,000
				35,000		35,000
-	-	-	-	35,000	-	35,000
		200,000				200,000
					455,000	455,000
					1,250,000	1,250,000
-	-	200,000	-	-	1,705,000	1,905,000
				4,400,000		4,400,000
				250,000		250,000
				150,000		150,000
1,000,000				620,000		1,620,000
				3,500,000		3,500,000
				100,000		100,000
1,000,000	-	-	-	9,020,000	-	10,020,000
				1,200,000		1,200,000
				300,000		300,000
				228,000		228,000

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2022**

Project #	Project Name	Project Description
CWA2204	Citywide WA Generator Assessment	Conduct an assessment to identify the current condition of each of the city's generators and build an annual program that will assist in the rehabilitation and/or replacement of the generators.
CWA2205	Main System Water Modeling and Capacity Recommendations	Study to analyze and update the expansion of the water model to complete the entire hydraulic system for City Main (which is everything except Greatwood, River Park and New Territory).
CWA2206	Utilities Cost for Soldiers Field Project	Construction of a 12-inch water line to provide service for the proposed 2019 GO Bond Animal Shelter, PD Courts and EOC location.
CWA2207	Utilities Cost for Ransom Road Project	Construction of a 12-inch water line along Ransom Road from the existing water line at Indigo River Road east to SH99.
CWA2208	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.
CWA2209	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. Improvements were identified through the conditions assessment completed prior to annexation.
CWA2210	Advanced Meter Infrastructure (AMI)	Design and implementation of the City wide Advanced Meter Infrastructure (AMI) system to remotely monitor water consumption throughout the City.
Water Total		
Grand Total		

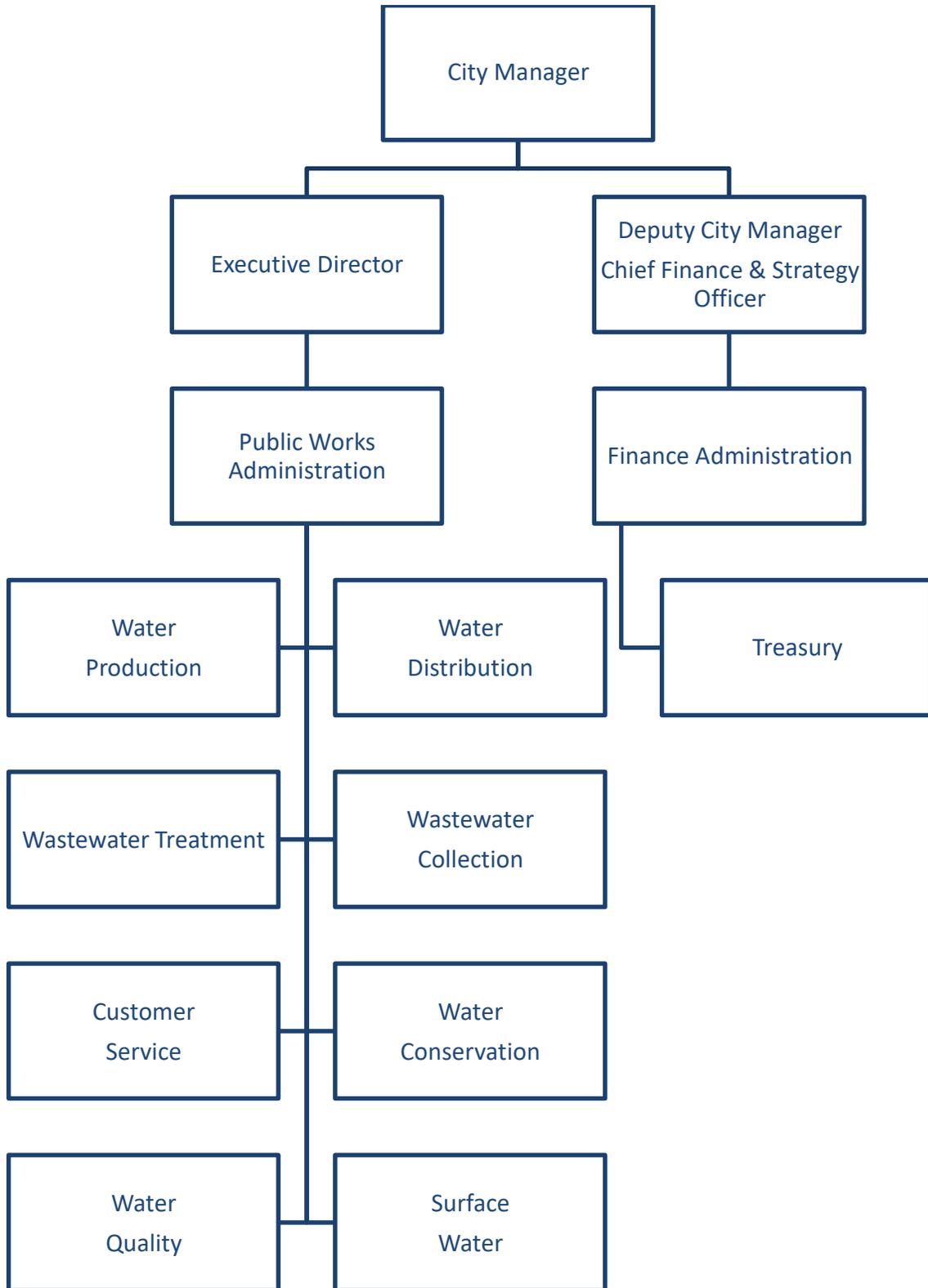
			Bond Proceeds		Miscellaneous	Total
Water Utilities	Airport Revenues	SLDC Corp SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	FY22 CIP Budget
				150,000		150,000
				240,000		240,000
				600,000		600,000
				500,000		500,000
1,000,000				870,000		1,870,000
				1,100,000		1,100,000
				9,656,400		9,656,400
1,000,000	-	-	-	14,844,400	-	15,844,400
\$ 2,000,000	\$ -	\$ 1,000,000	\$ 30,405,565	\$ 23,899,400	\$ 1,795,000	\$ 59,099,965

**CITY OF SUGAR LAND
 CAPITAL PROJECTS FUNDS
 SUMMARY OF CAPITAL PROJECTS O & M IMPACT**

Departments	FY23	FY24	FY25	FY26
Parks - Cullinan Park	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Street Projects	110,341	110,341	110,341	110,341
Utility Fund - Automated Meter Integration	682,037	644,465	602,173	617,227
Utility Fund - Surface Water Treatment Plant Expansion	-	-	-	1,450,589
TOTAL	\$ 800,378	\$ 762,806	\$ 720,514	\$ 2,186,157

Utility System Fund Organizational Chart

As of October 1, 2021



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 Groundwater Reduction Plan, and required conversion to surface water, which is funded through a GRP fee per 1,000 gallons of water produced. The City has already met the mandated 30% reduction in groundwater usage and is preparing to meet the next mandate, which is 60% reduction by 2025. 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).

Fiscal Year 2021

FY21 total revenues are estimated to be \$81,686,668, which is \$14,382,372 higher than budgeted due to additional bond proceeds from the 2021 refunding of two outstanding bonds from 2012. Charges for services are projected at \$33,530,152. Surface Water fees are estimated at \$17,198,430. Interest income is projected at \$55,000. Miscellaneous revenue totals \$1,732,405 and includes the sale of water rights.

Non-operating revenues consist of 2021 bond proceeds of \$28,144,681, transfers of \$868,019 from connection fees, and \$42,981 in PID reimbursements.

Total expenditures of \$86,513,435 are projected \$16,656,140 higher than budgeted for FY21, due to the refunding bonds sold in June. Operating expenditures are projected at \$27,611,622.

Non-operating expenditures total \$58,901,813 and include debt service payments of \$17,823,835, \$16,641,494 payment to Escrow Account, transfers out of \$10,025,942, miscellaneous expenditures of \$398,212 and contingency of \$534,830, CIP transfers of \$11,477,500, and \$2 million pay as you go funding and transfer of bond proceeds for capital projects.

Ending cash equivalent balance at 9/30/21 is projected to be \$10,005,230 after the debt service reserve of \$7,074,899. The fund is projected to have a 36% operating reserve, which is above of the 25% established by policy, and a bond coverage ratio of 1.40.

Fiscal Year 2022

FY22 total revenues are estimated to be \$86,841,525. Total revenues for charges for services are budgeted at \$39,511,660, surface water fees are budgeted at \$21,558,692, interest income at \$115,628, tap fees at \$106,620, and miscellaneous of \$739,426 made up of penalties, collection charges, delinquency fees, lease agreements, reimbursements, and other miscellaneous charges. Bond proceeds are budgeted at \$23,899,400 for FY22 CIP projects. Transfers in include \$868,019 from connection fees to cover FY22 debt service requirements for connection fee projects and \$42,081 in reimbursements from the Enclave @ River Park PID for debt service on the developer reimbursement.

The FY22 budget anticipates an increase of \$10 to a residential customer's monthly bill based on recommended rates beginning January 2022 and 10,000-gallons usage. In order to build capacity for the next mandated reduction of 60% groundwater usage, a series of increases is needed over the next few years. The FY22 budget incorporates the second year of the recommended increases from the rate study.

Operating expenditures total \$27,404,526. FY22 recurring additions total \$659,500 and include \$175,000 for chemical feed parts, \$140,000 for ongoing well emergency repairs, and \$48,000 for chemical room heaters, and

additional repair & maintenance funding, among other things. FY22 one-time additions of \$268,000 include \$100,000 for an additional fuel trailer, \$108,000 for automation controls, and \$60,000 for an automatic valve turner.

Non-operating expenditures total \$55,980,255. Debt service payments are budgeted at \$19,697,943 for existing debt and new debt service for a planned issue of \$23.9 million in FY22. Transfer to CIP fund is budgeted at \$25,899,400, including \$2 million for pay as you go funding and transfer of bond proceeds for capital projects. Transfers out to other funds total \$9,263,725, and include transfers to the Fleet and High-Tech Replacement, General Fund for overhead costs, and Debt Service Fund for annexed & dissolved MUD debt service. Contingency is budgeted at \$538,875 and miscellaneous at \$580,312, which includes insurance premiums and deductibles and compensation plan adjustments.

The Utility System has a total debt service reserve of \$7,462,777 for FY22. The cash equivalent balance on 9/30/22 is estimated to be \$13,074,096, which is a 48% operating reserve and a bond coverage of 1.57.

Financial Analysis

Financial ratios are used to analyze the financial position and operating results of the funds. A comparison based on FY21 projections and the FY22 budget is shown below:

	FY21	FY22
	Projections	Budget
Cash Reserve Ratio	36%	48%
Direct Bond Coverage	1.40	1.57

The targeted minimum cash reserve ratio is 25% of operating expenses. The direct bond coverage minimum is 1.25 times the average annual debt service requirements. The FY22 cash reserve ratio is budgeted at 48%. Rates will be adjusted annually as necessary to ensure cash reserves and bond coverage requirements are maintained.

Rating agencies monitor the All-In Bond coverage, which includes non-revenue debt. Fitch and Standard & Poor's have both assigned their AA rating to the outstanding revenue bonds.

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Charges for Services	\$ 33,060,259	\$ 36,484,590	\$ 33,530,152	\$ 39,511,660	\$ -	\$ 39,511,660
Surface Water Fees	14,528,750	17,609,959	17,198,430	21,558,692	-	21,558,692
Tap Fees	165,875	106,620	115,000	106,620	-	106,620
Interest Income	282,434	131,001	55,000	115,628	-	115,628
Miscellaneous	1,948,428	739,426	1,732,405	739,426	-	739,426
Operating Revenues	49,985,747	55,071,596	52,630,987	62,032,025	-	62,032,025
Bond Proceeds	7,706,247	11,321,700	28,144,681	23,899,400	-	23,899,400
Transfers In - PID	43,881	42,981	42,981	42,081	-	42,081
Transfers In - Connection Fees	868,019	868,019	868,019	868,019	-	868,019
Non-operating Revenues	8,618,147	12,232,700	29,055,681	24,809,500	-	24,809,500
Total Revenues	58,603,893	67,304,296	81,686,668	86,841,525	-	86,841,525
EXPENDITURES						
Utility Administration	1,136,196	1,201,001	1,201,001	779,560	-	779,560
Water Distribution	2,440,204	2,652,025	2,652,025	2,721,271	68,750	2,790,021
Water Production	2,652,966	2,883,143	2,883,143	3,036,808	444,500	3,481,308
Wastewater Collection	1,290,869	1,731,053	1,731,053	1,503,932	6,750	1,510,682
Wastewater Treatment	6,251,714	6,407,901	6,407,901	6,409,670	206,750	6,616,420
Customer Service	1,307,496	2,073,041	2,073,041	1,509,959	57,500	1,567,459
Water Quality	611,227	722,752	722,752	720,162	2,500	722,662
Water Conservation	143,186	308,459	308,459	298,616	-	298,616
Treasury	1,691,261	1,765,065	1,765,065	1,843,337	-	1,843,337
Surface Water	6,420,910	7,867,182	7,867,182	7,653,711	140,750	7,794,461
Total Operating Expenditures	23,946,029	27,611,622	27,611,622	26,477,026	927,500	27,404,526
Debt Service	16,806,485	17,967,289	17,823,835	19,697,943	-	19,697,943
Payment to Escrow Account	-	-	16,641,494	-	-	-
Transfers Out	11,076,820	10,025,942	10,025,942	9,263,725	-	9,263,725
Miscellaneous	390,231	395,912	398,212	580,312	-	580,312
Contingency	-	534,830	534,830	538,875	-	538,875
CIP Transfers	7,048,250	11,321,700	11,477,500	23,899,400	-	23,899,400
PAYG - CIP	2,000,000	2,000,000	2,000,000	2,000,000	-	2,000,000
Total Non-Operating Expenditures	37,321,786	42,245,673	58,901,813	55,980,255	-	55,980,255
Total Expenditures	61,267,814	69,857,295	86,513,435	82,457,281	927,500.00	83,384,781
Revenues Over/(Under) Expenditures	(2,663,921)	(2,552,999)	(4,826,768)	4,384,244	(927,500)	3,456,744
Fund Balance - Beginning	24,570,818	21,906,897	21,906,897	17,080,129	-	17,080,129
Reserve - Debt Service	(9,157,288)	(6,200,539)	(7,074,899)	(7,462,777)	-	(7,462,777)
Fund Balance - Ending	\$ 12,749,609	\$ 13,153,359	\$ 10,005,230	\$ 14,001,596	\$ (927,500)	\$ 13,074,096
Bond Coverage	1.55	1.53	1.40	1.61		1.57
Target	1.25	1.25	1.25	1.25		1.25
Operating Reserves	53%	48%	36%	53%		48%
Target	25%	25%	25%	25%		25%

Water Utilities Department

Mission Statement

The **Water Utilities Department** takes pride in maintaining a tradition of producing ample superior quality water, recognized as the best tasting water in the US by the American Water Works Association in 2019, 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.

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 Groundwater Reduction Plan. Based on the mandated groundwater reduction, 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.

Water Utilities Department

FY22 Changes

Changes totaling \$1,781,212 include \$108,000 in one-time additions for GAC Actuator Replacement. Recurring additions include \$175,000 in additional chemical feed parts, \$140,000 in emergency well repairs, \$75,000 for ongoing generator preventative maintenance, and \$48,000 for chemical room heaters.

Performance Measures: Well Planned Community

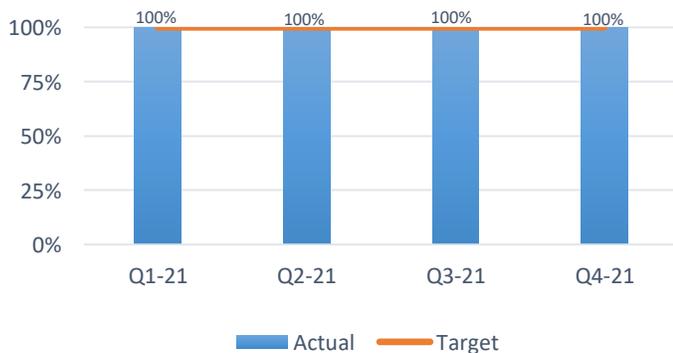
The City Council Goal Measures for the Utility System are Water Quality, Adequate Water and Water Accountability.

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.

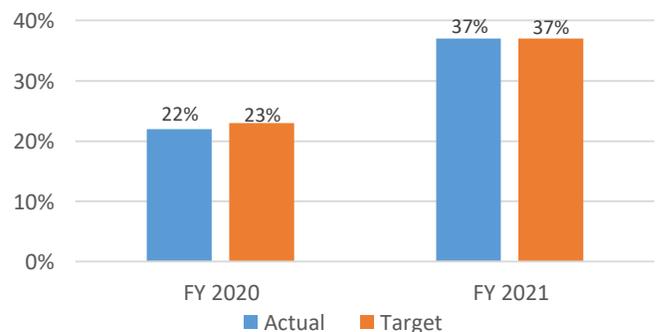
Adequate Water is expressed as a percentage, and demonstrates an assessment of current water demand compared to available water supplies.

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 1.00-2.00 is exceptional; whereas the majority of utilities operate between a 2.00 and a 4.00. Utilities above a 4.00 need to consider more immediate updates to their water distribution system.

WATER QUALITY

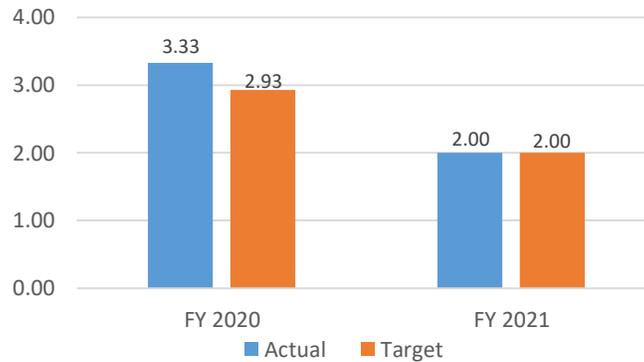


ADEQUATE WATER



Water Utilities Department

WATER ACCOUNTABILITY



Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 6,765,213	\$ 7,214,652	\$ 7,214,652	\$ 7,096,163	\$ 55,000	\$ 7,151,163
Supplies	2,494,142	3,401,623	3,384,485	4,048,784	160,750	4,209,534
Professional Services	7,001,317	15,677,764	15,785,855	13,554,647	-	13,554,647
Repairs & Maintenance	6,580,965	571,239	477,004	966,268	588,000	1,554,268
Purchased Services	1,051,470	746,344	749,625	899,399	15,750	915,149
Capital/Other	52,920	-	-	-	108,000	108,000
Category Totals	\$ 23,946,029	\$ 27,611,622	\$ 27,611,622	\$ 26,565,260	\$ 927,500	\$ 27,492,760

Summary by Type	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Utility Administration	\$ 1,136,196	\$ 1,201,001	\$ 1,201,001	\$ 779,519	\$ -	\$ 779,519
Water Distribution	2,440,204	2,652,025	2,583,201	2,720,995	68,750	2,789,745
Water Production	2,652,966	2,883,143	2,787,143	3,023,559	444,500	3,468,059
Wastewater Collection	1,290,869	1,731,053	1,704,877	1,503,715	6,750	1,510,465
Wastewater Treatment	6,251,714	6,407,901	6,503,901	6,396,386	206,750	6,603,136
Customer Service	1,307,496	2,073,041	2,168,041	1,509,515	57,500	1,567,015
Water Quality	611,227	722,752	722,752	720,085	2,500	722,585
Water Conservation	143,186	308,459	308,459	298,615	-	298,615
Treasury	1,691,261	1,765,065	1,765,065	1,843,337	-	1,843,337
Surface Water	6,420,910	7,867,182	7,867,182	7,769,535	140,750	7,910,285
Category Totals	\$ 23,946,029	\$ 27,611,622	\$ 27,611,622	\$ 26,565,260	\$ 927,500	\$ 27,492,760

Water Utilities Department

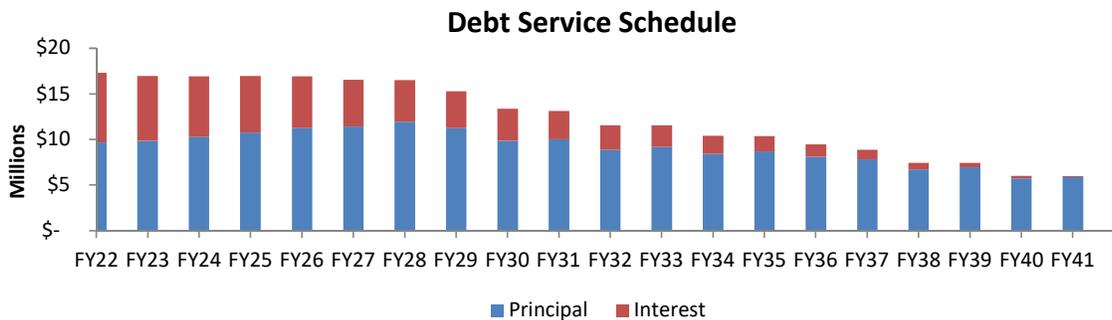
FTE Count	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
Utility Administration	5.00	5.00	(0.50)	4.50	-	4.50
Water Distribution	13.50	13.50	-	13.50	-	13.50
Water Production	7.50	7.50	-	7.50	-	7.50
Wastewater Collection	10.50	10.50	-	10.50	-	10.50
Wastewater Treatment	7.00	7.00	-	7.00	-	7.00
Customer Service	12.00	12.00	-	12.00	-	12.00
Water Quality	5.50	5.50	-	5.50	-	5.50
Water Conservation	1.00	1.00	-	1.00	-	1.00
Treasury	12.00	12.00	-	12.00	-	12.00
Surface Water	15.00	15.00	-	15.00	-	15.00
FTE Count Totals	89.00	89.00	(0.50)	88.50	-	88.50

**ENTERPRISE - UTILITY
WATERWORKS AND SEWER SYSTEM
TOTAL DEBT SERVICE OUTSTANDING***

Due During FY Ending September 30	Principal	Interest	Total
FY22	\$ 9,685,000	\$ 7,630,831	\$ 17,315,831
FY23	9,855,000	7,116,194	16,971,194
FY24	10,310,000	6,645,844	16,955,844
FY25	10,785,000	6,177,319	16,962,319
FY26	11,280,000	5,661,332	16,941,332
FY27	11,445,000	5,108,707	16,553,707
FY28	11,950,000	4,574,657	16,524,657
FY29	11,295,000	4,021,494	15,316,494
FY30	9,855,000	3,515,144	13,370,144
FY31	10,050,000	3,090,069	13,140,069
FY32	8,890,000	2,673,419	11,563,419
FY33	9,215,000	2,340,870	11,555,870
FY34	8,420,000	1,995,907	10,415,907
FY35	8,700,000	1,679,338	10,379,338
FY36	8,120,000	1,351,988	9,471,988
FY37	7,830,000	1,040,650	8,870,650
FY38	6,725,000	738,232	7,463,232
FY39	6,955,000	499,982	7,454,982
FY40	5,740,000	275,766	6,015,766
FY41	5,905,000	99,381	6,004,381
TOTAL	\$ 183,010,000	\$ 66,237,121	\$ 249,247,121

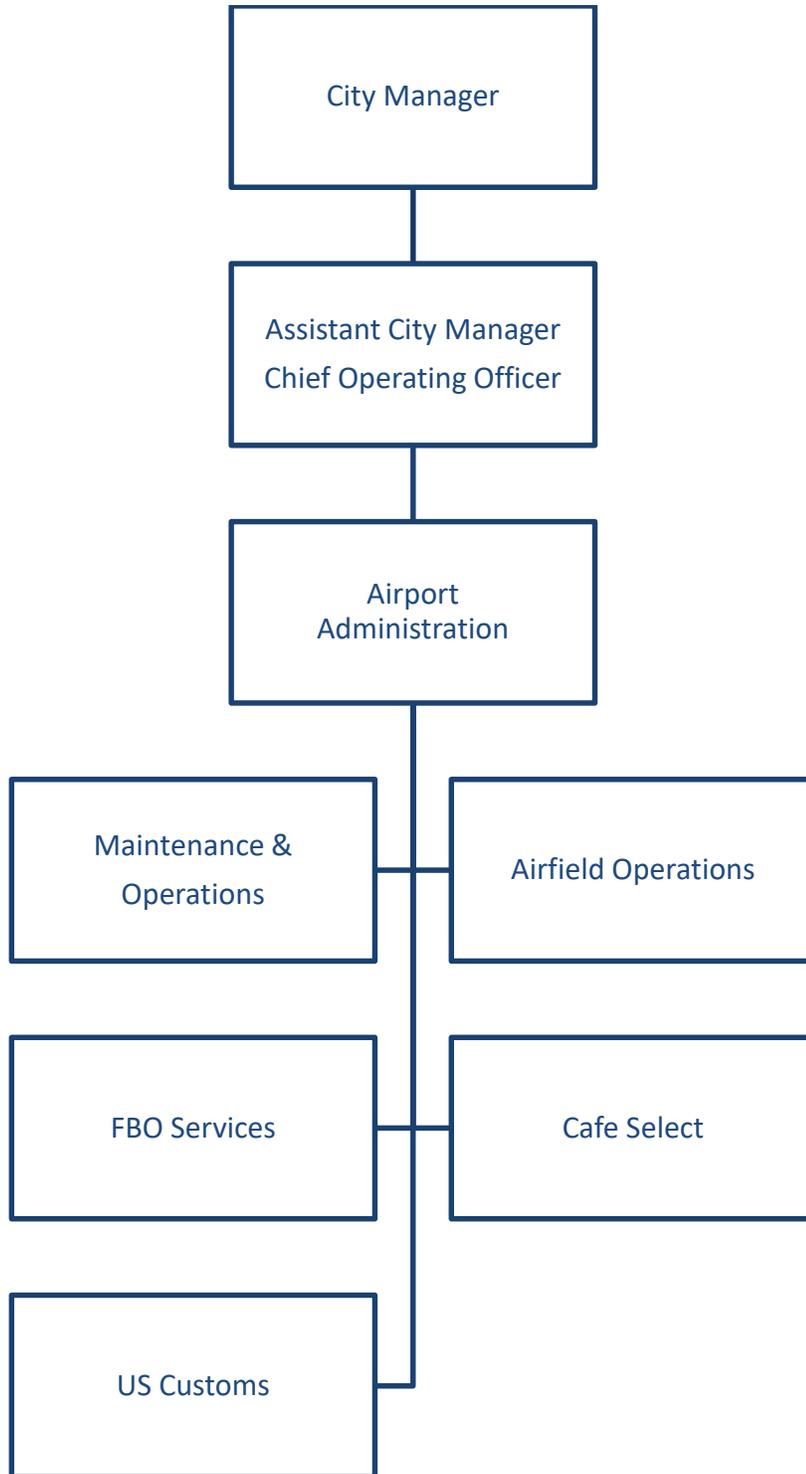
* Does not include anticipated issuance of new debt.

Series	Outstanding	Maturity
Waterworks & Sewer System Revenue Refunding Bonds, Series 2013	\$ 10,575,000	FY33
Waterworks & Sewer System Revenue and Refunding Bonds, Series 2015	11,355,000	FY35
Waterworks & Sewer System Revenue and Refunding Bonds, Series 2016	24,605,000	FY36
Combination Tax & Revenues Certificates of Obligations, Series 2016	1,325,000	FY36
General Obligation Refunding Bonds, Series 2017	75,970,000	FY41
Waterworks & Sewer Systems Revenue Bonds, Series 2017	17,030,000	FY37
Waterworks & Sewer Systems Revenue Bonds, Series 2019	12,280,000	FY39
Waterworks & Sewer Systems Revenue Bonds, Series 2020	6,485,000	FY39
Waterworks & Sewer System Revenue and Refunding Bonds, Series 2021	23,385,000	FY41
TOTAL	\$ 183,010,000	



Airport Fund Organizational Chart

As of October 1, 2021



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 272,476 gallons of aviation fuel per month during FY22. The City serves as a fixed based operator by providing fuel and general aviation customer services. Operations are primarily supported by a markup on fuel sold by the airport, hangar leases, and ramp fees.

Fiscal Year 2021

Total revenues for FY21 are projected to be \$17,337,142 and are up 2.74% from the FY21 Budget after excluding bond proceeds from the refunding mentioned below. This increase in revenue is due to the Airport's fuel sales performing better than anticipated. Projected operating revenues total \$14,959,618, which includes \$12,165,136 in fuel sales, \$1,795,535 in hangar leases, \$21,510 in interest income and \$977,437 in miscellaneous revenues from rental cars, ramp fees and other fees. Non-operating revenues are projected at \$2,377,524 and consist of transfers in for \$189,435, \$50,000 in grants and \$2,138,089 in bond proceeds. Bond proceeds includes \$1,373,089 from the Airport portion of GO Refunding Bonds, Series 2021 which refunded Series 2012. The planned bond issuance has been postponed to FY22 to be combined with other debt issuances, however, the funds remain budgeted and will be carried over to FY22.

Total expenses for FY21 are projected to be \$17,672,608. Operating expenses are projected at \$12,724,446. Non-operating expenses are projected at \$4,948,162. This includes transfers for capital projects, including the Taxiway Relocation project funded by TxDOT Aviation, administrative overhead, and debt service payments. Projected debt service includes the payment to escrow agent for the refunding bonds. Ending cash equivalent balance at 9/30/21 is projected to be \$2,902,574.

Fiscal Year 2022

Total revenues for FY22 are budgeted at \$17,984,708. Revenues from fuel sales is anticipated at \$14,399,627, a 18% increase over FY21 projections as a return to more normal levels in FY22, as well as the cost of fuel for resale, which is reflected in the price and revenue projections. Gallons sold are also estimated to increase by 8% over FY21 projections at 3,269,707 gallons. Non-operating revenues in FY22 are budgeted at \$725,396, which includes grant proceeds of \$50,000, operating transfers in of \$225,000, and \$450,396 in bond proceeds for capital projects. Operating transfers in include estimated property taxes to be collected on taxable value at the Airport from the General and Debt Service Funds, and a transfer from the Sugar Land Development Corporation for international marketing efforts.

Total operating expenses are budgeted at \$14,161,581. Recurring expenses are increasing by \$50,000 for an increase in the cost of U.S. Customs & Border Protection inspections services. The budget also includes \$141,500 in one-time expenditures for runway rubber removal and a refresh of terminal and crew suite furniture.

Total non-operating expenses are estimated at \$3,328,351, which includes the transfer out of bond proceeds for CIP projects, overhead reimbursement to the General Fund, debt service payments on new and outstanding bonds, contributions to the Internal Service Funds, and other miscellaneous expenditures. Ending cash equivalent balance at 9/30/22 is expected to be \$3,397,350.

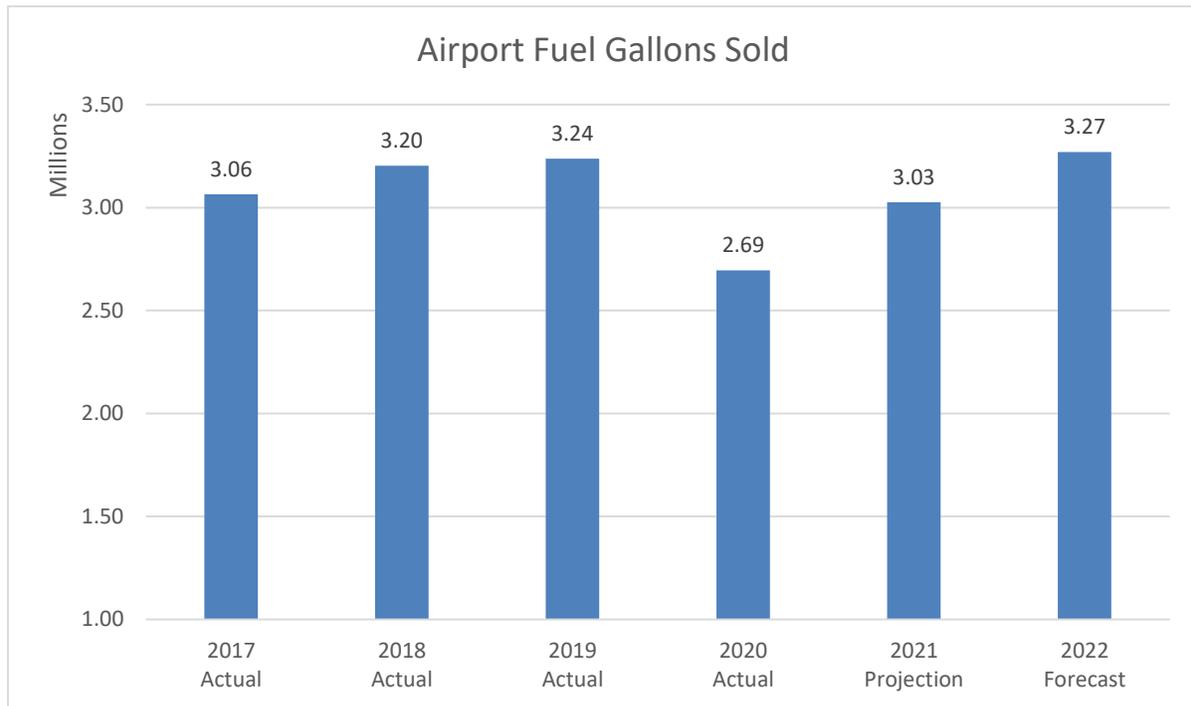
Financial Analysis

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 FY21 projections and FY22 budget amounts is shown below.

	FY21 Projections	FY22 Budget
Cash Reserve Ratio	47%	61%
Direct Bond Coverage	1.89	2.30

Cash reserve ratios for both FY21 projections and FY22 budget 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 times for both FY21 projections and FY22 budget.

The graph below shows gallons of fuel sold. Projected total gallons of fuel sold in FY21 are 3.03 million gallons and the FY22 forecast is 3.27 million gallons 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.



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.

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 buildings, 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.

FY22 Changes

The FY22 budget includes \$50,000 in additional recurring funding for U.S. Customs inspection services and a total of \$141,500 in one-time additions. One-time funding includes \$125,000 for runway rubber removal and \$16,500 for miscellaneous FF&E around the terminal and crew suite.

Performance Measures: Strong Local Economy

*Insert information regarding how the measure(s) connects back to the department’s goals

Fuel Gallons is the main measurement of growth and activity of the airport. In 2019, the gallons reflect a record year, and 2020 shows the impact the pandemic had on fuel sales. In 2021, the gallons show the rebound from COVID with additional growth, which the airport is continuing to see in FY22.

Aircraft fueled and towed reflects some of the demand on the FBO and line crew personnel. As stated in the Airport Minimum Standards, the city of Sugar Land has implemented its right to be the sole fuel provider on the airfield. In addition to providing fuel to all based and transient customers, Line Crew tow aircraft from the community hangars to the main ramp, as well as tow aircraft from the main ramp to aircraft maintenance providers on the airfield. An additional service provided to tenants at the General Aviation Complex is pulling out the aircraft in front of the hangar on an as-requested basis. Combining the two categories or data points provide the number of aircraft line crew “touch” or serve.

The **average hangar occupancy** reflects the current hangar trend in the aviation industry. The majority of customers are looking for move-in ready hangars and are not interested in construction. The airport has been at capacity in the

community hangars that fit the larger business jets for several years. Most of the availability and activity is at the t-hangars that fit the smaller general aviation aircraft.

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

Performance Measure	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Target
Fuel Gallons	3,203,339	3,237,334	2,694,631	3,268,007	3,269,707
Aircraft Fueled	12,274	12,096	11,624	13,008	12,759
Aircraft Towed	6,467	5,950	5,756	5,676	5,733
Average Hangar Occupancy*	95%	96%	96%	96%	96%
Operations**	67,847	78,258	67,418	73,664	68,092

*Corporate/Community hangars average 100% occupancy from 2019 – 2021. The t-hangars average 93% from 2019 - 2021.

**The actual operations reflected on the table come from the count provided to the FAA from Air Traffic Control Tower personnel. Does not include operations after hours.

Summary by Category	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Salary & Benefits	\$ 2,929,404	\$ 3,357,359	\$ 3,357,359	\$ 3,460,282	\$ -	\$ 3,460,282
Supplies	5,571,677	6,742,524	7,469,524	8,789,334	10,000	8,799,334
Professional Services	561,287	1,184,290	1,164,290	994,871	50,000	1,044,871
Repairs & Maintenance	408,777	366,679	366,679	338,500	131,500	470,000
Purchased Services	174,519	341,594	341,594	337,094	-	337,094
Capital/Other	119,045	25,000	25,000	50,000	-	50,000
Category Totals	\$ 9,764,709	\$ 12,017,446	\$ 12,724,446	\$ 13,970,081	\$ 191,500	\$ 14,161,581

Summary by Type	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Airport Administration	\$ 885,755	\$ 1,219,496	\$ 1,219,496	\$ 1,050,471	\$ -	\$ 1,050,471
Airfield Operations	194,101	301,674	301,674	305,349	-	305,349
FBO Services	7,159,925	8,649,458	9,356,458	10,888,644	16,500	10,905,144
Café Select	219,702	267,239	267,239	270,512	-	270,512
Maintenance and Operations	1,080,070	1,136,689	1,136,689	1,153,345	125,000	1,278,345
U.S. Customs	225,155	442,890	442,890	301,760	50,000	351,760
Category Totals	\$ 9,764,709	\$ 12,017,446	\$ 12,724,446	\$ 13,970,081	\$ 191,500	\$ 14,161,581

FTE Count	FY20 Actuals	FY21 Current Budget	FY21 Adjustments	FY22 Base Budget	FY22 Changes	FY22 Budget
Airport Administration	7.00	7.00	-	7.00	-	7.00
Airfield Operations	3.00	3.00	-	3.00	-	3.00
FBO Services	23.50	26.50	-	26.50	-	26.50
Café Select	3.00	3.00	-	3.00	-	3.00
U.S. Customs	10.50	10.50	-	10.50	-	10.50
Category Totals	47.00	50.00	-	50.00	-	50.00

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

	FY20	FY21	FY21	FY22	FY22	FY22
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Fuel Sales	\$ 9,754,411	\$ 11,880,383	\$ 12,165,136	\$ 14,399,627	\$ -	\$ 14,399,627
Hangar Leases	1,772,212	1,751,477	1,795,535	1,739,535	-	1,739,535
Charges for Services	359,832	303,271	484,078	435,150	-	435,150
Interest Income	65,740	102,000	21,510	50,000	-	50,000
Other Revenues	370,339	354,971	292,210	425,000	-	425,000
Miscellaneous	211,660	172,622	201,149	210,000	-	210,000
Operating Revenues	12,534,195	14,564,724	14,959,618	17,259,312	-	17,259,312
Bond Proceeds	-	765,000	2,138,089	450,396	-	450,396
Grant Proceeds	174,204	50,000	50,000	50,000	-	50,000
Transfer from Other Funds	191,560	179,435	189,435	225,000	-	225,000
Non-Operating Revenues	365,764	994,435	2,377,524	725,396	-	725,396
Total Revenues	12,899,959	15,559,159	17,337,142	17,984,708	-	17,984,708
EXPENDITURES						
Airport Administration	885,755	1,219,496	1,219,496	1,050,471	-	1,050,471
Airfield Operations	194,101	301,674	301,674	305,349	-	305,349
FBO Services	7,159,925	8,649,458	9,356,458	10,888,644	16,500	10,905,144
Café Select	219,702	267,239	267,239	270,512	-	270,512
Maintenance and Operations	1,080,070	1,136,689	1,136,689	1,153,345	125,000	1,278,345
U.S. Customs	225,155	442,890	442,890	301,760	50,000	351,760
Total Operating Expenditures	9,764,709	12,017,446	12,724,446	13,970,081	191,500	14,161,581
Operating Transfers Out	1,107,354	1,240,949	1,240,949	1,284,208	-	1,284,208
Transfers Out - Bond CIP	1,800,000	750,000	750,000	441,565	-	441,565
Transfers Out - Non-Bond CIP	402,196	-	-	-	-	-
Debt Service	1,304,145	1,412,923	2,755,412	1,388,447	-	1,388,447
Miscellaneous	189,888	192,251	201,801	214,131	-	214,131
Total Non-Operating Expenditures	4,803,583	3,596,123	4,948,162	3,328,351	-	3,328,351
Total Expenditures	14,568,292	15,613,569	17,672,608	17,298,432	191,500	17,489,932
Revenues Over/(Under) Expenditures	(1,668,332)	(54,410)	(335,466)	686,276	(191,500)	494,776
Fund Balance - Beginning	3,887,117	4,079,185	4,079,185	3,743,719	-	3,743,719
Debt Service Reserve	(994,988)	(841,145)	(841,145)	(841,145)	-	(841,145)
Fund Balance - Ending	\$ 1,223,797	\$ 3,183,630	2,902,574	3,588,850	\$ (191,500)	\$ 3,397,350
CASH EQ. RESERVE RATIO (25% min)	32%	59%	47%	66%		61%
BOND COVERAGE (1.25x min)	1.26	2.11	1.89	2.43		2.30
FUEL GALLONS SOLD	2,694,631	2,951,075	3,025,431	3,269,707		3,269,707

ENTERPRISE FUND - AIRPORT

SCHEDULE OF REVENUES

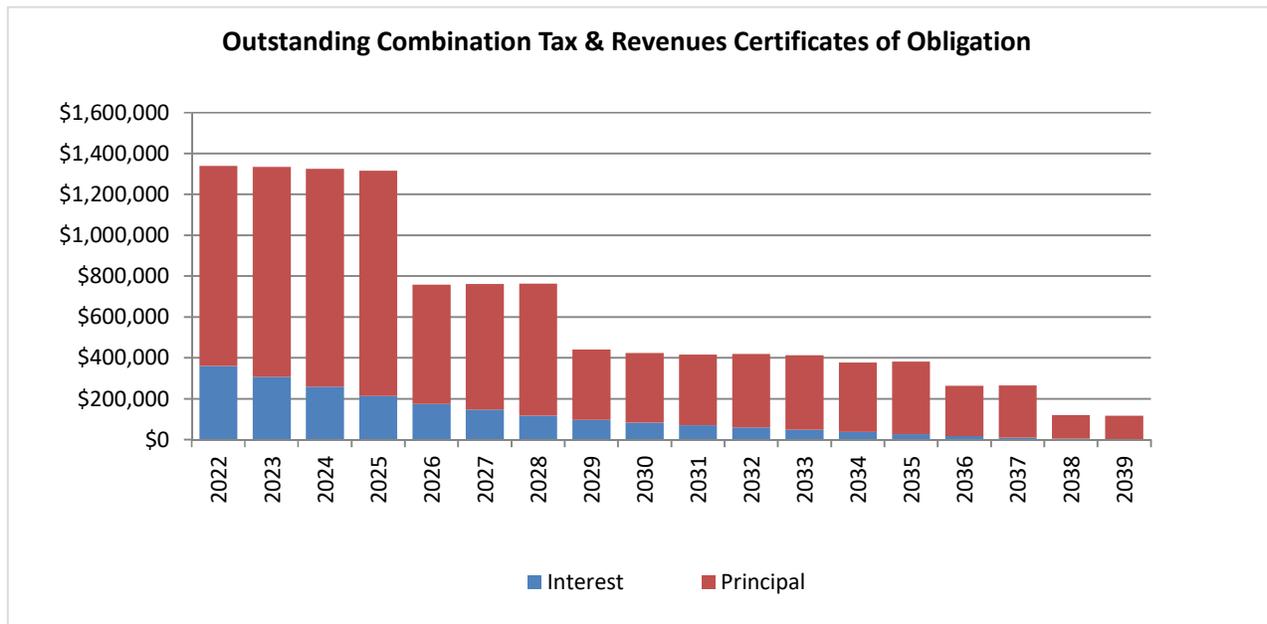
Description	FY21		FY22		FY22	FY22
	FY20 Actuals	Current Budget	FY21 Projections	Base Budget		
Aviation Fuel	\$ 9,754,411	\$ 11,880,383	\$ 12,165,136	\$ 14,399,627	\$ -	\$ 14,399,627
Fuel Sales	9,754,411	11,880,383	12,165,136	14,399,627	-	14,399,627
Lease Short Term Hanger	35,400	35,754	35,400	35,400	-	35,400
Lease Longterm Land	443,641	443,990	456,733	456,733	-	456,733
Lease ST Corporate I	247,486	254,520	247,047	244,482	-	244,482
Lease ST Corporate II	120,854	121,903	173,606	126,000	-	126,000
Lease Northwest I	36,462	49,692	36,459	36,459	-	36,459
Lease Northwest II	15,300	15,453	15,300	15,300	-	15,300
Leased Facilities Premises	28,466	28,751	28,466	28,466	-	28,466
Lease Tie Down	8,036	7,854	8,556	8,556	-	8,556
Lease T-Hanger	834,768	793,560	793,968	788,139	-	788,139
License Agreement	1,800	-	-	-	-	-
Hangar Leases	1,772,212	1,751,477	1,795,535	1,739,535	-	1,739,535
Airport Café	55,057	65,135	56,733	60,000	-	60,000
Parking Fees	7,658	5,423	600	2,000	-	2,000
Ramp Fees	283,165	219,210	414,920	360,000	-	360,000
Gift Shop	369	355	653	400	-	400
Prist Fuel Additive	6,294	5,325	6,047	6,000	-	6,000
Catering	3,585	4,396	2,392	3,500	-	3,500
Catering Nontaxable	217	-	-	-	-	-
Royalties - Mineral	192	-	-	-	-	-
Call Out Fees	3,050	3,128	2,550	3,000	-	3,000
Aircraft Maintenance	248	299	183	250	-	250
Charges for Services	359,832	303,271	484,078	435,150	-	435,150
Interest Earnings	67,925	102,000	21,510	50,000	-	50,000
Unrealized Gain/Loss Invest	(2,185)	-	-	-	-	-
Interest Income	65,740	102,000	21,510	50,000	-	50,000
Car Rental	370,339	354,971	292,210	425,000	-	425,000
Other Revenues	370,339	354,971	292,210	425,000	-	425,000
Misc. Operating Revenue	211,660	172,622	201,149	210,000	-	210,000
Miscellaneous	211,660	172,622	201,149	210,000	-	210,000
OFS Bond Proceeds Par	-	765,000	2,138,089	450,396	-	450,396
Bond Proceeds Total	-	765,000	2,138,089	450,396	-	450,396
Operating Contribution O. Gov	50,000	50,000	50,000	50,000	-	50,000
Operating Contribution Federal	124,204	-	-	-	-	-
Grant Proceeds	174,204	50,000	50,000	50,000	-	50,000
Trf in General Fund	84,019	75,000	85,000	100,000	-	100,000
Trf in SLA	50,000	50,000	50,000	50,000	-	50,000
Trf in Debt Service	57,541	54,435	54,435	75,000	-	75,000
Transfer from Other Funds	191,560	179,435	189,435	225,000	-	225,000
Total Revenues	\$ 12,899,959	\$ 15,559,159	\$ 17,337,142	\$ 17,984,708	\$ -	\$ 17,984,708

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

Fiscal Year	Principal	Interest	Total
2022	980,642	359,189	1,339,831
2023	1,026,806	307,516	1,334,322
2024	1,067,194	257,997	1,325,191
2025	1,101,757	213,661	1,315,418
2026	585,000	173,745	758,745
2027	615,000	145,982	760,982
2028	645,000	117,354	762,354
2029	345,000	96,157	441,157
2030	340,000	83,067	423,067
2031	345,000	70,887	415,887
2032	360,000	59,388	419,388
2033	365,000	48,097	413,097
2034	340,000	37,213	377,213
2035	355,000	26,647	381,647
2036	245,000	17,488	262,488
2037	255,000	9,809	264,809
2038	115,000	4,456	119,456
2039	115,000	1,509	116,509
TOTAL	\$ 10,196,399	\$ 2,417,485	\$ 12,613,884

Series	Outstanding	Maturity
2013	\$ 485,000	2033
2015	1,365,000	2035
2015	2,040,000	2028
2016	180,000	2029
2017	1,855,000	2037
2019A	1,690,000	2039
2021	2,581,399	2025
TOTAL	\$ 7,615,000	

*Does not include anticipated issuance of new debt



Solid Waste Fund Organizational Chart

As of October 1, 2021



Solid Waste Fund

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

Republic Services provides solid waste services within the City. Beginning in January of 2021, Republic Services took over the delivery of services for Greatwood, which was serviced by Best Trash until December of 2020. Currently, city staff and representatives from Republic Services are negotiating terms for FY22, which are still ongoing. The current rate for residential solid waste services is \$19.76 per household per month. Subject to final agreements, the new monthly rate will be adjusted by a CPI of 1.25%, resulting in a new monthly rate of \$20.00, effective January 1, 2022.

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 2021

Total revenues for FY21 are projected at \$9,218,878. Total budgeted revenue from residential collection and recycling fees is \$8,354,192. The City does not bill for Commercial Services; businesses contract and pay Republic Services directly. Other revenues include \$718,307 from franchise fees, \$13,200 in commercial license fees, \$133,079 in miscellaneous fees for reimbursements from decommissioning work related to Thermo Fisher, and \$100 in interest income.

Total expenses are projected \$9,841,882 and include \$271,175 in personnel expenses for contract monitoring and program administration, \$8,149,325 for the solid waste contracts, \$924,134 in operation and maintenance costs, which includes contracting for winter storm debris removal, and \$20,000 for contingency. Transfers out total \$456,745 and include transfers to the Fleet Replacement Fund for \$9,048, \$300,000 to the General Fund to support pavement rehabilitation efforts and \$147,697 for administrative overhead allocation.

The estimated ending fund balance as of 9/30/2021 is estimated to be \$159,539.

Fiscal Year 2022

Total revenues for FY22 are budgeted at \$9,265,818. Total budgeted revenue from residential collection and recycling fees is \$8,535,543. The City does not bill for Commercial Services; businesses contract and pay Republic Services directly. Other revenues include \$720,000 from franchise fees, \$13,200 in commercial license fees, and \$75 in interest income.

Total expenses are \$9,267,844 and include \$273,502 in personnel expenses for contract monitoring and program administration, \$8,347,748 for the solid waste contracts, \$73,337 in operation and maintenance costs, and \$70,000 for contingency. Transfers out total \$503,257 and include transfers to the Fleet Replacement Fund for \$9,048, \$300,000 to the General Fund to support pavement rehabilitation efforts and \$194,209 for administrative overhead allocation.

The estimated ending fund balance as of 9/30/2022 is estimated to be \$157,513.

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

FY22 Changes

Changes total \$1,800 in recurring additions for iPad data plans related to the new ERP system.

Performance Measures: Responsible City Government Services

Number of Households Served

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 FY22 it is estimated that 35,274 households will be served.

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Summary by Category						
Salary & Benefits	\$ 266,809	\$ 271,175	\$ 271,175	\$ 273,502	\$ -	\$ 273,502
Supplies	18,197	25,015	25,015	4,708	-	4,708
Professional Services	8,009,239	8,927,201	9,027,690	8,376,526	1,800	8,378,326
Repairs & Maintenance	10,713	2,490	2,490	2,490	-	2,490
Purchased Services	15,063	38,767	38,767	35,561	-	35,561
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 8,320,021	\$ 9,264,648	\$ 9,365,137	\$ 8,692,787	\$ 1,800	\$ 8,694,587

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
Summary by Type						
Contractual Services	\$ 7,968,107	\$ 8,137,684	\$ 8,149,325	\$ 8,347,748	\$ -	\$ 8,347,748
Salary & Benefits	266,809	271,175	271,175	273,502	-	273,502
Education Programs	14,184	20,502	20,502	-	-	-
Operations & Maintenance	70,921	835,287	924,134	71,537	1,800	73,337
Category Totals	\$ 8,320,021	\$ 9,264,648	\$ 9,365,137	\$ 8,692,787	\$ 1,800	\$ 8,694,587

	FY20 Budget	FY21 Budget	FY21 Adjustment	FY22 Base Budget	FY22 Adjustment	FY22 Budget
FTE Count						
Solid Waste	3.50	3.50	-	3.50	-	3.50
FTE Count Totals	3.50	3.50	-	3.50	-	3.50

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Solid Waste Collections	\$ 8,165,005	\$ 8,319,192	\$ 8,354,192	\$ 8,532,543	\$ -	\$ 8,532,543
Franchise Fees	690,082	717,164	718,307	720,000	-	720,000
Commercial SW License	11,492	13,200	13,200	13,200	-	13,200
Miscellaneous	14,766	63,831	133,079	-	-	-
Recycling Programs	949	228	-	-	-	-
Interest Income	3,015	6,000	100	75	-	75
Total Revenues	8,885,309	9,119,615	9,218,878	9,265,818	-	9,265,818
EXPENDITURES						
Contractual Services	7,968,107	8,137,684	8,149,325	8,347,748	-	8,347,748
Salary & Benefits	266,809	271,175	271,175	273,502	-	273,502
Education Programs	14,184	20,502	20,502	-	-	-
Operations & Maintenance	70,921	835,287	924,134	71,537	1,800	73,337
Total Operating Expenditures	8,320,021	9,264,648	9,365,137	8,692,787	1,800	8,694,587
Miscellaneous	-	20,000	20,000	70,000	-	70,000
Transfers Out	418,491	456,745	456,745	503,257	-	503,257
Total Non-Operating Expenditures	418,491	476,745	476,745	573,257	-	573,257
Total Expenditures	8,738,512	9,741,393	9,841,882	9,266,044	1,800	9,267,844
Revenues Over/(Under) Expenditures	146,797	(621,778)	(623,004)	(226)	(1,800)	(2,026)
Fund Balance - Beginning	635,746	782,543	782,543	159,539		159,539
Fund Balance - Ending	\$ 782,543	\$ 160,765	\$ 159,539	\$ 159,313	\$ (1,800)	\$ 157,513

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 and, 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 has managed a self-funded medical plan since 2012 to help manage costs and maintain stability in premiums.

Fiscal Year 2021

The total projected revenues are \$14,535,238. FY21 contributions from the City, employees, and retirees are \$12,608,924. Miscellaneous revenues of \$1,925,693 consist of stop-loss reimbursements, COBRA contributions, and the reimbursement for the wellness program. Interest income is projected at \$621.

Projected expenses total \$13,864,495 and include insurance premiums, claim payments, administrative fees, and unemployment compensation. The projected fund balance at 9/30/21 is \$1,062,519 after a reserve of \$2,328,237 which is equal to 20% of budgeted claims.

Fiscal Year 2022

FY22 total revenues are budgeted at \$15,083,896, and include \$13,083,881 in contributions from the City and employees, interest income of \$621 and miscellaneous of \$1,954,394, consisting of stop-loss reimbursements, COBRA contributions, and the reimbursement for the wellness program.

FY22 total expenses are budgeted at \$14,836,387. This includes claims payment and other premiums for \$14,127,766, and other expenses for \$708,621. The budgeted ending fund balance after the reserve for claims at 9/30/22 is \$1,172,703 after a reserve of \$2,420,562.

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 of 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 2021

The projected contributions, auction proceeds, and other revenues total \$908,244. Expenses for purchase of vehicles, and related equipment total \$1,173,883. A planned interfund loan of \$1,500,000 to the general fund will not be needed and is removed from projections, leaving a projected ending fund balance at 9/30/21 of \$3,197,917.

Fiscal Year 2022

Total revenues are projected at \$1,097,463 and include contributions from participating funds of \$942,463, miscellaneous, sale of property and interest income totaling \$155,000. Miscellaneous includes insurance proceeds for vehicles that are totaled and replaced prior to their planned replacement date.

Total expenditures are projected at \$1,795,776 for the replacement of 37 vehicles. Also included in the replacement budget are make-ready 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. The budget also includes funds for unexpected replacements due to insurance totaling. The budgeted ending fund balance at 9/30/22 is \$2,499,604.

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 and has a policy to maintain a fund balance of at least 10% of the estimated value of the inventory. 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 2021

Projected revenues for FY21 total \$675,448, and expenditures are projected at \$2,010,472. Expenditures include computers, printers, servers, routers, installations, and public safety radios. The projected ending fund balance at 9/30/21 is \$2,001,628.

Fiscal Year 2022

Budgeted revenues total \$799,850 and include transfers from other funds, interest income, and sale of property. Contributions to the fund include payments for equipment replacement according to the replacement schedule. Total expenditures for equipment and contractual services are budgeted at \$1,910,005. The budgeted ending fund balance at 9/30/22 is \$891,473.

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Contributions	\$ 12,363,977	\$ 12,000,036	\$ 12,608,924	\$ 13,083,881	\$ -	\$ 13,083,881
Miscellaneous	950,995	2,219,853	1,925,693	1,954,394	-	1,954,394
Interest Income	5,187	5,000	621	621	-	621
Transfers in	183,155	-	-	-	-	-
Total Revenues	13,503,314	14,224,889	14,535,238	15,038,896	-	15,038,896
EXPENDITURES						
Premiums & Claims	11,588,459	13,540,937	13,165,400	14,127,767	-	14,127,767
Other	649,916	736,291	699,095	708,620	-	708,620
Total Operating Expenditures	12,238,376	14,277,228	13,864,495	14,836,387	-	14,836,387
Transfers to Other Funds	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Expenditures	-	-	-	-	-	-
Total Expenditures	12,238,376	14,277,228	13,864,495	14,836,387	-	14,836,387
Revenues Over/(Under) Exp	1,264,939	(52,339)	670,743	202,509	-	202,509
Cash Equivalent Balance - Beginning	1,735,242	2,720,013	2,720,013	3,390,756		3,390,756
Reserve for Self Insurance	(1,745,656)	(2,328,237)	(2,328,237)	(2,420,562)		(2,420,562)
Cash Equivalent Balance - Ending	\$ 1,254,525	\$ 339,437	\$ 1,062,519	\$ 1,172,703	\$ -	\$ 1,172,703

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Sale of Property	\$ 36,301	\$ 125,000	\$ 125,000	\$ 125,000	\$ -	\$ 125,000
Interest Income	40,965	60,000	5,000	5,000	-	5,000
Transfers From Other Funds	1,770,821	731,636	731,636	942,463	-	942,463
Miscellaneous	26,834	70,000	46,608	25,000	-	25,000
Total Revenues	1,874,921	986,636	908,244	1,097,463	-	1,097,463
EXPENDITURES						
Vehicles & Contractual Service	1,913,461	1,110,224	1,173,883	1,795,776	-	1,795,776
Miscellaneous	-	1,500,000	-	-	-	-
Total Expenditures	1,913,461	2,610,224	1,173,883	1,795,776	-	1,795,776
Revenues Over/(Under) Expenditures	(38,540)	(1,623,588)	(265,639)	(698,313)		(698,313)
Fund Balance - Beginning	3,502,096	3,463,556	3,463,556	3,197,917		3,197,917
Fund Balance - Ending	\$ 3,463,556	\$ 1,839,968	\$ 3,197,917	\$ 2,499,604	\$ -	\$ 2,499,604

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Sale of Capital Property	\$ 3,704	\$ 2,170	\$ 2,170	\$ 2,170	\$ -	\$ 2,170
Interest Income	32,275	53,000	1,500	1,500	-	1,500
Transfers in	1,290,048	671,778	671,778	796,180	-	796,180
Total Revenues	1,326,027	726,948	675,448	799,850	-	799,850
EXPENDITURES						
Equipment & Contractual Services	631,293	2,010,472	2,010,472	1,910,005	-	1,910,005
Total Expenditures	631,293	2,010,472	2,010,472	1,910,005	-	1,910,005
Revenues Over/(Under) Expenditures	694,734	(1,283,524)	(1,335,024)	(1,110,155)	-	(1,110,155)
Fund Balance - Beginning	2,641,918	3,336,652	3,336,652	2,001,628	-	2,001,628
Fund Balance - Ending	\$ 3,336,652	\$ 2,053,128	\$ 2,001,628	\$ 891,473	\$ -	\$ 891,473

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 ACFR. 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 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 Corporations.

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 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 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.

Sugar Land Development Corporation

Fiscal Year 2021

Total revenues are projected to be \$8,117,097, which includes sales tax of \$6,717,097, interest income of \$25,000 and an assignment from TIRZ#1 for \$1,375,000.

Expenditures are projected at \$6,836,951 and include economic development program costs of \$649,317. 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 \$9,790. Economic development incentive projections total \$690,000, and debt service for \$4,053,721. Capital projects include \$670,000 added through a mid-year budget amendment for design of Owens Road. Transfers to other funds in the amount of \$764,123 includes \$50,000 to the Airport Fund for international marketing and \$714,123 to the General Fund for cost allocation overhead, reimbursement of staff salaries and CIP management fees. The Corporation is providing additional support to economic development efforts by supporting staff normally dedicated to tourism efforts who have been reassigned to assist with business development efforts due to the COVID-19 pandemic.

Projected available funding at 9/30/21 is \$6,568,908. The fund balance is \$5,737,137 higher than the policy requirement of \$831,771, which constitutes 15% of budgeted sales tax.

Fiscal Year 2022

Revenues are budgeted at \$8,070,570. Sales tax is estimated at \$6,545,570, interest income at \$25,000, and an assignment at \$1,500,000 from TIRZ#1 that supports the debt service requirement on the sales tax revenue bonds issued for Town Square infrastructure.

Budgeted expenditures total \$9,091,604. Economic development program expenditures total \$625,257, 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 \$9,790. The budget includes \$1,700,000 for economic development incentives. The Corporation has debt service payments of \$4,024,090 for outstanding issues, and transfers to other funds total \$732,467, which includes \$682,467 to the General Fund for economic development, staff reimbursement, and support services, and \$50,000 to the Sugar Land Regional Airport for international marketing. The Corporation is providing additional support to economic development efforts by supporting staff normally dedicated to tourism efforts who have been reassigned to assist with business development efforts due to the COVID-19 pandemic. Additionally, the Corporation has \$2,000,000 allocated as a reserve for opportunistic projects that arise during the year.

Estimated available funding at 9/30/22 is \$5,607,389. The Corporation has a bond coverage ratio of 1.65, which is above the 1.25 minimum. The ending fund balance is \$4,625,554 over the policy requirement of \$981,836, which is 15% of the budgeted sales tax.

Sugar Land 4B Corporation

Fiscal Year 2021

Total revenues are projected to be \$6,957,397. This includes sales tax for \$6,717,097, interest income of \$15,000, TIRZ#1 assignment of \$145,300, and miscellaneous revenue of \$80,000 from the Sugar Land Skeeters.

Total expenditures are projected to be \$10,413,114. Economic Development program costs are projected to be \$874,670 and contractual services are estimated at \$3,950. Debt Service payments are estimated at \$3,020,625. Incentive payments are projected to be \$3,400,000, which includes \$900,000 for the #AllinForSLTX Initiative and \$2,500,000 for the Constellation Field Improvements, both funding from reserve for opportunities. \$81,886 remains projected for reserve for opportunities. The transfers to Capital Projects are projected to be \$2,150,000, an increase of \$1,000,000 for the transfer to the Constellation Field capital repair fund. Transfers to other funds are \$881,983, which includes the reimbursement to the City for support staff and CIP management fee. The Corporation is providing additional support to economic development efforts by supporting staff normally dedicated to tourism efforts who have been reassigned to assist with business development efforts due to the COVID-19 pandemic.

Projected available funding at 9/30/21 is \$3,507,345. The fund balance is projected to be \$2,675,574 higher than policy requirements of \$831,771, which constitutes 15% of budgeted sales tax.

Fiscal Year 2022

Total revenues are projected to be \$6,787,433. Sales tax is estimated at \$6,545,570. Other revenues include interest income of \$15,000, TIRZ#1 assignment of \$146,863 and miscellaneous revenue of \$80,000, which is from the lease payment for off-site parking at Constellation Field.

Expenditures are budgeted at \$8,055,908. Economic Development Program expenditures total \$569,870, and contractual services total \$3,950. Capital projects funding is budgeted at \$1,000,000, which includes Joint Participation in CIP, Public Arts Projects, Landscape Replacement for Major Roadway and Enhancement, Old Imperial Farm Cemetery, and University Boulevard Widening. Incentives are budgeted at \$2,537,500, which includes \$2,500,000 for the second year of Constellation Field Improvements and \$37,500 for First Colony Lifestyle Center upgrades. Reserve for Opportunities is budgeted at \$500,000. Debt Service is budgeted at \$2,645,700 and transfers to other funds are at \$798,888, which includes a reimbursement to the General Fund for Economic Development staff and CIP management fees. The Corporation is providing additional support to economic development efforts by supporting staff normally dedicated to tourism efforts who have been reassigned to assist with business development efforts due to the COVID-19 pandemic.

Estimated available funding at 9/30/22 is \$2,468,379. The Corporation has a bond coverage ratio of 3.26, which is above the 1.25 minimum. The ending fund balance is \$1,486,544 over the policy requirement of \$981,836, which is 15% of the budgeted sales tax.

Tax Increment Reinvestment Zone #1

Fiscal Year 2021

Revenues for FY21 are projected to be \$1,855,394. The budget for incremental taxes was based on the 2020 certified tax roll. Property taxes allocated from the City, Fort Bend County and LID#2 total \$1,855,344 and interest income is projected at \$50.

Expenditures are projected to be \$1,950,602 and include \$250,000 for marketing events in Town Square put on by the Town Square Property Owners Association. Assignments totaling \$1,520,300 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 9/30/21 is \$4,636.

Fiscal Year 2022

Revenues are budgeted to be \$2,031,964, which includes property taxes for \$2,031,864 and interest income for \$100. Property taxes are based on the added value from 2021 certified tax roll for the TIRZ#1, proposed 2021 City, County and LID #2 proposed tax rates at a 99.5% collection rate for each participating entity.

Operating expenditures are estimated to be \$254,620, which includes \$250,000 for marketing events in Town Square, and \$4,620 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 \$1,500,000 and SL4B for \$146,863. 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. The estimated ending fund balance at 9/30/22 is \$65,117. TIRZ#1 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #3

Fiscal Year 2021

Revenues for FY21 are projected to be \$1,165,507. The budget for incremental taxes was based on the 2020 certified tax roll. Property taxes allocated from the City and County total \$1,165,501 and interest income is projected at \$6. Expenditures are projected to be \$1,173,291 for administrative support, legal services, and an assignment of \$1,142,197 to Imperial Redevelopment District. Fund balance at 9/30/21 is projected to be \$0.

Fiscal Year 2022

Revenues are budgeted to be \$1,388,717, which includes City and County property taxes for \$1,388,712 and interest income for \$5. Property taxes are based on the added value from 2021 certified tax roll for the TIRZ#3, 2021 adopted City and County tax rates are budgeted at a 99.5% collection rate for each participating entity.

Operating expenditures are estimated to be \$1,388,717 for administrative support, legal and an assignment of \$1,360,943 to Imperial Redevelopment District. The fund balance at 9/30/22 is estimated to be \$0. TIRZ#3 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #4

Fiscal Year 2021

Revenues for FY21 are projected to be \$1,044,113. Property taxes allocated from the City, County, and MUDs total \$987,407 and interest income is projected at \$3,000. Expenditures are projected to be \$266,058 for administrative support and legal services. The projected ending fund balance at 9/30/21 is \$5,837,692.

Fiscal Year 2022

Revenues are budgeted to be \$1,231,509, which includes City, County, and MUDs property taxes for \$1,123,677 and interest income for \$15,000. Operating expenditures are estimated to be \$62,441 for administrative support and legal services. The estimated ending fund balance at 9/30/22 is \$7,006,760 TIRZ#4 has no minimum fund policy balance requirement.

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

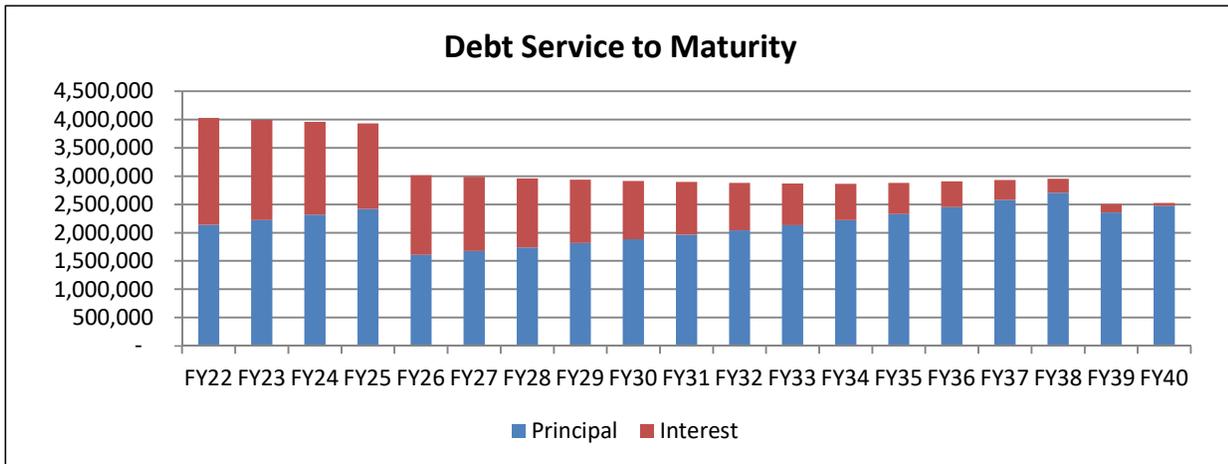
	FY20	FY21	FY21	FY22	FY22	FY22
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Sales Tax	\$ 6,346,754	\$ 5,545,142	\$ 6,717,097	\$ 6,545,570	\$ -	\$ 6,545,570
Interest Income	108,015	125,000	25,000	25,000	-	25,000
Miscellaneous	52,589	-	-	-	-	-
TIRZ#1	1,250,000	1,500,000	1,375,000	1,500,000	-	1,500,000
Total Revenues	7,757,358	7,170,142	8,117,097	8,070,570	-	8,070,570
EXPENDITURES						
Economic Development Program	473,671	649,317	649,317	625,257	-	625,257
Economic Development Incentives	1,081,515	1,775,000	690,000	1,700,000	-	1,700,000
Contractual Services	17,490	9,790	9,790	9,790	-	9,790
Total Operating Expenditures	1,572,677	2,434,107	1,349,107	2,335,047	-	2,335,047
Debt Service	4,088,984	4,053,721	4,053,721	4,024,090	-	4,024,090
Reserve for Opportunities	-	-	-	2,000,000	-	2,000,000
Capital Projects Reimbursement	1,543,637	670,000	670,000	-	-	-
Transfers to Other Funds	618,985	764,123	764,123	732,467	-	732,467
Total Non-Operating Expenditures	6,251,605	5,487,844	5,487,844	6,756,557	-	6,756,557
Total Expenditures	7,824,282	7,921,951	6,836,951	9,091,604	-	9,091,604
Revenues Over/(Under) Expenditures	(66,924)	(751,809)	1,280,146	(1,021,034)	-	(1,021,034)
Fund Balance - Beginning	10,303,367	10,236,444	10,236,444	11,516,590	-	11,516,590
Accrued Sales Tax	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)	-	(1,011,327)
Debt Service Reserve	(4,044,391)	(3,936,355)	(3,936,355)	(3,876,840)	-	(3,876,840)
Fund Balance - Ending	\$ 5,180,725	\$ 4,536,953	\$ 6,568,908	\$ 5,607,389	\$ -	\$ 5,607,389
Minimum Fund Balance (15%)	\$ 952,013	\$ 831,771	\$ 831,771	\$ 981,836	-	\$ 981,836
Over/Under Policy	4,228,712	3,705,182	5,737,137	4,625,554	-	4,625,554
Bond Coverage Ratio (>1.25x)	1.59	1.40	1.68	1.65	-	1.65

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

	Principal	Interest	Total
FY22	2,140,000	1,884,090	4,024,090
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>\$ 41,085,000</u>	<u>\$ 17,842,961</u>	<u>\$ 58,927,961</u>

Outstanding Debt Issues

Series	Principal	Matures
2013	\$ 5,580,000	FY38
2014R	3,285,000	FY25
2014	<u>32,220,000</u>	FY40
Total	<u>\$ 41,085,000</u>	



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

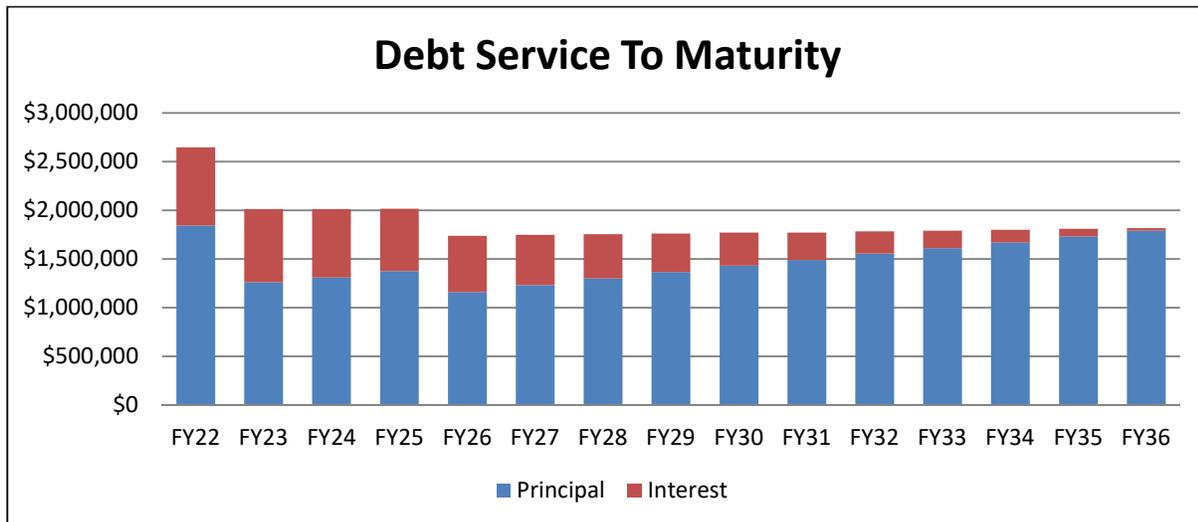
	FY20	FY21	FY21	FY22	FY22	FY22
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Sales Tax	\$ 6,346,754	\$ 5,545,142	\$ 6,717,097	\$ 6,545,570	\$ -	\$ 6,545,570
Interest Income	95,775	125,000	15,000	15,000	-	15,000
TIRZ#1	156,886	145,300	145,300	146,863	-	146,863
Miscellaneous	80,000	80,000	80,000	80,000	-	80,000
Operating Revenues	6,679,415	5,895,442	6,957,397	6,787,433	-	6,787,433
Bond Proceeds	27,157,311	-	-	-	-	-
Non-operating Revenues	27,157,311	-	-	-	-	-
Total Revenues	33,836,726	5,895,442	6,957,397	6,787,433	-	6,787,433
EXPENDITURES						
Economic Development Program	365,374	874,670	874,670	569,870	-	569,870
Contractual Services	13,789	3,950	3,950	3,950	-	3,950
Total Operating Expenditures	379,163	878,620	878,620	573,820	-	573,820
Debt Service	3,042,596	3,020,625	3,020,625	2,645,700	-	2,645,700
Incentives	766,322	37,500	3,400,000	2,537,500	-	2,537,500
Payment to Escrow Account	26,715,744	-	-	-	-	-
Issuance Costs	434,358	-	-	-	-	-
Reserve for Opportunities	-	4,981,886	81,886	500,000	-	500,000
Transfers to Capital Projects	763,200	650,000	2,150,000	1,000,000	-	1,000,000
Transfers to Other Funds	757,367	881,983	881,983	798,888	-	798,888
Total Non-Operating Expenditures	32,479,587	9,571,994	9,534,494	7,482,088	-	7,482,088
Total Expenditures	32,858,749	10,450,614	10,413,114	8,055,908	-	8,055,908
Revenues Over/(Under) Expenditures	977,977	(4,555,172)	(3,455,717)	(1,268,475)	-	(1,268,475)
Fund Balance - Beginning	9,437,421	10,415,398	10,415,398	6,959,681	-	6,959,681
Accrued Sales Tax	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)	-	(1,011,327)
Debt Service Reserve	(2,811,500)	(2,441,009)	(2,441,009)	(2,211,500)	-	(2,211,500)
Fund Balance - Ending	\$ 6,592,571	\$ 2,407,890	\$ 3,507,345	\$ 2,468,379	\$ -	\$ 2,468,379
Minimum Fund Balance (15%)	\$ 952,013	\$ 831,771	\$ 831,771	\$ 981,836	\$ -	\$ 981,836
Over/Under Policy	5,640,558	1,576,119	2,675,574	1,486,544	-	1,486,544
Bond Coverage Ratio (>1.25x)	2.13	1.88	2.54	3.26	-	3.26

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

	Principal	Interest	Total
FY22	\$ 1,840,000	\$ 805,700	2,645,700
FY23	1,260,000	752,900	2,012,900
FY24	1,310,000	701,500	2,011,500
FY25	1,375,000	640,925	2,015,925
FY26	1,160,000	577,550	1,737,550
FY27	1,230,000	517,800	1,747,800
FY28	1,300,000	454,550	1,754,550
FY29	1,365,000	394,750	1,759,750
FY30	1,430,000	338,850	1,768,850
FY31	1,490,000	280,450	1,770,450
FY32	1,555,000	227,325	1,782,325
FY33	1,610,000	179,850	1,789,850
FY34	1,670,000	130,650	1,800,650
FY35	1,730,000	79,650	1,809,650
FY36	1,790,000	26,850	1,816,850
	<u>\$ 22,115,000</u>	<u>\$ 6,109,300</u>	<u>\$ 28,224,300</u>

Outstanding Debt Issues

Series	Principal	Matures
2019	22,115,000	FY36
Total	<u>\$ 22,115,000</u>	



**SUGAR LAND 4B CORPORATION
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2022**

	Project #	Project Title	FY21	Description
MUNICIPAL	CMU2201	Public Arts Project	\$ 250,000	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).
PARKS	CPK2201	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.
PARKS	CPK2202	Old Imperial Farm Cemetery	150,000	Design and construction of the existing cemetery to create a historical and cultural destination site.
STREETS	CST2205	University Blvd Widening - Mobility Bond (Intersection Improvements)	200,000	Design and construction of intersection improvements at Wescott Avenue and Branford Place along University Boulevard. Improvements to include but not limited to dual left turn lanes, bays and other necessary enhancements.
TRAFFIC	CTR2201	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 Beautification Policy.
		Total	\$ 1,000,000	

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Property Taxes	\$ 1,717,993	\$ 2,003,706	\$ 1,855,344	\$ 2,031,864	\$ -	\$ 2,031,864
Interest Income	1,768	2,000	50	100	-	100
Total Revenues	1,719,761	2,005,706	1,855,394	2,031,964	-	2,031,964
EXPENDITURES						
Insurance	1,896	1,896	1,804	1,896	-	1,896
Town Square POA Events	250,000	250,000	250,000	250,000	-	250,000
Contractual Services	1,000	100	128	130	-	130
Support Services Reimb	8,370	8,370	8,370	2,594	-	2,594
Operating Expenditures	261,266	260,366	260,302	254,620	-	254,620
Plaza Events - Transfer to General Fund	70,000	170,000	170,000	70,000	-	70,000
Assignment to SLDC/SL4B	1,406,886	1,645,300	1,520,300	1,646,863	-	1,646,863
Non-Operating Expenditures	1,476,886	1,815,300	1,690,300	1,716,863	-	1,716,863
Total Expenditures	1,738,152	2,075,666	1,950,602	1,971,483	-	1,971,483
Revenues Over/(Under) Expenditures	(18,391)	(69,960)	(95,208)	60,481	-	60,481
Fund Balance - Beginning	118,235	99,844	99,844	4,636	-	4,636
Fund Balance - Ending	\$ 99,844	\$ 29,884	\$ 4,636	\$ 65,117	\$ -	\$ 65,117

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Incremental Property Taxes - County	\$ 533,797	\$ 644,199	\$ 634,614	\$ 769,637	\$ -	\$ 769,637
Incremental Property Taxes - City	432,100	528,470	530,887	619,075	-	619,075
Interest Income	471	250	6	5	-	5
Total Revenues	966,368	1,172,919	1,165,507	1,388,717	-	1,388,717
EXPENDITURES						
Legal Services	24,361	28,957	28,809	21,302	-	21,302
Admin Services	19,544	2,285	2,285	6,472	-	6,472
Assignment to IRD- TIRZ Revenue Fund	941,353	1,149,461	1,142,197	1,360,943	-	1,360,943
Total Expenditures	985,258	1,180,703	1,173,291	1,388,717	-	1,388,717
Revenues Over/(Under) Expenditures	(18,891)	(7,784)	(7,784)	-	-	-
Fund Balance - Beginning	38,015	7,784	7,784	-	-	-
Fund Balance - Ending	\$ 19,124	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY20 Actuals	FY21 Current Budget	FY21 Projections	FY22 Base Budget	FY22 Changes	FY22 Budget
REVENUES						
Incremental Property Taxes- City	\$ 362,309	\$ 379,661	\$ 391,592	\$ 411,111	\$ -	\$ 411,111
Incremental Property Taxes- FB County	362,731	382,113	372,780	415,227	-	415,227
Incremental Property Taxes- FB MUD 138	227,273	238,859	223,035	297,339	-	297,339
Incremental Property Taxes- FB MUD 139	55,589	79,534	53,706	92,832	-	92,832
Interest Income	25,613	30,000	3,000	15,000	-	15,000
Total Revenues	1,033,515	1,110,167	1,044,113	1,231,509	-	1,231,509
EXPENDITURES						
Support Services- Legal Services	-	50,000	250,000	50,000	-	50,000
Support Services- Admin Support	25,808	16,058	16,058	12,441	-	12,441
Total Expenditures	25,808	66,058	266,058	62,441	-	62,441
Revenues Over/(Under) Expenditures	1,007,707	1,044,109	778,055	1,169,068	-	1,169,068
Fund Balance - Beginning	4,051,930	5,059,637	5,059,637	5,837,692	-	5,837,692
Fund Balance - Ending	\$ 5,059,637	\$ 6,103,746	\$ 5,837,692	\$ 7,006,760	\$ -	\$ 7,006,760

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 under a set of assumptions. This year, those assumptions are highly uncertain due to the impact on revenues from the COVID-19 pandemic. However, looking at a long range forecast provides an opportunity to look into the future and advise elected officials regarding anticipated events and strategies to handle the financial implications of decisions. Long range modeling has been extremely important in guiding the financial recommendations in the FY21 budget as it requires addressing revenue decreases with either replacement revenues or decreases in expenditures.

The forecast outcome is highly dependent on several key assumptions that are based on information available at the time of preparation. This forecast is based on information available through mid-July 2021. As we enter the second year of economic impacts from COVID-19 and related uncertainty, we are starting to see a return to normal and optimism for continued recovery. However, our approach to financial management continues to be conservative – though in a modified manner. A change in one or more of the assumptions used in forecasting can significantly alter the outcome of the forecast, which could have a tremendous impact on the City's tax rate and capacity for future needs. Based on these assumptions, the forecast shows the following:

- With a shift from debt service to operations, the tax rate can support both budgeted operating and debt service needs.
- Sustain FY22 service levels throughout the forecast and rebuild funding reduced through strategic cuts from COVID-19 impacts.
- Maintain General Fund dependence on sales tax to fund operations below 45%.
- Fund the next set of projects out of the \$90.76 million in voter approved GO bonds in FY22 with remaining projects funded through FY25 with a 3 cent tax increase, with approximately one-cent in FY22 and the remaining 1.55 cent increase in FY23-24.
- Fund operating needs and construction requirements to meet the mandated 60% groundwater reduction mandate from the Fort Bend Subsidence District in 2025.
- Increases are needed in Utility rates over several years as recommended in the Utility Rate Study to:
 - Support enterprise fund capital projects and implementation of the Integrated Water Resources Plan.
 - Prepare the City to meet the 60% groundwater reduction mandate by 2025.
- Set aside funds for continued economic development 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 assumptions.

Revenues

Property Taxes

Fiscal Year 2022 property taxes are budgeted at \$56.7 million with \$34.2 million going to operations and maintenance in the General Fund and \$22.5 million for the Debt Service Fund. General Fund tax revenues assumed to grow 5% from the prior year in FY21 and FY22 to meet revenue needs and then grow 3.5% in FY23-25. No growth is assumed in Debt Service tax revenues outside of the tax rate increase to support the 2019 voter approved GO bonds. Revenues assume an approximate one-cent increase in FY22 and the remaining 1.55 cents in FY23-24.

Sales Tax

To balance both conservatism and further potential recovery in this revenue stream, a blended approach was taken for both the FY22 budget and five-year forecast. The methodology for the FY22 estimate begins with following the Financial Management Policy of estimating projected recurring revenue from the current year, but also includes an estimate for further potential recovery in the Food & Entertainment sector over what was received in FY21 recurring revenue. FY23 is grown from the FY22 budget at 1.5%, which utilizes a conservative middle-ground between the February 2020 CPI of 1.0% and February 2021 CPI of 4.5%. To prevent compounding any potential down-side risk throughout the forecast, the FY24 estimate has been set to FY19 actual revenues. FY25 and FY26 returns to the FMPS direction of 3% annual recurring increases.

Interest Earnings

Interest earnings for each fund are estimated based on available fund balances and the current rate of return trend. Interest earnings are assumed conservatively based on the current interest rate environment- which is significantly lower than seen in prior years.

Self - Supporting Debt Service Requirements

Tourism Fund: 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.

The Utility Fund transfers to the Debt Service Fund an amount equal to 100% of the annual debt service requirement for water/wastewater debt assumed from annexed and dissolved MUDs. All MUD debt will be paid off by FY26, and the transfer for debt service declines as the debt service requirement declines.

Enclave at River Park PID fund transfers to the Debt Service Fund to support Certificates of Obligation issued in 2019 for a developer reimbursement for street & drainage infrastructure. The transfer is funded from assessments levied on homeowners within the PID.

Transfer from	FY22	FY23	FY24	FY25	FY26
Tourism Fund	\$ 1,343,807	\$ 1,344,078	\$ 1,344,214	\$ 1,352,174	\$ 1,357,225
Utility Fund- MUD Debt	4,280,258	4,228,005	3,984,695	3,567,094	1,244,739
Enclave at River Park PID	114,413	105,788	102,288	98,788	95,288

Issuance of New Debt

The forecast builds in debt service payments based on the timing of each anticipated issuance of debt. Debt payments are budgeted beginning in the year of issuance and are built based on a twenty-year maturity schedule, with at least 50% of principal paid off in the first 10 years, consistent with Financial Management Policy Statement direction.

Debt Type	FY22	FY23	FY24	FY25	FY26	Total
GO Bonds	\$ 29,964,000	\$20,530,000	\$10,640,000	\$17,850,000	\$ -	\$78,984,000
Airport CO's	441,565	-	-	-	-	441,565
Utility Revenue Bonds	23,899,400	13,464,400	14,581,560	72,693,200	9,297,000	133,935,160
Total by Year	54,304,965	88,299,365	25,221,560	90,543,200	9,297,000	213,360,725

General Obligation Bonds approved by voters in November 2019 will be issued over a five-year period to support projects as recommended by City Council during the FY22 budget planning workshop. The first issue was sold in June 2021. A 30-year zero interest loan from the Texas Water Development Board funds \$16.5 million in drainage projects from the GO bond authorization. This loan closes in August 2021 but is shown above based on project appropriation.

Utility Charges for Services

Revenues in the Utility System Fund are based on the modeled average billed water consumption, based on normal year's rainfall and groundwater usage from GRP participants. There is minimal growth in water consumption due to development. Revenue increases are built into the forecast based on the Utility Rate Study completed in FY21 to be able to manage the operations and financial sustainability of the fund and implement capital projects to meet the mandated 60% groundwater reduction by 2025. The forecast includes the remaining \$10/month increases in FY22 and FY23 as recommended by the rate study, with maintenance increases in FY24-26 based on 3% growth in CPI.

Airport Fuel Sales

Fuel sales are built into the forecast based on estimated fuel prices and mark up. Volume of fuel is estimated to return to FY19 levels by FY22, and grow 1% each year for the remainder of the forecast. Total sales include Jet-A and AvGas.

Fuel Sales	FY22	FY23	FY24	FY25	FY26
Millions of Gallons	3.269	3.302	3.335	3.368	3.402

Expenditures

Operating Expenditures

Personnel costs increase by 3% in FY22 and 3% annually thereafter. Operations and maintenance costs grow by an average of 2% per year for the Utility Fund, 0.5% per year for the General Fund and 1.5% for the Airport Fund.

Property Tax Rebates

The City makes rebates to in-city MUDs based on 50% of the City's property tax revenue from within each district based on utility agreements and development agreements. The rebates must be utilized by the districts to reduce their tax rates. Rebates are grown consistent with property tax revenue in the forecast: 3.5% for the General Fund in FY22 with corresponding increase in the Debt Service fund based on the tax rate increases needed to support the voter approved GO bond projects in FY22-24.

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, Planning & Development, Environmental & Neighborhood Services and Public Works. Reductions made to rehabilitation funding in FY21 due to the impact of

COVID-19 are replenished over two years (FY22-23) to get back to previous recurring funding levels. Reductions to Fleet & High Tech replacement contributions that were made in FY21 are reinstated over a five-year period FY22-26.

Additional recurring expenditures are limited in the out - years based on the structural balance. Until revenues return to pre-COVID levels, outside of current personnel and O&M assumptions, the forecast indicates that no additional recurring funds can be added within the anticipated revenue streams. Additional revenues from user fees, property taxes or other sources will be necessary to support future additions to the budget if desired by future City Councils. The current forecast requires \$3M in new revenue by FY23 and will be part of additional conversation with City Council about priorities and service levels in the fall.

Overall, the General Fund is in a stable financial position throughout the forecast. With conservative revenue estimates and controlled expenditures, the City generally ends each fiscal year better than anticipated and will easily be able to stay above the policy requirement.

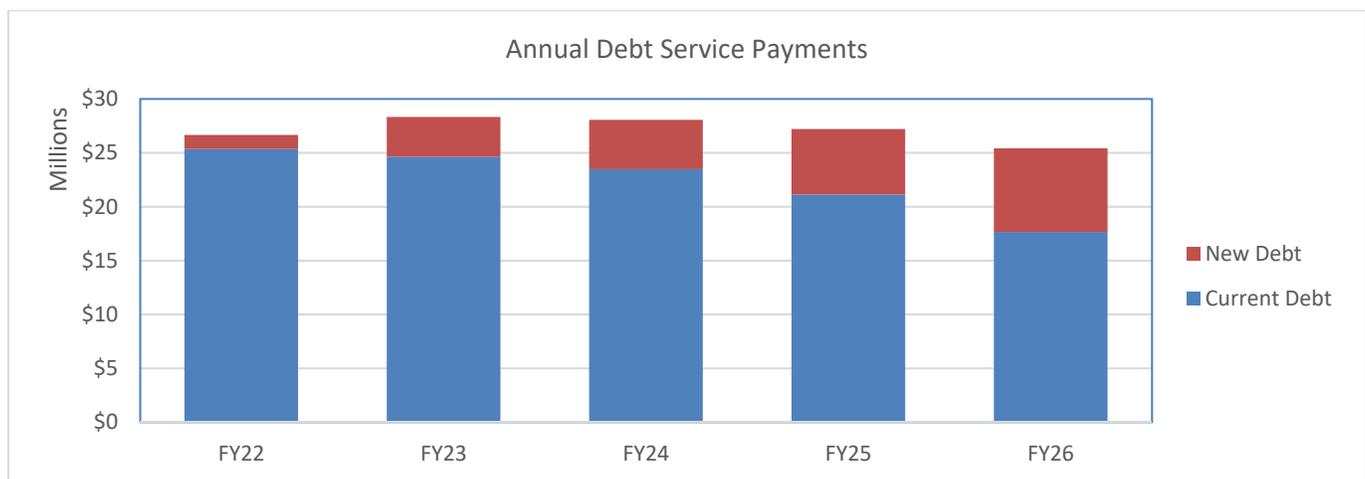
Debt Service Funds

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 Certificates of Obligation issued for the Smart Financial Centre at Sugar Land.

Debt Service Fund

The Debt Service Fund maintains the policy requirements throughout the five-year forecast. Transfers in from other funds are shown in accordance with the debt schedules that are supported by those revenue streams. Based on the assumptions described the fund can support debt service payments on outstanding debt issues plus the planned issuance of GO's in FY22-25 with additional debt capacity opening up in FY26 from declining debt service requirements. The forecast assumes continued implementation of the three-cent tax increase that is needed to support \$90.76 million in voter approved GO bonds from FY22-24 to fund projects from FY22-25.

The chart shows annual debt service requirements for existing and anticipated bond issues:



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 are made monthly according to the terms of the thirty-year lease. Until a four-year debt service reserve is fully funded with cash, a letter of credit has been secured by ACE Sugar Land, LLC to cover their obligations for the reserve.

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, increasing previously low bond coverage ratios through the recommended rate increases and building cash reserves that can be used to reduce the amount of debt issuance necessary to fund future capital projects.

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 comes from the utility rate model and is based on consumption during an average rainfall year; however, annual variation from average rainfall can have a significant impact on water demand and subsequent revenues. Rate increases are assumed throughout the forecast to support debt service and operating expenses for the system and maintain adequate reserves and bond coverage ratios. Rates need to be increased in advance of capital projects to build up operating revenue available for debt service in advance of bond issues. With significant capital investment necessary in the utility system, implementation of these rate increases are critical for the financial health of the system.

Revenue bonds for the forecast total \$133.95 million that are planned to be issued for capital improvement projects in support of the Integrated Water Resources Plan and preparation of meeting the mandated 60% reduction in groundwater usage by 2025. The debt service reserve grows from \$7.07 million in FY21 to \$12.2 million in FY26 based on planned debt issuance and reserve requirements.

The fund is expected to build up cash reserves and increase bond coverage ratios throughout the forecast. By the end of FY24 a significant cash reserve is built up, which is planned to be used to fund a portion of capital projects with cash to meet the groundwater reduction mandate. The additional cash is necessary to meet the increase in bond coverage requirements ahead of the \$72.7 million bond issue planned for FY25.

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 throughout the five year forecast.

Total revenues for the Airport are expected to increase over the next five years. Fuel sales are projected to recover by FY22, returning to FY19 levels. Additionally, hangar leases and other revenues will continue to grow throughout the forecast, which were minimally impacted by COVID-19. The Airport is scheduled to receive reimbursement from TxDOT Aviation in FY26 and FY27 totaling \$2.88 million in support of 95 acres of land purchased from the Central Prison Unit in 2016 for the Airport.

Fuel for resale is projected to be consistent with the recovery in Fuel Sales. Expenditures are projected to increase in the forecast at an average of 1.5% over the five-year period, excluding fuel expenditures and credit card fees, which have offsetting revenues. FY22 capital projects for the Airport are planned to be financed through Certificates of Obligation that will be serviced by the Airport Fund. Capital projects in FY23-26 can be supported through airport 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.

Hotel occupancy tax revenues are projected to decrease by 25% in FY21 from anticipated revenue due to the impact COVID-19. However, in FY22 the hotel occupancy revenue is estimated to increase by 22% from FY21 projections. The City has pledged hotel tax revenues to the Debt Service Fund to pay for the debt service on the Conference Center and in support of debt issued for the Smart Financial Centre and TIRZ #4 plaza. 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 \$1.9 million will be spent on tourism programs and marketing and \$1.3 million on the visitor center. A portion of funding for these programs was reduced in FY20 and funding does not return to pre-COVID levels during the forecast.

The fund will transfer \$6.7 million to the Debt Service Fund to support existing debt service payments for the Conference Center and Smart Financial Centre at Sugar Land. The fund is anticipated to exceed the fund balance policy requirement throughout the forecast.

Five-Year Capital Improvement Program

The City's Five-Year CIP totals \$259.1 million for FY22-FY26. The Five Year CIP has been prepared based on available funding and includes \$79 million for the remaining voter approved GO bond projects.

Funding for CIP projects are derived from various sources including utility revenue bonds, general obligation bonds, economic development sales taxes, airport revenues, and donations. Major projects in the Five-Year CIP include drainage, municipal, streets, traffic, water, wastewater and surface water. A summary by project type and the funding totals are shown below.

PROJECT TYPE	2022-2026 TOTAL	SOURCE OF FUNDS	2022-2026 TOTAL
Airport	\$1,119,565	CO's / Airport	\$441,565
Drainage	36,424,000	GO Bonds	78,984,000
Municipal	36,800,000	Utility Revenue Bonds	133,935,160
Parks	2,150,000	SLDC	4,000,000
Streets	15,950,000	SL4B	5,850,000
Traffic	2,705,000	Airport Revenues	678,000
Surface Water	89,236,760	System Revenues	10,000,000
Wastewater	32,225,000	Other Funds	3,400,000
Water	42,473,400	CIP Fund Balance	21,795,000
TOTAL	\$ 259,083,725	TOTAL	\$ 259,083,725

If a 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.

Expenditures over the forecast total \$48.30 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 million each year. The forecast allocates \$1.7 million annually for direct incentives. A total of \$10.1 million has been identified as Reserve for Opportunities funding in the five-year forecast. The Corporation is planned to support a portion of Owens Road and the long-term roadway alternative to the Brazos River Turnaround through to UH Sugar Land campus in FY23 for a total of \$4 million, along with funding from Fort Bend County. This fund helps support additional economic development staff in while staff is dedicated to business recovery efforts.

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.

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. This debt pays off in 2025.

A performance agreement with First Colony Mall Lifestyle Center is budgeted annually. The forecast also includes the stadium enhancement incentives as part of the Houston Astros Triple-A Agreement totaling \$7.50M. In the forecast the SL4B contributes \$5.85 million for capital improvements, including Joint Participation in CIP, Public Art Projects, landscape replacement for major roadway and enhancement projects, improvements to the Old Imperial Farm Cemetery, University Boulevard widening, Senior Center improvements and the 4B's portion of the long-term roadway alternative to the Brazos River Turnaround through to UH Sugar Land campus. The Corporation has one outstanding debt issue that matures in 2036 and reflects savings from the 2019 refunding. Debt service payments decrease from \$2.21M in FY22 to \$1.63M in FY26. A total of \$6.5 million is available for Reserve for Opportunities funding in the five-year forecast. This fund helps support additional economic development staff while staff is dedicated to business recovery efforts.

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.

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Property Taxes	\$ 32,375,378	\$ 34,164,356	\$ 35,358,353	\$ 36,592,354	\$ 37,868,544	\$ 39,187,435
Sales Tax	40,302,584	39,273,423	39,862,524	40,631,376	41,850,318	43,105,827
Other Taxes	6,261,761	6,274,495	7,039,000	7,239,000	7,445,000	7,657,000
Licenses & Permits	3,318,883	3,628,653	3,696,000	3,782,000	3,870,000	3,960,000
Charges for Services	3,276,225	3,745,552	6,338,000	6,592,000	6,791,000	6,997,000
Fines & Forfeitures	1,145,242	1,590,504	1,643,000	1,694,000	1,745,000	1,797,000
Other	831,118	821,752	846,000	871,000	897,000	924,000
Intergovernmental	9,747,044	952,322	1,013,330	1,038,700	1,064,700	1,091,700
Interest Income	150,000	150,000	200,000	250,000	300,000	350,000
Operating Revenues	97,408,235	90,601,057	95,996,208	98,690,430	101,831,562	105,069,962
Transfers In	6,140,544	7,012,862	6,496,000	6,682,000	6,873,000	7,070,000
Non-operating Revenues	6,140,544	7,012,862	6,496,000	6,682,000	6,873,000	7,070,000
Total Revenues	103,548,779	97,613,919	102,492,208	105,372,430	108,704,562	112,139,962
EXPENDITURES						
General Government	18,246,829	16,998,658	17,984,000	17,213,000	17,615,000	18,026,000
Finance	4,432,919	4,531,412	4,473,000	4,577,000	4,684,000	4,794,000
Public Works	13,968,440	14,433,671	13,703,000	14,013,000	14,326,000	14,647,000
Parks & Recreation	5,233,878	5,451,541	5,322,000	5,445,000	5,570,000	5,698,000
Community Development	6,050,040	6,090,309	5,892,000	6,030,000	6,169,000	6,312,000
Environmental & Neighborhood SVC	6,681,866	6,830,863	6,639,000	6,792,000	6,948,000	7,108,000
Police Department	22,632,111	23,135,982	23,404,000	23,957,000	24,521,000	25,101,000
Public Safety Dispatch	3,066,455	2,969,139	3,034,000	3,106,000	3,179,000	3,254,000
Fire Department	16,848,731	17,680,535	18,774,824	20,007,824	20,482,000	20,967,000
Departmental Expenditures	97,161,269	98,122,110	99,225,824	101,140,824	103,494,000	105,907,000
Transfers to Other Funds	1,256,025	1,448,983	1,796,058	2,146,925	2,501,858	2,527,155
Miscellaneous	(399,899)	1,268,224	331,291	307,750	283,053	257,164
Rebates & Assignments	2,706,660	2,706,556	2,832,111	2,931,332	3,033,879	3,139,933
Non-departmental Expenditures	3,562,786	5,423,763	4,959,460	5,386,007	5,818,790	5,924,252
Total Expenditures	100,724,056	103,545,873	104,185,284	106,526,831	109,312,790	111,831,252
Revenues Over/(Under) Expenditures	2,824,723	(5,931,954)	(1,693,077)	(1,154,401)	(608,228)	308,710
Fund Balance - Beginning	39,539,612	42,364,335	36,432,381	34,739,305	33,584,903	32,976,675
Accrued Sales/Franchise Taxes	(6,565,945)	(6,565,945)	(6,565,945)	(6,565,945)	(6,565,945)	(6,565,945)
Fund Balance - Ending	\$ 35,798,390	\$ 29,866,436	\$ 28,173,360	\$ 27,018,958	\$ 26,410,730	\$ 26,719,441
Ending Fund Balance- % of Oper Exp	43%	33%	30%	28%	27%	26%
Fund Balance - Requirement	\$ 20,956,813	\$ 22,759,893	\$ 23,645,017	\$ 24,091,323	\$ 24,647,169	\$ 25,230,674
Over / (Under) Policy	14,841,577	7,106,543	4,528,342	2,927,635	1,763,561	1,488,766

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Current Property Tax	\$ 21,063,911	\$ 22,437,904	\$ 23,935,111	\$ 24,698,106	\$ 24,512,703	\$ 24,512,703
Delinquent Property Taxes	75,397	56,095	59,838	61,746	61,281	61,281
Interest on Investments	20,000	20,000	20,000	30,000	30,000	30,000
Bond Proceeds	2,298,682	-	-	-	-	-
Operating Revenues	23,457,990	22,513,999	24,014,949	24,789,852	24,603,984	24,603,984
Total Transfers In	7,319,344	5,738,478	5,677,870	5,431,196	5,018,056	2,697,251
Non-operating Revenues	7,319,344	5,738,478	5,677,870	5,431,196	5,018,056	2,697,251
Total Revenues	30,777,334	28,252,477	29,692,819	30,221,048	29,622,040	27,301,235
EXPENDITURES						
Current Outstanding & New Debt	27,628,699	26,663,147	28,322,254	28,062,467	27,204,662	24,519,146
Issuance Costs/Fiscal Fees/Other	25,758	29,758	31,258	32,758	34,258	35,758
Refunding Payment to Escrow	2,298,682	-	-	-	-	-
Total Debt Service	29,953,139	26,692,905	28,353,512	28,095,225	27,238,920	24,554,904
Rebates & Assignments	1,777,268	1,814,726	1,981,039	2,092,202	2,129,529	2,182,767
Transfers to Other Funds	87,154	107,719	107,719	107,719	107,719	107,719
Total Other Expenditures	1,864,422	1,922,445	2,088,758	2,199,921	2,237,248	2,290,486
Total Expenditures	31,817,561	28,615,350	30,442,270	30,295,146	29,476,168	26,845,390
CHANGE IN FUND BALANCE	(1,040,227)	(362,873)	(749,451)	(74,098)	145,872	455,845
FUND BALANCE - BEGINNING	7,190,860	6,150,633	5,787,760	5,038,309	4,964,211	5,110,083
FUND BALANCE - ENDING	\$ 6,150,633	\$ 5,787,760	\$ 5,038,309	\$ 4,964,211	\$ 5,110,083	\$ 5,565,928
Policy Requirement	\$ 2,762,870	\$ 2,666,315	\$ 2,832,225	\$ 2,806,247	\$ 2,720,466	\$ 2,451,915
Over/(Under) Policy	3,387,763	3,121,445	2,206,084	2,157,964	2,389,617	3,114,013
Policy Requirement	10%	10%	10%	10%	10%	10%

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Rent	\$1,770,903	\$ 2,005,123	\$ 2,001,998	\$ 2,000,936	\$ 2,000,248	\$ 2,003,807
Interest Income	250	750	1,000	1,000	1,000	1,000
Total Revenues	1,771,153	2,005,873	2,002,998	2,001,936	2,001,248	2,004,807
EXPENDITURES						
Current Outstanding & New Debt	1,593,699	1,591,099	1,592,599	1,588,199	1,587,899	1,589,530
Fiscal Fees/Other	750	750	750	750	750	750
Total Expenditures	1,594,449	1,591,849	1,593,349	1,588,949	1,588,649	1,590,280
Change in Fund Balance	176,704	414,024	409,649	412,987	412,599	414,527
Fund Balance - Beginning	699,692	876,396	1,290,420	1,700,069	2,113,056	2,525,656
Fund Balance - Ending	\$876,396	\$ 1,290,420	\$ 1,700,069	\$ 2,113,056	\$ 2,525,656	\$ 2,940,183

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Charges for Services	\$ 33,530,152	\$ 39,511,660	\$ 43,550,563	\$ 45,711,411	\$ 47,216,073	\$ 48,751,428
Surface Water Fees	17,198,430	21,558,692	24,514,218	25,704,099	26,492,516	27,345,903
Tap Fees	115,000	106,620	106,620	106,620	106,620	106,620
Interest Income	55,000	115,628	138,677	189,323	246,536	379,279
Miscellaneous	1,732,405	739,426	739,426	739,426	739,426	739,426
Operating Revenues	52,630,987	62,032,025	69,049,505	72,450,879	74,801,170	77,322,656
Bond Proceeds	28,144,681	23,899,400	13,464,000	14,581,560	72,693,200	9,297,000
Transfers In - PID	42,981	42,081	41,181	35,281	34,531	33,531
Transfers In - Connection Fees	868,019	868,019	868,019	868,019	868,019	868,019
Non-operating Revenues	29,055,681	24,809,500	14,373,200	15,484,860	73,595,750	10,198,550
Total Revenues	81,686,668	86,841,525	83,422,705	87,935,739	148,396,920	87,521,206
EXPENDITURES						
Utility Administration	1,201,001	779,560	798,806	818,587	838,920	859,821
Water Distribution	2,652,025	2,790,021	2,780,508	2,832,195	2,885,116	2,939,304
Water Production	2,883,143	3,481,308	3,529,149	3,577,860	3,627,460	3,677,970
Wastewater Collection	1,731,053	1,510,682	1,543,422	1,577,018	1,611,495	1,646,877
Wastewater Treatment	6,407,901	6,616,420	6,592,333	6,669,329	6,747,426	6,826,647
Customer Service	2,073,041	1,567,459	1,599,755	1,632,873	1,666,836	1,701,668
Water Quality	722,752	722,662	740,639	759,118	778,114	797,642
Water Conservation	308,459	298,616	303,574	308,642	313,821	319,114
Treasury	1,765,065	1,843,337	1,876,457	1,910,348	1,945,032	1,980,530
Surface Water	7,867,182	7,794,461	7,993,216	8,852,662	9,240,191	9,443,706
O & M for CIP		-	682,037	644,465	602,173	2,067,816
Total Operating Expenditures	27,611,622	27,404,526	28,439,896	29,583,097	30,256,584	32,261,096
Debt Service	17,823,835	19,697,943	20,217,308	21,386,058	28,346,412	27,798,216
Payment to Escrow Account	16,641,494	-	-	-	-	-
Transfers Out	10,025,942	9,263,725	9,261,306	9,068,329	8,701,564	6,430,554
Miscellaneous	398,212	580,312	580,312	581,312	582,312	583,312
Contingency	534,830	538,875	542,969	547,112	551,305	555,549
CIP Transfers	11,477,500	23,899,400	13,464,000	14,581,560	72,693,200	9,297,000
PAYG - CIP	2,000,000	2,000,000	2,000,000	2,000,000	22,000,000	2,000,000
Total Non-Operating Expenditures	58,901,813	55,980,255	46,065,895	48,164,371	132,874,793	46,664,631
Total Expenditures	86,513,435	83,384,781	74,505,791	77,747,467	163,131,377	78,925,727
Revenues Over/(Under) Expenditures	(4,826,768)	3,456,744	8,916,914	10,188,272	(14,734,456)	8,595,479
Fund Balance - Beginning	21,906,897	17,080,129	20,536,873	29,453,787	39,642,059	24,907,602
Reserve - Debt Service	(7,074,899)	(7,462,777)	(7,946,961)	(8,540,860)	(10,387,782)	(12,234,704)
Fund Balance - Ending	\$ 10,005,230	\$ 13,074,096	\$ 21,506,826	\$ 31,101,199	\$ 14,519,820	\$ 21,268,377

Bond Coverage	1.40	1.57	1.80	1.81	1.48	1.46
Target	1.25	1.25	1.25	1.25	1.25	1.25
Operating Reserves	36%	48%	76%	105%	48%	66%
Target	25%	25%	25%	25%	25%	25%

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Fuel Sales	\$ 12,165,136	\$ 14,399,627	\$ 14,543,623	\$ 14,689,060	\$ 14,835,950	\$ 14,984,310
Hangar Leases	1,795,535	1,739,535	1,765,000	1,789,000	1,813,000	1,839,000
Charges for Services	484,078	435,150	440,000	445,000	450,000	455,000
Interest Income	21,510	50,000	51,000	52,000	53,000	54,000
Other Revenues	292,210	425,000	429,000	433,000	437,000	441,000
Miscellaneous	201,149	210,000	210,000	210,000	210,000	210,000
Operating Revenues	14,959,618	17,259,312	17,438,623	17,618,060	17,798,950	17,983,310
Bond Proceeds	2,138,089	450,396	-	-	-	-
Grant Proceeds	50,000	50,000	50,000	50,000	50,000	50,000
TxDot Grant Reimbursement	-	-	-	-	-	2,340,000
Transfer from Other Funds	189,435	225,000	225,000	225,000	225,000	225,000
Non-Operating Revenues	2,377,524	725,396	275,000	275,000	275,000	2,615,000
Total Revenues	17,337,142	17,984,708	17,713,623	17,893,060	18,073,950	20,598,310
EXPENDITURES						
Airport Administration	1,219,496	1,050,471	1,066,228	1,082,221	1,098,455	1,114,932
Airfield Operations	301,674	305,349	309,929	314,578	319,297	324,086
FBO Services	9,356,458	10,905,144	11,009,943	11,132,642	11,256,757	11,382,304
Café Select	267,239	270,512	274,570	278,688	282,869	287,112
Maintenance and Operations	1,136,689	1,278,345	1,170,645	1,188,205	1,206,028	1,224,118
U.S. Customs	442,890	351,760	357,036	362,392	367,828	373,345
Total Operating Expenditures	12,724,446	14,161,581	14,188,352	14,358,727	14,531,233	14,705,897
Operating Transfers Out	1,240,949	1,284,208	1,320,581	1,357,581	1,395,581	1,434,581
Transfers Out - Bond CIP	750,000	441,565	-	-	-	-
Transfers Out - Non-Bond CIP	-	-	-	-	-	678,000
Debt Service	2,755,412	1,388,447	1,409,774	1,399,524	1,394,467	853,935
Miscellaneous	201,801	214,131	205,300	205,300	205,300	205,300
Total Non-Operating Expenditures	4,948,162	3,328,351	2,935,655	2,962,405	2,995,348	3,171,816
Total Expenditures	17,672,608	17,489,932	17,124,007	17,321,132	17,526,581	17,877,713
Revenues Over/(Under) Expenditures	(335,466)	494,776	589,617	571,927	547,369	2,720,597
Fund Balance - Beginning	4,079,185	3,743,719	4,238,495	4,828,112	5,400,039	5,947,408
Debt Service Reserve	(841,145)	(841,145)	(724,444)	(669,824)	(609,847)	(543,186)
Fund Balance - Ending	2,902,574	\$ 3,397,350	\$ 4,103,668	\$ 4,730,215	\$ 5,337,561	\$ 8,124,819
CASH EQ. RESERVE RATIO (25% min)	47%	61%	72%	82%	91%	136%
BOND COVERAGE (1.25x min)	1.89	2.30	2.32	2.34	3.83	3.79
FUEL GALLONS SOLD	3,025,431	3,269,707	3,302,404	3,335,428	3,368,782	3,402,470

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Hotel/Motel Occupancy Tax	\$ 1,318,642	\$ 1,604,600	\$ 2,008,800	\$ 2,486,300	\$ 2,536,200	\$ 2,587,100
Interest Income	120	150	175	200	250	300
Miscellaneous	25,000	29,100	29,600	29,600	29,600	29,600
Total Operating Revenues	1,343,762	1,633,850	2,038,575	2,516,100	2,566,050	2,617,000
Transfers In	-	-	-	-	-	-
Total Non-Operating Revenues	-	-	-	-	-	-
Total Revenues	1,343,762	1,633,850	2,038,575	2,516,100	2,566,050	2,617,000
EXPENDITURES						
Tourism Program	287,707	290,454	394,297	398,640	403,039	407,493
Visitor Center	251,235	253,411	256,049	260,594	265,244	270,002
Cultural/Public Arts	-	-	-	49,851	51,346	52,887
Total Operating Expenditures	538,942	543,865	650,346	709,085	719,629	730,382
Transfer Out - Debt Service Fund	1,341,100	1,342,343	1,344,078	1,344,214	1,352,174	1,357,225
Transfer Out - Others	550	550	550	550	550	550
Reserve for Opportunities	-	100,000	-	-	-	-
Total Non-Operating Expenditures	1,341,650	1,442,893	1,344,628	1,344,764	1,352,724	1,357,775
Total Expenditures	1,880,592	1,986,758	1,994,974	2,053,849	2,072,353	2,088,157
Revenues Over/(Under) Expenditures	(536,830)	(352,908)	43,601	462,251	493,697	528,843
Fund Balance - Beginning	1,522,234	985,404	632,496	676,097	1,138,348	1,632,045
GAAP Adjustments	(329,758)	(329,758)	(329,758)	(329,758)	(329,758)	(329,758)
Fund Balance - Ending	\$ 655,646	\$ 302,738	\$ 346,339	\$ 808,590	\$ 1,302,287	\$ 1,831,130
Fund Balance Policy (10% of Budgeted HOT)	\$ 131,864	\$ 160,460	\$ 200,880	\$ 248,630	\$ 253,620	\$ 258,710
Over/Under Policy	523,782	142,278	145,459	559,960	1,048,667	1,572,420

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Sales Tax	\$ 6,717,097	\$ 6,545,570	\$ 6,643,754	\$ 6,771,896	\$ 6,975,053	\$ 7,184,305
Interest Income	25,000	25,000	30,000	35,000	40,000	45,000
TIRZ#1	1,375,000	1,500,000	1,600,000	1,600,000	1,600,000	1,625,000
Total Revenues	8,117,097	8,070,570	8,273,754	8,406,896	8,615,053	8,854,305
EXPENDITURES						
Economic Development Program	649,317	625,257	631,510	637,825	644,203	650,645
Economic Development Incentives	690,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Contractual Services	9,790	9,790	9,790	9,790	9,790	9,790
Total Operating Expenditures	1,349,107	2,335,047	2,341,300	2,347,615	2,353,993	2,360,435
Debt Service	4,053,721	4,024,090	3,993,821	3,959,571	3,932,268	3,012,659
Reserve for Opportunities	-	2,000,000	1,500,000	1,800,000	1,800,000	3,000,000
Capital Projects Reimbursement	670,000	-	4,000,000	-	-	-
Transfers to Other Funds	764,123	732,467	749,895	667,892	686,429	705,521
Total Non-Operating Expenditures	5,487,844	6,756,557	10,243,716	6,427,463	6,418,697	6,718,180
Total Expenditures	6,836,951	9,091,604	12,585,016	8,775,077	8,772,689	9,078,615
Revenues Over/(Under) Expenditures	1,280,146	(1,021,034)	(4,311,262)	(368,181)	(157,637)	(224,311)
Fund Balance - Beginning	10,236,444	11,516,590	10,495,556	6,184,294	5,816,113	5,658,476
Accrued Sales Tax	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)
Debt Service Reserve	(3,936,355)	(3,876,840)	(3,812,769)	(3,672,000)	(3,440,500)	(3,012,659)
Fund Balance - Ending	\$ 6,568,908	\$ 5,607,389	\$ 1,360,199	\$ 1,132,786	\$ 1,206,649	\$ 1,410,180
Minimum Fund Balance (15%)	\$ 831,771	\$ 981,836	\$ 996,563	\$ 1,015,784	\$ 1,046,258	\$ 1,077,646
Over/Under Policy	5,737,137	4,625,554	363,635	117,002	160,392	332,534
Bond Coverage Ratio (>1.25x)	1.68	1.65	1.69	1.73	2.33	2.42

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

	FY21 Projections	FY22 Budget	FY23 Forecast	FY24 Forecast	FY25 Forecast	FY26 Forecast
REVENUES						
Sales Tax	\$ 6,717,097	\$ 6,545,570	\$ 6,643,754	\$ 6,771,896	\$ 6,975,053	\$ 7,184,305
Interest Income	15,000	15,000	17,500	20,000	22,500	25,000
TIRZ#1	145,300	146,863	145,008	148,005	146,678	-
Miscellaneous	80,000	80,000	80,000	80,000	80,000	80,000
Total Revenues	6,957,397	6,787,433	6,886,262	7,019,901	7,224,231	7,289,305
EXPENDITURES						
Economic Development Program	874,670	569,870	575,569	581,324	587,138	593,009
Contractual Services	3,950	3,950	3,950	3,950	3,950	3,950
Total Operating Expenditures	878,620	573,820	579,519	585,274	591,088	596,959
Debt Service	3,020,625	2,645,700	2,012,900	2,011,500	2,015,925	1,737,550
Incentives	3,900,000	2,537,500	1,037,500	2,037,500	2,037,500	37,500
Reserve for Opportunities	81,886	500,000	1,000,000	1,000,000	1,000,000	3,000,000
Transfers to Capital Projects	1,650,000	1,000,000	2,900,000	650,000	650,000	650,000
Transfers to Other Funds	881,983	798,888	818,751	840,588	863,056	886,174
Total Non-Operating Expenditures	9,534,494	7,482,088	7,769,151	6,539,588	6,566,481	6,311,224
Total Expenditures	10,413,114	8,055,908	8,348,670	7,124,863	7,157,569	6,908,183
Revenues Over/(Under) Expenditures	(3,455,717)	(1,268,475)	(1,462,408)	(104,962)	66,662	381,122
Fund Balance - Beginning	10,415,398	6,959,681	5,691,206	4,228,798	4,123,836	4,190,498
Accrued Sales Tax	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)	(1,011,327)
Debt Service Reserve	(2,441,009)	(2,211,500)	(2,015,925)	(1,901,500)	(1,770,500)	(1,633,000)
Fund Balance - Ending	\$ 3,507,345	\$ 2,468,379	\$ 1,201,546	\$ 1,211,009	\$ 1,408,671	\$ 1,927,293
Minimum Fund Balance (15%)	\$ 831,771	\$ 981,836	\$ 996,563	\$ 1,015,784	\$ 1,046,258	\$ 1,077,646
Over/Under Policy	2,675,574	1,486,544	204,983	195,225	362,413	849,647
Bond Coverage Ratio (>1.25x)	2.54	3.26	3.31	3.37	4.03	4.12

**CITY OF SUGAR LAND
2022 - 2026 CAPITAL IMPROVEMENT PROGRAM
TOTAL SUMMARY**

PROJECT TYPE	2022 BUDGET	2023 ESTIMATE	2024 ESTIMATE	2025 ESTIMATE	2026 ESTIMATE	2022-2026 TOTAL
AIRPORT	\$ 441,565	\$ -	\$ -	\$ -	\$ 678,000	\$ 1,119,565
DRAINAGE	22,704,000	6,780,000	6,940,000	-	-	36,424,000
MUNICIPAL	4,050,000	10,750,000	1,250,000	20,500,000	250,000	36,800,000
PARKS	350,000	1,200,000	200,000	200,000	200,000	2,150,000
STREETS	3,750,000	9,500,000	2,700,000	-	-	15,950,000
SURFACE WATER	35,000	-	5,811,560	82,863,200	527,000	89,236,760
TRAFFIC	1,905,000	200,000	200,000	200,000	200,000	2,705,000
WASTEWATER	10,020,000	6,945,000	5,920,000	3,420,000	5,920,000	32,225,000
WATER	15,844,400	8,519,000	4,850,000	8,410,000	4,850,000	42,473,400
TOTAL	\$ 59,099,965	\$ 43,894,000	\$ 27,871,560	\$ 115,593,200	\$ 12,625,000	\$ 259,083,725

SOURCE OF FUNDS	2022 BUDGET	2023 ESTIMATE	2024 ESTIMATE	2025 ESTIMATE	2026 ESTIMATE	2022-2026 TOTAL
CO'S / AIRPORT	\$ 441,565	\$ -	\$ -	\$ -	\$ -	\$ 441,565
GO BONDS	29,964,000	20,530,000	10,640,000	17,850,000	-	78,984,000
REVENUE BONDS	23,899,400	13,464,000	14,581,560	72,693,200	9,297,000	133,935,160
SLDC	-	4,000,000	-	-	-	4,000,000
SL4B	1,000,000	2,900,000	650,000	650,000	650,000	5,850,000
AIRPORT REVENUES	-	-	-	-	678,000	678,000
SYSTEM REVENUES	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
CIP FUND BALANCE	1,795,000	-	-	20,000,000	-	21,795,000
OTHER FUNDING SOURCES	-	1,000,000	-	2,400,000	-	3,400,000
TOTAL	\$ 59,099,965	\$ 43,894,000	\$ 27,871,560	\$ 115,593,200	\$ 12,625,000	\$ 259,083,725

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 and the budget, 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 goal measures and/or indicators as compared to target and prior years through the Office Performance & Accountability. 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 no later than 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 Controller (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:

- Recommendation to the City Council on selection of the independent audit firm through a Request for Proposal process.
- 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[®] (Electronic Municipal Market Access) 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. The Director of Finance will work with the City's Bond Counsel and Municipal Advisors to ensure that any financial obligations that must be disclosed to the MSRB are filed timely.

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 Controller. 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 solicit proposals from qualified firms through an RFP process, 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, but not a requirement, to rotate audit 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 selection of the audit firm will be based upon the proposals received, the reputation and qualifications of the firm, and the firm's ability to perform a quality audit.
- However, if through the RFP solicitation and review process, management and the Finance/Audit Committee recommend the current audit firm for another engagement term, 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 Controller 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 ballot propositions, ordinances and notices to call a bond election;
 2. Files all relevant documents with the state Attorney General for approval;
 3. Prepares and oversees bond proceedings;
 4. Ensures that the City meets all the legal requirements and authorization of the bond offering;
 5. Discloses and analyzes all relevant legal proceedings that may have a bearing on the validity of the offering;
 6. Interprets relevant regulations and laws and assists in structuring the issue;
 7. 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. The City may choose to engage Disclosure Counsel on certain transactions, but it is not required.

- 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 at least one year must 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. Recurring revenues are defined as revenues which are reasonably expected to occur each year and can be planned for with a level of certainty, such as property taxes, sales taxes and other revenues based on historical averages. One-time remittances due to audit adjustments or large payments, permit revenues from large construction projects, grants and other unpredictable sources are classified as non-recurring revenues.

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.
5. Operating transfers to Self-Insurance Reserve in the Employee Benefits Fund.
6. One-time expenditures designated in the annual operating budget.

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

1. Grant Revenues.
2. Annexation/Dissolution Proceeds.
3. Reimbursements for One Time Items.
4. Short Term/Inter-Fund Loans.
5. Use of fund balance over policy requirements.

One-time revenues can be appropriated in the budget through one of two methods.

1. After completion of the annual audit, if funds are available over the budgeted fund balance, a budget amendment can be recommended to City Council:
 - a. To appropriate funds for carryover items (in progress but not completed) from the prior year.
 - b. Funds can be appropriated by City Council in accordance with the allowable uses defined below.
2. During the annual budget process, for the following fiscal year:
 - a. Funds identified based on year-to-date actual plus projections for the remainder of the year to determine the projected ending fund balance.
 - b. If funds are available over the policy requirement, they may be allocated for one-time use in the annual budget.

Allowable uses of one-time funding sources, in priority order:

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 the budgeted annual merit pool is reduced.
5. To fund one-time expenditures in the following fiscal year's budget.

Property Taxes

Tax Rate

The no-new-revenue 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 no-new-revenue tax rate is calculated based on a formula established under Section 26.04 of the Tax Code. The voter-approval tax rate provides for a 3.5% adjustment in maintenance and operations (M&O) tax revenues compared to the no-new-revenue operations and maintenance tax rate, plus the debt rate needed to meet outstanding debt obligations for the year. A tax rate that exceeds the voter approval tax rate requires a mandatory election in November to approve the tax rate by voters. (Tax Code Section 26.07)

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 budget based on property tax revenues 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. In accordance with the voter-approval tax rate,

the tax rate will be managed to maintain a tax rate that maintains a 3.5% adjustment in tax revenues, excluding new growth and prior to implementation of new voter authorized debt.

As economic conditions permit and in accordance with the voter-approval tax rate, the City Manager will recommend a tax rate that is equal to a 3.5% adjustment to the tax bill to maintain existing service levels, recognizing that individual tax bills will vary based on a number of factors, including revaluation, residential vs commercial revaluation and exemptions. Adoption of the annual budget and tax rate will take into account growth in the certified tax roll, adjustments to the nominal tax rate and the homestead exemption- with a long term objective of stability in the tax rate and predictability of tax bills.

As stated in the GO bond section of the FMPS, in the tax year after a GO bond election, the debt service tax rate will be adjusted based on the projected impact of the bonds- before any projects from the GO bond election are funded in the CIP. (see page 29)

For budgeting and forecasting purposes, the City will assume:

- An annual growth of 3.5% in M&O tax revenues based on the voter-approval tax rate.
- Debt service tax revenues will be forecast to support the City's anticipated debt obligations plus the stated tax adjustment from bond election propositions.
- Depending on revaluation, the tax rate split may need to be adjusted between debt service and M&O to achieve the voter-approval tax rate.
- If residential revaluation consistently exceeds commercial revaluation, consider adjusting the homestead exemption to rebalance the tax roll.
- Homestead exemption adjustments will occur in the year following the significant valuation adjustment.
- Any new value to the tax roll will result in growth in the tax levy, which is needed to support services to the new development.

Homestead Exemption

The residential homestead exemption is a tool available to the City to manage residential tax bills in the long term. 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 adjustment to the homestead exemption. City Council may direct the City Manager to pursue an adjustment to the homestead exemption as part of a broad financial management strategy to rebalance the tax roll, or to offset a planned adjustment to the tax rate, recognizing that increasing the homestead exemption reduces the tax revenue generated to the City from the existing tax rate. In accordance with state statute, a recommended change in the homestead exemption shall be presented to City Council to allow approval through two readings of an ordinance prior to July 1.

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).

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 System 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 recurring revenue as a baseline for the following year's budget, which is net of audit adjustments and large one-time payments and includes zero growth.

The purpose of defining forecast parameters is to better realize when changes in the utilization of property tax use may be necessary (i.e. 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 estimate sales tax revenue in years 2-5 of the forecast: CPI as published by the Bureau of Labor Statistics for -All Urban Consumers for the Houston-Sugar Land-Baytown MSA.

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%.

Utility System Revenues

Utility System 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 water, wastewater and surface water rates shall be made based on revenue requirements over the five year forecast for the utility system fund, and adjustments necessary to build and maintain revenue coverage requirements shall be made in advance of anticipated bond issues, if possible, to allow for smaller adjustments 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 pool, 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 adjustments. Other than adjustments due to changes in the compensation plan, salary adjustments are to be earned through merit and/or promotions.

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 (Resolution No. 13-21). 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. Under Tax Code Section 26.05(a), if the proposed tax rate is more than 3.5% above the No New Revenue Tax Rate (voter-approval tax rate), the budget and tax rate must be adopted not later than 71 days before the November election date. This is the deadline for an election to be called for November for voters to approve the tax rate that exceeds the voter approval tax rate. 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 in accordance with interdepartmental policy AD-113: Operational Authority Limits.

Upon approval by the City Council, the budget must be filed with the County Clerk.

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. See interdepartmental policy AD-113 for guidance on Operational Authority Limits.

Contingency Funds

The City recognizes that one-time expenditures cannot always be anticipated, and that it is not efficient for departments to set aside recurring funding for unanticipated expenses, such as run-off elections or emergency repairs that don't occur every year. A centralized contingency allows for management of one-time funds available to meet those needs, subject to approval by the City Manager.

The General Fund operating budget will include a contingency account equal to ½ of 1% of operating expenditures in the adopted budget. The Utility, Airport and Solid Waste funds will each budget a contingency of one-time funds appropriate to the potential unexpected operating needs for each fund.

Contingency funds are budgeted as a one-time expenditure. Use of contingency funds requires approval by the City Manager and are limited to funding one-time items that are not funded in the annual budget, or that could not have been planned for during the annual 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 one-time 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.

- Budget Amendment for Carryovers- appropriating funds for one-time items budgeted in the previous fiscal year that were in progress but not complete at year-end. Funding comes from fund balance in excess of policy requirements at the end of the fiscal year.
- Budget Amendment for Projections- as part of the annual budget process, the Budget Office re-estimates revenues and expenditures based on year to date actuals plus a projection for the remainder of the year. The budget is amendment to formally document the projections, which becomes the revised budget for the year.

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 funding source, such as:

- 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 or other funding source, such as operating contingency.
 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 or anticipate revenues falling short of budgeted 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 or reduce planned merit increases.
6. Use of fund balance, including Replacement Fund balances.
7. Adjustment of 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
- Utility System 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. The City's portion will be deposited into the General Fund. Revenues over the budgeted recurring sales tax will be identified and set aside as one-time revenues for allocation as a one-time funding source during the next year's budget process.
- c. 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 System Transfer to the Debt Service Fund for Assumed Water/Wastewater Debt

The Utility System 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.
- d. If the City refunds outstanding bonds assumed from municipal utility districts, the transfer to the debt service fund will be adjusted in the following year's budget to reflect the updated debt service schedule.

Surface Water Revenues

The City will account for revenues and expenses associated with the mandated reduction in groundwater usage within the Utility System Fund.

- 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). This rate is set by Ordinance.
- 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.

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. Where possible, the City will implement collection improvement programs to improve payment of amounts owed to the City. These programs can include, but are not limited to, inter-local cooperation between government entities and prohibiting receipt of optional services when outstanding balances are due.

- a. The City shall contract for billing and collection services when it makes financial sense to do so.
 - a. Emergency Medical Services 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 and the City will continue to do so as long as it 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. Emergency Medical Services Fees
 - c. Miscellaneous Receivables, including Alarm Response Fees
 - d. 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.
 - b. Annually, City Council approve the write off of certain property taxes under the Tax Code that is not subject to a lawsuit (10 years for personal and 20 years for real property). The Tax/Assessor-Collector submits the amounts to the City to be written off, for approval by the City Council.

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. Rate adjustments are to be recommended based on the revenue requirements identified in the utility rate model based on the five-year capital improvement program, consumption data and other factors that influence the utility system demands for services and capacity.
- d. If rate adjustments are necessary, the Five-Year Financial Plan shall be built around smaller rate adjustments annually versus higher rate adjustments periodically. Rates shall be set to ensure that the revenues exceed coverage requirements established in bond covenants based on anticipated system demands.

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. Fees shall be set to recover an appropriate level of cost for each service, depending on what proportion of the cost has been determined to be supported by general revenues. 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. Fees 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 on or after the effective date of the fee ordinance.

Non-Resident Surcharges

For services provided to municipal utility districts, facilities located outside the City limits 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 ensure fiscal stability and the effective and efficient delivery of those services within the service delivery plan.

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.

Service Delivery Plans

Departments and Offices shall prepare a service delivery plan to define their operating objectives.

- a. The service delivery 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 service delivery plan shall include an organizational chart, service description and service levels, and measures that indicate how well the service is being delivered.
- c. The service delivery plan shall include an explanation of how services are delivered (by city staff or contracted) and expected results of the service.

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 high level summary of services from the service delivery plan, as well as key 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. Maintenance and repairs must be documented at an appropriate level to allow a third party to understand what was performed and when. This will ensure that if an asset is damaged in an emergency that the City will reimbursed for the damages that are not due to normal wear & tear. Should damages occur to an asset, the damages should be carefully documented prior to making repairs to ensure the City can be reimbursed from insurance or FEMA funds, as appropriate.

Periodic Operational Reviews

The City Manager and staff shall undertake periodic operational reviews of City programs and services for both efficiency and effectiveness. The operational reviews can be conducted in-house by the Office of Performance and Accountability or contracted to a consultant with expertise in a particular area.

Outsourcing and contracting with other governmental agencies and/or the private sector can be evaluated as alternative approaches to service delivery, as well as insourcing services to achieve efficiency, preserve service levels and cost savings compared to contracting. 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 vs Insourcing 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.

Services that are currently outsourced should be evaluated for delivery of services in-house only if insourcing results in improved service levels and/or cost savings. 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 System and Airport Funds. Enterprise funds without major infrastructure or assets will have no minimum balance requirement. Minimum reserve balances exclude debt service reserves or restricted funding. A cash equivalent operating reserve will be established and maintained as follows:

1. Utility System 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.

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 of return at the time of the loan.

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. Completion of payments will be reported to City Council through a memorandum which will also document the status and terms of any other inter-fund loans. If any circumstances arise that could prevent payment of the loans as scheduled, the City Council will be notified in writing as soon as possible.

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 estimated maximum liability to the City before aggregate stop loss coverage kicks in, less budgeted funding. If the reserve falls 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 \$10,000 for any individual item.

The capitalization threshold of \$10,000 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.

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, PARCS 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 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, voter approved bond authorization, revenue 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 one-time revenues and other funding sources. Projects recommended for funding from non-voter approved bond sources should be consistent with the overall prioritization and ranking of the five year CIP.
- 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. Use of remaining bond proceeds after project completion should be targeted to be consistent with the overall prioritization and ranking of the five year CIP.
- 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 System 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 System 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.
- 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 operating budget should be funded at a level to ensure 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, Resolution No. 02-40)

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.

The City may also consider requests for participation in funding capital enhancements to projects that have been completed and are open to the public. (see Resolution No. 19-03, Policy on Requests for Funding Public Destination Venue Capital Enhancement Projects) Funding is to be provided through the Sugar Land 4B Corporation and projects must qualify under this policy to be considered for funding. One-time funding may be appropriated in the SL4B budget from fund balances available over the policy requirement or from Reserve for Opportunity Funding that has been appropriated in the budget.

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 transfer from 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.

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 obligation, 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
- Voter authorized bonds and tax rate impact

Affordability

The City shall use an objective analytical approach to quantify the impact of 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 overall tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures.

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 M&O tax rate could be pushed over the voter-approval tax rate, which is 3.5% over the no-new-revenue tax rate. This would cause the tax rate to need further approval by voters once the project is completed and placed into service. If additional capacity within the 3.5% voter-approval rate is available, this capacity can be reserved for future implementation of voter approved bond projects to support the O&M impacts of the projects.

Debt Capacity

The City shall complete an assessment of debt capacity and the tax impact of proposed bond funded projects as part of the GO bond planning process. The debt capacity is the upper limit on the dollar amount of capital improvements that the City can afford to fund from debt within the proposed debt service tax rate.

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 assume a debt structure that meets the policy requirement to pay 50% of principal within the first 10 years of issuance. 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, current debt capacity shall be determined by an amount of annual debt service that the City can fund within a flat debt service tax rate with no growth in assessed valuation. The affordability shall include the anticipated impact to the tax rate necessary to support the proposed debt. This tax rate impact should be stated as a maximum impact with no assumed future changes to residential exemptions or growth from revaluation or new taxable value. The calculation shall include the estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead with an appraised value of \$100,000 to repay the debt obligations, if approved, based on the assumptions by the City. (Government Code Sec. 1251.052)

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. It is the policy of the City to utilize Certificates of Obligation to finance public improvements in limited circumstances and only after determining the City's ability to assume additional debt based on the standards identified above. CO's may not be issued to fund projects that have failed to be approved by voters in a General Obligation bond proposition for the same purpose within the preceding three years (Local Government Code 271.047 (d)- HB 1378 84th legislature).

Given restrictions on the issuance of CO's, publication and notice requirements and increased transparency to residents, the issuance of CO's shall be reserved to limited circumstances. CO's must follow notice requirements under Local Government Code 271.049, be published once per week for two consecutive weeks with the first publication at least 45 days in advance of the tentative sale date.

Notices must include the following information:

1. Time and place for consideration of the ordinance to issue the CO's;
2. Purpose of the CO's;
3. How the CO's will be repaid- property taxes, revenues, or a combination;
4. Detail on debt obligations of the City:
 - a. Outstanding principal of all debt obligations (secured and paid from property taxes);
 - b. Combined principal and interest on outstanding debt obligations;
 - c. Maximum principal amount of the CO's to be authorized; and
 - d. Estimated combined principal & interest to repay the CO's.
5. Estimated interest rates for the CO's
6. Maximum maturity dates for the CO's.

Circumstances in which CO's might be issued include, but are not limited to the following:

- The City may issue CO's when emergency conditions require a capital improvement to be funded rapidly and it cannot wait for the next GO bond election.
- The City may issue CO's for projects when the City can leverage dollars from others (such as county mobility bonds) to reduce the City's capital cost for a community improvement and it is not prudent to wait for the next GO bond election;

- The City may issue CO's if it would be more economical to issue Certificates of Obligation rather than issuing revenue bonds, such as funding for airport or economic development projects that are self-supporting.

General Obligation Bonds (GO's)

General Obligation Bonds require voter approval. In an effort to increase transparency and resident engagement, the City may strive to plan and propose General Obligation Bond packages on a regular cycle. As part of the annual budget and CIP process, staff will identify projects for funding within remaining voter approved GO bond authorization. When projects have been identified for funding that cannot be funded from the voted authorization, the City may begin planning for and call the next General Obligation Bond Election.

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 five-year period after the election passes.
- c. An analysis showing how the new debt impacts the City's tax rate and debt capacity must accompany every bond proposition proposal in accordance with state law. The analysis will also include the estimated impact on the operations and maintenance portion of the tax rate.
- d. Each GO bond proposition must be consistent with Government Code Sec. 1251.052 (HB 477 - 2019) and include the following information:
 1. The ballot for GO Bonds shall specifically state:
 - i. General description of the purposes for the debt;
 - ii. Total principal to be authorized; and
 - iii. That taxes sufficient to pay the principal and interest on the debt will be imposed.
 2. The City must prepare a voter information document for each proposition to be voted on at the election.
 - i. The voter information document must distinctly state:
 - a) Language to be used on the ballot;
 - i. Principal to be issued;
 - ii. Estimated interest costs;
 - iii. Estimated combined principal and interest; and
 - iv. As of the date the election is called:
 - 1) Principal of current debt;
 - 2) Interest on outstanding debt; and
 - 3) Combined principal and interest on outstanding debt.
 - b) Estimated maximum annual increase in the amount of taxes that would be imposed on a residence homestead in the city with an appraised value of \$100,000 to repay the debt obligations, if approved, based upon assumptions by the City; and
 - c) Any other information that the City considers relevant or necessary to explain the information required by this subsection.
 - ii. The voter information document should include assumptions made in connection with the statements regarding the maximum annual increase in taxes, including:
 - a) Assumed amortization of debt – current and proposed;
 - b) Assumed changes in future appraised values; and
 - c) Assumed interest rates on the proposed debt.

2. General Obligation bonds must be used to accomplish projects identified in the bond referendum and associated material.
3. General Obligation bonds must be used for projects that are consistent with the wording in the bond propositions.
4. In the tax year after a GO bond election, the debt service tax rate is to be adjusted 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. The maintenance & operations tax rate will be adjusted at the time the projects are placed into service.
5. The City will strive to take a GO bond package to the voters on a regular cycle, approximately every five years, or as needed; GO bond packages shall be structured to provide sufficient funding in each proposition to complete the identified projects.
 - a. If a GO bond proposition fails to be approved by voters, the City may not issue Certificates of Obligation to fund projects from the proposition for the next three years (Local Government Code 271.047 (d)).
 - b. The City Council may consider placing a proposition back on the ballot for approval by voters within the three-year window, prior to the next scheduled GO bond election.

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.

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 normal maturity structure is 20 years.
- 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.

Direct Borrowings

A direct borrowing is when a government engages in a loan with a lender for funding (e.g. bank, credit union, private mortgage company, etc.). A direct placement is when a government issues a debt security directly to an investor.

The City will use lease/purchase agreements or direct borrowing contracts for capital items only when it is cost-efficient and provides for more attractive terms than issuance of bonds. Capital leases and bank loans must be disclosed as debt in the CAFR under GASB Statement No. 88 and should be disclosed to the MSRB through the EMMA website.

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) 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 for investment.

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. Any project that receives federal funding, including pass-through funds, should be treated as a grant, as it must be reported in the Schedule of Federal Awards for single-audit consideration and review.

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 local match requirements, their potential impact on the operating budget, and the extent to which they meet the City's goals. If there is a local match requirement, the source of funding shall be identified prior to application, and whether the local match must be made as cash or in-kind contributions. (Refer to City's Inter-Departmental Grant Policy AC104.)

All grants must be reflected in the budget. Grants must be officially accepted by action of the City Council, with funding appropriated 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.

**CITY OF SUGAR LAND
SALARY STRUCTURE
FOR NON-EXEMPT POSITIONS
FOR FY22**

Range	Position Title	Minimum	Midpoint	Maximum
N-01	COURIER	\$13.74	\$17.45	\$21.15
	CUSTODIAN	\$28,579	\$36,296	\$43,992
N-02	CUSTOMER SERVICE REPRESENTATIVE I	\$14.42	\$18.31	\$22.20
	GENERAL MAINTENANCE WORKER I	\$29,994	\$38,085	\$46,176
N-03	CAFÉ ATTENDANT I	\$15.16	\$19.24	\$23.33
	COURT CLERK	\$31,533	\$40,019	\$48,526
	KENNEL TECHNICIAN			
	PERMIT TECHNICIAN			
	RECORDS CLERK			
N-04	311 CONTACT CENTER AMBASSADOR	\$15.91	\$20.34	\$24.81
	AIRPORT SERVICES REP I	\$33,093	\$42,307	\$51,605
	BILLING/COLLECTION SPEC. I			
	CAFÉ ATTENDANT II			
	CUSTOMER SERVICE REPRESENTATIVE II			
N-05	ADMINISTRATIVE ASSISTANT	\$16.84	\$21.56	\$26.29
	ANIMAL SERVICES OFFICER I	\$35,027	\$44,845	\$54,683
	BILLING SPECIALIST II			
	COMPLIANCE COLLECTIONS SPECIALIST			
	COURT DOCKET SPECIALIST			
	FLEET SERVICES CLERK			
	GENERAL MAINTENANCE WORKER II			
	LINE CREW I			
	PARKS FACILITIES TECHNICIAN			
	SR. PERMIT TECHNICIAN			
	TRAFFIC TECH I			
	WARRANT CLERK			
N-06	AIRPORT SERVICES REP II	\$17.87	\$22.87	\$27.86
	ANIMAL SERVICES OFFICER II	\$37,170	\$47,570	\$57,949
	FACILITIES SERVICES TECHNICIAN			
	FACILITY SUPPORT SPECIALIST			
	LINE CREW II			
	PUMP & MOTOR TECHNICIAN I			
	UTILITIES OPERATOR TRAINEE			
	WARRANT COORDINATOR			
N-07	ACCOUNTS PAYABLE SPECIALIST	\$18.94	\$24.42	\$29.92
	AUTOMOTIVE TECHNICIAN I	\$39,395	\$50,794	\$62,234
	CAFE SUPERVISOR			
	DEPARTMENT SPECIALIST			
	LINE CREW III			
	PUMP & MOTOR TECHNICIAN II			
	VETERINARY TECHNICIAN			
	ACCOUNTANT I	\$20.35	\$26.28	\$32.19
	ADMINISTRATIVE SUPERVISOR	\$42,328	\$54,662	\$66,955
	AIRPORT OPERATIONS AGENT			

Range	Position Title	Minimum	Midpoint	Maximum
N-08	CODE ENFORCEMENT INSPECTOR			
	CREW CHIEF			
	DEVELOPMENT REVIEW COORDINATOR			
	ENVIRONMENTAL SERVICES INSPECTOR			
	IRRIGATION TECHNICIAN			
	LABORATORY TECHNICIAN			
	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	\$21.79	\$28.11
CONTRACT SERVICES COORDINATOR		\$45,323	\$58,469	\$71,614
ELECTRICIAN				
GOVERNMENT INFORMATION ANALYST				
LEAD UTILITIES OPERATOR				
MECHANIC				
RESIDENTIAL RENTAL INSPECTOR				
SANITARIAN				
N-10	ADMINISTRATIVE COORDINATOR	\$23.55	\$30.60	\$37.67
	AUTOMOTIVE TECHNICIAN II	\$48,984	\$63,648	\$78,354
	BUILDING INSPECTOR			
	CONSTRUCTION INSPECTOR			
	COURT SERVICES SUPERVISOR			
	CRIME SCENE TECHNICIAN			
	EXECUTIVE ASSISTANT			
	FOOD INSPECTION COORDINATOR			
	G.I.S. ANALYST			
	INFORMATION PROCESS TECHNICIAN			
	LINE SUPERVISOR			
N-11	AIRPORT FIELD SUPERVISOR	\$27.05	\$35.15	\$43.28
	AIRPORT LEASING COORDINATOR	\$56,264	\$73,112	\$90,022
	ANIMAL SHELTER SUPERVISOR			
	CRIME ANALYST			
	END USER SUPPORT SPECIALIST			
	FIELD SUPERVISOR			
	FLEET SERVICES SUPERVISOR			
	G.I.S. SPECIALIST			
	INSTRUMENTATION & CONTROL TECHNICIAN			
	PERMITS SUPERVISOR			
	PLANS EXAMINER			
	SR. ACCOUNTANT			
	SR. ADMINISTRATIVE COORDINATOR			
	SR. BUILDING INSPECTOR			
	SR. CONSTRUCTION INSPECTOR			
	SYSTEM ANALYST			
TELECOMMUNICATIONS SPECIALIST				
N-12	SYSTEM ADMINISTRATOR	\$29.77	\$38.67	\$47.61
	SR. G.I.S. SPECIALIST	\$61,922	\$80,434	\$99,029

Effective Date: July 1, 2022

**CITY OF SUGAR LAND
SALARY STRUCTURE
FOR EXEMPT POSITIONS
FOR FY22**

Range	Position Title	Minimum	Midpoint	Maximum
E-01	BUDGET ANALYST	\$ 25.78	\$ 31.90	\$ 38.02
	COMMUNICATIONS SPECIALIST	\$ 53,622	\$ 66,352	\$ 79,082
	CONTRACTS COORDINATOR			
	DEPARTMENT ANALYST			
	EMPLOYEE ENGAGEMENT & WELLNESS COORDINATOR			
	EVENT COORDINATOR			
	GRAPHICS DESIGNER/BRANDING SPECIALIST			
	MANAGEMENT ANALYST I			
	PLANNER I			
	RECREATION COORDINATOR			
E-02	AGENDA COORDINATOR	\$ 26.64	\$ 33.86	\$ 41.04
	BILLING SUPERVISOR	\$ 55,411	\$ 70,429	\$ 85,363
	CODE COMPLIANCE COORDINATOR			
	COLLECTIONS & CUSTOMER SERVICE SUPERVISOR			
	COMMUNITY ENGAGEMENT COORDINATOR			
	COMPLIANCE COLLECTIONS SUPERVISOR			
	DIGITAL JOURNALIST			
	ENVIRONMENTAL COORDINATOR			
	FACILITIES SERVICES SUPERVISOR			
	GRANTS OFFICER			
	HR BUSINESS PARTNER			
	MANAGEMENT ANALYST II			
	PERFORMANCE ANALYST			
	PLANNER II			
	PRETREATMENT COORDINATOR			
SAFETY & RISK COORDINATOR				
SR. BUDGET ANALYST				
STORM WATER COORDINATOR				
TRAFFIC MANAGEMENT CENTER OPERATOR				
VISITOR SERVICES SUPERVISOR				
E-03	ACCOUNTS PAYABLE SUPERVISOR	\$ 28.79	\$ 36.55	\$ 44.33
	ADMINISTRATIVE MANAGER	\$ 59,883	\$ 76,024	\$ 92,206
	AIRPORT OPERATIONS SUPERVISOR			
	AIRPORT SERVICES REPRESENTATIVE SUPERVISOR			
	APPLICATION DEVELOPER I			
	BUSINESS DEVELOPMENT ASSOCIATE			
	CONTENT STRATEGIST			
	DEPUTY COURT ADMINISTRATOR			
	EMPLOYEE ENGAGEMENT & WELLNESS MANAGER			
	ENGINEER I			
	FINANCIAL ANALYST			
	INNOVATION STRATEGIST			
	LINE SERVICES SUPERINTENDENT			
	PRINCIPAL ACCOUNTANT			
	RECORDS MANAGER			
SR. PLANNER				
TRAFFIC MANAGEMENT CENTER ANALYST				
TRANSPORTATION & MOBILITY ANALYST				
USER SERVICES SUPERVISOR				
WATER CONSERVATION MANAGER				
E-04	ACCOUNTING SUPERVISOR	\$ 31.10	\$ 39.49	\$ 47.87
	AIRPORT BUSINESS MANAGER	\$ 64,688	\$ 82,139	\$ 99,570
	APPLICATION DEVELOPER II			
	BUSINESS DEVELOPMENT MANAGER			
	COMMUNITY ENGAGEMENT MANAGER			
	CONSTRUCTION MANAGER			
	CONTRACTS MANAGER			
	DESTINATION EVENT MANAGER			
	ENGINEER II			
	EVENT PRODUCTION MANAGER			
	FACILITIES SERVICES MANAGER			
	FLEET SERVICES MANAGER			
	FOOD INSPECTION MANAGER			
	HUMAN RESOURCES MANAGER			
	INNOVATION MANAGER			
IT PROJECT MANAGER				
LAB MANAGER				
PROJECT MANAGER				

Range	Position Title	Minimum	Midpoint	Maximum
	REAL PROPERTY MANAGER			
	RECREATION MANAGER			
	RISK MANAGER			
	SURFACE WATER CHIEF OPERATOR			
	TRAFFIC OPERATIONS MANAGER			
	WATER RESOURCES MANAGER			
	AIRFIELD & FACILITIES MANAGER	\$ 33.56	\$ 42.64	\$ 51.69
	AIRPORT DEVELOPMENT MANAGER	\$ 69,805	\$ 88,691	\$ 107,515
	APPLICATION DEVELOPER III			
	ASSET & OPERATIONS MANAGER			
	BUSINESS INTELLIGENCE LEAD			
	CODE COMPLIANCE MANAGER			
	CULTURAL ARTS MANAGER			
	CUSTOMER SERVICE MANAGER			
	DEPUTY BUILDING OFFICIAL			
	DIGITAL COMMUNICATIONS MANAGER			
	ENGINEER III			
E-05	ENVIRONMENTAL MANAGER			
	FIELD OPERATIONS MANAGER			
	INTELLIGENT TRANSPORTATION SYSTEMS MANAGER			
	PARKS DEVELOPMENT MANAGER			
	PARKS SUPERINTENDENT			
	PRINCIPAL PLANNER			
	PUBLIC WORKS OPERATIONS MANAGER			
	SR. FINANCIAL ANALYST			
	SR. PROJECT MANAGER			
	STRATEGIC PLANNING PHILANTHROPY MANAGER			
	STREET/DRAINAGE SUPERINTENDENT			
	TOURISM & VISITOR SERVICES MANAGER			
	WATER QUALITY MANAGER			
	ANIMAL SERVICES MANAGER	\$ 36.60	\$ 46.48	\$ 56.34
	ASSISTANT CITY ATTORNEY	\$ 76,128	\$ 96,678	\$ 117,187
	ASSISTANT TO THE CITY MANAGER			
	DEPUTY CONTROLLER			
	EMERGENCY MANAGEMENT COORDINATOR			
E-06	ENGINEERING MANAGER			
	FACILITY OPERATIONS MANAGER			
	INTERGOV'L RELATIONS MANAGER			
	MANAGER, VERTICAL CONSTRUCTION			
	PUBLIC/PRIVATE PARTNERSHIP MANAGER			
	RIGHT OF WAY SERVICES MANAGER			
	SURFACE WATER PLANT MANAGER			
	TRANSPORTATION & MOBILITY INNOVATION MANAGER			
	ASST ENGAGEMENT DIR	\$ 39.87	\$ 50.68	\$ 61.42
	CITY TRAFFIC ENGINEER	\$ 82,930	\$ 105,414	\$ 127,754
	DEPUTY CITY SECRETARY			
	FINANCE MANAGER			
	IT MANAGER			
E-07	MUNICIPAL COURT ADMINISTRATOR			
	PUBLIC AFFAIRS STRATEGIST			
	PURCHASING MANAGER			
	SR. ASSISTANT CITY ATTORNEY			
	SR. ENGINEERING MANAGER			
	TREASURY MANAGER			
	ADMINISTRATOR, EMERGENCY MANAGEMENT	\$ 43.08	\$ 54.70	\$ 66.33
	ASSISTANT CITY ENGINEER	\$ 89,606	\$ 113,776	\$ 137,966
	ASSISTANT DIRECTOR OF AVIATION			
	ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT			
	ASSISTANT DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS			
	ASSISTANT DIRECTOR OF FIRE/EMS			
E-08	ASSISTANT DIRECTOR OF HUMAN RESOURCES			
	ASSISTANT DIRECTOR OF PARKS & RECREATION			
	ASSISTANT DIRECTOR OF PUBLIC WORKS			
	CITY PLANNER - DEVELOPMENT PLANNING			
	CITY PLANNER - LONG RANGE PLAN			
	CONTROLLER			
E-09	DEPUTY DIRECTOR OF FINANCE	\$ 46.10	\$ 60.17	\$ 74.95
		\$ 95,888	\$ 125,154	\$ 155,896

Effective Date: July 1, 2022

CITY OF SUGAR LAND
SALARY STRUCTURE
FIRE-EMS
FOR FY22

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
FIREFIGHTER RECRUIT PARAMEDIC RECRUIT	F-R	\$18.18		
FIREFIGHTER (2912 Hours Annually)	F-1	\$21.51 \$62,637	\$24.75 \$72,073	\$27.99 \$81,509
FIRE DRIVER (2912 Hours Annually)	F2F	\$23.81 \$69,332	\$26.91 \$78,370	\$30.02 \$87,408
FIRE LIEUTENANT (SHIFT) (2912 Hours Annually)	F3F	\$29.36 \$85,489	\$31.32 \$91,200	\$33.28 \$96,910
FIRE LIEUTENANT (NON-SHIFT) (2080 Hours Annually)	F3G	\$41.10 \$85,489	\$43.85 \$91,200	\$46.59 \$96,910
FIRE CAPTAIN (SHIFT) (2912 Hours Annually)	F4F	\$30.53 \$88,908	\$33.70 \$98,133	\$36.87 \$107,357
FIRE CAPTAIN (NON-SHIFT) (2080 Hours Annually)	F4G	\$42.75 \$88,908	\$47.18 \$98,133	\$51.61 \$107,357
BATTALION CHIEF (SHIFT) (2912 Hours Annually)	F5F	\$33.50 \$97,557	\$36.63 \$106,655	\$39.75 \$115,753
BATTALION CHIEF (NON-SHIFT) ASSISTANT FIRE MARSHAL (2080 Hours Annually)	F5G	\$46.90 \$97,557	\$51.28 \$106,655	\$55.65 \$115,753
ASSISTANT CHIEF OF FIRE-EMS (2080 Hours Annually)	F6G	\$53.79 \$111,874	\$59.07 \$122,867	\$64.36 \$133,860

Effective Date: July 1, 2022

CITY OF SUGAR LAND
SALARY STRUCTURE
POLICE, DETENTION & DISPATCH
FOR FY22

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
PUBLIC SAFETY DISPATCHER - RECRUIT	PTR	\$22.00		
PUBLIC SAFETY DISPATCHER I (CERTIFIED)	PT1	\$22.50 \$46,800	\$27.57 \$57,346	\$32.64 \$67,891
PUBLIC SAFETY DISPATCHER II (CERTIFIED)	PT2	\$25.28 \$52,582	\$31.19 \$64,875	\$37.10 \$77,168
PS DISPATCH SHIFT SUPERVISOR	PT3	\$29.79 \$61,963	\$35.66 \$74,173	\$41.52 \$86,362
QUALITY ASSURANCE COORDINATOR				
DEPUTY PS DISPATCH MANAGER	PT4	\$36.49 \$75,899	\$42.88 \$89,190	\$49.28 \$102,502
DETENTION OFFICER - RECRUIT	PDR	\$19.71		
DETENTION OFFICER (CERTIFIED)	PD1	\$21.02 \$43,722	\$25.25 \$52,520	\$29.47 \$61,298
POLICE OFFICER - RECRUIT	P-1	\$25.41		
POLICE OFFICER	P-2	\$30.92 \$64,314	\$36.33 \$75,566	\$41.74 \$86,819
POLICE SERGEANTS	P-3	\$39.96 \$83,117	\$43.96 \$91,437	\$47.97 \$99,778
POLICE LIEUTENANT	P-4	\$46.22 \$96,138	\$50.71 \$105,477	\$55.21 \$114,837
POLICE CAPTAIN	P-5	\$51.29 \$106,683	\$57.15 \$118,872	\$63.02 \$131,082
ASSISTANT CHIEF OF POLICE	P-6	\$57.16 \$118,886	\$64.08 \$133,286	\$71.01 \$147,701

Effective Date: July 1, 2022

**CITY OF SUGAR LAND
SALARY STRUCTURE
MANAGEMENT & ELECTED OFFICIAL POSITIONS
FOR FY22**

Range	Position Title	Minimum	Midpoint	Maximum
M-01	CITY SECRETARY	\$ 43.48	\$ 55.21	\$ 66.94
	COMMUNICATIONS DIRECTOR	\$ 90,438	\$ 114,837	\$ 139,235
	PUBLIC SAFETY DISPATCH DIRECTOR			
M-02	CHIEF INNOVATION OFFICER	\$ 53.35	\$ 66.70	\$ 80.04
	CITY ENGINEER	\$ 110,968	\$ 138,736	\$ 166,483
	DIRECTOR OF AVIATION			
	DIRECTOR OF BUDGET & STRATEGY			
	DIRECTOR OF ECONOMIC DEVELOPMENT			
	DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS			
	DIRECTOR OF FINANCE			
	DIRECTOR OF HUMAN RESOURCES			
	DIRECTOR OF INFORMATION TECHNOLOGY, DATA & SECURITY			
	DIRECTOR OF PARKS & RECREATION			
	DIRECTOR OF PLANNING & DEVELOPMENT SERVICES			
DIRECTOR OF PUBLIC & GOVERNMENT AFFAIRS				
DIRECTOR OF PUBLIC WORKS				
M-03	CITY MANAGER		UNGRADED	
	DEPUTY CITY MANAGER			
	ASSISTANT CITY MANAGER			
	EXECUTIVE DIRECTOR			
	DIRECTOR OF SPECIAL PROJECTS			
	CITY ATTORNEY			
	CHIEF OF FIRE & EMS			
	CHIEF OF POLICE			
MUNICIPAL COURT JUDGE				
EO-1	COUNCIL MEMBER		\$ 804.16 (Monthly)	
			\$ 9,650 (Annually)	
EO-2	MAYOR		\$ 1,608.32 (Monthly)	
			\$ 19,300 (Annually)	

Effective Date: July 1, 2022

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 \$10,000, 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-of-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.

COVID-19: On February 11, 2020 the World Health Organization announced an official name for the disease that is causing the 2019 novel coronavirus outbreak, first identified in Wuhan, China. The new name of this disease is coronavirus disease 2019, abbreviated as COVID-19. In COVID-19, 'CO' stands for 'corona,' 'VI' for 'virus,' and 'D' for disease. Formerly, this disease was referred to as "2019 novel coronavirus" or "2019-nCoV".

There are many types of human coronaviruses including some that commonly cause mild upper-respiratory tract illnesses. COVID-19 is a new disease, caused by a novel (or new) coronavirus that has not previously been seen in humans. The virus that causes COVID-19 is thought to spread mainly from person to person, mainly through respiratory droplets produced when an infected person coughs or sneezes. These droplets can land in the mouths or noses of people who are nearby or possibly be inhaled into the lungs.

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.

DIRECTOR: A mid-management employee charged with oversight of one or more programs. Directors 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
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 2021 connotes the fiscal year beginning October 1, 2020 and ending September 30, 2021.

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.

FORT BEND SUBSIDENCE DISTRICT: created by the Texas Legislature in 1989 as a conservation and reclamation district. The District's purpose is to provide for the regulation of the withdrawal of groundwater within the District to prevent subsidence that contributes to flooding, inundation or overflow of areas within the District, including rising waters resulting from storms or hurricanes, The District's boundaries are defined as all the territory within Fort Bend county.

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. GO Bonds cannot be issued without voter approval, must be spent in accordance with the voter authorized use and are 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.

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

NO NEW REVENUE TAX RATE: When compared to the same property, the tax rate that produces the same amount of the total amount of taxes as compared to the prior year, based on the value of properties taxed in both years.

NON-CAPITAL ASSETS: Expenditures that result in the acquisition of or addition to assets that are individually priced \$2,500 to \$10,000, 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.

NOVEL CORONAVIRUS: A novel coronavirus is a new coronavirus that has not been previously identified. The virus causing coronavirus disease 2019 (COVID-19), is not the same as the coronaviruses that commonly circulate among humans and cause mild illness, like the common cold.

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.

V

VOTER APPROVAL TAX RATE: the maximum tax rate that can be adopted by the City without approval by voters in the November election. This is a new requirement beginning in tax year 2020 under Senate Bill 2 passed in the 86th legislative session.

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

ACFR: Annual Comprehensive Financial Report
AED: Automated External Defibrillator
ADA: Americans with Disability Act
AFIS: Automated Fingerprint Identification System
ANSI: American National Standards Institute
ANAB: American National Accreditation Board
ARPA: American Recovery Plan Act

C

CAC: Community Action Center
CDBG: Community Development Block Grant
CID: Criminal Investigation Division
CIP: Capital Improvement Program
CO: Certificate of Obligation
COVID-19: Novel Coronavirus 2019
CPR: Cardiopulmonary Resuscitation
CALEA: Commission on Accreditation for Law Enforcement Agencies

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
FBSD: Fort Bend Subsidence District
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/>

Service Delivery 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. The purpose of the Service Delivery Plans (SDPs) is to identify every service (activity) provided by each department or office and the activity level commitment for each. Additionally, the SDPs ensures the delivery of services in an efficient and effective manner and allows the City Council and the Executive Team to determine what activities, if any, can be improved or adjusted based on current fiscal year funding and resources. Each activity also has core activity levels (mandatory, essential, traditional, quality of life). Identification of core levels enable informed decision making and ensures the appropriate allocation of funds and resources to activities. Departments and offices selected a core level for every activity listed based on the definitions provided.

Link: <http://www.sugarlandtx.gov/1915/Service-Delivery-Plans>