

ANNUAL BUDGET

FISCAL YEAR
2020-2021

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

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PRESENTED TO

**City of Sugar Land
Texas**

For the Fiscal Year Beginning

October 1, 2019

Christopher P. Morill

Executive Director



Annual Budget for October 1, 2020 - September 30, 2021

Approved September 15, 2020

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,901,447, which is a 3.66% 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 \$395,179.

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

For:	Himesh Gandhi Stewart Jacobson Naushad Kermally Jennifer Lane	Carol McCutcheon Steve Porter Joe Zimmerman
Against:	None	
Present and Not Voting:	None	
Absent:	None	

Property Tax Rate Comparison

	2020-2021	2019-2020
Property Tax Rate	\$0.336500/\$100	\$0.33200/100
No New Revenue Tax Rate	\$0.324073/\$100	N/A
Effective Tax Rate	N/A	\$0.31925/100
Effective M&O Tax Rate	N/A	\$0.17999/100
No New Revenue M&O Rate	\$0.190620/\$100	N/A
Rollback Tax Rate	N/A	\$0.33617/100
Voter Approval Tax Rate	\$0.350809/\$100	N/A
Debt Rate:	\$0.133450/\$100	\$0.13495/100

Total debt obligations for City of Sugar Land secured by property taxes: \$27,628,699

Annual Budget for October 1, 2020 - September 30, 2021



List in order: (L to R)

- Naushad Kermally Council Member, District Two
- Himesh Gandhi..... Council Member, At Large Position One
- Carol K. McCutcheon Council Member, District Four
- Joe R. Zimmerman..... Mayor
- Stewart Jacobson Council Member, District Three
- Jennifer J. Lane Council Member, At Large Position Two
- Steve R. Porter Council Member, District One
- Presented by:
- Mike Goodrum City Manager



CITY OF SUGAR LAND

City Manager's Office

October 1, 2020

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, 2020 is hereby presented. The adopted budget for Fiscal Year 2021 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. The focus on this year's budget is financial resiliency, responsible decision making, and flexibility for the City to respond to challenges that may result from the ongoing COVID-19 pandemic and economic impacts. The unknown duration of the pandemic and recession have placed unique challenges on the preparation of this budget. The adopted budget ensures continued financial strength and resiliency by meeting all fund balance requirements.

FY20 Accomplishments

The Fiscal Year 2020 budget implemented strategies to ensure the City's continued success - and recognizing that the "Sugar Land Way" does not continue without City leadership and support from the public, the FY20 budget and CIP were designed to improve the City's financial resiliency and ability to anticipate and respond to new challenges and opportunities. Most of the additions to the budget were supported through a shift within the existing tax rate to the operating budget, recognizing future limitations on this ability. The FY20 budget also funded the final projects from the 2013 voter approved GO bonds for parks- completing the commitments made to residents with minimal tax impact due to an increase in the homestead exemption to 12% which nearly offsets the impact of the tax increase for the projects and works to balance the tax burden between residential and commercial properties.

Fiscal Year 2020 started with significant activity with refunding bond issues to refinance a large portion of the outstanding debt assumed in the 2017 annexation of nine MUDs. Many of the bonds were callable in 2020, and in October the City issued \$21.6 million in GO Improvement and Refunding bonds, refinancing \$13.6 million in outstanding debt for a savings of over \$1 million over the next seven years. The Sugar Land 4B Corporation also issued \$24.7 million in refunding bonds, netting \$5.4 million in debt service savings over 16 years. Refunding bonds benefit residents through lower annual debt service costs, which translates to less demand on property taxes and capacity to fund additional projects.

In November, 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

The City of Sugar Land has a long history of recognition as a leader in financial stewardship, with strategies specifically tailored to the community and designed to maximize both the conservative nature of the City's finances and to offset the residential tax burden. Because of these practices, the City was in an excellent financial position as the country started to feel the effects of the novel coronavirus (COVID-19). Through March, sales tax revenues were above budget-

which was based on prior year recurring revenues with no growth, in accordance with the City's Financial Management Policy Statements. As the economy started to feel the impacts of the global pandemic, the City implemented immediate corrective actions to rein in spending until the impacts on the City's finances could be determined. The pandemic has affected the City in other ways as well- the travel industry was impacted by stay at home orders and limits on gatherings of groups- resulting in declines in hotel occupancy. The City's response was quick, evaluating economic scenarios and implementing corrective actions to manage spending within available revenue streams.

Economic and Legislative Impacts

The largest legislative impact to the City's FY21 budget is changes to the truth in taxation process from Senate Bill 2, which sets limitations of 3.5% growth in operations and maintenance revenue from property taxes with mandatory elections if that rate is exceeded. However, with the disaster declarations from COVID-19, City Council requested calculating the voter approval tax rate at 8% as allowed under the tax code. This action preserves flexibility in the City's finances and allows Council members to consider the most information on the economic impacts before finalizing the budget and tax rate- which now can occur in September instead of August and the City is exempt from a November election to ratify the tax rate.

Over the last few years, the City has implemented policies and strategies to ensure that it is financially strong and resilient. The reallocation of property taxes to the operating budget in FY20 helped to improve resiliency by reducing dependence on sales tax to fund ongoing operations. These policies were implemented this spring when anticipated reductions in revenues as a result of COVID-19 arose and corrective actions were immediately put in place to ensure the financial stability of the City. As the pandemic has impacted the economy, these corrective actions have played a key role in our ability to present a balanced budget for FY21.

The federal government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to address and respond to the effects of the COVID-19 emergency. Fort Bend County received \$134M in direct relief through the CARES Act and approved a budget that included a \$55 per capita allocation for all Fort Bend County cities. The City's share of this allocation is \$6,523,000. This allocation is being utilized to reimburse salaries for public safety and other personnel whose time, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. These funds are currently shown as a one-time revenue in the FY21 adopted budget, with a substantial portion of the resulting capacity in the General Fund being set aside as an emergency reserve set aside for public health emergency expenditures as the unknowns of COVID-19 continue to require an ongoing response from the City.

Financial Management Strategies

The City uses a tool-set to create value for the community; part of that tool-set includes the active and strategic management of the City finances. Initiatives include a conservative approach to sales tax budgeting and evaluation of opportunities that result in long term savings for the City and stability in funding for programs through times of economic uncertainty. This was seen last fall with the refunding of outstanding debt obligations for long term debt service savings, and conservative sales tax budgeting has benefitted the City through the COVID-19 pandemic and economic recession.

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. 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 difficulty in estimating revenue during an economic crisis and then building a budget in the middle of it, is determination of a set of assumptions for the economy that the budget is based on. Most of the data and information relative to the economic impacts of the COVID-19 pandemic runs on a natural delay of 60 to 90 days or more, depending on the revenue source. As COVID-19 asserted itself as a venerable foe this spring, City staff began to gather as much economic information as available and developed scenarios around several economic recovery models. Those models were then fine-tuned as more information became available. The main difference in the models were the depth and duration of the recession and the time to recovery. Ultimately, after input from the City Council at a June budget retreat (delayed 3 months due to COVID), the various financial scenarios evolved into the Fiscal Year 2021 adopted budget.

FY21 Budget Strategies and Funding Priorities

For the Fiscal Year 2021 budget, being prepared during the height of the pandemic, the focus has been continuity of service levels and integrity of the City's finances to maintain financial stability and a structurally balanced budget and forecast. Priorities for capital funding focus on voter approved projects that address structural flooding. Uncertainty surrounding impacts to the City's revenues from economic downturn from COVID-19 closures - both the length and depth of the recession are highly uncertain. Additionally, impacts to the Houston economy related to the oil & gas downturn provide another layer of complexity for businesses who depend on the industry.

The City's management team has been working to identify strategies to offset potential revenue declines that may continue into 2021, including deferral of major expenditures for six months allow assessment of economic recovery. Strategies include:

- Conservative estimates for budgeted revenue
- Maximizing flexibility in finalizing the budget and tax rate, deferring major decisions until key information is available from the impacts of COVID-19 on the City's finances
- Continued restrictions on employee travel and training
- Reduced funding and phased implementation of major initiatives such as:
 - Infrastructure rehabilitation
 - Capital replacement for fleet and technology items
 - Employee merit increases at a reduced level of 1.5%
- 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
- Revised implementation plan for GO Bond Projects approved by voters in November 2019

Recurring revenue is an important component of balancing the budget, because recurring revenue streams should cover recurring expenditures. Sales tax revenues are one of the most uncertain revenue streams included in the City's budget- COVID-19 further exacerbates this uncertainty. As such, we have taken a conservative approach to budgeting sales tax revenue for FY21. Estimates for FY21 are 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 leads to a conservative revenue estimate, as these two sectors make up 60% of the City's sales tax revenue. For the second half of the year, revenues are based on the FY20 budgeted revenues- which are FY19 recurring actuals. This approach is a change from FMPS direction due to the impact of COVID-19 on FY20 revenues, which would normally be the base for FY21 revenue estimates. The FY21 projected sales tax is \$44.6 million in total recurring collections, of which \$33.3 million supports the general operating budget. One-time revenues received in early FY20 helped to soften the impacts from COVID-19 on the economy- and can't be counted on for next year. Sales tax comprises a significant portion of the

total revenues in the General Fund and supports 36% of operating expenditures in FY21. This is one of the primary reasons that it is important to be conservative when preparing revenue estimates, particularly with sales tax.

We have also taken a conservative approach to estimating other revenues that have been 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.

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 reduced merit pool equal to 1.5% of budgeted salaries is included in the adopted budget, with a delayed implementation planned to ensure that the City is recovering from the recession prior to awarding. Employee benefits costs are not changing for the City nor employees in FY21 based on current claims experience. General and management salary structures are moving 1.5% based on CPI adjustments in accordance with the Compensation Philosophy. Phased implementation of the Public Safety Compensation Study recommendations is included with a 5% increase to the starting salary for firefighters and police officers and 1.5% increase to other pay grades. 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 2021 is 14.57%, a decline from the 2020 contribution rate of 14.76%, 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 89.5% of the City's pension obligation, which is better than the industry benchmark of 80% and a 1% 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 \$263.4 million, with \$27.7 million in projects funded in FY21. 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 FY21 CIP includes funding for the highest priority drainage projects to address structural flooding issues in the City, with a ½ cent tax increase to fund them. The remaining projects are distributed over FY22-25 with the tax increases anticipated from FY21-24.

Significant projects funded in FY21 include:

- Sugar Creek Drainage Improvements- Montclair Drive- Phase I
- Austin Park/Chimneystone Drainage Improvements- Phase I (design)
- Greatwood Village Drainage Improvements
- Flood Control Improvements- Dam III Oyster Creek at Lexington
- University Blvd Widening (FBC Mobility Bond project)- (design)
- Telfair Drainage Improvements – New Territory Blvd at Chatham (design)

GO Bond projects include \$11.18 million in drainage and \$600,000 in streets. The CIP also includes \$1.0 million in parks, projects funded from the Cullinan Foundation, and \$200,000 in parks, \$250,000 in municipal and \$200,000 in traffic funded from the Sugar Land 4B Corporation.

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 \$13.48 million in FY21, with \$7.73 million in water, \$3.36 million in wastewater and \$2.38 million in surface water projects.

Airport capital project funding in FY21 totals \$750,000 which is for the City's share of phase III of the Taxiway relocation project, which will be managed by TxDOT Aviation.

Property Taxes and User Fees

2020 Property Taxes

The FY21 budget is funded by revenues based on the certified 2020 tax roll of \$16.6 billion and the adopted tax rate of 33.65 cents per \$100 taxable value- one of the lowest in the state for cities over 60,000. The approved 2020 tax rate is an increase of 0.45 cents from the 2019 tax rate with a reallocation from the debt component to operations & maintenance- to support continued service levels and offset revenues lost due to the pandemic. The City maintained a 12% homestead exemption for the 2020 tax year. The 2020 tax rate is the first 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 FY20 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. Phase I of the rate study recommended multi-year increases to water, wastewater and surface water rates. The approved rates for 2021 result 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. Phase II of the study will continue into FY21 with further refinement of the rate structure after policy discussion and direction relative to topics such as wastewater reuse, potential changes to the billing structure, use of GRP credits, cost recovery fees and others. Policy direction on these topics will influence future rate recommendations, however additional increases will be needed to recover the increasing cost of services and maintain bond coverage requirements expected by rating agencies.

Republic Services provides solid waste services within the City, excluding Greatwood, where solid waste services are provided by Best Trash until December 11, 2020. Beginning December 14, 2020, Republic Services will take over the delivery of services for Greatwood. The current rate for residential solid waste services is \$19.38 per household per month. The new monthly rate of \$19.76 will take effect January 1, 2021.

The FMPS contains guidance on evaluating user fees for an annual CPI adjustment and for calculation of new fees. In FY21, an increase of 1.5% is incorporated into fees based on the 12-month change in CPI for February 2020. Fee and rate adjustments are effective January 1, 2021.

Financial Summary

With no significant additions to the operating budget and a phased approach to implementing the GO bond program, the FY21 adopted budget totals \$254.1 million. Of the total, \$226.2 million is for operating funds and issuance costs, and \$27.6 million is for capital projects, including the first projects from the voter approved GO Bond Program.

Fund	FY21 Adopted Budget
General Fund	\$ 97,786,211
Debt Service Funds	32,086,464
Utility Enterprise Fund	44,628,068
Airport Enterprise Fund	13,280,686
Solid Waste Fund	8,631,958
Economic Development Corporations	11,692,473
Other Funds	18,039,953
Total Operating Funds	\$ 226,445,813
Capital Projects	27,653,500
Total FY21 Adopted Budget	\$ 254,099,313

I encourage you to read further into the information describing the FY21 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 FY21 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 FY21 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,

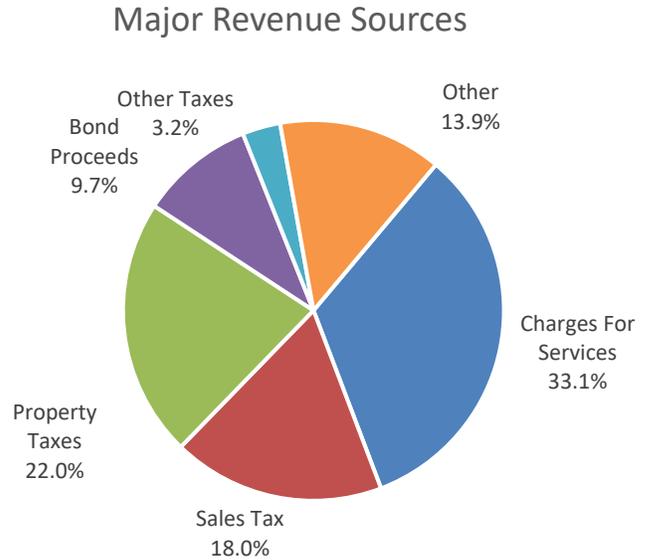


Michael W. Goodrum
City Manager

Executive Summary

Major Revenue Sources

Major revenue sources for the City total \$245.9 million (excluding inter-fund transfers). The five primary revenue categories comprised of property taxes, sales tax, other taxes (franchise taxes and hotel occupancy taxes), charges for services and bond proceeds, which represent 86.1% 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 13.9%. The chart to the right illustrates the breakdown of the revenue sources.



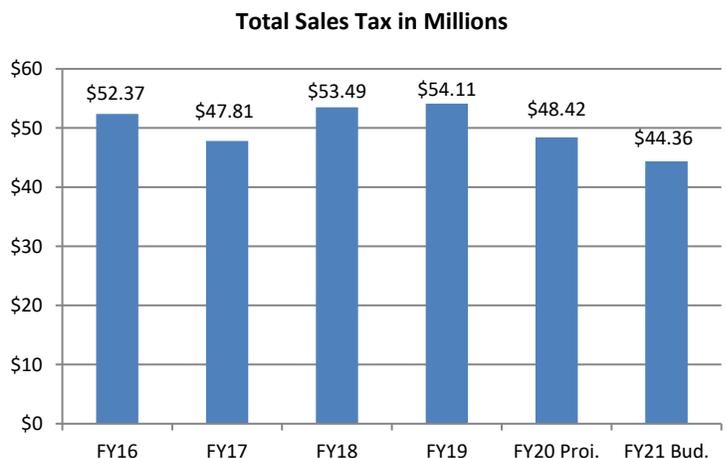
Property Tax

Revenues from ad valorem or property taxes represent 22% of overall revenues at \$54.03 million. The budget was built around a proposed 5% increase in revenue from property taxes for operating expenses in anticipation of a continued impact from COVID-19 on the City's revenue streams. Based on the certified tax roll the budgeted revenues of \$54 million are able to be realized through a redistribution of the 2019 tax rate from debt service to operations & maintenance. The \$0.00450 in the overall tax rate is due to implementation of the 2019 voter approved GO bond funding. Following a provision provided in the Tax Code, due to the March 13th disaster declaration by Governor Abbott, City Council directed the Voter Approval Rate to be calculated at an 8% increase, rather than the 3.5% increase provided for under legislative changes from Senate Bill 2 passed in the 86th legislative session. The 8% increase refers only to the aggregate amount of property tax revenue for maintenance and operations purposes and is not reflective of growth in the total tax rate or average residential tax bills.

Certified taxable values for 2020 total \$16.58 billion and City Council approved a tax rate of \$0.33650, an increase of \$0.00450 from the 2019 rate, and less than the voter approval tax rate of \$0.350807. The 2020 adopted tax rate supports the operating budget and debt service needs, including implementation of the first phase of projects from the voter-approved GO bonds. Property tax collection is authorized by the State of Texas up to \$2.50 per \$100 of assessed valuation for maintenance and operations and debt service.

Sales Tax

Sales tax revenue, estimated at \$44.36 million, represents 18.1% 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. FY20 projections are based on year-to-date actual revenues through July, including one-time, and anticipates a 50% decline in the retail and food & entertainment sectors for August and September. Total budgeted sales tax for FY21 is \$44.36 million, 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. For the second half of the year, revenues are based on the FY20 budgeted revenues- which are FY19 recurring actuals. This approach is a change from FMPS direction due to the impact of COVID-19 on FY20 revenues. The chart above illustrates the historical trend of sales tax collections in the City.

Other Taxes

Other Taxes represent 3.2% of City revenues at \$8.0 million and are comprised of franchise and hotel occupancy taxes. Franchise taxes are anticipated to total \$6.4 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 33.1% of total revenues at \$81.5 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 \$3.89 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 \$1,180,000 and represent 30.4% 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 \$1,785,669 and represent 45.9% 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 \$559,329 and represent 14.4% 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 \$362,400 and represent 9.3% 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 \$54.20 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 6.58 billion gallons for water and surface water, and 3.70 billion gallons for wastewater. The City also charges non-city utility customers for participation in the Groundwater Reduction Plan (GRP). The FY21 Budget anticipates an increase of \$10 to a residential customer’s bill based on approved rates beginning January 2021 and 10,000-gallons usage.

Airport Charges for Services

Charges for services at the Airport are anticipated to total \$13.99 million. Budgeted fuel sales of \$11.88 million represent estimated fuel sales of 2,951,075 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 \$9.04 million. The City contracts solid waste service and provides twice weekly automated trash collection and weekly automated recycling. Residents currently pay \$19.38 per month for this service. In 2021, the monthly residential rate will be adjusted by 1.95% to address recycling operations and a Consumer Price Index (CPI) adjustment. While the monthly residential rate will increase, the elimination of the Household Hazardous Waste program allowed the rate adjustment to remain less than the contractual 2.5% annual CPI adjustment. The new monthly rate of \$19.76 will take effect January 1, 2021.

Bond Proceeds

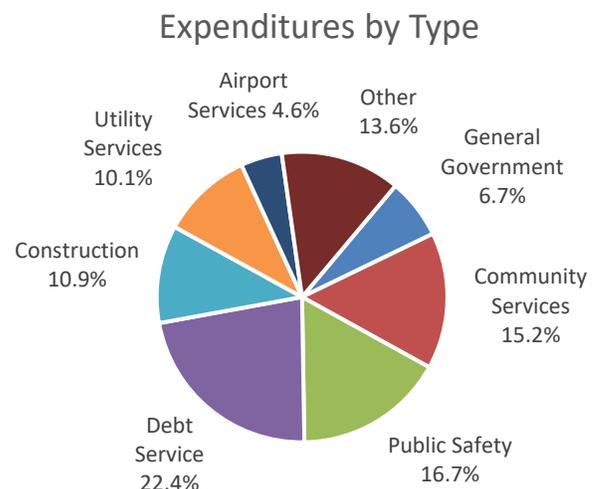
Bond proceeds of \$23.86 million represent 9.7% of total revenues. The proceeds will be used to fund FY21 capital projects and will be from voter authorized GO bonds, Certificates of Obligation funded by Airport revenue, and utility revenue bonds.

Other Revenues

Other revenues represent the remaining 13.9% of total revenues at \$34.22 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 FY21 budget totals \$254.1 million (excluding inter-fund transfers). The chart at the right illustrates expenditures by type.



General Government expenditures represent 6.7% of overall expenditures at \$17.03 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 15.2% of total expenditures at \$38.81 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 16.7% of total expenditures at \$42.3 million and include the Police and Fire-EMS departments and Public Safety Dispatch.

Debt Service represents 22.4% of total expenditures at \$56.78 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 10.9% of total expenditures at \$27.65 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 10.1% of total expenditures at \$25.73 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 4.6% of total expenditures at \$11.68 million. The fixed based operator at the airport is Global Select, which provides fuel and aviation customer services.

Other expenditures represent 13.3% of expenditures at \$33.88 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 \$32 million. Expenditures include \$30.31 million in debt service payments and fiscal fees. The budget also includes \$1.69 million in property tax rebates to in-city MUDs. The ending fund balance of \$5.39 million is above the policy requirement of 10% of debt service requirements.

General Fund

The General Fund budget, excluding inter-fund transfers, totals \$97.78 million, including strategies utilized to offset revenues impacted by COVID-19. These strategies include salary savings generated from a hiring freeze, reductions to Replacement Fund transfer, infrastructure rehabilitation, and identified departmental savings. The budget includes a merit pool of 1.5% for employees with a delayed implementation of at least six months.

The anticipated FY21 ending fund balance in the General Fund is \$23.52 million, which is higher than the policy requirement of three months of recurring operating expenditures.

Capital Improvement Program

The 2021-2025 capital improvement program totals \$263.3 million. Of this total, \$27.65 million are funded in the FY21 budget. Wastewater projects make up 12.2% of FY21 allocation. Street projects are 2.2% and includes the Citywide Transportation & Mobility Studies and the widening of University Blvd. Water and Surface Water projects accounts for 36.6%. Municipal projects represent 0.9% and includes the Public Arts Projects. Airport projects are 2.7% and includes Phase III of the Parallel Taxiway Relocation.

Drainage projects is 40.4% and include land acquisition along the Riverbend Inlets and Pipes Replacement, Austin Park and Chimneystone Drainage Improvements, Oyster Creek Flood Control Improvements, Citywide Flood Prevention & Drainage Studies, Greatwood Village Drainage Improvements, Telfair Drainage Improvements, and Sugar Creek Golf Course Drainage Improvements. Parks and Traffic makes up 5.1% and include Cullinan Park Improvements-Phase II, Joint Participation in CIP, and Landscape Replacement for Major Roadways.

Funding for the FY21 CIP includes \$0.75 million in Certificates of Obligation paid by airport revenues, \$11.78 million in General Obligation bond proceeds, \$11.32 million in revenue bonds, \$2.16 million in utility revenues, \$0.65 million from the Sugar Land 4B Corporation, and \$1.00 million from donations. Interest income is budgeted at \$502,000.

Utility System Fund

The Water Utility Fund budget totals \$44.63 million, excluding CIP projects and inter-fund transfers. A One-time addition is included in the Utility System Fund to cover the remaining cost of the Utility Rate Study. Recurring additions include funding for BRA capital repairs, meter replacements, merchant bank fees, additional water rights, and audit fees. A decrease in cash equivalents of \$671,414 is anticipated for the fiscal year. The FY21 budgeted ending cash equivalent totals \$10.83 million and exceeds the 25% cash operating reserve requirement.

Airport Fund

The Airport Fund budget totals \$13.28 million excluding CIP projects and inter-fund transfers. There are recurring additions that include increases for security services, cost recovery system, annual audit increase, maintenance and operation increases, and the demolition of Corporate Hangar I. The fund anticipates an increase in cash equivalents of \$287,524. The FY21 budgeted ending balance of \$2.98 million is above the policy requirement of 25% of operating expenditures.

Solid Waste Fund

The Solid Waste Fund operating budget totals \$8.63 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 \$789,946. This fund has no minimum fund balance policy.

Sugar Land Development Corporation

The FY21 budget for SLDC totals \$6.36 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 \$4.05 million for outstanding debt issues. The FY21 budgeted available ending balance of \$4,238,606 is over the policy requirement of 15% of budgeted sales tax collections.

Sugar Land 4B Corporation

The FY21 budget for SL4B totals \$5.33 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. Debt service payments are budgeted at \$3.02 million for outstanding

bonds. The FY21 budgeted available ending balance of \$2,428,401 is over the policy requirement of 15% of budgeted sales tax collections.

Tourism Fund

Expenditures in the Tourism Fund total \$653,323, 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 \$731,910. In FY21 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 14.76% in 2020 to 14.57% in 2021 (effective January 1, 2021).

The budget includes funding for an average 1.5% 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**

	FY19 Actuals	FY20 Adjusted Budget	FY20 Projections	FY21 Adopted Budget
REVENUES:				
Property Taxes	\$ 49,910,560	\$ 52,109,999	\$ 52,033,947	\$ 54,026,764
Sales Tax	54,114,226	50,456,178	48,427,391	44,361,135
Other Taxes	8,925,197	9,159,118	8,361,022	7,955,468
Licenses & Permits	3,589,177	3,542,322	3,542,322	3,326,853
Charges For Service	70,864,510	81,732,940	73,790,405	81,506,159
Fines & Forfeitures	3,511,341	1,995,000	1,341,181	1,577,979
Interest Income	5,006,426	2,105,589	2,337,838	1,649,051
Intergovernmental	4,717,703	1,912,029	1,952,895	8,402,021
Miscellaneous	11,501,537	11,327,625	12,282,098	7,268,142
Bond Proceeds	37,231,614	73,676,485	74,247,247	23,862,700
Contributions	11,163,896	12,000,036	12,346,345	12,000,036
Total Revenues	260,536,187	300,017,321	290,662,691	245,936,308
Transfers From Other Funds	40,150,086	33,382,228	33,194,409	33,225,676
Total Available Resources	300,686,273	333,399,549	323,857,100	279,161,984
EXPENDITURES:				
General Government	15,257,799	18,066,729	17,885,200	17,030,308
Finance	3,926,421	4,991,275	4,788,198	4,740,079
Public Works	11,115,841	14,430,535	13,623,172	12,907,599
Parks & Recreation	4,952,568	5,213,244	4,911,076	5,154,115
Community Development	5,340,394	6,170,120	6,082,928	5,764,134
Environmental & Neighborhood Services	13,887,951	15,432,262	15,177,665	14,980,591
Police Department	23,858,568	25,793,910	25,442,228	25,561,540
Fire Department	15,501,600	17,458,681	17,749,950	16,763,616
Debt Service	58,963,267	72,388,387	69,365,496	56,783,254
Other	7,419,805	36,302,362	34,779,495	10,167,684
Construction	20,887,715	41,159,333	41,434,755	27,653,500
Utility Services	22,571,996	27,634,393	27,048,039	25,730,037
Airport Services	12,613,400	13,981,038	11,049,629	11,675,512
Insurance Coverage	12,783,767	13,086,039	12,739,722	13,535,336
Equipment Replacement	2,782,127	4,454,832	4,013,836	2,593,110
Rebates & Assignments	4,238,408	4,221,702	4,221,702	4,484,198
Total Expenditures	236,101,625	320,784,842	310,313,091	255,524,613
Transfers To Other Funds	40,150,086	33,335,866	33,189,474	33,234,076
Total Expenditures & Transfers	\$ 276,251,712	\$ 354,120,708	\$ 343,502,565	\$ 288,758,689

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2021
ADOPTED BUDGET**

REVENUES

Category Description	Governmental Funds		
	General Fund	Debt Service Fund	Capital Projects
Property Taxes	\$ 32,598,194	\$ 21,428,570	-
Sales Tax	33,270,851	-	-
Other Taxes	6,384,068	-	-
Licenses & Permits	3,326,853	-	-
Charges For Service	3,887,398	-	-
Fines & Forfeitures	1,577,979	-	-
Interest Income	450,000	57,500	300,000
Intergovernmental	6,679,820	-	-
Miscellaneous	710,652	1,770,086	1,000,000
Bond Proceeds	-	-	11,776,000
Contributions	-	-	-
Total Revenue	88,885,815	23,256,156	13,076,000
Transfers From Other Funds	8,518,846	7,319,344	650,000
Total Available Resources	97,404,661	30,575,500	13,726,000

EXPENDITURES

General Government	14,997,455	-	-
Finance	4,665,305	-	-
Public Works	12,907,599	-	-
Parks & Recreation	5,154,115	-	-
Community Development	5,764,134	-	-
Environmental & Neighborhood Services	6,418,633	-	-
Police Department	25,561,540	-	-
Fire Department	16,763,616	-	-
Debt Service	-	30,309,196	-
Other	2,849,624	-	300,000
Construction	-	-	13,426,000
Utility Services	-	-	-
Airport Services	-	-	-
Insurance Coverage	-	-	-
Equipment Replacement	-	-	-
Rebates & Assignments	2,704,190	1,777,268	-
Total Expenditures	97,786,211	32,086,464	13,726,000
Transfers To Other Funds	1,088,504	87,154	-
Total Expenditures & Transfers	98,874,715	32,173,618	13,726,000
Revenue Over (Under) Expenditures	(1,470,054)	(1,598,118)	-
BEGINNING BALANCE	\$ 32,234,966	\$ 7,874,205	\$ 4,384,054
Reserved for Debt Service	-	-	-
Reserved for Self Insurance	-	-	-
Reserved for Capital Repairs	-	-	(1,726,461)
GAAP Accruals	(7,242,699)	-	-
END BUDGET BALANCE	\$ 23,522,213	\$ 6,276,087	\$ 2,657,593

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2021
ADOPTED BUDGET**

REVENUES

Category Description	Enterprise Funds		
	Utility System Fund & CIP	Airport Fund & CIP	Solid Waste
Property Taxes	-	-	-
Sales Tax	-	-	-
Other Taxes	-	-	-
Licenses & Permits	-	-	-
Charges For Service	54,201,169	13,991,227	9,036,356
Fines & Forfeitures	-	-	-
Interest Income	331,001	104,000	6,000
Intergovernmental	-	50,000	26,901
Miscellaneous	739,426	471,497	50,358
Bond Proceeds	11,321,700	765,000	-
Contributions	-	-	-
Total Revenue	66,593,296	15,381,724	9,119,615
Transfers From Other Funds	14,232,700	929,435	-
Total Available Resources	80,825,996	16,311,159	9,119,615

EXPENDITURES

General Government	-	-	-
Finance	-	-	-
Public Works	-	-	-
Parks & Recreation	-	-	-
Community Development	-	-	-
Environmental & Neighborhood Services	-	-	8,561,958
Police Department	-	-	-
Fire Department	-	-	-
Debt Service	17,967,289	1,427,923	-
Other	930,742	177,251	70,000
Construction	13,477,500	750,000	-
Utility Services	25,730,037	-	-
Airport Services	-	11,675,512	-
Insurance Coverage	-	-	-
Equipment Replacement	-	-	-
Rebates & Assignments	-	-	-
Total Expenditures	58,105,568	14,030,686	8,631,958
Transfers To Other Funds	24,215,661	1,990,949	456,745
Total Expenditures & Transfers	82,321,229	16,021,635	9,088,703

Revenue Over (Under) Expenditures	(1,495,233)	289,524	30,912
BEGINNING BALANCE	\$ 53,306,674	\$ 3,663,328	\$ 759,034
Reserved for Debt Service	(9,247,585)	(825,478)	
Reserved for Self Insurance	-	-	
Reserved for Capital Repairs	-	-	
GAAP Accruals	-	-	
END BUDGET BALANCE	\$ 42,563,856	\$ 3,127,374	\$ 789,946

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2021
ADOPTED BUDGET**

REVENUES

Category Description	Internal Service Funds		
	Fleet Replacement	Hi-Tech Replacement	Employee Benefits
Property Taxes	-	-	-
Sales Tax	-	-	-
Other Taxes	-	-	-
Licenses & Permits	-	-	-
Charges For Service	-	-	-
Fines & Forfeitures	-	-	-
Interest Income	60,000	53,000	5,000
Intergovernmental	-	-	-
Miscellaneous	195,000	2,170	2,219,853
Bond Proceeds	-	-	-
Contributions	-	-	12,000,036
Total Revenue	255,000	55,170	14,224,889
Transfers From Other Funds	731,636	671,778	-
Total Available Resources	986,636	726,948	14,224,889

EXPENDITURES

General Government	-	-	-
Finance	-	-	-
Public Works	-	-	-
Parks & Recreation	-	-	-
Community Development	-	-	-
Environmental & Neighborhood Services	-	-	-
Police Department	-	-	-
Fire Department	-	-	-
Debt Service	-	-	-
Other	-	-	741,892
Construction	-	-	-
Utility Services	-	-	-
Airport Services	-	-	-
Insurance Coverage	-	-	13,535,336
Equipment Replacement	1,024,095	1,569,015	-
Rebates & Assignments	-	-	-
Total Expenditures	1,024,095	1,569,015	14,277,228
Transfers To Other Funds	1,500,000	-	-
Total Expenditures & Transfers	2,524,095	1,569,015	14,277,228

Revenue Over (Under) Expenditures	(1,537,459)	(842,067)	(52,339)
BEGINNING BALANCE	\$ 3,229,700	\$ 2,190,550	\$ 2,548,584
Reserved for Debt Service			
Reserved for Self Insurance			(2,328,237)
Reserved for Capital Repairs			
GAAP Accruals			
END BUDGET BALANCE	\$ 1,692,241	\$ 1,348,483	\$ 168,008

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2021
ADOPTED BUDGET**

REVENUES

Category Description	Special Revenue Funds			
	Enclave at River Park PID	Brazos River Festival Site	Tourism	Court Security
Property Taxes	-	-	-	-
Sales Tax	-	-	-	-
Other Taxes	-	-	1,571,400	-
Licenses & Permits	-	-	-	-
Charges For Service	76,104	17,200	-	43,175
Fines & Forfeitures	-	-	-	-
Interest Income	400	200	15,000	350
Intergovernmental	-	-	-	-
Miscellaneous	-	-	29,100	-
Bond Proceeds	-	-	-	-
Contributions	-	-	-	-
Total Revenue	76,504	17,400	1,615,500	43,525
Transfers From Other Funds	80,494	91,443	-	-
Total Available Resources	156,998	108,843	1,615,500	43,525

EXPENDITURES

General Government	-	221,443	652,773	-
Finance	-	-	-	40,636
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Community Development	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-
Police Department	-	-	-	-
Fire Department	-	-	-	-
Debt Service	-	-	-	-
Other	75	-	550	-
Construction	-	-	-	-
Utility Services	-	-	-	-
Airport Services	-	-	-	-
Insurance Coverage	-	-	-	-
Equipment Replacement	-	-	-	-
Rebates & Assignments	-	-	-	-
Total Expenditures	75	221,443	653,323	40,636
Transfers To Other Funds	161,144	-	1,341,100	-
Total Expenditures & Transfers	161,219	221,443	1,994,423	40,636

Revenue Over (Under) Expenditures	(4,221)	(112,600)	(378,923)	2,889
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BEGINNING BALANCE	\$ 71,550	\$ 113,225	\$ 1,664,253	\$ 14,869
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Reserved for Debt Service

Reserved for Self Insurance

Reserved for Capital Repairs

GAAP Accruals	(553,420)
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END BUDGET BALANCE	\$ 67,329	\$ 625	\$ 731,910	\$ 17,758
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**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2021
ADOPTED BUDGET**

REVENUES

Category Description					
	Court Tech	Animal Shelter Donations	Public Education Grant	Law Enforcement	SPA Debt Reduction
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Other Taxes	-	-	170,000	-	-
Licenses & Permits	-	-	-	-	-
Charges For Service	35,245	-	-	-	218,285
Fines & Forfeitures	-	-	-	-	-
Interest Income	675	-	-	3,225	12,700
Intergovernmental	-	50,000	-	-	-
Miscellaneous	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Contributions	-	-	-	-	-
Total Revenue	35,920	50,000	170,000	3,225	230,985
Transfers From Other Funds	-	-	-	-	-
Total Available Resources	35,920	50,000	170,000	3,225	230,985

EXPENDITURES

General Government	-	-	170,000	-	-
Finance	34,138	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental & Neighborhood Services	-	50,000	-	-	-
Police Department	-	-	-	-	-
Fire Department	-	-	-	-	-
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
Construction	-	-	-	-	-
Utility Services	-	-	-	-	-
Airport Services	-	-	-	-	-
Insurance Coverage	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Rebates & Assignments	-	-	-	-	-
Total Expenditures	34,138	50,000	170,000	-	-
Transfers To Other Funds	-	-	-	-	-
Total Expenditures & Transfers	34,138	50,000	170,000	-	-

Revenue Over (Under) Expenditures	1,782	-	-	3,225	230,985
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BEGINNING BALANCE	\$ 5,880	\$ -	\$ -	\$ 365,591	\$ 1,434,987
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Reserved for Debt Service
Reserved for Self Insurance
Reserved for Capital Repairs
GAAP Accruals

END BUDGET BALANCE	\$ 7,662	\$ -	\$ -	\$ 368,816	\$ 1,665,972
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**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2021
ADOPTED BUDGET**

REVENUES

Category Description	Total City	Component Units		TOTAL
		SLDC	SL4B	
Property Taxes	\$ 54,026,764	-	-	\$ 54,026,764
Sales Tax	33,270,851	5,545,142	5,545,142	44,361,135
Other Taxes	8,125,468	-	-	8,125,468
Licenses & Permits	3,326,853	-	-	3,326,853
Charges For Service	81,506,159	-	-	81,506,159
Fines & Forfeitures	1,577,979	-	-	1,577,979
Interest Income	1,399,051	125,000	125,000	1,649,051
Intergovernmental	6,806,721	1,500,000	145,300	8,452,021
Miscellaneous	7,188,142	-	80,000	7,268,142
Bond Proceeds	23,862,700	-	-	23,862,700
Contributions	12,000,036	-	-	12,000,036
Total Revenue	233,090,724	7,170,142	5,895,442	246,156,308
Transfers From Other Funds	33,225,676	-	-	33,225,676
Total Available Resources	266,316,400	7,170,142	5,895,442	279,381,984

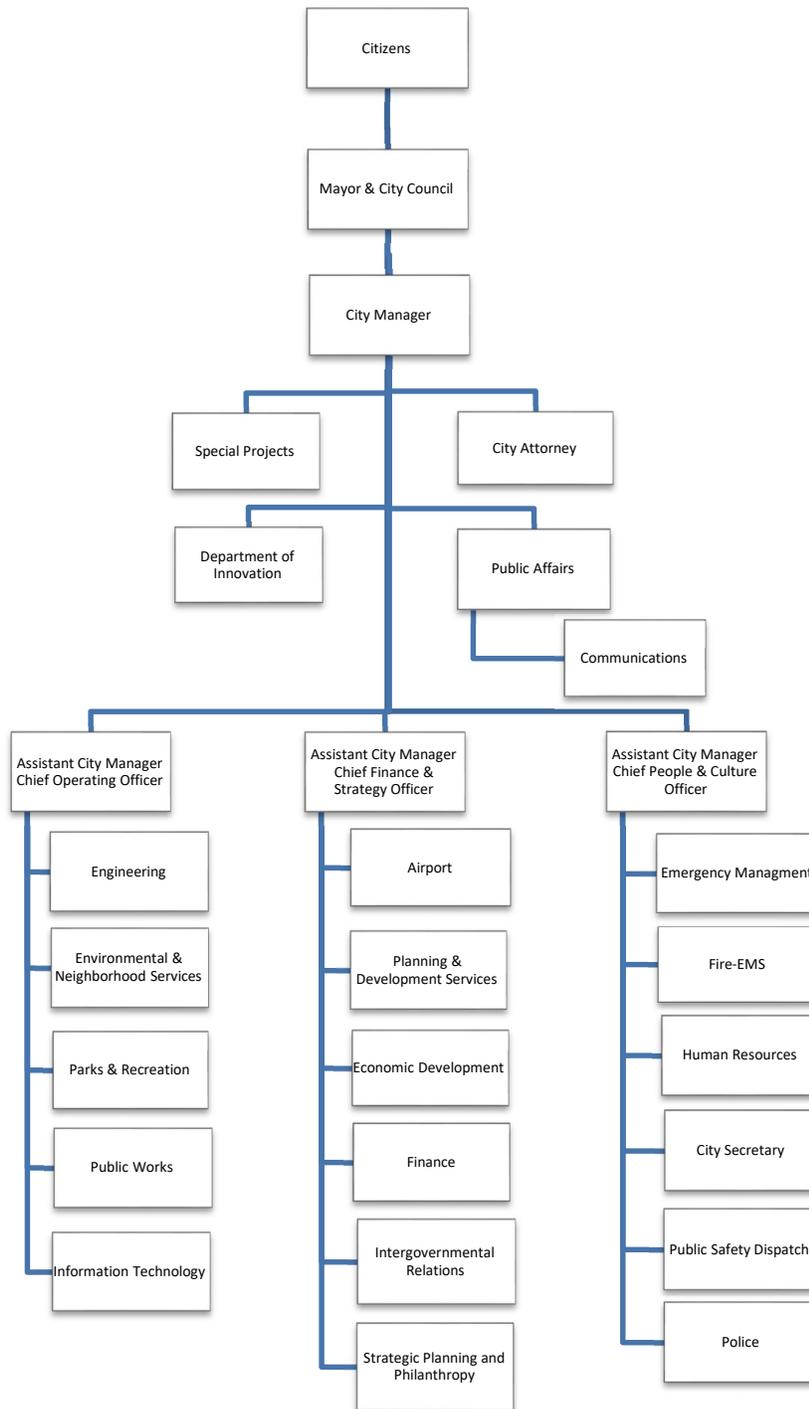
EXPENDITURES

General Government	16,041,671	597,017	561,620	17,200,308
Finance	4,740,079	-	-	4,740,079
Public Works	12,907,599	-	-	12,907,599
Parks & Recreation	5,154,115	-	-	5,154,115
Community Development	5,764,134	-	-	5,764,134
Environmental & Neighborhood Services	15,030,591	-	-	15,030,591
Police Department	25,561,540	-	-	25,561,540
Fire Department	16,763,616	-	-	16,763,616
Debt Service	49,704,408	4,055,971	3,022,875	56,783,254
Other	5,070,134	1,704,800	1,747,450	8,522,384
Construction	27,653,500	-	-	27,653,500
Utility Services	25,730,037	-	-	25,730,037
Airport Services	11,675,512	-	-	11,675,512
Insurance Coverage	13,535,336	-	-	13,535,336
Equipment Replacement	2,593,110	-	-	2,593,110
Rebates & Assignments	4,481,458	2,740	-	4,484,198
Total Expenditures	242,406,840	6,360,528	5,331,945	254,099,313
Transfers To Other Funds	30,841,257	764,123	1,531,983	33,137,363
Total Expenditures & Transfers	273,248,097	7,124,651	6,863,928	287,236,676

Revenue Over (Under) Expenditures	(6,931,697)	45,491	(968,486)	(7,854,692)
BEGINNING BALANCE	\$ 113,861,450	\$ 9,302,219	\$ 6,940,689	\$ 130,104,358
Reserved for Debt Service	(10,073,063)	(3,992,302)	(2,427,000)	(16,492,365)
Reserved for Self Insurance	(2,328,237)			(2,328,237)
Reserved for Capital Repairs	(1,726,461)			(1,726,461)
GAAP Accruals	(7,796,119)	(1,116,802)	(1,116,802)	(10,029,723)
END BUDGET BALANCE	\$ 85,005,873	\$ 4,238,606	\$ 2,428,401	\$ 91,672,880

City of Sugar Land Organizational Chart

As of October 1, 2020



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 118,755 due to a recent annexation and is nationally recognized for its low crime and excellent opportunities afforded to residents.



City Management

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

ROLE OF CITY COUNCIL

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

ROLE OF CITY MANAGER

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

Local Economy

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

EMPLOYER	TYPE OF BUSINESS
Methodist Sugar Land Hospital	Medical
Fluor Enterprises, Inc.*	Engineering
Schlumberger*	Energy
Champion X*	R & D Headquarters
Memorial Hermann Sugar Land	Medical
ABM*	Facilities Services
St. Luke's Hospital Sugar Land	Medical
Accredo Packaging, Inc.	Packaging and Containers

Baker Hughes*	Specialty Polymers
Applied Optoelectronics, Inc.	Telecommunications
AmerisourceBergen Drug Company*	Medical Distribution
Tramontina	Manufacturing
QuVa Pharma	Pharmaceutical
Healix, Inc.	Healthcare
HCSS	Technology

*2018 Fortune 500 Company

Economic Development Activity

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

As a regional employment center with nearly 70,000 jobs, Sugar Land is home to high-profile regional and international corporations housed in more than 28 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 two new warehouse/distribution speculative buildings totaling 326,583 sqft on a 20.38-acre site 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 \$20.8 million investment from TDC shows a continued demand for new industrial space in our market. This project is slated for completion by December 2021 and there continues to be significant interest for industrial space in Sugar Land.

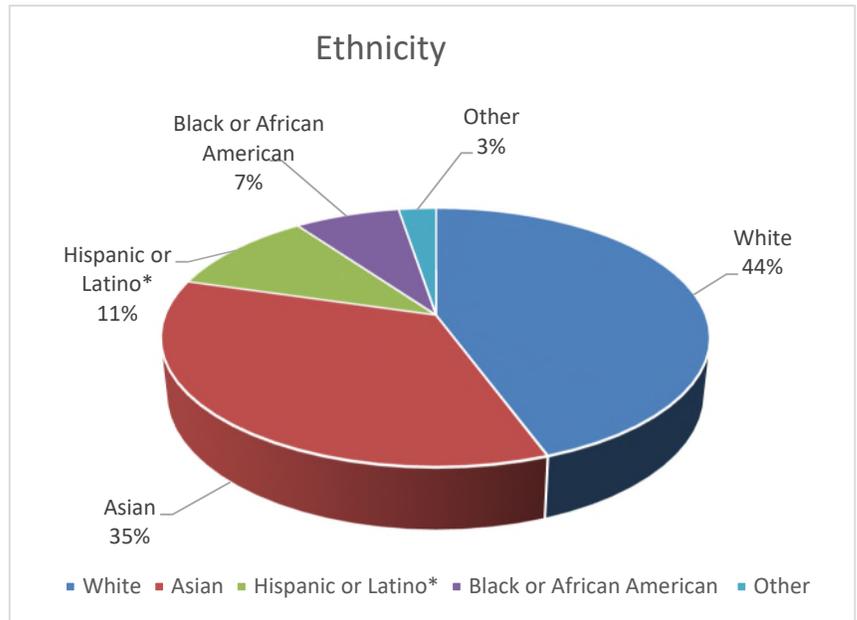
Sugar Land also continues to establish itself as a destination city. The Smart Financial Centre at Sugar Land has far exceeded all projections in its first two years – hosting more than 115 events and over 350,000 paid attendees annually – consistently earning recognition as a top theatre venue worldwide according to *Pollstar* magazine. Additionally, Constellation Field welcomed over 530,000 visitors last year at their various baseball games and special events. The Houston Museum of Natural Science at Sugar Land exceeded 100,000 attendees 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

Diversity

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

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



City Profile

	FY18	FY19	FY20	FY21
Population (January 1st estimate)	117,869	118,118	118,498	118,755
Square Miles	43	43	43	43
Acres	27,208	27,424	27,402	27,402
Budgeted Full Time Employees	804.5	805.0	848.0	848.0
Total Operating Budget	\$ 207.11 M	\$ 247.3 M	\$ 272.11 M	\$ 253.72 M
Fire Protection-Emergency Medical Services				
Number of Stations	7	7	7	7
Certified Firefighters	124	124	124	124
Calls for Service	9,392	9,587	8,823	9,580
Police Protection				
Number of Stations	1	1	1	1
Certified Police Officers	172	172	173	173
Calls for Service	34,146	37,485	32,135	37,500
Parks & Recreation				
Number of Parks	27	27	27	27
Park Acreage	2,132	2,248	2,248	2,248
Swimming Pools	1	1	1	1
Community Centers	5	5	5	5
Recreation Centers	2	2	2	2
Special Events Offered	26	26	14	26
Public Works				
Lane Miles of Streets	1,022	1,052	1,060	1,068
Linear Miles of Sidewalk	848	846	847	848
Miles of Storm Sewer/Open Ditch	477	494	496	458
Traffic Signals Maintained	94	90	92	92
City Facilities	63	73	73	73
Utilities				
Equivalent Single Family Connections	60,462	61,951	62,149	62,441
Water Produced (Million Gallons)	7,346	7,526	7,550	7,586
Wastewater Treated (Million Gallons)	3,893	3,988	4,001	4,020
Community Development				
Building Permits Issued	7,386	8,585	8,300	8,600
Airport				
Gallons of Fuel Sold	3,003,271	3,181,500	2,889,624	2,951,075
Aircraft Served	15,408	13,887	11,875	13,500

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 received either by telephone, e-mail or through youth sports leagues. A recommended project list is compiled, prioritized by year, and cost estimates assigned.

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

FY21 Budget Calendar

February	<ul style="list-style-type: none"> • Cost allocation plan updated • Key issues identified and prioritized by City Management • Preparation for spring retreat
March	<ul style="list-style-type: none"> • CIP Kick-Off • City Manager develops budget message based on key issues • COVID-19 impacts Texas – Governor issues stay at home orders • Implemented measures outlined in the Financial Management Policy Statements to respond to the ongoing pandemic.
April	<ul style="list-style-type: none"> • Staff Developed Economic Scenarios in response to COVID-19 • Budget Office develops preliminary funding plan for five-year CIP
May	<ul style="list-style-type: none"> • Reviewed Economic Scenarios with City Management • Strategies to respond to differing economic outcomes as a result of COVID-19 were developed.
June	<ul style="list-style-type: none"> • Review list of CIP projects with City Council • CIP project list finalized and fiscally constrained • Utility Rate Model – preliminary results, review with Council Finance Committee
July	<ul style="list-style-type: none"> • Finalize budget scenarios and five-year forecast • City Council approves disaster resolution for voter approval tax rate • Review list of CIP projects with Planning & Zoning • Prepare proposed budget document, transmittal letter and budget filing presentations • July 21st: Proposed budget filed with City Council • Certified tax roll due from Central Appraisal District
August	<ul style="list-style-type: none"> • Council budget workshops (Thursday mornings) • Publish voter approval tax rate and proposed tax rates
September	<ul style="list-style-type: none"> • FY20 Budget Amendment Ordinance • Public hearing on proposed tax rate and budget • City Council adoption of FY21: <ul style="list-style-type: none"> ○ Annual budget, five-year CIP, compensation plan ○ City Council adopt 2020 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 14 days after it is filed and before the budget is adopted. The budget is adopted by ordinance with one reading prior to the 25th day of the last month of the fiscal year, as required by the City Charter. 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 Comprehensive Annual Financial Report (CAFR). The budget also does not differentiate between the various categories of governmental fund balances under GASB 54.

Proprietary and Internal Service Funds

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

- Revenues are budgeted in the period they are earned and measurable.
- Expenses are budgeted in the period in which the liability was incurred.
- Depreciation of assets is not budgeted.
- Expenses to recognize unfunded liabilities are not budgeted, such as 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 ten active special revenue funds budgeted for FY20, 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 Water Utility and Surface Water funds are now combined funds, where previously, they were reported separately. The enterprise funds also have corresponding capital project funds.

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

Fiduciary Funds

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

Goals & Vision

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

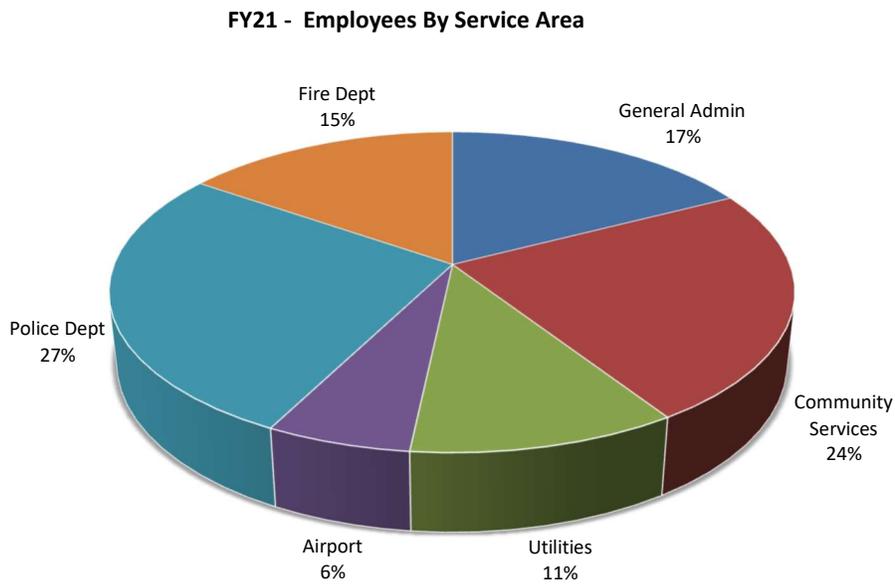
Staffing Levels

FY21 Budget

The number of budgeted Full Time Equivalent (FTE) positions in FY21 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, Parks & Recreation, Environmental & Neighborhood Services, and Community Development. Utilities include Solid Waste and Utility System.



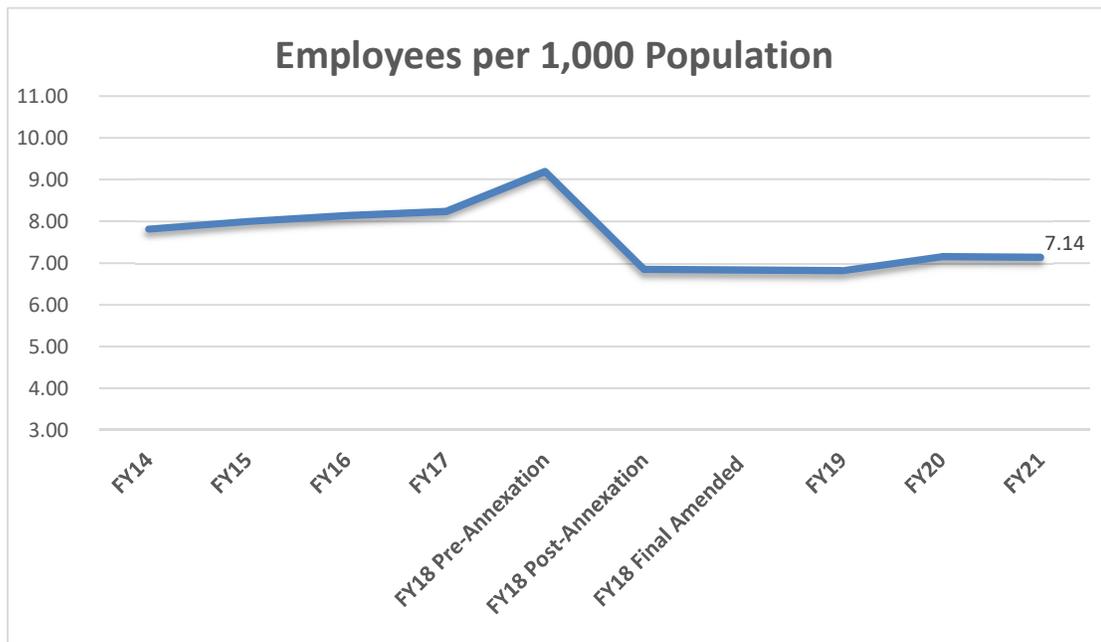
FY21 Requested Positions

There were no new FTE's added in the FY21 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. The per number of employees will slightly decrease from 7.16 to 7.14, due to an increase in population and no new employees.

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%	118,755	7.14



Historical Detail of Authorized Full-Time Equivalents

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Administrative Manager	1.00	1.00	-	1.00	-	1.00
Agenda Coordinator	-	1.00	(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	1.00	(1.00)	-	-	-
Management Assistant I	4.00	3.00	(3.00)	-	-	-
Management Assistant II	-	1.00	(1.00)	-	-	-
Director of Public Affairs	1.00	1.00	-	1.00	-	1.00
Executive Assistant	2.00	2.00	-	2.00	-	2.00
City Manager	11.00	12.00	(6.00)	6.00	-	6.00
Asset & Operations Manager	1.00	1.00	(1.00)	-	-	-
Assistant City Manager	3.00	3.00	-	3.00	-	3.00
Director of Special Projects	1.00	1.00	-	1.00	-	1.00
Strategic Planning & Philanthropy Manager	-	-	1.00	1.00	-	1.00
Executive Assistant	2.00	2.00	-	2.00	-	2.00
Assistant City Managers	9.00	7.00	-	7.00	-	7.00
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	1.00	-	-	-	-	-
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
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
Records Manager	1.00	1.00	-	1.00	-	1.00
Sr. Administrative Assistant	1.00	-	-	-	-	-
City Secretary	7.00	7.00	2.00	9.00	-	9.00
Assistant Communications Director	1.00	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
Digital Communications Manager	-	1.00	-	1.00	-	1.00
Digital Communications Manager, Web Branding	-	1.00	-	1.00	-	1.00
Digital Journalist	-	1.00	-	1.00	-	1.00
Executive Assistant	-	1.00	-	1.00	-	1.00
Graphic Designer/Branding Specialist	-	1.00	-	1.00	-	1.00
Publications Manager	1.00	1.00	(1.00)	-	-	-
Communications	7.00	9.00	-	9.00	-	9.00
311 Contact Center Ambassadors	5.00	5.00	1.20	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	1.20	(1.20)	-	-	-
311 Contact Center	7.20	7.20	1.00	8.20	-	8.20

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 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
HR Business Partner	4.00	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
Human Resources	11.00	11.00	-	11.00	-	11.00
Assistant City Attorney	3.00	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	1.00	(1.00)	-	-	-
Senior Assistant City Attorney	-	-	1.00	1.00	-	1.00
City Attorney	6.00	7.00	-	7.00	-	7.00
Administrative Coordinator	-	1.00	-	1.00	-	1.00
Application Developer II	-	1.00	-	1.00	-	1.00
Application Developer III	-	2.00	-	2.00	-	2.00
Director of Information Technology	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
G.I.S. Specialist	3.00	2.00	-	2.00	-	2.00
Sr. G.I.S. Specialist	-	1.00	-	1.00	-	1.00
IT Manager	2.00	3.00	-	3.00	-	3.00
IT Project Manager	1.00	1.00	-	1.00	-	1.00
IT Project Manager - ERP	-	1.00	-	1.00	-	1.00
Sr. Project Manager	-	1.00	-	1.00	-	1.00
System Administrator	4.00	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	23.00	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	(1.00)	-	-	-
Innovation Manager	-	-	2.00	2.00	-	2.00
Management Analyst I	-	-	4.00	4.00	-	4.00
Performance & Accountability Analyst	2.00	2.00	(2.00)	-	-	-
Performance Analyst	-	-	1.00	1.00	-	1.00
Performance & Accountability Director	1.00	1.00	(1.00)	-	-	-
Performance & Accountability Manager	1.00	1.00	(1.00)	-	-	-
Department of Innovation	4.00	5.00	4.00	9.00	-	9.00
Assistant Dir. Of Economic Dev.	1.00	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	1.00	(1.00)	-	-	-
Compliance Manager	1.00	1.00	(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
Executive Assistant	1.00	1.00	-	1.00	-	1.00
Public/Private Partnership Manager	1.00	1.00	-	1.00	-	1.00
Economic Development	6.50	8.00	-	8.00	-	8.00
Intergov'tl Relations Manager	1.00	1.00	-	1.00	-	1.00
Intergovernmental Relations	1.00	1.00	-	1.00	-	1.00
General Government Total	94.70	101.20	3.00	104.20	-	104.20

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Director of Finance	1.00	1.00	-	1.00	-	1.00
Assistant Director of Finance	1.00	1.00	-	1.00	-	1.00
Grants Officer	-	1.00	-	1.00	-	1.00
Sr. Administrative Assistant	1.00	-	1.00	1.00	-	1.00
Finance Administration	3.00	3.00	1.00	4.00	-	4.00
Budget Analyst	1.00	1.00	2.00	3.00	-	3.00
Budget Manager	-	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
Sr. Financial Analyst	2.00	1.00	(1.00)	-	-	-
Budget Office	5.00	5.00	1.00	6.00	-	6.00
Accountant I & II	2.00	2.00	(1.00)	1.00	-	1.00
Accounting Supervisor	1.00	1.00	-	1.00	-	1.00
Accounts Payable Specialist	1.50	1.50	-	1.50	-	1.50
Senior 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
Deputy Controller	-	1.00	-	1.00	-	1.00
Principal Accountant	1.00	1.00	-	1.00	-	1.00
Sr. Accountant	1.00	1.00	1.00	2.00	-	2.00
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Accounting	12.50	12.50	-	12.50	-	12.50
Contracts Coordinator	1.00	2.00	-	2.00	-	2.00
Contracts Manager	1.00	1.00	-	1.00	-	1.00
Department Specialist	2.00	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
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	12.00	13.00	-	13.00	-	13.00
Finance & Municipal Court Total	39.50	40.50	2.00	42.50	-	42.50
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
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Public Works Administration	4.00	3.00	-	3.00	-	3.00
Crew Chief	5.00	6.00	-	6.00	-	6.00
Operational Manager	-	1.00	-	1.00	-	1.00
Field Supervisor	3.00	3.00	-	3.00	-	3.00
General Maintenance Worker (I & II)	12.00	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	22.00	23.00	-	23.00	-	23.00
ROW Service Manager	1.00	1.00	-	1.00	-	1.00
Crew Chief	-	4.00	-	4.00	-	4.00
Field Supervisor	-	1.00	-	1.00	-	1.00
Irrigation Technician	-	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	-	12.00	-	12.00	-	12.00
Streetscape Manager	-	1.00	-	1.00	-	1.00
ROW Maintenance	3.00	20.00	-	20.00	-	20.00

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
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
Traffic Mgmt Center Analyst	-	1.00	-	1.00	-	1.00
Traffic Mgmt Center Operator	2.00	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	14.00	15.00	-	15.00	-	15.00
Public Works Total	43.00	61.00	-	61.00	-	61.00
Administrative Manager	1.00	1.00	-	1.00	-	1.00
Assistant Director of Parks & Recreation	2.00	2.00	-	2.00	-	2.00
Director of Parks & Recreation	1.00	1.00	-	1.00	-	1.00
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Parks Administration	6.00	5.00	-	5.00	-	5.00
Crew Chief	4.00	4.00	-	4.00	-	4.00
Field Supervisor	-	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	9.00	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
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	14.30	15.30	-	15.30	-	15.30
Parks & Recreation Total	38.80	38.80	-	38.80	-	38.80
Director of Planning	1.00	1.00	(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	(1.00)	-	-	-
Building Official	1.00	-	-	-	-	-
Deputy Building Official	1.00	1.00	1.00	2.00	-	2.00
Permits Supervisor	1.00	1.00	-	1.00	-	1.00
Permits Technician	2.00	3.00	-	3.00	-	3.00
Plans Examiner	2.00	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	16.25	17.25	(1.00)	16.25	-	16.25
City Planner - Development	1.00	1.00	-	1.00	-	1.00
Development Review Coordinator	2.00	2.00	-	2.00	-	2.00
Planner I	-	-	1.00	1.00	-	1.00
Planner II	2.00	1.00	(1.00)	-	-	-
Principal Planner	1.00	1.00	-	1.00	-	1.00
Sr. Planner	-	1.00	-	1.00	-	1.00
Planning & Development	6.00	6.00	-	6.00	-	6.00

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
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	1.00	(1.00)	-	-	-
Sr. Planner	1.00	1.00	1.00	2.00	-	2.00
Transportation & Long Range Planning	4.00	4.00	-	4.00	-	4.00
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	1.00	2.00	-	2.00	-	2.00
City Engineer	1.00	1.00	-	1.00	-	1.00
Construction Inspector	4.00	4.00	-	4.00	-	4.00
Construction Manager	-	1.00	-	1.00	-	1.00
Engineer (I, II, III, IV)	2.00	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	4.00	3.00	(2.00)	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	-	1.00
Sr. Engineer Manager	1.00	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
City Engineer	23.00	24.00	1.00	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
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
Courier	1.00	1.00	-	1.00	-	1.00
Facilities Services Manager	1.00	1.00	-	1.00	-	1.00
Facilities Services Supervisor	1.00	1.00	-	1.00	-	1.00
Facility Services Technician	2.00	2.00	-	2.00	-	2.00
Sr. Facility Services Tech	2.00	4.00	-	4.00	-	4.00
Facilities Management	8.00	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
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	10.50	11.50	-	11.50	-	11.50
Stormwater Coordinator	-	1.00	-	1.00	-	1.00
Environmental Services Inspector	0.50	0.50	-	0.50	-	0.50
Stormwater Management	0.50	1.50	-	1.50	-	1.50
Food Inspection Coordinator		1.00	-	1.00	-	1.00
Food Inspection Manager		1.00	-	1.00	-	1.00
Sanitarian	3.00	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

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
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	44.00	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	1.00	1.00	2.00	-	2.00
Police Chief	1.00	1.00	-	1.00	-	1.00
Sr. Administrative Assistant	1.00	2.00	-	2.00	-	2.00
Police Administration	5.50	6.50	1.00	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	12.60	1.00	13.60	-	13.60
Police Sergeant	2.00	2.00	-	2.00	-	2.00
Support Services Bureau	18.10	18.10	1.00	19.10	-	19.10
Administrative Assistant	2.00	1.00	-	1.00	-	1.00
Crime Analyst	1.00	1.00	(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	0.50	1.00	-	1.00	-	1.00
Professional Services	12.50	12.00	(1.00)	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	91.00	93.00	(1.00)	92.00	-	92.00
Police Sergeant	20.00	20.00	-	20.00	-	20.00
Patrol	120.00	122.00	(1.00)	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	2.00	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	32.50	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
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	5.50	4.50	2.00	6.50	-	6.50
Public Safety Dispatcher (I & II)	19.00	20.00	(2.00)	18.00	-	18.00
Quality Assurance Supervisor	-	1.00	-	1.00	-	1.00
Public Safety Dispatch	35.00	34.50	-	34.50	-	34.50
Police & Public Safety Dispatch Total	229.60	232.60	-	232.60	-	232.60
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
Fire Chief	1.00	1.00	-	1.00	-	1.00
Fire Administration	3.00	4.00	3.00	7.00	-	7.00

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Assistant Fire Chief	1.00	1.00	1.00	2.00	-	2.00
Battalion Chief	3.00	3.00	3.00	6.00	-	6.00
Fire Captain	1.00	1.00	2.00	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	42.00	46.00	14.00	60.00	-	60.00
Emergency Services	91.00	95.00	20.00	115.00	-	115.00
Battalion Chief EMS	1.00	1.00	(1.00)	-	-	-
Fire Captain	1.00	1.00	(1.00)	-	-	-
Firefighter	18.00	14.00	(14.00)	-	-	-
Emergency Medical Services	20.00	16.00	(16.00)	-	-	-
Administrative Assistant	1.00	1.00	(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	3.00	4.00	(4.00)	-	-	-
Fire Lieutenant	2.00	2.00	4.00	6.00	-	6.00
Prevention	9.00	10.00	(1.00)	9.00	-	9.00
Assistant Fire Chief	1.00	1.00	(1.00)	-	-	-
Emergency Management Specialist	1.00	1.00	(1.00)	-	-	-
Sr. Administrative Assistant	1.00	1.00	(1.00)	-	-	-
Emergency Management	3.00	3.00	(3.00)	-	-	-
Administrative Assistant	1.00	1.00	(1.00)	-	-	-
Assistant Fire Chief	1.00	1.00	(1.00)	-	-	-
Battalion Chief Admin	1.00	1.00	(1.00)	-	-	-
Battalion Chief/Training	1.00	1.00	(1.00)	-	-	-
Fire Captain	1.00	1.00	(1.00)	-	-	-
Professional Development	5.00	5.00	(5.00)	-	-	-
Fire Total	131.00	133.00	(2.00)	131.00	-	131.00
GENERAL FUND	670.85	707.35	3.00	710.35	-	710.35
LESS PROGRAM EMPLOYEES	(4.00)	(4.00)	(3.00)	(7.00)	-	(7.00)
LESS TEMPORARY POSITIONS	(1.25)	(1.25)	-	(1.25)	-	(1.25)
GENERAL FUND NET FTE	665.60	702.10	-	702.10	-	702.10
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
Cultural Arts Manager	0.50	0.50	-	0.50	-	0.50
Convention & Visitors Bureau	2.50	3.00	-	3.00	-	3.00
Assistant Director of Economic Development	-	0.50	-	0.50	-	0.50
Tourism & Visitor Services Manager	1.00	1.00	-	1.00	-	1.00
Tourism Program	2.00	1.50	-	1.50	-	1.50
TOURISM FUND	4.50	4.50	-	4.50	-	4.50
SPECIAL REVENUE FUNDS	6.40	5.90	-	5.90	-	5.90
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
Sr. Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Utility Administration	4.00	5.00	-	5.00	-	5.00

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
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	8.00	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	8.00	9.00	-	9.00	-	9.00
Customer Service	11.00	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	3.00	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
Water Resources Manager	1.00	1.00	-	1.00	-	1.00
Surface Water	12.00	15.00	-	15.00	-	15.00
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	12.00	12.00	-	12.00	-	12.00
UTILITY SYSTEM FUND	85.00	89.00	-	89.00	-	89.00

Position Title	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
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	1.00	2.00	-	2.00	-	2.00
Airport Operations Manager	1.00	1.00	(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	0.50	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	7.00	10.00	(1.00)	9.00	-	9.00
Line Crew II	3.00	3.00	1.00	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	23.50	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
Crew Chief	2.00	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	5.00	1.00	6.00	-	6.00
Maintenance & Operations	10.50	10.50	-	10.50	-	10.50
AIRPORT FUND	47.00	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	135.50	142.50	-	142.50	-	142.50
TOTAL ALL FUNDS	807.50	850.50	-	850.50	-	850.50
Less Seasonal	(2.50)	(2.50)		(2.50)		(2.50)
TOTAL FULL TIME EQUIVALENT	805.00	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 FY21 the City expects to contribute \$723,800 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 FY21 the City expects to contribute \$534,384 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 FY21 the City expects to

contribute \$379,661 in property tax for TIRZ#4 at 50% participation.

Fiscal Year 2020

The total property tax collections for FY20 are projected to be \$53,143,268 or 99.5% of the adjusted levy, including all three TIRZs. Revenues are distributed between operations and maintenance (\$30,696,469), debt service (\$21,022,524), TIRZ # 1 (\$641,984), TIRZ #3 (\$438,829), and TIRZ #4 (\$343,463).

Fiscal Year 2021

The certified net assessed valuation of \$16,587,033,568 for tax year 2020 is \$499,587,901 or 3.11% greater than the 2019 adjusted tax roll, including values inside the TIRZs. Of the \$16.6 billion in taxable value, \$216.2 million is incremental value in TIRZ #1, \$159.6 million in TIRZ #3, and \$113.4 million in TIRZ #4. Taxes collected on the incremental value from each TIRZ will be allocated from the City. Net assessed residential value increased 1.64%, and net assessed commercial value increased by 6.35% over the 2020 adjusted tax roll, including new value. Based on the certified tax roll and the 2020 tax rate of \$0.33650 per \$100 of assessed value, the anticipated tax collections for FY21 are \$55,536,291 at a 99.5% collection rate or \$2,393,023 greater than FY20 projections including the three TIRZs. Based on the 99.5% collection rate, \$53,898,445 will remain with the City and \$1,637,846 will be conveyed to the three TIRZs.

The homestead exemption for tax year 2020 remains at 12%. The optional exemption for over-65 and disabled persons remains at \$70,000.

The overall adopted tax rate for tax year 2020 is \$0.33650. The allocation for tax year 2019 and 2020 tax rate is as follows:

	2019	%	2020	%
M&O	\$ 0.19705	59.35%	\$ 0.20305	61.16%
Debt Service	0.13495	40.65%	0.13345	40.20%
Total	\$ 0.33200	100.00%	\$ 0.33650	101.36%

The passage of Senate Bill 2 during the 86th legislative session changed the process for reviewing and adopting the tax rate. Consistent with Resolution No. 20-17, the Tax Assessor/Collector calculated the voter-approval tax rate in the manner provided for a special taxing unit, due to the disaster declaration by the Governor in March 2020. The City Council made this request to allow maximum flexibility in considering a tax rate for 2020 due to the economic impacts from COVID-19, which are impacting the City's revenue streams- including the voter-approved sales tax for property

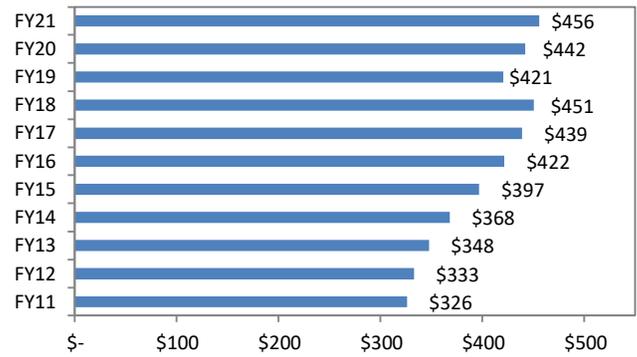
tax reduction. Even if the City had not elected to utilize this option, the proposed tax rate is below what the voter approval rate would have been at the 3.5% calculation under SB2. The required rates have been calculated and submitted to the governing body:

No New Revenue Tax Rate: \$0.324073
 Voter Approval Tax Rate: \$0.350807

Based on the average residential value of \$375,289 with a 12% homestead exemption at the adopted 2020 tax rate of \$0.33650, the average tax bill is \$1,096.

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

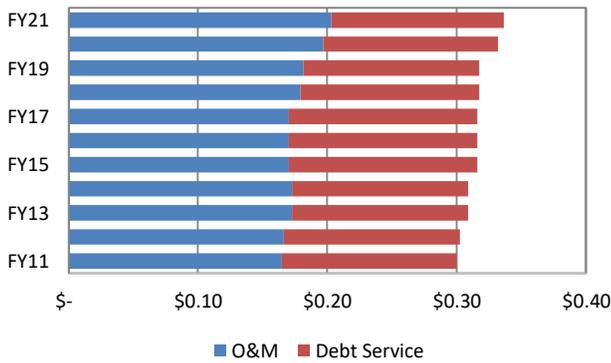
Property Taxes per Capita*



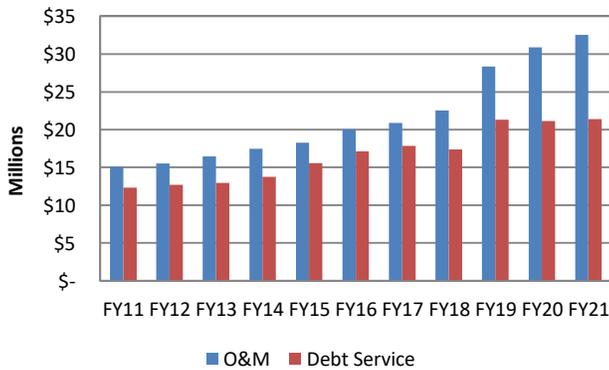
In FY21 property taxes per capita, excluding TIRZ valuation, is approximately \$456. Taxes per capita increased in FY21 due to increase of the city’s property tax rate.

* Excludes TIRZ Valuation

Tax Rate by Fiscal Year



Historical Tax Levy



**CITY OF SUGAR LAND
TAX COLLECTIONS**

	FY19 Adjusted Levy	FY20 Budget Certified Levy	FY20 Projections Adjusted Levy	FY21 Base Budget	FY21 Changes	FY21 Budget Certified Levy
REVENUES:						
City Levy	\$49,905,994	\$52,258,291	\$51,978,887	\$53,444,889	\$724,404	\$54,169,292
TIRZ #1	613,049	645,210	645,210	717,709	9,728	727,437
TIRZ #3	333,981	440,723	441,034	529,887	7,182	537,070
TIRZ #4	286,484	345,189	345,189	376,466	5,103	381,569
Total Tax Levy @ 100%	51,139,508	53,689,413	53,410,320	55,068,952	746,417	55,815,368
Collection Rate 99.5%	50,883,811	53,420,966	53,143,268	54,793,607	742,685	55,536,291
ALLOCATION:						
Maintenance	28,345,865	30,861,472	30,696,469	31,562,225	961,042	32,523,267
Debt	21,310,600	21,135,527	21,022,524	21,615,439	(240,261)	21,375,179
Total City Revenues	49,656,465	51,997,000	51,718,993	53,177,664	720,781	53,898,446
TIRZ #1	609,983	641,984	641,984	714,121	9,679	723,800
TIRZ #3	332,311	438,520	438,829	527,238	7,146	534,384
TIRZ #4	285,051	343,463	343,463	374,584	5,077	379,661
TOTAL TAX REVENUE	\$50,883,811	\$53,420,966	\$53,143,268	\$54,793,606	\$742,684	\$55,536,291

Tax Year	2018 Suppl.	2019 Certified	2019 Suppl #10	2020	2020	2020
Net Assessed Value	\$16,100,846,348	\$16,171,509,959	\$16,087,445,667	\$16,587,033,568		\$16,587,033,568
TIRZ #1 Value @ 100%	(193,013,208)	(194,340,231)	(194,340,231)	(216,177,440)		(216,177,440)
TIRZ #3 Value @ 50%	(105,151,197)	(132,747,973)	(132,841,479)	(159,604,647)		(159,604,647)
TIRZ #4 Value @ 50%	(90,197,057)	(103,972,575)	(103,972,575)	(113,393,415)		(113,393,415)
Taxable to City	15,712,484,886	15,740,449,180	15,656,291,383	16,097,858,066	-	16,097,858,066
Tax Rate Per \$100						
Maintenance	\$ 0.18131	\$ 0.19705	\$ 0.19705	\$ 0.19705	\$ 0.00600	\$ 0.20305
Debt	0.13631	0.13495	0.13495	0.13495	(0.00150)	0.13345
Total Tax Rate	\$ 0.31762	\$ 0.33200	\$ 0.33200	\$ 0.33200	\$ 0.00450	\$ 0.33650
Tax Rate Split:						
Maintenance	57.08%	59.35%	59.35%	59.35%		60.34%
Debt	42.92%	40.65%	40.65%	40.65%		39.66%
Total	100.00%	100.00%	100.00%	100.00%		100.00%
Certified Levy - 100%	\$49,905,994	\$52,258,291	\$51,978,887	\$53,444,889	\$724,403	\$54,169,292

**CITY OF SUGAR LAND
FISCAL YEAR 2021 BUDGET
ANALYSIS OF CERTIFIED TAX ROLL**

Tax Year	Supplement #10		Certified		
	2019 FY20		2020 FY21	% Change	
No. of Items		51,013	51,259	0.48%	
Residential Property:					
Land	\$	2,557,487,800	\$	2,630,341,587	2.85%
Improvements		10,421,438,157		10,518,832,276	0.93%
Total Residential Property		12,978,925,957		13,149,173,862	1.31%
Commercial Property:					
Land		1,264,885,601		1,274,950,808	0.80%
Improvements		3,554,658,509		4,125,685,582	16.06%
Personal Property		1,604,829,216		1,487,991,563	-7.28%
Total Commercial Property		6,424,373,326		6,888,627,953	7.23%
Agricultural Property		10,636,850		10,925,407	2.71%
Automobiles		146,795,790		133,494,082	-9.06%
Total Market Value		19,560,731,923		20,182,221,304	3.18%
Productivity Loss		(10,430,040)		(10,720,777)	2.79%
Homestead CAP Adjustment		(31,008,435)		(41,465,477)	33.72%
Exempt Properties		(1,255,416,942)		(1,399,309,329)	11.46%
Total Assessed Value		18,263,876,506		18,730,725,722	2.56%
Less:					
Homestead Exemptions		(1,274,479,161)		(1,259,266,354)	-1.19%
Over 65 Exemptions		(619,488,650)		(610,735,829)	-1.41%
Disabled Persons Exemptions		(19,761,230)		(18,661,090)	-5.57%
Disabled Veterans Exemptions		(2,469,825)		(2,335,890)	-5.42%
Disabled Veterans 100%		(27,707,577)		(31,306,172)	12.99%
Disabled Veterans 100% Surviving Spouse		(2,279,890)		(3,004,020)	31.76%
First Responder Surviving Spouse		(166,010)		(176,780)	6.49%
Abatements		(100,845,125)		(101,996,623)	1.14%
Pollution		(4,628,480)		(4,512,830)	-2.50%
Personal Leased Vehicles		(122,397,830)		(111,394,059)	-8.99%
Prorated Exempt Property		(1,741,116)		(7,672)	-99.56%
Solar		(451,260)		(242,658)	-46.23%
House Bill 366 Exemptions		(14,685)		(52,175)	255.29%
Total Exemptions		(2,176,430,839)		(2,143,692,154)	-1.50%
Net Assessed Valuation (NAV)		16,087,445,667		16,587,033,568	3.11%
Less: TIRZ #1 Value @ 100%		(194,340,231)		(216,177,440)	11.24%
Less: TIRZ #3 Value @ 50%		(132,841,479)		(159,604,647)	20.15%
Less: TIRZ #4 Value @ 50%		(103,972,575)		(113,393,415)	9.06%
Taxable Valuation to City	\$	15,656,291,383	\$	16,097,858,066	2.82%

**CITY OF SUGAR LAND
 PRINCIPAL TAXPAYERS
 2020 TOP TEN**

Taxpayer	Type of Business	2020 Taxable Assessed Valuation	Percentage of Total Net Assessed Valuation
1 LCFRE Sugar Land Town Square LLC	Mixed-Use Development	\$ 147,208,430	0.89%
2 First Colony Mall LLC	Shopping Center	109,758,476	0.66%
3 Lakepointe Assets	Real Estate/Engineering	90,000,000	0.54%
4 AmerisourceBergen Drug co	Pharmacy/Medical	86,733,500	0.52%
5 Tramontina USA	Manufacturing	84,533,760	0.51%
6 Market Town Center Owner LLC	Shopping Center	77,009,920	0.46%
7 Sugar Creek/EPG LLC & Sugar Creek TIC Investors LLC	Real Estate	69,349,690	0.42%
8 Schlumberger Tech Corp - HFEC	Energy Technology	68,725,850	0.41%
9 Houston Sugar Creeek LLC	Real Estate	64,506,599	0.39%
10 Welltower TCG Ridea Landlord LLC	Real Estate	53,496,582	0.32%
Other		15,735,710,761	94.87%
Total Net Assessed Valuation - Certified Roll		16,587,033,568	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 2020

Revenues total \$41,758,809, which includes \$20,977,825 in current and delinquent property taxes and \$13,312,235 in refunding bond proceeds. Other funding sources include transfers from other funds and interest income. Transfers from the Utility Fund and Tourism Fund support debt service related to activities supported by those funds. Transfers from 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 \$42,501,058, which includes \$26,844,459 in debt service payments, \$13,716,083 in payment to escrow agent from the bond refunding, \$143,108 for fiscal fees including issuance costs, \$1,714,906 for rebates to in-City MUDs, and \$82,502 in transfers to other funds- the Airport and Enclave at River Park PID, for property taxes collected in those areas. The fund balance at 9/30/20 is projected to be \$7,172,126, which is \$4,487,680 over the fund balance policy requirement of 10% of annual debt service.

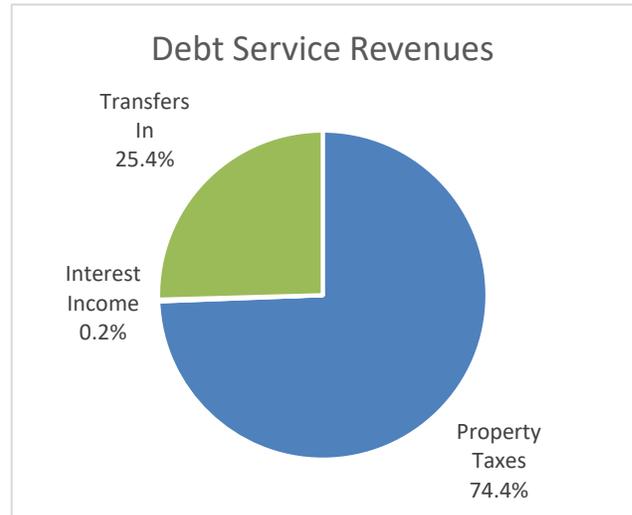
Fiscal Year 2021

Total revenues are budgeted for \$28,779,279. Funding from property taxes includes \$21,356,544 in current property taxes and \$53,391 in delinquent property taxes. Total property taxes of \$21,409,935 represents 74.4% of funding sources. Property tax revenues include the estimated impact of a ½ 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 \$50,000 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 FY21 transfer from the Utility Fund totals \$5,860,081.

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 FY21 the Tourism fund will transfer \$1,341,100 to support these issues from hotel occupancy tax revenues.



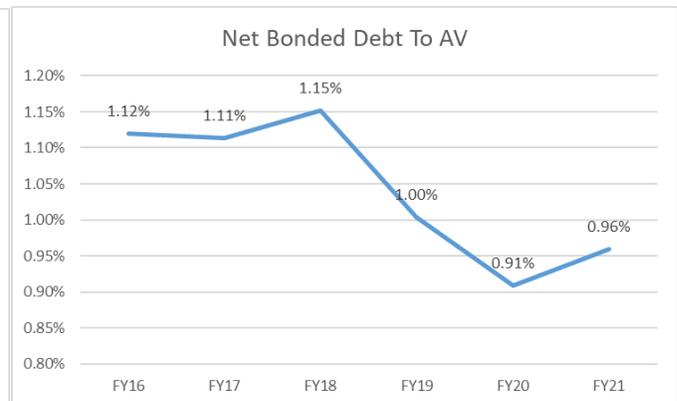
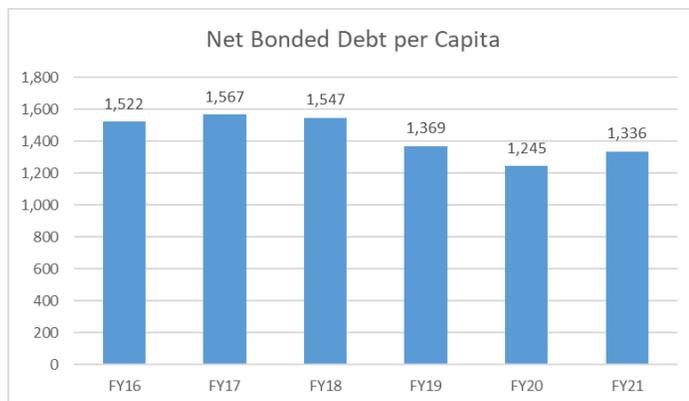
There is also a transfer in from the Enclave at River Park PID for \$118,163 to support debt issued for infrastructure in the development.

The debt service requirement on the current outstanding debt is \$27,628,699 and for the issuance of \$11.78 million in voter approved GO bonds, the budget includes \$1,060,040 for anticipated debt service payments, for a total of \$28,688,739. Paying agent fees are budgeted at \$25,758.

Rebates to in-City MUDs and inter-fund transfers total \$1,781,526 based on the anticipated 2020 tax rate allocation and estimated values in the MUDs.

The budgeted ending fund balance at 9/30/21 is \$5,455,382, which is \$2,586,508 above the policy requirement of 10% of annual debt service requirements.

For FY21 the ratio of net bonded debt to taxable value is expected to increase slightly of 0.91% to 0.96%, which is a very healthy ratio. The 2020 certified tax roll will affect this final calculation. 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 \$1,245 to \$1,336. These ratios have increased due to debt issued in FY20 for capital projects.



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 three years’ debt payments. Payments will be made monthly according to the terms of the thirty-year lease.

Fiscal Year 2020

Total revenues are projected at \$1,360,466. Lease revenue from ACE Sugar Land, LLC for the Smart Financial Centre at Sugar Land is projected at \$1,352,466 and interest income of \$8,000.

Total debt service payments due in fiscal year 2020 are \$1,590,399. Fiscal fees are budgeted at \$850.

The projected ending fund balance at 9/30/20 is \$702,079.

Fiscal Year 2021

Total revenues are budgeted for \$1,777,586. Lease revenue from ACE Sugar Land, LLC for the Smart Financial Centre at Sugar Land is budgeted at \$1,770,086 and interest income of \$7,500.

Total debt service payments due in fiscal year 2021 are \$1,593,699. Payments are due in December and June. Fiscal fees are budgeted at \$1,000.

The budgeted fund balance at 9/30/21 is \$884,966.

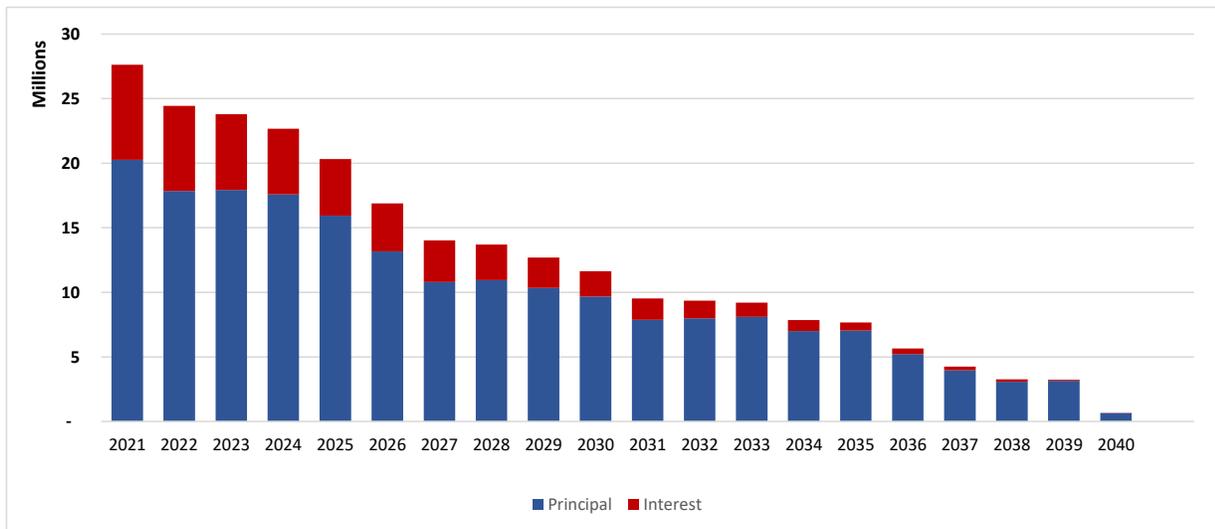
**CITY OF SUGAR LAND
DEBT SERVICE FUND
INCOME STATEMENT**

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Current Property Tax	\$ 21,125,077	\$ 21,135,527	\$ 20,935,527	\$ 21,356,544	\$ -	\$ 21,356,544
Delinquent Property Taxes	222,668	28,000	42,298	53,391	-	53,391
District Property Taxes/Fund Balance	6,039	-	-	-	-	-
Interest on Investments	292,758	150,000	150,000	50,000	-	50,000
Miscellaneous	724	-	-	-	-	-
Refunding Bond Proceeds	14,930,416	13,312,235	13,312,235	-	-	-
Operating Revenues	36,577,682	34,625,762	34,440,060	21,459,935	-	21,459,935
Total Transfers In	9,268,029	7,856,081	7,318,749	7,319,344	-	7,319,344
Non-operating Revenues	9,268,029	7,856,081	7,318,749	7,319,344	-	7,319,344
Total Revenues	45,845,711	42,481,843	41,758,809	28,779,279	-	28,779,279
EXPENDITURES						
Current Outstanding & New Debt	26,788,584	28,860,669	26,844,459	28,688,739	-	28,688,739
Issuance Costs/Fiscal Fees/Other	139,833	126,758	143,108	25,758	-	25,758
Refunding Payment to Escrow	14,802,083	13,716,083	13,716,083	-	-	-
Total Debt Service	41,730,500	42,703,510	40,703,650	28,714,497	-	28,714,497
Rebates & Assignments	1,678,808	1,714,906	1,714,906	1,694,372	-	1,694,372
Transfers to Other Funds	73,806	65,430	82,502	87,154	-	87,154
Total Other Expenditures	1,752,614	1,780,336	1,797,408	1,781,526	-	1,781,526
Total Expenditures	43,483,113	44,483,846	42,501,058	30,496,023	-	30,496,023
CHANGE IN FUND BALANCE	2,362,597	(2,002,003)	(742,249)	(1,716,744)	-	(1,716,744)
FUND BALANCE - BEGINNING	5,623,064	7,914,375	7,914,375	7,172,126	-	7,172,126
FUND BALANCE - ENDING	\$ 7,985,662	\$ 5,912,372	\$ 7,172,126	\$ 5,455,382	\$ -	\$ 5,455,382
Policy Requirement	\$ 2,678,858	\$ 2,886,067	\$ 2,684,446	\$ 2,868,874	\$ -	\$ 2,868,874
Over/(Under) Policy	5,306,803	3,026,305	4,487,680	2,586,508	-	2,586,508
Policy Requirement	10%	10%	10%	10%		10%

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

FY Ending September 30	Principal	Interest	Total
2021	20,260,996	7,367,703	27,628,699
2022	17,850,000	6,597,432	24,447,432
2023	17,935,000	5,860,194	23,795,194
2024	17,580,000	5,097,756	22,677,756
2025	15,945,000	4,380,038	20,325,038
2026	13,160,000	3,721,556	16,881,556
2027	10,800,000	3,214,140	14,014,140
2028	10,940,000	2,768,781	13,708,781
2029	10,345,000	2,350,478	12,695,478
2030	9,670,000	1,968,701	11,638,701
2031	7,875,000	1,649,107	9,524,107
2032	7,990,000	1,370,812	9,360,812
2033	8,110,000	1,099,697	9,209,697
2034	7,005,000	856,475	7,861,475
2035	7,035,000	634,791	7,669,791
2036	5,220,000	439,813	5,659,813
2037	3,965,000	291,200	4,256,200
2038	3,080,000	177,013	3,257,013
2039	3,155,000	76,691	3,231,691
2040	640,000	12,800	652,800
	198,560,996	49,935,177	248,496,173

* Excludes anticipated new debt



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

Issue	Description		Principal	Interest	Total
2012A	General Obligation Refunding Bonds, Series 2012A	Refunding	1,755,000	155,900	1,910,900
2013	Combined Tax & Revenue Cos, 2015	New	16,560,000	3,768,978	20,328,978
2014	Tax Notes	New	1,095,996	14,859	1,110,855
2014	General Obligation Refunding Bonds, Series 2014	Refunding	8,315,000	930,475	9,245,475
2014	Combined Tax & Revenue Cos, 2014	New	8,650,000	4,244,957	12,894,957
2015	Combined Tax & Revenue Cos, 2015	New	12,260,000	3,369,122	15,629,122
2015	General Obligation, Series 2015	New	10,600,000	2,753,591	13,353,591
2015	General Obligation Refunding Bonds, Series 2015	Refunding	8,245,000	1,391,600	9,636,600
2016	General Obligation, Series 2016	Refunding	19,820,000	3,439,000	23,259,000
2016	Certificates of Obligation, Series 2016	New	15,350,000	3,720,300	19,070,300
2016	General Obligation, Series 2016	New	6,055,000	1,441,475	7,496,475
2017	Certificates of Obligation, Series 2017	New	16,195,000	4,973,075	21,168,075
2018	Combined Tax & Revenue Cos, 2019	Refunding	18,840,000	6,699,497	25,539,497
2018	General Obligation, Series 2019	Refunding	11,615,000	2,616,850	14,231,850
2019	Combination Tax & Revenue Certificates of Obligation, Series 2019	New	15,025,000	4,943,872	19,968,872
2019	General Obligation Refunding & Improvement Bonds, Series 2019A	New	19,420,000	4,554,075	23,974,075
Sub Total			189,800,996	49,017,626	238,818,622
2012	Unlimited Tax & Contract Revenue Refunding Bonds, Series 2012	MUD#21	410,000	6,150	416,150
2016	Unlimited Tax Refunding Bond, Series 2016	FB MUD #117	4,900,000	439,850	5,339,850
2015	Unlimited Tax Refunding Bond, Series 2015	FB MUD #109	3,240,000	467,350	3,707,350
Sub-Total			8,550,000	913,350	9,463,350
Total Debt Requirement			\$ 198,350,996	\$ 49,930,976	\$ 248,281,972

* Excludes anticipated new debt

**CITY OF SUGAR LAND
DEBT SERVICE SCHEDULE OF REQUIREMENTS*
FISCAL YEAR 2021 BY ISSUE**

Issue	Description		Principal	Interest	Total
2012A	General Obligation Refunding Bonds, Series 2012A	Refunding	395,000	62,300	457,300
2013	Combined Tax & Revenue Cos, 2015	New	1,400,000	534,469	1,934,469
2014	Tax Notes	New	1,095,996	14,859	1,110,855
2014	Combined Tax & Revenue Cos, 2014	New	285,000	389,300	674,300
2014	General Obligation Refunding , Series 2014	Refunding	1,985,000	361,325	2,346,325
2015	Combined Tax & Revenue Cos, 2015	New	615,000	424,781	1,039,781
2015	General Obligation, Series 2015	New	545,000	346,919	891,919
2015	General Obligation Refunding , Series 2015	Refunding	885,000	338,975	1,223,975
2016	General Obligation, Series 2016	Refunding	2,575,000	810,725	3,385,725
2016	Certificates of Obligation, Series 2016	New	960,000	479,700	1,439,700
2016	General Obligation, Series 2016	New	380,000	170,250	550,250
2017	Certificates of Obligation, Series 2017	New	955,000	636,150	1,591,150
2018	General Obligation, Series 2019	Refunding	1,110,000	793,431	1,903,431
2018	Combined Tax & Revenue Certificates of Obligations	New	1,310,000	490,350	1,800,350
2019	Combination Tax & Revenue Certificates of Obligation	New	555,000	497,469	1,052,469
2019	General Obligation Refunding & Improvement Bonds, Series 2019A	New	3,340,000	745,950	4,085,950
Sub Total			18,390,996	7,096,953	25,487,949
2012	Unlimited Tax & Contract Revenue Refunding Bonds, Series 2012	MUD#21	410,000	6,150	416,150
2016	Unlimited Tax Refunding Bond, Series 2016	FB MUD #117	925,000	137,750	1,062,750
2015	Unlimited Tax Refunding Bond, Series 2015	FB MUD #109	325,000	122,650	447,650
2009	Unlimited Tax Refunding Bond, Series 2009	FB MUD #111	210,000	4,200	214,200
Sub-Total			1,870,000	270,750	2,140,750
Total Debt Requirement			\$ 20,260,996	\$ 7,367,703	\$ 27,628,699

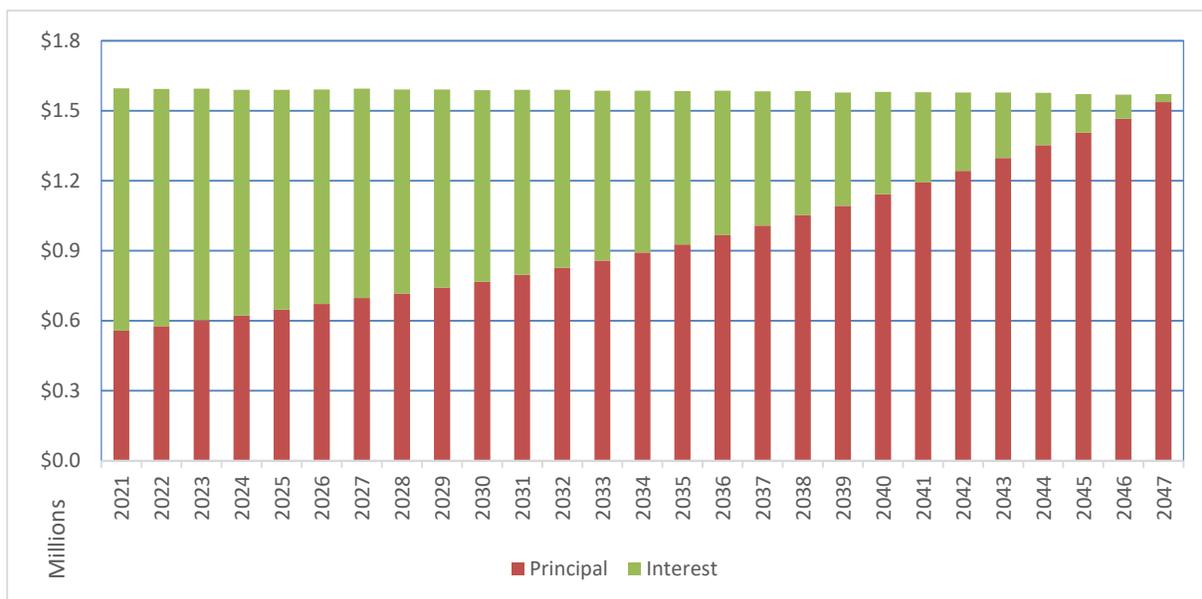
* Excludes anticipated new debt

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Rent	\$ 1,867,965	\$ 2,004,811	\$ 1,352,466	\$ 1,770,086	\$ -	\$ 1,770,086
Interest Income	16,199	9,000	8,000	7,500	-	7,500
Total Revenues	1,884,164	2,013,811	1,360,466	1,777,586	-	1,777,586
EXPENDITURES						
Current Outstanding & New Debt	1,591,199	1,590,399	1,590,399	1,593,699	-	1,593,699
Fiscal Fees/Other	750	1,000	850	1,000	-	1,000
Total Expenditures	1,591,949	1,591,399	1,591,249	1,594,699	-	1,594,699
Change in Fund Balance	292,215	422,412	(230,783)	182,887	-	182,887
Fund Balance - Beginning	622,872	932,862	932,862	702,079	-	702,079
Fund Balance - Ending	\$ 915,087	\$ 1,355,274	\$ 702,079	\$ 884,966	\$ -	\$ 884,966

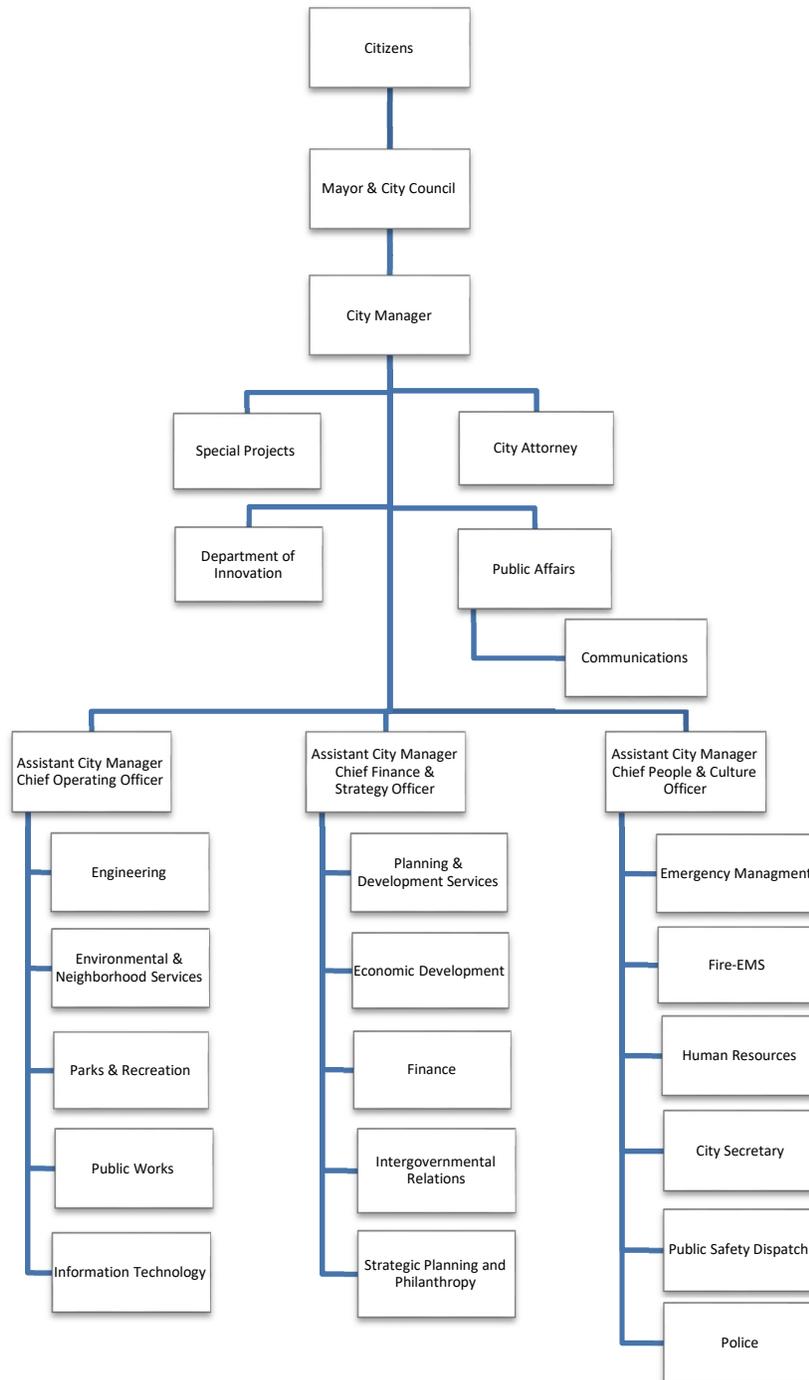
**CITY OF SUGAR LAND
DEBT SERVICE REQUIREMENTS TO MATURITY
TOTAL OF ALL DEBT OUTSTANDING - TAXABLE CO'S**

FY Ending September 30	Principal	Interest	Total
2021	555,000	1,038,699	1,593,699
2022	575,000	1,016,099	1,591,099
2023	600,000	992,599	1,592,599
2024	620,000	968,199	1,588,199
2025	645,000	942,899	1,587,899
2026	670,000	919,530	1,589,530
2027	695,000	897,768	1,592,768
2028	715,000	874,319	1,589,319
2029	740,000	849,029	1,589,029
2030	765,000	821,933	1,586,933
2031	795,000	793,065	1,588,065
2032	825,000	762,174	1,587,174
2033	855,000	729,090	1,584,090
2034	890,000	694,190	1,584,190
2035	925,000	657,890	1,582,890
2036	965,000	618,643	1,583,643
2037	1,005,000	576,288	1,581,288
2038	1,050,000	532,105	1,582,105
2039	1,090,000	486,095	1,576,095
2040	1,140,000	438,150	1,578,150
2041	1,190,000	388,055	1,578,055
2042	1,240,000	335,810	1,575,810
2043	1,295,000	281,308	1,576,308
2044	1,350,000	224,440	1,574,440
2045	1,405,000	165,208	1,570,208
2046	1,465,000	102,038	1,567,038
2047	1,535,000	34,538	1,569,538
TOTAL	\$ 25,600,000	\$ 17,140,161	\$ 42,740,161



General Fund Organizational Chart

As of October 1, 2020



General Fund

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

Fiscal Year 2020

Projected Revenues

Total revenues are projected to be \$91,917,278 and \$2,809,470 lower than the current budget. The emergence of COVID-19 in the spring of 2020 has impacted key revenue sources like Sales Tax, Charges for Services and Fines & Forfeitures. Sales Tax is projected to come in at \$36,320,543 which is \$1,521,591 lower than budget, and anticipates a 50% decline in the retail and food & entertainment sectors for August and September. 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. Not only are the number of citations issued down- courts have been unable to hold in-person proceedings since mid-March so no jury trials have been held and bench trials have been severely limited. Mixed Beverage Taxes are another revenue stream that has been affected from the closures- restaurants have been limited to carryout & delivery and reduced dine-in capacity and bars have been closed by Executive Order of the Governor. License & Permits and Interest Income is projected to come in at budget.

Projected Expenditures

Total expenditures are projected to be \$99,942,862 and \$1,359,272 lower than budget. When the economy began to feel impacts of COVID, the City initiated immediate corrective actions to control spending until the impact on the City's financials could be further assessed. Corrective actions included a hiring freeze, reductions on employee travel/training, reductions to departmental operating budgets and deferral of new initiatives. This resulted in the identification of reductions, along with the use of excess fund balance over policy, to help counteract impacts from lost revenue.

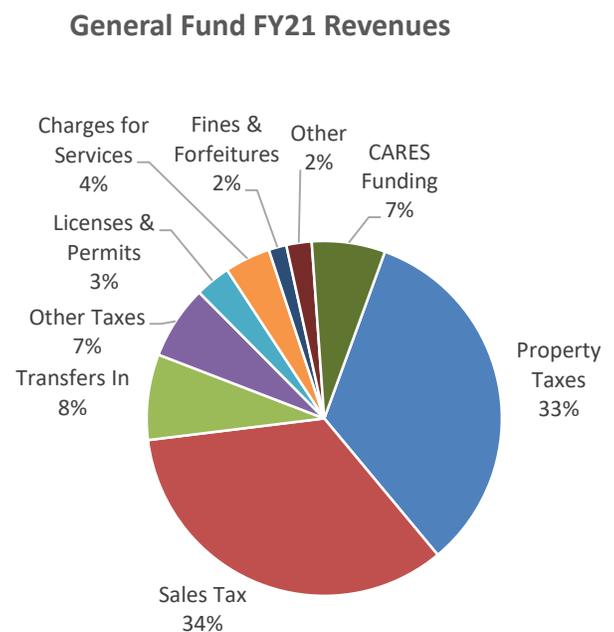
Projected Fund Balance

The fund balance is projected to be \$25,006,888 as of September 30, 2020. This fund balance is \$3,744,513 over the policy requirement of 25% of recurring expenditures.

Fiscal Year 2021

Budgeted Revenues

FY21 budgeted revenues total \$97,621,548. 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 \$33,270,851 represents the largest portion of General Fund operating revenues at 34.1%. Sales tax revenue is one of the most volatile revenue streams within the City’s budget and has become increasingly difficult to forecast as a result of COVID-19. As such, a conservative approach must be taken to budgeting sales tax revenue for FY21. Estimates are 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 leads to a conservative revenue estimate, as these two sectors make up 60% of the City’s sales tax revenue. For the second half of the year, revenues are based on the FY20 budgeted revenues- which are FY19 recurring actuals. This approach is a change from FMPS direction due to the impact of COVID-19 on FY20 revenues, which would normally be the base for FY21 revenue estimates. Property tax revenue from the operations and maintenance tax rate is budgeted at \$32,601,569, which assumes a reallocation within the existing tax rate to allocate property taxes to help offset the impacts of COVID-19 on the City’s revenue streams.

A total of \$7,640,543 is from transfers into to the General Fund. This includes an inter-fund loan of \$1,500,000 from the Fleet Replacement Fund to supplement revenues impacted by the pandemic. Remaining transfers are 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 reimburse cost for Economic Development staff and activities, as well as for managing capital projects funded by the Corporations.

Intergovernmental revenues of \$7,555,635 include the anticipated CARES Act funding of \$6,523,000, based on a \$55 per capita allocation included in Fort Bend County’s approved budget. Other taxes total \$6,554,068 and are made up of 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 \$3,148,218, which includes recommended user fee increases based on CPI and other factors. Charges for services is budgeted at \$4,066,033 and include facility rentals, animal adoptions, EMS billing, ETJ fire fees and other user fees. A CPI increase is built in for charges for services. Remaining revenue totals \$2,788,631 and is made up of fines and forfeitures, interest income, and other miscellaneous revenues. Other revenues impacted by COVID include other taxes, licenses & permits, charges for services and fines & forfeitures- with estimated impacts through the first half of the year.

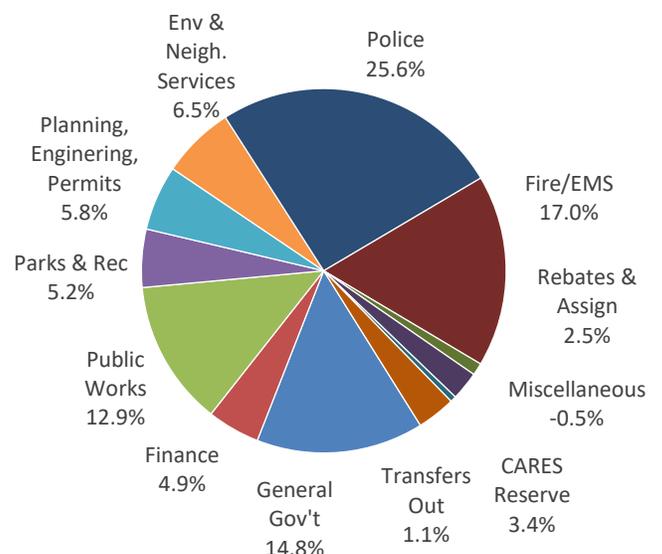
Budgeted Expenditures

General Fund FY21 budgeted expenditures total \$98,870,244. Of this amount, \$92,366,456 is for departmental operating expenditures and \$6,503,788 is for non-departmental expenditures including transfers, rebates & assignments, and miscellaneous items.

The base budget of \$98,565,540 funds current personnel costs, including an estimated 1.5% merit pool for FY21. There are no new positions or programs in the proposed budget. Changes to the budget reflect the recent reorganization based on functional areas by the City Manager.

The base budget includes \$263,368 for increases from contractual obligations and maintenance agreements. The budget includes \$3,684,197 in recurring reductions, which consists of strategies utilized to offset revenues impact by the COVID-19 pandemic. These strategies consist of substantial salary savings from a hiring freeze, (with potential elimination of vacant positions if necessary), reductions to the Fleet and High Tech

General Fund FY21 Expenditures



Replacement Fund transfers, a 15% reduction to infrastructure rehabilitation, and identified departmental savings. Strategic reductions also include a one-time 50% reduction to departmental travel and training, totaling \$339,952.

The budget includes one-time funding of \$3,675,533, most of which is tied to emergency response to the COVID-19 pandemic.

Budgeted Fund Balance

The ending fund balance of \$23,762,192 is \$2,249,675 greater than the fund balance policy requirement of 25% of recurring budgeted expenditures. The FY21 budget is anticipated to have \$1,244,696 in revenues under expenditures, drawing down fund balance over policy from FY20 to balance the FY21 budget for one-time needs and revenue declines due to the pandemic. 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**

	FY19	FY20	FY20	FY21	FY21	FY21
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Property Taxes	\$ 28,556,776	\$ 30,946,472	\$ 31,056,122	\$ 32,598,194	\$ -	\$ 32,598,194
Sales Tax	40,585,670	37,842,134	36,320,543	33,270,851	-	33,270,851
Other Taxes	6,522,234	6,755,243	6,705,100	6,384,068	-	6,384,068
Licenses & Permits	3,413,040	3,360,657	3,360,657	3,100,906	47,312	3,148,218
Charges for Services	4,117,057	4,392,958	3,693,208	4,036,832	29,201	4,066,033
Fines & Forfeitures	1,675,670	1,995,000	1,341,181	1,577,979	-	1,577,979
Other	503,180	885,259	875,227	710,652	-	710,652
Intergovernmental	2,160,488	1,075,331	1,096,481	1,035,123	6,523,000	7,558,123
Interest Income	1,062,495	590,000	590,000	450,000	-	450,000
Operating Revenues	88,596,611	87,843,054	85,038,519	83,164,605	6,599,513	89,764,118
Transfers In	7,027,218	6,883,694	6,878,759	6,140,543	1,500,000	7,640,543
Non-operating Revenues	7,027,218	6,883,694	6,878,759	6,140,543	1,500,000	7,640,543
Total Revenues	95,623,829	94,726,748	91,917,278	89,305,148	8,099,513	97,404,661
EXPENDITURES						
General Government	13,516,950	15,204,048	15,477,117	14,581,402	143,242	14,724,644
Finance	3,830,953	4,862,313	4,690,610	4,787,983	(122,678)	4,665,305
Public Works	11,115,841	14,430,535	13,623,172	13,154,800	(247,201)	12,907,599
Parks & Recreation	4,952,568	5,213,244	4,911,076	5,202,702	(48,587)	5,154,115
Community Development	5,236,023	6,152,704	6,065,512	5,828,369	(64,235)	5,764,134
Environmental & Neighborhood SVC	5,819,992	7,098,635	6,843,395	6,402,751	15,882	6,418,633
Police Department	23,241,129	25,793,910	25,442,228	25,673,820	(112,280)	25,561,540
Fire Department	15,501,600	17,458,681	17,749,950	17,107,246	(70,819)	17,036,427
Departmental Expenditures	83,215,056	96,214,070	94,803,060	92,739,073	(506,676)	92,232,397
Transfers to other Funds	3,347,306	2,895,137	2,895,137	2,747,023	(1,658,519)	1,088,504
Miscellaneous	1,192,597	(311,129)	(244,770)	367,224	2,482,400	2,849,624
Rebates & Assignments	2,556,860	2,504,056	2,504,056	2,704,190	-	2,704,190
Non-departmental Expenditures	7,096,763	5,088,064	5,154,423	5,818,437	823,881	6,642,318
Total Expenditures	90,311,819	101,302,134	99,957,483	98,557,510	317,205	98,874,715
Revenues Over/(Under) Expenditures	5,312,010	(6,575,386)	(8,040,205)	(9,252,362)	7,782,308	(1,470,054)
Fund Balance - Beginning	35,055,459	40,275,171	40,275,171	32,234,966	-	32,234,966
Accrued Sales/Franchise Taxes	(7,242,700)	(7,242,699)	(7,242,699)	(7,242,699)	-	(7,242,699)
Fund Balance - Ending	\$ 33,124,769	\$ 26,457,086	\$ 24,992,267	\$ 15,739,905	\$ 7,782,308	\$ 23,522,213
Ending Fund Balance- % of Oper Exp		31%	29%	18%		27%
Fund Balance - Requirement		\$ 21,684,129	\$ 21,266,030	\$ 22,092,833		\$ 21,465,877
Over / (Under) Policy		4,772,957	3,726,237	(6,352,928)		2,056,336

The following information is included to comply with Local Government Code Section 140.0045

	FY19 Actual	FY20 Budget	FY20 Projection	FY21 Budget	FY21 Budget
Legal Notice Publication Expenditures	10,019	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	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
CURRENT TAXES	\$ 28,231,308	\$ 30,861,472	\$ 30,861,472	\$ 31,941,624	\$ 585,018	\$ 32,526,642
DELINQUENT TAXES	133,991	50,000	60,650	39,927	-	39,927
PENALTY & INTEREST	189,127	25,000	124,000	25,000	-	25,000
SPECIAL INVENTORY/OVERAGE	2,350	10,000	10,000	10,000	-	10,000
Property Taxes	28,556,776	30,946,472	31,056,122	32,016,551	585,018	32,601,569
SALES TAXES	40,585,670	37,842,134	36,320,543	33,270,851	-	33,270,851
Sales Tax	40,585,670	37,842,134	36,320,543	33,270,851	-	33,270,851
MIXED DRINK TAX	657,662	638,500	602,403	501,389	-	501,389
ELECTRIC FRANCHISE	3,887,010	4,388,960	4,299,369	4,308,004	-	4,308,004
GAS FRANCHISE	402,190	393,000	393,000	393,000	-	393,000
FRANCHISE TELECOMM.	179,796	214,000	165,729	165,729	-	165,729
MISC. FRANCHISE FEES	298,547	49,110	202,503	164,628	-	164,628
CABLE TV FRANCHISE	1,097,029	1,071,673	1,042,096	1,021,318	-	1,021,318
Other Taxes	6,522,234	6,755,243	6,705,100	6,554,068	-	6,554,068
BUILDING PERMITS	1,735,762	1,701,457	1,701,457	1,576,364	19,141	1,595,505
INFRASTRUCTURE REVIEW	87,477	100,375	100,375	100,375	1,129	101,504
LAND DISTURBANCE FEE	3,911	5,010	5,010	4,000	56	4,056
RENTAL INSPECTION LICENSE	344,034	334,513	334,513	311,446	8,266	319,712
RENTAL REINSPECTION FEE	4,055	4,346	4,346	3,200	280	3,480
BLDG PERMITS - ELECTRICAL PERMITS	218,714	226,978	226,978	210,035	2,554	212,589
IRRIGATION PERMITS	22,140	21,116	21,116	17,600	238	17,838
HEALTH PERMITS	397,520	383,528	383,528	355,506	8,375	363,881
BLDG PERMITS - HVAC PERMITS	194,551	209,093	209,093	195,628	2,352	197,980
LIQUOR PERMITS	28,975	16,318	16,318	13,600	184	13,784
BLDG PERMITS - PLUMBING PERMITS	187,277	167,258	167,258	155,552	1,882	157,434
MOWING LIENS	-	14,200	14,200	12,000	160	12,160
PLAT FEES	15,557	18,125	18,125	15,200	427	15,627
REINSPECTION FEES	24,903	30,128	30,128	24,800	357	25,157
PARKING PERMITS	448	-	-	-	-	-
SIGN PERMITS	27,314	25,958	25,958	21,600	292	21,892
FLOOD ZONE DEVEL PERMIT	-	2,860	2,860	2,400	32	2,432
CONTRACTOR REGISTRATION	38,280	37,894	37,894	31,200	426	31,626
R-O-W PERMIT	4,159	3,360	3,360	2,400	226	2,626
SOLICITOR PERMITS	10,628	5,806	5,806	4,800	65	4,865
SITE PLAN FEES	22,113	21,073	21,073	17,600	464	18,064
ZONING & CONDITIONAL USE	17,739	14,792	14,792	12,000	299	12,299
LATE FEES/LICENSE&PERMITS	8,724	-	-	-	107	107
PERMIT PENALTIES	18,763	16,469	16,469	13,600	-	13,600
Licenses & Permits	3,413,040	3,360,657	3,360,657	3,100,906	47,312	3,148,218
REIMBURSEMENTS	408,256	254,700	256,733	216,300	-	216,300
ROYALTIES	-	-	122	-	-	-
STREET LIGHT CHARGES	1,422	15,575	15,575	16,000	-	16,000
ANIMAL ADOPTION FEES	41,035	37,500	37,500	39,000	-	39,000
ANIMAL IMPOUNDMENT FEES	874	682	3,000	1,000	-	1,000
POOL ADMISSIONS	10,113	7,635	7,635	8,000	91	8,091
SWIM LESSONS	-	1,527	1,527	-	-	-
FACILITY USAGE CARDS	65,595	61,691	36,171	64,000	757	64,757
POOL RENTAL	1,387	-	-	-	16	16
P&R BUILDING RENTALS	105,526	106,076	55,652	109,000	1,410	110,410
COMM. EVENTS-RECREATION	5,250	2,462	2,682	3,000	-	3,000
ATHLETIC LEAGUES	24,296	27,486	7,932	28,000	-	28,000
PAVILION RENTALS	46,399	45,810	12,000	47,000	492	47,492
CAMP PROGRAMS	132,970	138,957	-	143,000	1,489	144,489
LIGHT FEES	24,713	42,756	10,000	44,000	-	44,000

**GENERAL FUND
SCHEDULE OF REVENUES**

Description	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
LEISURE CLASSES	87,669	80,889	35,000	83,000	944	83,944
ATHLETIC FIELD RENTAL	12,657	12,216	4,290	13,000	130	13,130
SENIOR PROGRAMS	10,419	12,012	4,000	12,000	-	12,000
PARKS VENDING MACHINE	-	407	-	-	-	-
ACCIDENT REPORTS	6,074	7,242	7,242	7,000	-	7,000
CASH OVER & SHORT	7	-	-	-	-	-
FALSE ALARM FEES	65,800	66,475	66,475	68,000	-	68,000
REPRODUCTION COPIES	11,487	6,611	6,611	7,100	-	7,100
FINGER PRINTING	6,160	7,615	7,615	8,000	-	8,000
EMS BILLING	1,810,966	2,126,619	1,787,669	1,762,872	22,797	1,785,669
FIRE PROTECTION FEES	1,063,784	1,145,204	1,145,204	1,180,000	-	1,180,000
HAZ MAT RESPONSE	(1,524)	-	-	-	-	-
FIRE ALARM PERMITS	42,560	44,575	43,909	42,560	548	43,108
OTHER FIRE CODE PERMITS	133,164	140,236	137,756	135,000	527	135,527
TCLEOSE	-	-	908	-	-	-
Charges for Services	4,117,057	4,392,958	3,693,208	4,036,832	29,201	4,066,033
ADMINISTRATIVE COURT FEES	71,169	75,000	64,342	59,475	-	59,475
DPS FEES - CITY PORTION	10,916	10,000	7,013	10,000	-	10,000
CHILD SAFETY FINES	139,120	150,000	128,761	135,000	-	135,000
MUNICIPAL COURT FINES	1,244,359	1,541,000	985,124	1,189,504	-	1,189,504
JUDICIAL EFFICIENCY	11,502	12,000	6,941	9,000	-	9,000
CMV FINES	39,366	45,000	40,000	40,000	-	40,000
WARRANT FEES	149,871	150,000	100,000	125,000	-	125,000
COURT CONVENIENCE FEE	9,368	12,000	9,000	10,000	-	10,000
Fines & Forfeitures	1,675,670	1,995,000	1,341,181	1,577,979	-	1,577,979
CONTRIBUTION	-	50,000	50,000	50,000	-	50,000
DONATIONS	93,729	158,100	151,130	151,130	-	151,130
MISCELLANEOUS	62,680	79,900	50,149	54,160	-	54,160
PROPERTY INS.RECOVERY	223,483	584,259	584,259	492,362	-	492,362
SALE OF CAPITAL PROPERTY	64,257	-	21,502	-	-	-
UNCLAIMED PROPERTY REV.	1,024	-	-	-	-	-
NON-CAPITAL ASSETS	41,140	13,000	13,000	13,000	-	13,000
OTHER REVENUES	3,362	-	4	-	-	-
REIMBURSEMENTS	13,504	-	5,183	-	-	-
Other	503,180	885,259	875,227	760,652	-	760,652
LEOSE FUNDS	-	9,400	10,190	-	-	-
STEP WAVE GRANT	-	45,000	38,222	-	-	-
CONSOLIDATED GRANTS	91,012	68,810	68,810	68,810	-	68,810
FEDERAL FUNDS	1,374,018	67,622	112,716	77,822	6,523,000	6,600,822
STATE FUNDS	10,458	7,700	7,700	7,700	-	7,700
EMERGENCY MANAGEMENT GRANT	-	23,011	23,011	-	-	-
TIRZ FUND 111	78,262	78,370	78,370	81,150	-	81,150
TRANSFER FROM TIRZ 3	9,835	20,106	19,544	2,285	-	2,285
TRANSFER FROM TIRZ 4	35,701	25,808	25,808	4,328	-	4,328
FROM CU SL4B FUND 114	561,203	699,504	680,350	790,540	-	790,540
FEMA	-	30,000	30,000	-	-	-
OTHER GOVERNMENTAL ENTITY	-	-	1,760	-	-	-
Intergovernmental	2,160,488	1,075,331	1,094,721	1,032,635	6,523,000	7,555,635
INTEREST ON INVESTMENTS	825,371	590,000	590,000	450,000	-	450,000
UNREALIZ GAIN/LOSS-INVEST	237,124	-	-	-	-	-
Interest Income	1,062,495	590,000	590,000	450,000	-	450,000
ADMINISTRATIVE FEES	6,110,012	6,519,144	6,514,209	5,840,543	-	5,840,543
TRANSFER FROM FUND 53	-	-	-	-	1,500,000	1,500,000
TRANSFER FROM UTILITIES	-	64,550	64,550	-	-	-
TRANSFER FROM SOLID WASTE	300,000	300,000	300,000	300,000	-	300,000
TRF FR RED LIGHT FUND 073	617,205	-	-	-	-	-
Transfers In	7,027,218	6,883,694	6,878,759	6,140,543	1,500,000	7,640,543
GRAND TOTAL	\$ 95,623,829	\$ 94,726,748	\$ 91,917,278	\$ 88,941,017	\$ 8,684,531	\$ 97,625,548

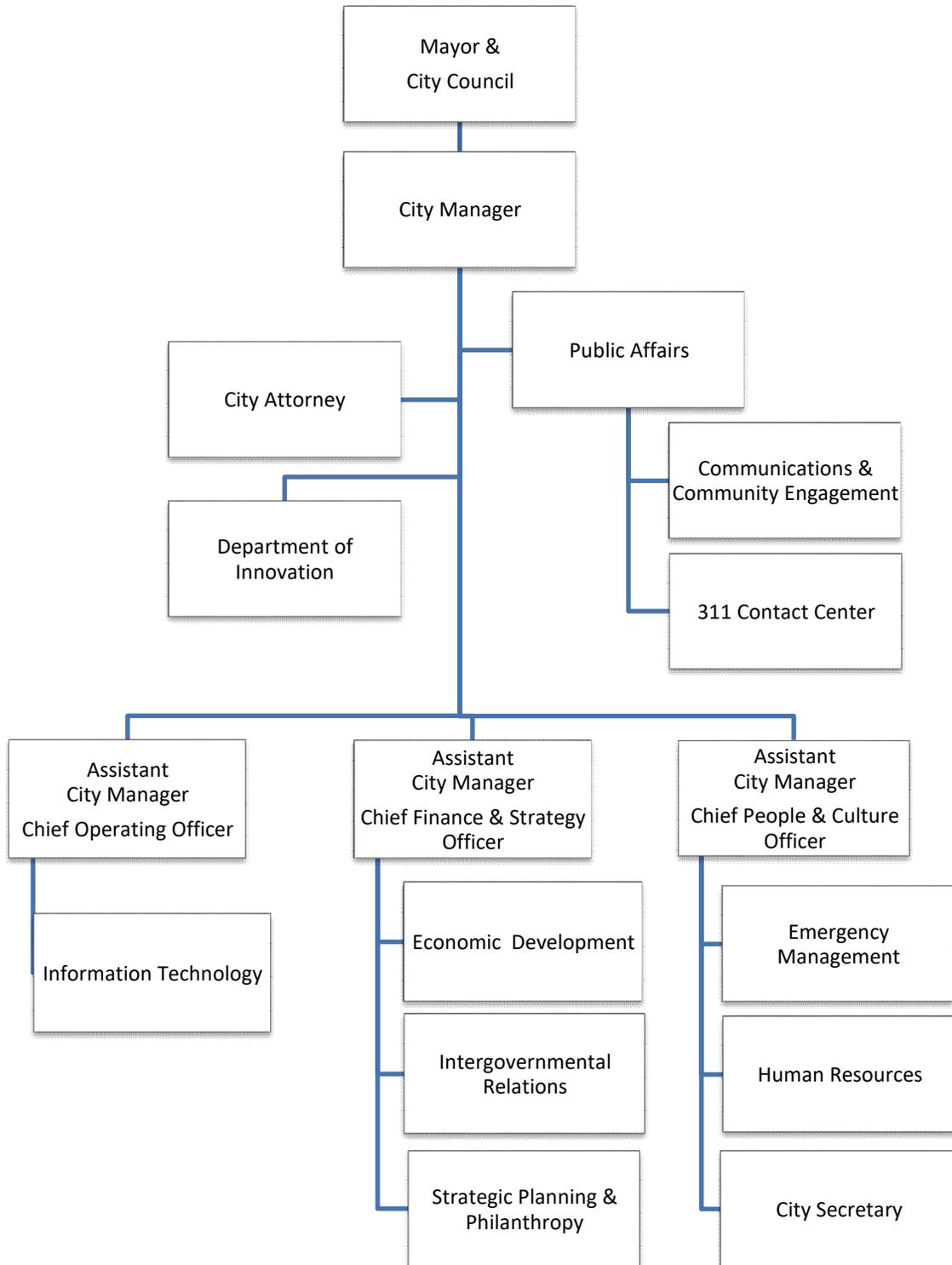
**GENERAL FUND
SUMMARY OF EXPENDITURES**

Description	FY19	FY20	FY20	FY21	FY21	FY21
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Mayor & City Council	\$ 263,144	\$ 256,443	\$ 256,443	\$ 235,657	\$ -	\$ 235,657
City Manager	1,289,361	1,446,428	2,016,302	863,405	(19,391)	844,014
Assistant City Managers	1,397,403	1,385,920	1,365,987	1,316,330	(29,562)	1,286,768
Emergency Management	-	-	-	83,796	(16,638)	67,158
Ofc. of Communications & Community Engag	1,118,068	1,411,467	1,359,060	1,283,668	(17,920)	1,265,748
City Secretary	885,785	976,028	963,246	985,219	35,175	1,020,394
311 Contact Center	402,381	452,325	441,775	560,731	8,122	568,853
Human Resources	1,499,981	1,799,545	1,808,263	1,531,552	(11,455)	1,520,097
City Attorney	895,107	1,092,338	1,071,373	1,029,421	(4,903)	1,024,518
Information Technology	4,295,925	4,854,647	4,712,075	4,770,109	(400)	4,769,709
Department of Innovation	562,652	501,942	501,942	913,849	(4,332)	909,517
Economic Development	693,698	790,132	764,567	768,670	213,385	982,055
Office of Intergovernmental Relations	213,444	236,833	216,084	238,995	(8,839)	230,156
General Government	13,516,950	15,204,048	15,477,117	14,581,402	143,242	14,724,644
Finance Administration	680,040	1,222,226	1,093,385	1,112,565	(57,970)	1,054,595
Budget Office	357,497	490,491	477,391	549,589	(7,858)	541,731
Accounting	1,226,602	1,336,404	1,326,446	1,313,663	(36,295)	1,277,368
Purchasing	567,236	625,231	609,642	644,261	(14,340)	629,921
Municipal Court	999,578	1,187,961	1,183,746	1,167,905	(6,215)	1,161,690
Finance	3,830,953	4,862,313	4,690,610	4,787,983	(122,678)	4,665,305
Public Works Administration	472,098	479,889	477,057	481,948	(6,340)	475,608
Street & Drainage Maintenance	4,090,979	5,756,570	5,293,735	5,266,920	(237,921)	5,028,999
ROW Maintenance	2,209,279	2,855,858	2,762,702	2,238,132	2,665	2,240,797
Traffic Operations	4,343,486	5,338,218	5,089,678	5,167,800	(5,605)	5,162,195
Public Works	11,115,841	14,430,535	13,623,172	13,154,800	(247,201)	12,907,599
Parks Administration	623,408	677,607	672,917	659,547	(5,273)	654,274
Development & Maintenance	2,590,802	2,919,691	2,857,704	2,964,685	(34,369)	2,930,316
Special Events	542,598	429,694	292,184	400,007	(5,350)	394,657
Recreation	1,195,761	1,186,252	1,088,271	1,178,463	(3,595)	1,174,868
Parks & Recreation	4,952,568	5,213,244	4,911,076	5,202,702	(48,587)	5,154,115
Community Development Administration	181,738	195,881	191,271	211,694	(3,955)	207,739
Permits & Inspections	1,325,027	1,473,152	1,464,853	1,389,543	(11,812)	1,377,731
Planning & Development	505,674	580,904	571,931	658,659	(12,746)	645,913
Transportation & Long Range Planning	463,189	918,864	882,202	560,190	(11,489)	548,701
City Engineer	2,760,396	2,983,903	2,955,255	3,008,283	(24,233)	2,984,050
Community Development	5,236,023	6,152,704	6,065,512	5,828,369	(64,235)	5,764,134
ENS Administration	360,665	469,178	461,559	492,458	(7,300)	485,158
Fleet Services	761,306	900,967	888,357	854,971	(11,042)	843,929
Facilities Management	2,701,780	3,231,612	3,096,423	2,741,317	(11,598)	2,729,719
Animal Services	906,588	1,132,154	1,070,483	1,050,239	48,000	1,098,239
Stormwater Management	115,779	317,728	290,889	207,451	8,426	215,877
Food Inspection	309,767	330,854	325,947	328,214	(5,385)	322,829
Code Enforcement	412,742	451,551	447,042	457,813	(3,290)	454,523
Rental Registration	251,364	264,591	262,695	270,288	(1,929)	268,359
Environmental & Neighborhood SVC	5,819,992	7,098,635	6,843,395	6,402,751	15,882	6,418,633
Police Administration	919,958	1,072,057	980,128	1,037,936	(7,639)	1,030,297
Support Services Bureau	2,497,248	2,634,298	2,526,140	2,771,789	(41,951)	2,729,838
Professional services	1,294,800	1,494,231	1,447,216	1,300,340	8,129	1,308,469
TCLEOSE Training	-	30,007	30,007	10,458	-	10,458
Patrol	12,056,493	13,308,027	13,248,417	13,147,705	(24,775)	13,122,930
Criminal Investigations	3,611,610	3,802,628	3,784,511	3,824,547	(15,419)	3,809,128
Detention Center	391,962	454,517	452,595	465,882	(1,922)	463,960
SWAT	18,920	20,150	16,764	25,000	(4,995)	20,005
Public Safety Dispatch	2,450,139	2,977,995	2,956,450	3,090,163	(23,708)	3,066,455
Police Department	23,241,129	25,793,910	25,442,228	25,673,820	(112,280)	25,561,540

Description	FY19	FY20	FY20	FY21	FY21	FY21
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Fire Administration	573,267	638,925	631,194	665,330	(7,814)	657,516
Emergency Services	11,100,091	15,263,858	15,264,660	15,121,253	(38,271)	15,082,982
Prevention	1,153,386	1,101,689	1,078,889	1,047,852	(24,734)	1,023,118
Emergency Management	377,617	454,209	775,207	272,811	-	272,811
Fire Department	15,501,600	17,458,681	17,749,950	17,107,246	(70,819)	17,036,427
Total Operating Expenditures	83,215,056	96,214,070	94,803,060	92,739,073	(506,676)	92,232,397
Transfers to other Funds	3,347,306	2,895,137	2,895,137	2,747,023	(1,658,519)	1,088,504
Miscellaneous	1,192,597	(311,129)	(244,770)	367,224	2,482,400	2,849,624
Rebates & Assignments	2,556,860	2,504,056	2,504,056	2,704,190	-	2,704,190
Total Non-Operating	7,096,763	5,088,064	5,154,423	5,818,437	823,881	6,642,318
Total Expenditures	90,311,819	101,302,134	99,957,483	98,557,510	317,205	98,874,715
Category Summary						
Salary & Benefits	62,403,429	69,467,536	69,760,258	70,802,329	263,385	71,065,714
Supplies	2,598,094	5,872,884	3,980,157	5,919,576	(459,710)	5,459,866
Professional Services	6,968,252	8,837,766	8,904,671	7,765,074	(41,276)	7,723,798
Repairs & Maintenance	8,740,811	9,145,313	9,235,823	5,925,921	24,757	5,950,678
Purchased Services	2,174,937	2,112,902	2,185,589	2,294,667	(293,832)	2,000,835
Capital Items/Other	329,532	777,669	736,562	31,506	-	31,506
Total Category Expenditures	83,215,056	96,214,070	94,803,060	92,739,073	(506,676)	92,232,397
Total Non-Operating	7,096,763	5,088,064	5,154,423	5,818,437	823,881	6,642,318
Total Expenditures	\$ 90,311,819	\$ 101,302,134	\$ 99,957,483	\$ 98,557,510	\$ 317,205	\$ 98,874,715

General Government

As of October 1, 2020



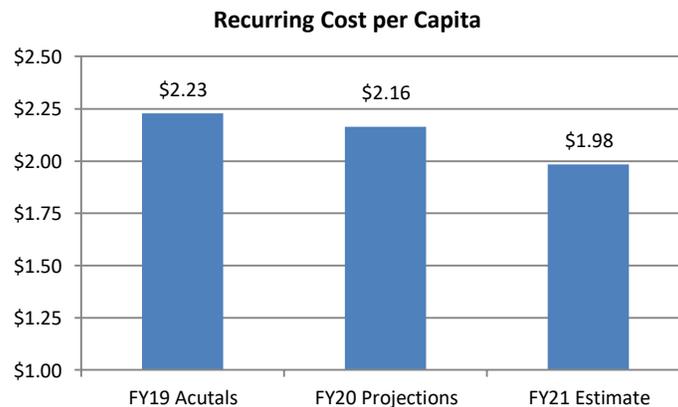
Mayor and City Council

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	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 153,387	\$ 161,104	\$ 161,104	\$ 161,052	\$ -	\$ 161,052
Supplies	11,849	10,274	10,274	10,274	-	10,274
Professional Services	48,626	50,534	50,534	29,800	-	29,800
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	47,399	34,531	34,531	34,531	-	34,531
Capital/Other	1,883	-	-	-	-	-
Category Totals	\$ 263,144	\$ 256,443	\$ 256,443	\$ 235,657	\$ -	\$ 235,657

City Manager

Services Provided

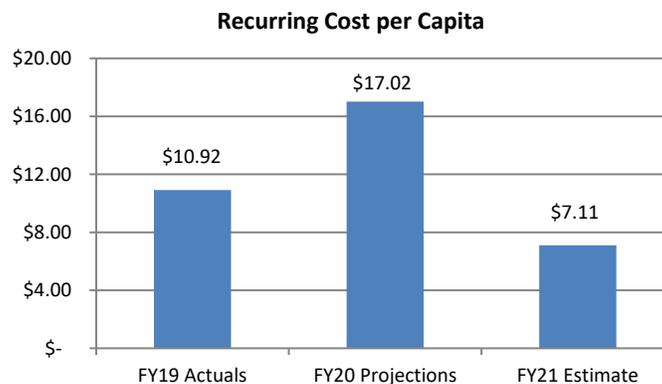
The **City Manager** is appointed by City Council and serves as Chief Executive Officer of the City. The City Manager is responsible for making recommendations to City Council, filing the annual budget, five-year CIP, strategic project work plan and five-year financial forecast, and providing leadership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

FY21 Changes

Due to a re-organization, staff and associated costs have been shifted to the Department of Innovation and the City Secretary’s Office. A total of 4.0 FTEs were moved to the Department of Innovation and 2.0 FTEs were moved the City Secretary’ Office. Changes totaling (\$19,391) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Responsible City Government

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



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 1,190,355	\$ 1,314,814	\$ 1,772,701	\$ 812,323	\$ -	\$ 812,323
Supplies	16,381	23,365	126,848	25,998	(7,805)	18,193
Professional Services	4,403	28,109	18,876	2,210	-	2,210
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	68,222	35,140	52,877	22,874	(11,586)	11,288
Capital/Other	10,000	45,000	45,000	-	-	-
Category Totals	\$ 1,289,361	\$ 1,446,428	\$ 2,016,302	\$ 863,405	\$ (19,391)	\$ 844,014

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
City Manager	11.00	12.00	(6.00)	6.00	-	6.00
FTE Count Totals	11.00	12.00	(6.00)	6.00	-	6.00

Assistant City Managers

Services Provided

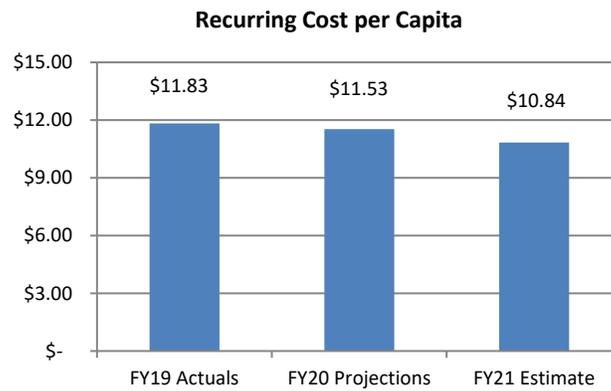
The **Assistant City Managers** provide executive oversight, guidance, and support to respective departments to ensure the priorities of the City are understood and achieved. The Assistant City Managers serve on behalf of the City Manager in managing projects, assignments, and representing the organization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

FY21 Changes

Changes totaling (\$29,562) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Responsible City Government

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



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 1,262,328	\$ 1,256,027	\$ 1,256,027	\$ 1,226,617	\$ -	\$ 1,226,617
Supplies	16,943	41,275	12,273	21,228	(5,967)	15,261
Professional Services	77,138	32,892	32,892	9,450	(5,500)	3,950
Repairs & Maintenance	1,675	-	-	-	-	-
Purchased Services	39,319	55,726	64,795	59,035	(18,095)	40,940
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,397,403	\$ 1,385,920	\$ 1,365,987	\$ 1,316,330	\$ (29,562)	\$ 1,286,768

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Assistant City Managers	9.00	7.00	(1.00)	6.00	-	6.00
FTE Count Totals	9.00	7.00	(1.00)	6.00	-	6.00

Emergency Management

Mission Statement

The mission of the Emergency Management Department is to strive to offer sound leadership and effective planning capabilities by coordinating all emergency responses with city leadership, city departments and all public and private organizations, to ensure the public's safety. This will be achieved by always acting with integrity and exhibiting trust, creating a safe place to live, work, and play.

Services Provided

Emergency Management provides core support for all emergency planning and responses for all city provided services to the citizens of Sugar Land, daily business population, commuters, shoppers, and visitors.

FY21 Changes

Changes totaling (\$16,638) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 278,651	\$ 310,585	\$ 310,585	\$ 275,505	\$ -	\$ 275,505
Supplies	15,696	41,034	362,032	12,034	(1,638)	10,396
Professional Services	43,862	96,622	96,622	34,100	-	34,100
Repairs & Maintenance	27,351	4,000	4,000	4,000	-	4,000
Purchased Services	12,058	1,968	1,968	30,968	(15,000)	15,968
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 377,617	\$ 454,209	\$ 775,207	\$ 356,607	\$ (16,638)	\$ 339,969

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Emergency Management	3.00	3.00	(1.00)	2.00	-	2.00
FTE Count Totals	3.00	3.00	(1.00)	2.00	-	2.00

Intergovernmental Relations

Mission Statement

The mission of the City of Sugar Land’s Office of Intergovernmental Relations is to ensure the City’s interests are protected and enhanced through active involvement in the legislative process and strong intergovernmental relationships.

Services Provided

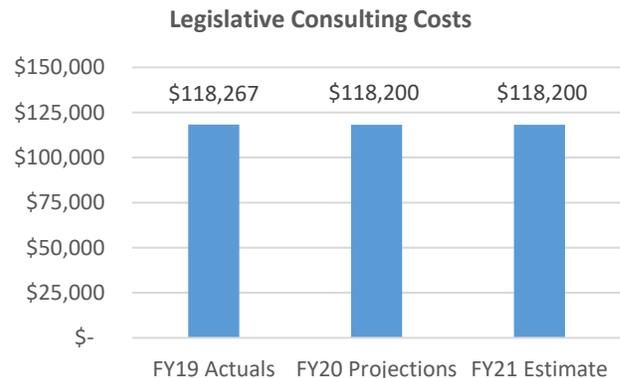
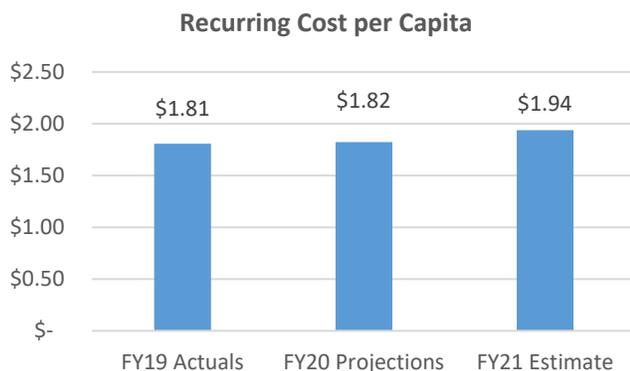
The Office of Intergovernmental Relations is responsible for regional, local, state and federal intergovernmental relations, including the development of legislative agendas, coordination of information and monitoring of relationships through the ambassador program. The Office is also responsible for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

FY21 Changes

Changes totaling (\$8,839) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Responsible City Government

The City Council measure for “cost-effective delivery of City services” is recurring cost per capita. In accordance with state law, historical & budgeted expenditures for lobbying are shown in the chart below.



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 133,615	\$ 137,883	\$ 137,883	\$ 140,045	\$ -	\$ 140,045
Supplies	5,517	29,549	8,800	13,500	(4,700)	8,800
Professional Services	67,588	65,200	65,200	75,800	(600)	75,200
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	6,724	4,201	4,201	9,650	(3,539)	6,111
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 213,444	\$ 236,833	\$ 216,084	\$ 238,995	\$ (8,839)	\$ 230,156

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Intergovernmental Relations	1.00	1.00	-	1.00	-	1.00
FTE Count Totals	1.00	1.00	-	1.00	-	1.00

Strategic Planning & Philanthropy

Mission Statement

The mission of the City of Sugar Land’s Office of Strategic Planning & Philanthropy is to support advancements citywide by making deliberate connections between vision and action. This office also supports nonprofit partnerships for the advancement of parks and civic facilities.

Services Provided

The Office of Strategic Planning & Philanthropy is responsible for the development of the citywide strategic plan and the management of its execution and modification. This includes coordination of City Council, Executive Team, and Director strategic planning work sessions and retreats.

This Office is also responsible for the management of the Sugar Land Legacy Foundation and the execution of its operations, projects, and governance.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ -	\$ -	\$ -	\$ 108,393	\$ -	\$ 108,393
Supplies	-	-	-	500	-	500
Professional Services	-	-	-	300	-	300
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	-	-	-	2,250	-	2,250
Capital/Other	-	-	-	-	-	-
Category Totals	\$ -	\$ -	\$ -	\$ 111,443	\$ -	\$ 111,443

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Philanthropy	-	-	-	1.00	-	1.00
FTE Count Totals	-	-	-	1.00	-	1.00

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

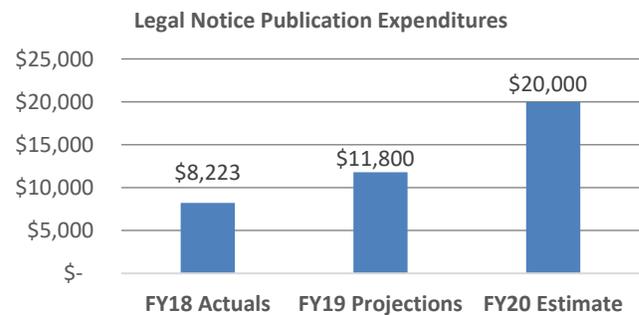
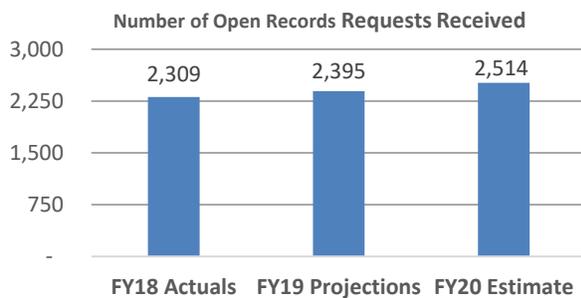
The Office of the **City Secretary** is responsible for three primary functions: legislative service, records management, and public information services. Legislative services include managing and coordinating all public meetings, elections, ordinance codification, contract execution, legal notice publications, 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.

FY21 Changes

Changes totaling \$35,175 include (\$17,525) in recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets and \$52,700 in one-time additions for election costs.

Performance Measures: Responsible City Government

The City Council measure for “Customer Response Management” is the number of open records requests received by the department. In accordance with state law, historical and budgeted expenditures for publication of legal notices are shown in the charts below.



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 729,628	\$ 698,656	\$ 698,656	\$ 793,697	\$ -	\$ 793,697
Supplies	72,633	91,283	78,501	(38,142)	52,700	14,558
Professional Services	20,165	61,394	61,394	114,325	(11,425)	102,900
Repairs & Maintenance	6,980	753	753	753	-	753
Purchased Services	56,380	123,942	123,942	114,586	(6,100)	108,486
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 885,785	\$ 976,028	\$ 963,246	\$ 985,219	\$ 35,175	\$ 1,020,394

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
City Secretary	7.00	7.00	2.00	9.00	-	9.00
FTE Count Totals	7.00	7.00	2.00	9.00	-	9.00

Communications & Community Engagement

Mission Statement

The **Office of Communications & Community Engagement** seeks to (a) clearly and accurately communicate information regarding key City services, programs, messages and values; (b) foster an engaged and informed citizenry; (c) protect the safety and welfare of our citizens; (d) provide leadership in further strengthening and promoting Sugar Land’s “brand” as a benchmark for superior municipal government service through all City communication tools including publications, website, social media, municipal television, media relations, and emergency communications; (e) serve as a resource to City departments for delivery of their specific communication needs; and (f) enhance the quality of life in the community with a commitment to excellence in connecting residents with city resources and citizen programs.

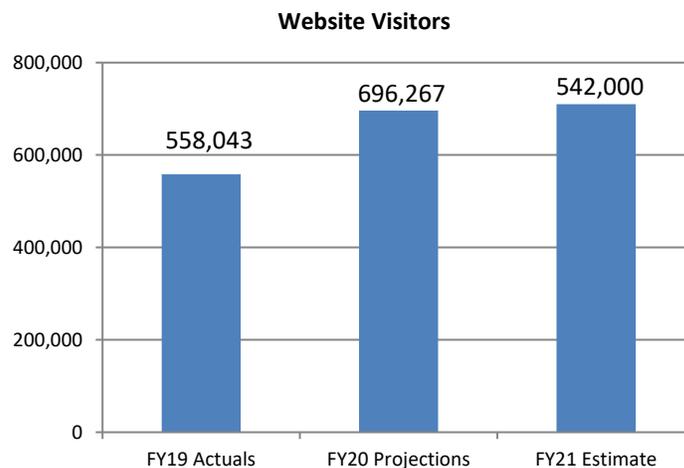
Services Provided

The **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. The **Community Engagement** team is responsible for connecting, communicating, and engaging with 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.

FY21 Changes

Changes totaling (\$17,920) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Responsible City Government



311 Contact Center

Mission Statement

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

Services Provided

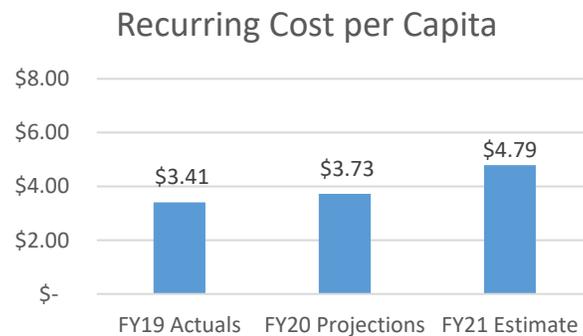
Utilizing automated call distribution software, inquiries are routed to 311 Ambassadors to respond and document in the city’s citizen relationship management (CRM) software. The Contact Center creates a single point of contact for residents and visitors, provides enhanced reporting and analytics, and enables departments to focus on their core mission.

FY21 Changes

Changes totaling \$8,122 include (\$15,900) in recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets and \$24,022 in additions for Accela software maintenance and upgrades, after hours phone service and printing supplies.

Performance Measures: Responsible City Government

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



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 328,481	\$ 374,357	\$ 374,357	\$ 490,899	\$ -	\$ 490,899
Supplies	3,985	14,276	3,726	4,876	(750)	4,126
Professional Services	21,082	20,300	20,300	20,300	(400)	19,900
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	48,834	43,392	43,392	44,656	9,272	53,928
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 402,381	\$ 452,325	\$ 441,775	\$ 560,731	\$ 8,122	\$ 568,853

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
311 Contact Center	7.20	7.20	1.00	8.20	-	8.20
FTE Count Totals	7.20	7.20	1.00	8.20	-	8.20

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 893,366	\$ 1,035,361	\$ 1,035,361	\$ 1,073,737	\$ -	\$ 1,073,737
Supplies	62,710	192,347	159,339	60,284	(5,520)	54,764
Professional Services	54,756	55,700	55,700	63,800	(8,100)	55,700
Repairs & Maintenance	1,453	450	450	450	-	450
Purchased Services	44,985	31,989	46,610	85,397	(4,300)	81,097
Capital/Other	60,797	95,620	61,600	-	-	-
Category Totals	\$ 1,118,068	\$ 1,411,467	\$ 1,359,060	\$ 1,283,668	\$ (17,920)	\$ 1,265,748

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Communications	7.00	9.00	-	9.00	-	9.00
Community Engagement	2.00	2.00	-	2.00	-	2.00
FTE Count Totals	9.00	11.00	-	11.00	-	11.00

Human Resources

Mission Statement

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

Services Provided

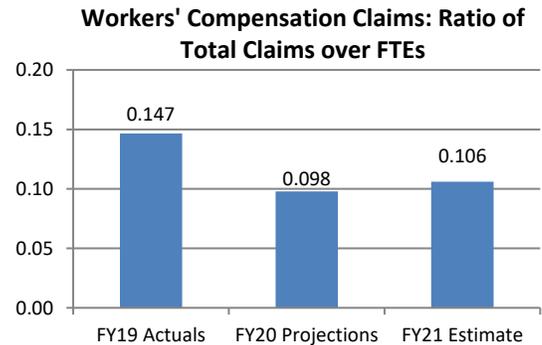
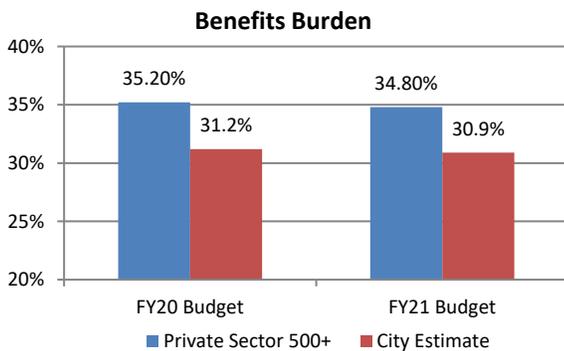
Human Resources is responsible for recruitment, total compensation, organization development, health and wellness, leave administration, employee policies and procedures, and employee recognition for all City departments. **Risk Management** oversees the City’s insurance program for workers’ compensation,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

FY21 Changes

Changes totaling (\$11,455) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Responsible City Government

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



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 1,193,740	\$ 1,158,807	\$ 1,158,807	\$ 1,181,449	\$ -	\$ 1,181,449
Supplies	88,689	80,013	88,306	97,364	(1,271)	96,093
Professional Services	46,740	342,660	337,910	60,160	-	60,160
Repairs & Maintenance	34	700	700	903	(203)	700
Purchased Services	170,778	217,365	222,540	191,676	(9,981)	181,695
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,499,981	\$ 1,799,545	\$ 1,808,263	\$ 1,531,552	\$ (11,455)	\$ 1,520,097

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Human Resources	11.00	11.00	-	11.00	-	11.00
FTE Count Totals	11.00	11.00	-	11.00	-	11.00

City Attorney

Mission Statement

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

Services Provided

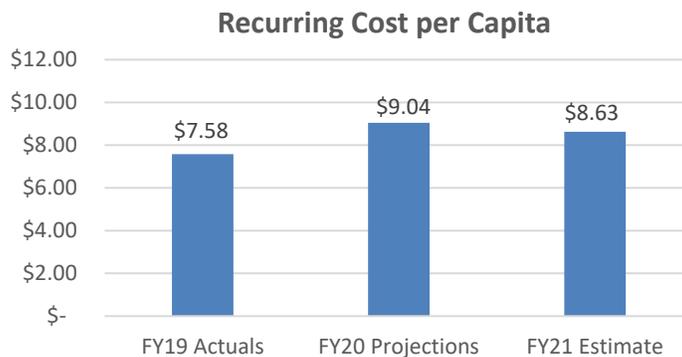
The **City Attorney’s Office** provides legal services to the City and the City’s development corporations. These services include contract review, ordinance preparation, policy review, open records review, and prosecution of violations of State law and City ordinances in Municipal Court.

FY21 Changes

Changes totaling (\$4,903) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Responsible City Government

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



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 829,224	\$ 921,815	\$ 921,815	\$ 902,563	\$ -	\$ 902,563
Supplies	10,322	24,165	3,200	9,679	(2,300)	7,379
Professional Services	37,294	117,066	117,066	92,066	-	92,066
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	16,412	23,256	23,256	25,113	(2,603)	22,510
Capital/Other	1,854	6,036	6,036	-	-	-
Category Totals	\$ 895,107	\$ 1,092,338	\$ 1,071,373	\$ 1,029,421	\$ (4,903)	\$ 1,024,518

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
City Attorney	6.00	7.00	-	7.00	-	7.00
FTE Count Totals	6.00	7.00	-	7.00	-	7.00

Information Technology

Mission Statement

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

Services Provided

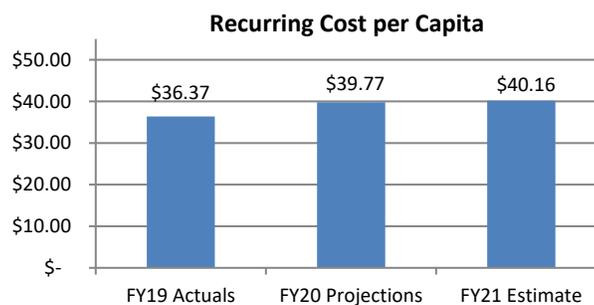
The **IT Department** provides City-wide support to all departments by maintaining the integrity of computer and communications infrastructure of the City. This includes City-wide coordination for advanced systems in Public Safety, Telecommunications, and Geographic Information System (GIS). A primary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

FY21 Changes

Changes totaling (\$400) include (\$30,400) in recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets and additions of \$30,000 for Municipal Court hardware.

Performance Measures: Responsible City Government

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



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 2,248,034	\$ 2,342,084	\$ 2,542,977	\$ 2,598,306	\$ -	\$ 2,598,306
Supplies	21,163	360,892	27,315	17,021	(500)	16,521
Professional Services	367,787	397,938	397,938	394,201	-	394,201
Repairs & Maintenance	1,398,399	1,541,836	1,531,846	1,613,941	29,600	1,643,541
Purchased Services	219,306	211,897	211,999	146,640	(29,500)	117,140
Capital/Other	41,237	-	-	-	-	-
Category Totals	\$ 4,295,925	\$ 4,854,647	\$ 4,712,075	\$ 4,770,109	\$ (400)	\$ 4,769,709

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Information Technology	23.00	25.00	-	25.00	-	25.00
FTE Count Totals	23.00	25.00	-	25.00	-	25.00

Department of Innovation

Mission Statement

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

Services Provided

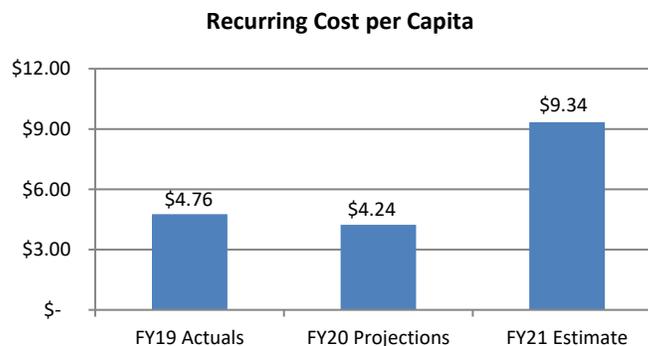
The Office of Performance and Accountability oversees the City Council goal measures program and the implementation of an organization wide performance measurement system. OPA is also responsible for conducting organizational (departmental) assessments, process improvement initiatives and manages the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

FY21 Changes

Due to a reorganization, four staff members have been moved into the Department of Innovation from the City Manager's Office. Changes totaling \$195,668 include a one-time 50% reduction to travel and training budgets and \$200,000 in one-time additions for innovation funding.

Performance Measures: Responsible City Government

The City Council measure for "cost-effective delivery of city services" is recurring cost per capita. The City received recognition from ICMA for Distinction in Performance Management in September 2019.



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 461,824	\$ 466,541	\$ 466,541	\$ 873,896	\$ -	\$ 873,896
Supplies	2,859	7,099	2,350	3,005	-	3,005
Professional Services	89,789	19,898	21,083	21,113	200,000	221,113
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	8,180	8,404	11,968	15,835	(4,332)	11,503
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 562,652	\$ 501,942	\$ 501,942	\$ 913,849	\$ 195,668	\$ 1,109,517

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Department of Innovation	4.00	5.00	4.00	9.00	-	9.00
FTE Count Totals	4.00	5.00	4.00	9.00	-	9.00

Economic Development

Mission Statement

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

Services Provided

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

FY21 Changes

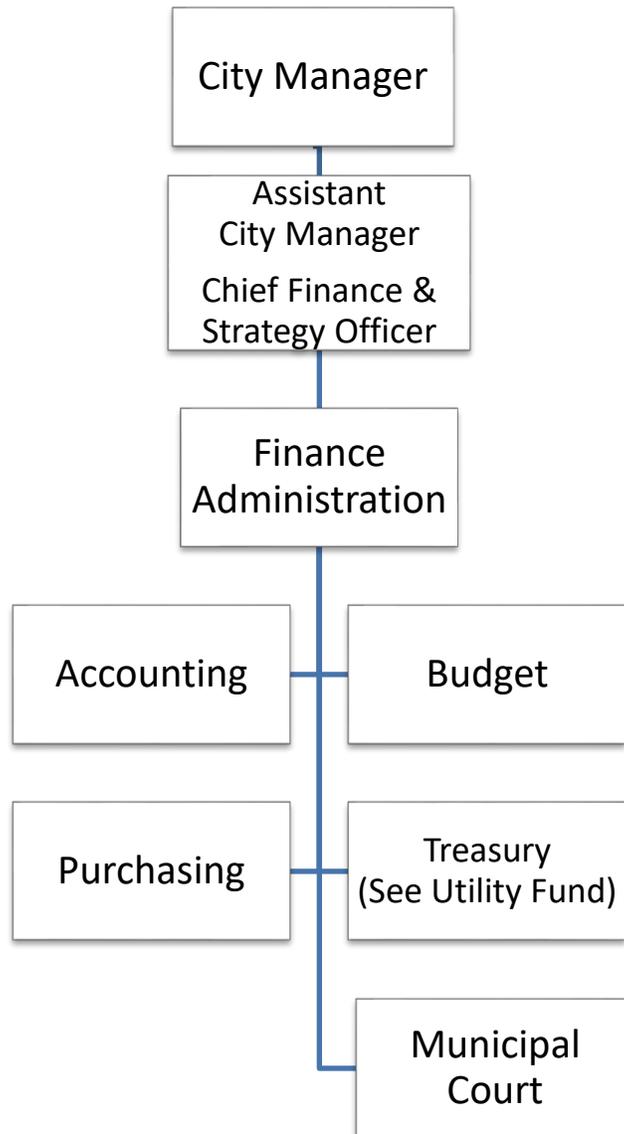
For FY21, Tourism Fund staff have been transitioned to the General Fund as a result of revenue declines from the pandemic's impact on Hotel Occupancy Taxes, totaling \$213,385.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 620,410	\$ 755,132	\$ 755,132	\$ 733,670	\$ 213,385	\$ 947,055
Supplies	48,059	25,565	-	-	-	-
Professional Services	24,634	8,197	9,435	35,000	-	35,000
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	596	1,238	-	-	-	-
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 693,698	\$ 790,132	\$ 764,567	\$ 768,670	\$ 213,385	\$ 982,055

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Economic Development	6.50	8.00	-	8.00	-	8.00
FTE Count Totals	6.50	8.00	-	8.00	-	8.00

Finance

As of October 1, 2020



Finance

Mission Statement

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

Programs of Service

The Finance Department is made up of Finance Administration, Budget, Accounting, Purchasing, and Municipal Court. **Finance Administration** is responsible for reviewing and implementing financial policies and managing the City's debt issuance and investment of public funds. **Budget** oversees the budget process and provides assistance to departments regarding budgeting and financial analysis. **Accounting** provides payroll, accounts payable, capital assets, grant management, general ledger, internal controls and administrative services. **Purchasing** oversees competitive purchasing, verifies insurance for contracts, 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.

FY21 Changes

Changes totaling (\$122,678) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

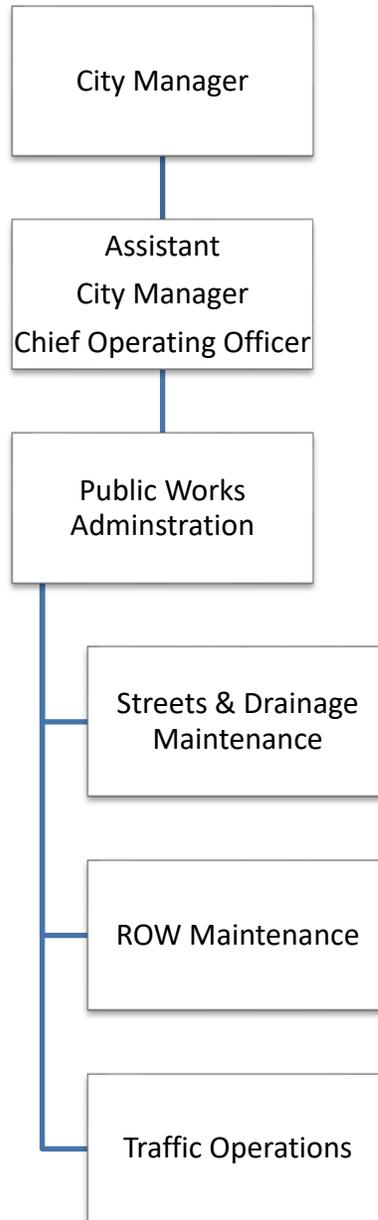
Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Finance Administration	\$ 680,040	\$ 1,222,226	\$ 1,093,385	\$ 1,112,565	\$ (57,970)	\$ 1,054,595
Budget Office	357,497	490,491	477,391	549,589	(7,858)	541,731
Accounting	1,226,602	1,336,404	1,326,446	1,313,663	(36,295)	1,277,368
Purchasing	567,236	625,231	609,642	644,261	(14,340)	629,921
Municipal Court	999,578	1,187,961	1,183,746	1,167,905	(6,215)	1,161,690
Category Totals	\$ 3,830,953	\$ 4,862,313	\$ 4,690,610	\$ 4,787,983	\$ (122,678)	\$ 4,665,305

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 3,054,588	\$ 3,583,012	\$ 3,583,012	\$ 3,721,670	\$ -	\$ 3,721,670
Supplies	35,839	253,546	51,843	45,293	(6,465)	38,828
Professional Services	581,666	829,210	859,210	799,615	(80,100)	719,515
Repairs & Maintenance	838	4,800	4,800	2,050	(500)	1,550
Purchased Services	155,847	177,035	177,035	219,355	(35,613)	183,742
Capital/Other	2,175	14,710	14,710	-	-	-
Category Totals	\$ 3,830,953	\$ 4,862,313	\$ 4,690,610	\$ 4,787,983	\$ (122,678)	\$ 4,665,305

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Finance Administration	3.00	3.00	1.00	4.00	-	4.00
Budget Office	5.00	5.00	1.00	6.00	-	6.00
Accounting	12.50	12.50	-	12.50	-	12.50
Purchasing	7.00	7.00	-	7.00	-	7.00
Municipal Court	12.00	13.00	-	13.00	-	13.00
FTE Count Totals	39.50	40.50	2.00	42.50	-	42.50

Public Works

As of October 1, 2020



Public Works

Mission Statement

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

Services Provided

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

Programs of Service

The **Administration** program manages components common to all divisions such as customer service, emergency management, the safety program, public education, personnel management, infrastructure data capture, asset management and event assistance. The **Street & Drainage** Maintenance program is responsible for the administration and operation of public streets, sidewalks, and bridges along with maintenance of sewer lines and open ditches. **Right of Way** maintenance manages the turf, landscape and irrigation in the City’s 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. The **Water Conservation Program** is overseen by Public Works but housed in the Water Utilities Fund.

FY21 Changes

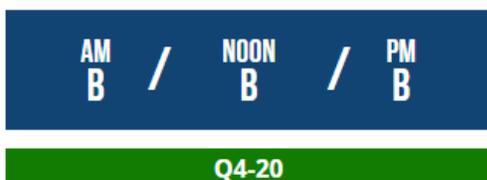
Changes totaling (\$247,201) include (\$24,904) in recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets, (\$332,297) in reductions to rehab, and \$110,000 in recurring additions for Right-of-Way.

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



US Highway 90 Performance



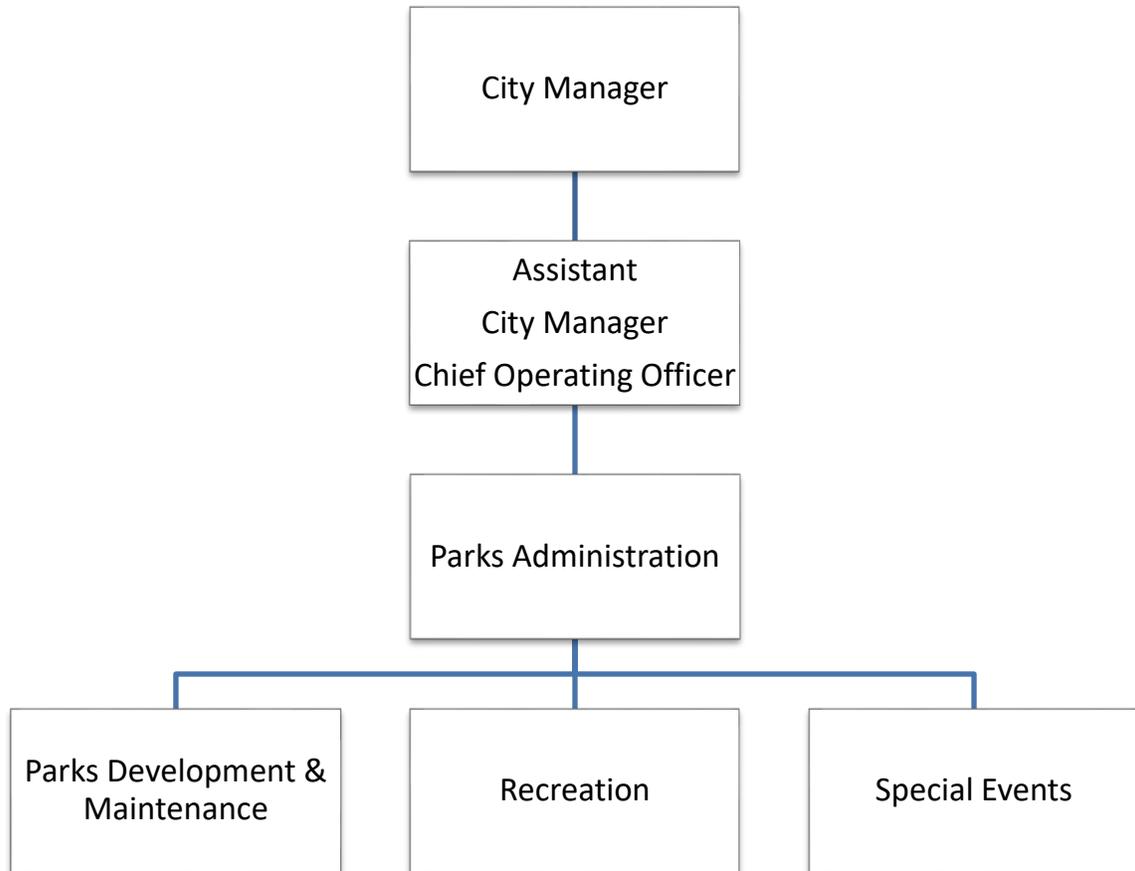
Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 2,935,908	\$ 4,014,062	\$ 4,014,062	\$ 4,493,587	\$ 50,000	\$ 4,543,587
Supplies	379,781	1,607,623	690,540	3,020,674	(276,629)	2,744,045
Professional Services	3,470,855	4,165,535	4,187,059	3,992,719	(1,000)	3,991,719
Repairs & Maintenance	4,180,428	4,181,479	4,281,479	1,530,881	-	1,530,881
Purchased Services	106,460	99,278	99,278	116,939	(19,572)	97,367
Capital/Other	42,410	362,558	350,754	-	-	-
Category Totals	\$ 11,115,841	\$ 14,430,535	\$ 13,623,172	\$ 13,154,800	\$ (247,201)	\$ 12,907,599

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Public Works Administration	\$ 472,098	\$ 479,889	\$ 477,057	\$ 481,948	\$ (6,340)	\$ 475,608
Street & Drainage Maintenance	4,090,979	5,756,570	5,293,735	5,266,920	(237,921)	5,028,999
ROW Maintenance	2,209,279	2,855,858	2,762,702	2,238,132	2,665	2,240,797
Traffic Operations	4,343,486	5,338,218	5,089,678	5,167,800	(5,605)	5,162,195
Category Totals	\$ 11,115,841	\$ 14,430,535	\$ 13,623,172	\$ 13,154,800	\$ (247,201)	\$ 12,907,599

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Public Works Administration	4.00	3.00	-	3.00	-	3.00
Street & Drainage Maintenance	22.00	23.00	-	23.00	-	23.00
ROW Maintenance	3.00	20.00	-	20.00	-	20.00
Traffic Operations	14.00	15.00	-	15.00	-	15.00
FTE Count Totals	43.00	61.00	-	61.00	-	61.00

Parks & Recreation

As of October 1, 2020



Parks & Recreation

Mission Statement

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

Services Provided

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

Programs of Service

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

FY21 Changes

Changes totaling (\$48,587) include \$20,243 in recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets and (\$28,344) in reductions to rehabilitation funding.

Performance Measures: Well Planned Community & Great Place to Live

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



Parks & Recreation

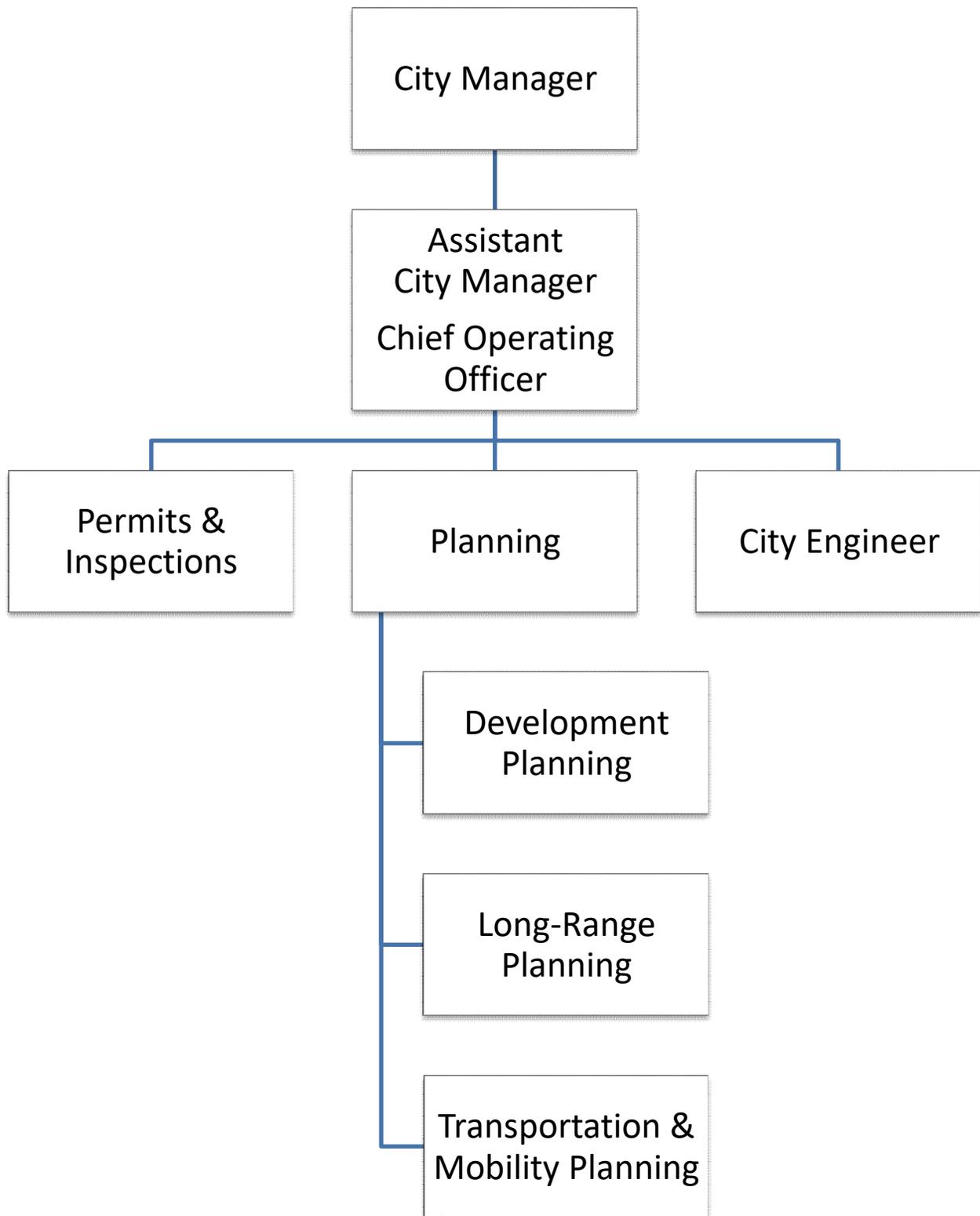
Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 2,577,770	\$ 2,630,317	\$ 2,666,045	\$ 2,716,540	\$ -	\$ 2,716,540
Supplies	251,009	598,079	260,183	464,492	(31,110)	433,382
Professional Services	522,420	555,021	555,021	574,201	(964)	573,237
Repairs & Maintenance	1,019,933	1,204,609	1,204,609	1,074,326	(2,500)	1,071,826
Purchased Services	564,512	222,775	222,775	363,143	(14,013)	349,130
Capital/Other	16,923	2,443	2,443	10,000	-	10,000
Category Totals	\$ 4,952,568	\$ 5,213,244	\$ 4,911,076	\$ 5,202,702	\$ (48,587)	\$ 5,154,115

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Parks Administration	623,408	677,607	672,917	659,547	(5,273)	654,274
Development & Maintenance	2,590,802	2,919,691	2,857,704	2,964,685	(34,369)	2,930,316
Special Events	542,598	429,694	292,184	400,007	(5,350)	394,657
Recreation	1,195,775	1,186,252	1,088,271	1,178,463	(3,595)	1,174,868
Category Totals	\$ 4,952,582	\$ 5,213,244	\$ 4,911,076	\$ 5,202,702	\$ (48,587)	\$ 5,154,115

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Parks Administration	6.00	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	14.30	15.30	-	15.30	-	15.30
FTE Count Totals	38.80	38.80	-	38.80	-	38.80

Community Development

As of October 1, 2020



Permits & Inspections

Mission Statement

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

Services Provided

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

Programs of Service

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

FY21 Changes

Changes totaling (\$11,812) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 1,244,236	\$ 1,371,572	\$ 1,371,572	\$ 1,287,963	\$ -	\$ 1,287,963
Supplies	25,072	30,299	22,130	26,699	(400)	26,299
Professional Services	10,782	12,242	12,242	13,742	(1,500)	12,242
Repairs & Maintenance	3,582	3,664	3,664	6,664	(3,000)	3,664
Purchased Services	41,355	55,375	55,245	54,475	(6,912)	47,563
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,325,027	\$ 1,473,152	\$ 1,464,853	\$ 1,389,543	\$ (11,812)	\$ 1,377,731

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Permits & Inspections	16.25	17.25	(1.00)	16.25	-	16.25
FTE Count Totals	16.25	17.25	(1.00)	16.25	-	16.25

Planning

Mission Statement

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

Services Provided

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

Programs of Service

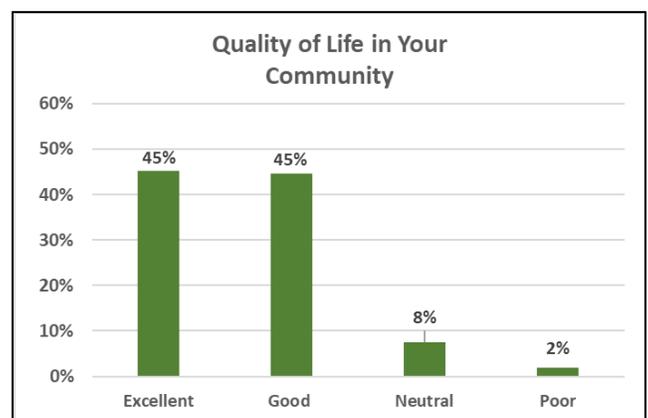
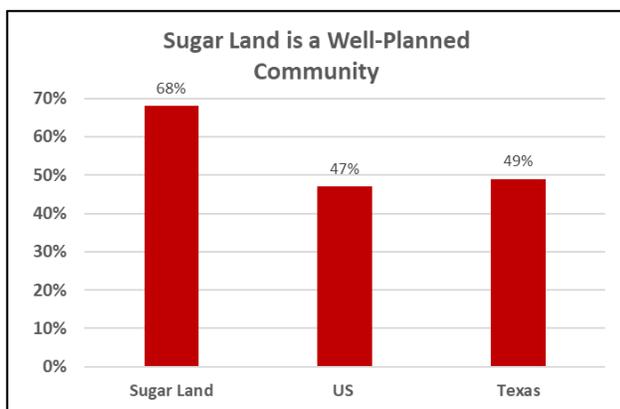
Development Planning reviews plats, site plans, and rezoning applications to ensure compliance with City development policies, codes and planning. **Long Range Planning** leads the City’s efforts to plan for the long range needs of the City including development and maintenance of the City’s comprehensive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

FY21 Changes

Changes totaling (\$28,190) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Well Planned Community & Livable Neighborhoods

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



Planning

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Summary by Category						
Salary & Benefits	\$ 1,028,652	\$ 1,110,876	\$ 1,110,876	\$ 1,287,255	\$ -	\$ 1,287,255
Supplies	7,694	60,083	9,838	13,909	(3,441)	10,468
Professional Services	88,243	477,097	477,097	78,455	(3,758)	74,697
Repairs & Maintenance	28	1,756	1,756	3,000	(1,800)	1,200
Purchased Services	22,391	45,267	45,267	47,354	(19,191)	28,163
Capital/Other	3,592	570	570	570	-	570
Category Totals	\$ 1,150,600	\$ 1,695,649	\$ 1,645,404	\$ 1,430,543	\$ (28,190)	\$ 1,402,353

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Summary by Type						
Community Development	\$ 181,738	\$ 195,881	\$ 191,271	\$ 211,694	\$ (3,955)	\$ 207,739
Planning & Development	505,674	580,904	571,931	658,659	(12,746)	645,913
Transportation & Long Range	463,189	918,864	882,202	560,190	(11,489)	548,701
Category Totals	\$ 1,150,600	\$ 1,695,649	\$ 1,645,404	\$ 1,430,543	\$ (28,190)	\$ 1,402,353

	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
FTE Count						
Community Development Admin	1.00	1.00	-	1.00	-	1.00
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	11.00	11.00	-	11.00	-	11.00

Engineering

Mission Statement

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

Services Provided

The **Engineering Department** provides centralized support to owner and stakeholder departments for development of the CIP and design and construction of capital projects and external services dealing with public infrastructure related to development improvements, floodplain regulations and adherence to City regulations, development code and engineering design standards. In addition, the department manages all real estate services and 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.

FY21 Changes

Changes totaling (\$24,233) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Performance Measures: Well Planned Community

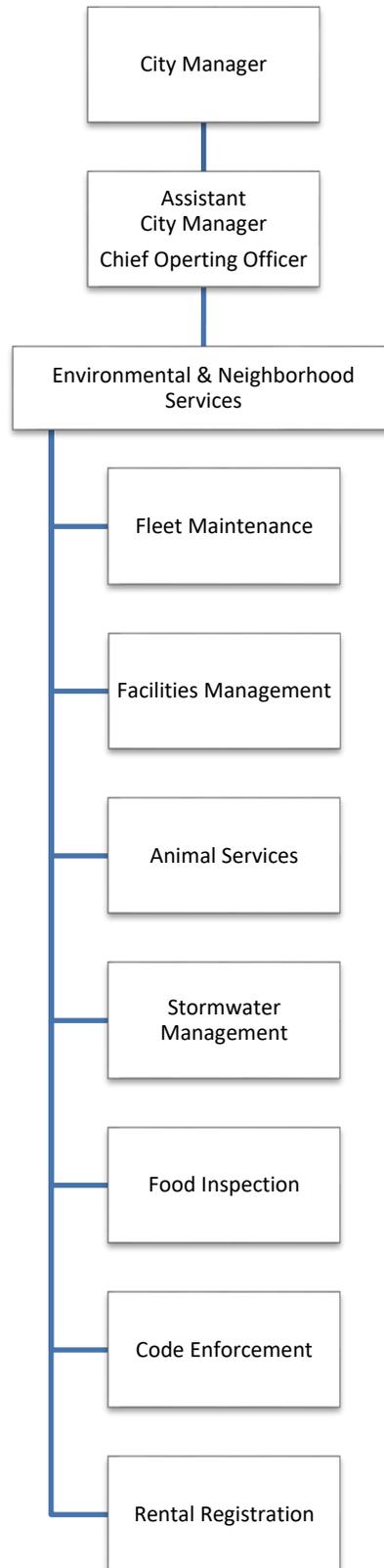
The department strives to meet the City Council’s goal of a “Well Planned Community.” According to the most recent Citizen Survey, “93% agree with the statement: ‘Sugar Land is a well-planned community that ensures compatible land use for residential, office, and retail purposes.’”

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 2,444,521	\$ 2,710,055	\$ 2,710,055	\$ 2,788,774	\$ -	\$ 2,788,774
Supplies	26,180	53,920	25,272	35,647	(2,750)	32,897
Professional Services	257,136	183,804	183,804	128,270	-	128,270
Repairs & Maintenance	4,932	7,450	7,450	11,850	(4,400)	7,450
Purchased Services	27,628	28,674	28,674	43,742	(17,083)	26,659
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 2,760,396	\$ 2,983,903	\$ 2,955,255	\$ 3,008,283	\$ (24,233)	\$ 2,984,050

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
City Engineer	24.00	25.00	1.00	25.00	-	25.00
FTE Count Totals	24.00	25.00	1.00	25.00	-	25.00

Environmental & Neighborhood Services

As of October 1, 2020



Environmental & Neighborhood Services

Mission Statement

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

Services Provided

Environmental & Neighborhood Services is responsible for Animal Services, Code Enforcement, Facilities Management, Fleet Maintenance, Food Inspections, Rental Registration, Solid Waste and Stormwater Management. The department administers a number of contracts with private sector firms for a range of goods and services that play an important role in effectively maintaining City facilities and providing essential services.

Programs of Service

Fleet Maintenance maintains over 400 vehicles, fire apparatus, EMS vehicles and small pieces of machinery. **Facilities Management** manages a maintenance and improvement program, retires assets, provides immediate repairs, and engages in special projects and new vertical construction projects. **Animal Services** operates the City’s animal shelter and enforces animal-related City ordinances. **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.

FY21 Changes

Changes totaling \$15,882 include (\$61,553) in recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets, \$37,000 in one-time additions for supplemental sanitation for COVID-19, (\$43,842) in reductions to facility rehabilitation, \$5,188 for increases in parking leases, \$54,000 for increases in veterinary services, and \$25,089 in additions for Stormwater Management.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 3,107,179	\$ 3,779,138	\$ 3,779,138	\$ 3,791,838	\$ -	\$ 3,791,838
Supplies	309,871	645,336	350,819	613,875	(64,805)	549,070
Professional Services	826,091	926,751	951,759	916,778	84,599	1,001,377
Repairs & Maintenance	1,373,013	1,411,863	1,411,863	832,990	30,850	863,840
Purchased Services	201,580	207,154	216,706	247,270	(34,762)	212,508
Capital/Other	2,257	128,393	133,110	-	-	-
Category Totals	\$ 5,819,992	\$ 7,098,635	\$ 6,843,395	\$ 6,402,751	\$ 15,882	\$ 6,418,633

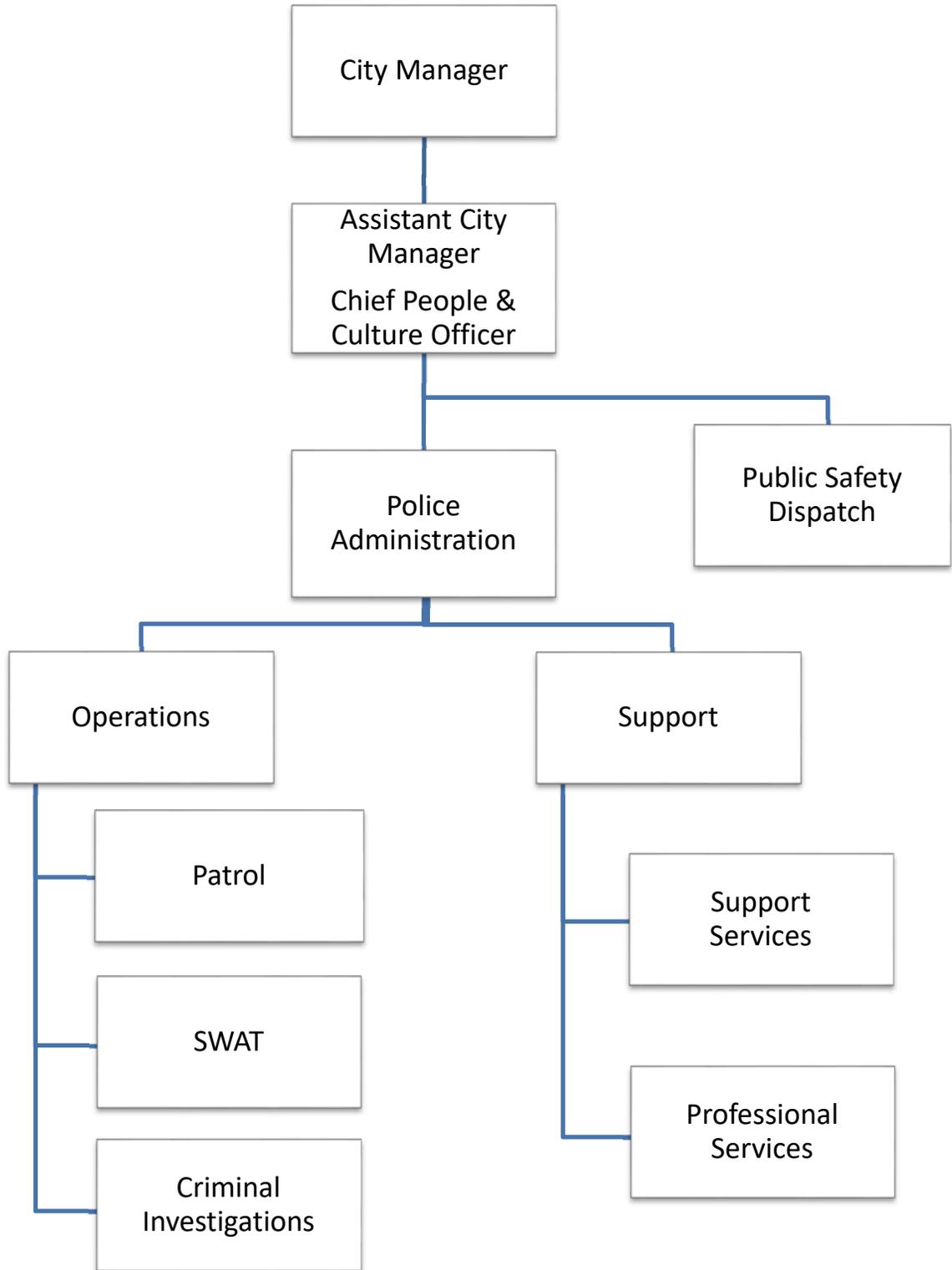
Environmental & Neighborhood Services

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
ENS Administration	\$ 360,665	\$ 469,178	\$ 461,559	\$ 492,458	\$ (7,300)	\$ 485,158
Community Outreach	-	-	-	-	-	-
Fleet Services	761,306	900,967	888,357	854,971	(11,042)	843,929
Facilities Management	2,701,780	3,231,612	3,096,423	2,741,317	(11,598)	2,729,719
Animal Services	906,588	1,132,154	1,070,483	1,050,239	48,000	1,098,239
Stormwater Management	115,779	317,728	290,889	207,451	8,426	215,877
Food Inspection	309,767	330,854	325,947	328,214	(5,385)	322,829
Code Enforcement	412,742	451,551	447,042	457,813	(3,290)	454,523
Rental Registration	251,364	264,591	262,695	270,288	(1,929)	268,359
Category Totals	\$ 5,819,992	\$ 7,098,635	\$ 6,843,395	\$ 6,402,751	\$ 15,882	\$ 6,418,633

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
ENS Administration	3.00	3.00	-	3.00	-	3.00
Fleet Services	9.00	9.00	-	9.00	-	9.00
Facilities Management	8.00	10.00	-	10.00	-	10.00
Animal Services	10.50	11.50	-	11.50	-	11.50
Stormwater Management	0.50	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	44.00	48.00	-	48.00	-	48.00

Police Department & Public Safety Dispatch

As of October 1, 2020



Police Department

Mission Statement

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

Services Provided

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

Programs of Service

The **Administration** program is responsible for community relations, beat accountability, financial management, accreditation, policy establishment and compliance, internal affairs, 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, responds to hostage/barricaded situations, surveillance and other tactical call-outs 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 and providing primary call taker/receptionist for the 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

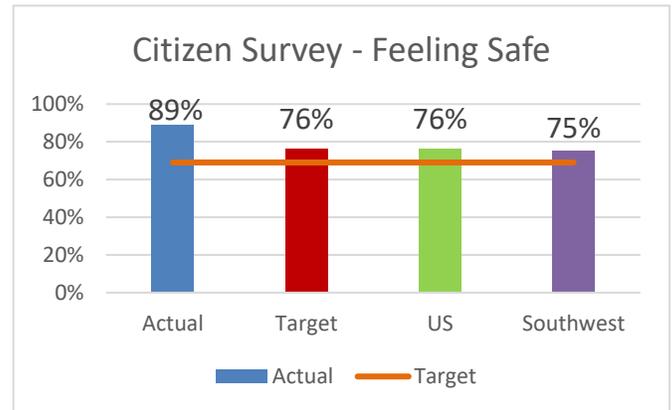
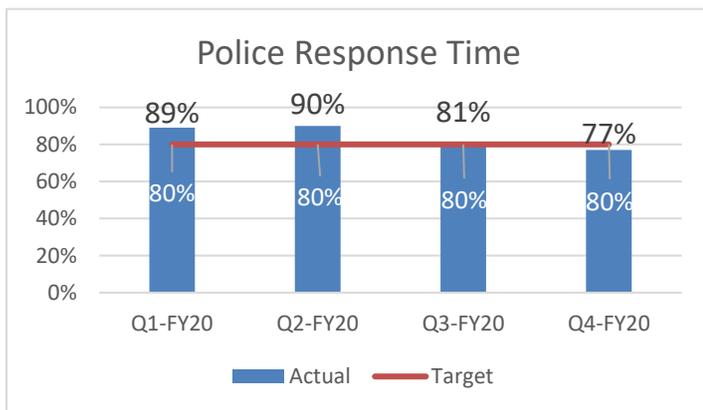
FY21 Changes

Changes totaling (\$88,572) include (\$143,341) in recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets and \$54,769 in recurring additions for AXON maintenance.

Performance Measures: Safest City in America

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

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



Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 19,437,781	\$ 20,985,453	\$ 20,985,453	\$ 21,042,785	\$ -	\$ 21,042,785
Supplies	678,017	1,019,271	689,734	750,868	(66,897)	683,971
Professional Services	109,889	118,740	123,040	126,580	(9,128)	117,452
Repairs & Maintenance	318,031	336,417	336,917	393,227	(19,440)	373,787
Purchased Services	236,020	329,812	324,412	263,597	6,893	270,490
Capital/Other	11,253	26,222	26,222	6,600	-	6,600
Category Totals	\$ 20,790,991	\$ 22,815,915	\$ 22,485,778	\$ 22,583,657	\$ (88,572)	\$ 22,495,085

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Police Administration	\$ 919,958	\$ 1,072,057	\$ 980,128	\$ 1,037,936	\$ (7,639)	\$ 1,030,297
Support Services Bureau	2,497,248	2,634,298	2,526,140	2,771,789	(41,951)	2,729,838
Professional Services	1,294,800	1,494,231	1,447,216	1,300,340	8,129	1,308,469
TCLEOSE Training	-	30,007	30,007	10,458	-	10,458
Patrol	12,056,493	13,308,027	13,248,417	13,147,705	(24,775)	13,122,930
Criminal Investigations	3,611,610	3,802,628	3,784,511	3,824,547	(15,419)	3,809,128
Detention Center	391,962	454,517	452,595	465,882	(1,922)	463,960
SWAT	18,920	20,150	16,764	25,000	(4,995)	20,005
Category Totals	\$ 20,790,991	\$ 22,815,915	\$ 22,485,778	\$ 22,583,657	\$ (88,572)	\$ 22,495,085

Police Department

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Police Administration	5.50	6.50	1.00	7.50	-	7.50
Support Services Bureau	18.10	18.10	1.00	19.10	-	19.10
Professional Services	12.50	12.00	(1.00)	11.00	-	11.00
Patrol	120.00	122.00	(1.00)	121.00	-	121.00
Criminal Investigations	32.50	33.50	-	33.50	-	33.50
Detention Center	6.00	6.00	-	6.00	-	6.00
FTE Count Totals	194.60	198.10	-	198.10	-	198.10

Public Safety Dispatch

Mission Statement

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

Services Provided

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

Programs of Service

Public Safety Dispatch answers calls routed through emergency and non-emergency phone systems and processes the calls to determine the service needed. After gathering information from the caller, the nature of the call is determined and the appropriate field responders are dispatched via 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.

FY21 Changes

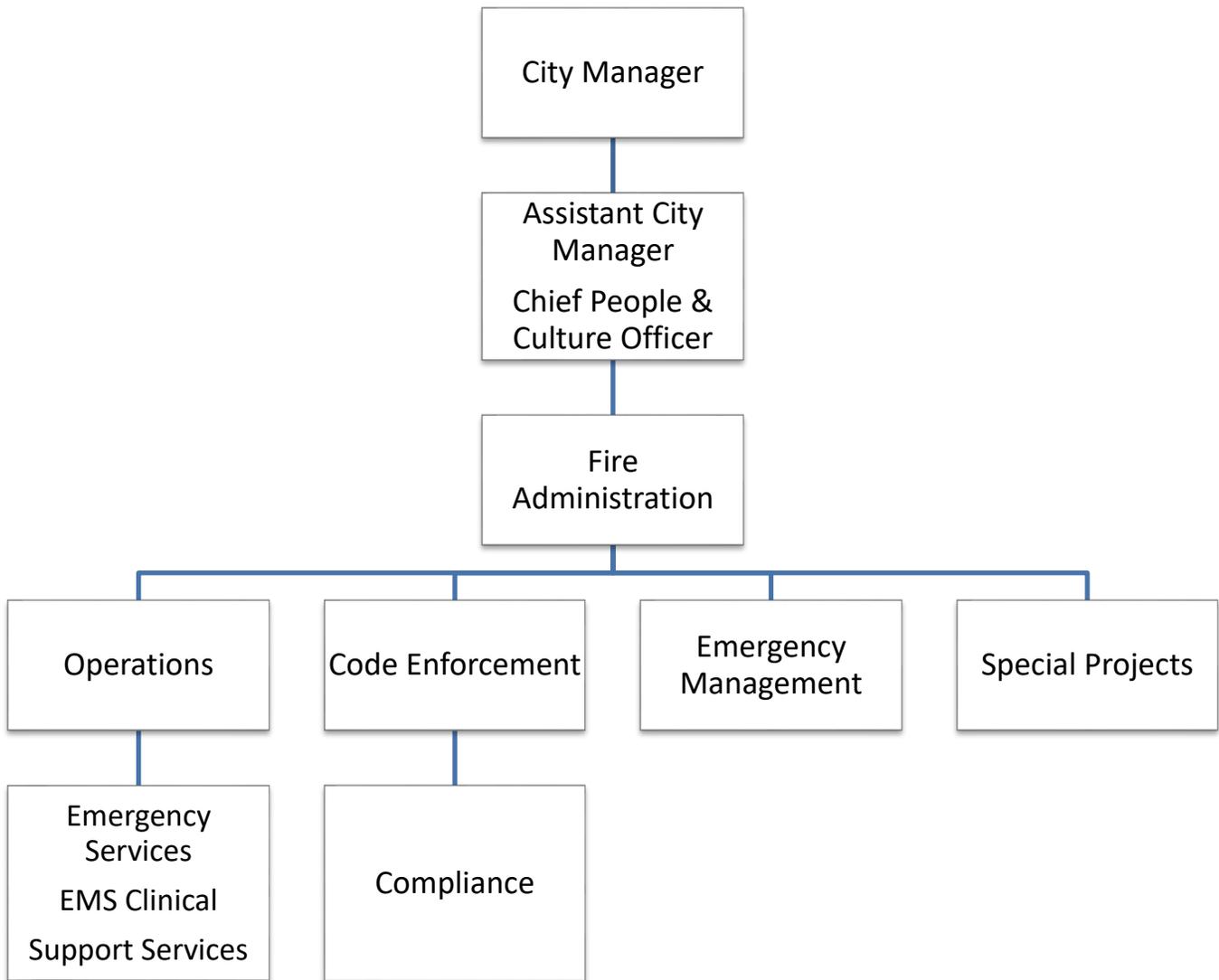
Changes totaling (\$23,708) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 2,341,278	\$ 2,846,684	\$ 2,846,684	\$ 2,958,852	\$ -	\$ 2,958,852
Supplies	9,960	31,198	9,653	13,806	(4,153)	9,653
Professional Services	31,477	33,845	33,845	33,245	(900)	32,345
Repairs & Maintenance	26,126	46,350	46,350	51,700	(3,850)	47,850
Purchased Services	22,707	19,918	19,918	32,560	(14,805)	17,755
Capital/Other	18,591	-	-	-	-	-
Category Totals	\$ 2,450,139	\$ 2,977,995	\$ 2,956,450	\$ 3,090,163	\$ (23,708)	\$ 3,066,455

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Public Safety Dispatch	35.00	34.50	-	34.50	-	34.50
FTE Count Totals	35.00	34.50	-	34.50	-	34.50

Fire-EMS

As of October 1, 2020



Fire-EMS

Mission Statement

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

Services Provided

Fire-EMS provides core emergency services, including fire and emergency medical services to the citizens of Sugar Land, daily business population, commuters, shoppers, and visitors. Fire-EMS operates 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

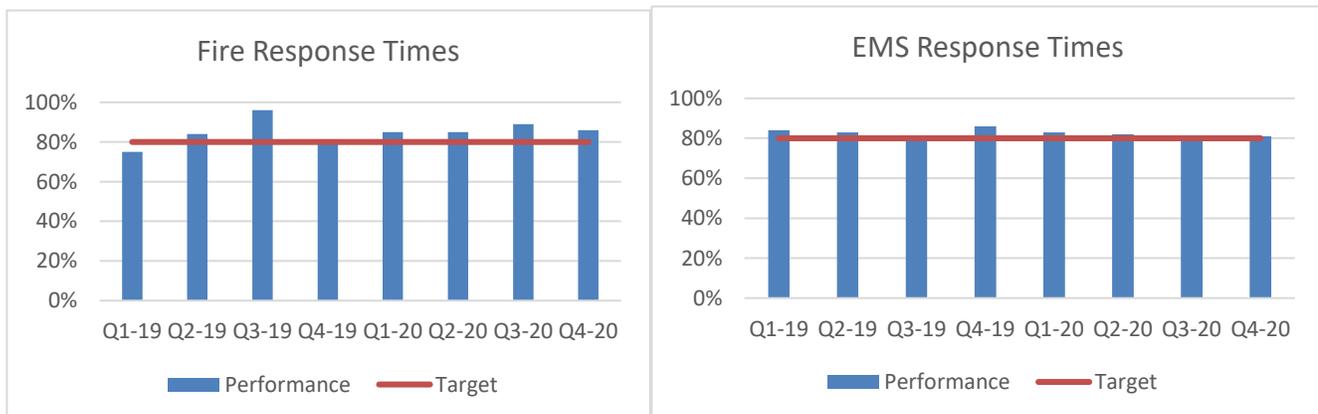
Administration is responsible for strategic planning, intergovernmental relations, human resources management, and overall administration of the department. **Operations** includes Emergency Services that provides fire suppression, technical rescue, aircraft rescue, firefighting, hazardous materials 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.

FY21 Changes

Changes totaling (\$70,819) include recurring operating cuts based on historical savings and a one-time 50% reduction to travel and training budgets.

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	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 14,187,124	\$ 15,412,000	\$ 15,412,000	\$ 15,449,306	\$ -	\$ 15,449,306
Supplies	513,562	1,075,212	1,349,213	621,671	(25,309)	596,362
Professional Services	209,692	335,633	333,266	239,144	(2,500)	236,644
Repairs & Maintenance	405,360	403,186	403,186	399,186	-	399,186
Purchased Services	69,300	136,533	156,168	125,128	(43,010)	82,118
Capital/Other	116,561	96,117	96,117	-	-	-
Category Totals	\$ 15,501,600	\$ 17,458,681	\$ 17,749,950	\$ 16,834,435	\$ (70,819)	\$ 16,763,616

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Fire Administration	573,267	638,925	631,194	665,330	(7,814)	657,516
Emergency Services	11,100,091	15,263,858	15,264,660	15,121,253	(38,271)	15,082,982
Emergency Medical Services	1,943,256	-	-	-	-	-
Haz Mat	3,216	-	-	-	-	-
Prevention	1,153,386	1,101,689	1,078,889	1,047,852	(24,734)	1,023,118
Emergency Management	377,617	454,209	775,207	-	-	-
Professional Development	350,767	-	-	-	-	-
Category Totals	\$ 15,501,600	\$ 17,458,681	\$ 17,749,950	\$ 16,834,435	\$ (70,819)	\$ 16,763,616

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Fire Administration	3.00	4.00	3.00	7.00	-	7.00
Emergency Services	91.00	95.00	20.00	115.00	-	115.00
Emergency Medical Services	20.00	16.00	(16.00)	-	-	-
Prevention	9.00	10.00	(1.00)	9.00	-	9.00
Professional Development	5.00	5.00	(5.00)	-	-	-
FTE Count Totals	128.00	130.00	1.00	131.00	-	131.00

Non-Departmental

Services Provided

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

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 \$2,704,190 based on anticipated MUD values.

Miscellaneous

Miscellaneous includes payments for property insurance premiums and deductibles, salary savings, contingency funds, and other miscellaneous expenditures. Miscellaneous expenditures increase for \$2,482,400 includes \$3,400,000 as an emergency response reserve for COVID-19 from the City's allocation of CARES funding, compensation plan adjustments, and additional salary savings of \$1,200,000 generated from the implemented hiring freeze and potential for position elimination.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Transfers to other Funds	\$ 3,347,306	\$ 2,895,137	\$ 2,895,137	\$ 2,747,023	\$ (1,658,519)	\$ 1,088,504
Miscellaneous	1,192,597	(311,129)	(244,770)	367,224	2,482,400	2,849,624
Rebates & Assignments	2,556,860	2,504,056	2,504,056	2,704,190	-	2,704,190
Category Totals	\$ 7,096,763	\$ 5,088,064	\$ 5,154,423	\$ 5,818,437	\$ 823,881	\$ 6,642,318

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 ten Special Revenue Funds budgeted for Fiscal Year 2021.

Court Security Fund

The City collects a \$3 fee from each defendant found guilty of a misdemeanor through 12/31/19. For violations after 1/1/20, the fee is distributed as a percentage of the \$10 consolidated court cost 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 2020

Revenues are projected to be \$36,666, which includes security fees of \$36,368 and interest income of \$298. Operating expenditures total \$40,500, which represents 40% of personnel costs for the Court Bailiff salary and benefits. Fund balance at 9/30/20 is projected to be \$14,869.

Fiscal Year 2021

Revenues budgeted total \$43,525, which includes security fees of \$43,175 and \$350 in interest income. Operating expenditures of \$40,636 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 9/30/21 is estimated to be \$17,758.

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 2020

Revenues are projected to be \$36,658, which includes technology fees of \$36,383 and \$275 for interest income. Operating expenditures total \$57,088, and includes funds for annual maintenance contracts for the court software. Fund balance at 9/30/20 is projected to be \$5,880.

Fiscal Year 2021

Revenues budgeted total \$35,920, which includes \$35,245 for technology fees, and \$675 in interest income. Budgeted expenditures total \$34,138, 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 FY21. Fund balance at 9/30/21 is estimated to be \$7,662.

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 2020

Revenues projected total \$193,600, which represents funds received from the CDBG program. Operating expenditures total \$193,600 and include \$17,416 for professional services, and \$176,184 for capital project funding for the restroom at Mayfield Park. Fund balance at 9/30/20 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 1,386 rooms. A tenth hotel is under construction and anticipated to open in FY21. 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 2020

Projected revenues total \$1,883,412 with \$1,655,922 in occupancy tax, which assumes a 31% decrease from anticipated revenue. Remaining revenue includes, \$29,100 in miscellaneous revenue and \$20,920 in interest income. Projected expenditures total \$2,173,459, which includes \$548,565 for the Tourism Program, \$263,579 for the operation of the visitor center and \$9,625 for the cultural and public arts programs. The transfers out include the transfer to the Debt Service Fund to cover the debt for the Marriott conference center and the Smart Financial Centre at Sugar Land. Fund balance at 9/30/20 is projected to be \$1,110,833.

Fiscal Year 2021

Budgeted revenues are \$1,615,500 with \$1,571,400 in hotel occupancy tax, \$29,100 in miscellaneous revenue and \$15,000 in interest income. The occupancy taxes in FY21 are projected to decline by 34.6% from FY19 actuals. Expenditures total \$1,994,423 and includes \$388,284 for the Tourism Program at a much reduced level and \$264,489 for the operation of the visitor center. In response to anticipated revenue declines, Tourism staff funding has been shifted to the SLDC and SL4B. The transfers out for \$1,341,100 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 9/30/21 is estimated to be \$731,910, which is \$574,770 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 2020

Projected revenues are \$2,850 for interest income. There are no projected expenditures. Fund balance at 9/30/20 is projected to be \$322,348.

Fiscal Year 2021

Budgeted revenues are \$2,700 for interest income. Revenue from the Narcotics Task Force is irregular and generally not budgeted. There are no expenditures budgeted for FY21. Fund balance at 9/30/21 is estimated to be \$325,048.

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 2020

Projected revenues are \$3,455, which includes \$350 for interest income and \$3,105 for other income. Expenditures are projected to be zero. Fund balance at 9/30/20 is projected to be \$38,478.

Fiscal Year 2021

Budgeted revenues are \$400 for interest income. There are no expenditures budgeted for FY21. Fund balance at 9/30/21 is estimated to be \$38,878.

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 2020

Budgeted revenues are projected to be \$70 for interest income. There are no projected expenditures. Fund balance at 9/30/20 is projected to be \$4,765.

Fiscal Year 2021

Budgeted revenues of \$125 for interest income. There are no expenditures budgeted for FY21. Fund balance at 9/30/21 is estimated to be \$4,890.

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 2020

Operating revenues are projected at \$46,850, which includes \$38,950 in out-of-city service fees and \$7,900 in interest income. There are no budgeted expenditures. Fund balance at 9/30/20 is projected to be \$431,034.

Fiscal Year 2021

Revenues budgeted total \$59,023 and include \$55,823 for out-of-city service fees and \$3,200 for interest income. There are no budgeted expenditures. Fund balance at 9/30/21 is estimated to be \$490,057.

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 2020

Revenues projected total \$216,625 and include \$206,075 for out-of-city service fees and \$10,550 for interest income. There are no budgeted expenditures for FY20. Projected ending fund balance at 9/30/20 is \$1,003,953.

Fiscal Year 2021

Revenues budgeted total \$171,962 and include \$162,462 for out-of-city service fees and \$9,500 for interest income. There are no budgeted expenditures for FY21. Budgeted ending fund balance at 9/30/21 is \$1,175,915.

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 2019 assessment was \$740 and the 2020 assessment will be \$560. 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 2020

Revenues projected total \$166,821 and include \$103,004 for PID assessment, \$800 for interest income, and \$63,017 for transfers in from the General Fund and Debt Service Fund for prior year property tax revenues. Expenditures total \$165,469, which includes transfer to other funds for \$165,419. Projected ending fund balance at 9/30/20 is \$71,550.

Fiscal Year 2021

Revenues budgeted total \$156,998 and include \$76,104 for PID assessment, \$400 for interest income, and \$80,494 for transfers in from the General Fund and Debt Service Fund. Expenditures total \$161,219, which includes transfer to the Debt Service and Utility Funds for \$161,144 to support debt service associated with bonds issued to fund the developer reimbursement. Budgeted ending fund balance at 9/30/21 is \$67,329.

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 2020

Revenues projected total \$182,123 and includes \$250 in interest income, \$131,873 in reimbursements, and \$50,000 for transfers in from the Tourism Fund. Expenditures total \$88,779 for personnel costs for the Destination Event Manager. Projected ending fund balance at 9/30/20 is \$113,225.

Fiscal Year 2021

Revenues budgeted total \$108,843 and includes \$17,200 in rental fees, special event permit fees, \$200 in interest income, and \$91,443 for transfers in from the SL4B, which supports the personnel cost. Expenditures total \$221,443, \$91,443 for personnel, and \$130,000 for special events. Budgeted ending fund balance at 9/30/21 is \$625.

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 budgeted total \$50,000 from donations. Expenditures total \$50,000 for maintenance and operations. Budgeted ending fund balance at 9/30/21 is \$0.

Public, Education & Government Fund

The city expanded its SLTV 16 and social media video offerings in 2017 via a newly purchased production-quality livestreaming system utilizing Public Education Grant program funds provided through cable franchise agreements as well as by incorporating drones as a production tool. In the FY21 Budget, these funds have been moved out of the General Fund and established as its own fund to improve accountability of restricted revenues.

Fiscal Year 2021

Revenues budgeted total \$170,000, established through the Comcast Franchise Agreement. Expenditures total \$170,000 for Municipal Television Station Programming Equipment. Budgeted ending fund balance at 9/30/21 is \$0.

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Security Fees	\$ 37,536	\$ 51,000	\$ 36,368	\$ 43,175	\$ -	\$ 43,175
Interest Income	382	350	298	350	-	350
Total Revenues	37,918	51,350	36,666	43,525	-	43,525
EXPENDITURES						
Personnel	38,975	40,500	40,500	40,636	-	40,636
Total Expenditures	38,975	40,500	40,500	40,636	-	40,636
Revenues Over/(Under) Expenditures	(1,057)	10,850	(3,834)	2,889	-	2,889
Fund Balance - Beginning	19,760	18,703	18,703	14,869	-	14,869
Fund Balance - Ending	\$ 18,703	\$ 29,553	\$ 14,869	\$ 17,758	\$ -	\$ 17,758

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Technology Fees	\$ 50,049	\$ 68,000	\$ 36,383	\$ 35,245	\$ -	\$ 35,245
Interest Income	854	675	275	675	-	675
Miscellaneous	-	-	-	-	-	-
Transfers in	6,469	-	-	-	-	-
Total Revenues	57,371	68,675	36,658	35,920	-	35,920
EXPENDITURES						
Personnel Costs	-	-	-	-	-	-
Operations & Maintenance	56,492	88,462	57,088	34,138	-	34,138
Capital	-	-	-	-	-	-
Total Operating Expenditures	56,492	88,462	57,088	34,138	-	34,138
Transfers to Other Funds	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Expenditures	-	-	-	-	-	-
Total Expenditures	56,492	88,462	57,088	34,138	-	34,138
Revenues Over/(Under) Expenditures	879	(19,787)	(20,430)	1,782	-	1,782
Fund Balance - Beginning	25,431	26,310	26,310	5,880	-	5,880
Fund Balance - Ending	\$ 26,310	\$ 6,523	\$ 5,880	\$ 7,662	\$ -	\$ 7,662

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
CDBG	\$ 201,068	\$ 193,600	\$ 193,600	\$ -	\$ -	\$ -
Interest Income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	201,068	193,600	193,600	-	-	-
EXPENDITURES						
Professional Services	54,591	17,416	17,416	-	-	-
Other Contractual	49,780	-	-	-	-	-
Capital	96,698	176,184	176,184	-	-	-
Total Expenditures	201,068	193,600	193,600	-	-	-
Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Hotel/Motel Occupancy Tax	\$ 2,402,962	\$ 2,403,875	\$ 1,655,922	\$ 1,571,400	\$ -	\$ 1,571,400
Interest Income	37,333	30,000	20,920	15,000	-	15,000
Miscellaneous	22,232	40,472	29,100	29,100	-	29,100
Total Operating Revenues	2,462,527	2,474,347	1,705,942	1,615,500	-	1,615,500
Transfers In	-	-	177,470	-	-	-
Total Non-Operating Revenues	-	-	177,470	-	-	-
Total Revenues	2,462,527	2,474,347	1,883,412	1,615,500	-	1,615,500
EXPENDITURES						
Tourism Program	569,475	927,512	548,565	388,284	-	388,284
Visitor Center	221,756	303,579	263,579	264,489	-	264,489
Cultural/Public Arts	27,963	48,000	9,625	-	-	-
Total Operating Expenditures	819,194	1,279,091	821,769	652,773	-	652,773
Transfer Out - Debt Service Fund	1,372,461	1,352,726	1,350,238	1,341,100	-	1,341,100
Transfer Out - Public Arts CIP	50,000	50,000	-	-	-	-
Transfer Out - Destination Events	60,854	50,000	-	-	-	-
Transfer Out - Others	-	902	902	-	-	-
Miscellaneous	-	550	550	550	-	550
Total Non-Operating Expenditures	1,483,315	1,454,178	1,351,690	1,341,650	-	1,341,650
Total Expenditures	2,302,509	2,733,269	2,173,459	1,994,423	-	1,994,423
Revenues Over/(Under) Expenditures	160,019	(258,922)	(290,047)	(378,923)	-	(378,923)
Fund Balance - Beginning	1,794,281	1,954,300	1,954,300	1,664,253	-	1,664,253
GAAP Adjustments	(638,806)	(553,420)	(553,420)	(553,420)	-	(553,420)
Fund Balance - Ending	\$ 1,315,494	\$ 1,141,958	\$ 1,110,833	\$ 731,910	\$ -	\$ 731,910
Fund Balance Policy (10% of Budgeted HOT)		\$ 240,388	\$ 165,592	\$ 157,140		\$ 157,140
Over/Under Policy		901,571	945,241	574,770		574,770

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Other Income	\$ 120,678	\$ -	\$ -	\$ -	-	\$ -
Interest Income	4,783	400	2,850	2,700	-	2,700
Total Revenues	125,461	400	2,850	2,700	-	2,700
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	125,461	400	2,850	2,700	-	2,700
Fund Balance - Beginning	194,037	319,498	319,498	322,348	-	322,348
Fund Balance - Ending	\$ 319,498	\$ 319,898	\$ 322,348	\$ 325,048	\$ -	\$ 325,048

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Other Income	\$ -	\$ -	\$ 3,105	\$ -	\$ -	\$ -
Interest Income	734	775	350	400	-	400
Total Revenues	734	775	3,455	400	-	400
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	734	775	3,455	400	-	400
Fund Balance - Beginning	34,289	35,023	35,023	38,478	-	38,478
Fund Balance - Ending	\$ 35,023	\$ 35,798	\$ 38,478	\$ 38,878	\$ -	\$ 38,878

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	98	100	70	125	-	125
Total Revenues	98	100	70	125	-	125
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	98	100	70	125	-	125
Fund Balance - Beginning	4,597	4,695	4,695	4,765	-	4,765
Fund Balance - Ending	\$ 4,695	\$ 4,795	\$ 4,765	\$ 4,890	\$ -	\$ 4,890

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Out of City Service Fees	\$ 35,441	\$ 36,888	\$ 38,950	\$ 55,823	\$ -	\$ 55,823
Interest Income	7,732	6,400	7,900	3,200	-	3,200
Total Revenues	43,173	43,288	46,850	59,023	-	59,023
EXPENDITURES						
Operations & Maintenance	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	43,173	43,288	46,850	59,023	-	59,023
Fund Balance - Beginning	341,011	384,184	384,184	431,034	-	431,034
Fund Balance - Ending	\$ 384,184	\$ 427,472	\$ 431,034	\$ 490,057	\$ -	\$ 490,057

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Out of City Service Fees	\$ 179,830	\$ 131,175	\$ 206,075	\$ 162,462	\$ -	\$ 162,462
Interest Income	14,542	12,000	10,550	9,500	-	9,500
Total Revenues	194,371	143,175	216,625	171,962	-	171,962
EXPENDITURES						
Operations & Maintenance	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	194,371	143,175	216,625	171,962	-	171,962
Fund Balance - Beginning	592,957	787,328	787,328	1,003,953	-	1,003,953
Fund Balance - Ending	\$ 787,328	\$ 930,503	\$ 1,003,953	\$ 1,175,915	\$ -	\$ 1,175,915

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
PID Assessment Fees	\$ 137,831	\$ 100,014	\$ 103,004	\$ 76,104	\$ -	\$ 76,104
Interest Income	4,110	4,500	800	400	-	400
Transfers In	44,450	60,160	63,017	80,494	-	80,494
Total Revenues	186,392	164,674	166,821	156,998	-	156,998
EXPENDITURES						
Reimbursements	489,949	-	-	-	-	-
Miscellaneous	6,049	100	50	75	-	75
Transfers to Other Funds	119,562	165,419	165,419	161,144	-	161,144
Total Expenditures	615,560	165,519	165,469	161,219	-	161,219
Revenues Over/(Under) Expenditures	(429,168)	(845)	1,352	(4,221)	-	(4,221)
Fund Balance - Beginning	499,366	70,198	70,198	71,550	-	71,550
Fund Balance - Ending	\$ 70,198	\$ 69,353	\$ 71,550	\$ 67,329	\$ -	\$ 67,329

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Rental Fees	\$ 40,165	\$ 27,800	\$ -	\$ 17,200	\$ -	\$ 17,200
Interest Income	239	100	250	200	-	200
Miscellaneous	-	-	131,873	-	-	-
Transfers In	60,854	50,000	50,000	91,443	-	91,443
Total Revenues	101,258	77,900	182,123	108,843	-	108,843
EXPENDITURES						
Personnel Costs	84,371	88,779	88,779	91,443	-	91,443
Operations & Maintenance	-	-	-	-	130,000	130,000
Capital	-	-	-	-	-	-
Total Operating Expenditures	84,371	88,779	88,779	91,443	130,000	221,443
Transfers to Other Funds	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Expenditures	-	-	-	-	-	-
Total Expenditures	84,371	88,779	88,779	91,443	130,000	221,443
Revenues Over/(Under) Expenditures	16,886	(10,879)	93,344	17,400	(130,000)	(112,600)
Fund Balance - Beginning	2,995	19,881	19,881	113,225	-	113,225
Fund Balance - Ending	\$ 19,881	\$ 9,002	\$ 113,225	\$ 130,625	\$ (130,000)	\$ 625

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Donations	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
Interest Income	-	-	-	-	-	-
Total Revenues	-	-	-	50,000	-	50,000
EXPENDITURES						
Maintenance and Operations	-	-	-	50,000	-	50,000
Total Expenditures	-	-	-	50,000	-	50,000
Revenues Over/(Under) Expenditures	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
PEG Funds	\$ -	\$ -	\$ -	\$ 170,000	\$ -	\$ 170,000
Interest Income	-	-	-	-	-	-
Total Revenues	-	-	-	170,000	-	170,000
EXPENDITURES						
Maintenance and Operations	-	-	-	170,000	-	170,000
Total Expenditures	-	-	-	170,000	-	170,000
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 FY21-FY25 totals \$263.39 million including \$90.76 million of FY21-25 GO Bond program projects for 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. Due to COVID-19, City Council was unable to review the proposed projects, however, a thorough review will take place during the budget workshops. 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 2020

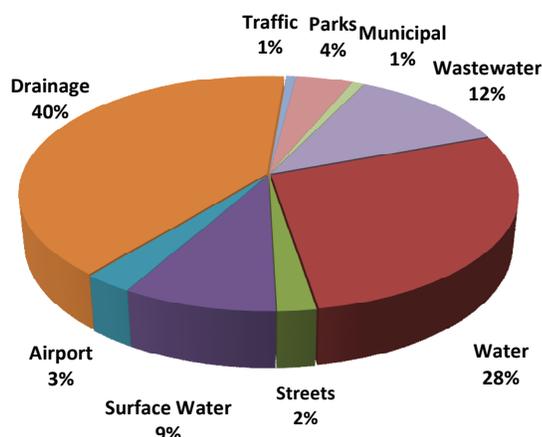
The FY20 capital project budget totaled \$40,514,175. Many projects included in FY20 are still in progress as most capital projects are multi-year projects.

Fiscal Year 2021

FY21 capital projects total \$27,653,500. Drainage projects make up the majority of the distribution at 40%, followed by Water projects with 28%, and Wastewater projects with a total of 12%. Surface Water projects are at 9%, Parks at 4%, while Airport, Streets, Municipal, and Traffic projects combine for 7% of the approved project budgets for the FY21 CIP.

Drainage projects total \$11,176,000 and include: Riverbend Inlets and Pipes Replacement, Austin Park and Chimneystone Drainage Improvements, Oyster Creek Flood Control Improvements, Citywide Flood Prevention & Drainage Studies, Greatwood Village Drainage Improvements, Telfair Drainage Improvements, and Sugar Creek Golf Course Drainage Improvements.

CIP - Project Types



Water projects total \$7,732,000 and include: Rehabilitation for Wells, Distribution System Water Main, Ground Storage Tank, and Ground Water Plants; additional funding is included for the SCADA Annual Preventative Maintenance Program.

Wastewater projects total \$3,361,000 and include: Collection Systems Rehabilitation, Lift Stations Rehabilitation, Wastewater Treatment Plant Improvements, and SWWTP Odor Control Study.

Surface Water projects total \$2,384,500 and include: Preliminary Design for the Surface Water Treatment Plant Expansion, Surface Water Transmission Lines, Groundwater Plant Surface Water Conversion, and design of Automated Meter Integration.

Parks projects total \$1,200,000 and include: Cullinan Park Improvements-Phase II and Joint Participation in CIP.

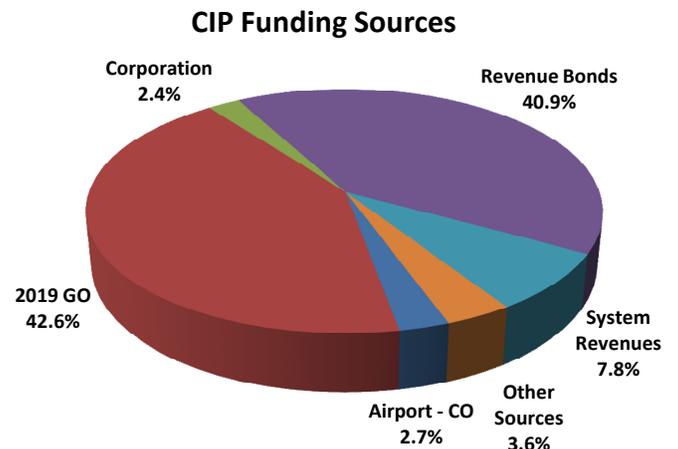
Airport project totals \$750,000 for phase III of the Parallel Taxiway Relocation.

Streets projects total \$600,000 and include: Citywide Transportation & Mobility Studies and the widening of University Blvd.

Traffic's project totals \$200,000 for the Landscape Replacement for Major Roadways and Enhancement project.

Municipal project totals \$250,000 for Public Arts Projects.

Total Funding for the FY21 CIP is \$27,653,500. This includes Airport Certificates of Obligation for \$750,000, 2019 General Obligation Bonds for \$11,776,000, Revenue Bonds for \$11,321,700, \$2,155,800 from System Revenues, and Sugar Land 4B Corporation \$650,000. The Cullinan Foundation will fund \$1,000,000 for Park Improvements. Interest income is budgeted at \$502,000. If a project has an operation and maintenance cost (O&M), the O&M impact has been identified and the annual cost calculated. However, there are no identified operational impacts associated with the implementation of the current year Capital Improvement Program. 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	\$ 11,776,000	\$ -	\$ -	\$ 11,321,700	\$ 750,000	\$ 23,847,700
Transfers In	-	-	650,000	2,000,000	-	2,650,000
Donations	1,000,000	-	-	-	-	1,000,000
Interest Income	300,000	-	-	200,000	2,000	502,000
Total Revenues	13,076,000	-	650,000	13,521,700	752,000	27,999,700
Expenditures						
Airport	-	-	-	-	750,000	750,000
Drainage	11,176,000	-	-	-	-	11,176,000
Municipal	-	-	250,000	-	-	250,000
Parks	1,000,000	-	200,000	-	-	1,200,000
Streets	600,000	-	-	-	-	600,000
Traffic	-	-	200,000	-	-	200,000
Surface Water	-	-	-	2,384,500	-	2,384,500
Water	-	-	-	7,732,000	-	7,732,000
Wastewater	-	-	-	3,361,000	-	3,361,000
Total CIP Expenditures	12,776,000	-	650,000	13,477,500	750,000	27,653,500
Issuance Costs	300,000	-	-	-	-	300,000
Transfers Out	-	-	-	-	-	-
Non-operating Expenditures	300,000	-	-	-	-	300,000
Total Expenditures	13,076,000	-	650,000	13,477,500	750,000	27,953,500
Revenues Over/(Under) Expenditures	-	-	-	44,200	2,000	46,200
Fund Balance - Beginning	4,384,054	-	-	8,685,924	143,054	13,213,032
Reserved Funds	(1,726,461)	-	-	-	-	(1,726,461)
Fund Balance - Ending	\$ 2,657,593	\$ -	\$ -	\$ 8,730,124	\$ 145,054	\$ 11,532,771

CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2021

Project #	Project Name	Project Description
Airport Projects		
CAP2101	Taxiway Relocation PH III	Construction of the remaining taxiway "A" pavement and two (2) runway entrances. Relocate a portion of the airport perimeter access road including drainage, grading, paving, lighting, signage, and gate/fencing.
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.
CDR2102	Sugar Creek Drainage Improvements - Montclair Drive	Upsizing of existing storm sewer pipes, outfall and inlets along with pavement replacement along the entire stretch of Montclair Drive from the outfall at the CenterPoint easement up to Country Club Boulevard.
CDR2103	Flood Control Improvements- Dam III Oyster Creek @ Lexington	An emergency spillway is to be constructed in order to increase the water passing rate during major storm events in accordance with the TCEQ requirements. This will alleviate stress on the Dam and reduce any risk of a compromise at the Dam III location.
CDR2104	Citywide Flood Prevention & Drainage Studies	Conduct drainage studies, analysis and advance modeling to aid the City in identifying future drainage projects and to conduct localized drainage improvements at various locations.
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.
CDR2106	Greatwood Village Drainage Improvements	Study, design and construct improvements to the storm sewer system in Greatwood Village, including replacement of inlets and upsizing the storm sewer pipes, and outfall structure.
CDR2107	Avalon/Brazos Landing/ Commonwealth Drainage Impr Phase II - Elkins Rd	Reconstruction of the existing drainage system to reduce street ponding depths and durations during major storm events. The project includes full replacement of pavement. The FBC LID No. 14 Lake Control Structure Modifications will need to be completed first.
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.
Drainage Total		
Municipal Projects		
CMU2101	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).
Municipal Total		
Parks Projects		
CPK2101	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.
CPK2102	Cullinan Park Improvements - PH II	The Phase II project will potentially include a Nature Play Area and a Loop Trail around White Lake, which was awarded funding from the Texas Parks and Wildlife grant. The Cullinan Park Conservancy will determine the next project to move forward pending the funding.
Parks Total		

Water Utilities	SL4B Corp	Bond Proceeds		Miscellaneous	Total FY21 CIP Budget
		GO / CO	Revenue	Grants / FB Other Sources	
		750,000			750,000
		750,000			750,000
		250,000			250,000
		1,200,000			1,200,000
		4,500,000			4,500,000
		800,000			800,000
		600,000			600,000
		100,000			100,000
		3,000,000			3,000,000
		520,000			520,000
		206,000			206,000
		11,176,000			11,176,000
					-
		250,000			250,000
		250,000			250,000
		200,000			200,000
				1,000,000	1,000,000
		200,000		1,000,000	1,200,000

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2021**

Project #	Project Name	Project Description
Streets Projects		
CST2101	Citywide Transportation & Mobility Studies	Conduct transportation and mobility studies to aid the City in identifying future corridors/streets/mobility projects where improvements would provide for all forms of travel.
CST2102	University Blvd Widening- Mobility Bond Project	Design and construction of one additional lane in each direction of the existing concrete boulevard roadway from Wentworth to New Territory Blvd. Project includes intersection improvements at New Territory Blvd, Telfair Ave. Lexington Blvd, and Wentworth Ave.
Streets Total		
Surface Water Projects		
CSW2001	Surface Water Treatment Plant Expansion	Preliminary Engineering Report (PER), design, and construction of the Surface Water Treatment Plant expansion from its current rated capacity of 10.85 MGD to 16 MGD.
CSW2002	Surface Water Transmission Lines	Conduct an engineering assessment to identify the required size of the transmission line, most feasible route and any easement needs. Project also includes design and construction of the surface water transmission line.
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.
CSW2102	Advanced Meter Infrastructure (AMI)	Design and implementation of the City wide Advanced Meter Infrastructure (AMI) system to remotely monitor water consumption throughout the City.
Surface Water Total		
Traffic Projects		
CTR2101	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.
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.
CWW2002	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.
CWW2003	Wastewater Treatment Plants Improvements (North Plant)	Replacement of equipment and improvements to Wastewater Treatment Plants for key components identified through operations of the plants.
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.
CWW2102	SWWTP Odor Control Study and PER	A study and PER to determine the best odor control option for the South Wastewater Treatment Plant (SWWTP) to prevent impact to the residential neighborhood.
Wastewater Total		
Water Projects		
CWA2101	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.
CWA2102	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.
CWA2103	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.
CWA2104	Ground Water Plant Rehabilitation	Annual investment in the ground water plants. Work includes: improvements to booster pumps, on site facilities, hydro-pneumatic tanks, yard piping, site grading and drainage. The first year of the program includes improvements to the Greatwood and New Territory water treatment plants. Improvements were identified through the conditions assessment completed prior to annexation.
CWA2105	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 Total		
Grand Total		

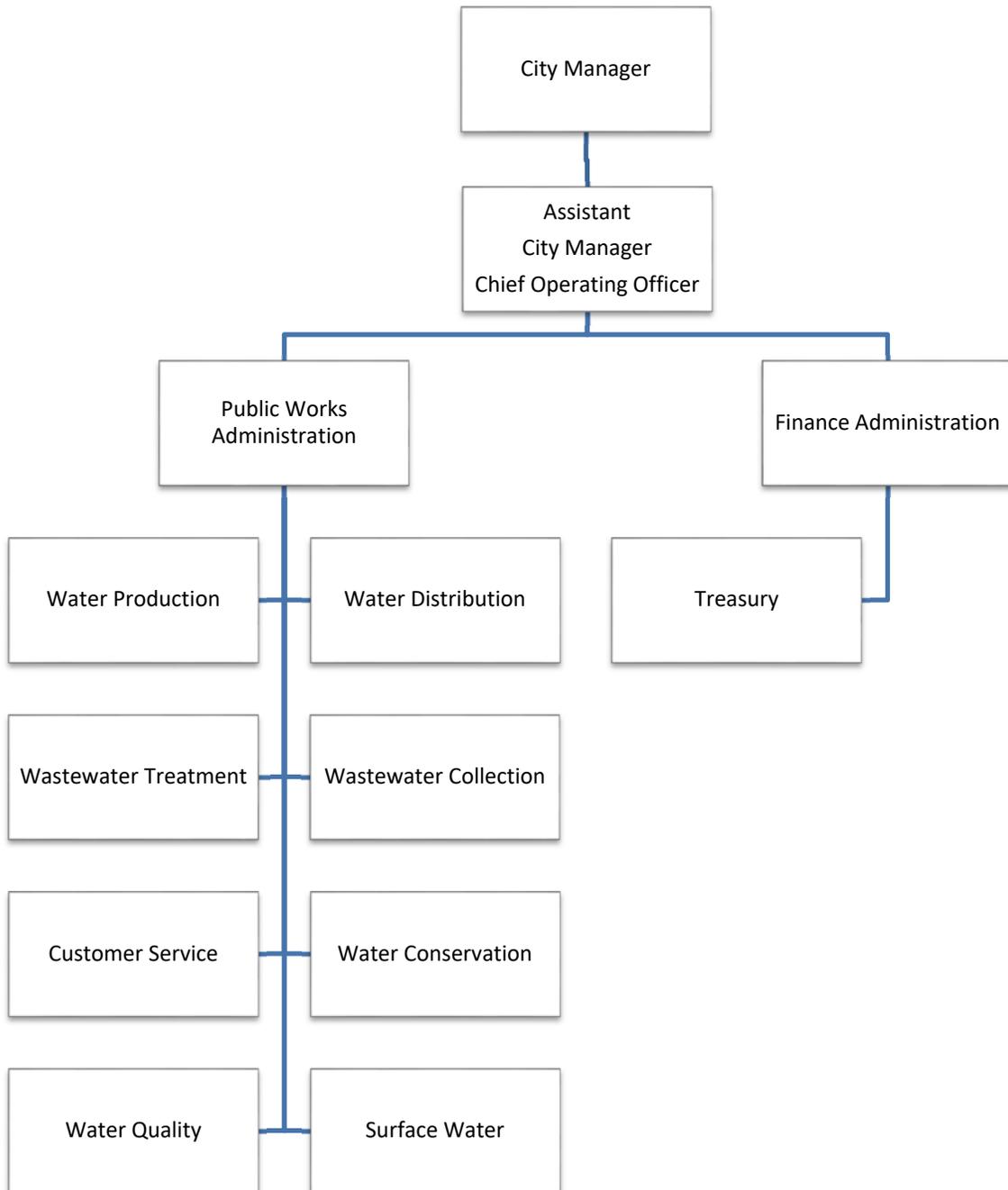
Water Utilities	SL4B Corp	Bond Proceeds		Miscellaneous	Total FY21 CIP Budget
		GO / CO	Revenue	Grants / FB Other Sources	
					400,000
		400,000			
					200,000
		200,000			
-	-	600,000	-	-	600,000
			191,000		191,000
			162,000	155,800	317,800
			165,000		165,000
			1,710,700		1,710,700
-	-	-	2,228,700	155,800	2,384,500
		200,000			200,000
-	200,000	-	-	-	200,000
			441,000		441,000
1,000,000			620,000		1,620,000
			1,100,000		1,100,000
			75,000		75,000
			125,000		125,000
1,000,000	-	-	2,361,000	-	3,361,000
1,000,000			270,000		1,270,000
			2,950,000		2,950,000
			1,200,000		1,200,000
			2,160,000		2,160,000
			152,000		152,000
1,000,000	-	-	6,732,000	-	7,732,000
\$ 2,000,000	\$ 650,000	\$ 12,526,000	\$ 11,321,700	\$ 1,155,800	\$ 27,653,500

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

Departments	FY22	FY23	FY24	FY25
Parks - Cullinan Park	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Utility Fund - Automated Meter Integration	-	-	329,474	336,393
Utility Fund - Water Loss Initiatives	132,000	134,772	137,602	140,492
TOTAL	\$ 140,000	\$ 142,772	\$ 475,076	\$ 484,885

Utility System Fund Organizational Chart

As of October 1, 2020



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 2020

FY20 total revenues are estimated to be \$60,887,636. Charges for services are projected at \$33,504,306. Surface water fees are estimated at \$16,142,087. Interest income is projected at \$392,633. Non-operating revenues consist of 2020 bond proceeds of \$7,706,246, transfers of \$868,019 from connection fees, and \$43,881 in PID reimbursements.

Total expenditures of \$64,700,364 are projected \$1,293,057 lower than budgeted for FY20. Operating expenditures are projected at \$27,048,039 which is a \$586,354 overall decrease compared to budget. Water Production, Wastewater Treatment, and Surface Water saw a net decrease of \$665,726 compared to budget, mainly from electricity, water and fuel. Treasury shows a net increase of \$112,193, due to merchant bank fees due to a significant rise in the number of customers paying their bills by credit card due to limitations from the COVID-19 pandemic.

Non-operating expenditures total \$37,652,325 and include debt service payments of \$16,811,031, transfers out of \$11,076,820, including \$5,846,973 to support annexed MUD Utility debt, \$4,870,127 for the cost allocation overhead, contingency of \$365,142, CIP transfers of \$9,048,250, and miscellaneous expenditures of \$351,082.

Ending cash equivalent balance at 9/30/20 is projected to be \$11,817,126 after the debt service reserve. The fund is projected to have a 44% operating reserve, which is above of the 25% established by policy. The fund has a budgeted debt service reserve of \$8,935,141 for FY20.

Fiscal Year 2021

FY21 total revenues are estimated to be \$67,304,296. Total revenues for charges for services are budgeted at \$36,484,590, surface water fees are budgeted at \$17,609,959, interest income at \$131,001, 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 \$11,321,700 for FY21 CIP projects. Transfers in include \$868,019 from connection fees to cover FY21 debt service requirements for connection fee projects and \$42,891 in reimbursements from the Enclave @ River Park PID for debt service on the developer reimbursement. The FY21 budget anticipates an increase of \$10 to a residential customer's monthly bill based on recommended rates beginning January 2021 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.

Operating expenditures total \$25,730,037. FY21 recurring additions total \$1,092,000 and include \$32,600 for audit fees, \$500,000 for BRA capital repairs, \$307,000 for meter replacement, \$116,000 for merchant bank fees, and \$136,400 for water rights. A one-time addition of \$60,000 will cover the remaining cost of the Utility Rate Study.

Non-operating expenditures total \$42,245,673. Debt service payments are budgeted at \$17,967,289 for existing debt and new debt service for a planned issuance of \$11.32 million in 2021. Transfer to CIP fund is budgeted at \$13,321,700, including \$2 million for pay as you go funding and transfer of bond proceeds for capital projects. Transfers out to other funds total \$10,025,942, 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 \$534,830 and miscellaneous at \$395,912, which includes insurance premiums and deductibles and compensation plan adjustments.

The Utility System has a total debt service reserve of \$9,247,585. The cash equivalents balance on 9/30/21 is estimated to be \$10,833,268, which is a 42% operating reserve.

Financial Analysis

Financial ratios are used to analyze the financial position and operating results of the funds. A comparison based on FY20 projections and the FY21 budget is shown below:

	FY20	FY21
	Projections	Budget
Cash Reserve Ratio	44%	42%
Direct Bond Coverage	1.50	1.63

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 FY21 cash reserve ratio is budgeted at 42%. 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**

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Charges for Services	\$ 31,106,958	\$ 34,975,597	\$ 33,504,306	\$ 36,484,590	\$ -	\$ 36,484,590
Surface Water Fees	12,513,259	18,505,323	16,142,087	17,609,959	-	17,609,959
Tap Fees	192,275	212,414	222,935	106,620	-	106,620
Interest Income	828,236	425,789	392,633	131,001	-	131,001
Miscellaneous	1,202,404	738,426	2,007,529	739,426	-	739,426
Operating Revenues	45,843,132	54,857,549	52,269,490	55,071,596	-	55,071,596
Bond Proceeds	-	7,548,250	7,706,246	11,321,700	-	11,321,700
Transfers In - PID	30,217	43,881	43,881	42,981	-	42,981
Transfers In - Connection Fees	869,015	868,019	868,019	868,019	-	868,019
Non-operating Revenues	899,232	8,460,150	8,618,146	12,232,700	-	12,232,700
Total Revenues	46,742,364	63,317,699	60,887,636	67,304,296	-	67,304,296
EXPENDITURES						
Utility Administration	804,239	1,762,425	1,762,425	754,256	24,600	778,856
Water Distribution	2,338,588	2,712,016	2,702,625	2,649,163	-	2,649,163
Water Production	2,370,192	2,974,057	2,760,331	2,959,244	-	2,959,244
Wastewater Collection	1,259,113	1,877,713	1,855,473	1,534,710	-	1,534,710
Wastewater Treatment	5,772,790	6,052,943	5,802,443	5,380,369	500,000	5,880,369
Customer Service	1,454,948	1,771,351	1,771,351	1,187,275	307,000	1,494,275
Water Quality	577,253	689,292	688,102	722,752	-	722,752
Water Conservation	184,544	320,432	320,432	297,001	-	297,001
Treasury	1,570,909	1,623,345	1,735,538	1,649,065	116,000	1,765,065
Surface Water	6,239,420	7,850,819	7,649,319	7,444,202	204,400	7,648,602
Total Operating Expenditures	22,571,996	27,634,393	27,048,039	24,578,037	1,152,000	25,730,037
Debt Service	7,778,753	17,410,560	16,811,031	17,967,289	-	17,967,289
Transfers Out	10,656,132	11,139,164	11,076,820	10,025,942	-	10,025,942
Miscellaneous	407,256	395,912	351,082	395,912	-	395,912
Contingency	-	365,142	365,142	534,830	-	534,830
CIP Transfers	13,766,300	9,048,250	9,048,250	13,321,700	-	13,321,700
Total Non-Operating Expenditures	32,608,441	38,359,028	37,652,325	42,245,673	-	42,245,673
Total Expenditures	55,180,437	65,993,421	64,700,364	66,823,710	1,152,000	67,975,710
Revenues Over/(Under) Expenditures	(8,438,073)	(2,675,722)	(3,812,728)	480,586	(1,152,000)	(671,414)
Fund Balance - Beginning	27,601,703	24,564,995	24,564,995	20,752,267	-	20,752,267
Reserve - Debt Service	(8,942,393)	(8,935,141)	(8,935,141)	(9,247,585)	-	(9,247,585)
Fund Balance - Ending	\$ 10,221,237	\$ 12,954,132	\$ 11,817,126	\$ 11,985,268	\$ (1,152,000)	\$ 10,833,268
Bond Coverage	2.99	1.56	1.50	1.70		1.63
Target	1.25	1.25	1.25	1.25		1.25
Operating Reserves	45%	47%	44%	49%		42%
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.

Services Provided

The **Water Utilities Department** is responsible for the long-range planning, administration and operation of the City's water and wastewater systems including regulatory compliance for all mandated EPA and TCEQ programs. The Department is also responsible for all operating and capital improvement activities related to the City's Groundwater Reduction Plan (GRP), which is funded through a fee per 1,000 gallons of water produced by all GRP participants.

Programs of Service

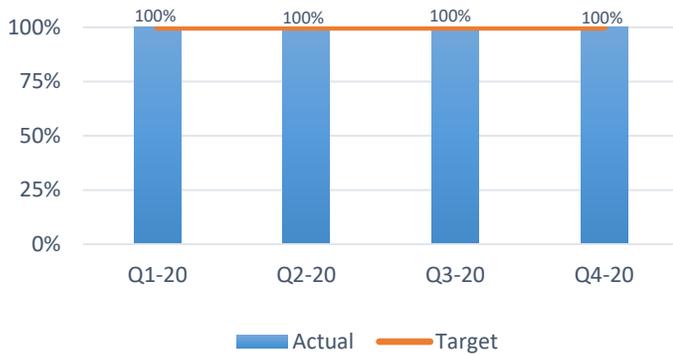
Utilities Administration sets departmental goals and strategies, provides organizational direction and control to accomplish those goals and manages long range planning to ensure there is adequate system capacity for growth. The **Water Distribution** program is responsible for ensuring that water produced 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.

FY21 Changes

Changes totaling \$1,152,000 include recurring additions of \$1,092,000 and include \$32,600 for audit fees, \$500,000 for BRA capital repairs, \$307,000 for meter replacement, \$116,000 for merchant bank fees, and \$136,400 for water rights. A one-time addition of \$60,000 will cover the remaining cost of the Utility Rate Study.

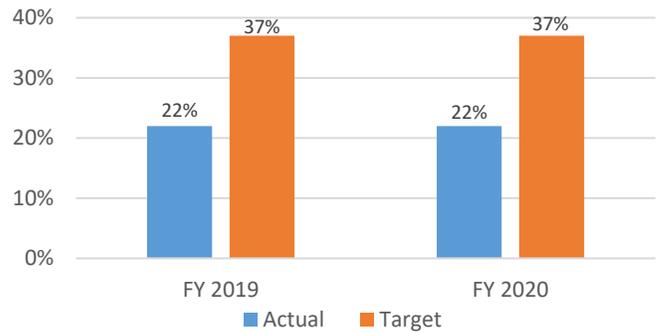
Performance Measures: Well Planned Community

WATER QUALITY

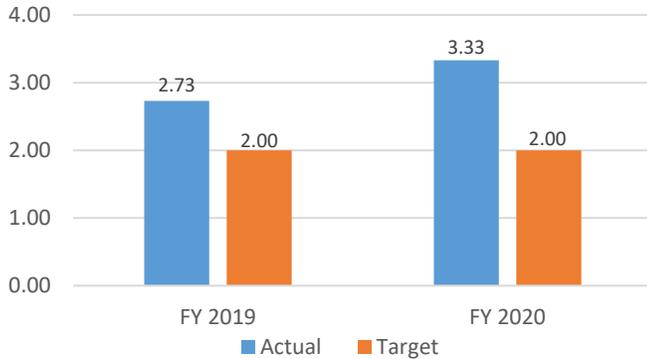


Adequate water is expressed as a percentage, and demonstrates an assessment of current water demand compared to available water supplies.

ADEQUATE WATER



WATER ACCOUNTABILITY



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.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 6,268,253	\$ 6,896,123	\$ 6,896,123	\$ 7,214,652	\$ -	\$ 7,214,652
Supplies	2,583,011	3,149,810	3,117,979	3,266,337	-	3,266,337
Professional Services	6,328,632	9,322,182	8,655,106	7,478,708	229,000	7,707,708
Repairs & Maintenance	6,410,655	7,054,418	7,054,418	5,561,825	807,000	6,368,825
Purchased Services	979,245	1,161,145	1,273,698	1,056,515	116,000	1,172,515
Capital/Other	2,200	50,715	50,715	-	-	-
Category Totals	\$ 22,571,996	\$ 27,634,393	\$ 27,048,039	\$ 24,578,037	\$ 1,152,000	\$ 25,730,037

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Utility Administration	\$ 804,239	\$ 1,762,425	\$ 1,762,425	\$ 754,256	\$ 24,600	\$ 778,856
Water Distribution	2,338,588	2,712,016	2,702,625	2,649,163	-	2,649,163
Water Production	2,370,192	2,974,057	2,760,331	2,959,244	-	2,959,244
Wastewater Collection	1,259,113	1,877,713	1,855,473	1,534,710	-	1,534,710
Wastewater Treatment	5,772,790	6,052,943	5,802,443	5,380,369	500,000	5,880,369
Customer Service	1,454,948	1,771,351	1,771,351	1,187,275	307,000	1,494,275
Water Quality	577,253	689,292	688,102	722,752	-	722,752
Water Conservation	184,544	320,432	320,432	297,001	-	297,001
Treasury	1,570,909	1,623,345	1,735,538	1,649,065	116,000	1,765,065
Surface Water	6,239,420	7,850,819	7,649,319	7,444,202	204,400	7,648,602
Category Totals	\$ 22,571,996	\$ 27,634,393	\$ 27,048,039	\$ 24,578,037	\$ 1,152,000	\$ 25,730,037

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustment	FY21 Base Budget	FY21 Adjustment	FY21 Budget
Utility Administration	4.00	5.00	-	5.00	-	5.00
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	8.00	7.00	-	7.00	-	7.00
Customer Service	11.00	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	12.00	15.00	-	15.00	-	15.00
FTE Count Totals	85.00	89.00	-	89.00	-	89.00

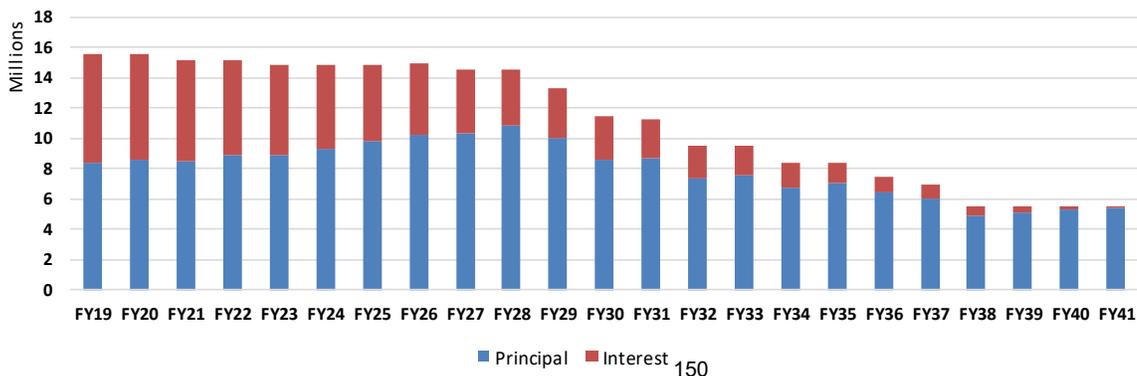
**ENTERPRISE FUND - WATER/SURFACE WATER UTILITY SYSTEM
TOTAL DEBT SERVICE OUTSTANDING***

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

* Does not include anticipated issuance of new debt.

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

Debt Service Schedule

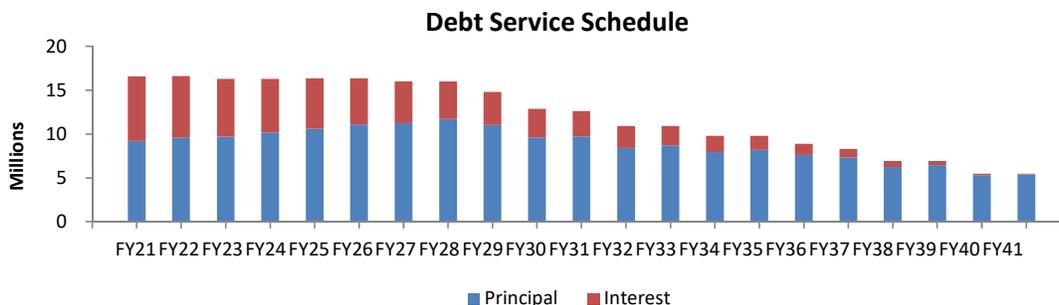


**ENTERPRISE - UTILITY
WATERWORKS AND SEWER SYSTEM
TOTAL DEBT SERVICE OUTSTANDING***

Due During FY Ending September 30	Principal	Interest	Total
FY21	\$ 9,220,000	\$ 7,350,556	\$ 16,570,556
FY22	9,595,000	7,002,731	16,597,731
FY23	9,700,000	6,602,681	16,302,681
FY24	10,150,000	6,166,131	16,316,131
FY25	10,610,000	5,738,831	16,348,831
FY26	11,090,000	5,259,794	16,349,794
FY27	11,240,000	4,745,919	15,985,919
FY28	11,730,000	4,252,569	15,982,569
FY29	11,055,000	3,744,606	14,799,606
FY30	9,590,000	3,285,656	12,875,656
FY31	9,730,000	2,910,531	12,640,531
FY32	8,390,000	2,539,019	10,929,019
FY33	8,715,000	2,221,470	10,936,470
FY34	7,920,000	1,891,507	9,811,507
FY35	8,200,000	1,589,938	9,789,938
FY36	7,620,000	1,277,588	8,897,588
FY37	7,335,000	981,250	8,316,250
FY38	6,230,000	693,682	6,923,682
FY39	6,460,000	465,332	6,925,332
FY40	5,245,000	251,016	5,496,016
FY41	5,410,000	84,531	5,494,531
TOTAL	\$ 185,235,000	\$ 69,055,340	\$ 254,290,340

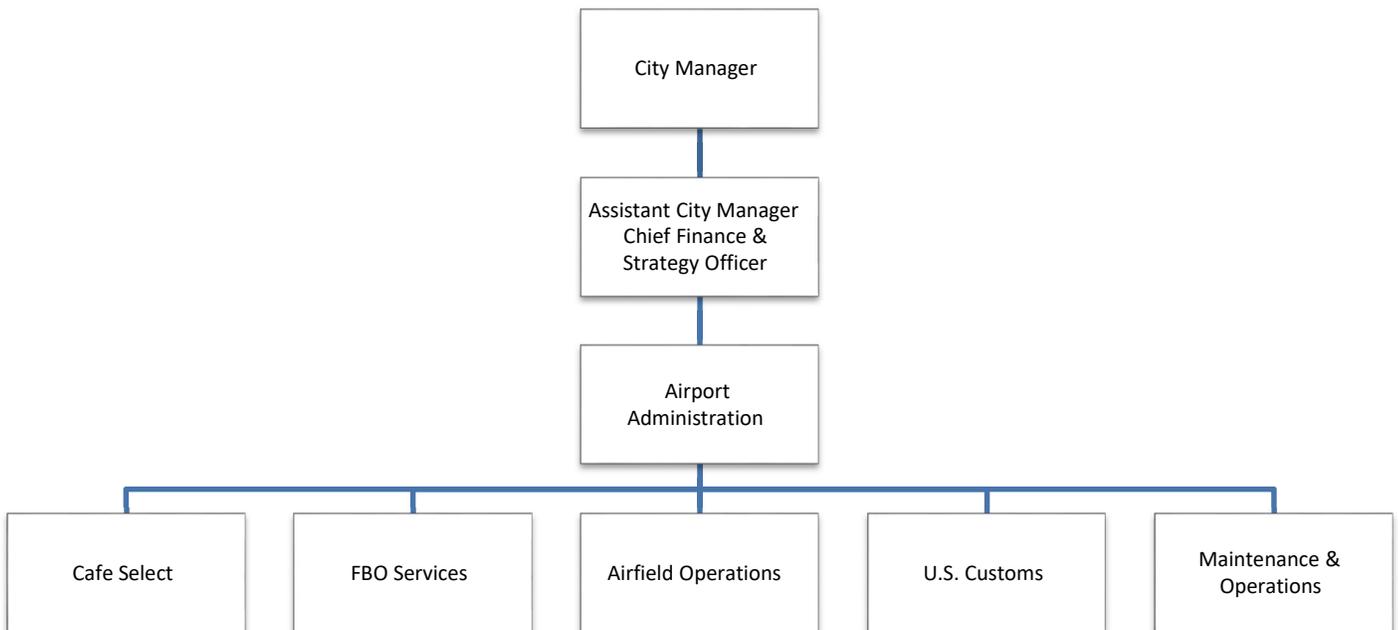
* Does not include anticipated issuance of new debt.

Series	Outstanding	Maturity
Waterworks & Sewer System Revenue Bonds, Series 2012	\$ 14,845,000	FY31
Waterworks & Sewer System Revenue Refunding Bonds, Series 2012A	3,195,000	FY30
Waterworks & Sewer System Revenue Refunding Bonds, Series 2013	11,275,000	FY33
Waterworks & Sewer System Revenue and Refunding Bonds, Series 2015	12,150,000	FY35
Combination Tax & Revenues Certificates of Obligations, Series 2016	26,920,000	FY36
Waterworks & Sewer System Revenue and Refunding Bonds, Series 2016	1,390,000	FY36
General Obligation Refunding Bonds, Series 2017	78,195,000	FY41
Waterworks & Sewer Systems Revenue Bonds, Series 2017	17,770,000	FY37
Waterworks & Sewer Systems Revenue Bonds, Series 2019	12,775,000	FY39
Waterworks & Sewer Systems Revenue Bonds, Series 2020	6,720,000	FY39
TOTAL	\$ 185,235,000	



Airport Fund Organizational Chart

As of October 1, 2020



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 245,923 gallons of aviation fuel per month during FY21. 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. COVID-19 had a significant impact on the Airports operations and fuel sales. In response, Airport took a conservative approach to building the FY21 Budget, with fuel sales not fully recovering until mid-year.

Fiscal Year 2020

Total revenues for FY20 are projected to be \$15,445,264, down 14% from the FY20 Budget, due in large part to the impact of COVID-19 on the total number of gallons sold, which were down 10.1%. Projected operating revenues total \$13,282,028, which includes \$10,624,563 in fuel sales, \$1,753,969 in hangar leases, \$107,748 in interest income and \$795,748 in miscellaneous revenues from rental cars, ramp fees and other fees. Non-operating revenues are projected at \$2,163,236 and consist of transfers in for \$154,135, \$50,000 in grants and \$1,959,101 in bond proceeds.

Total expenses for FY20 are projected to be \$15,812,108. Operating expenses, are projected at \$11,049,629. The Airport saw savings in fuel for resale, as a result of a decline in fuel sales and overall traffic at the airport as a result of the economic impact COVID-19 had on operations. Non-operating expenses are projected to total \$4,762,479. This includes transfers for capital projects, including the Taxiway Relocation project funded by TxDOT Aviation, administrative overhead, and debt service payments. Ending cash equivalent balance at 9/30/20 is projected to be \$2,658,389.

Fiscal Year 2021

Total revenues for FY21 are budgeted at \$15,559,159. Revenues from fuel sales are budgeted at \$11,880,383, an 11.8% increase over FY20 projections as we anticipate a return to more normal levels in FY21. Gallons sold are also estimated to increase by 2.1% higher than FY20 projections. Non-operating revenues in FY21 are budgeted at \$994,435, which includes grant proceeds of \$50,000, operating transfers in of \$179,435, and \$765,000 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 \$11,675,512. Recurring expenses are increasing by \$173,427 for security services, cost recovery system for U.S. Customs, overhead, increased maintenance costs, and the demolition of Corporate Hangar I.

Total non-operating expenses are estimated at \$3,596,123, 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. Non-operating expenditures are increasing by \$795,600 as a result of Phase III of the Taxiway Relocation Project. Ending cash equivalent balance at 9/30/21 is expected to be \$2,982,319.

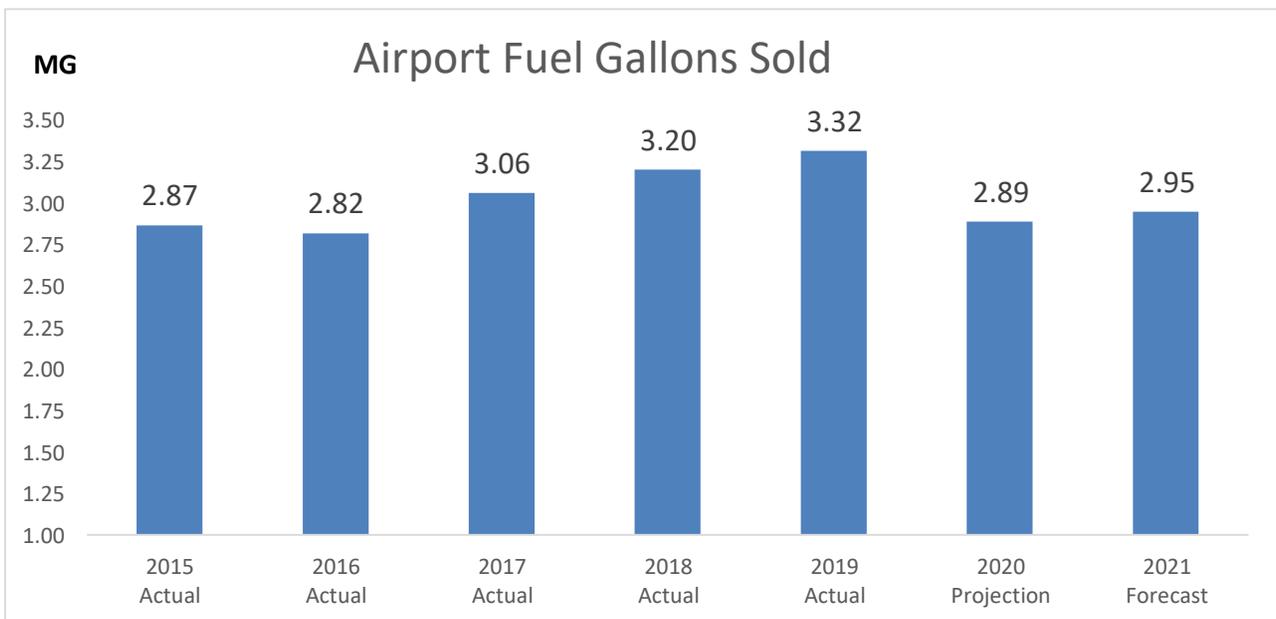
Financial Analysis

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 FY20 projections and FY21 budget amounts is shown below.

	FY20 Projections	FY21 Budget
Cash Reserve Ratio	46%	55%
Direct Bond Coverage	2.04	1.99

Cash reserve ratios for both FY20 projections and FY21 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 FY20 projections and FY21 budget.

The graph below shows gallons of fuel sold. Projected total gallons of fuel sold in FY20 are 2.89 million gallons and the FY21 forecast is 2.95 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.



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

	FY19	FY20	FY20	FY21	FY21	FY21
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Fuel Sales	\$ 13,050,412	\$ 13,387,437	\$ 10,624,563	\$ 11,880,383	\$ -	\$ 11,880,383
Hangar Leases	1,523,153	1,535,322	1,753,969	1,751,477	-	1,751,477
Miscellaneous Revenues	1,031,543	936,261	795,748	830,864	-	830,864
Interest Income	115,424	100,000	107,748	102,000	-	102,000
Operating Revenues	15,720,531	15,959,020	13,282,028	14,564,724	-	14,564,724
Transfers In	176,842	139,920	154,135	179,435	-	179,435
Grant Proceeds	50,000	50,000	50,000	50,000	-	50,000
Bond Proceeds	-	1,836,000	1,959,101	-	765,000	765,000
Non-operating Revenues	226,842	2,025,920	2,163,236	229,435	765,000	994,435
Total Revenues	15,947,373	17,984,940	15,445,264	14,794,159	765,000	15,559,159
EXPENDITURES						
Airport Administration	1,015,893	1,234,522	1,236,329	1,039,872	600	1,040,472
Airfield Operations	298,892	326,473	296,473	277,684	21,265	298,949
FBO Services	9,797,539	10,378,762	7,622,001	8,630,403	-	8,630,403
Café Select	229,386	271,471	222,219	267,239	-	267,239
U.S. Customs	208,076	391,937	391,937	210,198	91,562	301,760
Maintenance and Operations	1,063,613	1,377,873	1,280,670	1,076,689	60,000	1,136,689
Total Operating Expenditures	12,613,400	13,981,038	11,049,629	11,502,085	173,427	11,675,512
Debt Service	2,265,150	1,373,704	1,301,127	1,382,323	30,600	1,412,923
Miscellaneous	128,155	213,251	151,802	177,251	15,000	192,251
Transfers Out - Non-Bond CIP	2,010,000	179,974	402,196	-	-	-
Transfers Out - Bond CIP	-	1,800,000	1,800,000	-	750,000	750,000
Operating Transfers Out	1,149,027	1,107,354	1,107,354	1,240,949	-	1,240,949
Total Non-Operating Expenditures	5,552,332	4,674,283	4,762,479	2,800,523	795,600	3,596,123
Total Expenditures	18,165,732	18,655,321	15,812,108	14,302,608	969,027	15,271,635
Revenues Over/(Under) Expenditures	(2,218,359)	(670,381)	(366,844)	491,551	(204,027)	287,524
Fund Balance - Beginning	6,964,457	3,887,117	3,887,117	3,520,273	-	3,520,273
Debt Service Reserve	(858,981)	(994,988)	(861,884)	(825,478)	-	(825,478)
Fund Balance - Ending	3,887,117	2,221,748	2,658,389	\$ 3,186,346	\$ (204,027)	\$ 2,982,319
CASH EQ. RESERVE RATIO (25% min)	86%	39%	46%	60%		55%
BOND COVERAGE (1.25x min)	2.52	1.86	2.04	2.11		1.99
FUEL GALLONS SOLD	3,237,334	3,215,600	2,889,624	2,951,075		2,951,075

**ENTERPRISE FUND - AIRPORT
SCHEDULE OF REVENUES**

Description	FY19	FY19	FY19	FY21	FY21	FY21
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Aviation Fuel Sales	\$ 13,050,412	\$ 13,387,437	\$ 10,624,563	\$ 11,880,383	\$ -	\$ 11,880,383
Fuel Sales	13,050,412	13,387,437	10,624,563	11,880,383	-	11,880,383
Short Term Land Lease	35,400	35,400	35,400	35,754	-	35,754
Long Term Land Lease	225,964	248,484	441,505	443,990	-	443,990
Corporate Hangar (I) Lease	260,797	252,000	247,399	254,520	-	254,520
Corporate Hangar (II) Lease	120,696	120,696	120,696	121,903	-	121,903
Northwest (I) Hangar Lease	45,090	49,200	36,464	49,692	-	49,692
Northwest (II) Hangar Lease	15,300	15,300	15,300	15,453	-	15,453
Leased Premises	27,773	28,466	28,466	28,751	-	28,751
Tie Downs	7,776	7,776	7,776	7,854	-	7,854
T - Hangar Rental	784,358	778,000	820,963	793,560	-	793,560
Hangar Leases	1,523,153	1,535,322	1,753,969	1,751,477	-	1,751,477
Café Revenue	71,010	73,397	51,552	65,135	-	65,135
Parking Revenues	6,425	6,111	5,575	5,423	-	5,423
Rental Cars	458,138	400,000	287,652	354,971	-	354,971
Ramp Fees	224,095	247,018	221,129	219,210	-	219,210
Gift Shop	451	400	300	355	-	355
Jet Fuel Additive - Prist	6,404	6,000	5,581	5,325	-	5,325
Catering Commission	5,548	4,953	4,824	4,396	-	4,396
Royalties - Mineral	-	-	-	-	-	-
Call Out Fees	3,250	3,525	3,525	3,128	-	3,128
Sale of Property	-	-	-	-	-	-
Aircraft Maintenance	306	337	225	299	-	299
Miscellaneous	255,916	194,520	215,385	172,622	-	172,622
Miscellaneous Revenues	1,031,543	936,261	795,748	830,864	-	830,864
Interest	115,424	100,000	107,748	102,000	-	102,000
Interest Income	115,424	100,000	107,748	102,000	-	102,000
From General Fund	72,406	49,700	49,700	75,000	-	75,000
From SLDC	50,000	50,000	50,000	50,000	-	50,000
From Debt Service	54,436	40,220	54,435	54,435	-	54,435
Transfers In	176,842	139,920	154,135	179,435	-	179,435
State Funds	50,000	50,000	50,000	50,000	-	50,000
Federal Funds	-	-	-	-	-	-
Grant Proceeds	50,000	50,000	50,000	50,000	-	50,000
Bond Proceeds	-	1,836,000	1,959,101	-	765,000	765,000
Bond Proceeds Total	-	1,836,000	1,959,101	-	765,000	765,000
Total Revenues	\$ 15,947,373	\$ 17,984,940	\$ 15,445,264	\$ 14,794,159	\$ 765,000	\$ 15,559,159

Airport

Mission Statement

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

Services Provided

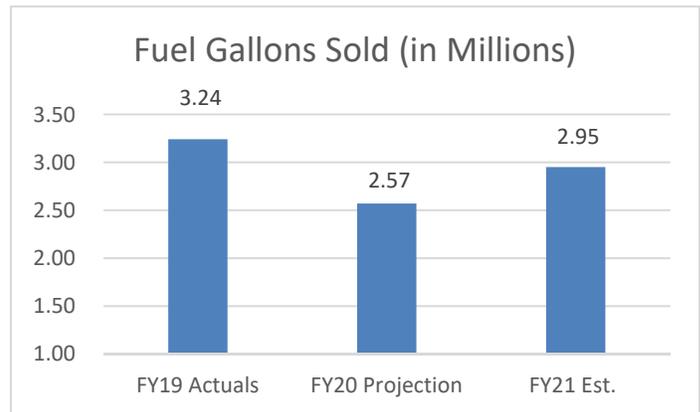
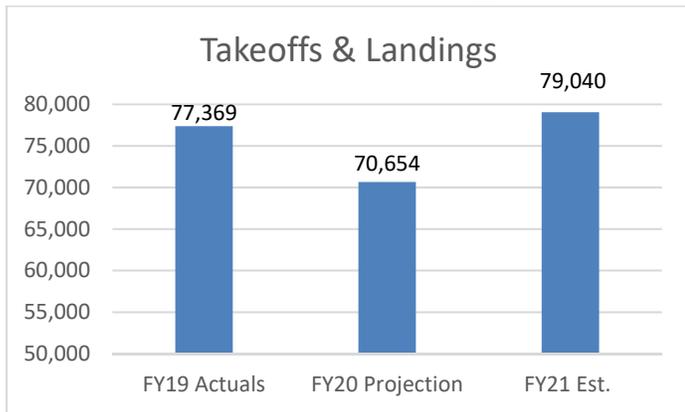
The Sugar Land Regional Airport is a first class corporate aviation enterprise servicing private, corporate, and international clients. While servicing new markets worldwide, customers travel from every corner of the globe to do business in Sugar Land, and the surrounding region. The Fixed Based Operator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

Programs of Service

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

Airport

Performance Measures: Strong Local Economy



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

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

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 3,047,907	\$ 3,445,031	\$ 3,445,031	\$ 3,357,359	\$ -	\$ 3,357,359
Supplies	8,230,775	8,412,500	5,673,779	6,711,258	-	6,711,258
Professional Services	536,044	835,293	831,300	627,291	113,427	740,718
Repairs & Maintenance	429,709	786,415	694,503	410,578	60,000	470,578
Purchased Services	237,906	342,799	280,016	345,599	-	345,599
Capital/Other	131,059	159,000	125,000	50,000	-	50,000
Category Totals	\$ 12,613,400	\$ 13,981,038	\$ 11,049,629	\$ 11,502,085	\$ 173,427	\$ 11,675,512

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Airport Administration	\$ 1,015,893	\$ 1,234,522	\$ 1,236,329	\$ 1,039,872	\$ 600	\$ 1,040,472
Airfield Operations	298,892	326,473	296,473	277,684	21,265	298,949
FBO Services	9,797,539	10,378,762	7,622,001	8,630,403	-	8,630,403
Café Select	229,386	271,471	222,219	267,239	-	267,239
U.S. Customs	208,076	391,937	391,937	210,198	91,562	301,760
Maintenance and Operations	1,063,613	1,377,873	1,280,670	1,076,689	60,000	1,136,689
Category Totals	\$ 12,613,400	\$ 13,981,038	\$ 11,049,629	\$ 11,502,085	\$ 173,427	\$ 11,675,512

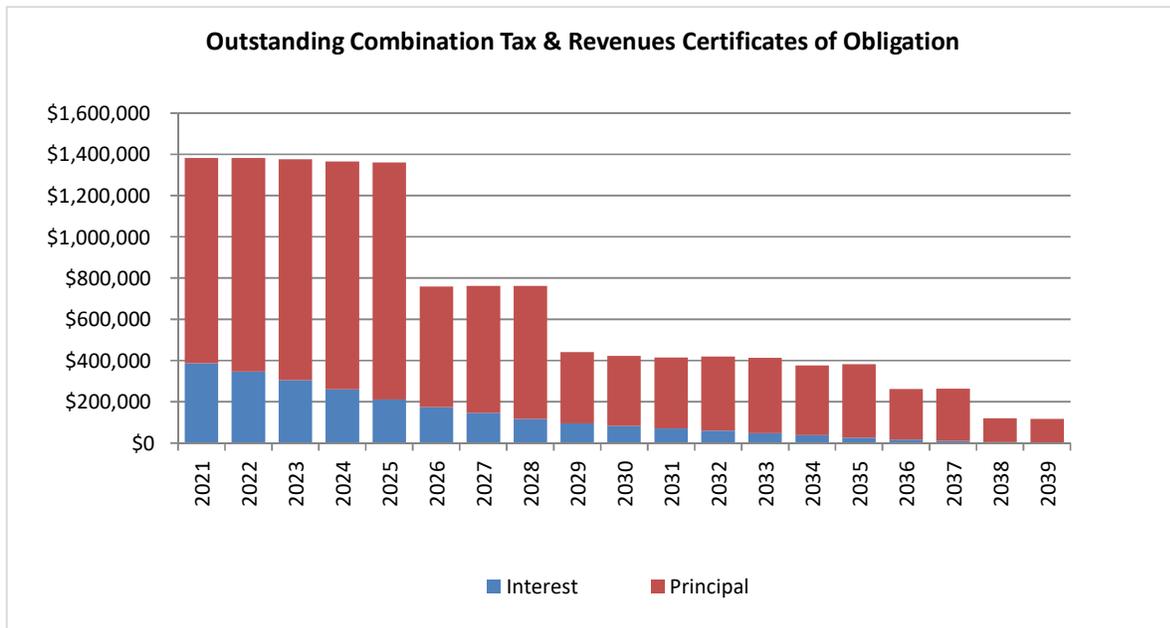
FTE Count	FY19 Actuals	FY20 Current Budget	FY20 Adjustments	FY21 Base Budget	FY21 Changes	FY21 Budget
Airport Administration	7.00	7.00	-	7.00	-	7.00
Airfield Operations	3.00	3.00	-	3.00	-	3.00
FBO Services	23.50	26.50	-	26.50	-	26.50
Café Select	3.00	3.00	-	3.00	-	3.00
Maintenance and Operations	10.50	10.50	-	10.50	-	10.50
Category Totals	47.00	50.00	-	50.00	-	50.00

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

Fiscal Year	Principal	Interest	Total
2021	995,000	387,323	1,382,323
2022	1,035,000	347,761	1,382,761
2023	1,070,000	306,517	1,376,517
2024	1,105,000	260,117	1,365,117
2025	1,150,000	211,892	1,361,892
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	\$ 10,380,000	\$ 2,405,409	\$ 12,785,409

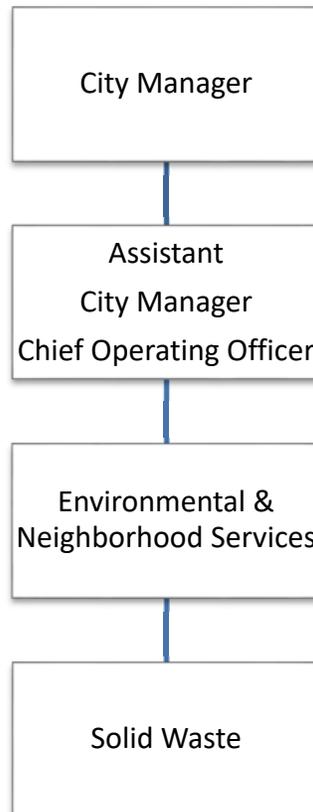
Series	Outstanding	Maturity
2012A	\$ 2,765,000	2025
2013	485,000	2033
2015	1,365,000	2035
2015	2,040,000	2028
2016	180,000	2029
2017	1,855,000	2037
2019A	1,690,000	2039
TOTAL	\$ 10,380,000	

*Does not include anticipated issuance of new debt



Solid Waste Fund Organizational Chart

As of October 1, 2020



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, excluding Greatwood, where solid waste services are provided by Best Trash until December 11, 2020. Beginning December 14, 2020, Republic Services will take over the delivery of services for Greatwood. The current rate for residential solid waste services is \$19.38 per household per month.

During Fiscal Year 2020, City staff conducted a review of the Household Hazardous Waste program and determined that less than five percent of residents utilize the collection services. Rather than continue a program subsidized by all residents and only used by a few, the City decided that the most economically responsible option was to eliminate the program. In 2021, the monthly residential rate will be adjusted by 1.95% to address recycling operations and a Consumer Price Index (CPI) adjustment. While the monthly residential rate will increase, the elimination of the Household Hazardous Waste program allowed the rate adjustment to remain less than the contractual 2.5% annual CPI adjustment. The new monthly rate of \$19.76 will take effect January 1, 2021.

Residents receive twice weekly automated garbage collection, weekly automated recycling, green waste collection, and textile recycling, as well as monthly bulk waste service and on-call bulk cardboard recycling. The City will no longer provide on-call household hazardous waste collection effective January 1, 2021. Moving forward, residents are encouraged to utilize the Fort Bend County Recycle Center, which is an established local resource for the disposal of household hazardous waste and electronics. The City will also be sharing information on our website regarding other recycling options within our community.

Fiscal Year 2020

Total revenues for FY20 are projected to be \$8,871,601 and include \$8,140,429 from collection and recycling fees, \$664,715 from franchise fees, \$13,200 in commercial license fees, \$46,067 in reimbursements, \$970 from recycling programs, and \$6,220 for interest income.

Total expenses are projected to be \$8,822,761, which includes personnel, contracted services, and general operating costs. Personnel expenses total \$260,960 for contract monitoring and program administration. The estimated annual cost for solid waste and curbside recycling programs contracted with Republic Services and Best Trash is \$7,967,665. General operations & maintenance costs are projected to be \$91,238. The education program is projected at \$14,407 and miscellaneous expenditures at \$70,000. The Solid Waste Fund transfers a total \$418,491 for administrative overhead allocation and the pavement rehabilitation program.

The estimated ending fund balance at 9/30/2020 is projected to be \$759,034.

Fiscal Year 2021

Total revenues for FY21 are budgeted at \$9,119,615. Total budgeted revenue from residential collection and recycling fees is \$8,319,192. The City does not bill for Commercial Services; businesses contract and pay Republic Services directly. Other revenues include \$717,164 from franchise fees, \$13,200 in commercial license fees, \$36,930 in miscellaneous fees for reimbursements from decommissioning work related to Thermo Fisher, \$228 from recycling programs, and \$6,000 in interest income.

Total expenses are \$9,088,703 and include \$271,175 in personnel expenses for contract monitoring and program administration, \$8,137,684 for the solid waste contracts, \$23,708 for the education program and grant projects, \$129,391 in operation and maintenance costs, which includes additional educational programs funded by the H-GAC grant, annual audit contract costs, and \$70,000 for contingency. Transfers out total \$456,745 and include transfers to the Fleet Replacement Fund for \$9,048 and \$447,697 to the General Fund to support pavement rehabilitation efforts and administrative overhead allocation.

The estimated ending fund balance as of 9/30/2021 is estimated to be \$789,946.

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Solid Waste Collections	\$ 7,938,524	\$ 8,139,312	\$ 8,140,429	\$ 8,319,192	\$ -	\$ 8,319,192
Franchise Fees	668,333	671,412	664,715	717,164	-	717,164
Commercial SW License	12,009	13,200	13,200	13,200	-	13,200
Miscellaneous	28,275	35,171	46,067	36,930	-	36,930
Recycling Programs	1,890	1,500	970	228	-	228
Interest Income	7,110	7,000	6,220	6,000	-	6,000
Total Revenues	8,656,141	8,867,595	8,871,601	9,092,714	26,901	9,119,615
EXPENDITURES						
Contractual Services	7,735,002	7,954,321	7,967,665	7,967,665	170,019	8,137,684
Salary & Benefits	250,792	260,960	260,960	271,175	-	271,175
Education Programs	14,342	14,557	14,407	14,557	9,151	23,708
Operations & Maintenance	67,824	103,789	91,238	101,541	27,850	129,391
Total Operating Expenditures	8,067,960	8,333,627	8,334,270	8,354,938	207,020	8,561,958
Miscellaneous	1,961	70,000	70,000	70,000	-	70,000
Transfers Out	412,526	418,491	418,491	456,745	-	456,745
Total Non-Operating Expenditures	414,487	488,491	488,491	526,745	-	526,745
Total Expenditures	8,482,447	8,822,118	8,822,761	8,881,683	207,020	9,088,703
Revenues Over/(Under) Expenditures	173,694	45,477	48,840	211,031	(180,119)	30,912
Fund Balance - Beginning	536,500	710,194	710,194	759,034	-	759,034
Fund Balance - Ending	\$ 710,194	\$ 755,671	\$ 759,034	\$ 970,065	\$ (180,119)	\$ 789,946

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.

Performance Measures: Responsible City Government Services

The key measure for the Solid Waste Fund is the number of households serviced as the City outsources residential solid waste collection. As the number of households increases, additional demands are placed on the contractor. At the end of FY21 it is estimated that 35,274 households will be served.

Summary by Category	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Salary & Benefits	\$ 250,792	\$ 260,960	\$ 260,960	\$ 271,175	\$ -	\$ 271,175
Supplies	18,951	22,581	18,920	19,070	9,151	28,221
Professional Services	7,759,266	8,001,335	8,012,183	8,016,442	197,869	8,214,311
Repairs & Maintenance	9,781	12,690	10,646	12,690	-	12,690
Purchased Services	29,169	36,061	31,561	35,561	-	35,561
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 8,067,960	\$ 8,333,627	\$ 8,334,270	\$ 8,354,938	\$ 207,020	\$ 8,561,958

Summary by Type	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
Contractual Services	\$ 7,735,002	\$ 7,954,321	\$ 7,967,665	\$ 7,967,665	\$ 170,019	\$ 8,137,684
Salary & Benefits	250,792	260,960	260,960	271,175	-	271,175
Education Programs	14,342	14,557	14,407	14,557	9,151	23,708
Operations & Maintenance	67,824	103,789	91,238	101,541	27,850	129,391
Category Totals	\$ 8,067,960	\$ 8,333,627	\$ 8,334,270	\$ 8,354,938	\$ 207,020	\$ 8,561,958

FTE Count	FY19 Budget	FY20 Budget	FY20 Adjustments	FY21 Base Budget	FY21 Changes	FY21 Budget
Solid Waste	3.50	3.50	-	3.50	-	3.50
Category Totals	3.50	3.50	-	3.50	-	3.50

Internal Service Funds

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

Employee Benefits Fund

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

Fiscal Year 2020

The total projected revenues are \$14,199,603. FY20 contributions from the City, employees, and retirees are total \$12,346,345. Miscellaneous revenues of \$1,664,016 include \$1,467,965, for health, pharmacy and other reimbursements. Interest income is projected at \$6,087.

Projected expenses total \$13,386,262 and include insurance premiums, claim payments, administrative fees, and unemployment compensation. The projected fund balance at 9/30/20 is \$802,9270 after a reserve of \$1,745,656 which is equal to 17.5% of budgeted claims.

Fiscal Year 2021

FY21 total revenues are budgeted at \$14,224,889, and include \$12,000,036 in contributions from the City and employees, interest income of \$5,000 and miscellaneous of \$2,219,853, consisting of stop-loss reimbursements, COBRA contributions, and the reimbursement for the wellness program. Premiums for FY21 are not increasing for employees nor the City.

FY21 total expenses are budgeted at \$14,277,228. This includes claims payment and other premiums for \$13,535,336, and other expenses for \$741,892. In FY21, the City is increasing the reserve claims from 17.5% to 20%, in order to set aside \$2,328,237 to cover the potential claims liability before aggregate stop loss coverage takes effect. The budgeted ending fund balance after the reserve for claims at 9/30/21 is \$168,007.

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 2020

The projected contributions, auction proceeds, and other revenues total \$1,943,321. Expenses for purchase of vehicles, and related equipment total \$2,215,717, leaving a projected ending fund balance at 9/30/20 of \$3,229,700.

Fiscal Year 2021

Total revenues are budgeted at \$986,636 and include contributions from participating funds of \$731,636, insurance reimbursement, sale of property and interest income totaling \$255,000. This includes insurance proceeds for vehicles that are totaled and replaced prior to their planned replacement date. Due to the impact of COVID-19, the fleet replacement fund will see transfers in reduced by 75%, in an effort to provide support to the General Fund.

Total expenditures are budgeted at \$2,524,095, \$1,024,095 for the replacement of 20 vehicles, half of the scheduled replacement due to the impact of COVID-19. This reduction in the number of vehicles being replaced will ensure the fund is able to remain resilient during the ongoing pandemic. Vehicles being replaced prioritize public safety and take into consideration high priority vehicles that staff have identified as being beyond their useful life. 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. Transfers out consists of a one-time inter-fund loan of \$1,500,000 to the General Fund, a strategy implemented due to the impact of COVID-19 on city revenues. The budgeted ending fund balance at 9/30/21 is \$1,692,241, which is above the policy requirement.

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 2020

Projected revenues for FY20 total \$1,346,752, and expenditures are projected at \$1,798,119. Expenditures include computers, printers, servers, routers, installations, and public safety radios. The projected ending fund balance at 9/30/20 is \$2,190,550.

Fiscal Year 2021

Budgeted revenues total \$726,948 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. Contributions from the general fund have been reduced by 50% to account for the impact of COVID-19. Total expenditures for equipment and contractual services are budgeted at \$1,569,015. The FY21 replacement schedule focuses on public safety items as well as essential items identified by staff, including the replacement of WiFi systems at City facilities. The budgeted ending fund balance at 9/30/21 is \$1,348,483.

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Adopted Budget
REVENUES						
Contributions	\$ 11,163,896	\$ 12,000,036	\$ 12,346,345	\$ 12,000,036	\$ -	\$ 12,000,036
Miscellaneous	2,344,753	1,589,360	1,664,016	2,219,853	-	2,219,853
Interest Income	4,450	5,500	6,087	5,000	-	5,000
Transfers in	-	183,155	183,155	-	-	-
Total Revenues	13,513,099	13,778,051	14,199,603	14,224,889	-	14,224,889
EXPENDITURES						
Premiums & Claims	12,783,767	13,086,039	12,739,722	13,535,336	-	13,535,336
Other	595,180	736,656	646,540	741,892	-	741,892
Total Operating Expenditures	13,378,946	13,822,695	13,386,262	14,277,228	-	14,277,228
Transfers to Other Funds	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Non-Operating Expenditures	-	-	-	-	-	-
Total Expenditures	13,378,946	13,822,695	13,386,262	14,277,228	-	14,277,228
Revenues Over/(Under) Exp	134,152	(44,644)	813,341	(52,339)	-	(52,339)
Fund Balance - Beginning	1,601,089	1,735,242	1,735,242	2,548,583	-	2,548,583
Reserve for Self Insurance	(1,450,000)	(1,450,000)	(1,745,656)	(2,328,237)	-	(2,328,237)
Fund Balance - Ending	\$ 285,241	\$ 240,598	\$ 802,927	\$ 168,007	\$ -	\$ 168,007

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Sale of Property	\$ 167,448	\$ 142,500	\$ 42,500	\$ 125,000	\$ -	\$ 125,000
Interest Income	92,913	60,000	60,000	60,000	-	60,000
Transfers From Other Funds	1,635,644	1,816,621	1,770,821	731,636	-	731,636
Miscellaneous	50,550	140,000	70,000	70,000	-	70,000
Total Revenues	1,946,556	2,159,121	1,943,321	986,636	-	986,636
EXPENDITURES						
Vehicles & Contractual Service	1,382,220	2,656,713	2,215,717	1,024,095	-	1,024,095
Transfers Out	-	-	-	-	1,500,000	1,500,000
Total Expenditures	1,382,220	2,656,713	2,215,717	1,024,095	1,500,000	2,524,095
Revenues Over/(Under) Expenditures	564,336	(497,592)	(272,396)	(37,459)	(1,500,000)	(1,537,459)
Fund Balance - Beginning	2,937,760	3,502,096	3,502,096	3,229,700	-	3,229,700
Fund Balance - Ending	\$ 3,502,096	\$ 3,004,504	\$ 3,229,700	\$ 3,192,241	\$ (1,500,000)	\$ 1,692,241

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Sale of Capital Property	\$ 25,204	\$ 2,170	\$ 3,704	\$ 2,170	\$ -	\$ 2,170
Interest Income	85,161	53,000	53,000	53,000	-	53,000
Transfers in	1,290,048	1,290,048	1,290,048	671,778	-	671,778
Total Revenues	1,400,413	1,345,218	1,346,752	726,948	-	726,948
EXPENDITURES						
Equipment & Contractual Services	1,399,907	1,798,119	1,798,119	1,569,015	-	1,569,015
Total Expenditures	1,399,907	1,798,119	1,798,119	1,569,015	-	1,569,015
Revenues Over/(Under) Expenditures	506	(452,901)	(451,367)	(842,067)	-	(842,067)
Fund Balance - Beginning	2,641,411	2,641,917	2,641,917	2,190,550	-	2,190,550
Fund Balance - Ending	\$ 2,641,917	\$ 2,189,016	\$ 2,190,550	\$ 1,348,483	\$ -	\$ 1,348,483

Component Units

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

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

The economic impact of the ongoing pandemic has impacted sales tax revenues, which is already one of the most uncertain revenue streams in the City's budget, further exacerbated by COVID-19. With both SLDC and SL4B being reliant on sales tax revenue, and the need to support business development, both SLDC and SL4B are utilizing proactive

strategies to respond to the ongoing pandemic and its impact on the local economy. By using a conservative approach in budgeting sales tax revenue for FY21— by including recurring revenue net of a 30% reduction from the retail sector and a 50% reduction from the food & entertainment sector for the first 6 months of the year, both funds reflect responsible decision making to address the challenges presented by the ongoing pandemic.

Sugar Land Development Corporation

Fiscal Year 2020

Total revenues are projected to be \$7,477,380, which includes sales tax of \$6,053,424, interest income of \$124,096, participation rent from Smart Financial Centre at Sugar Land of \$49,860, and an assignment from TIRZ#1 for \$1,250,000.

Expenditures are projected at \$8,478,528 and include economic development program costs of \$935,915. 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 \$17,740. Economic development incentive projections total \$1,167,500, and debt service for \$4,088,984. Capital projects total \$1,543,637 including \$1,393,637 to repay the inter-fund loan for University Blvd. N and \$150,000 for design of Owens Road. Transfers to other funds in the amount of \$724,752 includes \$50,000 to the Airport Fund for international marketing, \$84,050 to the Tourism Fund, and \$590,702 to the General Fund for cost allocation overhead and reimbursement of staff salaries. 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 9/30/20 is \$4,141,026. The fund balance is \$3,233,012 higher than the policy requirement of \$908,014, which constitutes 15% of budgeted sales tax.

Fiscal Year 2021

Revenues are budgeted at \$7,170,142. Sales tax is estimated at \$5,545,142, interest income at \$125,000, 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 \$7,124,651. Economic development program expenditures total \$597,017, 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 \$4,053,721 for outstanding issues, and transfers to other funds total \$764,123, which includes \$714,123 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.

Estimated available funding at 9/30/21 is \$4,238,606. The Corporation has a bond coverage ratio of 1.41, which is above the 1.25 minimum. The ending fund balance is \$3,406,835 over the policy requirement of \$831,771, which is 15% of the budgeted sales tax.

Sugar Land 4B Corporation

Fiscal Year 2020

Total revenues are projected to be \$33,582,285. This includes sales tax for \$6,053,424, interest income of \$134,664, TIRZ#1 assignment of \$156,886, miscellaneous revenue of \$80,000 from the Sugar Land Skeeters, and \$27,157,311 from refunding bond proceeds, which will result in approximately \$300,000 annual debt service savings to the Corporation.

Total expenditures are projected to be \$36,079,017. Economic Development program costs are projected to be \$561,620 and contractual services are estimated at \$12,200. Debt Service payments are estimated at \$3,042,596. Incentive payments are projected to be \$787,500, \$26,715,744 in payment to escrow for the refunding bonds, \$430,522 in issuance costs, and \$2,946,800 in reserve for opportunities. The transfers to Capital Projects are projected to be \$763,200, an increase of \$53,200 for the Mayfield Park Restroom, and transfers to other funds are \$818,835, 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 9/30/20 is \$2,834,322. The fund balance is projected to be \$1,926,308 higher than policy requirements of \$908,014, which constitutes 15% of budgeted sales tax.

Fiscal Year 2021

Total revenues are projected to be \$5,895,442. Sales tax is estimated at \$5,545,142. Other revenues include interest income of \$125,000, TIRZ#1 assignment of \$145,300 and miscellaneous revenue of \$80,000, which is from the lease payment for off-site parking at Constellation Field.

Expenditures are budgeted at \$6,863,928. Economic Development Program expenditures total \$561,620, and contractual services total \$12,200. Capital projects funding is budgeted at \$650,000, which includes Joint Participation in CIP, Public Arts Project, and Landscape Replacement for Major Roadway and Enhancement Projects. Incentives are budgeted at \$37,500, Reserve for Opportunities is budgeted at \$1,700,000. Debt Service is budgeted at \$3,020,625 and transfers to other funds are at \$881,983, 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 9/30/21 is \$2,428,401. The Corporation has a bond coverage ratio of 2.14, which is above the 1.25 minimum. The ending fund balance is \$1,596,630 over the policy requirement of \$831,771, which is 15% of the budgeted sales tax.

Tax Increment Reinvestment Zone #1

Fiscal Year 2020

Revenues for FY20 are projected to be \$1,707,363. The budget for incremental taxes was based on the 2019 certified tax roll. Property taxes allocated from the City, Fort Bend County and LID#2 total \$1,705,363 and interest income is projected at \$2,000.

Expenditures are projected to be \$1,728,322 and include \$250,000 for marketing events in Town Square put on by the Town Square Property Owners Association. Assignments totaling \$1,397,056 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 9/30/20 is \$97,276.

Fiscal Year 2021

Revenues are budgeted to be \$2,005,706, which includes property taxes for \$2,003,706 and interest income for \$2,000. Property taxes are based on the added value from 2020 certified tax roll for the TIRZ#1, proposed 2020 City, County and LID #2 proposed tax rates at a 99.5% collection rate for each participating entity.

Operating expenditures are estimated to be \$260,366, which includes \$250,000 for marketing events in Town Square, and \$10,366 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 \$145,300. 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 9/30/21 is \$127,316. TIRZ#1 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #3

Fiscal Year 2020

Revenues for FY20 are projected to be \$965,642. The budget for incremental taxes was based on the 2019 certified tax roll. Property taxes allocated from the City and County total \$965,097 and interest income is projected at \$545. Expenditures are projected to be \$995,873 for administrative support, legal services, and an assignment of \$946,329 to Imperial Redevelopment District. Fund balance at 9/30/20 is projected to be \$7,784.

Fiscal Year 2021

Revenues are budgeted to be \$1,172,919, which includes City and County property taxes for \$1,172,669 and interest income for \$250. Property taxes are based on the added value from 2020 certified tax roll for the TIRZ#3, 2020 adopted City and County tax rates are budgeted at a 99.5% collection rate for each participating entity.

Operating expenditures are estimated to be \$1,180,703 for administrative support, legal and an assignment of \$1,149,461 to Imperial Redevelopment District. The fund balance at 9/30/21 is estimated to be \$0. TIRZ#3 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #4

Fiscal Year 2020

Revenues for FY20 are projected to be \$1,037,902. Property taxes allocated from the City, County, and MUDs total \$1,007,902 and interest income is projected at \$30,000. Expenditures are projected to be \$55,426 for administrative support and legal services. The projected ending fund balance at 9/30/20 is \$4,015,527.

Fiscal Year 2021

Revenues are budgeted to be \$1,110,167, which includes City, County, and MUDs property taxes for \$1,080,167 and interest income for \$30,000. Operating expenditures are estimated to be \$66,058 for administrative support and legal services. The estimated ending fund balance at 9/30/21 is \$5,059,636 TIRZ#4 has no minimum fund policy balance requirement

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

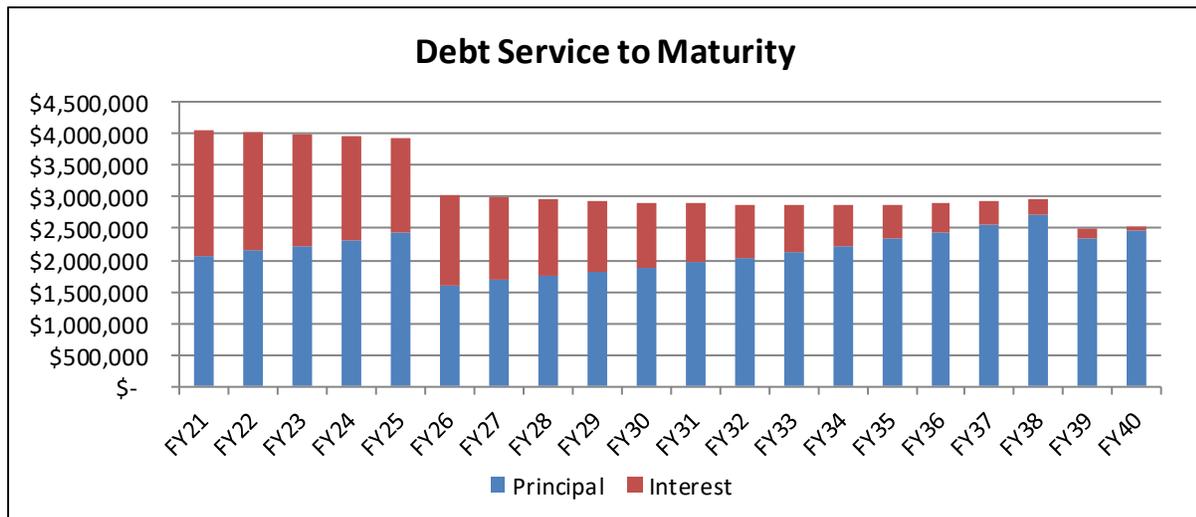
	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Sales Tax	\$ 6,764,278	\$ 6,307,022	\$ 6,053,424	\$ 5,545,142	\$ -	\$ 5,545,142
Interest Income	251,199	150,000	124,096	125,000	-	125,000
Miscellaneous	124,556	-	49,860	-	-	-
TIRZ#1	1,150,000	1,250,000	1,250,000	1,500,000	-	1,500,000
Operating Revenues	8,290,033	7,707,022	7,477,380	7,170,142	-	7,170,142
Total Revenues	8,290,033	7,707,022	7,477,380	7,170,142	-	7,170,142
EXPENDITURES						
Economic Development Program	517,467	933,191	935,915	597,017	-	597,017
Economic Development Incentives	756,003	1,737,500	1,167,500	1,700,000	-	1,700,000
Contractual Services	17,990	15,290	17,740	15,290	(5,500)	9,790
Total Operating Expenditures	1,291,460	2,685,981	2,121,155	2,312,307	(5,500)	2,306,807
Debt Service	4,110,621	4,088,984	4,088,984	4,053,721	-	4,053,721
Capital Projects Reimbursement	1,405,000	1,543,637	1,543,637	-	-	-
Transfers to Other Funds	525,821	645,637	724,752	764,123	-	764,123
Total Non-Operating Expenditures	6,041,442	6,278,258	6,357,373	4,817,844	-	4,817,844
Total Expenditures	7,332,903	8,964,239	8,478,528	7,130,151	(5,500)	7,124,651
Revenues Over/(Under) Expenditures	957,130	(1,257,217)	(1,001,148)	39,991	5,500	45,491
Fund Balance - Beginning	9,346,238	10,303,367	10,303,367	9,302,219	-	9,302,219
Accrued Sales Tax	(1,144,311)	(1,116,802)	(1,116,802)	(1,116,802)	-	(1,116,802)
Debt Service Reserve	(4,044,391)	(4,044,391)	(4,044,391)	(3,992,302)	-	(3,992,302)
Fund Balance - Ending	\$ 5,114,666	\$ 3,884,957	\$ 4,141,026	\$ 4,233,106	\$ 5,500	\$ 4,238,606
Min. Fund Balance (15% of Budgeted Sales Tax)	\$ 1,014,642	\$ 946,053	\$ 908,014	\$ 831,771	\$ -	\$ 831,771
Over/Under Policy	4,100,024	2,938,904	3,233,012	3,401,335	-	3,406,835
Bond Coverage Ratio (>1.25x)	1.72	1.59	1.52	1.41	-	1.41

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

	Principal	Interest	Total
FY21	\$ 2,055,000	\$ 1,998,721	\$ 4,053,721
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>\$ 43,140,000</u>	<u>\$ 19,841,682</u>	<u>\$ 62,981,682</u>

Outstanding Debt Issues

Series	Principal	Matures
2013	\$ 5,800,000	FY38
2014R	4,025,000	FY25
2014	33,315,000	FY40
Total	<u>\$ 43,140,000</u>	



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

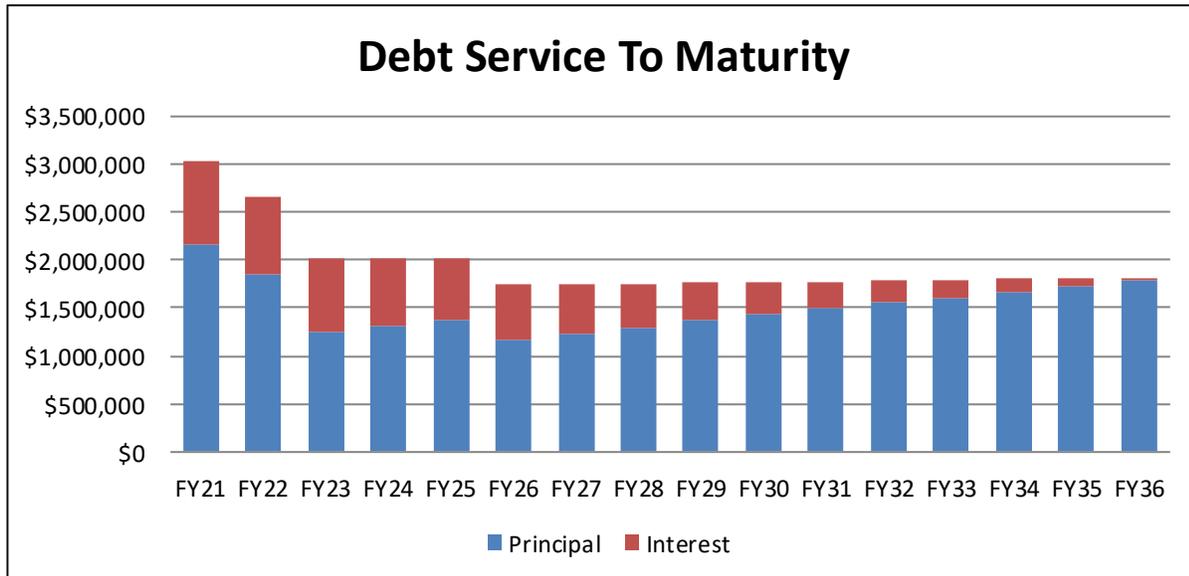
	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Sales Tax	\$ 6,764,278	\$ 6,307,022	\$ 6,053,424	\$ 5,545,142	\$ -	\$ 5,545,142
Interest Income	192,950	140,000	134,664	125,000	-	125,000
TIRZ#1	153,100	156,886	156,886	145,300	-	145,300
Miscellaneous	80,000	80,000	80,000	80,000	-	80,000
Operating Revenues	7,190,329	6,683,908	6,424,974	5,895,442	-	5,895,442
Bond Proceeds	-	27,157,311	27,157,311	-	-	-
Non-operating Revenues	-	27,157,311	27,157,311	-	-	-
Total Revenues	7,190,329	33,841,219	33,582,285	5,895,442	-	5,895,442
EXPENDITURES						
Economic Development Program	223,890	561,620	561,620	561,620	-	561,620
Contractual Services	108,389	12,200	12,200	12,200	-	12,200
Total Operating Expenditures	332,279	573,820	573,820	573,820	-	573,820
Debt Service	3,341,344	3,354,175	3,042,596	3,020,625	-	3,020,625
Incentives	-	787,500	787,500	37,500	-	37,500
Payment to Escrow Account	-	26,715,744	26,715,744	-	-	-
Issuance Costs	-	431,918	430,522	-	-	-
Reserve for Opportunities	-	3,800,000	2,946,800	1,700,000	-	1,700,000
Transfers to Capital Projects	1,110,000	710,000	763,200	650,000	-	650,000
Transfers to Other Funds	561,203	699,504	818,835	881,983	-	881,983
Total Non-Operating Expenditures	5,012,547	36,498,841	35,505,197	6,290,108	-	6,290,108
Total Expenditures	5,344,826	37,072,661	36,079,017	6,863,928	-	6,863,928
Revenues Over/(Under) Expenditures	1,845,502	(3,231,442)	(2,496,732)	(968,486)	-	(968,486)
Fund Balance - Beginning	7,591,919	9,437,421	9,437,421	6,940,689	-	6,940,689
Accrued Sales Tax	(991,868)	(1,116,802)	(1,116,802)	(1,116,802)	-	(1,116,802)
Debt Service Reserve	(2,989,565)	(2,989,565)	(2,989,565)	(2,427,000)	-	(2,427,000)
Fund Balance - Ending	\$ 5,455,988	\$ 2,099,612	\$ 2,834,322	\$ 2,428,401	\$ -	\$ 2,428,401
Minimum Fund Balance (15%)	\$ 676,428	\$ 946,053	\$ 908,014	\$ 831,771		\$ 831,771
Over/Under Policy	4,779,560	1,153,559	1,926,308	1,596,630		1,596,630
Bond Coverage Ratio (>1.25x)	2.07	2.12	2.05	2.14		2.14

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

Outstanding Debt Issues

	Principal	Interest	Total
FY21	\$ 2,155,000	\$ 865,625	3,020,625
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>\$ 24,270,000</u>	<u>\$ 6,974,925</u>	<u>\$ 31,244,925</u>

Series	Principal	Matures
2019	24,270,000	FY36
	<u>\$ 24,270,000</u>	



SUGAR LAND 4B CORPORATION
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2021

	Project #	Project Title	FY21	Description
MUNICIPAL	CMU2101	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	CPK2101	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.
TRAFFIC	CTR2101	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	\$ 650,000	

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

	FY19	FY20	FY20	FY21	FY21	FY21
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Property Taxes	\$ 1,698,727	\$ 1,716,942	\$ 1,705,363	\$ 2,003,706	\$ -	\$ 2,003,706
Interest Income	10,997	2,000	2,000	2,000	-	2,000
Total Revenues	1,709,723	1,718,942	1,707,363	2,005,706	-	2,005,706
EXPENDITURES						
Insurance	1,874	1,896	1,896	1,896	-	1,896
Town Square POA Events	250,000	250,000	250,000	250,000	-	250,000
Contractual Services	1,000	1,000	1,000	100	-	100
Support Services Reimb	8,262	8,370	8,370	8,370	-	8,370
Operating Expenditures	261,136	261,266	261,266	260,366	-	260,366
Plaza Events - Transfer to General Fund	70,000	70,000	70,000	70,000	-	70,000
Assignment to SLDC	1,150,000	1,250,000	1,250,000	1,500,000	-	1,500,000
Assignment to SL4B	153,100	156,886	147,056	145,300	-	145,300
Non-Operating Expenditures	1,373,100	1,476,886	1,467,056	1,715,300	-	1,715,300
Total Expenditures	1,634,236	1,738,152	1,728,322	1,975,666	-	1,975,666
Revenues Over/(Under) Expenditures	75,488	(19,210)	(20,959)	30,040	-	30,040
Fund Balance - Beginning	42,748	118,235	118,235	97,276	-	97,276
Fund Balance - Ending	\$ 118,235	\$ 99,025	\$ 97,276	\$ 127,316	\$ -	\$ 127,316

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Incremental Property Taxes - County	\$ 420,746	\$ 544,257	\$ 532,997	\$ 644,199	\$ -	\$ 644,199
Incremental Property Taxes - City	332,494	432,710	432,100	528,470	-	528,470
Interest Income	1,048	250	545	250	-	250
Miscellaneous	-	-	-	-	-	-
Total Revenues	754,288	977,217	965,642	1,172,919	-	1,172,919
EXPENDITURES						
Legal Services	5,605	30,000	30,000	28,957	-	28,957
Admin Services	9,835	19,544	19,544	2,285	-	2,285
Assignment to IRD- TIRZ Revenue Fund	741,249	957,673	946,329	1,149,461	-	1,149,461
Total Expenditures	756,689	1,007,217	995,873	1,180,703	-	1,180,703
Revenues Over/(Under) Expenditures	(2,401)	(30,000)	(30,231)	(7,784)	-	(7,784)
Fund Balance - Beginning	40,416	38,015	38,015	7,784	-	7,784
Fund Balance - Ending	\$ 38,014	\$ 8,015	\$ 7,784	\$ -	\$ -	\$ -

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

	FY19 Actuals	FY20 Current Budget	FY20 Projections	FY21 Base Budget	FY21 Changes	FY21 Budget
REVENUES						
Incremental Property Taxes- City	\$ 263,515	\$ 343,463	\$ 362,309	\$ 379,661	\$ -	\$ 379,661
Incremental Property Taxes- FB County	254,641	344,815	362,731	382,113	-	382,113
Incremental Property Taxes- FB MUD 138	174,770	223,029	227,273	238,859	-	238,859
Incremental Property Taxes- FB MUD 139	52,554	80,911	55,589	79,534	-	79,534
Interest Income	56,088	60,000	30,000	30,000	-	30,000
Total Revenues	801,567	1,052,218	1,037,902	1,110,167	-	1,110,167
EXPENDITURES						
Support Services- Legal Services	13,180	50,000	29,618	50,000	-	50,000
Support Services- Admin Support	35,701	25,808	25,808	16,058	-	16,058
Total Expenditures	48,881	75,808	55,426	66,058	-	66,058
Revenues Over/(Under) Expenditures	752,686	976,410	982,476	1,044,109	-	1,044,109
Fund Balance - Beginning	2,280,365	3,033,051	3,033,051	4,015,527	-	4,015,527
Fund Balance - Ending	\$ 3,033,051	\$ 4,009,461	\$ 4,015,527	\$ 5,059,636	\$ -	\$ 5,059,636

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 2020, in the middle of the COVID-19 pandemic. At this time the length and depth of the recession that has resulted from the pandemic are unknown, and compounding impacts on the City is a downturn in the oil & gas industry, which causes even more uncertainty in the City's revenue sources. A change in one or more of these assumptions can significantly alter the outcome of the forecast, which could have a tremendous impact on the City's 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 operating and debt service needs and help absorb the impact of revenue losses from the COVID-19 pandemic
- Use of \$6.53 million in CARES Act funding to reimburse the City for substantially dedicated payroll expenditures in response to the pandemic through December 30, 2020
- Service levels funded in FY21 can be sustained through the forecast
- Maintain General Fund dependence on sales tax to fund operations below 45%
- Fund the issuance of \$90.76 million in voter approved GO bonds over 5 years with a 3 cent tax increase, with approximately ½ cent in FY21 and the remaining increase from FY22-24
- 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 2021 property taxes are budgeted at \$54 million with \$32.6 million going to operations and maintenance in the General Fund and \$21.4 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 three-cent tax increase to support the 2019 voter approved GO bonds. Revenues assume a ½ cent increase in FY21 and the remaining 2.5 cents in FY22-24.

Sales Tax

FY21 estimates are 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, with revenues for the second half of the year based on the FY20 budgeted revenues. This approach is a change from FMPS direction due to the impact of COVID-19 on FY20 revenues, which would normally be the base for FY21 revenue estimates. This also assumes that the City's revenues recover mid-year in FY21 from COVID-19 and end the year with normal activity levels. FY22 is forecasted as the FY20 budget- assumed to be somewhat back to normal, and is the basis for 3% annual recurring increases through FY23 to FY25, based on FMPS direction.

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.

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	FY21	FY22	FY23	FY24	FY25
Tourism Fund	\$ 1,341,650	\$ 1,338,769	\$ 1,339,638	\$ 1,338,225	\$ 1,344,281
Utility Fund- MUD Debt	5,860,081	4,280,258	4,228,005	3,984,695	3,567,094
Enclave at River Park PID	118,163	114,413	105,788	102,288	98,788

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	FY21	FY22	FY23	FY24	FY25
GO Bonds	\$ 11,776,000	\$ 15,620,000	\$ 21,344,000	\$ 20,030,000	\$ 21,990,000
Airport CO's	750,000				
Utility Revenue Bonds	11,321,700	21,274,400	12,954,000	13,315,000	54,440,210

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 FY21 budget planning workshop. This is different than the bond election materials projected due to the economic recession and impact from COVID-19.

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 recommendations from the Utility Rate Study-phase I completed in FY20 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. How those revenues are generated and what the exact rate increases work out to be will be influenced by the policy work that will be conducted through FY21, with resulting changes to rate structures built into the rate model for the FY22 budget planning cycle.

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	FY21	FY22	FY23	FY24	FY25
Millions of Gallons	2.951	3.247	3.280	3.313	3.346

Expenditures

Operating Expenditures

Personnel costs increase by 1.5% in FY21, 2.5% in FY22 and the 3% annually thereafter. Operations and maintenance costs grow by an average of 2% per year for the Utility Fund, and 1% per year for the General Fund and Airport Fund.

Property Tax Rebates

The City 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: 5% for the General Fund in FY21 and FY22 and growth in the Debt Service Fund based on implementation of the 3 cent tax increase needed to support the voter approved GO bond projects in FY21-24.

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 in FY21 are reinstated over a three-year period FY22-24.

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. Additionally, repayment of the inter-fund loan to the Fleet Replacement Fund needs to be accounted for- if it is utilized in FY21. 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.

Overall, the General Fund is in a stable financial position throughout the forecast. The forecast shows a slight drop below policy requirement in FY24 but returns above policy in FY25. 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.

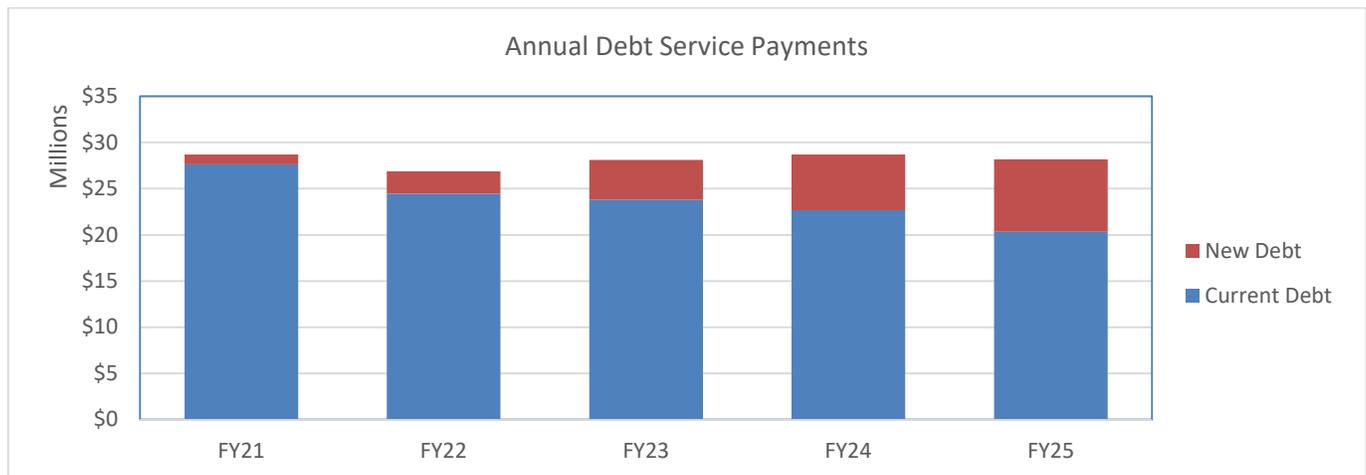
Debt Service Funds

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 FY21. The forecast assumes implementation of a three-cent tax increase that is needed to support \$90.76 million in voter approved GO bonds from FY21-24 to fund projects from FY21-25.

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

Utility System Fund

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

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

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 \$141.8 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 \$9.2 million in FY21 to \$12.3 million in FY25 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 FY25 a significant cash reserve is built up, which is needed to take on debt service and operating expenditures as the expanded surface water plant comes online. A portion of these funds will be available to reduce the amount of debt necessary to fund the projects.

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. COVID-19 has been a major factor in the Airport's revenue assumptions throughout the forecast. With these external factors in mind, 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 FY24 and FY25 totaling \$2.88 million in support of 95 acres of land purchased from the Central Prison Unit in 2016 for the Airport.

Airport operating expenses have been impacted by COVID-19 as well. Fuel for resale is projected to be down until FY22, consistent with 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. FY21 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 FY22-25 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 31% in FY20 and 37.5% in FY21 from FY19 estimate due to the impact COVID-19. 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 \$3.3 million will be spent on tourism programs and marketing and \$1.3 million on the visitor center. A portion of funding for these programs were reduced in FY20 and the forecast estimates that in FY23 funding will return to pre-COVID expenditure levels, however funding for the Public Art program does not return to pre-COVID levels during the forecast. The CIP funding for this program is shifted to the Sugar Land 4B Corporation and support for staffing comes from the corporations as well.

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 \$263.4 million for FY21-FY25. The Five Year CIP has been prepared based on available funding and includes \$90.76 million for 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	2021-2025 TOTAL	SOURCE OF FUNDS	2021-2025 TOTAL
Airport	\$1,428,000	CO's / Airport	\$750,000
Drainage	47,600,000	Future GO Bonds	90,760,000
Municipal	36,550,000	Utility Revenue Bonds	141,805,310
Parks	2,000,000	SLDC	3,320,000
Streets	23,010,000	SL4B	3,250,000
Traffic	1,000,000	Airport Revenues	678,000
Surface Water	90,740,310	System Revenues	10,000,000
Wastewater	29,441,000	Other Funds	12,830,000
Water	31,624,000		
TOTAL	\$263,393,310	TOTAL	\$ 263,393,310

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 \$43.17 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. Additionally, a performance agreement with First Colony Mall Lifestyle Center is budgeted annually. A

total of \$4.8 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 in FY22, along with funding from Fort Bend County. This fund helps support additional economic development staff in FY21 & FY22 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.

A performance agreement with First Colony Mall Lifestyle Center is budgeted annually. In the forecast the SL4B contributes \$3.25 million for capital improvements, including Joint Participation in CIP, Public Art Projects and landscape replacement for major roadway and enhancement projects. The Corporation has one outstanding debt issue that matures in 2036 and reflects savings from the 2019 refunding. Debt service payments decrease from \$3.02M in FY21 to \$2.01M in FY25. A total of \$13.8 million is available for Reserve for Opportunities funding in the five-year forecast. This fund helps support additional economic development staff in FY21 & FY22 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**

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Property Taxes	\$ 31,056,122	\$ 32,601,569	\$ 34,144,835	\$ 35,294,660	\$ 36,528,748	\$ 37,806,029
Sales Tax	36,320,543	33,270,851	37,842,134	38,977,398	40,146,720	41,351,122
Other Taxes	6,705,100	6,554,068	6,737,000	6,924,000	7,117,000	7,316,000
Licenses & Permits	3,360,657	3,148,218	3,227,000	3,305,000	3,384,000	3,464,000
Charges for Services	3,693,208	4,066,033	4,608,000	4,891,000	5,092,000	5,301,000
Fines & Forfeitures	1,341,181	1,577,979	1,709,000	1,850,000	1,932,000	1,988,000
Other	875,227	760,652	732,000	754,000	777,000	800,000
Intergovernmental	1,096,481	7,555,635	1,056,700	995,330	1,019,700	1,044,700
Interest Income	590,000	450,000	464,000	478,000	492,000	507,000
Operating Revenues	85,038,519	89,985,005	90,520,669	93,469,388	96,489,168	99,577,851
Transfers In	6,878,759	7,640,543	7,177,698	7,296,630	7,507,000	7,723,000
Non-operating Revenues	6,878,759	7,640,543	7,177,698	7,296,630	7,507,000	7,723,000
Total Revenues	91,917,278	97,625,548	97,698,367	100,766,019	103,996,168	107,300,851
EXPENDITURES						
General Government	15,462,496	14,822,741	15,134,385	15,320,278	15,683,000	16,056,000
Finance	4,690,610	4,665,305	4,786,000	4,899,000	5,015,000	5,135,000
Public Works	13,623,172	12,907,599	13,364,000	13,764,000	14,054,000	14,373,000
Parks & Recreation	4,911,076	5,154,115	5,290,000	5,426,000	5,554,000	5,685,000
Community Development	6,065,512	5,762,987	5,914,000	6,055,000	6,198,000	6,345,000
Environmental & Neighborhood SVC	6,843,395	6,468,633	6,608,000	6,780,000	6,939,000	7,100,000
Police Department	25,442,228	25,561,150	26,139,000	26,766,000	27,409,000	28,066,000
Fire Department	17,749,950	17,023,926	17,422,000	17,841,000	18,269,000	18,709,000
Departmental Expenditures	94,788,439	92,366,456	94,657,385	96,851,278	99,121,000	101,469,000
Transfers to other Funds	2,895,137	1,088,504	1,640,013	2,207,279	2,779,589	2,872,106
Miscellaneous	(244,770)	2,869,624	(736,349)	(792,450)	(850,653)	(911,023)
Rebates & Assignments	2,504,056	2,545,660	2,680,758	2,779,105	2,884,692	2,994,229
Non-departmental Expenditures	5,154,423	6,503,788	3,584,422	4,193,934	4,813,628	4,955,312
Total Expenditures	99,942,862	98,870,244	98,241,807	101,045,212	103,934,628	106,424,312
Revenues Over/(Under) Expenditures	(8,025,584)	(1,244,696)	(543,440)	(279,194)	61,541	876,539
Fund Balance - Beginning	40,275,171	32,249,587	31,004,891	30,461,451	30,182,257	30,243,798
Accrued Sales/Franchise Taxes	(7,242,699)	(7,242,699)	(7,242,699)	(7,242,699)	(7,242,699)	(7,242,699)
Fund Balance - Ending	\$ 25,006,888	\$ 23,762,192	\$ 23,218,752	\$ 22,939,558	\$ 23,001,099	\$ 23,877,638
Ending Fund Balance- % of Oper Exp	29%	28%	26%	26%	25%	25%
Fund Balance - Requirement	\$ 21,262,375	\$ 21,512,517	\$ 22,015,058	\$ 22,485,664	\$ 23,010,572	\$ 23,547,640
Over / (Under) Policy	3,744,513	2,249,675	1,203,694	453,894	(9,473)	329,998

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

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Current Property Tax	\$ 20,935,527	\$ 21,356,544	\$ 22,572,061	\$ 24,222,477	\$ 25,481,404	\$ 25,481,404
Delinquent Property Taxes	42,298	53,391	56,430	30,278	31,852	31,852
Interest on Investments	150,000	50,000	50,000	75,000	75,000	75,000
Refunding Bond Proceeds	13,312,235	-	-	-	-	-
Operating Revenues	34,440,060	21,459,935	22,678,491	24,327,755	25,588,256	25,588,256
Total Transfers In	7,318,749	7,319,344	5,733,440	5,673,430	5,425,207	5,010,163
Non-operating Revenues	7,318,749	7,319,344	5,733,440	5,673,430	5,425,207	5,010,163
Total Revenues	41,758,809	28,779,279	28,411,931	30,001,185	31,013,463	30,598,418
EXPENDITURES						
Current Outstanding & New Debt	26,844,459	28,688,739	26,889,712	28,103,634	28,691,908	28,180,722
Issuance Costs/Fiscal Fees/Other	143,108	25,758	26,015	26,275	26,538	26,538
Refunding Payment to Escrow	13,716,083	-	-	-	-	-
Total Debt Service	40,703,650	28,714,497	26,915,727	28,129,910	28,718,446	28,207,260
Rebates & Assignments	1,714,906	1,694,372	1,778,417	1,911,560	2,016,726	2,022,517
Transfers to Other Funds	82,502	87,154	87,154	87,154	87,154	87,154
Total Other Expenditures	1,797,408	1,781,526	1,865,571	1,998,714	2,103,880	2,109,671
Total Expenditures	42,501,058	30,496,023	28,781,298	30,128,623	30,822,326	30,316,930
CHANGE IN FUND BALANCE	(742,249)	(1,716,744)	(369,367)	(127,438)	191,137	281,488
FUND BALANCE - BEGINNING	7,914,375	7,172,126	5,455,382	5,086,015	4,958,577	5,149,714
FUND BALANCE - ENDING	\$ 7,172,126	\$ 5,455,382	\$ 5,086,015	\$ 4,958,577	\$ 5,149,714	\$ 5,431,202
Policy Requirement	\$ 2,684,446	\$ 2,868,874	\$ 2,688,971	\$ 2,810,363	\$ 2,869,191	\$ 2,818,072
Over/(Under) Policy	4,487,680	2,586,508	2,397,044	2,148,214	2,280,523	2,613,130
Policy Requirement	10%	10%	10%	10%	10%	10%

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

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Rent	\$ 1,352,466	\$ 1,770,086	\$ 2,005,123	\$ 2,001,998	\$ 2,000,936	\$ 2,000,248
Interest Income	8,000	7,500	7,500	7,500	7,500	7,500
Operating Revenues	1,360,466	1,777,586	2,012,623	2,009,498	2,008,436	2,007,748
Transfers In	-	-	-	-	-	-
Non-operating Revenues	-	-	-	-	-	-
Total Revenues	1,360,466	1,777,586	2,012,623	2,009,498	2,008,436	2,007,748
EXPENDITURES						
Current Outstanding & New Debt	1,590,399	1,593,699	1,591,099	1,592,599	1,588,199	1,587,899
Fiscal Fees/Other	850	1,000	1,010	1,020	1,030	1,040
Total Expenditures	1,591,249	1,594,699	1,592,109	1,593,619	1,589,229	1,588,939
Change in Fund Balance	(230,783)	182,887	420,514	415,879	419,207	418,809
Fund Balance - Beginning	932,862	702,079	884,966	1,305,480	1,721,360	2,140,567
Fund Balance - Ending	\$ 702,079	\$ 884,966	\$ 1,305,480	\$ 1,721,360	\$ 2,140,567	\$ 2,559,376

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

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Charges for Services	\$ 33,504,306	\$ 36,484,590	\$ 39,649,238	\$ 43,365,807	\$ 45,339,616	\$ 46,845,612
Surface Water Fees	16,142,087	17,609,959	21,496,162	24,417,437	25,577,418	26,364,759
Tap Fees	222,935	106,620	106,620	106,620	106,620	106,620
Interest Income	392,633	131,001	122,150	143,973	195,994	253,581
Miscellaneous	2,007,529	739,426	892,358	917,515	926,084	931,680
Operating Revenues	52,269,490	55,071,596	62,266,528	68,951,353	72,145,732	74,502,252
Bond Proceeds	7,706,246	11,321,700	21,274,400	12,954,000	13,315,000	54,440,210
Transfers In - PID	43,881	42,981	42,081	41,181	35,281	34,531
Transfers In - Connection Fees	868,019	868,019	868,019	868,019	868,019	868,019
Non-operating Revenues	8,618,146	12,232,700	22,184,500	13,863,200	14,218,300	55,342,760
Total Revenues	60,887,636	67,304,296	84,451,028	82,814,554	86,364,033	129,845,012
EXPENDITURES						
Utility Administration	1,762,425	778,856	800,172	819,954	840,286	861,186
Water Distribution	2,702,625	2,649,163	2,581,914	2,630,783	2,680,832	2,732,093
Water Production	2,760,331	2,959,244	3,019,317	3,061,991	3,105,467	3,149,763
Wastewater Collection	1,855,473	1,534,710	1,511,774	1,511,774	1,544,343	1,577,761
Wastewater Treatment	5,802,443	5,880,369	6,115,584	6,084,407	6,156,487	6,229,625
Customer Service	1,771,351	1,494,275	1,554,046	1,700,274	1,734,846	1,770,292
Water Quality	688,102	722,752	742,969	761,579	780,711	800,380
Water Conservation	320,432	297,001	303,931	308,969	314,116	319,377
Treasury	1,735,538	1,765,065	1,807,347	1,840,548	1,874,536	1,909,330
Surface Water	7,649,319	7,648,602	7,828,802	8,038,111	8,728,687	8,983,363
O & M for CIP		-	132,000	134,772	467,076	476,885
Total Operating Expenditures	27,048,039	25,730,037	26,397,856	26,893,162	28,227,387	28,810,055
Debt Service	16,811,031	17,967,289	19,471,706	20,206,983	21,089,647	25,462,982
Transfers Out	11,076,820	10,025,942	11,049,149	9,606,439	9,558,152	9,178,750
Miscellaneous	351,082	395,912	386,133	386,859	387,590	388,325
Contingency	365,142	534,830	534,870	538,916	543,083	547,376
CIP Transfers	9,048,250	13,321,700	21,274,400	12,954,000	13,315,000	82,940,210
Total Non-Operating Expenditures	37,652,325	42,245,673	52,716,258	43,693,197	44,893,472	118,517,643
Total Expenditures	64,700,364	67,975,710	79,114,114	70,586,359	73,120,859	147,327,698
Revenues Over/(Under) Expenditures	(3,812,728)	(671,414)	5,336,915	12,228,195	13,243,174	(17,482,686)
Fund Balance - Beginning	24,564,995	20,752,267	20,080,853	25,417,768	37,645,963	50,889,136
Reserve - Debt Service	(8,935,141)	(9,247,585)	(9,717,142)	(10,272,058)	(10,910,595)	(12,323,924)
Fund Balance - Ending	\$ 11,817,126	\$ 10,833,268	\$ 15,700,626	\$ 27,373,905	\$ 39,978,541	\$ 21,082,526
Bond Coverage	1.50	1.63	1.84	2.08	2.08	1.79
Target	1.25	1.25	1.25	1.25	1.25	1.25
Operating Reserves	44%	42%	59%	102%	142%	73%
Target	25%	25%	25%	25%	25%	25%

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

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Fuel Sales	\$ 10,624,563	\$ 11,880,383	\$ 13,387,437	\$ 13,789,060	\$ 14,064,841	\$ 14,205,490
Hangar Leases	1,753,969	1,751,477	1,768,992	1,786,682	1,804,549	1,822,594
Miscellaneous Revenues	795,748	830,864	839,173	847,564	856,040	864,600
Interest Income	107,748	102,000	103,020	104,050	105,091	106,142
Operating Revenues	13,282,028	14,564,724	16,098,621	16,527,356	16,830,521	16,998,826
Transfers In	154,135	179,435	139,920	139,920	139,920	139,920
Grant Proceeds	50,000	50,000	50,000	50,000	50,000	50,000
TxDot Grant Reimbursement	-	-	-	-	2,340,000	540,000
Bond Proceeds	1,959,101	765,000	-	-	-	-
Non-Operating Revenues	2,163,236	994,435	189,920	189,920	2,529,920	729,920
Total Revenues	15,445,264	15,559,159	16,288,541	16,717,276	19,360,441	17,728,746
EXPENDITURES						
Airport Administration	1,236,329	1,040,472	1,056,079	1,071,920	1,087,999	1,104,319
Airfield Operations	296,473	298,949	303,433	307,985	312,605	317,294
FBO Services	7,622,001	8,630,403	10,603,699	10,724,295	10,931,318	11,232,743
Café Select	222,219	267,239	271,248	275,316	279,446	283,638
U.S. Customs	391,937	301,760	306,286	310,881	315,544	320,277
Maintenance and Operations	1,280,670	1,136,689	1,153,739	1,171,045	1,188,611	1,206,440
Total Operating Expenditures	11,049,629	11,675,512	13,694,485	13,861,442	14,115,522	14,464,711
Debt Service	1,301,127	1,412,923	1,430,252	1,427,129	1,426,347	1,429,457
Miscellaneous	151,802	192,251	179,024	180,814	182,622	184,448
Transfers Out - Non-Bond CIP	402,196	-	-	-	-	678,000
Transfers Out - Bond CIP	1,800,000	750,000	-	-	-	-
Operating Transfers Out	1,107,354	1,240,949	1,253,358	1,265,892	1,278,551	1,291,337
Total Non-Operating Expenditures	4,762,479	3,596,123	2,862,634	2,873,835	2,887,520	3,583,241
Total Expenditures	15,812,108	15,271,635	16,557,118	16,735,277	17,003,043	18,047,952
Revenues Over/(Under) Expenditures	(366,844)	287,524	(268,577)	(18,001)	2,357,398	(319,206)
Fund Balance - Beginning	3,887,117	3,520,273	3,807,797	3,539,220	3,521,219	5,878,617
Debt Service Reserve	(861,884)	(825,478)	(778,445)	(725,320)	(666,509)	(600,837)
Fund Balance - Ending	2,658,389	\$ 2,982,319	\$ 2,760,775	\$ 2,795,899	\$ 5,212,108	\$ 4,958,574
CASH EQ. RESERVE RATIO (25% min)	46%	55%	42%	44%	82%	76%
BOND COVERAGE (1.25x min)	2.04	1.99	1.65	1.83	1.86	2.98
FUEL GALLONS SOLD	2,889,624	2,951,075	3,247,756	3,280,234	3,313,036	3,346,166

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

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Hotel/Motel Occupancy Tax	\$ 1,655,922	\$ 1,571,400	\$ 2,092,467	\$ 2,196,800	\$ 2,306,900	\$ 2,352,900
Interest Income	20,920	15,000	15,450	15,965	16,480	16,995
Miscellaneous	29,100	29,100	29,600	29,600	29,600	29,600
Total Operating Revenues	1,705,942	1,615,500	2,137,517	2,242,365	2,352,980	2,399,495
Transfers In	177,470	-	-	-	-	-
Total Non-Operating Revenues	177,470	-	-	-	-	-
Total Revenues	1,883,412	1,615,500	2,137,517	2,242,365	2,352,980	2,399,495
EXPENDITURES						
Tourism Program	548,565	388,284	542,521	717,959	828,907	841,078
Visitor Center	263,579	264,489	269,318	274,261	279,322	284,502
Cultural/Public Arts	9,625	-	-	-	-	-
Total Operating Expenditures	821,769	652,773	811,839	992,221	1,108,229	1,125,579
Transfer Out - Debt Service Fund	1,350,238	1,341,100	1,338,769	1,339,638	1,338,225	1,344,281
Transfer Out - Others	902	-	-	-	-	-
Miscellaneous	550	550	550	550	550	550
Total Non-Operating Expenditures	1,351,690	1,341,650	1,339,319	1,340,188	1,338,775	1,344,831
Total Expenditures	2,173,459	1,994,423	2,151,158	2,332,409	2,447,004	2,470,410
Revenues Over/(Under) Expenditures	(290,047)	(378,923)	(13,641)	(90,044)	(94,024)	(70,915)
Fund Balance - Beginning	1,954,300	1,664,253	1,285,330	1,271,689	1,181,645	1,087,621
GAAP Adjustments	(553,420)	(553,420)	(553,420)	(553,420)	(553,420)	(553,420)
Fund Balance - Ending	\$ 1,110,833	\$ 731,910	\$718,269	\$628,225	\$534,201	\$463,286
Fund Balance Policy (10% of Budgeted HOT)	\$ 165,592	\$ 157,140	\$ 209,247	\$ 219,680	\$ 230,690	\$ 235,290
Over/Under Policy	945,241	574,770	509,022	408,545	303,511	227,996

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

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Sales Tax	\$ 6,053,424	\$ 5,545,142	\$ 6,307,022	\$ 6,496,233	\$ 6,691,120	\$ 6,891,854
Interest Income	124,096	125,000	150,000	150,000	150,000	150,000
Miscellaneous	49,860	-	-	-	-	-
TIRZ#1	1,250,000	1,500,000	1,600,000	1,600,000	1,700,000	1,750,000
Total Revenues	7,477,380	7,170,142	8,057,022	8,246,233	8,541,120	8,791,854
EXPENDITURES						
Economic Development Program	935,915	597,017	602,987	609,017	615,107	621,258
Economic Development Incentives	1,167,500	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Contractual Services	17,740	9,790	15,390	15,490	15,590	15,690
Total Operating Expenditures	2,121,155	2,306,807	2,318,377	2,324,507	2,330,697	2,336,948
Debt Service	4,088,984	4,053,721	4,024,090	3,993,821	3,959,571	3,932,268
Reserve for Opportunities	-	-	-	1,300,000	1,600,000	1,900,000
Capital Projects Reimbursement	1,543,637	-	3,320,000	-	-	-
Transfers to Other Funds	724,752	764,123	845,709	605,744	619,521	633,683
Total Non-Operating Expenditures	6,357,373	4,817,844	8,189,799	5,899,565	6,179,092	6,465,951
Total Expenditures	8,478,528	7,124,651	10,508,176	8,224,072	8,509,790	8,802,900
Revenues Over/(Under) Expenditures	(1,001,148)	45,491	(2,451,153)	22,161	31,331	(11,046)
Fund Balance - Beginning	10,303,367	9,302,219	9,347,710	6,896,557	6,918,718	6,950,048
Accrued Sales Tax	(1,116,802)	(1,116,802)	(1,116,802)	(1,116,802)	(1,116,802)	(1,116,802)
Debt Service Reserve	(4,044,391)	(3,992,302)	(3,936,355)	(3,876,840)	(3,812,769)	(3,672,000)
Fund Balance - Ending	\$ 4,141,026	\$ 4,238,606	\$ 1,843,399	\$ 1,925,076	\$ 2,020,478	\$ 2,150,200
Minimum Fund Balance (15%)	\$ 908,014	\$ 831,771	\$ 946,053	\$ 974,435	\$ 1,003,668	\$ 1,033,778
Over/Under Policy	3,233,012	3,406,835	897,346	950,641	1,016,810	1,116,422
Bond Coverage Ratio (>1.25x)	1.52	1.41	1.62	1.68	1.74	2.34

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

	FY20 Projections	FY21 Budget	FY22 Forecast	FY23 Forecast	FY24 Forecast	FY25 Forecast
REVENUES						
Sales Tax	\$ 6,053,424	\$ 5,545,142	\$ 6,307,022	\$ 6,496,233	\$ 6,691,120	\$ 6,891,854
Interest Income	134,664	125,000	140,000	140,000	140,000	140,000
TIRZ#1	156,886	145,300	146,863	145,008	146,678	-
Miscellaneous	80,000	80,000	80,000	80,000	80,000	80,000
Operating Revenues	6,424,974	5,895,442	6,673,885	6,861,241	7,057,798	7,111,854
Bond Proceeds	27,157,311	-	-	-	-	-
Non-operating Revenues	27,157,311	-	-	-	-	-
Total Revenues	33,582,285	5,895,442	6,673,885	6,861,241	7,057,798	7,111,854
EXPENDITURES						
Economic Development Program	561,620	561,620	567,236	572,909	578,638	584,424
Contractual Services	12,200	12,200	12,200	12,200	12,200	12,200
Total Operating Expenditures	573,820	573,820	579,436	585,109	590,838	596,624
Debt Service	3,042,596	3,020,625	2,645,700	2,012,900	2,011,500	2,015,925
Incentives	787,500	37,500	37,500	37,500	37,500	37,500
Payment to Escrow Account	26,715,744	-	-	-	-	-
Issuance Costs	430,522	-	-	-	-	-
Reserve for Opportunities	2,946,800	1,700,000	3,000,000	3,000,000	3,000,000	3,100,000
Transfers to Capital Projects	763,200	650,000	650,000	650,000	650,000	650,000
Transfers to Other Funds	818,835	881,983	865,300	795,173	811,354	827,975
Total Non-Operating Expenditures	35,505,197	6,290,108	7,198,500	6,495,573	6,510,354	6,631,400
Total Expenditures	36,079,017	6,863,928	7,777,936	7,080,682	7,101,192	7,228,024
Revenues Over/(Under) Expenditures	(2,496,732)	(968,486)	(1,104,050)	(219,441)	(43,394)	(116,170)
Fund Balance - Beginning	9,437,421	6,940,689	5,972,203	4,868,153	4,648,712	4,605,318
Accrued Sales Tax	(1,116,802)	(1,116,802)	(1,116,802)	(1,116,802)	(1,116,802)	(1,116,802)
Debt Service Reserve	(2,989,565)	(2,427,000)	(2,211,500)	(2,015,925)	(1,901,500)	(1,770,500)
Fund Balance - Ending	\$ 2,834,322	\$ 2,428,401	\$ 1,539,851	\$ 1,515,985	\$ 1,587,016	\$ 1,601,846
Minimum Fund Balance (15%)	\$ 908,014	\$ 831,771	\$ 946,053	\$ 974,435	\$ 1,003,668	\$ 1,033,778
Over/Under Policy	1,926,308	1,596,630	593,797	541,550	583,348	568,068
Bond Coverage Ratio (>1.25x)	2.05	2.14	3.20	3.30	3.39	4.05

**CITY OF SUGAR LAND
2021 - 2025 CAPITAL IMPROVEMENT PROGRAM
TOTAL SUMMARY**

PROJECT TYPE	2021 BUDGET	2022 ESTIMATE	2023 ESTIMATE	2024 ESTIMATE	2025 ESTIMATE	2021-2025 TOTAL
AIRPORT	\$ 750,000	\$ -	\$ -	\$ -	\$ 678,000	\$ 1,428,000
DRAINAGE	11,176,000	9,860,000	13,894,000	10,030,000	2,640,000	47,600,000
MUNICIPAL	250,000	3,050,000	2,500,000	10,250,000	20,500,000	36,550,000
PARKS	1,200,000	200,000	200,000	200,000	200,000	2,000,000
STREETS	600,000	15,710,000	5,200,000	-	1,500,000	23,010,000
SURFACE WATER	2,228,700	9,656,400	-	5,145,000	73,710,210	90,740,310
TRAFFIC	200,000	200,000	200,000	200,000	200,000	1,000,000
WASTEWATER	3,361,000	9,520,000	7,220,000	5,920,000	3,420,000	29,441,000
WATER	7,732,000	4,098,000	7,734,000	4,250,000	7,810,000	31,624,000
TOTAL	\$ 27,497,700	\$ 52,294,400	\$ 36,948,000	\$ 35,995,000	\$ 110,658,210	\$ 263,393,310

SOURCE OF FUNDS	2021 BUDGET	2022 ESTIMATE	2023 ESTIMATE	2024 ESTIMATE	2025 ESTIMATE	2021-2025 TOTAL
CO'S	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CO'S / AIRPORT	750,000	-	-	-	-	750,000
2013 GO BONDS	-	-	-	-	-	-
GO BONDS	11,776,000	15,620,000	21,344,000	20,030,000	21,990,000	90,760,000
REVENUE BONDS	11,321,700	21,274,400	12,954,000	13,315,000	82,940,210	141,805,310
SLDC	-	3,320,000	-	-	-	3,320,000
SL4B	650,000	650,000	650,000	650,000	650,000	3,250,000
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
OTHER FUNDING SOURCES	-	-	-	-	-	-
<i>Cullinan Foundation</i>	1,000,000	-	-	-	-	1,000,000
<i>Donations/Other</i>	-	9,430,000	-	-	2,400,000	11,830,000
TOTAL	\$ 27,497,700	\$ 52,294,400	\$ 36,948,000	\$ 35,995,000	\$ 110,658,210	\$ 263,393,310

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

FY21

Range	Position Title	Minimum	Midpoint	Maximum
N-01	COURIER	\$13.34	\$16.94	\$20.53
	CUSTODIAN	\$27,747	\$35,235	\$42,702
N-02	CUSTOMER SERVICE REPRESENTATIVE I	\$14.00	\$17.78	\$21.55
	GENERAL MAINTENANCE WORKER I	\$29,120	\$36,982	\$44,824
N-03	CAFÉ ATTENDANT I	\$14.72	\$18.68	\$22.65
	COURT CLERK	\$30,618	\$38,854	\$47,112
	KENNEL TECHNICIAN			
	PERMIT TECHNICIAN			
	RECORDS CLERK			
N-04	311 CONTACT CENTER AMBASSADOR	\$15.45	\$19.75	\$24.09
	AIRPORT SERVICES REP I	\$32,136	\$41,080	\$50,107
	BILLING/COLLECTION SPEC. I			
	CAFÉ ATTENDANT II			
	CUSTOMER SERVICE REPRESENTATIVE II			
N-05	ADMINISTRATIVE ASSISTANT	\$16.35	\$20.93	\$25.52
	ANIMAL SERVICES OFFICER I	\$34,008	\$43,534	\$53,082
	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			
	VETERINARY TECHNICIAN			
	WARRANT CLERK			
N-06	AIRPORT MATERIALS SPECIALIST	\$17.35	\$22.20	\$27.05
	AIRPORT SERVICES REP II	\$36,088	\$46,176	\$56,264
	ANIMAL SERVICES OFFICER II			
	FACILITIES SERVICES TECHNICIAN			
	FACILITY SUPPORT SPECIALIST			
	LINE CREW II			
	PUMP & MOTOR TECHNICIAN I			
	UTILITIES OPERATOR TRAINEE			
	WARRANT COORDINATOR			
WATER QUALITY TECHNICIAN				
N-07	ACCOUNTS PAYABLE SPECIALIST	\$18.39	\$23.71	\$29.05
	AUTOMOTIVE TECHNICIAN I	\$38,251	\$49,317	\$60,424
	CAFE SUPERVISOR			
	DEPARTMENT SPECIALIST			
	LINE CREW III			
	PUMP & MOTOR TECHNICIAN II			
ACCOUNTANT I	\$19.76	\$25.51	\$31.25	
ADMINISTRATIVE SUPERVISOR	\$41,101	\$53,061	\$65,000	

Range	Position Title	Minimum	Midpoint	Maximum
N-08	AIRPORT OPERATIONS AGENT			
	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	\$21.16	\$27.29	\$33.43
	CONTRACT SERVICES COORDINATOR	\$44,013	\$56,763	\$69,534
	ELECTRICIAN			
	GOVERNMENT INFORMATION ANALYST			
	LEAD UTILITIES OPERATOR			
	MECHANIC			
	RESIDENTIAL RENTAL INSPECTOR			
	SANITARIAN			
N-10	ADMINISTRATIVE COORDINATOR	\$22.86	\$29.71	\$36.57
	AUTOMOTIVE TECHNICIAN II	\$47,549	\$61,797	\$76,066
	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 LEASING COORDINATOR	\$26.26	\$34.13	\$42.02
	ANIMAL SHELTER SUPERVISOR	\$54,621	\$70,990	\$87,402
	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	\$28.90	\$37.54	\$46.22
	SR. G.I.S. SPECIALIST	\$60,112	\$78,083	\$96,138

Effective Date: TBD

CITY OF SUGAR LAND
SALARY STRUCTURE
FOR EXEMPT POSITIONS
FY21

Range	Position Title	Minimum	Midpoint	Maximum
E-01	BUDGET ANALYST	\$ 25.03	\$ 30.97	\$ 36.91
	CONTRACTS COORDINATOR	\$ 52,062	\$ 64,418	\$ 76,773
	DEPARTMENT ANALYST			
	EMPLOYEE ENGAGEMENT & WELLNESS COORDINATOR			
	EVENT COORDINATOR			
	GRAPHICS DESIGNER/BRANDING SPECIALIST			
	MANAGEMENT ANALYST I			
	PLANNER I			
	RECREATION COORDINATOR			
	E-02	AGENDA COORDINATOR	\$ 25.86	\$ 32.87
BILLING SUPERVISOR		\$ 53,789	\$ 68,370	\$ 82,867
CODE COMPLIANCE COORDINATOR				
COLLECTIONS & CUSTOMER SERVICE SUPERVISOR				
COMMUNITY ENGAGEMENT COORDINATOR				
COMPLIANCE COLLECTIONS SUPERVISOR				
DATA ANALYST				
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	\$ 27.95	\$ 35.49	\$ 43.04
	ADMINISTRATIVE MANAGER	\$ 58,136	\$ 73,819	\$ 89,523
	AIRPORT OPERATIONS SUPERVISOR			
	AIRPORT SERVICES REPRESENTATIVE SUPERVISOR			
	APPLICATION DEVELOPER I			
	BUSINESS DEVELOPMENT ASSOCIATE			
	CONTENT STRATEGIST			
	DEPUTY COURT ADMINISTRATOR			
	ENGINEER I			
	FINANCIAL ANALYST			
	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	\$ 30.18	\$ 38.33	\$ 46.48
	AIRPORT BUSINESS MANAGER	\$ 62,774	\$ 79,726	\$ 96,678
	ANIMAL SERVICES MANAGER			
	APPLICATION DEVELOPER II			
	BUSINESS DEVELOPMENT MANAGER			
	COMMUNITY ENGAGEMENT MANAGER			
	CONSTRUCTION MANAGER			
	CONTRACTS MANAGER			
	DESTINATION EVENT MANAGER			
	DIGITAL COMMUNICATIONS MANAGER			
	ENGINEER II			
	EVENT PRODUCTION MANAGER			
	FACILITIES SERVICES MANAGER			
	FLEET SERVICES MANAGER			
	FOOD INSPECTION MANAGER			
	HUMAN RESOURCES MANAGER			
	INNOVATION MANAGER			

Range	Position Title	Minimum	Midpoint	Maximum
	IT PROJECT MANAGER			
	LAB MANAGER			
	PERFORMANCE & ACCOUNTABILITY MANAGER			
	PROJECT MANAGER			
	REAL PROPERTY MANAGER			
	RECREATION MANAGER			
	RISK MANAGER			
	SURFACE WATER CHIEF OPERATOR			
	TRAFFIC OPERATIONS MANAGER			
	WATER RESOURCES MANAGER			
	AIRFIELD & FACILITIES MANAGER	\$ 32.58	\$ 41.40	\$ 50.19
	AIRPORT DEVELOPMENT MANAGER	\$ 67,766	\$ 86,112	\$ 104,395
	APPLICATION DEVELOPER III			
	ASSET & OPERATIONS MANAGER			
	BUSINESS INTELLIGENCE LEAD			
	CODE COMPLIANCE MANAGER			
	CULTURAL ARTS MANAGER			
	CUSTOMER SERVICE MANAGER			
	DEPUTY BUILDING OFFICIAL			
	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			
	ASSISTANT CITY ATTORNEY	\$ 35.52	\$ 45.12	\$ 54.70
	ASSISTANT TO THE CITY MANAGER	\$ 73,882	\$ 93,850	\$ 113,776
	DEPUTY CONTROLLER			
	ENGINEERING MANAGER			
E-06	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 COMMUNICATIONS & COMMUNITY ENGAGEMENT DIR	\$ 38.72	\$ 49.19	\$ 59.63
	BUDGET MANAGER	\$ 80,538	\$ 102,315	\$ 124,030
	CITY TRAFFIC ENGINEER			
	DEPUTY CITY SECRETARY			
E-07	IT MANAGER			
	MUNICIPAL COURT ADMINISTRATOR			
	PURCHASING MANAGER			
	SR. ASSISTANT CITY ATTORNEY			
	SR. ENGINEERING MANAGER			
	TREASURY MANAGER			
	ADMINISTRATOR, EMERGENCY MANAGEMENT	\$ 41.83	\$ 53.11	\$ 64.40
	ASSISTANT CITY ENGINEER	\$ 87,006	\$ 110,469	\$ 133,952
	ASSISTANT DIRECTOR OF AVIATION			
	ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT			
	ASSISTANT DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS			
E-08	ASSISTANT DIRECTOR OF FINANCE			
	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			

Effective Date: TBD

CITY OF SUGAR LAND

SALARY STRUCTURE

FIRE

FY21

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
FIREFIGHTER RECRUIT	F-R	\$17.91		
FIREFIGHTER	F-1	\$19.52	\$22.93	\$26.36
<i>(2912 Hours Annually)</i>		\$56,842	\$66,772	\$76,760
FIRE DRIVER	F2F	\$23.09	\$26.69	\$30.32
<i>(2912 Hours Annually)</i>		\$67,238	\$77,721	\$88,292
FIRE LIEUTENANT (SHIFT)	F3F	\$27.47	\$30.21	\$32.97
<i>(2912 Hours Annually)</i>		\$79,993	\$87,972	\$96,009
FIRE LIEUTENANT (NON-SHIFT)	F3G	\$38.45	\$42.30	\$46.15
<i>(2080 Hours Annually)</i>		\$79,976	\$87,984	\$95,992
FIRE CAPTAIN (SHIFT)	F4F	\$29.97	\$32.98	\$35.97
<i>(2912 Hours Annually)</i>		\$87,273	\$96,038	\$104,745
FIRE CAPTAIN (NON-SHIFT)	F4G	\$41.96	\$46.17	\$50.36
<i>(2080 Hours Annually)</i>		\$87,277	\$96,034	\$104,749
BATTALION CHIEF (SHIFT)	F5F	\$32.35	\$35.71	\$39.07
<i>(2912 Hours Annually)</i>		\$94,203	\$103,988	\$113,772
BATTALION CHIEF (NON-SHIFT)	F5G	\$45.28	\$50.00	\$54.69
<i>(2080 Hours Annually)</i>		\$94,182	\$104,000	\$113,755
ASSISTANT CHIEF OF FIRE-EMS	F6G	\$50.89	\$57.43	\$63.97
<i>(2080 Hours Annually)</i>		\$105,851	\$119,454	\$133,058

Effective Date: TBD

CITY OF SUGAR LAND
SALARY STRUCTURE
POLICE, DETENTION & DISPATCH

FY21

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
PUBLIC SAFETY DISPATCHER - RECRUIT	PTR	\$19.60		
PUBLIC SAFETY DISPATCHER I (CERTIFIED)	PT1	\$20.43	\$25.06	\$29.67
		\$42,494	\$52,125	\$61,714
PUBLIC SAFETY DISPATCHER II (CERTIFIED)	PT2	\$22.98	\$28.37	\$33.73
		\$47,798	\$59,010	\$70,158
PS DISPATCH SHIFT SUPERVISOR	PT3	\$27.08	\$32.42	\$37.75
QUALITY ASSURANCE COORDINATOR		\$56,326	\$67,434	\$78,520
DEPUTY PS DISPATCH MANAGER	PT4	\$33.17	\$38.99	\$44.80
		\$68,994	\$81,099	\$93,184
DETENTION OFFICER - RECRUIT	PDR	\$19.56		
DETENTION OFFICER (CERTIFIED)	PD1	\$20.60	\$24.71	\$28.83
		\$42,848	\$51,397	\$59,966
POLICE OFFICER - RECRUIT	P-1	\$25.30		
POLICE OFFICER	P-2	\$30.46	\$35.79	\$41.12
		\$63,357	\$74,443	\$85,530
POLICE SERGEANTS	P-3	\$39.37	\$43.32	\$47.26
		\$81,890	\$90,106	\$98,301
POLICE LIEUTENANT	P-4	\$45.54	\$49.97	\$54.39
		\$94,723	\$103,938	\$113,131
POLICE CAPTAIN	P-5	\$50.53	\$55.58	\$60.64
		\$105,102	\$115,606	\$126,131
ASSISTANT CHIEF OF POLICE	P-6	\$56.13	\$63.14	\$70.16
		\$116,750	\$131,331	\$145,933

Effective Date: TBD

CITY OF SUGAR LAND
SALARY STRUCTURE
MANAGEMENT & ELECTED OFFICIAL POSITIONS
FY21

Range	Position Title	Minimum	Midpoint	Maximum
M-01	CITY SECRETARY	\$ 42.21	\$ 53.61	\$ 64.99
	COMMUNICATIONS & COMMUNITY ENGAGEMENT DIR	\$ 87,797	\$ 111,509	\$ 135,179
	PUBLIC SAFETY DISPATCH DIRECTOR			
M-02	CHIEF INNOVATION OFFICER	\$ 51.80	\$ 64.76	\$ 77.71
	CITY ENGINEER	\$ 107,744	\$ 134,701	\$ 161,637
	DIRECTOR OF AVIATION			
	DIRECTOR OF ECONOMIC DEVELOPMENT			
	DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS			
	DIRECTOR OF FINANCE			
	DIRECTOR OF HUMAN RESOURCES			
	DIRECTOR OF INFORMATION TECHNOLOGY			
	DIRECTOR OF PARKS & RECREATION			
	DIRECTOR OF PLANNING & DEVELOPMENT SERVICES			
	DIRECTOR OF PUBLIC AFFAIRS			
DIRECTOR OF PUBLIC WORKS				
M-03	CITY MANAGER		UNGRADED	
	ASSISTANT CITY MANAGER			
	DIRECTOR OF SPECIAL PROJECTS			
	CITY ATTORNEY			
	CHIEF OF FIRE & EMS			
	CHIEF OF POLICE			
	MUNICIPAL COURT JUDGE			
EO-1	COUNCIL MEMBER		\$ 780.74	(Monthly)
			\$ 9,369	(Annually)
EO-2	MAYOR		\$ 1,561.48	(Monthly)
			\$ 18,738	(Annually)

Effective Date: TBD

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

AED: Automated External Defibrillator
ADA: Americans with Disability Act
AFIS: Automated Fingerprint Identification System
ANSI: American National Standards Institute
ANAB: American National Accreditation Board

C

CAC: Community Action Center
CAFR: Comprehensive Annual Financial Report
CDBG: Community Development Block Grant
CID: Criminal Investigation Division
CIP: Capital Improvement Program
CO: Certificate of Obligation
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

2020 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Date: 08/03/2020 03:17 PM

City of Sugar Land

281-275-2700

Taxing Unit Name

Phone (area code and number)

2700 Town Center Blvd. North, Sugar Land, TX, 774791280

www.sugarlandtx.gov

Taxing Unit Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller For 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do use this form but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

STEP 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Rate Activity	Amount/Rate
1.	2019 total taxable value. Enter the amount of 2019 taxable value on the 2019 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (will deduct taxes in Line 17).[1]	\$15,873,633,409
2.	2019 tax ceilings. Counties, cities and junior college districts. Enter 2019 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2019 or a prior year for homeowners age 65 or older or disabled, use this step.[2]	\$0
3.	Preliminary 2019 adjusted taxable value. Subtract Line 2 from Line 1.	\$15,873,633,409
4.	2019 total adopted tax rate.	\$.332000
5.	2019 taxable value lost because court appeals of ARB decisions reduced 2019 appraised value.	
	A. Original 2019 ARB values:	\$204,808,120
	B. 2019 values resulting from final court decisions:	\$180,745,497
	C. 2019 value loss. Subtract B from A.[3]	\$24,062,623

Line	No-New-Revenue Rate Activity	Amount/Rate
6.	2019 taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. 2019 ARB certified value:	216,154,228
	B. 2019 disputed value:	86,461,691
	C. 2019 undisputed value Subtract B from A.[4]	129,692,537
7.	2019 Chapter 42-related adjusted values. Add Line 5 and 6	153,755,160
8.	2019 taxable value, adjusted for court-ordered reductions. Add Line 3 and Line 7	\$16,027,388,569
9.	2019 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2019. Enter the 2019 value of property in deannexed territory.[5]	\$0
10.	2019 taxable value lost because property first qualified for an exemption in 2020. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2020 does not create a new exemption or reduce taxable value.	
	A. Absolute exemptions. Use 2019 market value:	\$60,417
	B. Partial exemptions. 2020 exemption amount or 2020 percentage exemption times 2019 value:	\$53,628,297
	C. Value loss. Add A and B.[6]	\$53,688,714
11.	2019 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2020. Use only properties that qualified in 2020 for the first time; do not use properties that qualified in 2019.	
	A. 2019 market value:	\$0
	B. 2020 productivity or special appraised value:	\$0
	C. Value loss. Subtract B from A.[7]	\$0
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$53,688,714
13.	Adjusted 2019 taxable value. Subtract Line 12 from Line 8	\$15,973,699,855
14.	Adjusted 2019 total levy. Multiply Line 4 by Line 13 and divide by \$100	\$53,032,683
15.	Taxes refunded for years preceding tax year 2019. Enter the amount of taxes refunded by the district for tax years preceding tax year 2019. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019.[8]	\$123,284
16.	Taxes in tax increment financing (TIF) for tax year 2019. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2020 captured appraised value in Line 18D, enter 0.[9]	\$1,423,321
17.	Adjusted 2019 levy with refunds and TIF adjustment. Add Lines 14, and 15, subtract Line 16.[10]	\$51,732,646
18.	Total 2020 taxable value on the 2020 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled.[11]	
	A. Certified values:	\$16,290,374,231
	B. Counties: Include railroad rolling stock values certified by the Comptroller's office.	\$0
	C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property	\$0
	D. Tax increment financing: Deduct the 2020 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the	\$506,329,191

Line	No-New-Revenue Rate Activity	Amount/Rate
	2020 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below.[12]	
	E. Total 2020 value Add A and B, then subtract C and D	\$15,784,045,040
19.	Total value of properties under protest or not included on certified appraisal roll.[13]	
	A. 2020 taxable value of properties under protest The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest.[14]	\$296,659,337
	B. 2020 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll.[15]	\$0
	C. Total value under protest or not certified. Add A and B.	\$296,659,337
20.	2020 tax ceilings. Counties, cities and junior colleges enter 2020 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2019 or a prior year for homeowners age 65 or older or disabled, use this step.[16]	\$0
21.	2020 total taxable value. Add Lines 18E and 19C. Subtract Line 20C.[17]	\$16,080,704,377
22.	Total 2020 taxable value of properties in territory annexed after Jan. 1, 2019. Include both real and personal property. Enter the 2020 value of property in territory annexed.[18]	\$0
23.	Total 2020 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2019. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2019 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2020.[19]	\$117,438,169
24.	Total adjustments to the 2020 taxable value. Add Lines 22 and 23.	\$117,438,169
25.	Adjusted 2020 taxable value. Subtract Line 24 from Line 21.	\$15,963,266,208
26.	2020 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100.[20]	\$.324073 /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2020 county NNR tax rate.[21]	

[1]Tex. Tax Code Section

[2]Tex. Tax Code Section

[3]Tex. Tax Code Section

[4]Tex. Tax Code Section

[5]Tex. Tax Code Section

[6]Tex. Tax Code Section

[7]Tex. Tax Code Section

[8]Tex. Tax Code Section

[9]Tex. Tax Code Section

[10]Tex. Tax Code Section

[11]Tex. Tax Code Section

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[17]Tex. Tax Code Section

[18]Tex. Tax Code Section

[19]Tex. Tax Code Section

[20]Tex. Tax Code Section

[21]Tex. Tax Code Section

STEP 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

1. Maintenance and Operations (M&O) Tax Rate: The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.

2. Debt Rate: The debt rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter Approval Tax Rate Activity	Amount/Rate
28.	2019 M&O tax rate. Enter the 2019 M&O tax rate.	\$1.97050
29.	2019 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	16,027,388,569
30.	Total 2019 M&O levy. Multiply Line 28 by Line 29 and divide by 100.	31,581,969
31.	Adjusted 2019 levy for calculating NNR M&O rate.	
	A. 2019 sales tax specifically to reduce property taxes. For cities, counties and hospital districts, enter the amount of additional sales tax collected and spent on M&O expenses in 2019, if any. Other taxing units, enter 0. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent.	13,508,867
	B. M&O taxes refunded for years preceding tax year 2019. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2019. This line applies only to tax years preceding tax year 2019.	65,140
	C. 2019 taxes in TIF: Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2020 captured appraised value in Line 18D, enter 0.	844,775
	D. 2019 transferred function: If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in E below. The taxing unit receiving the function will add this amount in E below. Other taxing units enter 0.	0
	E. 2019 M&O levy adjustments. Add A and B, then subtract C. For taxing unit with D, subtract if discontinuing function and add if receiving function	12,729,232
	F. Add Line 30 to 31E.	44,311,201
32.	Adjusted 2020 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	15,963,266,208
33.	2020 NNR M&O rate (unadjusted) Divide Line 31F by Line 32 and multiply by \$100.	0.277582
34.	Rate adjustment for state criminal justice mandate.[23]	
	A. 2020 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	0
	B. 2019 state criminal justice mandate Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies	0

Line	Voter Approval Tax Rate Activity	Amount/Rate
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Enter the rate calculated in C. If not applicable, enter 0.	0.000000
35.	Rate adjustment for indigent health care expenditures[24]	
	A. 2020 indigent health care expenditures Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state assistance received for the same purpose	0
	B. 2019 indigent health care expenditures Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state assistance received for the same purpose	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Enter the rate calculated in C. If not applicable, enter 0.	0.000000
36.	Rate adjustment for county indigent defense compensation.[25]	
	A. 2020 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2019 and ending on June 30, 2020, less any state grants received by the county for the same purpose	0
	B. 2019 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals for the period beginning on July 1, 2018 and ending on June 30, 2019, less any state grants received by the county for the same purpose	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100.	0.000000
	E. Enter the lessor of C and D. If not applicable, enter 0.	0.000000
37.	Rate adjustment for county hospital expenditures.	
	A. 2020 eligible county hospital expenditures Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2019 and ending on June 30, 2020	0
	B. 2019 eligible county hospital expenditures Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2018 and ending on June 30, 2019	0
	C. Subtract B from A and divide by Line 32 and multiply by \$100	0.000000
	D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100	0.000000
	E. Enter the lessor of C and D, if applicable. If not applicable, enter 0.	0.000000
38.	Adjusted 2020 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E.	0.277582
39.	2020 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below. Special Taxing Unit If the taxing unit qualifies as a special taxing unit, multiply Line 38 by 1.08 -or- Other Taxing Unit If the taxing unit does not qualify as a special taxing unit, multiply Line 38 by 1.035. -or- Taxing unit affected by disaster declaration If the taxing unit is located in an area declared as disaster area, the governing body may direct the person calculating the voter-approval rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval rate in this manner until the earlier of 1) the second year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, and 2) the third tax year after the tax year in which the disaster occurred. If the taxing unit qualifies under this scenario, multiply Line 38 by 1.08. [27]	0.299788

Line	Voter Approval Tax Rate Activity	Amount/Rate
40.	Total 2020 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit's budget as M&O expenses.	
	A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount	27,628,699
	B. Subtract unencumbered fund amount used to reduce total debt.	1,716,744
	C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none)	0
	D. Subtract amount paid from other resources	3,846,072
	E. Adjusted debt Subtract B, C and D from A	22,065,883
41.	Certified 2019 excess debt collections Enter the amount certified by the collector.	481,318
42.	Adjusted 2020 debt Subtract Line 41 from Line 40E	21,584,565
43.	2020 anticipated collection rate.	
	A. Enter the 2020 anticipated collection rate certified by the collector	100.58
	B. Enter the 2019 actual collection rate	100.58
	C. Enter the 2018 actual collection rate	100.74
	D. Enter the 2017 actual collection rate	102.95
	E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.	100.58
44.	2020 debt adjusted for collections. Divide Line 42 by Line 43E.	21,460,096
45.	2020 total taxable value. Enter the amount on Line 21 of the No-New-Revenue Tax Rate Worksheet.	16,080,704,377
46.	2020 debt rate Divide Line 44 by Line 45 and multiply by \$100.	0.133452
47.	2020 voter-approval tax rate. Add Line 39 and 46.	0.433239
48.	COUNTIES ONLY. Add together the voter-approval tax rate for each type of tax the county levies. The total is the 2020 county voter-approval tax rate.	
STEP 3 NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes		

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
49.	Taxable sales. For taxing units that adopted the sales tax in November 2019 or May 2020, enter the Comptroller's estimate of taxable sales for the previous four quarters [32]. Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2019, skip this line.	0
50.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue.[33] Taxing units that adopted the sales tax in November 2019 or in May 2020. Multiply the amount on Line 49 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95 [34] -or- Taxing units that adopted the sales tax before November 2019. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	13,255,704

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	2020 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	16,080,704,377
52.	Sales tax adjustment rate. Divide Line 50 by Line 51 and multiply by \$100.	0.082433
53.	2020 NNR tax rate, unadjusted for sales tax [35]. Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$.324073
54.	2020 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2019 or in May 2020. Subtract Line 52 from Line 53. Skip to Line 55 if you adopted the additional sales tax before November 2019.	\$.324073
55.	2020 voter-approval tax rate, unadjusted for sales tax. [36] Enter the rate from Line 47 or Line 48 as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i>	0.433239
56.	2020 voter-approval tax rate, adjusted for sales tax. Subtract Line 52 from Line 55.	0.350806

[37]Tex. Tax Code Section [38]Tex. Tax Code Section

STEP 4: Additional Rollback Protection for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O Funds to pay for a facility, device or method for the control of air, water or land pollution.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Activity	Amount/Rate
57.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ [37]. The taxing unit shall provide its tax assessor-collector with a copy of the letter.[38]	\$0
58.	2020 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$16,080,704,377
59.	Additional rate for pollution control. Divide Line 57 by Line 58 and multiply by \$100.	0.000000
60.	2020 voter-approval tax rate, adjusted for pollution control. Add Line 59 to one of the following lines (as applicable): Line 47, Line 48 (counties) or Line 56 (taxing units with the additional sales tax).	0.350806

[37]Tex. Tax Code Section

[38]Tex. Tax Code Section

STEP 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years [39]. In a year where a special taxing unit adopts a rate above the voter-approval tax rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

For each tax year before 2020, the difference between the adopted tax rate and voter-approval rate is considered zero, therefore the unused increment rate for 2020 is zero.[40]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [41]

Line	Activity	Amount/Rate
61.	2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
62.	2018 unused increment rate. Subtract the 2018 actual tax rate and the 2018 unused increment rate from the 2018 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
63.	2017 unused increment rate. Subtract the 2017 actual tax rate and the 2017 unused increment rate from the 2017 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	0.000000
64.	2020 unused increment rate. Add Lines 61, 62 and 63.	0.000000
65.	2020 voter-approval tax rate, adjusted for unused increment rate. Add Line 64 to one of the following lines (as applicable): Line 47, Line 48 (counties), Line 56 (taxing units with the additional sales tax) or Line 60 (taxing units with pollution control).	

STEP 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.[42]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [43]

Line	Activity	Amount/Rate
66.	Adjusted 2020 NNR M&O tax rate. Enter the rate from Line 38 of the <i>Voter-Approval Tax Rate Worksheet</i>	0.000000
67.	2020 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i>	0
68.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 67 and multiply by \$100.	0.000000
69.	2020 debt rate Enter the rate from Line 46 of the <i>Voter- Approval Tax Rate Worksheet</i>	0.000000
70.	De minimis rate Add Lines 66, 68 and 69.	0.000000

STEP 7: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate	0.324073
Voter-Approval Tax Rate	0.350806
De minimis rate	0.000000

STEP 8: Taxing Unit Representative Name and Signature

print here CARRIE SURRATT
Printed Name of Taxing Unit Representative

sign here 
Taxing Unit Representative

August 3, 2020
Date

