

**PROPOSED**

# ANNUAL BUDGET

& PROGRAM OF SERVICES

**FISCAL YEAR 2025-2026**





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**City of Sugar Land  
Fiscal Year 2025-2026  
Proposed Budget Cover Page  
July 15, 2025**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$3,297,950, which is a 4.52 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 \$462,829.

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

**FOR:**

**AGAINST:**

**PRESENT** and not voting:

**ABSENT:**

**Property Tax Rate Comparison**

	<b>2025-2026</b>	<b>2024-2025</b>
Property Tax Rate:	TBD	\$0.353210/100
No-New-Revenue Tax Rate:	TBD	\$0.347218/100
No-New-Revenue Maintenance & Operations Tax Rate:	TBD	\$0.203695/100
Voter-Approval Tax Rate:	TBD	\$0.363466/100
Debt Rate:	TBD	\$0.146038/100

Total debt obligation for City of Sugar Land secured by property taxes: \$33,942,305





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Sugar Land  
Texas**

For the Fiscal Year Beginning

**October 01, 2024**

*Christopher P. Morill*

Executive Director



# Annual Budget for October 1, 2025 – September 30, 2026



List in order: (L to R)

Robert Boettcher.....Council Member, At Large Position Two  
Sanjay Singhal.....Council Member, District Two  
Suzanne Whatley.....Council Member, District One  
Carol K. McCutcheon.....Mayor  
Rick Miller.....Council Member, District Four  
Stewart Jacobson.....Council Member, District Three  
Jim Vonderhaar .....Council Member, At Large Position One

Presented By:

Mike Goodrum.....City Manager





## CITY OF SUGAR LAND

City Manager's Office

July 15, 2025

In accordance with Texas statutes and Section 6.03 of the City of Sugar Land Charter, I am pleased to present the proposed budget for the fiscal year beginning October 1, 2025 (FY26). This proposed budget complies with the City Council's adopted Financial Management Policy Statements (FMPS) and serves as a policy document, articulating the City's financial strategy and commitment to responsible stewardship on behalf of our residents and stakeholders.

Sugar Land's tradition of conservative and resilient financial leadership provides a strong foundation to navigate economic uncertainty while pursuing strategic opportunities. The FY26 budget continues this legacy by investing in high-value priorities and services that benefit our community today and in the future. These include public safety, redevelopment, data-driven decision-making, and maintaining a strong workforce.

To ensure Sugar Land remains a vibrant and thriving community, we have defined a forward-looking vision for success:

- Sugar Land is a leader in financial management, providing our taxpayers with exceptional value, confidence, and transparency. Our focus is on resiliency and adaptability, innovation, efficiency, and a superior bond rating.
- Sugar Land is a safe community that enhances the quality of life for residents and visitors.
- Sugar Land is focused on reinvigorating our entrepreneurial spirit to keep us moving forward. We recognize that the future starts now and are committed to engaging the community to reimagine our city.
- Sugar Land delivers a broad range of destination venues, facilities, and businesses that offer entertainment and activities for residents and visitors.
- Sugar Land builds relationships within our community through engagement efforts.
- Sugar Land continues to maintain and develop comprehensive, sustainable, and resilient infrastructure that adapts to a dynamic environment.
- Sugar Land takes a multifaceted approach by innovating mobility to connect people, places, and the future through sustained investment, regional partnerships, engagement, and technology.
- Sugar Land is respected for having strong relationships with our community and at all levels of government because we are transparent and deliver on our public commitments.

The FY26 budget provides leadership in conservative, resilient, and responsible stewardship through strategic investment in priority areas. We must seek to stay relevant and preserve the quality of life in Sugar Land for our residents. The proposed budget provides for future success, ensures continued financial and operational stability, and is structurally balanced and sustainable into the future. Our goal is to balance investment in both maintenance and operations and capital funding to increase our resiliency in FY26 and into the future.

## **FY25 Accomplishments**

FY25 focused on carrying out our Trailblazing vision of creating a life better than our employees, residents, and businesses can even imagine. Our priorities included continued investment in our workforce, public safety, and infrastructure. In January, the Strategic Action Plan was adopted. This identified five All-In Initiatives—key strategic focus areas designed to drive meaningful and measurable results that shape Sugar Land’s future. These initiatives represent cross-departmental priorities that build on community input and the Council’s vision for a thriving city:

- 1. Stimulating Economic Growth**

This initiative supports intentional and sustainable growth, aligned with evolving community needs and the long-term vitality of the City.

- 2. Enhancing the Suburban Community**

We are focused on maintaining and evolving Sugar Land’s identity as a premier suburban community by ensuring access to high-quality housing, diverse recreational opportunities, and an inclusive environment.

- 3. Boosting Community Reputation**

We aim to strengthen Sugar Land’s image through bold initiatives and innovation that showcase our city as a premier destination for residents, businesses, and visitors.

- 4. Fostering Sensitive Redevelopment**

This initiative targets reinvestment in aging areas, encouraging redevelopment that aligns with community expectations, market demands, and long-term sustainability.

- 5. Encouraging Community Engagement**

We are deepening engagement with residents, staff, Council, and stakeholders to build trust, transparency, and shared ownership in shaping the City's future.

## ***Redevelopment***

The City made significant progress in advancing its top redevelopment priorities—Imperial and Lake Pointe. After exploring various redevelopment strategies over the years, Sugar Land took a bold, trailblazing step by purchasing the Imperial Char House and the surrounding historic district, securing control of this iconic site to ensure a transformative, community-aligned redevelopment effort.

In parallel, City Council approved a suite of redevelopment incentives and adopted the Lake Pointe Green Redevelopment Plan, setting the stage for reinvestment in this key mixed-use district. Another major accomplishment in promoting reinvestment is the continued success of the Great Homes Program. Now in its third year, the program has seen a dramatic increase in the private-to-public investment ratio, reaching 8 to 1, reflecting strong community buy-in and sustained impact.

Sugar Land Town Square (SLTS), the city’s first public-private partnership and a cornerstone of Sugar Land’s economic and cultural identity, is undergoing a significant revitalization to address aging infrastructure, increased competition in the commercial real estate market, and evolving post-COVID tenant expectations. As Sugar Land’s most prominent mixed-use development, SLTS has played a vital role in regional economic development, tourism, and placemaking. However, like many maturing developments, it now faces growing pressure to modernize and remain competitive.

In response, the Sugar Land 4B Corporation and the Sugar Land Development Corporation have approved three performance agreements totaling up to \$12.5 million over the next five years. These reimbursement incentives will support critical upgrades, including modernization of two office buildings, improvements to garden and streetscape areas, and enhancements to office tenant spaces. This public investment complements a \$42 million capital reinvestment strategy led by SLTS ownership, which focuses on infrastructure upgrades and tenant improvements designed to bolster the development's long-term competitiveness and appeal.

### ***Efficiencies***

With the tremendous step forward for our employees through the adoption of the new Compensation Plan last year, the organization remains committed to delivering high-quality service in a financially sustainable way. This year, staff conducted a thorough evaluation of internal operations and made strategic, data-driven decisions to improve efficiency and resource allocation.

As a result, the City identified and implemented the following key changes:

- Eliminated 16 vacant, budgeted full-time positions, including six at the Assistant Director level or higher.
- Reclassified or shifted the funding source for four additional positions.

These personnel adjustments total approximately \$2.1 million in savings.

In addition, the City identified over \$2.6 million in targeted reductions and efficiency measures across more than 60 initiatives in the FY26 budget. These efforts were informed by cost recovery reviews, contract evaluations, and strategic reprioritization and span multiple departments and functions. Key highlights include:

- **Technology & Software Savings:** Reduced or eliminated multiple software subscriptions and maintenance contracts.
- **Operations & Infrastructure:** Shifted rehabilitation projects to capital funding supported by the 2024 bond and reallocated some maintenance costs to alternative sources.
- **Parks & Recreation Adjustments:** Eliminated the Day Camp program, reduced pool hours based on usage data, and scaled back landscaping and event programming.
- **Partnering for Events:** Collaborated with outside partners for events such as Red, White, and Boom, significantly reducing City expenditures.
- **Administrative Efficiencies:** Reduced non-essential costs including office supplies, memberships, and professional service contracts.

While significant progress was made this year, this work is ongoing. Staff will continue to pursue operational efficiencies to ensure the City delivers exceptional service in a fiscally responsible manner.

### ***Economic Development***

AOI Expansion Incentive - Applied Optoelectronics, Inc. (AOI), a leading manufacturer of fiber-optic networking products, is expanding its operations at its Sugar Land headquarters. The company plans to invest significantly in facility improvements and equipment to support increased production capacity and R&D capabilities.

This expansion is projected to have a capital investment of \$77M and also create 500 new high-quality jobs over the next several years. The Sugar Land Development Corporation approved a \$2 million performance-based incentive funded through Type A sales tax revenues. This incentive supports capital investment and job creation benchmarks that align with the City's economic development goals, particularly in strengthening the advanced manufacturing and technology sectors. This project is expected to generate long-term economic benefits including increased commercial tax base, workforce development opportunities, and regional competitiveness in the high-tech industry.

Plug and Play Innovation Hub - In November 2024, the Sugar Land Development Corporation approved a \$4.5 million, three-year agreement to bring Plug and Play's first Texas-based incubator to Sugar Land Town Square. Since its launch in March 2025, the innovation hub has established itself as a catalyst for smart city technologies, hosting two startup cohorts annually with a focus on energy, mobility, and health.

The first cohort, launched in April 2025, featured startups developing autonomous aviation, grid resiliency tech, acoustic drone deterrents, AI-driven manufacturing, and cybersecurity solutions.

Beyond business acceleration, the initiative strengthens Sugar Land's innovation ecosystem by creating connections with local institutions like UH-Sugar Land and positioning the city as a forward-thinking hub for technology-driven growth. The incubator supports Sugar Land's broader efforts to modernize Town Square and attract high-impact investment.

### ***Tourism***

Visit Sugar Land continues to expand its reach and impact through targeted marketing and strategic events. Over the past year, Instagram followers grew from 17,852 to 24,382—a 36.6% increase, reflecting strong digital engagement. In FY24, the City generated nearly \$3 million in Hotel Occupancy Tax (HOT) revenue, with over 22% reinvested into marketing and brand-building initiatives to attract visitors and increase overnight stays.

Visit Sugar Land maintains a robust digital presence, with more than 38,000 social media followers and 30,000 to 40,000 monthly website visitors—aided by the launch of a new website. These efforts highlight city venues, promote local businesses, and position Sugar Land as a premier destination. In 2025, key events such as Sugar Land Jazz Fest and Sweet Beats generated a combined \$464,000 in local economic impact, further reinforcing the value of tourism in supporting the local economy.

### ***Economic and Legislative Impacts***

During FY25, the City has experienced strong performance in sales tax revenues, with collections through July 10.56% above budget and 11.05% higher than the prior year. Staff continue to closely monitor the impact of inflation and other economic factors on this key revenue source.

Tax year 2025 is the fifth year of implementation of Senate Bill 2 from the 86<sup>th</sup> legislative session. This bill set limitations of 3.5% growth in operations and maintenance revenue from property taxes with mandatory elections if this rate is exceeded. Fortunately, there were no significant impacts to the City's property tax revenues in the 90<sup>th</sup> legislative session; however, the legislature continues to be a threat to the ability for this revenue by identifying efforts to increase the amount of homestead exemptions.

## **FY26 Expenditure Highlights**

### ***Employee Compensation & Benefits***

As a personnel-driven public safety and service provider, the City's budget is primarily driven by staffing costs—with approximately 76% of General Fund expenditures allocated to employee compensation and benefits. The FY26 proposed budget includes a step increase for Public Safety, a merit pool equal to 3% of budgeted salaries for Non-Public Safety, along with funding to implement a 3.5% market adjustment to the pay structure. These investments are essential to ensure the City remains competitive in attracting and retaining top talent while continuing to deliver high-quality services to the community.

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 2026 is 15.57%, a slight increase from the 2025 contribution rate of 15.21%. 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 91% of the city's pension obligation better than the industry benchmark of 80%. The city's participation in the TMRS system provides a financially sound pension for employees.

### ***Public Safety***

To maintain our standing as one of the safest cities in the nation, the City continues to make strategic investments in public safety. The FY26 budget includes new ongoing funding for the operations and maintenance of the so to be opened Public Safety Training Facility, ensuring our first responders have access to modern, high-quality training resources.

Also included as approved mid-year FY25, is funding for the lease of new cardiac monitors, enabling the City to maintain regularly updated, life-saving equipment. Additionally, a notable enhancement in the FY26 budget is the inclusion of ongoing funding to send three firefighters annually to paramedic training. By budgeting this as a recurring expense, the Fire Department gains flexibility in recruitment while strengthening its ability to provide highly trained, advanced life support personnel for the community.

### ***Redevelopment***

Redevelopment remains not only one of the City's top priorities but also one of our core All-In Initiatives outlined in the Strategic Action Plan. As such, we continue to invest in opportunities that support revitalization and long-term sustainability. The FY26 budget includes the remaining \$2.65 million for the Lake Pointe incentive, advancing the implementation of the Lake Pointe Green Redevelopment Plan. Additionally, funding has been included as an ongoing expense for both the Great Homes Program and the Great Home Design Program, reinforcing the City's commitment to fostering reinvestment at both the neighborhood and corridor levels.

### ***Data & Infrastructure***

As the City continues to strengthen its use of data in decision-making, it also recognizes the need to invest in a reliable, secure, and modern communications infrastructure. With fiber being deployed across the region, the City now has a strategic opportunity to connect all critical assets—including facilities, traffic cabinets, water utilities, and other technology infrastructure—through a high-speed fiber network. Currently, the City's communications infrastructure is not sufficient to support the anticipated growth in cloud-based services and solutions.

To address this, the FY26 budget includes a one-time investment of \$250,000 to support fiber connectivity to essential sites. Additionally, the budget includes funding for a three-year contract for cybersecurity backup and recovery services. In the event of a data breach or system disruption, this solution will enable rapid data recovery and minimize potential data loss, helping to protect City operations and resident information.

The Five-Year CIP totals \$766 million, with \$183 million in projects funded in FY26. The proposed Five-Year CIP includes the voter approved \$350 Million dollar GO bond package, that consisted of five propositions. Projects have been assigned timing based on funding availability, inflation, and other factors in the Five-Year CIP. 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.

## **FY26 Revenues Highlights**

### ***Property Taxes***

The FY26 budget is funded by revenues based on a preliminary 2026 tax roll of \$21.3 billion. The city's tax rate continues to be one of the lowest in the state for cities over 60,000. The proposed tax rate will be determined once the certified tax roll is received and the truth in taxation calculations are completed.

### ***Sales Tax***

In accordance FMPS, the FY26 budget, sales tax revenue is conservatively forecasted to be 76.1 million using April 2025 Consumer Price Index (CPI) of 1.2%. The forecast reflects an analytical approach and limits recurring operating expenditures to no more than 50% of projected sales tax revenues, ensuring continued financial resiliency.

### ***Fee and Rate Changes***

The 2026 recommended increase for utility rates will result in an approximate 3% increase per month for residential customers. This new rate allows the utility system to keep up with the cost of inflation to avoid large increases in the future.

The City contracts solid waste service and provides twice-weekly automated trash collection and weekly automated recycling. Residents currently pay \$21.88 per month for this service. The January 2026 rate will increase 5%. An additional \$1 will be charged per month per customer to prepare for emergency debris recovery this will make the monthly rate be \$23.97.

As part of the City's ongoing efficiency efforts, departments evaluated whether current fees adequately cover the cost of services. The Parks and Recreation Department, in coordination with a consultant, conducted a comprehensive review of its user fees and recommended several adjustments to better align with the City's cost recovery goals. For all other user fees, the standard process was used. Fee and rate adjustments will take effect on January 1, 2026.

## **Capital Projects**

### ***General Capital Projects***

On November 5, 2024, Sugar Land voters approved five general obligation bond propositions totaling \$350 million. These projects are expected to be completed or under construction in the next five to seven years. These

investments will strengthen public safety, reconstruct streets, repair sidewalks, enhance mobility, improve drainage systems, rehabilitate and modernize municipal facilities, and build a new animal shelter.

Those five propositions included:

- A: \$144.5 million for Public Safety
- B: \$118 million for Streets, Sidewalks & Mobility
- C: \$35 million for Drainage
- D: \$40.5 million for Municipal Facilities
- E: \$12 million for the Animal Shelter

GO bond projects funded in FY26 total \$74.4 million and include major projects like:

- \$16.5 million for the Animal Shelter
- \$29.2 million for the Public Safety Training Facility
- \$13.6 million in Drainage Modifications
- \$4.0 million in Rehabilitation & Modernization of Public Facilities
- \$3.25 million rehabilitation for Public Safety Facilities

Additional funding sources for general CIP projects totaling \$4.40 million are the Sugar Land Development Corporation and Sugar Land 4B Corporation.

### ***Enterprise Funds Capital Projects***

Although the 60% groundwater reduction mandate has been delayed until 2027, projects identified in the Integrated Water Resource Plan adopted in 2017 are reflected in CIP, with planned infrastructure investment needed to meet these requirements and maintain the utility infrastructure. Additionally, a new water treatment plant and wastewater treatment plant to serve the development south of the Brazos River are reflected in the CIP.

Utility projects total \$56.3 million in FY26, with \$17.1 million in water, \$36.6 million in wastewater and \$2.7 million in surface water projects. Airport projects include major projects like the Runway Rehabilitation at \$37.4 million and \$3 million for the construction of the New Fuel Farm. Total Airport projects include \$43.1 million in FY26.

## Financial Summary

With a focus on the key priority areas, including public safety, redevelopment, data-based decision making and our championship workforce, the proposed FY26 budget totals \$519.8 million. Of the total, \$335.9 million is for operating funds and issuance costs, and \$183.8 million is for capital projects.

<b>Fund</b>	<b>FY26 Proposed Budget</b>
General Fund	\$ 137,434,757
Debt Service Funds	48,809,634
Enterprise Funds	110,422,872
Economic Development Corporations	14,910,986
Other Funds	24,372,381
<b>Total Operating Funds</b>	<b>\$ 335,950,630</b>
Capital Projects	183,888,750
<b>Total FY25 Proposed Budget</b>	<b>\$ 519,839,380</b>

I encourage you to read further into the information describing the FY26 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 recommended five-year CIP and employee compensation plans. Further explanation and discussion of FY26 budgetary changes are included with each fund summary.

The Five-Year Capital Improvement Program (CIP) is available through a dedicated interactive website, which provides project-specific details for each initiative planned within the five-year horizon or continuing into FY26 with prior-year funding. Projects are funded on a project-length basis, which may not always align with the City's fiscal year, making the website a valuable tool for tracking progress and updates.

Sugar Land's continued success is built on bold vision, dedicated employees, and a City Council committed to excellence. Together, we are laying the foundation for an even brighter future.

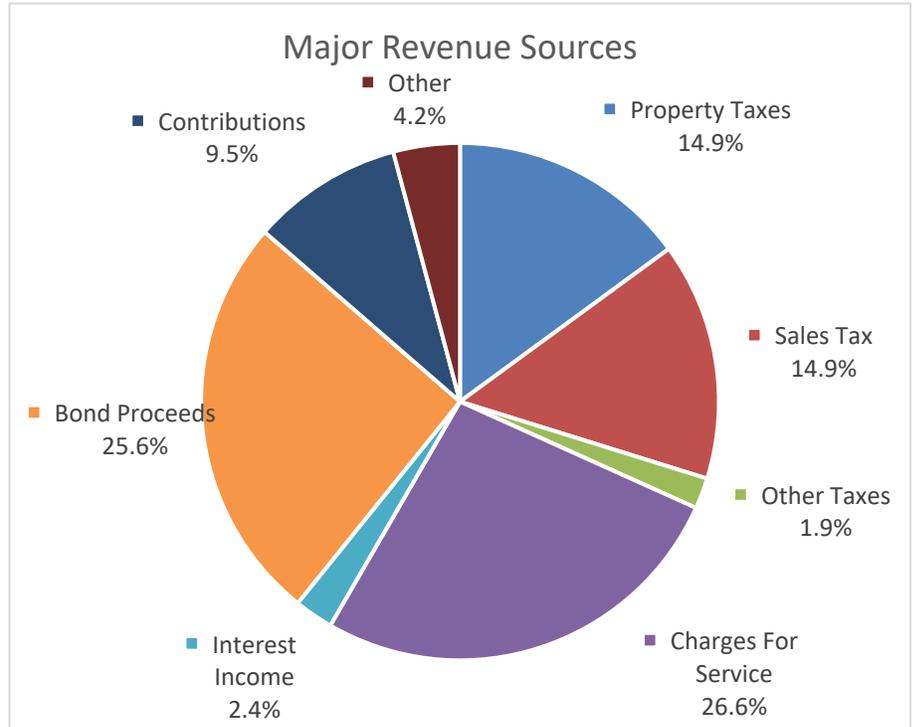
Respectfully,



Michael W. Goodrum  
City Manager

## Major Revenue Sources

Major revenue sources for the City total \$528 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 96% of total revenues for the City. Other revenues include licenses and permits, fines and forfeitures, interest income, contributions and intergovernmental. The chart to the right illustrates the breakdown of the revenue sources.



## Property Tax

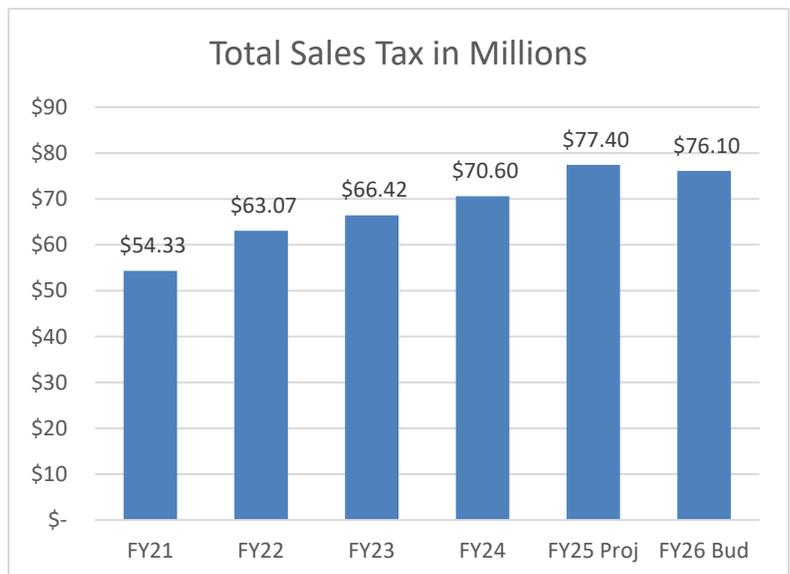
Revenues from ad valorem or property taxes represent 14.6% of overall

revenues at \$76.1 million. The exact tax rate allocation will be determined once the City receives the Certified Tax Roll and completes the Truth in Taxation calculations. The City maintained the homestead exemption at 15% for the 2025 tax year. Changes from the 86th legislative session limit increases in the operating component of the tax rate to 3.5% compared to the prior year and require voter approval of a tax rate that exceeds the calculated voter approval tax rate.

## Sales Tax

Sales tax revenue, estimated at \$76.1 million, represents 14.5% 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 are forecasted to not include one-time revenues. FY25 projections are based on year-to-date actual revenues, including one-time revenues. Total budgeted sales tax for FY26 is \$76.1 million and is based on the FY25 recurring actuals grown by CPI, which follows the revised FMPS direction. The chart



illustrates the historical trend of sales tax collections in the City.

### **Other Taxes**

Other Taxes represent 1.9% of City revenues at \$9.9 million and are comprised of franchise and hotel occupancy taxes. 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 ranges from 2% to 5%. Hotel occupancy taxes are anticipated to total \$2.9 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 25.9% of total revenues at \$136.2 million and include fees for services in the General, Utilities, Airport, Solid Waste, and Stormwater Compliance Fee Funds.

#### ***General Fund Charges for Services***

Charges for services in the General Fund total \$7.6 million and are primarily derived from fees for services for emergency medical transport, fire protection in the City's extraterritorial jurisdiction, parks and recreation activities and rentals, and administrative fees.

EMS fees total \$4.2 million and represent 55.9% of charges for services in this fund. 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. EMS fees are set by Ordinance.

Fire protection fees total \$1.76 million and represent 23.2% of charges for services revenues in the General Fund. 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 set by ordinance each September.

Parks & Recreation fees total \$0.82 million and represent 11% 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 \$0.77 million and represent the remaining 10% of charges for services. This includes false alarm charges, animal adoption, sale of property, and a portion of the festival site rental (previously recorded in the Special Events Fund). Except for administrative fees, charges for services are budgeted based on historic collections, with growth factors included where appropriate.

#### ***Utility System Charges for Services***

Utility charges for services are anticipated to generate \$49 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. The City also charges non-city utility customers for participation in the Groundwater Reduction Plan (GRP). The FY26 Budget anticipates an increase of approximately 3% to a residential customer's bill for water and wastewater services based on recommended rates beginning in January 2025 and 10,000-gallons usage.

### ***Airport Charges for Services***

Charges for services at the Airport are anticipated to total \$39 million. Budgeted fuel sales of \$35 million represent estimated fuel sales of 4,265,384 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 \$11 million. The City contracts solid waste service and provides twice-weekly automated trash collection and weekly automated recycling. Residents currently pay \$21.88 per month for this service. The January 2026 rate will increase 5%. An additional \$1 will be charged per month per customer to prepare for emergency debris recovery this will make the monthly rate be \$23.97. The budget anticipates 35,125 households served during the fiscal year.

### ***Stormwater Compliance Charges for Services***

Stormwater Compliance Fees are anticipated to total is \$2.01 million. Stormwater fees are paid by property owners to cover the costs of floodplain management, street sweeping, increased water quality, erosion control, and system maintenance.

### **Bond Proceeds**

Bond proceeds total \$131.1 million. The proceeds will be used to fund FY26 capital projects and will be from voter authorized GO bonds, Certificates of Obligation (property tax supported) and utility revenue bonds.

### **Contributions**

Contributions total \$48.4 million and include \$27.4 million in grant revenues to support the runway rehabilitation project, \$15.4 million in employee and city premium payments into the employee benefits fund and various contributions from TWDB, HGAC grant, Fort Bend County and donations totaling \$4.9 million.

### **Interest Income**

Interest income across all funds is estimated at \$12.4 million based on current interest rates. This accounts for 2.4% of all revenue sources.

### **Other Revenues**

Other revenues represent the remaining 4.1% of total revenues at \$21.3 million. Miscellaneous revenues include licenses and permits, fines and forfeitures, reimbursements, and intergovernmental revenues.

## Expenditures by Type

The FY25 budget totals \$519 million (excluding inter-fund transfers). The chart at the right illustrates expenditures by type.

**General Government** expenditures represent 8.2% of overall expenditures at \$42.6 million. General Government expenditures are for administrative functions, including functions like City Management, Finance, City Secretary, City Attorney, People & Culture, Information Technology, Economic Development, and Tourism.

**Community Services** expenditures represent 9.2% of total expenditures at \$47.6 million. Community Services expenditures include Parks, Public Works, 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 12.1% of total expenditures at \$62.9 million and include the Police and Fire-EMS departments and Public Safety Dispatch.

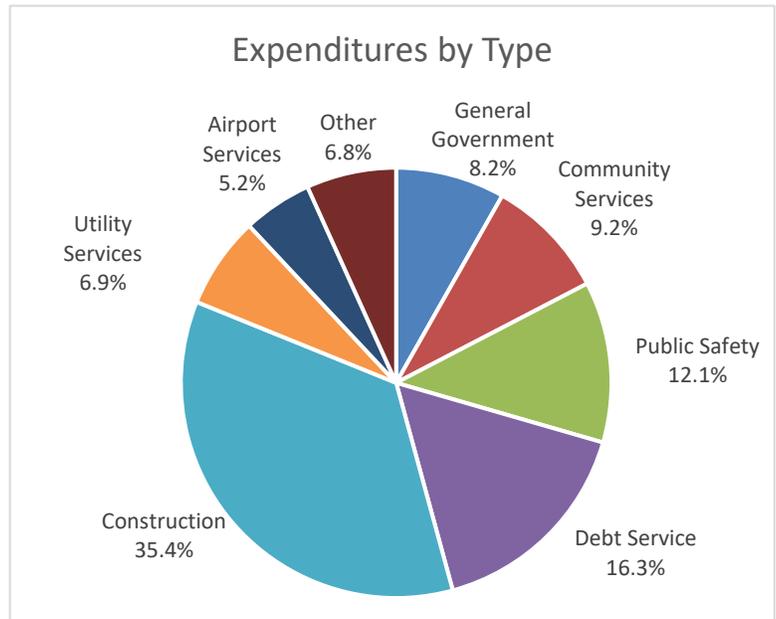
**Debt Service** represents 16% of total expenditures at \$84.7 million and includes principal and interest payments on debt issued through bonds, lease purchases, and other instruments. The City, through debt issued directly and debt assumed from MUDs, has current issues including Property Tax-backed, 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 35.4% of total expenditures at \$183.9 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 and debt. Project types include airport, parks, streets, traffic, municipal, water, surface water and wastewater.

**Utility Services** represent 6.9% of total expenditures at \$35.8 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 5.2% of total expenditures at \$27.1 million. The fixed based operator at the airport is Global Select, which provides fuel and aviation customer services.

**Other** expenditures represent 6.8% of expenditures at \$35.1 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

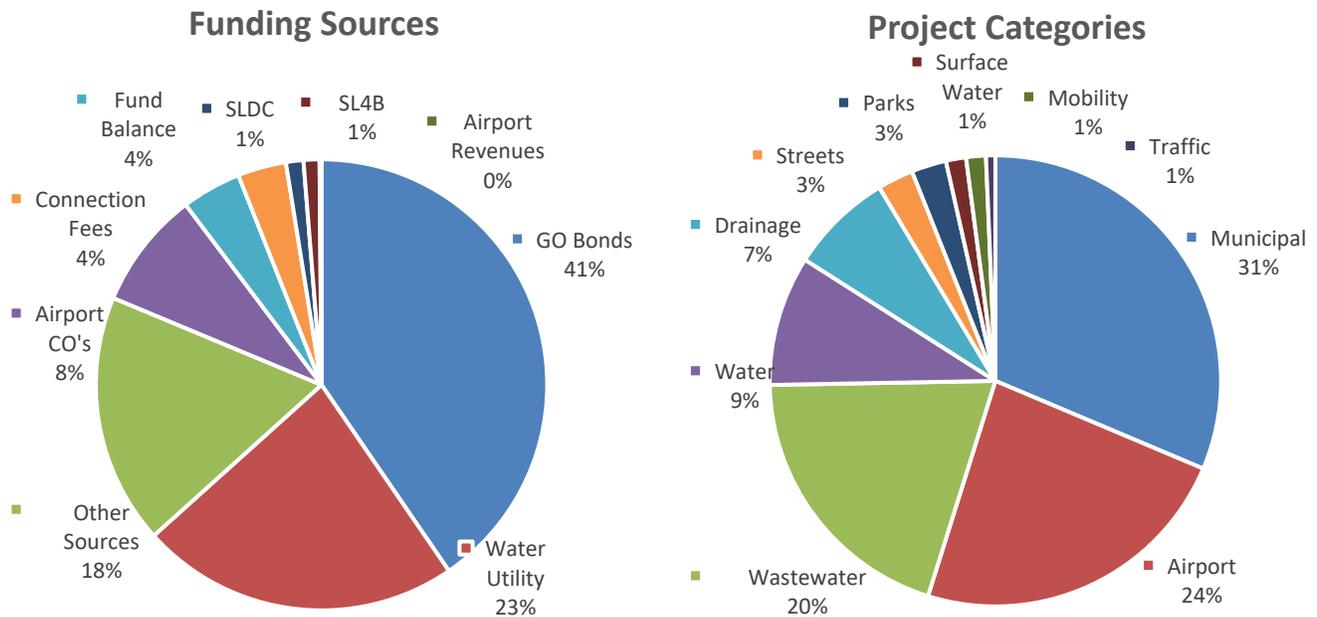
The budget in the Debt Service Funds, excluding inter-fund transfers, totals \$48.8 million. Expenditures include \$45.8 million in debt service payments and fiscal fees. The budget also includes \$2.95 million in property tax rebates to in-city MUDs. The ending fund balance of \$10.1 million is above the policy requirement of 10% of debt service requirements.

### General Fund

The General Fund budget, excluding inter-fund transfers, totals \$137.4 million. The anticipated FY26 ending fund balance in the General Fund is \$43.7 million, which is higher than the policy requirement of three months of recurring operating expenditures.

### Capital Improvement Program

The 2026-2030 capital improvement program totals \$766 million. Of this total, \$183.9 million are funded in the FY26 budget. The following charts illustrate the distribution of budget allocations by both project category and the sources funding them.



### Utility System Fund

The Water Utility Fund budget totals \$69 million, excluding CIP projects and inter-fund transfers. An increase in cash equivalents of \$6 million is anticipated for the fiscal year. The FY26 budgeted ending cash equivalent totals \$35 million and exceeds the 25% cash operating reserve requirement.

### Airport Fund

The Airport Fund budget totals \$29 million, excluding CIP projects and inter-fund transfers. The fund anticipates an increase in cash equivalents of \$9 million. The FY26 budgeted ending balance of \$20 million is above the policy requirement of 25% of operating expenditures.

## **Solid Waste Fund**

The Solid Waste Fund operating budget totals \$10 million, which 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 \$2.5 million, which is above the minimum fund balance policy of 5% of total expenditures.

## **Stormwater Compliance Fee Fund**

The Stormwater Compliance operating budget totals \$2 million and consists of the Stormwater Management and Drainage Maintenance programs. This fund is intended to be a self-sustaining enterprise fund, funded by the stormwater compliance fee revenues.

## **Sugar Land Development Corporation**

The FY26 budget for SLDC totals \$9.3 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 \$2.97 million for outstanding debt issues. The FY26 budgeted ending balance of \$14.9 million is over the policy requirement of 15% of budgeted sales tax collections.

## **Sugar Land 4B Corporation**

The FY26 budget for SL4B totals \$5.7 million, excluding inter-fund transfers. The budget includes operating expenditures for the Economic Development program and staffing and contractual services with the City for support services. Debt service payments are budgeted at \$1.7 million for outstanding bonds. The FY26 budgeted ending balance of \$12.5 million is over the policy requirement of 15% of budgeted sales tax collections.

## **Tourism Fund**

Expenditures in the Tourism Fund total \$2.3 million, excluding inter-fund transfers. The budget includes operating expenditures for the Tourism and Destination Services programs. The FY26 budgeted ending balance of \$5.2 million 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 increasing from 15.21% in 2025 to 15.57% in 2026 (effective January 1, 2026).

The FY26 proposed budget includes a step increase for Public Safety, a merit pool equal to 3% of budgeted salaries for Non-Public Safety, along with funding to implement a 3.5% market adjustment to the pay structure.

The City does not provide cost of living increases, so merit increases, and step advancements 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. Benefits costs are anticipated to increase approximately 4.4% in 2025.

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**

	<b>FY24 Actuals</b>	<b>FY25 Adjusted Budget</b>	<b>FY25 Projections</b>	<b>FY26 Proposed Budget</b>
<b>REVENUES:</b>				
Property Taxes	\$ 67,189,935	\$ 73,202,610	\$ 71,846,334	\$ 76,502,878
Sales Tax	70,636,853	70,106,346	77,431,353	76,115,155
Other Taxes	9,433,256	9,450,981	9,864,390	9,882,347
Licenses & Permits	3,881,167	3,919,000	3,919,000	4,495,453
Charges For Service	110,749,728	119,991,580	116,872,646	136,237,955
Fines & Forfeitures	1,250,414	1,279,740	1,212,910	1,248,750
Interest Income	22,387,238	6,311,032	8,542,536	12,440,504
Intergovernmental	9,917,347	8,594,084	2,670,042	1,371,216
Miscellaneous	11,669,708	22,185,779	22,658,564	14,165,913
Bond Proceeds	23,324,760	143,121,685	94,623,263	131,061,118
Contributions	14,055,105	14,061,053	14,810,612	48,430,763
<b>Total Revenues</b>	<b>344,495,512</b>	<b>472,223,891</b>	<b>424,451,650</b>	<b>511,952,052</b>
Transfers From Other Funds	47,816,769	94,854,495	93,487,645	92,511,146
<b>Total Available Resources</b>	<b>392,312,281</b>	<b>567,078,386</b>	<b>517,939,295</b>	<b>604,463,198</b>
<b>EXPENDITURES:</b>				
General Government	29,184,613	35,972,622	35,879,954	36,303,821
Finance	5,734,388	6,274,013	6,223,555	6,339,520
Public Works	13,424,119	12,133,446	12,133,446	11,171,186
Parks & Recreation	6,864,166	7,615,066	7,245,263	7,190,802
Community Development	6,846,592	8,198,178	7,983,385	7,524,826
Environmental & Neighborhood Services	20,129,245	21,888,797	21,082,433	21,746,340
Police Department	31,696,088	36,852,465	35,893,547	37,418,939
Fire Department	22,841,803	26,881,405	26,210,069	25,519,977
Debt Service	45,738,390	71,944,237	68,742,063	84,672,594
Other	8,863,730	17,866,500	17,854,884	13,758,453
Construction	46,037,343	387,220,939	304,209,329	183,888,750
Utility Services	39,934,638	42,160,825	41,973,152	35,846,094
Airport Services	18,923,209	24,552,526	19,251,121	27,085,211
Insurance Coverage	14,223,996	15,158,835	15,351,525	16,495,867
Equipment Replacement	3,820,879	4,339,326	4,393,372	1,925,988
Rebates & Assignments	2,071,046	2,375,578	2,375,578	2,951,012
<b>Total Expenditures</b>	<b>316,334,246</b>	<b>721,434,760</b>	<b>626,802,677</b>	<b>519,839,380</b>
Transfers To Other Funds	49,100,092	94,679,745	93,046,613	92,511,148
<b>Total Expenditures &amp; Transfers</b>	<b>\$ 365,434,338</b>	<b>\$ 816,114,506</b>	<b>\$ 719,849,290</b>	<b>\$ 612,350,529</b>

**FISCAL YEAR 2026  
PROPOSED BUDGET**

**REVENUES**

Category Description	Governmental Funds		
	General Fund	Debt Service Fund	Capital Projects
Property Taxes	\$ 44,673,535	\$ 31,829,343	-
Sales Tax	57,086,367	-	-
Other Taxes	6,850,477	-	-
Licenses & Permits	4,495,453	-	-
Charges For Service	7,583,353	-	-
Fines & Forfeitures	1,210,000	-	-
Interest Income	1,944,000	418,100	6,052,000
Intergovernmental	1,271,216	-	-
Miscellaneous	1,380,075	2,524,934	-
Bond Proceeds	-	-	74,375,000
Contributions	-	-	5,625,000
<b>Total Revenue</b>	<b>126,494,476</b>	<b>34,772,377</b>	<b>86,052,000</b>
Transfers From Other Funds	10,407,228	7,621,216	4,400,000
<b>Total Available Resources</b>	<b>136,901,704</b>	<b>42,393,593</b>	<b>90,452,000</b>

**EXPENDITURES**

General Government	27,093,893	-	-
Finance	6,250,509	-	-
Public Works	11,171,186	-	-
Parks & Recreation	7,190,802	-	-
Community Development	7,524,826	-	-
Environmental & Neighborhood Services	9,480,112	-	-
Police Department	35,792,623	-	-
Fire Department	25,519,977	-	-
Debt Service	-	45,807,797	-
Other	7,410,829	50,825	-
Construction	-	-	84,400,000
Utility Services	-	-	-
Airport Services	-	-	-
Insurance Coverage	-	-	-
Equipment Replacement	-	-	-
Rebates & Assignments	-	2,951,012	-
<b>Total Expenditures</b>	<b>137,434,757</b>	<b>48,809,634</b>	<b>84,400,000</b>
Transfers To Other Funds	3,271,579	273,931	-
<b>Total Expenditures &amp; Transfers</b>	<b>140,706,336</b>	<b>49,083,565</b>	<b>84,400,000</b>
Revenue Over (Under) Expenditures	(3,804,632)	(6,689,973)	6,052,000
<b>BEGINNING BALANCE</b>	<b>\$ 47,465,170</b>	<b>\$ 16,796,667</b>	<b>\$ 150,901,609</b>
Reserved for Debt Service	-	-	-
Reserved for Self Insurance	-	-	-
Reserved for Capital Repairs	-	-	(3,170,894)
<b>END BUDGET BALANCE</b>	<b>\$ 43,660,538</b>	<b>\$ 10,106,694</b>	<b>\$ 153,782,715</b>

**FISCAL YEAR 2026  
PROPOSED BUDGET**

**REVENUES**

Category Description	Enterprise Funds			
	Utility System Fund & CIP	Airport Fund & CIP	Solid Waste	Stormwater Compliance Fee
Property Taxes	-	-	-	-
Sales Tax	-	-	-	-
Other Taxes	-	-	-	-
Licenses & Permits	-	-	-	-
Charges For Service	76,025,889	37,640,570	11,038,061	2,011,877
Fines & Forfeitures	-	-	-	-
Interest Income	1,073,467	505,026	62,000	42,000
Intergovernmental	-	100,000	-	-
Miscellaneous	451,950	902,700	6,312,182	-
Bond Proceeds	41,186,118	15,500,000	-	-
Contributions	-	27,397,000	-	-
<b>Total Revenue</b>	<b>118,737,424</b>	<b>82,045,296</b>	<b>17,412,243</b>	<b>2,053,877</b>
Transfers From Other Funds	50,044,848	16,330,906	-	-
<b>Total Available Resources</b>	<b>168,782,272</b>	<b>98,376,202</b>	<b>17,412,243</b>	<b>2,053,877</b>

**EXPENDITURES**

General Government	-	-	-	-
Finance	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Community Development	-	-	-	-
Environmental & Neighborhood Services	-	-	10,120,445	2,089,784
Police Department	-	-	-	-
Fire Department	-	-	-	-
Debt Service	32,519,859	1,636,119	-	-
Other	832,337	223,024	70,000	-
Construction	56,341,750	43,147,000	-	-
Utility Services	35,846,094	-	-	-
Airport Services	-	27,085,211	-	-
Insurance Coverage	-	-	-	-
Equipment Replacement	-	-	-	-
Rebates & Assignments	-	-	-	-
<b>Total Expenditures</b>	<b>125,540,040</b>	<b>72,091,354</b>	<b>10,190,445</b>	<b>2,089,784</b>
Transfers To Other Funds	51,172,112	16,950,857	6,757,603	-
<b>Total Expenditures &amp; Transfers</b>	<b>176,712,152</b>	<b>89,042,211</b>	<b>16,948,048</b>	<b>2,089,784</b>
Revenue Over (Under) Expenditures	(7,929,880)	9,333,991	464,195	(35,907)
<b>BEGINNING BALANCE</b>	<b>\$ 138,498,758</b>	<b>\$ 16,858,147</b>	<b>\$ 2,025,765</b>	<b>\$ 775,332</b>
Reserved for Debt Service	(14,134,754)	(3,160,700)	-	-
Reserved for Self Insurance	-	-	-	-
Reserved for Capital Repairs	-	-	-	-
<b>END BUDGET BALANCE</b>	<b>\$ 116,434,124</b>	<b>\$ 23,031,438</b>	<b>\$ 2,489,960</b>	<b>\$ 739,425</b>

**FISCAL YEAR 2026  
PROPOSED BUDGET**

**REVENUES**

Category Description	Internal Service Funds			
	Employee Benefits	Fleet Replacement	Hi-Tech Replacement	Enclave at River Park PID
Property Taxes	-	-	-	-
Sales Tax	-	-	-	-
Other Taxes	-	-	-	-
Licenses & Permits	-	-	-	-
Charges For Service	-	-	-	-
Fines & Forfeitures	-	-	-	-
Interest Income	143,891	45,000	80,000	2,000
Intergovernmental	-	-	-	-
Miscellaneous	1,942,572	210,000	500	-
Bond Proceeds	-	-	-	-
Contributions	15,408,763	-	-	-
<b>Total Revenue</b>	<b>17,495,226</b>	<b>255,000</b>	<b>80,500</b>	<b>2,000</b>
Transfers From Other Funds	-	2,088,231	1,193,980	127,089
<b>Total Available Resources</b>	<b>17,495,226</b>	<b>2,343,231</b>	<b>1,274,480</b>	<b>129,089</b>

**EXPENDITURES**

General Government	-	-	-	-
Finance	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Community Development	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-
Police Department	-	-	-	-
Fire Department	-	-	-	-
Debt Service	-	-	-	-
Other	1,028,328	-	-	60
Construction	-	-	-	-
Utility Services	-	-	-	-
Airport Services	-	-	-	-
Insurance Coverage	16,495,867	-	-	-
Equipment Replacement	-	685,990	1,239,998	-
Rebates & Assignments	-	-	-	-
<b>Total Expenditures</b>	<b>17,524,195</b>	<b>685,990</b>	<b>1,239,998</b>	<b>60</b>
Transfers To Other Funds	-	-	-	128,819
<b>Total Expenditures &amp; Transfers</b>	<b>17,524,195</b>	<b>685,990</b>	<b>1,239,998</b>	<b>128,879</b>
Revenue Over (Under) Expenditures	(28,969)	1,657,241	34,482	210
<b>BEGINNING BALANCE</b>	<b>\$ 4,418,592</b>	<b>\$ 36,606</b>	<b>\$ 1,970,014</b>	<b>\$ 63,023</b>
Reserved for Debt Service	-	-	-	-
Reserved for Self Insurance	(2,712,175)	-	-	-
Reserved for Capital Repairs	-	-	-	-
<b>END BUDGET BALANCE</b>	<b>\$ 1,677,448</b>	<b>\$ 1,693,847</b>	<b>\$ 2,004,496</b>	<b>\$ 63,233</b>

**FISCAL YEAR 2026  
PROPOSED BUDGET**

**REVENUES**

Category Description	Park at Eldridge PID	Special Events	Tourism	Public Education Grant	Animal Shelter Donations
	Property Taxes	-	-	-	-
Sales Tax	-	-	-	-	-
Other Taxes	-	-	2,891,870	140,000	-
Licenses & Permits	-	-	-	-	-
Charges For Service	83,215	80,000	-	-	-
Fines & Forfeitures	-	-	-	-	-
Interest Income	7,140	40,000	100,000	4,000	10,000
Intergovernmental	-	-	-	-	-
Miscellaneous	-	400,000	21,000	-	20,000
Bond Proceeds	-	-	-	-	-
Contributions	-	-	-	-	-
<b>Total Revenue</b>	<b>90,355</b>	<b>520,000</b>	<b>3,012,870</b>	<b>144,000</b>	<b>30,000</b>
Transfers From Other Funds	12,649	-	-	-	-
<b>Total Available Resources</b>	<b>103,004</b>	<b>520,000</b>	<b>3,012,870</b>	<b>144,000</b>	<b>30,000</b>

**EXPENDITURES**

General Government	-	506,948	2,261,713	116,100	-
Finance	-	-	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-	56,000
Police Department	-	-	-	-	-
Fire Department	-	-	-	-	-
Debt Service	-	-	-	-	-
Other	50	-	-	-	-
Construction	-	-	-	-	-
Utility Services	-	-	-	-	-
Airport Services	-	-	-	-	-
Insurance Coverage	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Rebates & Assignments	-	-	-	-	-
<b>Total Expenditures</b>	<b>50</b>	<b>506,948</b>	<b>2,261,713</b>	<b>116,100</b>	<b>56,000</b>
Transfers To Other Funds	-	-	352,450	-	-
<b>Total Expenditures &amp; Transfers</b>	<b>50</b>	<b>506,948</b>	<b>2,614,163</b>	<b>116,100</b>	<b>56,000</b>
Revenue Over (Under) Expenditures	102,954	13,052	398,707	27,900	(26,000)
<b>BEGINNING BALANCE</b>	<b>\$ 85,559</b>	<b>\$ 1,112,859</b>	<b>\$ 4,830,346</b>	<b>\$ 17,446</b>	<b>\$ 216,824</b>
Reserved for Debt Service	-	-	-	-	-
Reserved for Self Insurance	-	-	-	-	-
Reserved for Capital Repairs	-	-	-	-	-
<b>END BUDGET BALANCE</b>	<b>\$ 188,513</b>	<b>\$ 1,125,911</b>	<b>\$ 5,229,053</b>	<b>\$ 45,346</b>	<b>\$ 190,824</b>

**FISCAL YEAR 2026  
PROPOSED BUDGET**

**REVENUES**

Category Description	Special Revenue Funds				
	American Recovery Plan	Contract Policing	Public Art Trust Fund	Opioid Settlement	Court Security
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Charges For Service	-	1,080,000	-	-	40,000
Fines & Forfeitures	-	-	-	-	-
Interest Income	-	10,500	10,000	-	4,500
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Contributions	-	-	-	-	-
<b>Total Revenue</b>	-	<b>1,090,500</b>	<b>10,000</b>	-	<b>44,500</b>
Transfers From Other Funds	-	-	285,000	-	-
<b>Total Available Resources</b>	-	<b>1,090,500</b>	<b>295,000</b>	-	<b>44,500</b>

**EXPENDITURES**

General Government	-	-	266,000	-	-
Finance	-	-	-	-	22,000
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-	-
Police Department	-	1,296,316	-	-	-
Fire Department	-	-	-	-	-
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
Construction	-	-	-	-	-
Utility Services	-	-	-	-	-
Airport Services	-	-	-	-	-
Insurance Coverage	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Rebates & Assignments	-	-	-	-	-
<b>Total Expenditures</b>	-	<b>1,296,316</b>	<b>266,000</b>	-	<b>22,000</b>
Transfers To Other Funds	-	-	-	-	-
<b>Total Expenditures &amp; Transfers</b>	-	<b>1,296,316</b>	<b>266,000</b>	-	<b>22,000</b>
Revenue Over (Under) Expenditures	-	(205,816)	29,000	-	22,500
<b>BEGINNING BALANCE</b>	\$ 958,406	\$ 427,792	\$ 803,682	\$ 0	\$ 91,387
Reserved for Debt Service	-	-	-	-	-
Reserved for Self Insurance	-	-	-	-	-
Reserved for Capital Repairs	-	-	-	-	-
<b>END BUDGET BALANCE</b>	\$ 958,406	\$ 221,977	\$ 832,682	\$ 0	\$ 113,887

**FISCAL YEAR 2026  
PROPOSED BUDGET**

**REVENUES**

Category Description					
	Court Tech	Truancy Prevention	Juror Fund	Law Enforcement	SPA Debt Reduction
Property Taxes	-	-	-	-	-
Sales Tax	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses & Permits	-	-	-	-	-
Charges For Service	32,000	-	-	-	622,990
Fines & Forfeitures	-	38,000	750	-	-
Interest Income	2,700	7,000	180	53,000	174,000
Intergovernmental	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Contributions	-	-	-	-	-
<b>Total Revenue</b>	<b>34,700</b>	<b>45,000</b>	<b>930</b>	<b>53,000</b>	<b>796,990</b>
Transfers From Other Funds	-	-	-	-	-
<b>Total Available Resources</b>	<b>34,700</b>	<b>45,000</b>	<b>930</b>	<b>53,000</b>	<b>796,990</b>

**EXPENDITURES**

General Government	-	-	-	-	-
Finance	19,700	47,311	-	-	-
Public Works	-	-	-	-	-
Parks & Recreation	-	-	-	-	-
Community Development	-	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-	-
Police Department	-	-	-	330,000	-
Fire Department	-	-	-	-	-
Debt Service	-	-	-	-	-
Other	-	-	-	-	-
Construction	-	-	-	-	-
Utility Services	-	-	-	-	-
Airport Services	-	-	-	-	-
Insurance Coverage	-	-	-	-	-
Equipment Replacement	-	-	-	-	-
Rebates & Assignments	-	-	-	-	-
<b>Total Expenditures</b>	<b>19,700</b>	<b>47,311</b>	<b>-</b>	<b>330,000</b>	<b>-</b>
Transfers To Other Funds	-	-	-	-	-
<b>Total Expenditures &amp; Transfers</b>	<b>19,700</b>	<b>47,311</b>	<b>-</b>	<b>330,000</b>	<b>-</b>
Revenue Over (Under) Expenditures	15,000	(2,311)	930	(277,000)	796,990
<b>BEGINNING BALANCE</b>	<b>\$ 78,282</b>	<b>\$ 134,674</b>	<b>\$ 4,433</b>	<b>\$ 1,172,729</b>	<b>\$ 4,407,869</b>
Reserved for Debt Service	-	-	-	-	-
Reserved for Self Insurance	-	-	-	-	-
Reserved for Capital Repairs	-	-	-	-	-
<b>END BUDGET BALANCE</b>	<b>\$ 93,282</b>	<b>\$ 132,363</b>	<b>\$ 5,363</b>	<b>\$ 895,729</b>	<b>\$ 5,204,859</b>

**FISCAL YEAR 2026  
PROPOSED BUDGET**

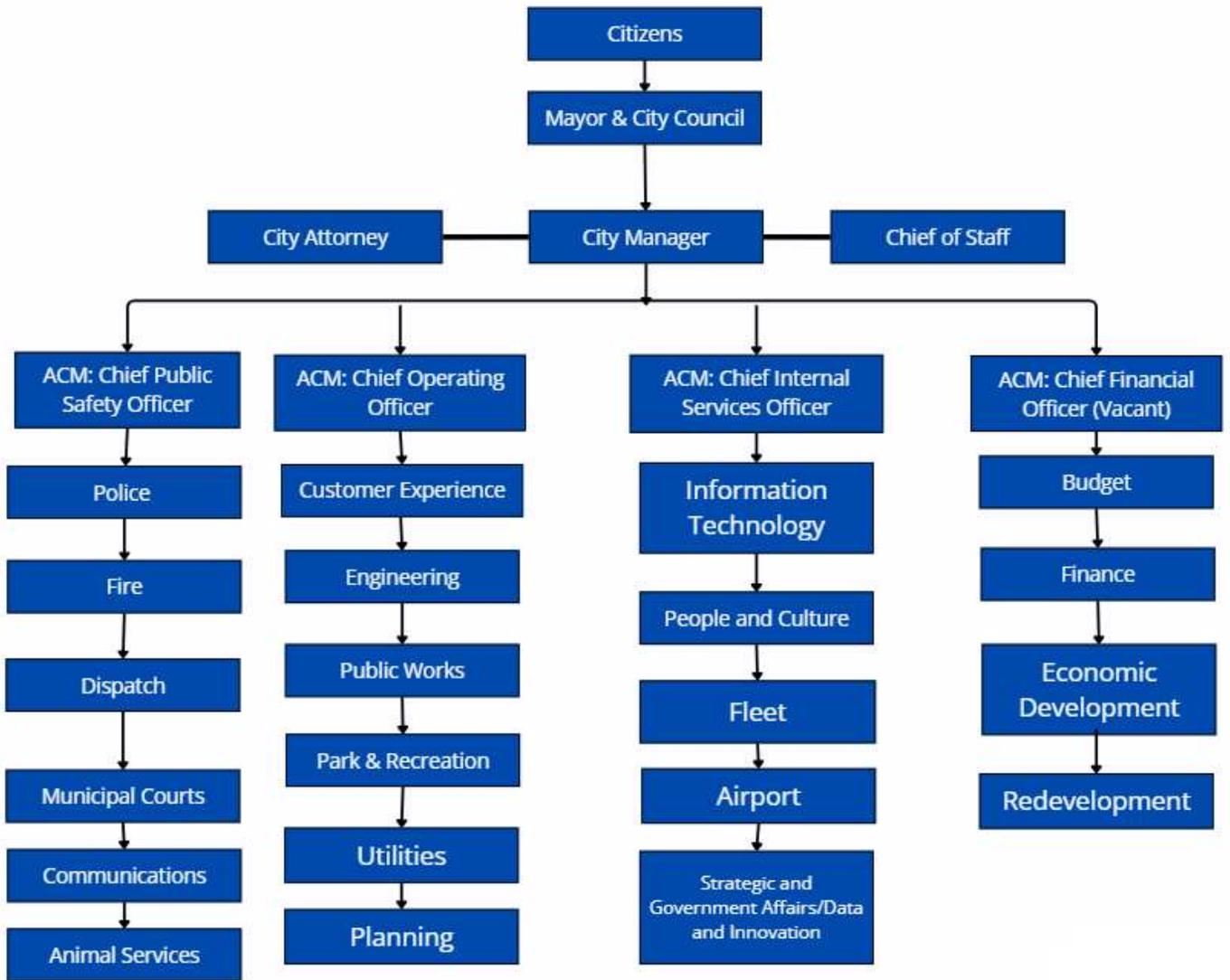
**REVENUES**

Category Description	Total City	Component Units		TOTAL
		SLDC	SL4B	
Property Taxes	\$ 76,502,878	-	-	\$ 76,502,878
Sales Tax	57,086,367	9,514,394	9,514,394	76,115,155
Other Taxes	9,882,347	-	-	9,882,347
Licenses & Permits	4,495,453	-	-	4,495,453
Charges For Service	136,237,955	-	-	136,237,955
Fines & Forfeitures	1,248,750	-	-	1,248,750
Interest Income	10,790,504	1,000,000	650,000	12,440,504
Intergovernmental	1,371,216	-	-	1,371,216
Miscellaneous	14,165,913	-	-	14,165,913
Bond Proceeds	131,061,118	-	-	131,061,118
Contributions	48,430,763	-	-	48,430,763
<b>Total Revenue</b>	<b>491,273,264</b>	<b>10,514,394</b>	<b>10,164,394</b>	<b>511,952,052</b>
Transfers From Other Funds	92,511,146	-	-	92,511,146
<b>Total Available Resources</b>	<b>583,784,410</b>	<b>10,514,394</b>	<b>10,164,394</b>	<b>604,463,198</b>

**EXPENDITURES**

General Government	30,244,654	5,281,997	777,170	36,303,821
Finance	6,339,520	-	-	6,339,520
Public Works	11,171,186	-	-	11,171,186
Parks & Recreation	7,190,802	-	-	7,190,802
Community Development	7,524,826	-	-	7,524,826
Environmental & Neighborhood Services	21,746,340	-	-	21,746,340
Police Department	37,418,939	-	-	37,418,939
Fire Department	25,519,977	-	-	25,519,977
Debt Service	79,963,775	2,970,269	1,738,550	84,672,594
Other	9,615,453	1,000,000	3,143,000	13,758,453
Construction	183,888,750	-	-	183,888,750
Utility Services	35,846,094	-	-	35,846,094
Airport Services	27,085,211	-	-	27,085,211
Insurance Coverage	16,495,867	-	-	16,495,867
Equipment Replacement	1,925,988	-	-	1,925,988
Rebates & Assignments	2,951,012	-	-	2,951,012
<b>Total Expenditures</b>	<b>504,928,394</b>	<b>9,252,266</b>	<b>5,658,720</b>	<b>519,839,380</b>
Transfers To Other Funds	78,907,351	7,263,170	6,340,627	92,511,148
<b>Total Expenditures &amp; Transfers</b>	<b>583,835,746</b>	<b>16,515,436</b>	<b>11,999,347</b>	<b>612,350,529</b>
Revenue Over (Under) Expenditures	(118,382)	(6,001,042)	(1,834,953)	(7,954,377)
<b>BEGINNING BALANCE</b>	<b>\$ 393,291,081</b>	<b>\$ 24,616,311</b>	<b>\$ 15,893,601</b>	<b>\$ 433,800,993</b>
Reserved for Debt Service	(17,295,454)	(3,623,344)	(1,519,824)	(22,438,622)
Reserved for Self Insurance	(2,712,175)	-	-	(2,712,175)
Reserved for Capital Repairs	(3,170,894)	-	-	(3,170,894)
<b>END BUDGET BALANCE</b>	<b>\$ 369,994,175</b>	<b>\$ 14,991,925</b>	<b>\$ 12,538,824</b>	<b>\$ 397,524,924</b>

# City of Sugar Land Organizational Chart



# 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 108,515 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.

<u>EMPLOYER</u>	<u>TYPE OF BUSINESS</u>
Houston Methodist Sugar Land Hospital	Medical
SLB (Formerly Schlumberger) *	Energy
Memorial Hermann Sugar Land Hospital	Medical
ChampionX	R & D Headquarters
Accredo Packaging, Inc.	Packaging and Containers
ABM Industries*	Facilities Services
QuVa Pharma Inc	Pharmaceutical
St. Luke's Hospital Sugar Land	Medical

Applied Optoelectronics, Inc.

Telecommunications

HCSS

Technology

Healix

Medical

Tramontina

Manufacturing

Texas Instruments\*

Technology

Industrial Information Resources

Marketing

\*2024 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 a regional employment center with over 92,559 jobs in 2024 (JobsEQ), Sugar Land is home to high-profile regional and international corporations housed in more than 31.1 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. New jobs in Sugar Land generate demand for new housing resulting in increased property tax revenues. The new housing generates demand for new retail and dining services creating new sales tax dollars. These revenues enable the City to provide quality of life amenities and services while keeping property taxes low for residents. Most importantly, this economic development impact cycle all begins with the attraction and expansion of jobs.

Sugar Land’s economic development activities are supported by two quarter cent sales tax for the Sugar Land 4B Corporation and Sugar Land Development Corporation, respectively. These restricted revenues are reinvested into projects that attract jobs and increase the quality of life in Sugar Land, such as parks, higher education, cultural arts and entertainment. As a result, these projects make Sugar Land an attractive location for prospective businesses and their employees serving to attract more jobs and begin the economic development impact cycle again.

In 2023, the Sugar Land Office of Economic Development and Tourism (SLOEDT) completed its Life Sciences Study with Newmark Consulting. As Life Sciences is one of Sugar land’s target industries, the Life Sciences Study analyzed Sugar Land’s current position in the life sciences industry, including the identification of the City’s most competitive industry segments. Overall, Newmark found that Sugar Land has many attributes for successful life sciences recruitment. However, Sugar Land’s limited real estate options could hinder life sciences growth in the City. Newmark also proposed recommendations to strengthen the life sciences industry in Sugar Land, and staff will work to implement these recommendations.

Sugar Land also uses innovative tools to maintain its strong economy. Sugar Land’s Office Retention Incentive program was launched in 2022. The goal of the incentive is to retain national and regional corporate headquarters in the City in a changing office market by offering \$6,000 per job. In 2023, SLOEDT used this incentive to retain Southwest Water Company, now Nexus Waters. Nexus Waters was founded in 1891, as the East Whittier Land &

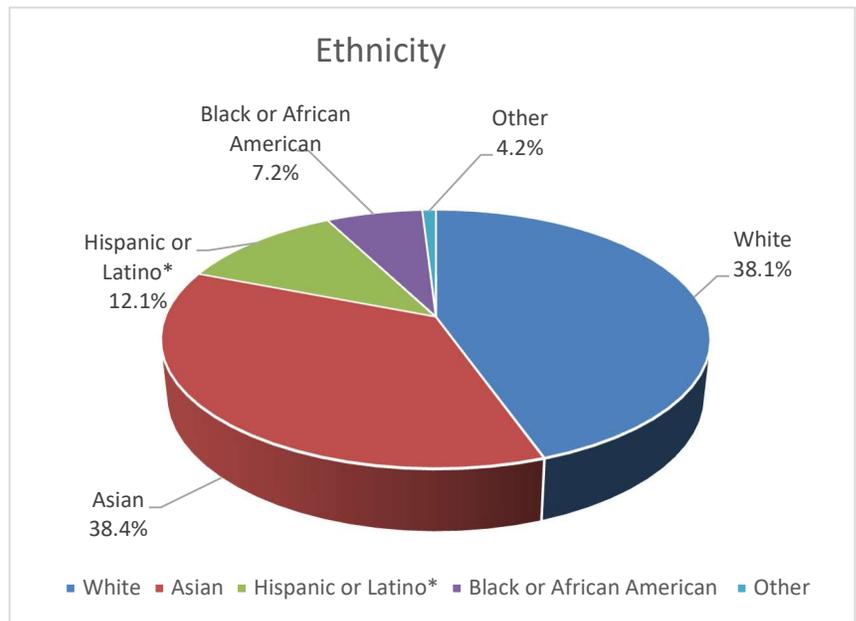
Water Company. They were formerly headquartered in Sugar Land, Texas, at 12535 Reed Road, in the Sugar Land Business Park. Their utility subsidiaries own and operate regulated water and wastewater systems serving over half a million residential and business customers in seven states: Alabama, California, Florida, Louisiana, Oregon, South Carolina, and Texas. In Sugar Land, they proposed an office lease within 41,114 square feet, in the former Minute Maid space at Sugar Land Town Square (SLTS). This project was facilitated by a \$1 million direct incentive, paid out over 2 years.

Sugar Land continues to position itself as a destination city. The Smart Financial Centre at Sugar Land continues to earn recognition as a top theatre venue welcoming more than 306,000 attendees in 2024 and had a total of 111 shows. Additionally, Constellation Field, home to the Sugar Land Space Cowboys is expecting more than 419,000 visitors in 2024 before closing out the season. The Crown Festival Park at Sugar Land continues to shine as a premier venue for cultural and entertainment events. The signature events Sweet Beats and Jazz Fest showcased top-tier musical talent, including Grammy Award winners Boney James and Robert Glasper. The events drew 8,000 attendees, generated \$450,000 in ticket sales, and contributed \$464,000 in local spend. With a vibrant atmosphere featuring live music, local vendors, and engaging activities, the festival offered residents and visitors an unforgettable celebration of Sugar Land’s rhythm and rich artistic heritage. Other venues such as Sugar Land Town Square and the Fort Bend Children's Discovery Center have all helped propel Sugar Land's reputation as a sweet tourist destination.

## Diversity

Sugar Land is a highly educated and globally diverse community. All cultures contribute to a unique Sugar Land community and culture, and the City was recognized as the nation’s first Community of Respect® by the Anti-Defamation League in 2007.

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



# City Profile

	FY23	FY24	FY25	FY26
Population (January 1st estimate)	109,801	109,851	109,851	109,851
Square Miles	43	43	43	43
Acres	27,402	27,402	27,402	27,402
Total Operating Budget	\$ 389.12 M	\$ 288 M	\$454 M	\$572M
<b>Fire Protection-Emergency Medical Services</b>				
Number of Stations	7	7	7	7
Certified Firefighters	124	124	124	124
Calls for Service	10,652	10,704	10,920	11,070
<b>Police Protection</b>				
Number of Stations	1	1	1	1
Certified Police Officers	174	181	178	178
Calls for Service	72,200	75,291	75,500	75,500
<b>Parks &amp; Recreation</b>				
Number of Parks	27	27	27	27
Park Acreage	2,455	2,455	2,455	2,581
Swimming Pools	1	1	1	1
Community Centers	5	5	5	5
Recreation Centers	2	2	2	2
Special Events Offered	20	17	18	18
<b>Public Works</b>				
Lane Miles of Streets	1,068	1,068	1,068	1,068
Linear Miles of Sidewalk	848	848	848	848
Miles of Storm Sewer/Open Ditch	458	458	458	458
Traffic Signals Maintained	92	92	92	92
City Facilities	73	73	74	74
<b>Utilities</b>				
Equivalent Single Family Connections	62,927	63,173	63,420	63,550
Water Produced (Million Gallons)	7,671	7,701	7,732	7,850
Wastewater Treated (Million Gallons)	4,065	4,081	3,785	3,886
<b>Airport</b>				
Gallons of Fuel Sold	4,119,902	4,227,593	4,547,167	4,581,343
Aircraft Served	15,056	18,593	17,437	18,645

# Budget Process & Calendar

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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 strategic priorities of the organization. Supplemental operating budget requests are based on items identified through Council priorities, departmental business plans, and state or federal mandates. The operating budget and enhancement submissions are due to the Budget Office in early May and are reviewed for completeness and to ensure submissions are consistent with the City Manager's message.

City management meets with departments in May 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 25<sup>th</sup> of September in accordance with the City Charter. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Internal Service Funds, Component Units, and Debt Service Fund. The budgets for the Enterprise Funds are adopted as a financial plan and guide. After Council adoption, the Annual Budget is compiled and distributed.

## Capital Improvement Program

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

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

Staff also maintains a list of potential projects from citizen requests. A recommended project list is compiled, prioritized by year, and cost estimates assigned.

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

## FY25 Budget Calendar

<b>February</b>	<ul style="list-style-type: none"> <li>• Key issues identified and prioritized by City Management</li> <li>• Monitor State Legislature for potential impacts</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>• Budget Office prepares preliminary five-year forecast</li> <li>• City Manager develops budget message based on key issues</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>• CIP Kick-Off</li> <li>• Budget Office develops instructions and forms for budget preparation</li> <li>• Budget Office develops preliminary funding plan for five-year CIP</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>• Budget kick-off meeting: Directors and Managers <ul style="list-style-type: none"> <li>- Introduce and distribute budget instructions</li> <li>- Line item allocation of budgets by departments</li> <li>- Departments prepare requests for additional funds</li> </ul> </li> <li>• Budget Office develops preliminary funding plan for five-year CIP</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>• Budget Office reviews departmental budget submissions</li> <li>• Cost allocation plan updated</li> <li>• City Management reviews departmental budget submissions</li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>• Review list of CIP projects with City Council</li> <li>• CIP project list finalized and fiscally constrained</li> <li>• Finalize five-year forecast</li> <li>• Review list of CIP projects with Planning &amp; Zoning</li> <li>• Prepare proposed budget document, transmittal letter and budget filing presentations</li> <li>• July 30<sup>th</sup>: Proposed budget filed with City Council</li> <li>• Certified tax roll due from Central Appraisal District</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• Council budget workshops (Thursday and Friday mornings)</li> <li>• Publish voter approval tax rate and proposed tax rates</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• Final FY26 Budget Amendment Ordinance</li> <li>• Public hearing on proposed tax rate and budget</li> <li>• City Council adoption of FY26: <ul style="list-style-type: none"> <li>○ Annual budget, five-year CIP, compensation plan</li> <li>○ City Council adopt 2026 tax rate</li> </ul> </li> <li>• Approve Fee ordinance and PID assessment ordinance</li> </ul>

# Legal Requirements & Basis of Budgeting

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## Legal Requirements for the Budget

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

The City Secretary posts a notice at City Hall and publishes the notice in the official newspaper stating the times and places where copies of the message and budget are available for public review. One public hearing must be held on the budget at least 15 days after it is filed and before the budget is adopted. The budget is adopted by ordinance with one reading prior to the 25<sup>th</sup> 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 24-27 in May 2024. A copy of the current policy statements can be found at the end of this document.

## Budget Basis of Presentation

### Governmental and Fiduciary Funds

Governmental fund budgets are prepared using the modified accrual basis. Revenues are budgeted when they are anticipated to be received and expenditures are budgeted in the period in which the liability is incurred, which is in

accordance with Generally Accepted Accounting Principles (GAAP). The fund balance approach of governmental funds or working capital approach can be identified as current assets less current liabilities. Governmental funds budget capital outlays as expenditures, but do not budget for non-cash expenditures such as accruals for sick and vacation liabilities and depreciation.

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

## **Proprietary and Internal Service Funds**

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

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

## **Basis of Accounting**

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

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

## **Financial Structure**

The accounts of the City are organized on the basis of funds and account groups, each of which operates separately and independently. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses. Following is a description of the

fund types and funds contained within each. A more detailed description of each fund can be found within the fund summary of the individual funds.

## Governmental Funds

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

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has fourteen active special revenue funds budgeted for FY24, such as: Court Security, Court Technology, Tourism, two SPA Debt Reduction Funds, and Police Seizures, Special Events, Enclave at River Park, and Trust Funds as required.

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

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

## Proprietary Funds

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

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

## Fiduciary Funds

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

## Trailblazing the future of the City of Sugar Land

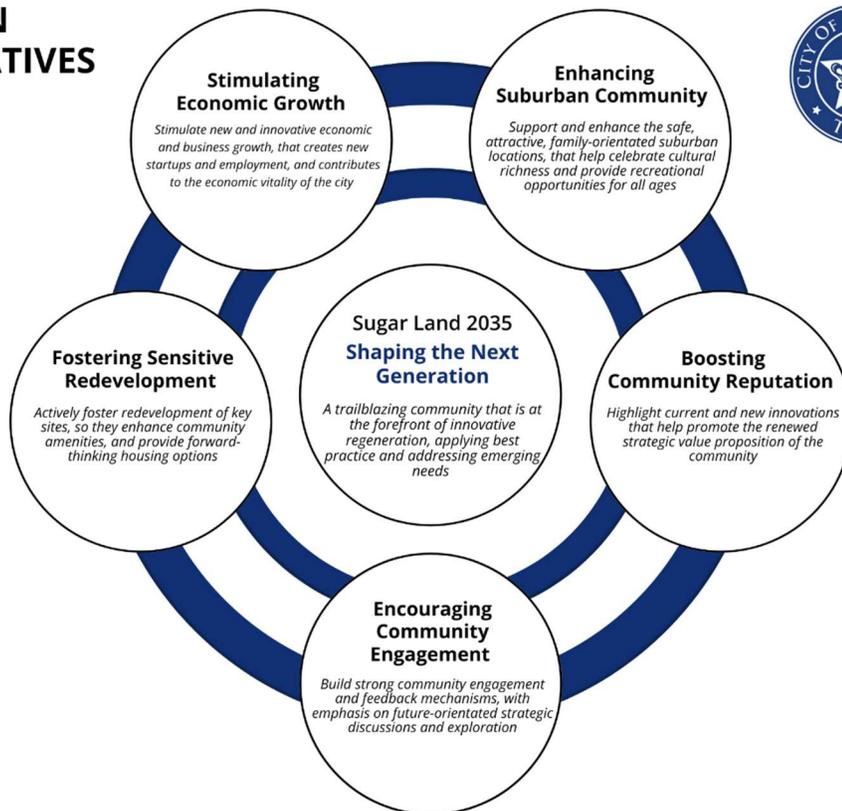
Our city has never been one to sit still—and the 2025–2027 Strategic Action Plan is proof that we are not afraid to reimagine what’s possible. Built on the voices of over 1,500 residents, staff, and stakeholders, this plan reflects a shared belief: that Sugar Land can continue to be a trailblazing, future-ready city that leads with purpose and heart.

Yes, the path ahead involves change — but we see it as an opportunity. As we continue shaping the next generation of Sugar Land, we’re embracing change to redefine suburban living, strengthen our community fabric, and amplify the innovation and excellence that have always been part of our DNA.

From sensitive redevelopment to bold new engagement strategies, we are “all-in” on thinking bigger, acting smarter, and staying relentlessly focused on what makes Sugar Land not just a great city—but the city of choice for generations to come.

As part of our City’s three-year Strategic Action Plan, five key priorities have been identified that staff are committed to championing across the organization.

### ALL-IN INITIATIVES



### Turning Strategy into Action

The 2025–2027 Strategic Action Plan serves as a unifying framework that brings alignment across all departments, ensuring every corner of our organization is working toward a shared vision for Sugar Land’s future. By clearly defining priorities, outcome areas, and success measures, the plan creates a common language and direction that connects daily operations to long-term goals. It empowers departments to take meaningful action, collaborate across silos, and make data-driven decisions that support the broader mission. Most importantly, it positions our organization to drive real, lasting change in the community—focusing our collective efforts on what matters most to our residents, businesses, and stakeholders.

*2025-2027 Strategic Action Plan:* The three-year Strategic Action Plan aligns with the City’s vision and strategic outcomes, identifies future priority initiatives that foster sustainable growth, promotes community and organizational buy-in through a dynamic and adaptable framework, and shifts from a top-down approach to one that actively involves stakeholders in shaping implementation through 2035.

*Strategic Outcome Areas:* The areas and success statements outlined by City Council to set strategic direction for the next three to five years in order to achieve the community’s longer-term vision for the future.

*All-In Initiatives:* The ‘All-In Initiatives’ represent the major strategic focus areas identified through robust stakeholder engagement, shaped by input from community residents, staff, City Council, and other key partners. Each initiative is supported by a series of key objectives designed to be achievable in the short to medium term while producing lasting, long-term impact. Together, they aim to drive systemic and catalytic change that will shape Sugar Land’s future growth and reflect our commitment to being a trailblazing city on the path to our preferred future.

## Strategic Outcome Areas

### *Finance: Strong & Viable*

Sugar Land is recognized as a leader in financial management, providing our taxpayers with exceptional value, confidence, and transparency. Our focus is:

- Resiliency and adaptability
- Innovation
- Efficiency
- Superior bond rating

### *Infrastructure: Sustainable & Resilient*

Sugar Land continues to maintain and develop comprehensive, sustainable, and resilient infrastructure that adapts to a dynamic environment. This is accomplished through:

- Long-term planning efforts

- Consistent investment in infrastructure maintenance
- A collaborative approach to infrastructure financing
- Partnerships with private entities and local, state, and federal agencies to support shared assets
- Effective communication and community outreach to build understanding and support

### ***Economy: Thriving & Vibrant***

Sugar Land is focused on re-invigorating this entrepreneurial spirit to keep us moving forward. We recognize that the future starts now and are committed to engaging the community to re-imagine our city, by:

- Attracting and incubating the growth of new innovators and entrepreneurs
- Assist businesses in creating partnerships that support growth and redevelopment
- Proactively partnering with stakeholders to foster a spirit of civic philanthropy and an ecosystem of learning, mentoring, and giving back.

### ***Culture: Dynamic & Fun***

Sugar Land delivers a broad range of destination venues, facilities, and businesses that offer entertainment and activities for residents and visitors, including:

- Performance venues
- Youth and adult sports and recreation
- Unique retail, restaurant, and hospitality environments
- Events and outdoor celebrations

### ***Transportation: Connected & Convenient***

Sugar Land takes a multifaceted approach by innovating mobility to connect people, places, and the future through:

- Sustained investment in mobility infrastructure with multiple funding sources/ partners
- Strong regional partnerships and relationships
- Aggressive use of technology for traffic management and communications
- Planning for mobility in redevelopment to balance the impact
- Sustained community engagement to provide feedback on mobility and understand investment priorities

### ***Community: Safe & Secure***

Sugar Land is a safe community that enhances the quality of life for residents and visitors by:

- Being ranked as the safest city in the nation
- Leveraging the latest innovative technology to address criminal activity
- Ensuring proper training and equipment to effectively respond to emergency events
- Providing world-class fire and EMS response
- Securing municipal facilities and IT infrastructure

### ***Government: Respected & Influential***

Sugar Land is respected for having strong relationships with our community and at all levels of government because we:

- Have a bold vision and transparent governance
- Deliver on our commitment to the public
- Consistently focus on people over politics
- Demonstrate innovative leadership in local government best practices

### ***People: Welcoming & Engaged***

Sugar Land builds relationships within our community through:

- Big, bold visions and engagement efforts that help us understand how we can better care for our neighbors
- Welcoming diverse opinions
- Creating opportunities for hard conversations by facilitating open dialogue

# Debt Service Funds

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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 2025

Revenues are projected at \$35,312,255 which includes \$29,302,943 in current and delinquent property taxes. Other funding sources include transfers from other funds of \$5,010,163, interest income of \$477,600, and other miscellaneous revenue of \$521,550. Transfers from other funds include transfers from the Utility Fund, SLDC, and Tourism Fund to support debt service related to activities supported by those funds and 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 \$33,453,561 which includes \$30,750,699 in debt service payments, \$69,650 for fiscal fees, \$2,375,578 for rebates to in-City MUDs and \$257,634 in transfers to other funds, which includes the Airport and Enclave at River Park PID funds for property taxes collected in those areas.

The fund balance at 9/30/25 is projected to be \$13,992,047, which is \$10,916,978 over the fund balance policy requirement of 10% of annual debt service.

### Fiscal Year 2026

Total revenues are budgeted for \$40,270,209. Funding from property taxes includes \$31,772,168 in current property taxes and \$57,175 in delinquent property taxes. Total property taxes of \$31,829,343 represents 82.3% of funding sources. The exact tax rate distribution will be determined through the truth-in-taxation calculations. Interest earnings are projected at \$298,100, reflecting a lower average cash balance due to the planned bond issuance in FY26.

Miscellaneous revenues include reimbursement of 521,550 for debt service payment. Other funding sources include transfers from the Utility Fund, SLDC, 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 FY26 transfer from the Utility Fund totals \$1,244,739.

The City has several outstanding issues 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. The Tourism Fund will transfer \$351,900 from hotel occupancy tax revenues in FY26. This transfer will conclude after the related debt matures in 2026.

In addition, there is also a transfer from SLDC and SL4B totaling \$5,929,289 to support the Certificates of Obligation issued in 2025. This transfer is backed by sales tax revenues from both entities.

There is also a transfer in from the Enclave at River Park PID for \$95,288 to support debt issued for infrastructure in the development.

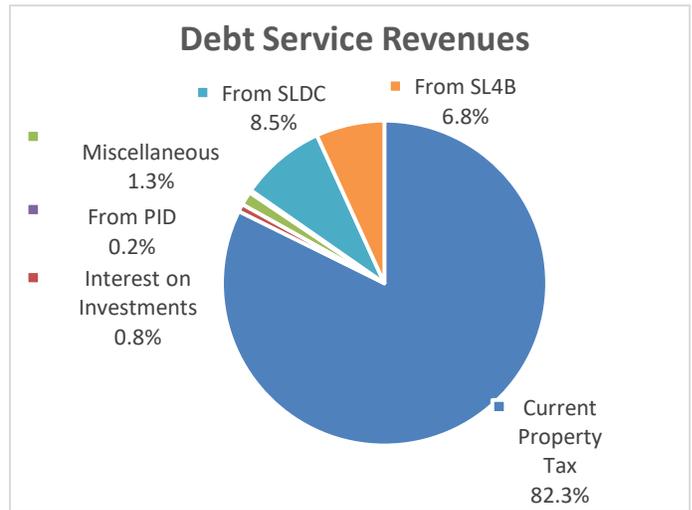
The total debt service requirement for existing outstanding debt in FY26 is \$32,972,767. The budget also includes debt service payments for the planned issuance of \$4,550,000 in remaining voter-authorized 2019 GO bonds, as well as up to \$69,825,000 in 2024 GO authorized bonds. Additionally, the budget includes a \$5,250,000 defeasance to retire the 2013 Certificates of Obligation early. This strategic use of available fund balance is intended to reduce future debt service obligations, lower the City's long-term interest costs, and increase capacity for future bond issuances. Fiscal agent fees are budgeted at \$50,000 to cover costs associated with bond administration and servicing.

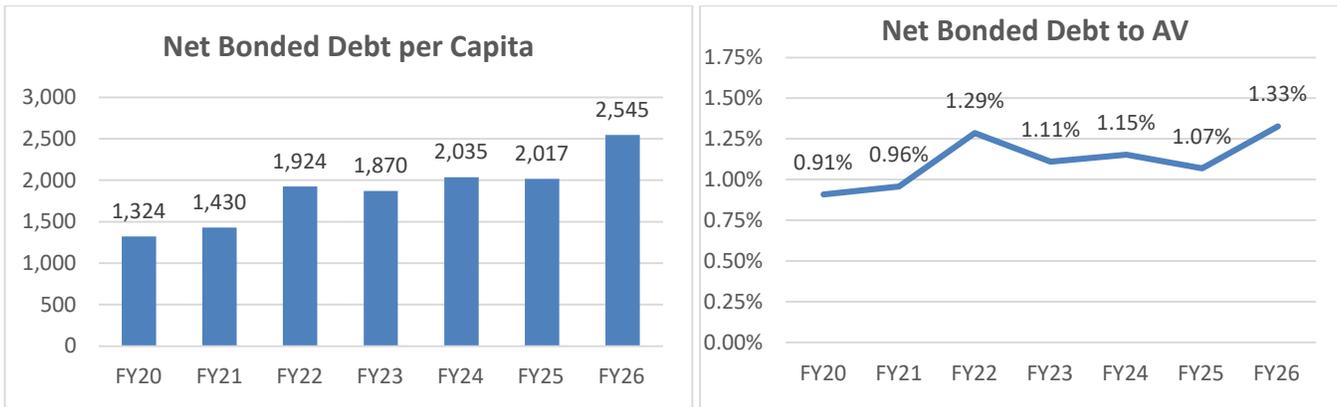
Rebates to in-City MUDs and inter-fund transfers total \$3,224,943 based on the anticipated 2025 tax rate allocation and preliminary values in the MUDs. This will be updated based on the certified tax rolls. Estimated transfer to the Airport for property taxes collected within its borders is \$221,385. Transfers to Enclave at River Park PID are estimated at \$52,546.

The budgeted ending fund balance at 9/30/26 is \$6,769,046, which is \$2,347,219 above the policy requirement of 10% of annual debt service requirements.

Despite a few planned bond issuances, the ratio of net bonded debt to taxable value is expected to increase from 1.07% to 1.33% in FY26, this remains well below the measure target goal of 1.75%, indicating a strong and sustainable debt position. This ratio is an important metric used by bond rating agencies—alongside other financial indicators—to assess the City's capacity to repay its debt obligations.

Additionally, net bonded debt per capita is expected to rise from \$2,017 to \$2,545, reflecting the new issuances.





### 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 Ratings and will not be repaid by property taxes. Lease payments from the Ambassador Theatre Group are structured to support the annual debt service payments and will eventually build a debt service reserve equal to the last four years’ debt payments. Payments will be made monthly according to the terms of the thirty-year lease.

#### Fiscal Year 2025

Total revenues are projected at \$2,096,066. Lease revenue from the Ambassador Theatre Group for the Smart Financial Centre at Sugar Land is projected at \$2,000,666. Interest income is estimated at \$95,400.

Total debt service payments due in Fiscal Year 2025 are \$1,587,899. Fiscal fees are budgeted at \$825.

The projected ending fund balance at 9/30/25 is \$2,804,620.

#### Fiscal Year 2026

Total revenues are budgeted at \$2,123,384. Lease revenue from Lease revenue from the Ambassador Theatre Group for the Smart Financial Centre at Sugar Land is budgeted at \$2,003,384. Interest income is estimated at \$120,000.

Total debt service payments due in Fiscal Year 2026 are \$1,589,530. Payments are due in December and June. Fiscal fees are budgeted at \$825.

The budgeted fund balance at 9/30/26 is \$3,337,648.

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

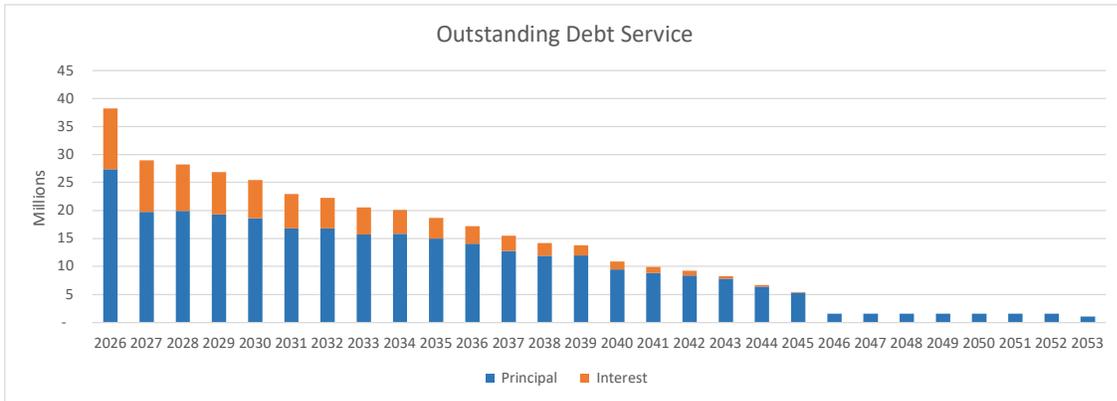
	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Current Property Tax	\$ 28,196,040	\$ 30,139,161	\$ 29,610,579	\$ 31,772,168	\$ -	\$ 31,772,168
Delinquent Property Taxes	(294,262)	60,300	(307,636)	57,175	-	57,175
Interest on Investments	792,066	477,600	477,600	298,100	-	298,100
Bond Proceeds	2,527	-	-	-	-	-
Miscellaneous	355,550	521,550	521,550	521,550	-	521,550
<b>Total Operating Revenues</b>	<b>29,051,921</b>	<b>31,198,611</b>	<b>30,302,093</b>	<b>32,648,993</b>	<b>-</b>	<b>32,648,993</b>
From Utility Fund	3,984,695	3,567,094	3,567,094	1,244,739	-	1,244,739
From Tourism Fund	1,338,225	685,175	685,175	351,900	-	351,900
From PID	102,288	98,788	98,788	95,288	-	95,288
From SLDC	-	659,106	659,106	3,292,707	-	3,292,707
From SL4B	-	-	-	2,636,582	-	2,636,582
<b>Total Transfers In</b>	<b>5,425,208</b>	<b>5,010,163</b>	<b>5,010,163</b>	<b>7,621,216</b>	<b>-</b>	<b>7,621,216</b>
<b>Total Revenues</b>	<b>34,477,128</b>	<b>36,208,774</b>	<b>35,312,255</b>	<b>40,270,209</b>	<b>-</b>	<b>40,270,209</b>
<b>EXPENDITURES</b>						
Current Outstanding & New Debt	28,969,370	33,221,199	30,750,699	44,218,267	-	44,218,267
Issuance Costs/Fiscal Fees/Other	42,059	59,700	69,650	50,000	-	50,000
Refunding Payment to Escrow	-	-	-	-	-	-
<b>Total Debt Service</b>	<b>29,011,429</b>	<b>33,280,899</b>	<b>30,820,349</b>	<b>44,268,267</b>	<b>-</b>	<b>44,268,267</b>
Rebates & Assignments	2,071,046	2,375,578	2,375,578	2,951,012	-	2,951,012
Transfers to Other Funds	263,055	250,249	257,634	273,931	-	273,931
<b>Total Non-Operating Expenditures</b>	<b>2,334,101</b>	<b>2,625,827</b>	<b>2,633,212</b>	<b>3,224,943</b>	<b>-</b>	<b>3,224,943</b>
<b>Total Expenditures</b>	<b>31,345,530</b>	<b>35,906,726</b>	<b>33,453,561</b>	<b>47,493,210</b>	<b>-</b>	<b>47,493,210</b>
FUND BALANCE - BEGINNING	9,001,755	12,133,353	12,133,353	13,992,047		13,992,047
CHANGE IN FUND BALANCE	3,131,598	302,048	1,858,694	(7,223,002)	-	(7,223,002)
<b>FUND BALANCE - ENDING</b>	<b>\$ 12,133,353</b>	<b>\$ 12,435,401</b>	<b>\$ 13,992,047</b>	<b>\$ 6,769,046</b>	<b>\$ -</b>	<b>\$ 6,769,046</b>
Policy Requirement	\$ 2,896,937	\$ 3,322,120	\$ 3,075,070	\$ 4,421,827		\$ 4,421,827
Over/(Under) Policy	9,236,416	9,113,281	10,916,978	2,347,219		2,347,219
Policy Requirement	10%	10%	10%	10%		10%

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	FY26
		Budget		Budget		Budget
<b>REVENUES</b>						
Rent	\$ 1,782,581	\$ 2,000,332	\$ 2,000,666	\$ 2,003,384	\$ -	\$ 2,003,384
Interest Income	103,870	90,000	95,400	120,000	-	120,000
<b>Total Revenues</b>	<b>1,886,451</b>	<b>2,090,332</b>	<b>2,096,066</b>	<b>2,123,384</b>	<b>-</b>	<b>2,123,384</b>
<b>EXPENDITURES</b>						
Current Outstanding & New Debt	1,588,199	1,587,899	1,587,899	1,589,530	-	1,589,530
Fiscal Fees/Other	825	825	825	825	-	825
<b>Total Expenditures</b>	<b>1,589,024</b>	<b>1,588,724</b>	<b>1,588,724</b>	<b>1,590,355</b>	<b>-</b>	<b>1,590,355</b>
Change in Fund Balance	297,428	501,608	507,342	533,029	-	533,029
Fund Balance - Beginning	1,999,850	2,297,277	2,297,277	2,804,620	-	2,804,620
<b>Fund Balance - Ending</b>	<b>\$ 2,297,277</b>	<b>\$ 2,798,886</b>	<b>\$ 2,804,620</b>	<b>\$ 3,337,648</b>	<b>\$ -</b>	<b>\$ 3,337,648</b>

**Bond Debt Service**  
**City of Sugar Land, Texas**

FY Ended 9/30	Principal	Interest	Total
2026	27,370,000	10,852,767	38,222,767
2027	19,760,000	9,177,985	28,937,985
2028	19,900,000	8,353,851	28,253,851
2029	19,305,000	7,556,498	26,861,498
2030	18,630,000	6,795,670	25,425,670
2031	16,830,000	6,099,951	22,929,951
2032	16,840,000	5,453,232	22,293,232
2033	15,730,000	4,843,066	20,573,066
2034	15,840,000	4,261,170	20,101,170
2035	15,000,000	3,690,179	18,690,179
2036	14,060,000	3,159,420	17,219,420
2037	12,805,000	2,676,663	15,481,663
2038	11,920,000	2,230,039	14,150,039
2039	11,995,000	1,796,410	13,791,410
2040	9,480,000	1,416,151	10,896,151
2041	8,835,000	1,105,353	9,940,353
2042	8,430,000	805,676	9,235,676
2043	7,795,000	519,626	8,314,626
2044	6,410,000	277,704	6,687,704
2045	5,340,000	85,435	5,425,435
2046	1,610,000	-	1,610,000
2047	1,610,000	-	1,610,000
2048	1,610,000	-	1,610,000
2049	1,610,000	-	1,610,000
2050	1,610,000	-	1,610,000
2051	1,610,000	-	1,610,000
2052	1,610,000	-	1,610,000
2053	1,060,000	-	1,060,000
<b>Total All Issues</b>	<b>\$ 294,605,000</b>	<b>\$ 81,156,843</b>	<b>\$ 375,761,843</b>

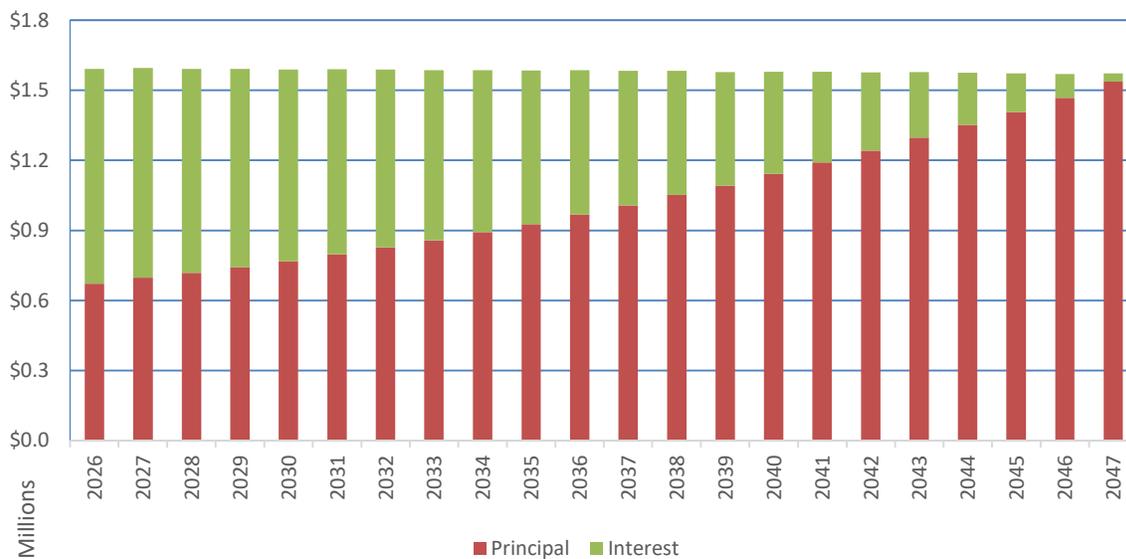


**CITY OF SUGAR LAND**  
**DEBT SERVICE REQUIREMENTS FOR FY26**  
**OUTSTANDING BOND ISSUES**

<b>Year</b>	<b>Issue Description</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013	Combination Tax & Revenue Certificates of Obligation, Series 2013	\$ 1,225,000	\$ 289,866	\$ 1,514,866
2014	General Obligation Refunding Bonds, Series 2014	480,000	9,600	489,600
2014	Combination Tax & Revenue Certificates of Obligation, Series 2014	350,000	306,125	656,125
2015	Combination Tax & Revenue Certificates of Obligation, Series 2015	755,000	287,981	1,042,981
2015	General Obligation Bonds, Series 2015	655,000	205,472	860,472
2015	General Obligation Refunding Bonds, Series 2015	725,000	95,875	820,875
2016	General Obligation Refunding Bonds, Series 2016	2,565,000	241,475	2,806,475
2016	Combination Tax and Revenue Certificates of Obligation, Series 2016	960,000	287,700	1,247,700
2016	General Obligation Bonds, Series 2016	380,000	120,850	500,850
2017	Series 2017 CO	955,000	397,400	1,352,400
2019	Combined Tax & Revenue Certificates of Obligation, Series 2019	1,105,000	516,806	1,621,806
2019	General Obligation Refunding Bonds, Series 2019	345,000	223,700	568,700
2019	Combination Tax & Revenue Certificates of Obligation, Series 2019A	675,000	374,869	1,049,869
2019	General Obligation Refunding & Improvement Bonds, Series 2019A	1,985,000	287,650	2,272,650
2021	General Obligation Refunding & Improvement Bonds, Series 2021	520,000	254,950	774,950
2021	General Obligation Bonds, Series 2021A	550,000	-	550,000
2022	Certificates of Obligation Series 2022A	915,000	-	915,000
2022	General Obligation & Improvement Bonds, Series 2022	640,000	525,750	1,165,750
2022	General Obligation & Improvement Bonds, Series 2022A	1,390,000	1,135,875	2,525,875
2023	GO Bonds & Certificates of Obligation Series 2023	130,000	-	130,000
2023	General Obligation Bonds, Series 2024	520,000	486,350	1,006,350
2024	Combination Tax and Revenue Certificates of Obligation, Series 2024	560,000	520,000	1,080,000
2025	General Obligation Bonds, Series 2025	1,315,000	1,431,309	2,746,309
2025	Certificates of Obligation, Series 2025	2,420,000	2,853,164	5,273,164
2026	Combination Tax and Revenue Certificates of Obligation, Series 2013 (Defeasance)	5,250,000	-	5,250,000
<b>Total FY26 Debt Service- Outstanding Bonds</b>		<b>\$ 27,370,000</b>	<b>\$ 10,852,767</b>	<b>\$ 38,222,767</b>

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

FY Ending September 30	Principal	Interest	Total
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
<b>TOTAL</b>	<b>\$ 22,605,000</b>	<b>\$ 12,181,662</b>	<b>\$ 34,786,662</b>



CITY OF SUGAR LAND  
DEBT SERVICE - TAXABLE FUND  
FUND REPORT

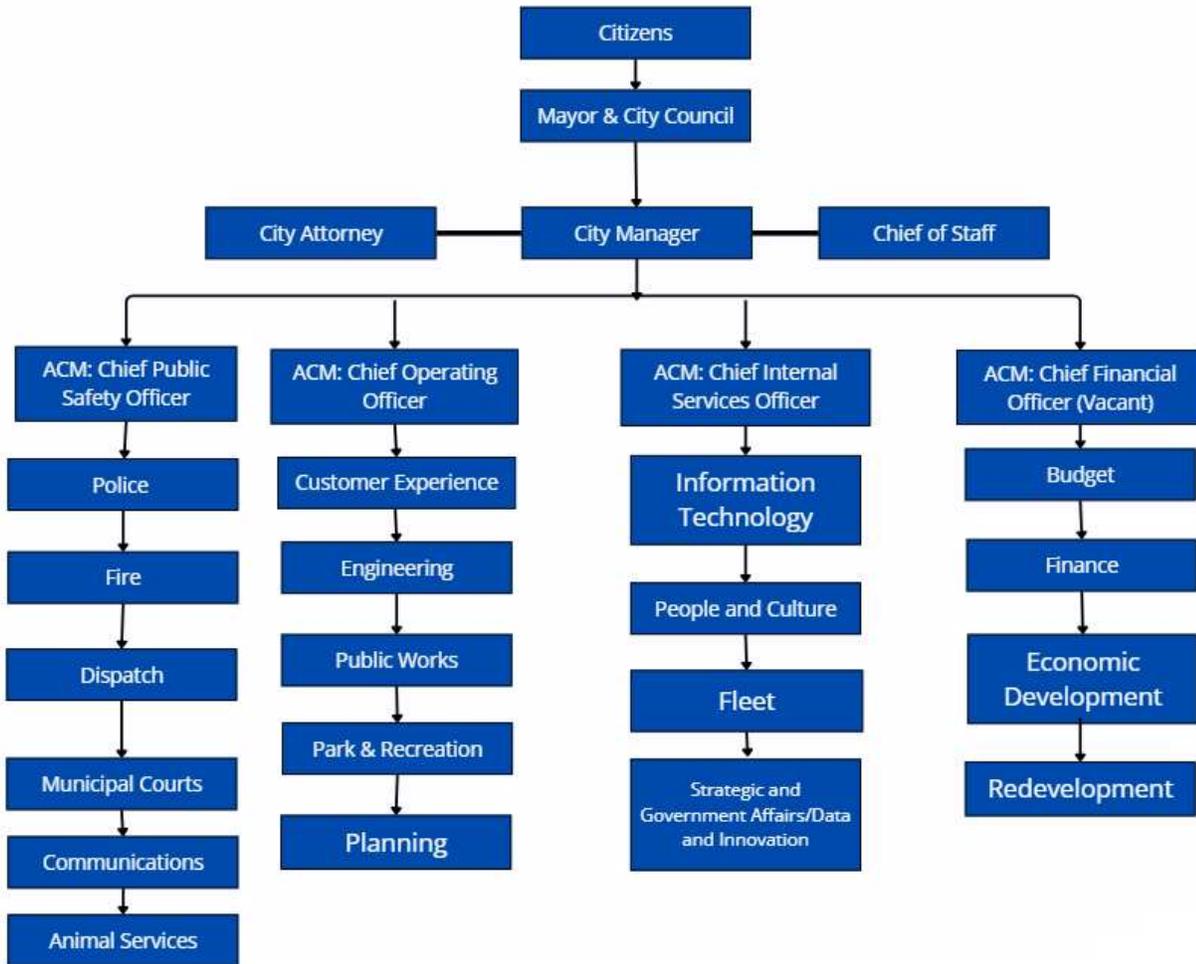
Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	102,324	90,000	95,400	120,000	-	120,000
Unrealized Gain/Loss Invest	1,545	-	-	-	-	-
Interest Income Total	103,870	90,000	95,400	120,000	-	120,000
Rent						
Lease Rev-PAC	1,782,581	2,000,332	2,000,666	2,003,384	-	2,003,384
Rent Total	1,782,581	2,000,332	2,000,666	2,003,384	-	2,003,384
<b>TOTAL REVENUES</b>	<b>1,886,451</b>	<b>2,090,332</b>	<b>2,096,066</b>	<b>2,123,384</b>	<b>-</b>	<b>2,123,384</b>

CITY OF SUGAR LAND  
DEBT SERVICE - TAXABLE FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>NON-OPERATING EXPENDITURES</b>						
Current Outstanding & New Debt						
Debt Service Interest	968,199	942,899	942,899	919,530	-	919,530
Debt Service Principal	620,000	645,000	645,000	670,000	-	670,000
Current Outstanding & New Debt Total	1,588,199	1,587,899	1,587,899	1,589,530	-	1,589,530
Fiscal Fees/Other						
Professional Services	825	825	825	825	-	825
Fiscal Fees/Other Total	825	825	825	825	-	825
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>1,589,024</b>	<b>1,588,724</b>	<b>1,588,724</b>	<b>1,590,355</b>	<b>-</b>	<b>1,590,355</b>

# General Fund Organizational Chart

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# General Fund

The General Fund is used to account for all transactions discretionary in nature which can be allocated based on the needs and priorities of the City. The principal sources of revenue include property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general administration, finance, public works, parks and recreation, community planning and redevelopment, 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 2025

### Projected Revenues

Total revenues are projected to be \$131,190,110 and \$4,623,095 higher than the revised budget. Property Taxes are estimated to come in by less than 1% to the original budget estimate. The City has seen consistent overperformance in Sales Tax collections when compared to budget, with collections projected to be \$58,073,515, which is \$5,435,759 higher than originally budgeted. Other sizable revenue streams, such as Licenses & Permits and Charges for Services, are projected to be on par with budget.

### Projected Expenditures

Total expenditures are projected to be \$137,439,577. General Fund departmental expenditures are expected to end the year \$3.6MM under budget. Non-operating expenditures are projected to increase a total of \$399,589, which primarily driven by Lake Point Purchase offset by salaries savings.

### Projected Fund Balance

The fund balance is projected to be \$47,465,170 as of September 30, 2025. This fund balance is \$15,705,201 over the policy requirement of 25% of recurring expenditures.

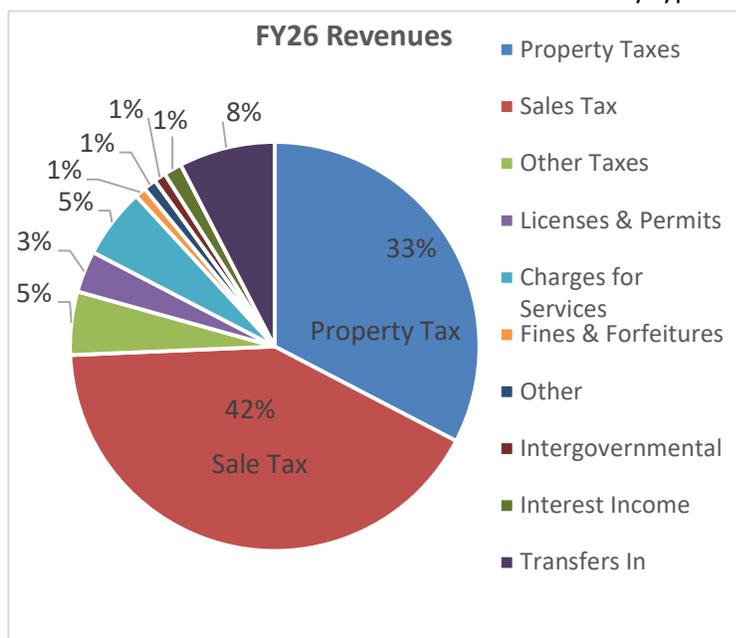
## Fiscal Year 2026

### Budgeted Revenues

FY26 budgeted revenues total \$136,901,704. The chart below shows a breakdown of General Fund revenues by type.

Sales tax revenue is the largest source of General Fund operating revenue, budgeted at \$57,086,367 for FY26, representing 42% of total General Fund revenues. The City has experienced strong sales tax performance in FY25, with collections through July coming in 10.56% above budget and 11.05% higher than the prior year. Staff continue to monitor this volatile revenue source closely, particularly in light of inflation and other economic trends.

In accordance with the City’s Financial Management Policy Statements (FMPS), the FY26 sales tax budget reflects a conservative forecasting approach using the April 2025 Consumer Price Index (CPI) of 1.2%. This method balances growth expectations with fiscal prudence and limits recurring operating expenditures



to no more than 50% of projected sales tax revenues, supporting the City’s commitment to long-term financial resiliency.

Property tax revenue from the operations and maintenance tax rate is budgeted at \$44,673,535. The exact tax rate distribution will be determined through the truth-in-taxation calculations.

A total of \$10,407,228 are transferred into the General Fund. This includes transfers from the Utility System Fund, Solid Waste, and Airport Funds as reimbursements for cost allocated overhead costs. A transfer from the Sugar Land Development and Sugar Land 4B Corporations is also made to reimburse costs for Economic Development staff and activities, which includes management fees for capital projects funded by the Corporations.

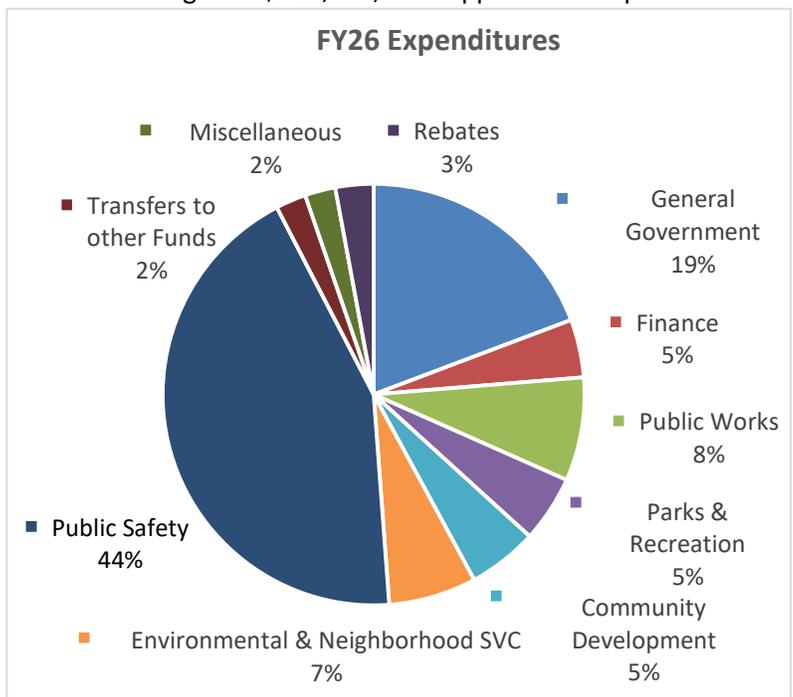
Other taxes, totaling \$6,850,477, include mixed beverage taxes and franchise payments the City receives for use of the City’s right-of-way by utility providers. Licenses and Permits revenue is estimated at \$4,495,453. Charges for Services are budgeted at \$7,583,353, a steady growth from the FY25 projection. This growth reflects the City's continued efforts to identify and implement new revenue streams within this category. These include expanded EMS billing capabilities, new fees for reinspection and traffic study, new facility rental programs, updated fee structures, and the introduction of additional service-based charges that better reflect current service demands and cost recovery goals.

Remaining revenue totals \$7,159,336, which includes fines and forfeitures of \$1,210,000, interest income of 1,944,000, other miscellaneous revenues of \$1,380,075, and intergovernmental of \$1,271,216. The intergovernmental budget includes one-time revenue of \$1,252,265 for FEMA reimbursement for Hurricane Beryl associated personnel costs.

**Budgeted Expenditures**

The FY26 General Fund budget totals \$140,706,336, with \$130,023,928 allocated to departmental operations and \$10,682,408 for non-departmental expenditures, including transfers, rebates and assignments, and other citywide items. Approximately 76% of the General Fund is dedicated to employee compensation and benefits, reflecting the City’s role as a personnel-driven service provider. The base budget of \$136,741,567 supports core operations and includes a 3% merit pool and a 3.5% market adjustment to the City’s pay structure, essential for attracting and retaining talent. The budget also reflects an increase in the City’s TMRS pension contribution rate to 15.57%, up from 15.21% in FY25, supporting a pension plan that remains 91% funded—well above industry benchmarks.

The base budget includes \$1,077,454 in adjustments for rising contract costs and service delivery needs. Changes to non-departmental expenditures total \$2,662,649, primarily due to the one-time \$2.65 million Lake Pointe incentive supporting redevelopment efforts. In addition, the FY26 budget includes investments in public safety, such as the new Public Safety Training Facility, replacement of cardiac monitors, and ongoing funding to train three firefighters annually as paramedics. Strategic infrastructure investments include a



\$250,000 one-time allocation to expand fiber connectivity and funding for a three-year cybersecurity backup and recovery contract, reinforcing the City's commitment to secure and resilient operations.

***Budgeted Fund Balance***

The ending fund balance of \$43,660,538 is \$11,700,894 greater than the fund balance policy requirement of 25% of recurring budgeted expenditures. The FY26 budget is anticipated to have \$3,804,632 in revenues under expenditures, drawing down fund balance over policy from FY25 as an available resource in funding the FY26 budgeted expenditures.

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Property Taxes	\$ 39,288,157	\$ 43,003,149	\$ 42,543,391	\$ 44,673,535	\$ -	\$ 44,673,535
Sales Tax	52,977,640	52,637,756	58,073,515	57,086,367	-	57,086,367
Other Taxes	6,309,596	6,422,000	6,837,409	6,850,477	-	6,850,477
Licenses & Permits	3,881,167	3,919,000	3,919,000	4,495,453	-	4,495,453
Charges for Services	5,825,336	5,619,000	5,619,000	7,583,353	-	7,583,353
Fines & Forfeitures	1,211,709	1,241,000	1,176,200	1,210,000	-	1,210,000
Other	1,625,517	967,000	955,000	1,380,075	-	1,380,075
Intergovernmental	494,816	1,153,093	461,579	18,951	1,252,265	1,271,216
Interest Income	3,596,908	2,740,000	2,740,000	1,944,000	-	1,944,000
Operating Revenues	115,210,846	117,701,999	122,325,094	125,242,211	1,252,265	126,494,476
Transfers In	8,807,599	8,865,016	8,865,016	10,407,228	-	10,407,228
Non-operating Revenues	8,807,599	8,865,016	8,865,016	10,407,228	-	10,407,228
Total Revenues	124,018,444	126,567,015	131,190,110	135,649,439	1,252,265	136,901,704
<b>EXPENDITURES</b>						
General Government	23,952,526	27,980,550	27,235,485	26,394,946	698,947	27,093,893
Finance	5,679,317	6,171,744	6,111,184	6,250,509	-	6,250,509
Public Works	12,176,666	12,008,446	12,008,446	11,171,186	-	11,171,186
Parks & Recreation	6,864,166	7,615,066	7,245,263	7,130,802	60,000	7,190,802
Community Development	6,846,592	8,198,178	7,983,385	7,524,826	-	7,524,826
Environmental & Neighborhood SVC	9,437,575	10,020,309	9,430,223	9,378,342	101,770	9,480,112
Police Department	27,600,042	31,694,745	30,738,741	31,501,619	-	31,501,619
Public Safety Dispatch	3,420,334	4,082,412	4,078,516	4,291,004	-	4,291,004
Fire Department	22,791,979	25,053,127	24,380,809	25,078,574	441,403	25,519,977
Departmental Expenditures	118,769,197	132,824,578	129,212,051	128,721,808	1,302,120	130,023,928
Transfers to other Funds	3,806,218	3,277,375	3,272,377	3,258,930	12,649	3,271,579
Miscellaneous	1,708,375	1,009,205	1,413,793	635,000	2,650,000	3,285,000
Rebates & Assignments	2,907,677	3,541,356	3,541,356	4,125,829	-	4,125,829
Non-departmental Expenditures	8,422,269	7,827,936	8,227,526	8,019,759	2,662,649	10,682,408
Total Expenditures	127,191,466	140,652,514	137,439,577	136,741,567	3,964,769	140,706,336
<b>Fund Balance - Beginning</b>	<b>56,887,659</b>	<b>53,714,637</b>	<b>53,714,637</b>	<b>47,465,170</b>	-	<b>47,465,170</b>
Revenues Over/(Under) Expenditures	(3,173,022)	(14,085,500)	(6,249,467)	(1,092,128)	(2,712,504)	(3,804,632)
<b>Fund Balance - Ending</b>	<b>\$ 53,714,637</b>	<b>\$ 39,629,137</b>	<b>\$ 47,465,170</b>	<b>\$ 46,373,042</b>	<b>\$ (2,712,504)</b>	<b>\$ 43,660,538</b>
Accrued Sales/Franchise Taxes	(9,078,483)	(9,483,653)	(9,483,653)	(9,483,653)	-	(9,483,653)
Fund Balance - Available	\$ 44,636,154	\$ 30,145,485	\$ 37,981,517	\$ 36,889,390	\$ (2,712,504)	\$ 34,176,886
Ending Fund Balance- % of Oper Exp		31%	37%	36%		34%
Fund Balance - Requirement		\$ 32,431,381	\$ 31,759,970	\$ 32,464,202	\$	\$ 31,959,644
Over / (Under) Policy		7,197,756	15,705,201	13,908,840		11,700,894

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

	FY24 Actuals	FY25 Budget	FY25 Projections	FY26 Budget	FY26 Budget
Legal Notice Publication Expenditures	12,508	20,000	20,000	30,173	30,173
Legislative Consultant Expenditures	179,100	64,600	64,600	82,100	82,100

CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Property Taxes						
Property Tax Current	39,375,751	42,755,928	42,363,415	44,420,871	-	44,420,871
Property Tax Penalty and Int	314,020	182,238	335,440	185,238	-	185,238
Property Tax Delinquent	(407,485)	42,756	(177,691)	44,421	-	44,421
Property Tax Spec Inventory	5,871	22,227	22,227	23,005	-	23,005
<b>Property Taxes Total</b>	<b>39,288,157</b>	<b>43,003,149</b>	<b>42,543,391</b>	<b>44,673,535</b>	<b>-</b>	<b>44,673,535</b>
Sales Tax						
Sales Tax	52,977,640	52,637,756	58,073,515	57,086,367	-	57,086,367
<b>Sales Tax Total</b>	<b>52,977,640</b>	<b>52,637,756</b>	<b>58,073,515</b>	<b>57,086,367</b>	<b>-</b>	<b>57,086,367</b>
Charges for Services	5,825,336	5,619,000	5,619,000	7,583,353	-	7,583,353
Fines & Forfeitures						
Fines Municipal Court	899,899	921,000	856,200	900,000	-	900,000
Fines Child Safety	132,904	137,000	137,000	143,000	-	143,000
Fines Warrants	72,044	71,000	71,000	74,000	-	74,000
Fines Admin Court Fees	61,684	63,000	63,000	58,000	-	58,000
Fines Online Convenience Fee	17,479	18,000	18,000	19,000	-	19,000
Fines Commercial Vehicles	22,876	26,000	26,000	10,000	-	10,000
Fines City Portion DPS Fee	4,043	4,000	4,000	4,000	-	4,000
Fines Judicial Efficiency	781	1,000	1,000	2,000	-	2,000
<b>Fines &amp; Forfeitures Total</b>	<b>1,211,709</b>	<b>1,241,000</b>	<b>1,176,200</b>	<b>1,210,000</b>	<b>-</b>	<b>1,210,000</b>
Interest Income						
Interest Earnings	2,967,216	2,740,000	2,740,000	1,944,000	-	1,944,000
Unrealized Gain/Loss Invest	629,692	-	-	-	-	-
<b>Interest Income Total</b>	<b>3,596,908</b>	<b>2,740,000</b>	<b>2,740,000</b>	<b>1,944,000</b>	<b>-</b>	<b>1,944,000</b>
Intergovernmental						
Operating Contribution Federal	225,857	829,652	346,982	-	1,252,265	1,252,265
Intergov TIRZ 1	80,443	83,000	83,000	16,778	-	16,778
Intergov TIRZ 4	26,500	12,024	12,024	1,367	-	1,367
Intergov TIRZ 3	13,988	11,573	11,573	806	-	806
Operating Contribution O. Gov	148,027	216,844	8,000	-	-	-
<b>Intergovernmental Total</b>	<b>494,816</b>	<b>1,153,093</b>	<b>461,579</b>	<b>18,951</b>	<b>1,252,265</b>	<b>1,271,216</b>
Licenses & Permits						
LP Building	2,117,039	2,155,000	2,155,000	2,173,000	-	2,173,000
LP Health	414,090	408,000	408,000	432,979	-	432,979
LP Rental Inspection Fees	398,677	400,000	400,000	369,000	-	369,000
LP HVAC	228,670	242,000	242,000	342,000	-	342,000
LP Other Fire Code	213,487	221,000	221,000	255,620	-	255,620
LP Electrical	168,842	167,000	167,000	243,685	-	243,685
LP Reinspection Fees	5,094	4,000	4,000	204,148	-	204,148
LP Infrastructure Review	21,004	13,000	13,000	155,421	-	155,421
LP Plumbing	125,489	136,000	136,000	139,000	-	139,000
LP Plat Fees	24,744	8,000	8,000	42,724	-	42,724
LP Signs	26,917	28,000	28,000	30,073	-	30,073
LP Liquor	34,990	36,000	36,000	22,500	-	22,500
LP Irrigation	15,976	12,000	12,000	21,000	-	21,000
LP Site Plan Fees	19,822	20,000	20,000	20,592	-	20,592
LP Late Fees	22,989	22,000	22,000	17,600	-	17,600
LP Solicitor	27,001	32,000	32,000	13,000	-	13,000
LP Zoning and Conditional Use	11,249	10,000	10,000	9,000	-	9,000
LP Right of Way	3,691	4,000	4,000	3,111	-	3,111
LP Land Disturbance Fee	1,328	1,000	1,000	1,000	-	1,000
LP Contractor Registration	71	-	-	-	-	-
<b>Licenses &amp; Permits Total</b>	<b>3,881,167</b>	<b>3,919,000</b>	<b>3,919,000</b>	<b>4,495,453</b>	<b>-</b>	<b>4,495,453</b>
Other						
Other Rev-Insurance Recovery	876,878	300,000	300,000	644,151	-	644,151
Reimbursements	298,361	182,000	182,000	290,924	-	290,924
Operating Contribution Nongov	347,534	386,000	386,000	270,000	-	270,000
Misc. Operating Revenue	121,944	69,000	57,000	175,000	-	175,000
Customer Over/Short	(74,252)	-	-	-	-	-
OFS Sale of Cap Assets	31,135	15,000	15,000	-	-	-
OFS Sale of NonCap Assets	23,918	15,000	15,000	-	-	-
<b>Other Total</b>	<b>1,625,517</b>	<b>967,000</b>	<b>955,000</b>	<b>1,380,075</b>	<b>-</b>	<b>1,380,075</b>
Other Taxes						
Other Tax-Franchise Electric	4,323,516	4,309,000	4,755,034	4,780,585	-	4,780,585
Other Tax Mixed Drink	724,817	746,000	715,375	734,892	-	734,892
Other Tax-Franchise Cable TV	657,396	702,000	702,000	700,000	-	700,000
Other Tax-Franchise Gas	450,369	500,000	500,000	475,000	-	475,000
Other Tax-Franchise Telecomm	98,516	106,000	106,000	100,000	-	100,000
Other Tax-Right of Way	54,982	59,000	59,000	60,000	-	60,000
<b>Other Taxes Total</b>	<b>6,309,596</b>	<b>6,422,000</b>	<b>6,837,409</b>	<b>6,850,477</b>	<b>-</b>	<b>6,850,477</b>

**CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Transfers In						
Transfer from 601 for Admin. Srvs	4,939,595	5,016,426	5,016,426	5,528,071	-	5,528,071
Transfer from 104 for Admin. Srvs	825,489	1,141,705	1,141,705	1,620,463	-	1,620,463
Intergov SL4B	1,108,782	1,194,526	1,194,526	1,354,045	-	1,354,045
Svs Chg Fr Airport	1,238,658	1,000,000	1,000,000	1,113,276	-	1,113,276
Svs Chg Fr Solid Waste	203,359	203,359	203,359	482,373	-	482,373
Transfer in Solid Waste	309,000	309,000	309,000	309,000	-	309,000
Transfer in SLA	182,716	-	-	-	-	-
Transfers In Total	8,807,599	8,865,016	8,865,016	10,407,228	-	10,407,228
<b>TOTAL REVENUES</b>	<b>124,018,444</b>	<b>126,567,015</b>	<b>131,190,110</b>	<b>135,649,439</b>	<b>1,252,265</b>	<b>136,901,704</b>
<b>OPERATING EXPENDITURES</b>						
CD: Engineering						
Salaries & Benefits	3,229,276	4,033,182	4,033,182	3,979,654	-	3,979,654
Professional Services	250,864	207,236	181,000	61,000	-	61,000
Fuel	17,207	40,357	40,357	40,357	-	40,357
Travel and Training	18,160	37,834	36,834	36,834	-	36,834
Software	5,434	15,728	20,028	20,028	-	20,028
Telecomm	18,841	17,270	17,270	17,270	-	17,270
Dues & Memberships	3,964	16,412	16,412	16,412	-	16,412
General Operating Supplies	7,294	6,130	6,130	9,230	-	9,230
Fleet Replacement	6,239	8,000	8,000	8,000	-	8,000
Uniforms	3,147	3,990	5,690	5,690	-	5,690
Equipment Rental	3,217	4,762	4,762	4,762	-	4,762
Public Relations	3,635	3,000	3,000	3,000	-	3,000
Employee Relations	5,941	6,878	1,878	1,878	-	1,878
Printing Services	150	687	687	687	-	687
Repairs & Maintenance	15,535	155,849	450	450	-	450
Capital/Other	26,166	-	-	-	-	-
Non-Capital FF&E	36,252	21,988	3,100	-	-	-
CD: Engineering Total	3,651,322	4,579,303	4,378,780	4,205,252	-	4,205,252
CD: Planning and Development Services						
Salaries & Benefits	2,574,434	3,005,976	3,005,976	3,117,058	-	3,117,058
Professional Services	104,717	83,173	72,088	72,088	-	72,088
Travel and Training	70,757	51,486	51,486	52,081	-	52,081
Telecomm	15,805	23,770	23,770	25,353	-	25,353
Fuel	15,300	14,368	14,368	14,368	-	14,368
General Operating Supplies	10,223	33,048	20,703	12,291	-	12,291
Uniforms	5,005	8,360	8,360	8,360	-	8,360
Dues & Memberships	5,021	6,102	5,847	5,847	-	5,847
Fleet Replacement	61	3,864	3,864	3,864	-	3,864
Employee Relations	3,253	4,690	3,770	3,770	-	3,770
Software	2,980	2,480	1,980	1,560	-	1,560
Printing Services	240	797	797	797	-	797
Non-Capital FF&E	3,776	700	720	720	-	720
Equipment Rental	1,956	4,000	4,000	417	-	417
Capital/Other	73,845	-	-	-	-	-
CD: Planning and Development Services Total	2,887,372	3,242,814	3,217,729	3,318,574	-	3,318,574
City Clerk						
Salaries & Benefits	686,750	1,551,757	1,551,757	1,460,364	-	1,460,364
Public Relations	80,854	203,354	120,654	95,654	-	95,654
Professional Services	40,191	54,385	55,200	85,373	-	85,373
Software	76,992	92,637	109,637	83,637	-	83,637
General Operating Supplies	10,283	9,927	12,608	16,608	-	16,608
Travel and Training	6,189	9,925	9,925	9,925	-	9,925
Employee Relations	4,591	10,200	7,518	9,518	-	9,518
Equipment Rental	3,904	5,160	5,160	5,160	-	5,160
Non-Capital FF&E	-	4,300	4,300	4,300	-	4,300
Dues & Memberships	2,046	11,826	1,650	1,650	-	1,650
Telecomm	2,030	1,648	1,648	1,648	-	1,648
Repairs & Maintenance	5,141	753	753	753	-	753
Printing Services	11,282	40,173	23,173	-	-	-
Recruiting	385	-	-	-	-	-
City Clerk Total	930,638	1,996,045	1,903,984	1,774,590	-	1,774,590
ENS: Animal Services						
Salaries & Benefits	1,287,830	1,653,223	1,673,223	1,703,749	-	1,703,749
General Operating Supplies	126,054	160,500	160,500	168,500	-	168,500
Professional Services	106,996	160,102	113,102	132,862	6,770	139,632
Supplies	40,060	80,000	80,000	84,000	-	84,000
Travel and Training	11,624	15,600	51,800	51,800	-	51,800
Telecomm	13,797	15,785	15,785	15,785	-	15,785

CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Uniforms	10,449	15,000	15,000	12,500	-	12,500
Non-Capital FF&E	4,566	10,000	10,000	10,000	-	10,000
Repairs & Maintenance	-	8,700	8,500	9,500	-	9,500
Fuel	7,601	28,895	28,895	8,895	-	8,895
Public Relations	1,234	6,000	6,000	7,000	-	7,000
Employee Relations	135	2,800	1,800	6,800	-	6,800
Fleet Replacement	520	6,500	6,500	6,500	-	6,500
Equipment Rental	2,209	2,160	2,160	2,600	-	2,600
Contracted Services	79	2,500	2,500	2,500	-	2,500
Printing Services	900	2,500	2,500	2,500	-	2,500
Software	658	2,000	2,000	2,000	-	2,000
Dues & Memberships	-	1,500	1,500	1,500	-	1,500
Recruiting	-	8,000	-	-	-	-
Capital/Other	36,922	-	-	-	-	-
<b>ENS: Animal Services Total</b>	<b>1,651,635</b>	<b>2,181,765</b>	<b>2,181,765</b>	<b>2,228,991</b>	<b>6,770</b>	<b>2,235,761</b>
ENS: Fleet						
Salaries & Benefits	1,218,894	1,475,506	1,475,506	1,444,276	-	1,444,276
Software	54,880	70,175	70,175	92,175	95,000	187,175
General Operating Supplies	100,293	43,992	43,992	33,767	-	33,767
Fleet Replacement	34,055	18,220	18,220	18,220	-	18,220
Dues & Memberships	340	16,660	16,660	16,660	-	16,660
Fuel	16,193	15,811	15,811	15,811	-	15,811
Uniforms	13,560	15,000	15,000	13,450	-	13,450
Repairs & Maintenance	7,088	17,759	15,040	10,040	-	10,040
Travel and Training	12,441	7,755	7,755	5,610	-	5,610
Chemicals	-	-	-	4,995	-	4,995
Telecomm	3,979	1,500	1,500	1,200	-	1,200
Accounting	(2,614)	-	-	-	-	-
Non-Capital FF&E	33,868	-	-	-	-	-
Contra Garage Inventory	7,173	-	-	-	-	-
Contra Fuel Inventory	(37,755)	-	-	-	-	-
Employee Relations	5,059	2,300	2,300	-	-	-
<b>ENS: Fleet Total</b>	<b>1,467,451</b>	<b>1,684,678</b>	<b>1,681,959</b>	<b>1,656,204</b>	<b>95,000</b>	<b>1,751,204</b>
ENS: Public Works						
Salaries & Benefits	7,755,589	8,332,045	8,332,045	8,787,068	-	8,787,068
Electricity	3,313,684	2,885,479	2,885,479	2,885,121	-	2,885,121
Repairs & Maintenance	4,431,689	3,885,234	3,432,923	2,217,757	-	2,217,757
Grants	618,652	633,781	658,035	669,035	-	669,035
General Operating Supplies	287,893	287,678	268,328	331,628	-	331,628
Capital/Other	255,031	212,976	291,871	329,839	-	329,839
Fuel	171,032	294,129	294,129	294,129	-	294,129
Contracted Services	143,449	357,532	348,637	252,946	-	252,946
Fleet Replacement	261,944	169,895	169,895	169,895	-	169,895
Professional Services	403,076	382,562	189,440	149,340	-	149,340
Telecomm	121,418	118,249	119,575	119,575	-	119,575
Uniforms	101,629	94,348	95,512	106,912	-	106,912
Non-Capital FF&E	187,942	106,933	118,686	80,026	-	80,026
Software	80,373	61,310	56,460	76,700	-	76,700
Travel and Training	69,676	54,084	48,969	48,919	-	48,919
Chemicals	49,015	61,000	61,000	31,000	-	31,000
Equipment Rental	70,919	105,910	97,768	26,253	-	26,253
Dues & Memberships	16,952	23,259	22,948	24,948	-	24,948
Natural Gas	24,655	19,546	19,546	19,546	-	19,546
Employee Relations	22,003	14,027	13,600	13,605	-	13,605
Miscellaneous	-	10,490	10,490	10,490	-	10,490
Property Rental Lease	101,952	29,760	29,760	10,000	-	10,000
Public Relations	496	13,650	3,650	3,650	-	3,650
Printing Services	2,853	5,246	3,010	3,010	-	3,010
Accounting	(518)	-	-	-	-	-
<b>ENS: Public Works Total</b>	<b>18,491,403</b>	<b>18,159,122</b>	<b>17,571,755</b>	<b>16,661,392</b>	<b>-</b>	<b>16,661,392</b>
ENS: Stormwater						
Fuel	590	2,000	2,000	2,000	-	2,000
Telecomm	938	940	940	940	-	940
Travel and Training	178	-	-	-	-	-
Fleet Replacement	2,046	-	-	-	-	-
Salaries & Benefits	-	250	250	-	-	-
<b>ENS: Stormwater Total</b>	<b>3,752</b>	<b>3,190</b>	<b>3,190</b>	<b>2,940</b>	<b>-</b>	<b>2,940</b>
Finance						
Salaries & Benefits	2,944,177	3,298,574	3,298,574	3,111,101	-	3,111,101
Professional Services	1,245,520	1,190,021	1,190,021	1,389,021	-	1,389,021
Software	66,822	81,400	34,400	82,818	-	82,818

**CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Travel and Training	17,716	35,359	38,883	39,783	-	39,783
General Operating Supplies	14,359	12,758	12,758	15,158	-	15,158
Telecomm	3,532	5,575	5,575	5,575	-	5,575
Dues & Memberships	3,416	5,095	4,395	4,395	-	4,395
Equipment Rental	2,209	3,600	3,600	3,600	-	3,600
Employee Relations	1,935	5,088	2,588	2,088	-	2,088
Printing Services	80	650	650	650	-	650
Repairs & Maintenance	1,500	374	50	50	-	50
Recruiting	15,042	-	-	-	-	-
Non-Capital FF&E	8,822	-	-	-	-	-
Contracted Services	200	-	-	-	-	-
Public Relations	11	500	-	-	-	-
<b>Finance Total</b>	<b>4,325,341</b>	<b>4,638,994</b>	<b>4,591,494</b>	<b>4,654,239</b>	<b>-</b>	<b>4,654,239</b>
<b>Fire</b>						
Salaries & Benefits	19,666,285	22,757,569	22,437,462	22,776,592	365,323	23,141,915
Fleet Replacement	463,448	455,000	455,000	455,000	-	455,000
General Operating Supplies	334,977	331,252	320,670	323,216	-	323,216
Repairs & Maintenance	171,449	198,209	202,441	255,446	-	255,446
Uniforms	752,947	239,820	249,131	241,705	-	241,705
Travel and Training	154,665	149,422	119,996	139,105	76,080	215,185
Equipment Rental	2,209	203,345	17,127	210,428	-	210,428
Professional Services	143,048	191,122	191,122	154,770	-	154,770
Fuel	216,498	116,754	116,754	116,754	-	116,754
Supplies	51,816	62,182	59,842	75,779	-	75,779
Software	40,214	52,883	45,866	74,282	-	74,282
Telecomm	64,770	54,105	54,105	54,105	-	54,105
Non-Capital FF&E	375,296	57,530	57,823	53,482	-	53,482
Dues & Memberships	13,210	12,495	18,995	21,580	-	21,580
Public Relations	12,573	18,169	18,169	16,164	-	16,164
Employee Relations	13,639	12,838	13,717	13,717	-	13,717
Printing Services	1,610	2,115	2,115	1,815	-	1,815
Capital/Other	308,202	94,282	-	-	-	-
Ammunition	5,124	866	474	-	-	-
<b>Fire Total</b>	<b>22,791,979</b>	<b>25,009,958</b>	<b>24,380,809</b>	<b>24,983,940</b>	<b>441,403</b>	<b>25,425,343</b>
<b>GG: Assistant City Managers</b>						
Salaries & Benefits	1,417,705	1,494,612	1,494,612	1,902,517	-	1,902,517
Travel and Training	36,517	37,443	43,543	43,543	-	43,543
Dues & Memberships	18,565	21,248	21,248	21,248	-	21,248
General Operating Supplies	5,305	20,959	20,959	7,350	-	7,350
Telecomm	6,089	5,458	5,458	7,188	-	7,188
Employee Relations	3,357	2,139	1,339	1,789	-	1,789
Public Relations	19,657	16,091	16,891	500	-	500
Printing Services	-	300	300	300	-	300
Repairs & Maintenance	377	-	-	-	-	-
Non-Capital FF&E	2,667	3,100	-	-	-	-
Software	209	450	450	-	-	-
Professional Services	36,528	34,950	-	-	-	-
<b>GG: Assistant City Managers Total</b>	<b>1,546,978</b>	<b>1,636,750</b>	<b>1,604,800</b>	<b>1,984,435</b>	<b>-</b>	<b>1,984,435</b>
<b>GG: Budget</b>						
Salaries & Benefits	763,033	1,038,843	1,038,843	1,149,147	-	1,149,147
Travel and Training	43,805	11,188	21,487	21,487	-	21,487
Professional Services	41,415	27,124	17,124	9,124	-	9,124
General Operating Supplies	2,545	3,625	3,625	3,625	-	3,625
Telecomm	2,229	2,800	2,800	2,800	-	2,800
Equipment Rental	2,209	2,380	2,380	2,380	-	2,380
Employee Relations	1,520	1,737	1,737	1,737	-	1,737
Dues & Memberships	640	900	900	900	-	900
Software	66,023	5,635	5,635	635	-	635
Printing Services	-	100	100	100	-	100
Recruiting	2,625	14,564	14,564	-	-	-
Non-Capital FF&E	7,796	299	-	-	-	-
<b>GG: Budget Total</b>	<b>933,840</b>	<b>1,109,195</b>	<b>1,109,195</b>	<b>1,191,935</b>	<b>-</b>	<b>1,191,935</b>
<b>GG: City Attorney</b>						
Salaries & Benefits	1,098,727	1,165,849	1,165,849	1,216,294	-	1,216,294
Professional Services	44,730	110,936	91,366	91,366	-	91,366
Software	18,308	35,050	35,050	35,050	-	35,050
Travel and Training	13,103	10,203	10,203	10,203	-	10,203
General Operating Supplies	3,206	4,789	4,789	4,789	-	4,789
Dues & Memberships	3,180	9,870	3,500	3,500	-	3,500
Telecomm	472	700	700	700	-	700
Employee Relations	171	479	479	479	-	479

**CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Non-Capital FF&E	8,246	-	-	-	-	-
GG: City Attorney Total	1,190,144	1,337,877	1,311,937	1,362,381	-	1,362,381
GG: City Manager						
Salaries & Benefits	980,293	1,152,353	1,152,353	797,973	-	797,973
Employee Relations	23,803	10,496	30,285	28,242	-	28,242
Travel and Training	60,469	27,928	18,139	27,539	-	27,539
Public Relations	22,461	10,255	24,588	24,000	-	24,000
Professional Services	1,244	7,000	7,000	7,000	-	7,000
General Operating Supplies	8,754	12,762	5,340	5,350	-	5,350
Telecomm	3,784	4,000	3,700	3,800	-	3,800
Non-Capital FF&E	15,561	12,121	2,121	2,121	-	2,121
Equipment Rental	1,418	1,800	1,800	1,800	-	1,800
Printing Services	1,595	1,100	1,100	1,100	-	1,100
Software	102,186	3,200	1,200	1,000	-	1,000
Dues & Memberships	14,070	4,891	279	-	-	-
Repairs & Maintenance	130,473	-	-	-	-	-
Capital/Other	26,018	-	-	-	-	-
GG: City Manager Total	1,392,130	1,247,905	1,247,905	899,925	-	899,925
GG: Communications and Community Engagement						
Salaries & Benefits	1,585,412	1,756,249	1,756,249	1,556,021	-	1,556,021
Professional Services	53,307	80,800	80,800	121,300	-	121,300
Software	59,932	86,245	80,785	80,785	-	80,785
Printing Services	2,959	19,805	33,912	15,912	-	15,912
Travel and Training	14,255	14,550	14,350	14,350	-	14,350
Telecomm	12,782	10,200	10,200	10,200	-	10,200
General Operating Supplies	7,944	22,372	8,375	7,875	-	7,875
Public Relations	26,789	62,825	63,025	7,375	-	7,375
Non-Capital FF&E	10,058	2,568	2,568	2,568	-	2,568
Uniforms	920	1,600	1,600	1,250	-	1,250
Repairs & Maintenance	350	450	450	450	-	450
Employee Relations	2,571	649	649	399	-	399
Dues & Memberships	975	110	-	-	-	-
Recruiting	366	-	-	-	-	-
Fuel	171	346	346	-	-	-
GG: Communications and Community Engag	1,778,790	2,058,770	2,053,310	1,818,485	-	1,818,485
GG: Customer Experience						
Salaries & Benefits	867,063	1,004,380	1,004,380	1,269,498	-	1,269,498
Software	56,720	234,906	206,200	155,350	-	155,350
Professional Services	19,378	48,811	53,000	56,000	-	56,000
Travel and Training	15,155	28,500	24,500	27,280	-	27,280
Telecomm	15,846	26,400	26,400	17,424	-	17,424
Public Relations	2,968	3,000	3,000	12,000	-	12,000
Employee Relations	9,494	8,569	8,569	8,000	-	8,000
General Operating Supplies	8,387	7,000	3,000	3,000	-	3,000
Non-Capital FF&E	12,299	1,000	5,000	2,000	-	2,000
Dues & Memberships	300	410	-	800	-	800
Repairs & Maintenance	47,298	-	-	-	-	-
Printing Services	250	160	-	-	-	-
Contracted Services	13,803	34,619	33,000	-	-	-
GG: Customer Experience Total	1,068,962	1,397,755	1,367,049	1,551,352	-	1,551,352
GG: Economic Development						
Salaries & Benefits	1,896,161	2,077,734	2,077,734	1,202,458	-	1,202,458
Fleet Replacement	115	4,000	4,000	4,000	-	4,000
Fuel	-	600	600	1,200	-	1,200
Employee Relations	597	599	599	599	-	599
Telecomm	101	-	-	-	-	-
Travel and Training	-	600	-	-	-	-
General Operating Supplies	631	-	-	-	-	-
Incentives	243,652	262,051	540,703	-	-	-
Professional Services	96,872	56,979	-	(71,978)	-	(71,978)
GG: Economic Development Total	2,238,130	2,402,562	2,623,635	1,136,279	-	1,136,279
GG: Information Technology						
Salaries & Benefits	3,187,701	3,807,951	3,807,951	3,531,267	-	3,531,267
Software	2,915,599	3,755,973	3,184,927	3,181,350	201,447	3,382,797
Professional Services	116,129	138,775	128,550	79,550	237,500	317,050
Telecomm	187,246	177,500	177,500	177,500	-	177,500
General Operating Supplies	18,763	53,454	67,367	74,537	-	74,537
Travel and Training	41,251	56,865	56,600	56,600	-	56,600
Property Rental Lease	20,704	26,200	26,200	26,200	-	26,200
Employee Relations	4,654	4,898	2,498	9,168	-	9,168
Dues & Memberships	434	1,500	1,500	1,500	-	1,500

**CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Fleet Replacement	-	1,500	1,500	1,500	-	1,500
Fuel	1,795	700	700	700	-	700
Printing Services	120	80	80	80	-	80
Capital/Other	32,964	2,995	-	-	-	-
Non-Capital FF&E	45,504	12,203	500	-	-	-
Repairs & Maintenance	20,460	-	-	-	-	-
<b>GG: Information Technology Total</b>	<b>6,593,324</b>	<b>8,040,595</b>	<b>7,455,872</b>	<b>7,139,952</b>	<b>438,947</b>	<b>7,578,899</b>
<b>GG: People and Culture</b>						
Salaries & Benefits	2,138,285	2,205,296	2,205,296	2,334,793	-	2,334,793
Professional Services	319,416	178,077	108,270	106,755	15,000	121,755
Training	77,358	27,495	200,000	108,710	-	108,710
Software	142,745	144,561	95,321	108,169	-	108,169
Employee Relations	120,996	100,399	82,119	83,135	-	83,135
Recruiting	30,509	24,854	44,639	53,731	-	53,731
General Operating Supplies	9,438	43,470	31,353	21,400	-	21,400
Tuition Reimbursement	13,937	30,000	20,000	20,000	-	20,000
Travel and Training	14,338	15,061	15,505	14,845	-	14,845
Telecomm	12,423	9,905	8,500	8,300	-	8,300
Dues & Memberships	3,472	3,305	3,626	3,883	-	3,883
Equipment Rental	2,964	2,280	2,280	2,964	-	2,964
Fuel	821	2,628	2,628	714	-	714
Fleet Replacement	443	700	700	700	-	700
Repairs & Maintenance	1,170	600	600	600	-	600
Premiums	-	152	152	152	-	152
Printing Services	120	42,725	100	100	-	100
Non-Capital FF&E	13,291	-	-	-	-	-
<b>GG: People and Culture Total</b>	<b>2,901,726</b>	<b>2,831,508</b>	<b>2,821,089</b>	<b>2,868,952</b>	<b>15,000</b>	<b>2,883,952</b>
<b>GG: Public Safety Training Facility</b>						
Repairs & Maintenance	-	14,958	-	31,020	-	31,020
Contracted Services	-	-	-	30,315	-	30,315
General Operating Supplies	-	6,960	-	13,920	-	13,920
Professional Services	-	6,600	-	13,200	-	13,200
Equipment Rental	-	1,482	-	2,964	-	2,964
Employee Relations	-	1,170	-	2,340	-	2,340
Non-Capital FF&E	-	13,500	-	600	-	600
Software	-	-	-	275	-	275
<b>GG: Public Safety Training Facility Total</b>	<b>-</b>	<b>44,670</b>	<b>-</b>	<b>94,634</b>	<b>-</b>	<b>94,634</b>
<b>GG: Redevelopment</b>						
Salaries & Benefits	301,360	368,690	368,690	1,102,977	-	1,102,977
Incentives Home Improvement	-	-	-	-	220,000	220,000
Travel and Training	3,984	10,827	10,827	10,827	-	10,827
General Operating Supplies	-	2,189	2,189	2,189	-	2,189
Telecomm	1,617	2,025	2,025	2,025	-	2,025
Dues & Memberships	840	1,525	1,525	1,525	-	1,525
Fleet Replacement	-	1,000	1,000	1,000	-	1,000
Software	-	600	600	600	-	600
Non-Capital FF&E	-	20	20	20	-	20
Employee Relations	96	-	-	-	-	-
<b>GG: Redevelopment Total</b>	<b>307,897</b>	<b>386,876</b>	<b>386,876</b>	<b>1,121,163</b>	<b>220,000</b>	<b>1,341,163</b>
<b>GG: Strategic and Government Affairs</b>						
Salaries & Benefits	1,969,835	2,308,178	2,308,178	2,198,806	-	2,198,806
Software	326,839	295,787	295,689	285,987	-	285,987
Travel and Training	91,516	118,664	104,000	86,000	-	86,000
Public Relations	10,776	47,302	42,302	60,274	-	60,274
Dues & Memberships	20,079	38,240	41,913	39,413	-	39,413
General Operating Supplies	10,502	19,787	25,919	25,919	-	25,919
Professional Services	72,500	145,950	22,850	23,100	-	23,100
Employee Relations	16,858	88,861	85,602	18,158	-	18,158
Telecomm	7,361	8,970	10,970	10,970	-	10,970
Printing Services	820	2,432	2,827	2,750	-	2,750
Equipment Rental	607	1,181	1,181	1,181	-	1,181
Non-Capital FF&E	3,536	8,173	500	500	-	500
Marketing	6,059	-	-	-	-	-
<b>GG: Strategic and Government Affairs Total</b>	<b>2,537,289</b>	<b>3,083,524</b>	<b>2,941,931</b>	<b>2,753,058</b>	<b>-</b>	<b>2,753,058</b>
<b>Municipal Court</b>						
Salaries & Benefits	1,236,683	1,368,533	1,368,533	1,459,343	-	1,459,343
Professional Services	65,670	84,700	84,700	72,800	-	72,800
General Operating Supplies	16,832	24,013	24,500	25,500	-	25,500
Software	10,950	18,200	18,200	10,600	-	10,600
Travel and Training	7,144	20,010	7,950	10,000	-	10,000
Public Relations	-	1,000	-	5,000	-	5,000

CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Employee Relations	3,654	2,500	2,500	2,500	-	2,500
Equipment Rental	4,418	4,560	4,560	2,280	-	2,280
Printing Services	1,362	3,000	3,000	2,000	-	2,000
Dues & Memberships	1,380	1,900	1,900	1,900	-	1,900
Telecomm	1,021	1,100	1,100	1,600	-	1,600
Repairs & Maintenance	1,861	1,500	1,500	1,500	-	1,500
Non-Capital FF&E	3,003	1,734	1,247	1,247	-	1,247
<b>Municipal Court Total</b>	<b>1,353,976</b>	<b>1,532,750</b>	<b>1,519,690</b>	<b>1,596,270</b>	<b>-</b>	<b>1,596,270</b>
<b>Parks and Recreation</b>						
Salaries & Benefits	3,141,564	3,538,544	3,538,544	3,883,146	-	3,883,146
Repairs & Maintenance	1,838,375	1,838,437	1,796,599	1,658,907	10,000	1,668,907
Purchased Services	598,513	664,107	631,944	364,944	50,000	414,944
Professional Services	419,618	439,427	380,070	312,820	-	312,820
Electricity	283,115	240,000	240,000	240,000	-	240,000
Contracted Services	190,649	229,000	229,000	229,000	-	229,000
Capital/Other	37,547	105,194	150,000	150,000	-	150,000
General Operating Supplies	69,069	68,815	68,724	81,732	-	81,732
Fuel	28,941	58,741	58,741	58,741	-	58,741
Telecomm	36,147	41,336	41,336	41,336	-	41,336
Travel and Training	32,994	39,113	29,731	30,425	-	30,425
Miscellaneous	-	-	-	20,000	-	20,000
Public Relations	32,931	264,336	21,200	17,600	-	17,600
Uniforms	14,544	21,346	19,080	12,080	-	12,080
Equipment Rental	8,386	10,828	10,828	10,828	-	10,828
Software	21,812	14,629	8,143	8,023	-	8,023
Printing Services	5,941	5,012	6,512	3,500	-	3,500
Non-Capital FF&E	23,642	13,958	2,400	2,400	-	2,400
Fleet Replacement	15,928	6,805	6,805	2,000	-	2,000
Employee Relations	24,445	9,799	1,921	1,700	-	1,700
Dues & Memberships	4,140	3,375	1,485	1,620	-	1,620
Recruiting	33,825	-	-	-	-	-
Marketing	76	64	-	-	-	-
Property Rental Lease	1,966	2,200	2,200	-	-	-
<b>Parks and Recreation Total</b>	<b>6,864,166</b>	<b>7,615,066</b>	<b>7,245,263</b>	<b>7,130,802</b>	<b>60,000</b>	<b>7,190,802</b>
<b>Police</b>						
Salaries & Benefits	25,264,666	28,249,026	28,235,517	29,025,320	-	29,025,320
Software	637,723	774,515	668,614	691,426	25,000	716,426
Equipment Rental	304,524	898,074	655,256	619,277	-	619,277
Fuel	406,561	409,178	409,178	409,178	-	409,178
Fleet Replacement	335,023	257,000	257,000	260,000	-	260,000
Travel and Training	192,622	366,594	276,503	251,697	-	251,697
Telecomm	180,919	172,962	171,195	191,558	-	191,558
Uniforms	167,186	217,346	160,540	159,165	-	159,165
General Operating Supplies	112,330	90,619	98,354	113,316	-	113,316
Ammunition	78,104	79,223	81,866	80,328	-	80,328
Non-Capital FF&E	151,808	177,098	46,276	48,240	-	48,240
Professional Services	67,714	75,054	22,026	39,101	-	39,101
Repairs & Maintenance	57,522	54,317	71,239	36,750	-	36,750
Employee Relations	113,576	19,246	15,172	25,230	-	25,230
Public Relations	46,583	21,457	27,957	23,283	-	23,283
Dues & Memberships	11,704	22,146	18,414	22,501	-	22,501
Contracted Services	8,962	5,792	9,500	12,500	-	12,500
Printing Services	7,656	12,421	8,139	11,766	-	11,766
Recruiting	505	4,185	9,800	5,600	-	5,600
Grants	175	3,000	3,000	3,000	-	3,000
Capital/Other	47,810	322,980	-	-	-	-
<b>Police Total</b>	<b>28,193,675</b>	<b>32,232,233</b>	<b>31,245,546</b>	<b>32,029,236</b>	<b>25,000</b>	<b>32,054,236</b>
<b>Public Safety Dispatch</b>						
Salaries & Benefits	3,289,522	3,904,632	3,900,003	4,112,491	-	4,112,491
Repairs & Maintenance	23,353	35,631	39,500	39,500	-	39,500
Professional Services	315	38,115	38,115	38,115	-	38,115
Travel and Training	22,470	32,840	32,840	32,840	-	32,840
Software	62,870	31,200	31,200	31,200	-	31,200
Dues & Memberships	1,206	10,885	10,885	10,885	-	10,885
Telecomm	5,185	7,800	7,800	7,800	-	7,800
General Operating Supplies	6,371	6,299	6,693	6,693	-	6,693
Employee Relations	3,338	4,400	4,400	4,400	-	4,400
Uniforms	2,026	3,800	3,800	3,800	-	3,800
Equipment Rental	2,209	2,280	2,280	2,280	-	2,280
Public Relations	46	1,000	1,000	1,000	-	1,000
Non-Capital FF&E	1,423	4,263	-	-	-	-

CITY OF SUGAR LAND  
GENERAL FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Public Safety Dispatch Total	3,420,334	4,083,145	4,078,516	4,291,004	-	4,291,004
Strategic and Government Affairs						
Salaries & Benefits	157,594	169,191	169,191	147,039	-	147,039
Professional Services	59,100	82,100	82,100	82,100	-	82,100
Travel and Training	12,048	17,388	16,831	16,831	-	16,831
Software	-	10,000	10,000	10,000	-	10,000
Public Relations	6,718	6,800	7,800	7,800	-	7,800
General Operating Supplies	16	1,040	1,040	1,040	-	1,040
Telecomm	914	600	600	600	-	600
Dues & Memberships	10,349	250	250	250	-	250
Printing Services	30	121	121	121	-	121
Employee Relations	173	40	40	40	-	40
Strategic and Government Affairs Total	246,943	287,530	287,973	265,821	-	265,821
<b>TOTAL OPERATING EXPENDITURES</b>	<b>118,769,197</b>	<b>132,824,578</b>	<b>129,212,051</b>	<b>128,721,808</b>	<b>1,302,120</b>	<b>130,023,928</b>
<b>NON-OPERATING EXPENDITURES</b>						
Miscellaneous						
Incentives	-	2,650,000	2,650,000	-	2,650,000	2,650,000
Premiums	1,050,973	1,050,000	1,050,000	1,085,000	-	1,085,000
Deductibles	636,151	556,469	553,357	550,000	-	550,000
Contingency	-	13,715	385,436	500,000	-	500,000
Miscellaneous Refunds	21,050	-	-	-	-	-
Accounting	200	-	-	-	-	-
Miscellaneous	-	(1,760,979)	(1,725,000)	-	-	-
Salary Savings	-	(1,500,000)	(1,500,000)	(1,500,000)	-	(1,500,000)
Miscellaneous Total	1,708,375	1,009,205	1,413,793	635,000	2,650,000	3,285,000
Rebates & Assignments						
Capital/Other	2,907,677	3,541,356	3,541,356	4,125,829	-	4,125,829
Rebates & Assignments Total	2,907,677	3,541,356	3,541,356	4,125,829	-	4,125,829
Transfers to Other Funds						
Fleet Replacement	985,757	1,704,837	1,704,837	1,700,000	-	1,700,000
Non-Capital FF&E	1,005,867	1,139,867	1,139,867	1,139,867	-	1,139,867
Transfer to Airport	313,804	302,584	297,585	309,520	-	309,520
Transfer to PID	52,419	55,553	55,553	74,543	-	74,543
Transfer to Public Arts	272,300	35,000	35,000	35,000	-	35,000
Transfer to Eld PID	-	-	-	-	12,649	12,649
Transfer to Contract Policing	176,071	39,534	39,534	-	-	-
Transfer to CIP-Non Bond	1,000,000	-	-	-	-	-
Transfers to Other Funds Total	3,806,218	3,277,375	3,272,377	3,258,930	12,649	3,271,579
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>8,422,269</b>	<b>7,827,936</b>	<b>8,227,526</b>	<b>8,019,759</b>	<b>2,662,649</b>	<b>10,682,408</b>



# Special Revenue Funds

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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 sixteen Special Revenue Funds budgeted for Fiscal Year 2026.

The first four Special Revenue Funds are associated with the Municipal Court and are supported by a \$14 local consolidated fee collected on all non-jailable misdemeanor offenses, including violations of municipal ordinances, as authorized by Section 134.103 of the Texas Local Government Code. The municipal treasurer is required to allocate the \$14 across four distinct funds: the Court Security, Court Technology, Truancy Prevention and Diversion, and Juror funds. Each fund receives a designated portion of the fee to support its respective purposes, with revenues tracked separately to ensure compliance with statutory requirements.

## Court Security Fund

The City collects a \$4.90 fee from each defendant found guilty of a misdemeanor. Since January 2020, this fee has been distributed as a percentage of the \$14 consolidated fee. Under Article 102.017 of the Texas Code of Criminal Procedure, revenues generated by this fee may only be used to fund court security and include such items as metal detectors, surveillance equipment, security personnel, security hardware, security training, or other security measures.

Total revenues are projected to increase by \$4,100, from \$40,400 in FY25 to \$44,500 in FY26. The growth is primarily driven by an increase in security fees, which are expected to rise from \$36,500 in FY25 to \$40,000 in FY26 due to a more efficient ticket-writing system allowing officers to issue citations directly from their iPhones. Interest income is also projected to grow from \$3,900 to \$4,500, supported by higher average cash balances.

Total expenditures are expected to decrease significantly from \$37,500 in FY25 to \$22,000 in FY26, reflecting fewer obligations and contracts. As a result, the fund balance is projected to reach \$113,887 by 9/30/26.

## Court Technology Fund

The City collects a \$4 fee from each defendant found guilty of a misdemeanor as part of the \$14 court consolidated fee. Under Article 102.0172 of the Texas Code of Criminal Procedure, revenues generated in the fund may only be used to fund court technology such as computer equipment, imaging systems, electronic kiosks, docket management systems, or electronic ticket writers.

Total revenues are projected to increase by \$4,100, from \$40,400 in FY25 to \$44,500 in FY26. The increase is primarily driven by growth in the Technology Fee, which is expected to rise from \$30,000 to \$32,000 due to the implementation of a more efficient ticket-writing system allowing officers to issue citations using their iPhones. Interest income is also projected to increase slightly, from \$2,500 to \$2,700, reflecting higher average cash balances.

Total expenditure is projected to increase from \$9,250 in FY25 to \$19,700 in FY26. This increase in operating and maintenance costs is attributed to the purchase of a ticket writer and iPhone licenses necessary to support the new citation system.

## Court Truancy Fund

The City collects a \$5 fee from each defendant found guilty of a misdemeanor offense. Since January 1, 2020, this amount has been allocated as a fixed portion of the \$14 consolidated court cost, with \$5 per guilty finding directed to this fund. Following Section 133.125 of the Local Government Code, revenues in this fund may only be used to support the salary, benefits, training, travel, office supplies, and other necessary expenses related to the juvenile case manager position.

The fund balance is projected to decrease from \$134,674 in FY25 to \$132,363 in FY26, a reduction of \$2,311. This decline is due to increased expenses associated with the Truancy Prevention Officer, which are being charged this fund.

## Court Juror Fund

The City collects a \$0.10 fee from each defendant found guilty of a misdemeanor offense. Since January 1, 2020, this amount has been allocated as a fixed portion of the \$14 consolidated court cost, with \$0.10 per guilty finding directed to this fund. Under Section 134.154 of the Local Government Code, revenues in this fund may only be used by the municipality to reimburse jurors and support jury-related services.

The fund balance is projected to increase from \$4,433 in FY25 to \$5,363 in FY26, reflecting growth of \$930. This increase is primarily driven by fine revenue linked to ticket-writing activity and interest income resulting from higher average cash balances. No expenditure is anticipated in either FY25 or FY26, allowing the fund to continue accruing interest.

## Tourism Fund

The Tourism Fund accounts for revenues realized from the collection of Hotel Occupancy Taxes. 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 ten hotels, with a total of 1,520 rooms. Hotel taxes from the Sugar Land Marriott are used to pay the debt service on the Certificates of Obligation that the City issued to finance the Sugar Land Conference Center, which is leased and operated by the Sugar Land Town Square Marriott.

Revenue assumptions in this fund are more conservative than in others due to the highly elastic nature of the revenue stream. Hotel Occupancy Tax revenues are expected to grow from \$2,888,981 in FY25 to \$2,891,870 in FY26 due to an increase in hotel rates. Interest income is expected to grow from \$95,000 in FY25 to \$100,000 FY26 due to higher average cash balances.

By law, cities with populations of less than 125,000 must spend at least 1% of the 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. With these restrictions in mind, the total expenditures are projected to increase from \$2,171,213 in FY25 to \$3,047,438 in FY26. These expenses are broken into three categories: Tourism Program, Imperial, and transfer out.

**Tourism Program:** Expenses are expected to increase from \$1,128,374 in FY25 to \$1,828,110 in FY26 due mostly to the Hotel Occupancy Tax (HOT) Grant Program and FIFA World Cup Incentives as budgeted at \$400,000 and \$100,00, respectively.

Imperial includes the cost for the visitor center growing to \$383,603. It also includes a new FY26 expense of \$150,000 that is focused on the operation and maintenance of the recent purchase of Imperial.

**Transfers out to Debt Service:** The position of debt service payments has decreased from \$1,344,281 to \$685,175 in FY25 due to an amendment within the fiscal year that focused on the debt service payment for the Sugar Land Conference Center only, giving more capacity for use of this fund. The amount of \$351,900 will be the FY26 allocation to the debt service fund; this will be the last payment to the Certificates of Obligation.

Fund balance at 9/30/26 is estimated to be #4,154,499, which is \$4,541,159 over the policy requirement, stated as 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 the 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.

FY26 Budgeted fund balance is projected to reduce from \$1,098,842 in FY25 to \$818,842 in FY26. Budgeted expenditures for FY26 total \$330,000 and include funding for first responders' drone program, real-time crime center software, and PD timekeeping software contract, which are primarily focused on investments in software and licensing that support crime deterrence and enforcement efforts. These technology tools are critical to strengthening the department's capacity to prevent, detect, and respond to criminal activity.

### **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 funds is not as limited as the shared property that was forfeited because 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.

The FY26 budgeted fund balance is projected to increase from \$49,341 in FY25 to \$51,341 in FY26, reflecting a \$2,000 increase. This growth is attributed to interest income, driven by higher average cash balances. No expenditures are planned for either FY25 or FY26, allowing the fund to continue accumulating interest earnings.

### **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 more than \$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.

The FY26 budgeted fund balance is projected to increase from \$24,546 in FY25 to \$25,546 in FY26, reflecting a \$1,000 increase. This growth is attributed to interest income, driven by higher average cash balances. No expenditures are planned for either FY25 or FY26, allowing the fund to continue accumulating interest earnings.

## Tara Plantation Debt Reduction Fund

Tara Plantation is a participant in the City's Groundwater Reduction Plan (GRP). Under the GRP participation agreement, a 20% out-of-city service fee is applied to services received from the City. In anticipation of a future Strategic Partnership Agreement (SPA), these fees are being deposited into the Tara Plantation Debt Reduction Fund. The funds will be reserved for use in accordance with the terms of the future SPA, which will outline mutually agreed-upon uses.

Total revenues are projected to increase from \$99,095 in FY25 to \$103,000 in FY26, an increase of \$3,905. This growth is primarily driven by:

- **Interest Income:** Expected to rise from \$30,295 in FY25 to \$34,000 in FY26, reflecting higher average cash balances.

No expenditures are planned for this fund in FY26, allowing the balance to continue accumulating in preparation for future SPA-directed use.

## Riverstone Debt Reduction Fund

Fort Bend Municipal Utility District No. 128 has a Strategic Partnership Agreement (SPA) with the City, which provides that any out-of-city service fees paid by the District for raw or re-use water will be deposited into a dedicated debt reduction fund. Revenues in this fund are reserved for specific purposes upon the City's annexation of the District, including the retirement of debt, repair and maintenance of public infrastructure within the tract, offsetting the direct costs of City services to the tract, and covering other annexation-related expenses incurred by the City.

Total revenues are projected to increase from \$676,399 in FY25 to \$693,990 in FY26, an increase of \$17,591. This growth is primarily attributed to:

- **Interest Income:** Anticipated to rise from \$108,588 in FY25 to \$140,000 in FY26, reflecting higher average cash balances.

No expenditures are planned for this fund in FY26, allowing the balance to continue building in preparation for future annexation-related uses.

## Enclave at River Park PID

Authorized under the Public Improvement District Assessment Act (Chapter 372 of Local Government Code). 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. 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.

Total projected revenues are expected to decrease from \$135,802 in FY25 to \$129,089 in FY26, reflecting a net decline of \$6,714. The decrease is connected to revenues from PID assessments are projected to drop from \$37,309 in FY25 to \$0 in FY26. This is due to the Tax Year 2025 assessment being reduced to \$0, following a \$270 assessment in Tax Year 2024. The reduction is the result of sufficient property tax levy collections in the prior year, which are adequate to cover debt service obligation in FY26 without requiring additional assessment revenue.

Transfers from the General Fund are projected to increase from \$95,330 in FY25 to \$127,089 in FY26, primarily due to higher property values assessed within the Enclave at River Park PID. Total expenditures are expected to decrease from \$133,379 to \$128,879, a reduction of \$4,500 that corresponds with the debt service requirements outlined in the PID debt schedule. As a result, the FY26 budget reflects a modest net income of \$210, with a projected ending fund balance of \$63,233.

## Park at Eldridge PID

Authorized under the Public Improvement District Assessment Act (Chapter 372 of Local Government Code). Park at Eldridge 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 storm drainage facility construction/improvements; acquisition of property; and administration/operational expenses. The annual assessment per lot will be \$935, commencing with the 2024 tax year. Debt to finance developer reimbursement will be paid over a 20-year schedule. The City contributes 50% of property taxes (capped at \$52,590) 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.

FY26 Budgeted Ending Fund balance is projected to increase from \$85,559 in FY25 to \$188,513 in FY26, reflecting a net increase of \$102,954. The key drivers behind this growth include:

- **Transfers In:** This is a newly established Public Improvement District; therefore, no prior year property tax levies were collected, and no transfers were budgeted in FY25. Beginning in FY26, the PID projects to receive a \$12,649 transfer from the General Fund. This transfer is supported by newly collected property tax levies within the PID and is intended to fund future debt service obligations
- **Interest Income:** Interest earnings are projected to increase from \$2,427 in FY25 to \$7,140 in FY26 due to higher average cash balances.
- **Expenditures:** Because this is a newly established PID, currently, there are no debt service expenses associated with it. At this time, the only expenses are related to mailing and audit costs, which are projected to decrease from \$100 in FY25 to \$50 in FY26

## Special Events Fund

The Special Events fund accounts for City Services 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 on public property. Additionally, the Special Events fund accounts for the rental fees collected for the Crown Festival Park and Brazos River Park. Sugar Land voters approved both facilities 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 cultural offerings, and possibly commercial entertainment events that could benefit the local economy. The primary source of revenue for this Fund is derived from the parking fees at the Smart Financial Centre, which are determined by 20% of the parking sales from the previous calendar year.

Total revenues are projected to decrease to \$520,000 in FY26. This decline is primarily driven by two key factors:

- **Rental Fees:** Revenues previously generated from public safety support for events are now reflected in the General Fund to better align with associated expenditures, such as overtime. While FY25 included a budgeted amount of \$150,000, FY26 projections range from \$60,000 to \$80,000 due to changes in accounting and an increase in event activity.
- **Miscellaneous Revenue:** Projected to decline from \$427,627 in FY25 to \$400,000 in FY26. The reduction is attributed to the construction of a new free parking garage at the adjacent hospital, which is expected to divert event attendees from paid Smart Financial parking.

Total expenditures are projected to increase from \$361,500 in FY25 to \$506,948 in FY26, a net increase of \$145,448.

- **Personnel Costs:** Beginning in FY26, a part-time Event Specialist will be funded from this account for \$36,948. No personnel costs were previously charged to this fund.
- **Operating & Maintenance:** Expected to grow from \$361,500 in FY25 to \$470,000 in FY26, largely due to \$70,000 in new recurring expenses tied to.

## Public, Education, & Government Fund

### Public, Education & Government (PEG) Fund:

The PEG Fund was established following the passage of S.B. 1087 during the 82nd Texas Legislative Session in 2011, which authorized municipalities to collect 1% of gross revenues—labeled as a "State Franchise Fee"—from cable and video service providers. These revenues are restricted and may only be used for capital expenditures that support broadcast operations for the City's PEG channel, SLTV16. To improve transparency and accountability, these funds were moved from the General Fund and established as a separate fund beginning with the FY21 Budget.

On June 6, 2025, new legislation (S.B. 924) added language to exempt customers who do not utilize the City's rights-of-way from the fee, effective September 1, 2025. However, this change is anticipated to have minimal impact on

Total revenues are projected to increase from \$141,500 in FY25 to \$144,000 in FY26. This modest growth is driven by:

- **PEG Fees:** Revenues from Comcast and DirecTV are expected to increase slightly, reflecting stable subscriber bases and rate adjustments.
- **Interest Income:** Projected to grow from \$3,500 in FY25 to \$4,000 in FY26 due to higher average cash balances.

Total expenditures are projected to decrease significantly, from \$258,360 in FY25 to \$116,100 in FY26—a reduction of \$142,260. This decrease reflects no new capital purchases and lower contractual obligations.

## **Animal Services Donations**

The Animal Services division receives donations from residents, non-residents, and businesses throughout the year. These funds are used to enhance, not replace, services provided through the General Fund. Donations support enrichment opportunities, special medical needs, and other supplemental items that exceed the City's baseline service levels. The fund also accounts for any grants awarded to the shelter. Capital donations for the new animal shelter are not included in this fund; they are managed by the Sugar Land Legacy Foundation. Capital donations made directly to the City are held in the Capital Projects Fund as a reserve.

FY26 budgeted revenues remain consistent with the FY25 budget at \$30,000, comprising \$20,000 in donations and \$10,000 in interest income. Expenditures are budgeted at \$56,000, resulting in a projected ending fund balance of \$190,824 as of 9/30/26.

## **American Rescue Plan Act**

In response to COVID-19 and its negative economic impacts, the federal government passed the American Rescue Plan Act, an economic stimulus bill. The City has been allocated a set amount that will be used to offset revenue loss, offer premium pay to essential workers, and make necessary water, sewer, and broadband infrastructure improvements. The funds must be spent in accordance with treasury guidance and City Council. Federal funding ended in FY23. All ARPA funds must be spent by December 31, 2026.

No revenues or expenditures are budgeted for FY25, as all federal funding has been fully obligated to various projects across the City. Any remaining project balances at the end of FY25 will be carried forward into FY26 through a mid-year budget amendment. The projected ending fund balance as of September 30, 2026, is \$958,406. This balance is derived from interest income and is not subject to the same restrictions as the original federal allocations.

## **Contract Policing Fund**

The Contract Policing Fund was established as a means of tracking the revenue and expenditures associated with the agreements between the Great Community Association, the New Territory Residential Community Association and the City for supplement policing services provided within their respective boundaries. Per the agreements, City personnel assigned to Contract Policing Program will devote 95% of their working time to providing services to the associations, and the homeowner associations will cover 95% of the total expenditure for personnel and operations costs.

Total revenues are projected to increase from \$801,177 in FY25 to \$1,090,500 in FY26. The primary driver of this increase is higher revenue generated from contracted services, though this is partially offset by increased personnel costs in FY26. FY26 budgeted expenditure also includes planned purchase of 4 replacement patrol vehicles totaling \$380,000. The fund anticipates modest interest income in both years, estimated at approximately \$10,500 annually. No transfers in are budgeted for FY26, as the fund maintains a healthy fund balance that supports ongoing operations.

## **Public Arts Fund**

The Public Arts Fund was created in FY23 to separate public art projects from other capital projects and is intended to capture funding needs identified each year through the development of the Annual Public Art Work Plan (APAWP). Each year, the APAWP is developed to establish public art projects that achieve the goals of the Public Art Plan, which was adopted in 2016. The Public Arts Fund is utilized toward the implementation of the APAWP and

further establishing the city's current public art collection. The Sugar Land 4B Corporation annually contributes funding for public art projects, which were previously housed in the General CIP.

Expenditures are expected to increase from \$300,000 in FY25 to \$603,000 in FY26 due to the purchase of \$293,000 towards the Public Art Plan, Murals, and Electrical Artwork. Another expense of \$160,000 is allocated towards Hybocozo, which is an electrical Art display. The budgeted fund balance at 9/30/26 is anticipated to be \$379,682.

### **Opioid Settlement Fund**

The Opioid Settlement Fund was established to account for litigation revenues received from the Texas Comptroller of Public Accounts and the Texas Opioid Abatement Fund Council, which was codified by SB 1827 (87R). The City is expected to receive a proportional share of funds recovered through statewide opioid settlement agreements via occasional payments. Eligible uses of the funds received from the Comptroller require uses that address opioid-related harms in the community.

FY 25 projected revenues of \$97,769 consist of \$95,805 from litigation settlement payment distributions and \$1,964 for interest income. Projected expenditures for Police are \$83,351, and for Fire are \$63,172. Fund balance at 9/30/25 is projected to be \$0

Due to the unknown nature of the timing of future litigation revenue payments, there is no revenue budgeted in fiscal year 2026. The total expenditures appropriated will be the resulting fund balance projected at fiscal year-end 2025. There are no budgeted revenues and expenditures for FY26.

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Security Fees	\$ 38,417	\$ 35,500	\$ 36,500	\$ 40,000	\$ -	\$ 40,000
Interest Income	3,826	3,500	3,900	4,500	-	4,500
<b>Total Revenues</b>	<b>42,243</b>	<b>39,000</b>	<b>40,400</b>	<b>44,500</b>	<b>-</b>	<b>44,500</b>
<b>EXPENDITURES</b>						
Operations & Maintenance	10,388	56,633	37,500	22,000	-	22,000
<b>Total Expenditures</b>	<b>10,388</b>	<b>56,633</b>	<b>37,500</b>	<b>22,000</b>	<b>-</b>	<b>22,000</b>
Fund Balance - Beginning	56,633	88,487	88,487	91,387	-	91,387
Revenues Over/(Under) Expenditures	31,855	(17,633)	2,900	22,500	-	22,500
<b>Fund Balance - Ending</b>	<b>\$ 88,487</b>	<b>\$ 70,855</b>	<b>\$ 91,387</b>	<b>\$ 113,887</b>	<b>\$ -</b>	<b>\$ 113,887</b>

CITY OF SUGAR LAND  
 COURT SECURITY FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	3,826	3,500	3,900	4,500	-	4,500
Interest Income Total	3,826	3,500	3,900	4,500	-	4,500
Security Fees						
Fines Building Security	38,417	35,500	36,500	40,000	-	40,000
Security Fees Total	38,417	35,500	36,500	40,000	-	40,000
<b>TOTAL REVENUES</b>	<b>42,243</b>	<b>39,000</b>	<b>40,400</b>	<b>44,500</b>	<b>-</b>	<b>44,500</b>

CITY OF SUGAR LAND  
 COURT SECURITY FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Operations & Maintenance						
Non-Capital FF&E	10,388	20,422	37,500	22,000	-	22,000
Repairs & Maintenance	-	36,211	-	-	-	-
Operations & Maintenance Total	10,388	56,633	37,500	22,000	-	22,000
<b>TOTAL OPERATING EXPENDITURES</b>	<b>10,388</b>	<b>56,633</b>	<b>37,500</b>	<b>22,000</b>	<b>-</b>	<b>22,000</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Technology Fees	\$ 31,996	\$ 30,000	\$ 30,000	\$ 32,000	\$ -	\$ 32,000
Interest Income	2,543	2,400	2,500	2,700	-	2,700
<b>Total Revenues</b>	<b>34,538</b>	<b>32,400</b>	<b>32,500</b>	<b>34,700</b>	<b>-</b>	<b>34,700</b>
<b>EXPENDITURES</b>						
Operations & Maintenance	25,556	48,299	9,250	19,700	-	19,700
<b>Total Expenditures</b>	<b>25,556</b>	<b>48,299</b>	<b>9,250</b>	<b>19,700</b>	<b>-</b>	<b>19,700</b>
Fund Balance - Beginning	46,050	55,032	55,032	78,282	-	78,282
Revenues Over/(Under) Expenditures	8,982	(15,899)	23,250	15,000	-	15,000
<b>Fund Balance - Ending</b>	<b>\$ 55,032</b>	<b>\$ 39,133</b>	<b>\$ 78,282</b>	<b>\$ 93,282</b>	<b>\$ -</b>	<b>\$ 93,282</b>

CITY OF SUGAR LAND  
 COURT TECHNOLOGY FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	2,543	2,400	2,500	2,700	-	2,700
Interest Income Total	2,543	2,400	2,500	2,700	-	2,700
Technology Fees						
Fines Court Technology	31,996	30,000	30,000	32,000	-	32,000
Technology Fees Total	31,996	30,000	30,000	32,000	-	32,000
<b>TOTAL REVENUES</b>	<b>34,538</b>	<b>32,400</b>	<b>32,500</b>	<b>34,700</b>	<b>-</b>	<b>34,700</b>

CITY OF SUGAR LAND  
 COURT TECHNOLOGY FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Operations & Maintenance						
Software	25,306	19,898	9,000	19,000	-	19,000
Professional Services	250	13,497	250	700	-	700
High-Tech	-	14,904	-	-	-	-
Operations & Maintenance Total	25,556	48,299	9,250	19,700	-	19,700
<b>TOTAL OPERATING EXPENDITURES</b>	<b>25,556</b>	<b>48,299</b>	<b>9,250</b>	<b>19,700</b>	<b>-</b>	<b>19,700</b>

**CITY OF SUGAR LAND  
SPECIAL REVENUE FUND - TRUANCY PREVENTION  
INCOME STATEMENT**

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Fines	\$ 37,947	\$ 38,000	\$ 36,000	\$ 38,000	\$ -	\$ 38,000
Interest Income	7,770	7,400	6,500	7,000	-	7,000
<b>Total Revenues</b>	<b>45,717</b>	<b>45,400</b>	<b>42,500</b>	<b>45,000</b>	<b>-</b>	<b>45,000</b>
<b>EXPENDITURES</b>						
Personnel Costs	19,127	48,452	65,621	47,311	-	47,311
<b>Total Expenditures</b>	<b>19,127</b>	<b>48,452</b>	<b>65,621</b>	<b>47,311</b>	<b>-</b>	<b>47,311</b>
Fund Balance - Beginning	131,205	157,795	157,795	134,674	-	134,674
Revenues Over/(Under) Expenditures	26,590	(3,052)	(23,121)	(2,311)	-	(2,311)
<b>Fund Balance - Ending</b>	<b>\$ 157,795</b>	<b>\$ 154,743</b>	<b>\$ 134,674</b>	<b>\$ 132,363</b>	<b>\$ -</b>	<b>\$ 132,363</b>

CITY OF SUGAR LAND  
 TRUANCY PREVENTION FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Fines						
Fines Truancy Prevention	37,947	38,000	36,000	38,000	-	38,000
Fines Total	37,947	38,000	36,000	38,000	-	38,000
Interest Income						
Interest Earnings	7,770	7,400	6,500	7,000	-	7,000
Interest Income Total	7,770	7,400	6,500	7,000	-	7,000
<b>TOTAL REVENUES</b>	<b>45,717</b>	<b>45,400</b>	<b>42,500</b>	<b>45,000</b>	<b>-</b>	<b>45,000</b>

CITY OF SUGAR LAND  
 TRUANCY PREVENTION FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Personnel Costs						
Salaries & Benefits	19,127	48,452	65,621	47,311	-	47,311
Personnel Costs Total	19,127	48,452	65,621	47,311	-	47,311
<b>TOTAL OPERATING EXPENDITURES</b>	<b>19,127</b>	<b>48,452</b>	<b>65,621</b>	<b>47,311</b>	<b>-</b>	<b>47,311</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Fines	\$ 759	\$ 740	\$ 710	\$ 750	\$ -	\$ 750
Interest Income	160	160	160	180	-	180
<b>Total Revenues</b>	<b>919</b>	<b>900</b>	<b>870</b>	<b>930</b>	<b>-</b>	<b>930</b>
<b>EXPENDITURES</b>						
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance - Beginning	2,644	3,563	3,563	4,433	-	4,433
Revenues Over/(Under) Expenditures	919	900	870	930	-	930
<b>Fund Balance - Ending</b>	<b>\$ 3,563</b>	<b>\$ 4,463</b>	<b>\$ 4,433</b>	<b>\$ 5,363</b>	<b>\$ -</b>	<b>\$ 5,363</b>

CITY OF SUGAR LAND  
 JUROR FUND FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Fines						
Fines Jury Services	759	740	710	750	-	750
Fines Total	759	740	710	750	-	750
Interest Income						
Interest Earnings	160	160	160	180	-	180
Interest Income Total	160	160	160	180	-	180
<b>TOTAL REVENUES</b>	<b>919</b>	<b>900</b>	<b>870</b>	<b>930</b>	<b>-</b>	<b>930</b>

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
<b>REVENUES</b>						
Hotel/Motel Occupancy Tax	\$ 2,988,608	\$ 2,888,981	\$ 2,888,981	2,891,870	\$ -	\$ 2,891,870
Interest Income	151,296	95,000	95,000	100,000	-	100,000
Miscellaneous	34,690	21,000	21,000	21,000	-	21,000
<b>Total Revenues</b>	<b>3,174,593</b>	<b>3,004,981</b>	<b>3,004,981</b>	<b>3,012,870</b>	<b>-</b>	<b>3,012,870</b>
<b>EXPENDITURES</b>						
Tourism Program	776,186	1,537,078	1,128,374	1,228,110	500,000	1,728,110
Imperial Historic District	265,451	357,114	357,114	383,603	150,000	533,603
<b>Total Operating Expenditures</b>	<b>1,041,637</b>	<b>1,894,192</b>	<b>1,485,488</b>	<b>1,611,713</b>	<b>650,000</b>	<b>2,261,713</b>
Transfer Out - Debt Service Fund	1,338,225	1,344,281	685,175	351,900	-	351,900
Transfer Out - Others	550	550	550	550	-	550
<b>Total Non-Operating Expenditures</b>	<b>1,338,775</b>	<b>1,344,831</b>	<b>685,725</b>	<b>352,450</b>	<b>-</b>	<b>352,450</b>
<b>Total Expenditures</b>	<b>2,380,412</b>	<b>3,239,023</b>	<b>2,171,213</b>	<b>1,964,163</b>	<b>650,000</b>	<b>2,614,163</b>
Fund Balance - Beginning	2,461,118	3,255,299	3,255,299	4,864,914	-	4,864,914
Revenues Over/(Under) Expenditures	794,181	(234,042)	833,768	1,048,707	(650,000)	398,707
<b>Fund Balance - Ending</b>	<b>\$ 3,255,299</b>	<b>\$ 3,021,257</b>	<b>\$ 4,089,067</b>	<b>\$ 5,913,621</b>	<b>\$ (650,000)</b>	<b>\$ 5,263,621</b>
Accrued Tax	(673,335)	(775,847)	(775,847)	(775,847)	-	(775,847)
<b>Available Fund Balance</b>	<b>\$ 2,581,964</b>	<b>\$ 2,245,410</b>	<b>\$ 3,313,221</b>	<b>\$ 5,137,774</b>	<b>\$ (650,000)</b>	<b>\$ 4,487,774</b>
Fund Balance Policy (10% of Budgeted HOT)	\$ 298,861	\$ 288,898	\$ 288,898	\$ 289,187		\$ 289,187
Over/Under Policy	2,956,438	2,732,359	3,800,169	5,624,434		4,974,434

CITY OF SUGAR LAND  
 TOURISM FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Hotel/Motel Occupancy Tax						
Tax-Hotel Occupancy	2,988,608	2,888,981	2,888,981	2,891,870	-	2,891,870
Hotel/Motel Occupancy Tax Total	2,988,608	2,888,981	2,888,981	2,891,870	-	2,891,870
Interest Income						
Interest Earnings	131,282	95,000	95,000	100,000	-	100,000
Unrealized Gain/Loss Invest	20,013	-	-	-	-	-
Interest Income Total	151,296	95,000	95,000	100,000	-	100,000
Miscellaneous						
Reimbursements	31,353	20,000	20,000	20,000	-	20,000
Misc. Operating Revenue	1,991	1,000	1,000	1,000	-	1,000
SHOPIFY Revenue	1,346	-	-	-	-	-
Miscellaneous Total	34,690	21,000	21,000	21,000	-	21,000
Tourism Program						
Marketing	(63)	-	-	-	-	-
Tourism Program Total	(63)	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,174,530</b>	<b>3,004,981</b>	<b>3,004,981</b>	<b>3,012,870</b>	<b>-</b>	<b>3,012,870</b>

**CITY OF SUGAR LAND  
TOURISM FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Imperial Historic District						
Salaries & Benefits	170,268	233,164	233,164	269,653	-	269,653
Repairs & Maintenance	25,227	46,300	46,300	44,450	150,000	194,450
Electricity	53,246	57,000	57,000	56,000	-	56,000
Premiums	6,303	4,100	4,100	6,500	-	6,500
Professional Services	4,615	4,550	4,550	5,000	-	5,000
Non-Capital FF&E	-	2,000	2,000	2,000	-	2,000
Other Items for Resale	3,852	10,000	10,000	-	-	-
Accounting	(2,607)	-	-	-	-	-
Contracted Services	1,584	-	-	-	-	-
Equipment Rental	2,964	-	-	-	-	-
<b>Imperial Historic District Total</b>	<b>265,451</b>	<b>357,114</b>	<b>357,114</b>	<b>383,603</b>	<b>150,000</b>	<b>533,603</b>
Tourism Program						
Marketing	555,170	600,972	742,966	742,966	400,000	1,142,966
Salaries & Benefits	103,868	138,544	138,544	214,576	-	214,576
Repairs & Maintenance	8,333	8,334	8,334	8,333	200,000	208,333
Software	42,423	185,574	30,330	125,358	-	125,358
Travel and Training	6,107	72,900	72,900	81,200	-	81,200
Printing Services	1,895	20,000	20,000	20,000	-	20,000
Dues & Memberships	4,655	14,000	14,000	16,427	-	16,427
Professional Services	3,879	486,200	91,200	12,000	-	12,000
Telecomm	2,801	4,000	4,000	3,000	-	3,000
Employee Relations	440	3,000	3,000	2,400	-	2,400
Contracted Services	300	2,000	2,000	1,000	-	1,000
General Operating Supplies	800	1,554	1,100	850	-	850
Non-Capital FF&E	3,898	-	-	-	-	-
Recruiting	41,555	-	-	-	-	-
<b>Tourism Program Total</b>	<b>776,123</b>	<b>1,537,078</b>	<b>1,128,374</b>	<b>1,228,110</b>	<b>600,000</b>	<b>1,828,110</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,041,574</b>	<b>1,894,192</b>	<b>1,485,488</b>	<b>1,611,713</b>	<b>750,000</b>	<b>2,361,713</b>
<b>NON-OPERATING EXPENDITURES</b>						
Transfers to Other Funds						
Transfer to Debt Srvs	1,338,225	1,344,281	351,900	351,900	-	351,900
Non-Capital FF&E	550	550	550	550	-	550
<b>Transfers to Other Funds Total</b>	<b>1,338,775</b>	<b>1,344,831</b>	<b>352,450</b>	<b>352,450</b>	<b>-</b>	<b>352,450</b>
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>1,338,775</b>	<b>1,344,831</b>	<b>352,450</b>	<b>352,450</b>	<b>-</b>	<b>352,450</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Other Income	\$ -	\$ -	4,964	\$ -	\$ -	-
Interest Income	2,126	2,000	2,007	2,000	-	2,000
<b>Total Revenues</b>	<b>2,126</b>	<b>2,000</b>	<b>6,971</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>
<b>EXPENDITURES</b>						
Maintenance and Operations	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance - Beginning	40,244	42,370	42,370	49,341	-	49,341
Revenues Over/(Under) Expenditures	2,126	2,000	6,971	2,000	-	2,000
<b>Fund Balance - Ending</b>	<b>\$ 42,370</b>	<b>\$ 44,370</b>	<b>\$ 49,341</b>	<b>\$ 51,341</b>	<b>\$ -</b>	<b>\$ 51,341</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Seized Funds	\$ 401,574	\$ -	\$ 300,489	\$ -	\$ -	\$ -
Interest Income	39,992	39,000	44,630	50,000	-	50,000
<b>Total Revenues</b>	<b>441,566</b>	<b>39,000</b>	<b>345,119</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>
<b>EXPENDITURES</b>						
Maintenance and Operations	3,129	31,000	31,000	330,000	-	330,000
Capital	23,680	-	-	-	-	-
<b>Total Expenditures</b>	<b>26,809</b>	<b>31,000</b>	<b>31,000</b>	<b>330,000</b>	<b>-</b>	<b>330,000</b>
Fund Balance - Beginning	369,967	784,724	784,724	1,098,842	-	1,098,842
Revenues Over/(Under) Expenditures	414,757	8,000	314,119	(280,000)	-	(280,000)
<b>Fund Balance - Ending</b>	<b>\$ 784,724</b>	<b>\$ 792,724</b>	<b>\$ 1,098,842</b>	<b>\$ 818,842</b>	<b>\$ -</b>	<b>\$ 818,842</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Other Income	\$ 4,088	\$ -	\$ 4,211	\$ -	\$ -	\$ -
Interest Income	1,688	2,500	881	1,000	-	1,000
<b>Total Revenues</b>	<b>5,776</b>	<b>2,500</b>	<b>5,092</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>
<b>EXPENDITURES</b>						
Maintenance and Operations	29,700	-	-	-	-	-
<b>Total Expenditures</b>	<b>29,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance - Beginning	43,378	19,454	19,454	24,546	-	24,546
Revenues Over/(Under) Expenditures	(23,924)	2,500	5,092	1,000	-	1,000
<b>Fund Balance - Ending</b>	<b>\$ 19,454</b>	<b>\$ 21,954</b>	<b>\$ 24,546</b>	<b>\$ 25,546</b>	<b>\$ -</b>	<b>\$ 25,546</b>

CITY OF SUGAR LAND  
POLICE STATE SEIZURES FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	39,992	39,000	44,630	50,000	-	50,000
Interest Income Total	39,992	39,000	44,630	50,000	-	50,000
Seized Funds						
Seized Funds	401,574	-	300,489	-	-	-
Seized Funds Total	401,574	-	300,489	-	-	-
<b>TOTAL REVENUES</b>	<b>441,566</b>	<b>39,000</b>	<b>345,119</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>

CITY OF SUGAR LAND  
POLICE STATE SEIZURES FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Capital						
Capital/Other	23,680	-	-	-	-	-
Capital Total	23,680	-	-	-	-	-
Maintenance and Operations						
Software	-	-	-	330,000	-	330,000
Non-Capital FF&E	3,129	31,000	31,000	-	-	-
Maintenance and Operations Total	3,129	31,000	31,000	330,000	-	330,000
<b>TOTAL OPERATING EXPENDITURES</b>	<b>26,809</b>	<b>31,000</b>	<b>31,000</b>	<b>330,000</b>	<b>-</b>	<b>330,000</b>

CITY OF SUGAR LAND  
 POLICE FEDERAL SEIZURES FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	2,126	2,000	2,007	2,000	-	2,000
Interest Income Total	2,126	2,000	2,007	2,000	-	2,000
Other Income						
Seized Funds	-	-	4,964	-	-	-
Other Income Total	-	-	4,964	-	-	-
<b>TOTAL REVENUES</b>	<b>2,126</b>	<b>2,000</b>	<b>6,971</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>

CITY OF SUGAR LAND  
LAW ENFORCEMENT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	1,688	2,500	881	1,000	-	1,000
Interest Income Total	1,688	2,500	881	1,000	-	1,000
Other Income						
Misc. Operating Revenue	4,088	-	4,211	-	-	-
Other Income Total	4,088	-	4,211	-	-	-
<b>TOTAL REVENUES</b>	<b>5,776</b>	<b>2,500</b>	<b>5,092</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>

CITY OF SUGAR LAND  
 LAW ENFORCEMENT FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Maintenance and Operations						
Software	29,700	-	-	-	-	-
Maintenance and Operations Total	29,700	-	-	-	-	-
<b>TOTAL OPERATING EXPENDITURES</b>	<b>29,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Out of City Service Fees	\$ 67,233	\$ 80,000	\$ 68,800	\$ 69,000	\$ -	\$ 69,000
Interest Income	37,190	35,000	30,295	34,000	-	34,000
<b>Total Revenues</b>	<b>104,424</b>	<b>115,000</b>	<b>99,095</b>	<b>103,000</b>	<b>-</b>	<b>103,000</b>
Fund Balance - Beginning	650,505	754,929	754,929	854,024	-	854,024
Revenues Over/(Under) Expenditures	104,424	115,000	99,095	103,000	-	103,000
<b>Fund Balance - Ending</b>	<b>\$ 754,929</b>	<b>\$ 869,929</b>	<b>\$ 854,024</b>	<b>\$ 957,024</b>	<b>\$ -</b>	<b>\$ 957,024</b>

CITY OF SUGAR LAND  
DEBT REDUCTION - PLANTATION FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	36,732	35,000	30,295	34,000	-	34,000
Unrealized Gain/Loss Invest	459	-	-	-	-	-
Interest Income Total	37,190	35,000	30,295	34,000	-	34,000
Out of City Service Fees						
Intergov Debt Reduction Fees	67,233	80,000	68,800	69,000	-	69,000
Out of City Service Fees Total	67,233	80,000	68,800	69,000	-	69,000
<b>TOTAL REVENUES</b>	<b>104,424</b>	<b>115,000</b>	<b>99,095</b>	<b>103,000</b>	<b>-</b>	<b>103,000</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Out of City Service Fees	\$ 486,258	\$ 650,000	\$ 567,811	\$ 553,990	\$ -	\$ 553,990
Interest Income	126,844	70,000	108,588	140,000	-	140,000
<b>Total Revenues</b>	<b>613,102</b>	<b>720,000</b>	<b>676,399</b>	<b>693,990</b>	<b>-</b>	<b>693,990</b>
Fund Balance - Beginning	2,264,345	2,877,447	2,877,447	3,553,846	-	3,553,846
Revenues Over/(Under) Expenditures	613,102	720,000	676,399	693,990	-	693,990
<b>Fund Balance - Ending</b>	<b>\$ 2,877,447</b>	<b>\$ 3,597,447</b>	<b>\$ 3,553,846</b>	<b>\$ 4,247,836</b>	<b>\$ -</b>	<b>\$ 4,247,836</b>

CITY OF SUGAR LAND  
DEBT REDUCTION - RIVERSTONE FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	91,646	70,000	108,588	140,000	-	140,000
Unrealized Gain/Loss Invest	35,199	-	-	-	-	-
Interest Income Total	126,844	70,000	108,588	140,000	-	140,000
Out of City Service Fees						
Intergov Debt Reduction Fees	486,258	650,000	567,811	553,990	-	553,990
Out of City Service Fees Total	486,258	650,000	567,811	553,990	-	553,990
<b>TOTAL REVENUES</b>	<b>613,102</b>	<b>720,000</b>	<b>676,399</b>	<b>693,990</b>	<b>-</b>	<b>693,990</b>

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
<b>REVENUES</b>						
PID Assessment Fees	\$ 47,310	\$ 33,549	\$ 37,309	\$ -	\$ -	\$ -
Interest Income	4,098	2,000	3,163	2,000	-	2,000
Transfers In	90,789	95,330	95,330	127,089	-	127,089
<b>Total Revenues</b>	<b>142,197</b>	<b>130,879</b>	<b>135,802</b>	<b>129,089</b>	<b>-</b>	<b>129,089</b>
<b>EXPENDITURES</b>						
Miscellaneous	-	60	60	60	-	60
Transfers to Other Funds	137,569	133,319	133,319	128,819	-	128,819
<b>Total Expenditures</b>	<b>137,569</b>	<b>133,379</b>	<b>133,379</b>	<b>128,879</b>	<b>-</b>	<b>128,879</b>
Fund Balance - Beginning	55,972	60,600	60,600	63,023	-	63,023
Revenues Over/(Under) Expenditures	4,628	(2,500)	2,423	210	-	210
<b>Fund Balance - Ending</b>	<b>\$ 60,600</b>	<b>\$ 58,100</b>	<b>\$ 63,023</b>	<b>\$ 63,233</b>	<b>\$ -</b>	<b>\$ 63,233</b>

CITY OF SUGAR LAND  
 ENCLAVE AT RIVER PARK PID FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	4,098	2,000	3,163	2,000	-	2,000
Interest Income Total	4,098	2,000	3,163	2,000	-	2,000
PID Assessment Fees						
Svs Chg PID Assessment Fee	47,310	33,549	37,309	-	-	-
PID Assessment Fees Total	47,310	33,549	37,309	-	-	-
Transfers In						
Transfer in General Fund	52,419	55,553	55,553	74,543	-	74,543
Transfer in Debt Service	38,370	39,777	39,777	52,546	-	52,546
Transfers In Total	90,789	95,330	95,330	127,089	-	127,089
<b>TOTAL REVENUES</b>	<b>142,197</b>	<b>130,879</b>	<b>135,802</b>	<b>129,089</b>	<b>-</b>	<b>129,089</b>

CITY OF SUGAR LAND  
 ENCLAVE AT RIVER PARK PID FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Miscellaneous						
Professional Services	-	60	60	60	-	60
Miscellaneous Total	-	60	60	60	-	60
<b>TOTAL OPERATING EXPENDITURES</b>	<b>-</b>	<b>60</b>	<b>60</b>	<b>60</b>	<b>-</b>	<b>60</b>
<b>NON-OPERATING EXPENDITURES</b>						
Transfers to Other Funds						
Transfer to Debt Srvs	102,288	98,788	98,788	95,288	-	95,288
Transfer to Utility	35,281	34,531	34,531	33,531	-	33,531
Transfers to Other Funds Total	137,569	133,319	133,319	128,819	-	128,819
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>137,569</b>	<b>133,319</b>	<b>133,319</b>	<b>128,819</b>	<b>-</b>	<b>128,819</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
PID Assessment Fees	\$ -	\$ 83,215	\$ 83,232	\$ 83,215	\$ -	\$ 83,215
Interest Income	-	3,463	2,427	7,140	-	7,140
Transfers In	-	-	-	-	12,649	12,649
<b>Total Revenues</b>	<b>-</b>	<b>86,678</b>	<b>85,659</b>	<b>90,355</b>	<b>12,649</b>	<b>103,004</b>
<b>EXPENDITURES</b>						
Miscellaneous	-	100	100	50	-	50
<b>Total Expenditures</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>50</b>	<b>-</b>	<b>50</b>
Fund Balance - Beginning	-	-	-	85,559	-	85,559
Revenues Over/(Under) Expenditures	-	86,578	85,559	90,305	12,649	102,954
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 86,578</b>	<b>\$ 85,559</b>	<b>\$ 175,864</b>	<b>\$ 12,649</b>	<b>\$ 188,513</b>

CITY OF SUGAR LAND  
 PARK AT ELDRIDGE PID FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	-	3,463	2,427	7,140	-	7,140
Interest Income Total	-	3,463	2,427	7,140	-	7,140
PID Assessment Fees						
Svs Chg PID Assessment Fee	-	83,215	83,232	83,215	-	83,215
PID Assessment Fees Total	-	83,215	83,232	83,215	-	83,215
Transfers In						
Transfer in General Fund	-	-	-	-	12,649	12,649
Transfers In Total	-	-	-	-	12,649	12,649
<b>TOTAL REVENUES</b>	<b>-</b>	<b>86,678</b>	<b>85,659</b>	<b>90,355</b>	<b>12,649</b>	<b>103,004</b>

CITY OF SUGAR LAND  
 PARK AT ELDRIDGE PID FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Miscellaneous						
Professional Services	-	100	100	50	-	50
Miscellaneous Total	-	100	100	50	-	50
<b>TOTAL OPERATING EXPENDITURES</b>	-	<b>100</b>	<b>100</b>	<b>50</b>	-	<b>50</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Rental Fees	\$ 194,632	\$ 150,000	\$ 60,000	\$ 80,000	\$ -	\$ 80,000
Interest Income	39,858	39,000	34,000	40,000	-	40,000
Miscellaneous	442,755	445,000	427,627	400,000	-	400,000
<b>Total Revenues</b>	<b>677,245</b>	<b>634,000</b>	<b>521,627</b>	<b>520,000</b>	<b>-</b>	<b>520,000</b>
<b>EXPENDITURES</b>						
Personnel Costs	511	-	-	36,948	-	36,948
Operations & Maintenance	400,000	400,000	361,500	400,000	70,000	470,000
<b>Total Expenditures</b>	<b>400,511</b>	<b>400,000</b>	<b>361,500</b>	<b>436,948</b>	<b>70,000</b>	<b>506,948</b>
Fund Balance - Beginning	675,999	952,732	952,732	1,112,859	-	1,112,859
Revenues Over/(Under) Expenditures	276,734	272,500	160,127	83,052	(70,000)	13,052
<b>Fund Balance - Ending</b>	<b>\$ 952,733</b>	<b>\$ 1,225,232</b>	<b>\$ 1,112,859</b>	<b>\$ 1,195,912</b>	<b>\$ (70,000)</b>	<b>\$ 1,125,912</b>

CITY OF SUGAR LAND  
DESTINATION EVENTS FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	39,858	39,000	34,000	40,000	-	40,000
Interest Income Total	39,858	39,000	34,000	40,000	-	40,000
Miscellaneous						
Lease Rev-PAC	442,755	445,000	427,627	400,000	-	400,000
Miscellaneous Total	442,755	445,000	427,627	400,000	-	400,000
Rental Fees						
Svs Chg Festival Site Rental	194,632	150,000	60,000	80,000	-	80,000
Rental Fees Total	194,632	150,000	60,000	80,000	-	80,000
<b>TOTAL REVENUES</b>	<b>677,245</b>	<b>634,000</b>	<b>521,627</b>	<b>520,000</b>	<b>-</b>	<b>520,000</b>

CITY OF SUGAR LAND  
 DESTINATION EVENTS FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Operations & Maintenance						
Purchased Services	180,000	361,500	361,500	371,260	70,000	441,260
Software	-	38,500	-	28,740	-	28,740
Professional Services	220,000	-	-	-	-	-
Operations & Maintenance Total	400,000	400,000	361,500	400,000	70,000	470,000
Personnel Costs						
Salaries & Benefits	511	-	-	36,948	-	36,948
Personnel Costs Total	511	-	-	36,948	-	36,948
<b>TOTAL OPERATING EXPENDITURES</b>	<b>400,511</b>	<b>400,000</b>	<b>361,500</b>	<b>436,948</b>	<b>70,000</b>	<b>506,948</b>

**CITY OF SUGAR LAND  
SPECIAL REVENUE FUND - PUBLIC, EDUCATIONAL & GOVERNMENTAL  
INCOME STATEMENT**

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
PEG Funds	\$ 135,052	\$ 140,000	\$ 138,000	\$ 140,000	\$ -	\$ 140,000
Interest Income	15,695	16,800	3,500	4,000	-	4,000
Total Revenues	150,747	156,800	141,500	144,000	-	144,000
<b>EXPENDITURES</b>						
Maintenance and Operations	256,016	229,868	233,360	116,100	-	116,100
Capital	143,407	128,492	25,000	-	-	-
Total Expenditures	399,422	358,360	258,360	116,100	-	116,100
Fund Balance - Beginning	382,982	134,306	134,306	17,446	-	17,446
Revenues Over/(Under) Expenditures	(248,675)	(201,560)	(116,860)	27,900	-	27,900
Fund Balance - Ending	\$ 134,306	\$ (67,254)	\$ 17,446	\$ 45,346	\$ -	\$ 45,346

CITY OF SUGAR LAND  
PUBLIC EDUCATIONAL AND GOVERNMENT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	15,695	16,800	3,500	4,000	-	4,000
Interest Income Total	15,695	16,800	3,500	4,000	-	4,000
PEG Funds						
Other Tax-Franchise Cable TV	135,052	140,000	138,000	140,000	-	140,000
PEG Funds Total	135,052	140,000	138,000	140,000	-	140,000
<b>TOTAL REVENUES</b>	<b>150,747</b>	<b>156,800</b>	<b>141,500</b>	<b>144,000</b>	<b>-</b>	<b>144,000</b>

CITY OF SUGAR LAND  
PUBLIC EDUCATIONAL AND GOVERNMENT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Capital						
Miscellaneous	-	100,000	-	-	-	-
Capital/Other	143,407	28,492	25,000	-	-	-
Capital Total	143,407	128,492	25,000	-	-	-
Maintenance and Operations						
Non-Capital FF&E	216,314	208,508	212,000	100,000	-	100,000
General Operating Supplies	16,649	15,150	15,150	10,100	-	10,100
Software	18,822	6,000	6,000	6,000	-	6,000
Professional Services	240	-	-	-	-	-
Repairs & Maintenance	3,912	-	-	-	-	-
Employee Relations	74	200	200	-	-	-
Dues & Memberships	5	10	10	-	-	-
Maintenance and Operations Total	256,016	229,868	233,360	116,100	-	116,100
<b>TOTAL OPERATING EXPENDITURES</b>	<b>399,422</b>	<b>358,360</b>	<b>258,360</b>	<b>116,100</b>	<b>-</b>	<b>116,100</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Donations	\$ 25,665	\$ 20,000	\$ 23,874	\$ 20,000	\$ -	\$ 20,000
Interest Income	9,444	9,000	8,755	10,000	-	10,000
Grants	11,000	-	-	-	-	-
<b>Total Revenues</b>	<b>46,109</b>	<b>29,000</b>	<b>32,629</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>
<b>EXPENDITURES</b>						
Maintenance and Operations	29,903	56,000	6,000	56,000	-	56,000
<b>Total Expenditures</b>	<b>29,903</b>	<b>56,000</b>	<b>6,000</b>	<b>56,000</b>	<b>-</b>	<b>56,000</b>
Revenues Over/(Under) Expenditures	16,206	(27,000)	26,629	(26,000)	-	(26,000)
Fund Balance - Beginning	173,989	190,195	190,195	216,824	-	216,824
<b>Fund Balance - Ending</b>	<b>\$ 190,195</b>	<b>\$ 163,195</b>	<b>\$ 216,824</b>	<b>\$ 190,824</b>	<b>\$ -</b>	<b>\$ 190,824</b>

CITY OF SUGAR LAND  
ANIMAL SHELTER DONATIONS FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Donations						
Operating Contribution Nongov	25,665	20,000	23,874	20,000	-	20,000
Donations Total	25,665	20,000	23,874	20,000	-	20,000
Grants						
Operating Contribution Nongov	11,000	-	-	-	-	-
Grants Total	11,000	-	-	-	-	-
Interest Income						
Interest Earnings	9,444	9,000	8,755	10,000	-	10,000
Interest Income Total	9,444	9,000	8,755	10,000	-	10,000
<b>TOTAL REVENUES</b>	<b>46,109</b>	<b>29,000</b>	<b>32,629</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>

CITY OF SUGAR LAND  
ANIMAL SHELTER DONATIONS FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Maintenance and Operations						
Professional Services	7,822	15,000	-	15,000	-	15,000
Contracted Services	8,072	15,000	-	15,000	-	15,000
General Operating Supplies	1,740	10,000	1,000	10,000	-	10,000
Supplies	3,018	5,000	1,000	5,000	-	5,000
Public Relations	5,255	3,000	1,000	3,000	-	3,000
Marketing	2,750	3,000	1,000	3,000	-	3,000
Printing Services	131	3,000	-	3,000	-	3,000
Employee Relations	553	1,000	500	1,000	-	1,000
Travel and Training	562	1,000	1,000	1,000	-	1,000
Uniforms	-	-	500	-	-	-
Maintenance and Operations Total	29,903	56,000	6,000	56,000	-	56,000
<b>TOTAL OPERATING EXPENDITURES</b>	<b>29,903</b>	<b>56,000</b>	<b>6,000</b>	<b>56,000</b>	<b>-</b>	<b>56,000</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	363,564	-	138,174	-	-	-
Insurance Income	-	415,183	415,183	-	-	-
<b>Total Revenues</b>	<b>363,564</b>	<b>415,183</b>	<b>553,357</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						
General Government	868,022	230,437	230,437	-	-	-
Finance	-	-	-	-	-	-
Public Works	1,656,646	125,000	125,000	-	-	-
Parks & Recreation	63,158	46,701	46,701	-	-	-
Community Development	-	-	-	-	-	-
Environmental & Neighborhood SVC	850,246	1,623,548	1,623,548	-	-	-
Police Department	-	172,250	172,250	-	-	-
Public Safety Dispatch	-	-	-	-	-	-
Fire Department	-	1,766,088	1,766,088	-	-	-
<b>Total Expenditures</b>	<b>3,438,072</b>	<b>3,964,023</b>	<b>3,964,023</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues Over/(Under) Expenditures	(3,074,508)	(3,548,840)	(3,410,666)	-	-	-
Fund Balance - Beginning	7,443,580	4,369,072	4,369,072	958,406	-	958,406
<b>Fund Balance - Ending</b>	<b>\$ 4,369,072</b>	<b>\$ 820,233</b>	<b>\$ 958,406</b>	<b>\$ 958,406</b>	<b>\$ -</b>	<b>\$ 958,406</b>

CITY OF SUGAR LAND  
 AMERICAN RESCUE PLAN ACT FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Insurance Income						
Other Rev-Insurance Recovery	-	415,183	415,183	-	-	-
Insurance Income Total	-	415,183	415,183	-	-	-
Interest Income						
Unrealized Gain/Loss Invest	202,598	-	-	-	-	-
Interest Earnings	160,966	-	138,174	-	-	-
Interest Income Total	363,564	-	138,174	-	-	-
<b>TOTAL REVENUES</b>	<b>363,564</b>	<b>415,183</b>	<b>553,357</b>	-	-	-

CITY OF SUGAR LAND  
 AMERICAN RESCUE PLAN ACT FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Environmental & Neighborhood SVC						
Capital/Other	276,400	385,277	385,277	-	-	-
Repairs & Maintenance	564,346	1,209,571	1,209,571	-	-	-
Professional Services	9,500	28,700	28,700	-	-	-
Environmental & Neighborhood SVC Total	850,246	1,623,548	1,623,548	-	-	-
Fire Department						
Capital/Other	-	1,766,088	1,766,088	-	-	-
Fire Department Total	-	1,766,088	1,766,088	-	-	-
General Government						
Repairs & Maintenance	-	153,030	153,030	-	-	-
Capital/Other	524,209	8,047	8,047	-	-	-
Software	105,998	9,726	9,726	-	-	-
Non-Capital FF&E	63,005	28,371	28,371	-	-	-
Professional Services	174,810	31,264	31,264	-	-	-
General Government Total	868,022	230,437	230,437	-	-	-
Parks & Recreation						
Capital/Other	63,158	46,701	46,701	-	-	-
Parks & Recreation Total	63,158	46,701	46,701	-	-	-
Police Department						
Equipment Rental	-	172,250	172,250	-	-	-
Police Department Total	-	172,250	172,250	-	-	-
Public Works						
Repairs & Maintenance	1,247,453	-	-	-	-	-
Capital/Other	409,193	125,000	125,000	-	-	-
Public Works Total	1,656,646	125,000	125,000	-	-	-
<b>TOTAL OPERATING EXPENDITURES</b>	<b>3,438,072</b>	<b>3,964,023</b>	<b>3,964,023</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Contracted Services	\$ 810,318	\$ 751,154	\$ 751,154	\$ 1,080,000	\$ -	\$ 1,080,000
Interest Income	744	-	10,489	10,500	-	10,500
Transfers In	176,071	39,534	39,534	-	-	-
<b>Total Revenues</b>	<b>987,133</b>	<b>790,688</b>	<b>801,177</b>	<b>1,090,500</b>	<b>-</b>	<b>1,090,500</b>
<b>EXPENDITURES</b>						
Personnel Costs	619,003	657,699	657,699	916,316	-	916,316
Operations & Maintenance	-	132,990	132,990	380,000	-	380,000
<b>Total Expenditures</b>	<b>619,003</b>	<b>790,689</b>	<b>790,689</b>	<b>1,296,316</b>	<b>-</b>	<b>1,296,316</b>
Fund Balance - Beginning	49,175	417,305	417,305	427,792	-	427,792
Revenues Over/(Under) Expenditures	368,130	(1)	10,488	(205,816)	-	(205,816)
<b>Fund Balance - Ending</b>	<b>\$ 417,305</b>	<b>\$ 417,303</b>	<b>\$ 427,792</b>	<b>\$ 221,977</b>	<b>\$ -</b>	<b>\$ 221,977</b>

CITY OF SUGAR LAND  
SPECIAL REVENUE FUND CONTRACT POLICING FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Contracted Services						
Svs Chg Public Safety Policing	810,318	751,154	751,154	1,080,000	-	1,080,000
Contracted Services Total	810,318	751,154	751,154	1,080,000	-	1,080,000
Interest Income						
Interest Earnings	744	-	10,489	10,500	-	10,500
Interest Income Total	744	-	10,489	10,500	-	10,500
Transfers In						
Transfer in General Fund	176,071	39,534	39,534	-	-	-
Transfers In Total	176,071	39,534	39,534	-	-	-
<b>TOTAL REVENUES</b>	<b>987,133</b>	<b>790,688</b>	<b>801,177</b>	<b>1,090,500</b>	<b>-</b>	<b>1,090,500</b>

CITY OF SUGAR LAND  
SPECIAL REVENUE FUND CONTRACT POLICING FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Operations & Maintenance						
Capital/Other	-	54,650	54,650	380,000	-	380,000
Software	-	7,800	7,800	-	-	-
Travel and Training	-	4,000	4,000	-	-	-
Fleet Replacement	-	9,950	9,950	-	-	-
Telecomm	-	4,200	4,200	-	-	-
Fuel	-	19,500	19,500	-	-	-
Uniforms	-	2,240	2,240	-	-	-
General Operating Supplies	-	2,000	2,000	-	-	-
Non-Capital FF&E	-	28,650	28,650	-	-	-
Operations & Maintenance Total	-	132,990	132,990	380,000	-	380,000
Personnel Costs						
Salaries & Benefits	619,003	657,699	657,699	916,316	-	916,316
Personnel Costs Total	619,003	657,699	657,699	916,316	-	916,316
<b>TOTAL OPERATING EXPENDITURES</b>	<b>619,003</b>	<b>790,689</b>	<b>790,689</b>	<b>1,296,316</b>	<b>-</b>	<b>1,296,316</b>

**CITY OF SUGAR LAND  
SPECIAL REVENUE FUND - PUBLIC ARTS  
INCOME STATEMENT**

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Trf in General Fund	\$ 272,300	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
Trf in SL4B	250,000	250,000	250,000	250,000	-	250,000
Trf in SL4B CIP Nonbond	707,305	-	-	-	-	-
Trf in Gen Gov NonBond CIP	13,993	-	-	-	-	-
Interest Income	32,043	19,000	19,000	10,000	-	10,000
<b>Total Revenues</b>	<b>1,275,641</b>	<b>304,000</b>	<b>304,000</b>	<b>295,000</b>	<b>-</b>	<b>295,000</b>
<b>EXPENDITURES</b>						
Operations & Maintenance	331,294	351,914	300,250	116,000	-	116,000
Capital Costs	94,900	966,665	300,000	603,000	-	603,000
<b>Total Expenditures</b>	<b>426,194</b>	<b>1,318,579</b>	<b>600,250</b>	<b>719,000</b>	<b>-</b>	<b>719,000</b>
Fund Balance - Beginning	250,485	1,099,932	1,099,932	803,682	-	803,682
Revenues Over/(Under) Expenditures	849,447	(1,014,579)	(296,250)	(424,000)	-	(424,000)
<b>Fund Balance - Ending</b>	<b>\$ 1,099,932</b>	<b>\$ 85,353</b>	<b>\$ 803,682</b>	<b>\$ 379,682</b>	<b>\$ -</b>	<b>\$ 379,682</b>

CITY OF SUGAR LAND  
SPECIAL REVENUE FUND-PUBLIC ARTS FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	32,043	19,000	19,000	10,000	-	10,000
Interest Income Total	32,043	19,000	19,000	10,000	-	10,000
Trf in Gen Gov NonBond CIP						
Transfer in Gen Gov NonBond CIP	13,993	-	-	-	-	-
Trf in Gen Gov NonBond CIP Total	13,993	-	-	-	-	-
Trf in General Fund						
Transfer in General Fund	272,300	35,000	35,000	35,000	-	35,000
Trf in General Fund Total	272,300	35,000	35,000	35,000	-	35,000
Trf in SL4B						
Transfer in SL4B	250,000	250,000	250,000	250,000	-	250,000
Trf in SL4B Total	250,000	250,000	250,000	250,000	-	250,000
Trf in SL4B CIP Nonbond						
Transfer in SL4B CIP Nonbond	707,305	-	-	-	-	-
Trf in SL4B CIP Nonbond Total	707,305	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,275,641</b>	<b>304,000</b>	<b>304,000</b>	<b>295,000</b>	<b>-</b>	<b>295,000</b>

CITY OF SUGAR LAND  
SPECIAL REVENUE FUND-PUBLIC ARTS FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Capital Costs						
Professional Services	-	-	-	293,000	-	293,000
Rentals	-	160,000	-	160,000	-	160,000
Capital/Other	94,900	792,602	300,000	150,000	-	150,000
Purchased Services	-	14,063	-	-	-	-
<b>Capital Costs Total</b>	<b>94,900</b>	<b>966,665</b>	<b>300,000</b>	<b>603,000</b>	<b>-</b>	<b>603,000</b>
Operations & Maintenance						
Repairs & Maintenance	56,985	140,103	300,000	80,000	-	80,000
Travel and Training	17,317	11,712	-	13,500	-	13,500
Public Relations	228,020	35,905	-	7,500	-	7,500
Marketing	1,815	150	-	4,000	-	4,000
Software	14,036	5,200	-	3,500	-	3,500
Telecomm	-	-	-	3,000	-	3,000
Dues & Memberships	350	2,550	-	2,000	-	2,000
Printing Services	1,146	514	-	1,500	-	1,500
General Operating Supplies	5,978	1,395	-	1,000	-	1,000
Non-Capital FF&E	5,647	250	250	-	-	-
Professional Services	-	154,135	-	-	-	-
<b>Operations &amp; Maintenance Total</b>	<b>331,294</b>	<b>351,914</b>	<b>300,250</b>	<b>116,000</b>	<b>-</b>	<b>116,000</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>426,194</b>	<b>1,318,579</b>	<b>600,250</b>	<b>719,000</b>	<b>-</b>	<b>719,000</b>

**CITY OF SUGAR LAND  
 OPIOID LITIGATION SETTLEMENT FUND  
 INCOME STATEMENT**

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Litigation Settlement Distributions	\$ 19,638	\$ 95,805	\$ 95,805	\$ -	\$ -	\$ -
Interest Income	4,578	-	1,964	-	-	-
<b>Total Revenues</b>	<b>24,216</b>	<b>95,805</b>	<b>97,769</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						
Police Department	29,900	81,369	82,351	-	-	-
Fire Department	49,824	62,190	63,172	-	-	-
<b>Total Expenditures</b>	<b>79,724</b>	<b>143,559</b>	<b>145,523</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance - Beginning	103,263	47,754	47,754	0	-	0
Revenues Over/(Under) Expenditures	(55,508)	(47,754)	(47,754)	-	-	-
<b>Fund Balance - Ending</b>	<b>\$ 47,754</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ 0</b>

CITY OF SUGAR LAND  
SPECIAL REVENUE FUND-OPIOID LITIGATION SETTLEME FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	4,578	-	1,964	-	-	-
Interest Income Total	4,578	-	1,964	-	-	-
Litigation Settlement Distributions						
Revenue Litigation Settlement	19,638	95,805	95,805	-	-	-
Litigation Settlement Distributions Total	19,638	95,805	95,805	-	-	-
<b>TOTAL REVENUES</b>	<b>24,216</b>	<b>95,805</b>	<b>97,769</b>	<b>-</b>	<b>-</b>	<b>-</b>

CITY OF SUGAR LAND  
SPECIAL REVENUE FUND-OPIOID LITIGATION SETTLEME FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Fire Department						
Training &Travel	32,226	51,164	59,203	-	-	-
Software	17,598	11,026	3,969	-	-	-
Fire Department Total	49,824	62,190	63,172	-	-	-
Police Department						
Supplies	-	18,476	-	-	-	-
Capital/Other	29,900	-	-	-	-	-
Training &Travel	-	2,100	-	-	-	-
General Operating Supplies	-	60,793	-	-	-	-
Purchased Services	-	-	82,351	-	-	-
Police Department Total	29,900	81,369	82,351	-	-	-
<b>TOTAL OPERATING EXPENDITURES</b>	<b>79,724</b>	<b>143,559</b>	<b>145,523</b>	<b>-</b>	<b>-</b>	<b>-</b>



# 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, Hotel Occupancy Taxes and donations.

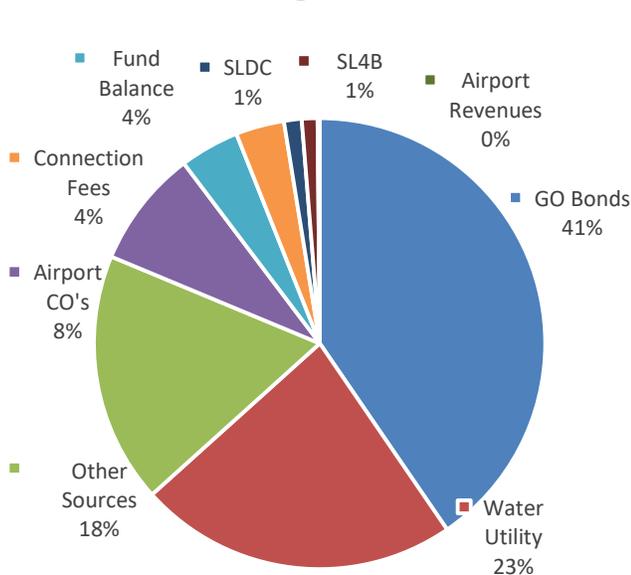
## Capital Improvement Process

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.

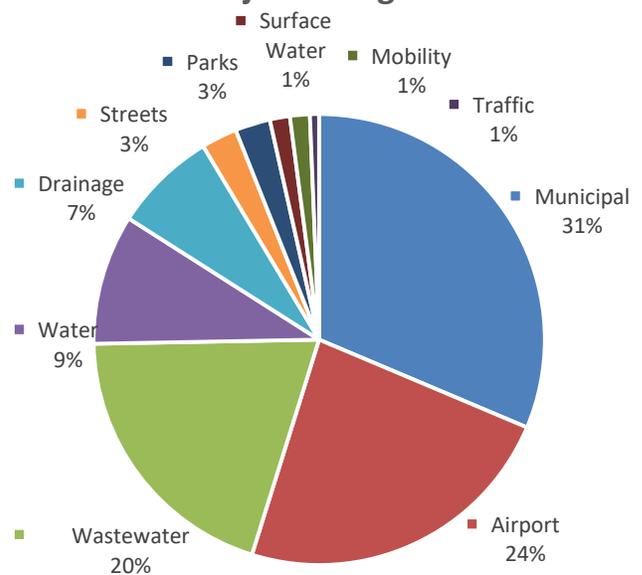
The five-year Capital Improvement Program (CIP) for FY26-FY30 totals \$766 million including \$183.9 million in projects scheduled for FY26. Cost estimates for years two through five of the five-year CIP are for planning purposes only and are used in conjunction with the long-range financial plan of 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 annually through the budget process. 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 City management. The City Council reviews the list of proposed projects without respect to dollar amounts or timing. A final draft of the fiscally constrained five-year CIP is then prepared and filed with the annual budget for Council consideration and approval. Upon City Council adoption, the five-year CIP document is reproduced and distributed for implementation of the program.

**Funding Sources**



**Project Categories**



## Fiscal Year 2026 - 2030

The proposed Capital Improvement Program (CIP) for Fiscal Years 2026 through 2030 includes over 300 projects, inclusive of both active and future projects. Projects span critical infrastructure categories such as Mobility, Drainage, Utilities, Municipal Facilities, Parks, and the Airport.

Together, these projects represent a comprehensive investment in the City’s future - improving public safety, expanding capacity, addressing aging infrastructure, and supporting continued population and economic growth. The CIP is strategically phased to align with available funding, grant opportunities, and community priorities.

## Highlights

- **Airport Projects** – Runway rehabilitation, terminal improvements, and future-facing infrastructure such as vertiport and fuel farm upgrades.
- **Drainage** – Targeted improvements to address localized flooding, expand detention capacity, and improve resilience.
- **Mobility & Streets** – Continued investment in roadway reconstruction, intersection improvements, and pedestrian connectivity to support a growing and mobile population.
- **Utilities (Water, Wastewater, Surface Water)** – System expansions and rehabilitation projects to ensure reliable service, regulatory compliance, and future development readiness.
- **Municipal & Public Facilities** – Renovations and expansions that modernize city facilities and enhance service delivery.
- **Parks & Recreation** – Investments in park enhancements, new recreational amenities, and trails to improve quality of life.

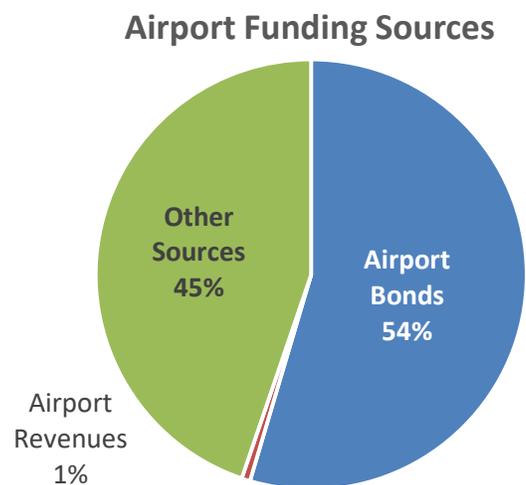
## Airport

Over the next five years, the City’s Airport Capital Improvement Program (CIP) outlines strategic investments to support infrastructure, safety, and future growth.

The plan includes six key projects aimed at modernizing core facilities, expanding capacity, and preparing for multimodal transportation options. These projects position the airport for sustained operational excellence and economic development.

Airport capital projects are funded through a combination of sources, including the issuance of Airport Revenue Bonds, direct cash contributions from airport-generated revenues, and federal or state grants such as those provided by the FAA.

The Airport’s largest and most critical project is the rehabilitation of Runway 17-35, with a total construction cost of \$37.4 million. The funding strategy blends \$10M from revenue bonds with \$27.4M in federal and state grants.



## Drainage

The City is advancing drainage capacity and resilience with major improvements in neighborhoods like Chimneystone and Telfair. Projects include Hillstone (\$7.1M) and Windmill (\$5.4M) Drainage Modifications, which enlarge key storm sewer mains to reduce flooding risks. Additional upgrades near State Highway 6 and Brooks Street and along Chatham Avenue target known drainage bottlenecks, improving stormwater flow in vulnerable areas.

In total, four drainage projects are programmed for FY26 for \$13.6 million, funded by General Obligation bonds.

## Mobility

This year's mobility investments focus on both multimodal access and road reconstruction. Key efforts include the Austin Parkway Reconstruction Phases I & II (\$1.45M), which rebuild pavement and add 10-foot shared-use paths. The Burney/Main Sidewalk & Stadium Drive Improvements enhance pedestrian connectivity in the Imperial redevelopment area. Streetscape enhancements along SH6, US 59, and US 90A further elevate the city's visual appeal.

## Municipal

FY26 includes landmark projects supporting public safety and City services. The Public Safety Training Facility Phase III (\$29.2M) delivers state-of-the-art fire training structures and an indoor gun range. A new Animal Shelter (\$19M) will offer modernized housing, veterinary, and public spaces. Additional investments will rehabilitate public safety buildings and modernize City facilities to meet evolving service demands.

## Parks

The Parks CIP advances recreation, education, and quality of life. Highlights include Cullinan Park Phase III (\$2.5M), which will create a nature discovery zone with interpretive features for families and school groups. The Eldridge Park project (\$1.8M) adds drainage and synthetic turf improvements, while the F.U.N. program (\$300K) supports neighborhood-based projects that strengthen community identity.

## Streets

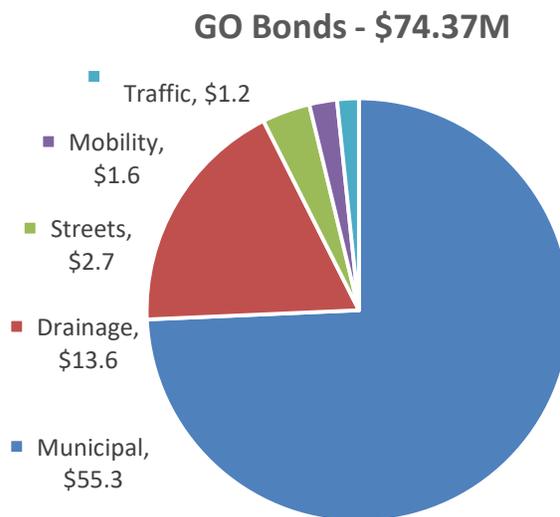
Ongoing investment in the City's pavement management program includes \$2M in major street rehabilitation and \$2.2M for sidewalk replacement and enhancement. The Residential Street Reconstruction project will refresh deteriorating roadway panels and update the citywide pavement condition assessment to guide future priorities.

## Traffic

Targeted investments in traffic infrastructure include rehabilitation of aging traffic signals and intersection upgrades at locations such as Dairy Ashford and Commerce Green. These projects aim to improve safety, alleviate congestion, and optimize signal operations citywide.

## Water

Water system investments this year total over \$17 million, with projects focused on reliability and growth. The South of the Brazos Water Treatment Plant (\$5.1M) and transmission line projects will serve the expanding population in



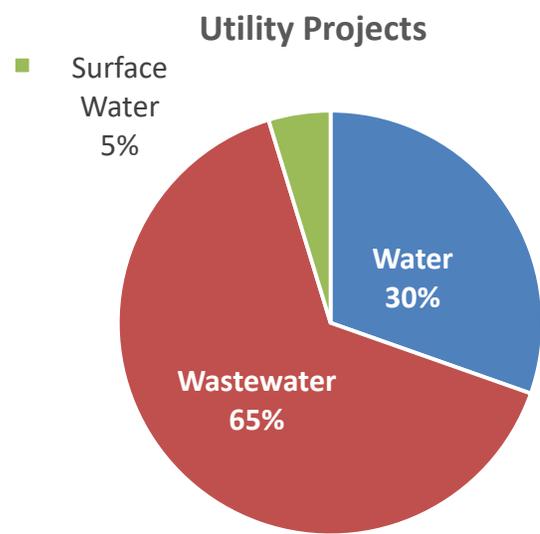
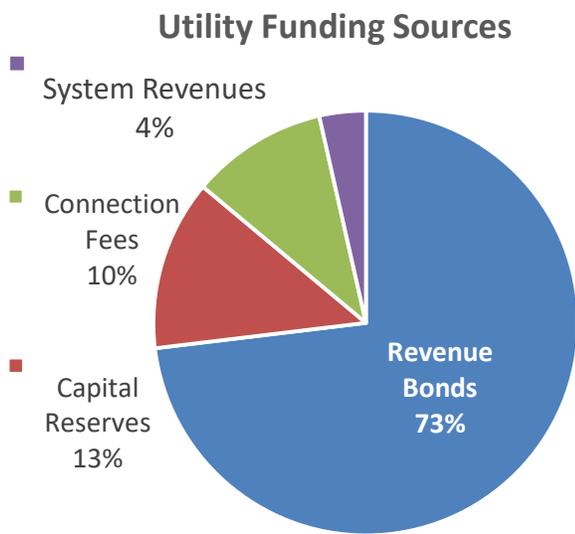
southern Sugar Land. Systemwide improvements include well rehabilitation, elevated storage tank upgrades, and SCADA system enhancements, all critical to maintaining consistent service.

### Wastewater

Significant wastewater projects in FY26 will expand system capacity and reduce overflow risks. The largest initiative, Tract 2 Wastewater Improvements (\$22M), addresses new development west of the Brazos. The South of Brazos Wastewater Treatment Plant (\$10M) adds 2 MGD capacity, while continued collection system rehabilitation (\$2.8M) targets high-priority inflow and infiltration issues.

### Surface Water

The City is progressing toward long-term water sustainability with multiple projects at the Surface Water Treatment Plant, including Phase I & II rehabilitation for \$2.4M combined and plant expansion to 16 MGD \$4.3M. Efforts also include transmission line design and preparations for the next phase of groundwater-to-surface water conversion, helping ensure regulatory compliance and supply reliability.



### Additional Resources

For more information and detail on projects for the proposed Fiscal Year 2026-2030 Capital Improvement Program, use the QR Codes or links below to visit the City’s GIS platform!

[Project Details](#)

[Five-Year Summaries](#)



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

	General CIP	Utility CIP	Airport CIP	SLDC	SL4B	TOTAL
<b>Revenues</b>						
Airport CO's	-	-	15,500,000	-	-	15,500,000
Airport Revenues	-	-	250,000	-	-	250,000
GO Bonds	74,375,000	-	-	-	-	74,375,000
Connection Fees	-	-	-	-	-	-
Other Sources	725,000	-	27,397,000	-	-	28,122,000
Donations	4,900,000	-	-	-	-	4,900,000
SL4B	-	-	-	-	2,100,000	2,100,000
SLDC	-	-	-	2,300,000	-	2,300,000
Utility Revenue Bonds	-	41,186,113	-	-	-	41,186,113
Utility System Revenues	-	2,000,003	-	-	-	2,000,003
<b>TOTAL Project Funding</b>	<b>80,000,000</b>	<b>43,186,116</b>	<b>43,147,000</b>	<b>2,300,000</b>	<b>2,100,000</b>	<b>170,733,116</b>
<b>Expenditures</b>						
Airport	-	-	43,147,000	-	-	43,147,000
Drainage	13,575,000	-	-	-	-	13,575,000
Mobility	2,300,000	-	-	300,000	-	2,600,000
Municipal	57,675,000	-	-	-	-	57,675,000
Parks	2,500,000	-	-	-	2,100,000	4,600,000
Streets	2,725,000	-	-	2,000,000	-	4,725,000
Surface Water	-	2,651,250	-	-	-	2,651,250
Traffic	1,225,000	-	-	-	-	1,225,000
Wastewater	-	36,565,000	-	-	-	36,565,000
Water	-	17,125,500	-	-	-	17,125,500
<b>TOTAL CIP Expenditures</b>	<b>\$ 80,000,000</b>	<b>\$ 56,341,750</b>	<b>\$ 43,147,000</b>	<b>\$ 2,300,000</b>	<b>\$ 2,100,000</b>	<b>\$ 183,888,750</b>
Use of Fund Balance	\$ -	\$ (13,155,634)	\$ -	\$ -	\$ -	\$ (13,155,634)

**CITY OF SUGAR LAND  
SUMMARY OF CAPITAL PROJECTS  
FISCAL YEAR 2026**

<b>Project #</b>	<b>Project Name</b>	<b>Project Description</b>	<b>FY26 Budget</b>
CAP2502	New Fuel Farm	Design and construct a new fuel farm with additional capacity for Jet-A aircraft fuel, including new fuel management systems, more space for transport trucks to maneuver, and shade areas covering equipment.	3,000,000
CAP2301	Runway Rehabilitation Project	Rubblization of existing Runway concrete and recycle material in place. Install 9" of asphalt on top of rubblized surface course, 5" base course, and 4" surface course. Install new pavement markings associated with threshold locations, airfield signage, and lighting. Groove Runway pavement to improve drainage and aircraft braking.	10,000,000
CAP2601	Rental Car and Vertiport Parking Lot	Design and construct a parking lot to support rental cars and vertiport, including base work, paving, electrical, lighting, and access control.	2,500,000
<b>Airport CO's</b>			<b>\$ 15,500,000</b>
CAP2601	Rental Car and Vertiport Parking Lot	Design and construct a parking lot to support rental cars and vertiport, including base work, paving, electrical, lighting, and access control.	250,000
<b>Airport Revenues</b>			<b>\$ 250,000</b>
CMB2601	Burney/Main Sidewalk Widening to 7th St & Intersection Modification at Stadium Dr	Potential realignment of Stadium Dr. at Burney Rd., multimodal safety modifications (widening of current sidewalk to a side path and connecting gaps from Stadium Dr. to 7th St.) along Burney Rd./Main St. for current and anticipated increase in traffic due to the Imperial redevelopment.	300,000
CMB2602	Austin Parkway Reconstruction Phase I	Based on guidance from the PMMP, this project involves street reconstruction and installation of a 10-foot side path on one side extending from Williams Trace to Lexington Blvd.	262,500
CMB2603	Austin Parkway Reconstruction Phase II	Based on guidance from the PMMP, this project involves street reconstruction and installation of a 10-foot side path on one side of street extending from Williams Trace to Commonwealth Blvd.	462,500
CMU2503	Public Safety Facilities Rehabilitation	Several modifications have been identified across various Public Safety buildings, including repairs to mechanical, electrical, plumbing and security systems, natural disaster preparedness, and building modifications due to recent changes in service levels and programs.  Project 1 - Roof rehabilitation for FS 1 & 4 Project 2 - Installation of alarm monitoring systems to FS 3, 4, 5, & 6.	3,250,000
CMU2505	Fire Apparatus Replacement & Rebuild	Replace and rebuild aging firefighting vehicles.	2,175,000
CMU2504	Public Safety Training Facility Ph. III	This phase involves the design and construction of fire training structures for live fire training and a permanent gun range to allow indoor training.	29,225,000
CMB2604	Major Street Rehabilitation	Reconstruction and/or panel replacement of major roadways identified as part of the Pavement Management and Maintenance Program at various locations around the City.	550,000
CDR2602	Chatham at McAllister Drainage Modifications	Enlarge storm sewer main line along Chatham Ave from the Telfair Community Park to McAllister and along Greyben, Furman, Somerset, Olmstead, Pickney, Whitman, Ogdan.	500,000
CDR2601	SH 6 at Brooks St Drainage Modifications	Enlarge storm sewer main line on First Colony Blvd from Ditch F to SH 6 to reduce ponding depths on SH 6 during rain events.	625,000
CDR2504	Windmill Drainage Modifications	Enlarge storm sewer main line along Kettle Run and Windmill in Chimneystone.	5,350,000
CTR2503	Strategic Traffic Flow Projects	Conduct mobility studies, design, and construction to address various congestion issues around the City. Some known examples of intersections with congestion issues include: Dairy Ashford and Julie Rivers, Right turn at 90A and Commerce Green	450,000
CMU2508	Public Services Building Rehabilitation & Modernization	Based on guidance from the Facilities Master Plan, this project identifies and implements modifications and additions, as necessary, to existing City facilities, including rehabilitation of buildings and modernization of spaces to address City growth and service level expectations. Some examples of potential modifications include: Roofs, walls, and ceilings, Electrical, mechanical, heating, ventilation, and air conditioning systems (HVAC)	4,075,000
CDR2505	Hillstone Drainage Modifications	Enlarge storm sewer main line along Garden Ln, Hillstone and Whetrock Ln in Chimneystone.	7,100,000
CST2501	Sidewalk Program Rehabilitation & Replacement	Create a 5-year sidewalk management program to identify and manage the replacement and/or rehabilitation of existing sidewalks, including streetscapes at various locations throughout the city. Project to include sidewalk and streetscape design and construction.	2,175,000
CST2504	Residential Street Reconstruction & Panel Replacement	Reconstruction and/or replacement of full-depth concrete panels on residential streets in various locations around the city. Conduct a city-wide pavement assessment to update the PMMP.	550,000
CTR2502	Traffic Signal Rehabilitation	Evaluation, design, and replacement of aging traffic signal infrastructure.	775,000
CMU1908	Animal Shelter	Construction of approximately 24,000 square foot facility that includes animal housing, intake/veterinary space, staff areas, and public spaces. Exterior space includes animal exercise and play yards.	16,550,000
<b>General Obligation Bonds</b>			<b>\$ 74,375,000</b>
CWA2408	Elevated Storage Tank Rehabilitation	Design and construction of improvements to the elevated storage tanks.	311,084
CWA2506	Water South of the Brazos - Water Treatment Plant Phase I	This project is the first phase of a groundwater treatment plant to serve potable water to Greatwood, the Shouse tract and new development on the south side of the Brazos River. It will be located on FM2759.	721,150
CWA2508	Water South of the Brazos - Water Line Connection to Greatwood	This project is the transmission line to connect the new groundwater treatment plant to serve potable water to Greatwood and new development on the south side of the Brazos River. It will be located on FM2759.	141,402
CWA2601	Groundwater Plant Generator and RAD Replacement	Replacement of existing generators and right angle drives at the groundwater plants.	395,925

**CITY OF SUGAR LAND  
SUMMARY OF CAPITAL PROJECTS  
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<b>Project #</b>	<b>Project Name</b>	<b>Project Description</b>	<b>FY26 Budget</b>
CWA2602	Groundwater Building Improvements	Design and construction of improvements to the buildings at groundwater plants.	56,561
CWA2603	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. 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.	264,422
CWA2604	Groundwater Plant Rehabilitation	Annual investment in the ground water plants. Work includes: improvements to booster pumps, on site facilities, hydro-pneumatic tanks, yard piping, site grading and drainage. Improvements were identified through the conditions assessment completed prior to annexation.	305,428
CWA2605	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.	53,733
CWA2606	Distribution System Water Main Rehabilitation Program	A waterline replacement analysis was conducted based on maintenance records to prioritize the water line rehabilitation. The biennial project include design and construction of distribution system water lines to replace aged and high maintenance existing waterlines. Design in one year and construction in the next year.	42,421
CWA2607	Public Works Building	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	14,140
CWACONT	Water Project Contingency	This is a contingency fund set up to utilize for water projects based on additional project needs identified through design and construction of rehabilitation or new construction of water facilities.	115,313
CWW2309	Tract 2 Wastewater Improvements	There are currently treatment bottlenecks that need to addressed to accommodate additional wastewater flows from the development of Tract 2 to the West WWTP. In addition, the project will include an upsized forcemain from the Tract 2 development to connect the wastewater collection system in New Territory to further convey wastewater to the West WWTP.	2,060,889
CWW2501	Collection System Rehabilitation Program	Continue detailed evaluation and design for system deficiencies identified in the 2009 Citywide Inflow & Infiltration Study and 2011 Pre-Design Report of areas that experience sanitary sewer overflows (SSOs) during heavy storm events.	262,295
CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	936,768
CWW2601	Public Works Drainage	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	9,368
CWW2602	Lift Station Rehabilitation Program	Annual rehabilitation of the city's lift stations that have been identified by staff through routine inspections and annual assessments due to aging infrastructure and reliability concerns.	37,471
CWWCONT	Wastewater Project Contingency	This is a contingency fund set up to utilize for wastewater projects based on additional project needs identified through design and construction of rehabilitation or new construction of wastewater facilities.	118,501
<b>Connection Fees</b>			<b>\$ 5,846,871</b>
CAP2301	Runway Rehabilitation Project	Rubblization of existing Runway concrete and recycle material in place. Install 9" of asphalt on top of rubblized surface course, 5" base course, and 4" surface course. Install new pavement markings associated with threshold locations, airfield signage, and lighting. Groove Runway pavement to improve drainage and aircraft braking.	27,397,000
CMB2602	Austin Parkway Reconstruction Phase I	Based on guidance from the PMMP, this project involves street reconstruction and installation of a 10-foot side path on one side extending from Williams Trace to Lexington Blvd.	262,500
CMB2603	Austin Parkway Reconstruction Phase II	Based on guidance from the PMMP, this project involves street reconstruction and installation of a 10-foot side path on one side of street extending from Williams Trace to Commonwealth Blvd.	462,500
<b>Other Sources</b>			<b>\$ 28,122,000</b>
CPK2302	Cullinan Park Improvements Phase III	Design and construct a nature discovery area currently named Learn, Explore and Play (L.E.A.P.) to add nature-oriented features which will allow for educational opportunities as well as enhancing the park as a regional destination.	2,500,000
CMU1908	Animal Shelter	Construction of approximately 24,000 square foot facility that includes animal housing, intake/veterinary space, staff areas, and public spaces. Exterior space includes animal exercise and play yards.	2,400,000
<b>Donations</b>			<b>\$ 4,900,000</b>
CPK2504	Eldridge Park Improvements	Design and construct drainage improvements to the Eldridge Park parking lot, irrigation system and convert one field to artificial turf.	1,800,000
CPK2601	Fostering Unique Neighborhoods (F.U.N.)	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.	300,000
<b>Sugar Land 4B Corporation</b>			<b>\$ 2,100,000</b>
CST2502	Major Street Rehabilitation	Reconstruction and/or panel replacement of major roadways identified as part of the Pavement Management and Maintenance Program; including portions of Industrial Blvd, Commerce Green Blvd and Greatwood Parkway.	2,000,000

**CITY OF SUGAR LAND  
SUMMARY OF CAPITAL PROJECTS  
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<b>Project #</b>	<b>Project Name</b>	<b>Project Description</b>	<b>FY26 Budget</b>
CMB2605	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 Right-of-Way Enhancement and Maintenance Policy.	300,000
<b>Sugar Land Development Corporation</b>			<b>\$ 2,300,000</b>
CSW2401	SWTP Rehab Phase 1 - Chemical System Replacement/Improvements	Phase 1 scope includes chlorine dioxide system improvements, chemical metering pump replacements, chemical transfer pump replacements, chemical protective coating, chemical piping replacement, ventilation improvements and safety equipment replacements for showers and eyewash stations.	1,728,430
CSW2601	SWTP Rehab Phase 2- Treatment Module 1 Improvements and Membrane Replacement	Phase 2 is focused on the treatment module improvements, pump and check valve replacements, membrane replacements, and residual solids handling improvements. This includes chain and flight sludge collectors replacements, flocculator motor and drive replacements, finished water sample pump replacements, check valve replacements, membrane strainer isolation improvements, CIP room ventilation improvements, loading area improvements at the solids handling building, and polymer missing skid replacements. Additionally, replacement of the membrane filters.	370,748
CSW2602	Reclaimed Water South of the Brazos - Transmission Lines Phase I	This project is the associated transmission lines to serve the to serve non-potable water to fill amenity lakes and irrigation needs on the south side of the Brazos River. The reclaimed water facility will be co-located at the new wastewater treatment plant on FM2759.	82,965
CSWCONT	Surface Water Contingency	This is a contingency fund set up to utilize for surface water projects based on additional project needs identified through design and construction of rehabilitation or new construction of surface water facilities.	109,107
CWA2408	Elevated Storage Tank Rehabilitation	Design and construction of improvements to the elevated storage tanks.	1,314,122
CWA2506	Water South of the Brazos - Water Treatment Plant Phase I	This project is the first phase of a groundwater treatment plant to serve potable water to Greatwood, the Shouse tract and new development on the south side of the Brazos River. It will be located on FM2759.	3,046,372
CWA2508	Water South of the Brazos - Water Line Connection to Greatwood	This project is the transmission line to connect the new groundwater treatment plant to serve potable water to Greatwood and new development on the south side of the Brazos River. It will be located on FM2759.	597,328
CWA2601	Groundwater Plant Generator and RAD Replacement	Replacement of existing generators and right angle drives at the groundwater plants.	1,672,518
CWA2602	Groundwater Building Improvements	Design and construction of improvements to the buildings at groundwater plants.	238,931
CWA2603	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. 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.	1,117,002
CWA2604	Groundwater Plant Rehabilitation	Annual investment in the ground water plants. Work includes: improvements to booster pumps, on site facilities, hydro-pneumatic tanks, yard piping, site grading and drainage. Improvements were identified through the conditions assessment completed prior to annexation.	1,290,228
CWA2605	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.	226,984
CWA2606	Distribution System Water Main Rehabilitation Program	A waterline replacement analysis was conducted based on maintenance records to prioritize the water line rehabilitation. The biennial project include design and construction of distribution system water lines to replace aged and high maintenance existing waterlines. Design in one year and construction in the next year.	179,198
CWA2607	Public Works Building	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	59,732
CWACONT	Water Project Contingency	This is a contingency fund set up to utilize for water projects based on additional project needs identified through design and construction of rehabilitation or new construction of water facilities.	487,121
CWW2309	Tract 2 Wastewater Improvements	There are currently treatment bottlenecks that need to addressed to accommodate additional wastewater flows from the development of Tract 2 to the West WWTP. In addition, the project will include an upsized forcemain from the Tract 2 development to connect the wastewater collection system in New Territory to further convey wastewater to the West WWTP.	17,247,018
CWW2501	Collection System Rehabilitation Program	Continue detailed evaluation and design for system deficiencies identified in the 2009 Citywide Inflow & Infiltration Study and 2011 Pre-Design Report of areas that experience sanitary sewer overflows (SSOs) during heavy storm events.	2,195,075
CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	7,839,553
CWW2601	Public Works Drainage	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	78,395

**CITY OF SUGAR LAND  
SUMMARY OF CAPITAL PROJECTS  
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<b>Project #</b>	<b>Project Name</b>	<b>Project Description</b>	<b>FY26 Budget</b>
CWW2602	Lift Station Rehabilitation Program	Annual rehabilitation of the city's lift stations that have been identified by staff through routine inspections and annual assessments due to aging infrastructure and reliability concerns.	313,582
CWWCONT	Wastewater Project Contingency	This is a contingency fund set up to utilize for wastewater projects based on additional project needs identified through design and construction of rehabilitation or new construction of wastewater facilities.	991,704
<b>Utility Revenue Bonds</b>			<b>\$ 41,186,113</b>
CWA2408	Elevated Storage Tank Rehabilitation	Design and construction of improvements to the elevated storage tanks.	128,463
CWA2506	Water South of the Brazos - Water Treatment Plant Phase I	This project is the first phase of a groundwater treatment plant to serve potable water to Greatwood, the Shouse tract and new development on the south side of the Brazos River. It will be located on FM2759.	297,802
CWA2508	Water South of the Brazos - Water Line Connection to Greatwood	This project is the transmission line to connect the new groundwater treatment plant to serve potable water to Greatwood and new development on the south side of the Brazos River. It will be located on FM2759.	58,392
CWA2601	Groundwater Plant Generator and RAD Replacement	Replacement of existing generators and right angle drives at the groundwater plants.	163,500
CWA2602	Groundwater Building Improvements	Design and construction of improvements to the buildings at groundwater plants.	23,357
CWA2603	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. 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.	109,195
CWA2604	Groundwater Plant Rehabilitation	Annual investment in the ground water plants. Work includes: improvements to booster pumps, on site facilities, hydro-pneumatic tanks, yard piping, site grading and drainage. Improvements were identified through the conditions assessment completed prior to annexation.	126,128
CWA2605	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.	22,189
CWA2606	Distribution System Water Main Rehabilitation Program	A waterline replacement analysis was conducted based on maintenance records to prioritize the water line rehabilitation. The biennial project include design and construction of distribution system water lines to replace aged and high maintenance existing waterlines. Design in one year and construction in the next year.	17,518
CWA2607	Public Works Building	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	5,840
CWACONT	Water Project Contingency	This is a contingency fund set up to utilize for water projects based on additional project needs identified through design and construction of rehabilitation or new construction of water facilities.	47,619
CWW2309	Tract 2 Wastewater Improvements	There are currently treatment bottlenecks that need to addressed to accommodate additional wastewater flows from the development of Tract 2 to the West WWTP. In addition, the project will include an upsized forcemain from the Tract 2 development to connect the wastewater collection system in New Territory to further convey wastewater to the West WWTP.	601,668
CWW2501	Collection System Rehabilitation Program	Continue detailed evaluation and design for system deficiencies identified in the 2009 Citywide Inflow & Infiltration Study and 2011 Pre-Design Report of areas that experience sanitary sewer overflows (SSOs) during heavy storm events.	76,576
CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	273,486
CWW2601	Public Works Drainage	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	2,735
CWW2602	Lift Station Rehabilitation Program	Annual rehabilitation of the city's lift stations that have been identified by staff through routine inspections and annual assessments due to aging infrastructure and reliability concerns.	10,939
CWWCONT	Wastewater Project Contingency	This is a contingency fund set up to utilize for wastewater projects based on additional project needs identified through design and construction of rehabilitation or new construction of wastewater facilities.	34,596
<b>Utility System Revenues</b>			<b>\$ 2,000,003</b>
CSW2401	SWTP Rehab Phase 1 - Chemical System Replacement/Improvements	Phase 1 scope includes chlorine dioxide system improvements, chemical metering pump replacements, chemical transfer pump replacements, chemical protective coating, chemical piping replacement, ventilation improvements and safety equipment replacements for showers and eyewash stations.	271,570
CSW2601	SWTP Rehab Phase 2- Treatment Module 1 Improvements and Membrane Replacement	Phase 2 is focused on the treatment module improvements, pump and check valve replacements, membrane replacements, and residual solids handling improvements. This includes chain and flight sludge collectors replacements, flocculator motor and drive replacements, finished water sample pump replacements, check valve replacements, membrane strainer isolation improvements, CIP room ventilation improvements, loading area improvements at the solids handling building, and polymer missing skid replacements. Additionally, replacement of the membrane filters.	58,252
CSW2602	Reclaimed Water South of the Brazos - Transmission Lines Phase I	This project is the associated transmission lines to serve the to serve non-potable water to fill amenity lakes and irrigation needs on the south side of the Brazos River. The reclaimed water facility will be co-located at the new wastewater treatment plant on FM2759.	13,035

**CITY OF SUGAR LAND  
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<b>Project #</b>	<b>Project Name</b>	<b>Project Description</b>	<b>FY26 Budget</b>
CSWCONT	Surface Water Contingency	This is a contingency fund set up to utilize for surface water projects based on additional project needs identified through design and construction of rehabilitation or new construction of surface water facilities.	17,143
CWA2408	Elevated Storage Tank Rehabilitation	Design and construction of improvements to the elevated storage tanks.	446,331
CWA2506	Water South of the Brazos - Water Treatment Plant Phase I	This project is the first phase of a groundwater treatment plant to serve potable water to Greatwood, the Shouse tract and new development on the south side of the Brazos River. It will be located on FM2759.	1,034,676
CWA2508	Water South of the Brazos - Water Line Connection to Greatwood	This project is the transmission line to connect the new groundwater treatment plant to serve potable water to Greatwood and new development on the south side of the Brazos River. It will be located on FM2759.	202,878
CWA2601	Groundwater Plant Generator and RAD Replacement	Replacement of existing generators and right angle drives at the groundwater plants.	568,057
CWA2602	Groundwater Building Improvements	Design and construction of improvements to the buildings at groundwater plants.	81,151
CWA2603	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. 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.	379,381
CWA2604	Groundwater Plant Rehabilitation	Annual investment in the ground water plants. Work includes: improvements to booster pumps, on site facilities, hydro-pneumatic tanks, yard piping, site grading and drainage. Improvements were identified through the conditions assessment completed prior to annexation.	438,216
CWA2605	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.	77,094
CWA2606	Distribution System Water Main Rehabilitation Program	A waterline replacement analysis was conducted based on maintenance records to prioritize the water line rehabilitation. The biennial project include design and construction of distribution system water lines to replace aged and high maintenance existing waterlines. Design in one year and construction in the next year.	60,863
CWA2607	Public Works Building	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	20,288
CWACONT	Water Project Contingency	This is a contingency fund set up to utilize for water projects based on additional project needs identified through design and construction of rehabilitation or new construction of water facilities.	165,447
CWW2309	Tract 2 Wastewater Improvements	There are currently treatment bottlenecks that need to be addressed to accommodate additional wastewater flows from the development of Tract 2 to the West WWTP. In addition, the project will include an upsized forcemain from the Tract 2 development to connect the wastewater collection system in New Territory to further convey wastewater to the West WWTP.	2,090,425
CWW2501	Collection System Rehabilitation Program	Continue detailed evaluation and design for system deficiencies identified in the 2009 Citywide Inflow & Infiltration Study and 2011 Pre-Design Report of areas that experience sanitary sewer overflows (SSOs) during heavy storm events.	266,054
CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	950,193
CWW2601	Public Works Drainage	The Public Works campus at Gillingham includes staffing form Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	9,502
CWW2602	Lift Station Rehabilitation Program	Annual rehabilitation of the city's lift stations that have been identified by staff through routine inspections and annual assessments due to aging infrastructure and reliability concerns.	38,008
CWWCONT	Wastewater Project Contingency	This is a contingency fund set up to utilize for wastewater projects based on additional project needs identified through design and construction of rehabilitation or new construction of wastewater facilities.	120,199
<b>Utility CIP Fund Balance</b>			<b>\$ 7,308,763</b>
<b>TOTAL</b>			<b>183,888,750</b>

CITY OF SUGAR LAND  
SUMMARY OF CAPITAL PROJECTS  
FISCAL YEAR 2026

Division	Project	Title	Description	FY26 Budget
Airport	CAP2301	Runway Rehabilitation Project	Rubblization of existing Runway concrete and recycle material in place. Install 9" of asphalt on top of rubblized surface course, 5" base course, and 4" surface course. Install new pavement markings associated with threshold locations, airfield signage, and lighting. Groove Runway pavement to improve drainage and aircraft braking.	37,397,000
	CAP2502	New Fuel Farm	Design and construct a new fuel farm with additional capacity for Jet-A aircraft fuel, including new fuel management systems, more space for transport trucks to maneuver, and shade areas covering equipment.	3,000,000
	CAP2601	Rental Car and Vertiport Parking Lot	Design and construct a parking lot to support rental cars and vertiport, including base work, paving, electrical, lighting, and access control.	2,750,000
	<b>Airport Total</b>			
Drainage	CDR2504	Windmill Drainage Modifications	Enlarge storm sewer main line along Kettle Run and Windmill in Chimneystone.	5,350,000
	CDR2505	Hillstone Drainage Modifications	Enlarge storm sewer main line along Garden Ln, Hillstone and Whetrock Ln in Chimneystone.	7,100,000
	CDR2601	SH 6 at Brooks St Drainage Modifications	Enlarge storm sewer main line on First Colony Blvd from Ditch F to SH 6 to reduce ponding depths on SH 6 during rain events.	625,000
	CDR2602	Chatham at McAllister Drainage Modifications	Enlarge storm sewer main line along Chatham Ave from the Telfair Community Park to McAllister and along Greyben, Furman, Somerset, Otmead, Pickney, Whitman, Ogen.	500,000
<b>Drainage Total</b>				<b>13,575,000</b>
Mobility	CMB2601	Burney/Main Sidewalk Widening to 7th St & Intersection Modification at Stadium Dr	Potential realignment of Stadium Dr. at Burney Rd., multimodal safety modifications (widening of current sidewalk to a side path and connecting gaps from Stadium Dr. to 7th St.) along Burney Rd./Main St. for current and anticipated increase in traffic due to the Imperial redevelopment.	300,000
	CMB2602	Austin Parkway Reconstruction Phase I	Based on guidance from the PMMP, this project involves street reconstruction and installation of a 10-foot side path on one side extending from Williams Trace to Lexington Blvd.	525,000
	CMB2603	Austin Parkway Reconstruction Phase II	Based on guidance from the PMMP, this project involves street reconstruction and installation of a 10-foot side path on one side of street extending from Williams Trace to Commonwealth Blvd.	925,000
	CMB2604	Major Street Rehabilitation	Reconstruction and/or panel replacement of major roadways identified as part of the Pavement Management and Maintenance Program at various locations around the City.	550,000
	CMB2605	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 Right-of-Way Enhancement and Maintenance Policy.	300,000
	<b>Mobility Total</b>			
Municipal	CMU1908	Animal Shelter	Construction of approximately 24,000 square foot facility that includes animal housing, intake/veterinary space, staff areas, and public spaces. Exterior space includes animal exercise and play yards.	18,950,000
	CMU2503	Public Safety Facilities Rehabilitation	Several modifications have been identified across various Public Safety buildings, including repairs to mechanical, electrical, plumbing and security systems, natural disaster preparedness, and building modifications due to recent changes in service levels and programs.  Project 1 - Roof rehabilitation for FS 1 & 4 Project 2 - Installation of alarm monitoring systems to FS 3, 4, 5, & 6.	3,250,000
	CMU2504	Public Safety Training Facility Ph. III	This phase involves the design and construction of fire training structures for live fire training and a permanent gun range to allow indoor training.	29,225,000
	CMU2505	Fire Apparatus Replacement & Rebuild	Replace and rebuild aging firefighting vehicles.	2,175,000
	CMU2508	Public Services Building Rehabilitation & Modernization	Based on guidance from the Facilities Master Plan, this project identifies and implements modifications and additions, as necessary, to existing City facilities, including rehabilitation of buildings and modernization of spaces to address City growth and service level expectations. Some examples of potential modifications include: Roofs, walls, and ceilings, Electrical, mechanical, heating, ventilation, and air conditioning systems (HVAC)	4,075,000
	<b>Municipal Total</b>			
Parks	CPK2504	Eldridge Park Improvements	Design and construct drainage improvements to the Eldridge Park parking lot, irrigation system and convert one field to artificial turf.	1,800,000
	CPK2601	Fostering Unique Neighborhoods (F.U.N.)	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.	300,000
	CPK2302	Cullinan Park Improvements Phase III	Design and construct a nature discovery area currently named Learn, Explore and Play (L.E.A.P.) to add nature-oriented features which will allow for educational opportunities as well as enhancing the park as a regional destination.	2,500,000
<b>Parks Total</b>				<b>4,600,000</b>
Streets	CST2501	Sidewalk Program Rehabilitation & Replacement	Create a 5-year sidewalk management program to identify and manage the replacement and/or rehabilitation of existing sidewalks, including streetscapes at various locations throughout the city. Project to include sidewalk and streetscape design and construction.	2,175,000
	CST2502	Major Street Rehabilitation	Reconstruction and/or panel replacement of major roadways identified as part of the Pavement Management and Maintenance Program; including portions of Industrial Blvd, Commerce Green Blvd and Greatwood Parkway.	2,000,000
	CST2504	Residential Street Reconstruction & Panel Replacement	Reconstruction and/or replacement of full-depth concrete panels on residential streets in various locations around the city. Conduct a city-wide pavement assessment to update the PMMP.	550,000
<b>Streets Total</b>				<b>4,725,000</b>
Surface Water	CSW2401	SWTP Rehab Phase 1 - Chemical System Replacement/Improvements	Phase 1 scope includes chlorine dioxide system improvements, chemical metering pump replacements, chemical transfer pump replacements, chemical protective coating, chemical piping replacement, ventilation improvements and safety equipment replacements for showers and eyewash stations.	2,000,000
	CSW2601	SWTP Rehab Phase 2- Treatment Module 1 Improvements and Membrane Replacement	Phase 2 is focused on the treatment module improvements, pump and check valve replacements, membrane replacements, and residual solids handling improvements. This includes chain and flight sludge collectors replacements, flocculator motor and drive replacements, finished water sample pump replacements, check valve replacements, membrane strainer isolation improvements, CIP room ventilation improvements, loading area improvements at the solids handling building, and polymer missing skid replacements. Additionally, replacement of the membrane filters.	429,000
	CSW2602	Reclaimed Water South of the Brazos - Transmission Lines Phase I	This project is the associated transmission lines to serve the to serve non-potable water to fill amenity lakes and irrigation needs on the south side of the Brazos River. The reclaimed water facility will be co-located at the new wastewater treatment plant on FM2759.	96,000
	CSWCONT	Surface Water Contingency	This is a contingency fund set up to utilize for surface water projects based on additional project needs identified through design and construction of rehabilitation or new construction of surface water facilities.	126,250
	<b>Surface Water Total</b>			
Traffic	CTR2502	Traffic Signal Rehabilitation	Evaluation, design, and replacement of aging traffic signal infrastructure.	775,000
	CTR2503	Strategic Traffic Flow Projects	Conduct mobility studies, design, and construction to address various congestion issues around the City. Some known examples of intersections with congestion issues include: Dairy Ashford and Julie Rivers, Right turn at 90A and Commerce Green	450,000
<b>Traffic Total</b>				<b>1,225,000</b>

CITY OF SUGAR LAND  
SUMMARY OF CAPITAL PROJECTS  
FISCAL YEAR 2026

Division	Project	Title	Description	FY26 Budget	
Wastewater	CWW2309	Tract 2 Wastewater Improvements	There are currently treatment bottlenecks that need to be addressed to accommodate additional wastewater flows from the development of Tract 2 to the West WWTP. In addition, the project will include an upsized forcemain from the Tract 2 development to connect the wastewater collection system in New Territory to further convey wastewater to the West WWTP.	22,000,000	
	CWW2501	Collection System Rehabilitation Program	Continue detailed evaluation and design for system deficiencies identified in the 2009 Citywide Inflow & Infiltration Study and 2011 Pre-Design Report of areas that experience sanitary sewer overflows (SSOs) during heavy storm events.	2,800,000	
	CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	10,000,000	
	CWW2601	Public Works Drainage	The Public Works campus at Gillingham includes staffing from Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	100,000	
	CWW2602	Lift Station Rehabilitation Program	Annual rehabilitation of the city's lift stations that have been identified by staff through routine inspections and annual assessments due to aging infrastructure and reliability concerns.	400,000	
	CWWCONT	Wastewater Project Contingency	This is a contingency fund set up to utilize for wastewater projects based on additional project needs identified through design and construction of rehabilitation or new construction of wastewater facilities.	1,265,000	
	<b>Wastewater Total</b>				<b>36,565,000</b>
Water	CWA2408	Elevated Storage Tank Rehabilitation	Design and construction of improvements to the elevated storage tanks.	2,200,000	
	CWA2506	Water South of the Brazos - Water Treatment Plant Phase I	This project is the first phase of a groundwater treatment plant to serve potable water to Greatwood, the Shouse tract and new development on the south side of the Brazos River. It will be located on FM2759.	5,100,000	
	CWA2508	Water South of the Brazos - Water Line Connection to Greatwood	This project is the transmission line to connect the new groundwater treatment plant to serve potable water to Greatwood and new development on the south side of the Brazos River. It will be located on FM2759.	1,000,000	
	CWA2601	Groundwater Plant Generator and RAD Replacement	Replacement of existing generators and right angle drives at the groundwater plants.	2,800,000	
	CWA2602	Groundwater Building Improvements	Design and construction of improvements to the buildings at groundwater plants.	400,000	
	CWA2603	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. 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.	1,870,000	
	CWA2604	Groundwater Plant Rehabilitation	Annual investment in the ground water plants. Work includes: improvements to booster pumps, on site facilities, hydro-pneumatic tanks, yard piping, site grading and drainage. Improvements were identified through the conditions assessment completed prior to annexation.	2,160,000	
	CWA2605	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.	380,000	
	CWA2606	Distribution System Water Main Rehabilitation Program	A waterline replacement analysis was conducted based on maintenance records to prioritize the water line rehabilitation. The biennial project include design and construction of distribution system water lines to replace aged and high maintenance existing waterlines. Design in one year and construction in the next year.	300,000	
	CWA2607	Public Works Building	The Public Works campus at Gillingham includes staffing from Utilities, Public Works, Fleet and Animal Services totaling over 200 staff. In December 2023, the City purchased an additional 2.32 acres adjacent to the campus at the corner of Gillingham Lane and Lakeview. This project would build a new Public Works building to house Utility staff.	100,000	
	CWACONT	Water Project Contingency	This is a contingency fund set up to utilize for water projects based on additional project needs identified through design and construction of rehabilitation or new construction of water facilities.	815,500	
	<b>Water Total</b>				<b>17,125,500</b>
	<b>Grand Total</b>				<b>183,888,750</b>

**CITY OF SUGAR LAND  
SUMMARY OF CAPITAL PROJECTS  
FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**

<b>Source of Funds</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>TOTAL</b>
Airport CO's	\$ 15,500,000	\$ 850,000	\$ 16,298,880	\$ -	\$ 750,000	\$ 33,398,880
Airport Revenues	250,000	-	-	75,000	75,000	400,000
GO Bonds	74,375,000	72,000,000	62,262,500	61,315,000	59,935,000	329,887,500
Connection Fees	5,846,871	7,237,120	8,297,121	8,297,120	7,306,368	36,984,600
Other Sources	28,122,000	21,775,000	1,912,500	22,100,000	2,537,500	76,447,000
Donations	4,900,000	-	-	-	-	4,900,000
SL4B	2,100,000	2,300,000	2,300,000	2,300,000	2,300,000	11,300,000
SLDC	2,300,000	1,800,000	300,000	300,000	300,000	5,000,000
Utility Revenue Bonds	41,186,113	24,832,229	105,481,978	27,047,055	30,080,880	228,628,255
Utility System Revenues	2,000,003	2,000,001	2,000,000	2,000,002	2,000,001	10,000,007
CIP Fund Balance	7,308,763	-	20,450,001	1,090,800	228,522	29,078,086
<b>TOTAL</b>	<b>\$ 183,888,750</b>	<b>\$ 132,794,350</b>	<b>\$ 219,302,980</b>	<b>\$ 124,524,977</b>	<b>\$ 105,513,271</b>	<b>\$ 766,024,328</b>

<b>Project Type</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Total</b>
Airport	\$ 43,147,000	\$ 850,000	\$ 16,298,880	\$ 75,000	\$ 825,000	\$ 61,195,880
Drainage	13,575,000	800,000	17,425,000	-	550,000	32,350,000
Mobility	2,600,000	25,225,000	5,800,000	50,875,000	23,412,500	107,912,500
Municipal	57,675,000	42,200,000	35,175,000	25,900,000	27,050,000	188,000,000
Parks	4,600,000	2,300,000	2,300,000	2,300,000	2,300,000	13,800,000
Streets	4,725,000	26,050,000	4,700,000	5,515,000	11,360,000	52,350,000
Surface Water	2,651,250	15,158,850	113,223,600	1,106,700	228,522	132,368,922
Traffic	1,225,000	1,300,000	1,375,000	1,425,000	400,000	5,725,000
Wastewater	36,565,000	9,660,000	8,505,000	6,972,777	29,296,749	90,999,526
Water	17,125,500	9,250,500	14,500,500	30,355,500	10,090,500	81,322,500
<b>Total</b>	<b>\$ 183,888,750</b>	<b>\$ 132,794,350</b>	<b>\$ 219,302,980</b>	<b>\$ 124,524,977</b>	<b>\$ 105,513,271</b>	<b>\$ 766,024,328</b>



# Utility System Fund

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The City's water and wastewater utilities are financed and operated in a manner similar to private business enterprises, where the costs of providing 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 2027. 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 2025

FY25 total revenues are estimated to be \$146,325,725. Charges for services are projected at \$47,086,275. Surface Water fees are estimated at \$26,611,295. Interest income is projected at \$2,003,268. Miscellaneous revenue totals \$1,117,621 and includes the sale of water rights.

Non-operating revenues consist of 2025 bond proceeds of \$68,173,263, transfers of \$868,019 from connection fees, transfers in from Solid Waste of \$342,818, and \$34,531 in PID reimbursements.

Total expenditures are projected at \$148,652,904. Operating expenditures are projected at \$41,973,152.

Non-operating expenditure projections total \$106,679,752 and include debt service payments of \$28,128,484, transfers out of \$8,931,685, issuance costs of \$428,521, contingency of \$0, and CIP transfers of \$69,744,743, which includes \$2 million pay as you go funding for capital projects.

Ending cash equivalent balance at 9/30/25 is projected to be \$33,606,851 after considering the debt service reserve of \$9,110,646. The fund is projected to have a 80% operating reserve, which is above the 25% established by policy, and a bond coverage ratio of 1.24.

## Fiscal Year 2026

FY26 total revenues are estimated to be \$125,596,156. The decrease from FY25 to FY26 is primarily driven by a decrease in total bond proceeds the City expects to receive for capital projects in FY26. Total revenues for charges for services are budgeted at \$48,840,092, surface water fees are budgeted at \$26,453,263, interest income at \$1,073,467, tap fees at \$732,534, and miscellaneous of \$451,950, made up of penalties, collection charges, delinquency fees, lease agreements, reimbursements, and other miscellaneous charges. Bond proceeds are budgeted at \$41,186,118 for FY26 CIP projects. Transfers in include \$868,019 from connection fees to cover FY26 debt service requirements for connection fee projects and \$33,351 in reimbursements from the Enclave at River Park PID for debt service on the developer reimbursement. The final reimbursement from the Solid Waste Fund of \$5,957,1382 is budgeted for FY26. This reimbursement is a payback for the \$6,300,000 loan that Utility Fund issued to Solid Waste for Hurricane Beryl disaster cleanup efforts.

Operating expenditures total \$35,846,094. Budgeted operating expenses for the Utility Fund decreased from FY25 to FY26. During FY25, there were \$2.1M in one-time budget requests funded. In FY26, there is only \$12,500 in total changes to the base budget. This \$12,500 is for a one-time request to fund fiber optic infrastructure for city assets.

Non-operating expenditures total \$83,656,289. Debt service payments are budgeted at \$31,793,137 for existing debt and projected future debt service for the current year CIP. Issuance costs for the bonds are estimated at \$726,722. Transfer to CIP fund is budgeted at \$41,186,118, including \$2 million for pay-as-you-go funding and transfer of bond

proceeds for capital projects. Transfers out to other funds total \$7,117,975, 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. The decrease in transfers out to other funds is based on the decreasing debt service obligations compared to the prior year. Miscellaneous is budgeted at \$332,337, which includes insurance premiums and deductibles.

The Utility System has a projected total debt service reserve of \$14,134,754 for FY26, which includes the estimated increase from new debt issuance in the budgeted year. The cash equivalent balance on 9/30/26 is estimated to be \$34,676,516, which leads to a 97% operating reserve and a bond coverage of 1.31.

## Financial Analysis

Financial ratios are used to analyze the financial position and operating results of the funds. A comparison based on FY25 projections and the FY26 budget is shown below:

	FY25 Projection	FY26 Budget
Cash Reserve Ratio	80%	97%
Direct Bond Coverage	1.24	1.31

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 FY25 cash reserve ratio is budgeted at 97%. 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**

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
<b>REVENUES</b>						
Charges for Services	\$ 44,377,584	\$ 46,856,643	\$ 47,086,275	\$ 48,840,092	\$ -	\$ 48,840,092
Surface Water Fees	24,230,724	25,600,141	26,611,295	26,453,263	-	26,453,263
Tap Fees	174,755	337,984	88,635	732,534	-	732,534
Interest Income	2,866,089	1,019,387	2,003,268	1,073,467	-	1,073,467
Miscellaneous	3,582,466	1,726,350	1,117,621	451,950	-	451,950
Operating Revenues	75,231,618	75,540,505	76,907,094	77,551,306	-	77,551,306
Bond Proceeds	-	67,744,743	68,173,263	41,186,118	-	41,186,118
Transfers In - PID	35,281	34,531	34,531	33,531	-	33,531
Transfers In - Connection Fees	868,019	868,019	868,019	868,019	-	868,019
Transfers In - Solid Waste	-	319,230	342,818	5,957,182	-	5,957,182
Non-operating Revenues	903,300	68,966,523	69,418,631	48,044,850	-	48,044,850
Total Revenues	76,134,918	144,507,028	146,325,725	125,596,156	-	125,596,156
<b>EXPENDITURES</b>						
Utility Administration	1,165,574	1,654,068	1,627,568	1,282,084	12,500	1,294,584
Water Distribution	3,182,544	3,268,744	3,274,044	3,022,265	-	3,022,265
Water Production	3,894,262	5,758,653	5,696,023	4,468,584	-	4,468,584
Wastewater Collection	1,607,420	1,585,025	1,597,825	1,660,136	-	1,660,136
Wastewater Treatment	8,743,608	9,686,614	9,705,944	8,969,236	-	8,969,236
Customer Service	1,348,420	2,367,171	2,379,971	2,054,041	-	2,054,041
Water Quality	1,011,355	1,207,801	1,204,951	1,113,199	-	1,113,199
Water Conservation	422,572	526,839	426,839	392,386	-	392,386
Treasury	2,119,065	2,375,741	2,380,768	2,452,627	-	2,452,627
AMI Operations	320,105	861,415	855,915	889,506	-	889,506
Surface Water	9,819,711	12,868,754	12,823,304	9,529,530	-	9,529,530
Total Operating Expenditures	33,634,638	42,160,825	41,973,152	35,833,594	12,500	35,846,094
Debt Service	8,437,062	28,128,484	28,128,484	31,793,137	-	31,793,137
Issuance Costs	275,401	1,160,195	428,521	726,722	-	726,722
Transfers Out	9,278,518	8,931,685	8,931,685	7,117,975	-	7,117,975
Miscellaneous	507,404	(553,680)	(553,680)	332,337	-	332,337
Contingency	-	-	-	500,000	-	500,000
CIP Transfers	27,859,983	69,744,743	69,744,743	43,186,118	-	43,186,118
Inter Fund Loan - Solid Waste	6,300,000	-	-	-	-	-
Total Non-Operating Expenditures	52,658,368	107,411,426	106,679,752	83,656,289	-	83,656,289
Total Expenditures	86,293,005	149,572,251	148,652,904	119,489,883	12,500	119,502,383
Cash Equivalent - Beginning	48,456,165	45,044,676	45,044,676	42,717,497	-	42,717,497
Revenues Over/(Under) Expenditures	(10,158,087)	(5,065,223)	(2,327,179)	6,106,273	(12,500)	6,093,773
Reserve - Debt Service	(8,410,903)	(9,110,646)	(9,110,646)	(14,134,754)	-	(14,134,754)
Cash Equivalent - Ending	\$ 29,887,175	\$ 30,868,807	\$ 33,606,851	\$ 34,689,016	\$ (12,500)	\$ 34,676,516
Bond Coverage	4.93	1.19	1.24	1.31		1.31
Target	1.25	1.25	1.25	1.25		1.25
Operating Reserves	89%	73%	80%	97%		97%
Target	25%	25%	25%	25%		25%

**CITY OF SUGAR LAND  
UTILITY - OPERATING FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Bond Proceeds						
OFS Bond Proceeds Par	-	67,744,743	64,545,000	41,186,118	-	41,186,118
OFS Bond Proceeds Premium	(0)	-	3,628,263	-	-	-
Bond Proceeds Total	(0)	67,744,743	68,173,263	41,186,118	-	41,186,118
Charges for Services	44,377,584	46,856,643	47,086,275	48,840,092	-	48,840,092
Interest Income						
Interest Earnings	2,567,933	1,019,387	2,003,268	1,073,467	-	1,073,467
Unrealized Gain/Loss Invest	298,157	-	-	-	-	-
Interest Income Total	2,866,089	1,019,387	2,003,268	1,073,467	-	1,073,467
Miscellaneous						
Penalties	225,994	340,000	420,951	340,000	-	340,000
Delinquent Processing Fee	95,125	60,000	169,575	60,000	-	60,000
License Agreement	30,644	29,750	31,563	29,750	-	29,750
Misc. Operating Revenue	18,242	15,000	14,731	15,000	-	15,000
Collection Charges	13,800	7,200	10,430	7,200	-	7,200
Waste Water Surcharge	7,604	-	6,680	-	-	-
Customer Over/Short	(48,546)	-	28	-	-	-
Operating Contribution Federal	-	830,000	-	-	-	-
Other Rev-Unclaimed Property	-	-	2,581	-	-	-
Capital Contribution Nongov	1,429,139	-	-	-	-	-
Reimbursements	1,801,229	250,000	250,254	-	-	-
OFS Sale of Cap Asset Contra	(88,150)	-	-	-	-	-
Capital Contribution Other Gov	9,234	194,400	194,400	-	-	-
OFS Sale of Cap Assets	88,150	-	16,428	-	-	-
Miscellaneous Total	3,582,466	1,726,350	1,117,621	451,950	-	451,950
Surface Water Fees						
Surface Water Fees	24,230,724	25,600,141	26,611,295	26,453,263	-	26,453,263
Surface Water Fees Total	24,230,724	25,600,141	26,611,295	26,453,263	-	26,453,263
Tap Fees						
Water Tap Fees	149,055	264,384	78,735	607,734	-	607,734
Waste Water Tap Fees	25,700	73,600	9,900	124,800	-	124,800
Tap Fees Total	174,755	337,984	88,635	732,534	-	732,534
Transfers In - Connection Fees						
Transfer in Utility New Develop	868,019	868,019	868,019	868,019	-	868,019
Transfers In - Connection Fees Total	868,019	868,019	868,019	868,019	-	868,019
Transfers In - PID						
Enclave at River Park - PID	35,281	34,531	34,531	33,531	-	33,531
Transfers In - PID Total	35,281	34,531	34,531	33,531	-	33,531
Transfers In - Solid Waste						
Transfer in Solid Waste	-	319,230	342,818	5,957,182	-	5,957,182
Transfers In - Solid Waste Total	-	319,230	342,818	5,957,182	-	5,957,182
<b>TOTAL REVENUES</b>	<b>76,134,918</b>	<b>144,507,028</b>	<b>146,325,725</b>	<b>125,596,156</b>	<b>-</b>	<b>125,596,156</b>

**CITY OF SUGAR LAND  
UTILITY - OPERATING FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
AMI Operations						
Salaries & Benefits	166,191	300,173	300,173	340,264	-	340,264
Software	153,915	300,000	300,000	300,000	-	300,000
Repairs & Maintenance	-	130,742	179,742	179,242	-	179,242
General Operating Supplies	-	17,700	19,500	19,500	-	19,500
Travel and Training	-	28,000	24,200	12,700	-	12,700
Non-Capital FF&E	-	59,000	10,000	10,000	-	10,000
Professional Services	-	8,000	10,000	10,000	-	10,000
Printing Services	-	5,000	5,000	5,000	-	5,000
Fuel	-	3,000	-	3,000	-	3,000
Fleet Replacement	-	2,500	-	2,500	-	2,500
Public Relations	-	1,000	1,000	2,000	-	2,000
Telecomm	-	1,800	1,800	1,800	-	1,800
Uniforms	-	1,500	1,500	1,500	-	1,500
Dues & Memberships	-	1,000	1,000	1,000	-	1,000
Employee Relations	-	2,000	2,000	1,000	-	1,000
<b>AMI Operations Total</b>	<b>320,105</b>	<b>861,415</b>	<b>855,915</b>	<b>889,506</b>	<b>-</b>	<b>889,506</b>
Customer Service						
Salaries & Benefits	977,797	1,100,031	1,100,031	1,177,698	-	1,177,698
Repairs & Maintenance	130,109	1,021,107	1,027,107	734,732	-	734,732
Fuel	41,105	43,000	50,700	52,500	-	52,500
Telecomm	22,797	23,100	24,000	24,800	-	24,800
Fleet Replacement	11,813	16,900	21,100	21,800	-	21,800
Uniforms	19,425	15,201	15,201	15,551	-	15,551
Non-Capital FF&E	53,321	122,371	122,371	9,500	-	9,500
Travel and Training	9,104	8,105	8,105	8,105	-	8,105
General Operating Supplies	4,289	7,075	7,075	5,075	-	5,075
Dues & Memberships	583	1,366	1,366	1,366	-	1,366
Employee Relations	-	7,000	1,000	1,000	-	1,000
Printing Services	-	725	725	725	-	725
Professional Services	-	690	690	690	-	690
Software	-	500	500	500	-	500
Capital/Other	78,076	-	-	-	-	-
<b>Customer Service Total</b>	<b>1,348,420</b>	<b>2,367,171</b>	<b>2,379,971</b>	<b>2,054,042</b>	<b>-</b>	<b>2,054,042</b>
Surface Water						
Supplies	4,804,513	5,855,542	5,855,542	4,138,818	-	4,138,818
Chemicals	1,548,350	1,909,027	1,909,027	2,021,301	-	2,021,301
Salaries & Benefits	1,252,632	2,008,110	2,008,110	1,726,830	-	1,726,830
Repairs & Maintenance	868,938	1,384,458	1,388,693	598,256	-	598,256
Electricity	395,588	419,800	431,900	447,000	-	447,000
Grants	-	184,800	184,800	184,800	-	184,800
Professional Services	210,884	619,500	551,766	174,538	-	174,538
Public Relations	80,605	80,000	80,000	80,000	-	80,000
Software	103,239	53,782	53,782	53,782	-	53,782
Travel and Training	10,560	20,886	20,886	20,886	-	20,886
Fleet Replacement	7,427	12,100	18,100	18,700	-	18,700
Telecomm	17,873	17,600	15,800	16,400	-	16,400
Uniforms	12,006	15,068	15,068	15,318	-	15,318
Contracted Services	15,202	10,641	10,641	10,641	-	10,641
Fuel	6,212	6,800	8,300	8,600	-	8,600
General Operating Supplies	24,814	4,550	4,550	4,550	-	4,550
Dues & Memberships	2,026	3,100	3,100	3,100	-	3,100

**CITY OF SUGAR LAND  
UTILITY - OPERATING FUND  
FUND REPORT**

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projection	Base Budget	Change	Budget
Employee Relations	11,842	1,760	1,760	2,760	-	2,760
Printing Services	4,852	2,500	2,500	2,500	-	2,500
Natural Gas	459	500	750	750	-	750
Capital/Other	427,389	258,229	258,229	-	-	-
Equipment Rental	2,209	-	-	-	-	-
Non-Capital FF&E	12,091	-	-	-	-	-
<b>Surface Water Total</b>	<b>9,819,711</b>	<b>12,868,754</b>	<b>12,823,304</b>	<b>9,529,530</b>	<b>-</b>	<b>9,529,530</b>
<b>Treasury</b>						
Salaries & Benefits	935,345	1,016,265	1,016,265	1,138,574	-	1,138,574
Professional Services	963,316	987,473	1,003,300	1,022,500	-	1,022,500
Printing Services	81,106	208,208	208,208	209,700	-	209,700
General Operating Supplies	124,917	44,905	44,905	44,990	-	44,990
Software	-	84,141	84,141	14,191	-	14,191
Repairs & Maintenance	-	9,790	9,790	9,790	-	9,790
Telecomm	7,163	18,200	7,400	7,700	-	7,700
Equipment Rental	2,964	2,964	2,964	2,964	-	2,964
Travel and Training	810	1,650	1,650	1,650	-	1,650
Employee Relations	1,056	488	488	488	-	488
Dues & Memberships	-	235	235	80	-	80
Non-Capital FF&E	2,389	1,422	1,422	-	-	-
<b>Treasury Total</b>	<b>2,119,065</b>	<b>2,375,741</b>	<b>2,380,768</b>	<b>2,452,627</b>	<b>-</b>	<b>2,452,627</b>
<b>Utility Administration</b>						
Salaries & Benefits	710,775	1,183,947	1,183,947	1,019,421	-	1,019,421
Professional Services	232,246	318,599	319,599	199,750	12,500	212,250
Contracted Services	-	17,859	17,859	12,450	-	12,450
Travel and Training	24,232	9,720	9,720	11,715	-	11,715
General Operating Supplies	12,017	12,072	11,272	11,400	-	11,400
Employee Relations	30,479	12,682	12,682	7,682	-	7,682
Fuel	13,985	18,300	6,100	6,300	-	6,300
Fleet Replacement	2,948	4,800	-	4,800	-	4,800
Telecomm	12,707	12,900	3,400	3,500	-	3,500
Dues & Memberships	8,547	3,705	3,705	3,205	-	3,205
Equipment Rental	2,209	2,360	2,360	1,860	-	1,860
Recruiting	3,256	30,123	30,123	-	-	-
Public Relations	4,439	-	-	-	-	-
Uniforms	758	200	-	-	-	-
Software	-	20,000	20,000	-	-	-
Non-Capital FF&E	106,976	6,800	6,800	-	-	-
<b>Utility Administration Total</b>	<b>1,165,574</b>	<b>1,654,068</b>	<b>1,627,568</b>	<b>1,282,083</b>	<b>12,500</b>	<b>1,294,583</b>
<b>Wastewater Collection</b>						
Salaries & Benefits	935,545	922,966	922,966	983,310	-	983,310
Repairs & Maintenance	561,627	549,985	549,985	554,432	-	554,432
Fuel	14,817	14,400	33,300	34,500	-	34,500
Fleet Replacement	16,940	28,100	22,000	22,800	-	22,800
Software	32,386	21,255	21,255	21,255	-	21,255
Uniforms	12,520	13,688	13,688	11,088	-	11,088
Telecomm	9,441	9,700	9,700	9,700	-	9,700
Travel and Training	7,365	6,985	6,985	6,985	-	6,985
Non-Capital FF&E	6,317	5,300	5,300	5,300	-	5,300
Equipment Rental	2,950	5,019	5,019	5,019	-	5,019

**CITY OF SUGAR LAND  
UTILITY - OPERATING FUND  
FUND REPORT**

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projection	Base Budget	Change	Budget
General Operating Supplies	5,526	3,900	3,900	2,000	-	2,000
Grants	1,289	1,330	1,330	1,350	-	1,350
Professional Services	100	1,320	1,320	1,320	-	1,320
Dues & Memberships	599	1,077	1,077	1,077	-	1,077
<b>Wastewater Collection Total</b>	<b>1,607,420</b>	<b>1,585,025</b>	<b>1,597,825</b>	<b>1,660,136</b>	<b>-</b>	<b>1,660,136</b>
<b>Wastewater Treatment</b>						
Contracted Services	-	4,011,938	4,011,938	4,049,361	-	4,049,361
Electricity	1,715,298	1,643,900	1,698,000	1,757,400	-	1,757,400
Chemicals	836,789	1,125,742	1,125,742	1,122,757	-	1,122,757
Salaries & Benefits	997,156	1,080,507	1,080,507	1,052,576	-	1,052,576
Repairs & Maintenance	4,509,831	1,052,919	1,053,419	542,625	-	542,625
Capital/Other	361,942	524,129	524,129	241,506	-	241,506
Telecomm	59,949	80,570	81,100	83,900	-	83,900
Equipment Rental	101,435	58,725	58,725	50,500	-	50,500
Fuel	61,891	66,100	31,400	32,500	-	32,500
Fleet Replacement	8,817	13,900	12,700	13,100	-	13,100
Uniforms	12,936	7,130	7,130	7,430	-	7,430
Professional Services	8,642	12,292	12,892	6,333	-	6,333
Travel and Training	6,441	5,477	5,477	5,477	-	5,477
General Operating Supplies	3,662	560	560	1,560	-	1,560
Non-Capital FF&E	55,534	1,000	1,000	1,000	-	1,000
Employee Relations	3,002	500	500	500	-	500
Dues & Memberships	285	976	476	460	-	460
Software	-	250	250	250	-	250
<b>Wastewater Treatment Total</b>	<b>8,743,608</b>	<b>9,686,614</b>	<b>9,705,944</b>	<b>8,969,235</b>	<b>-</b>	<b>8,969,235</b>
<b>Water Conservation</b>						
Professional Services	234,104	187,500	87,500	187,850	-	187,850
Salaries & Benefits	91,678	97,439	97,439	94,985	-	94,985
Public Relations	61,270	214,475	214,475	84,000	-	84,000
General Operating Supplies	18,129	12,500	12,500	10,500	-	10,500
Printing Services	5,027	5,400	5,400	5,400	-	5,400
Incentives	7,000	5,000	5,000	5,000	-	5,000
Travel and Training	1,860	3,550	3,550	3,400	-	3,400
Dues & Memberships	777	750	750	750	-	750
Employee Relations	-	225	225	500	-	500
Non-Capital FF&E	2,728	-	-	-	-	-
<b>Water Conservation Total</b>	<b>422,572</b>	<b>526,839</b>	<b>426,839</b>	<b>392,385</b>	<b>-</b>	<b>392,385</b>
<b>Water Distribution</b>						
Salaries & Benefits	1,231,619	1,482,974	1,482,974	1,452,799	-	1,452,799
Repairs & Maintenance	1,619,594	1,467,248	1,467,248	1,332,889	-	1,332,889
Fleet Replacement	75,565	91,700	71,700	74,200	-	74,200
Fuel	27,418	15,400	40,700	42,100	-	42,100
Capital/Other	135,542	129,000	129,000	40,000	-	40,000
Non-Capital FF&E	26,825	16,000	16,000	16,000	-	16,000
Software	17,010	14,000	14,000	14,000	-	14,000
Uniforms	15,710	13,321	13,321	13,671	-	13,671
Telecomm	12,007	12,300	12,300	12,700	-	12,700
Travel and Training	8,498	7,530	7,530	7,530	-	7,530
Equipment Rental	1,483	5,319	5,319	5,319	-	5,319
General Operating Supplies	8,925	7,000	7,000	4,200	-	4,200
Chemicals	-	44	44	2,545	-	2,545
Grants	1,321	1,365	1,365	1,365	-	1,365
Dues & Memberships	902	1,147	1,147	1,027	-	1,027
Employee Relations	127	3,476	3,476	1,000	-	1,000

**CITY OF SUGAR LAND  
UTILITY - OPERATING FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Professional Services	-	920	920	920	-	920
<b>Water Distribution Total</b>	<b>3,182,544</b>	<b>3,268,744</b>	<b>3,274,044</b>	<b>3,022,265</b>	<b>-</b>	<b>3,022,265</b>
<b>Water Production</b>						
Electricity	1,566,607	1,628,200	1,585,500	1,641,000	-	1,641,000
Repairs & Maintenance	930,007	1,277,020	1,276,984	1,114,015	-	1,114,015
Salaries & Benefits	919,917	1,001,847	1,001,847	1,086,343	-	1,086,343
Chemicals	252,775	384,515	384,515	374,642	-	374,642
Capital/Other	103,924	933,925	933,925	103,965	-	103,965
Telecomm	29,849	47,144	46,500	66,580	-	66,580
Fuel	31,608	36,900	18,800	34,500	-	34,500
Fleet Replacement	10,102	15,400	14,500	15,000	-	15,000
Uniforms	8,157	10,366	10,366	10,816	-	10,816
Non-Capital FF&E	1,800	4,867	4,867	4,867	-	4,867
Travel and Training	5,939	4,548	4,548	4,548	-	4,548
Dues & Memberships	685	3,948	3,948	3,948	-	3,948
Equipment Rental	4,955	3,667	3,667	3,667	-	3,667
Professional Services	24,985	22,417	22,417	2,842	-	2,842
General Operating Supplies	1,694	343	240	1,000	-	1,000
Employee Relations	1,258	747	600	600	-	600
Software	-	14,400	14,400	250	-	250
Capital Improvmt	-	368,400	368,400	-	-	-
<b>Water Production Total</b>	<b>3,894,262</b>	<b>5,758,653</b>	<b>5,696,023</b>	<b>4,468,583</b>	<b>-</b>	<b>4,468,583</b>
<b>Water Quality</b>						
Salaries & Benefits	833,816	825,723	825,723	879,469	-	879,469
Repairs & Maintenance	134,222	306,324	324,324	174,974	-	174,974
Chemicals	14,020	42,175	24,675	24,675	-	24,675
Travel and Training	2,705	8,556	8,556	8,556	-	8,556
Fuel	5,341	4,600	6,500	6,700	-	6,700
Uniforms	5,573	5,130	5,130	5,280	-	5,280
General Operating Supplies	4,065	5,230	4,730	5,030	-	5,030
Fleet Replacement	1,672	3,950	100	3,200	-	3,200
Telecomm	3,695	4,000	3,100	3,200	-	3,200
Dues & Memberships	677	1,044	1,044	1,044	-	1,044
Non-Capital FF&E	4,920	920	920	920	-	920
Printing Services	-	150	150	150	-	150
Employee Relations	650	-	-	-	-	-
<b>Water Quality Total</b>	<b>1,011,355</b>	<b>1,207,801</b>	<b>1,204,951</b>	<b>1,113,198</b>	<b>-</b>	<b>1,113,198</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>33,634,638</b>	<b>42,160,825</b>	<b>41,973,152</b>	<b>35,833,590</b>	<b>12,500</b>	<b>35,846,090</b>
<b>NON-OPERATING EXPENDITURES</b>						
<b>CIP Transfers</b>						
Transfer to UT CIP-Bond Funded	-	67,744,743	67,744,743	41,186,118	-	41,186,118
Transfer to UT CIP	7,670,242	2,000,000	2,000,000	2,000,000	-	2,000,000
Transfer to UT CIP Bond	20,189,741	-	-	-	-	-
<b>CIP Transfers Total</b>	<b>27,859,983</b>	<b>69,744,743</b>	<b>69,744,743</b>	<b>43,186,118</b>	<b>-</b>	<b>43,186,118</b>
<b>Contingency</b>						
Contingency	-	-	-	500,000	-	500,000
<b>Contingency Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>-</b>	<b>500,000</b>
<b>Debt Service</b>						
Debt Service Principal	-	15,869,958	15,869,958	18,074,306	-	18,074,306
Debt Service Interest	8,429,037	12,175,126	12,175,126	13,635,431	-	13,635,431
Professional Services	8,025	83,400	83,400	83,400	-	83,400
<b>Debt Service Total</b>	<b>8,437,062</b>	<b>28,128,484</b>	<b>28,128,484</b>	<b>31,793,137</b>	<b>-</b>	<b>31,793,137</b>
Inter Fund Loan - Solid Waste						

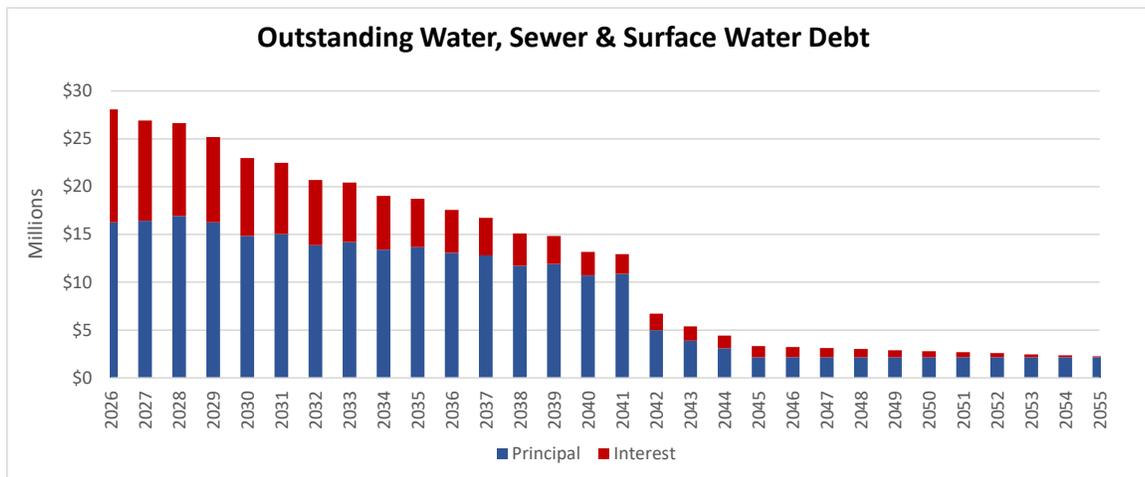
CITY OF SUGAR LAND  
UTILITY - OPERATING FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
Transfer to Solid Waste	6,300,000	-	-	-	-	-
Inter Fund Loan - Solid Waste Total	6,300,000	-	-	-	-	-
Issuance Costs						
Bond	275,401	1,160,195	428,521	726,722	-	726,722
Issuance Costs Total	275,401	1,160,195	428,521	726,722	-	726,722
Miscellaneous						
Premiums	472,962	471,192	471,192	471,192	-	471,192
Deductibles	34,442	81,930	81,930	81,930	-	81,930
Miscellaneous	-	10,500	10,500	-	-	-
Salary Savings	-	1,117,303	1,117,303	(220,785)	-	(220,785)
Miscellaneous Total	507,404	1,680,925	1,680,925	332,337	-	332,337
Transfers to Other Funds						
Professional Services	4,939,595	5,016,426	5,016,426	5,528,071	-	5,528,071
Transfer to Debt Svcs	3,984,695	3,567,094	3,567,094	1,244,739	-	1,244,739
Fleet Replacement	311,181	305,118	305,118	302,118	-	302,118
Non-Capital FF&E	43,047	43,047	43,047	43,047	-	43,047
Transfers to Other Funds Total	9,278,518	8,931,685	8,931,685	7,117,975	-	7,117,975
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>52,658,368</b>	<b>109,646,032</b>	<b>108,914,358</b>	<b>83,656,289</b>	<b>-</b>	<b>83,656,289</b>

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

Fiscal Year	Principal	Interest	Total
2026	16,265,000	11,826,125	28,091,125
2027	16,425,000	10,505,469	26,930,469
2028	16,930,000	9,714,619	26,644,619
2029	16,275,000	8,904,656	25,179,656
2030	14,835,000	8,149,306	22,984,306
2031	15,030,000	7,475,231	22,505,231
2032	13,870,000	6,809,581	20,679,581
2033	14,195,000	6,228,431	20,423,431
2034	13,400,000	5,634,069	19,034,069
2035	13,670,000	5,068,500	18,738,500
2036	13,090,000	4,492,650	17,582,650
2037	12,800,000	3,932,813	16,732,813
2038	11,695,000	3,392,794	15,087,794
2039	11,925,000	2,916,944	14,841,944
2040	10,710,000	2,464,678	13,174,678
2041	10,875,000	2,065,088	12,940,088
2042	4,970,000	1,741,306	6,711,306
2043	3,880,000	1,514,744	5,394,744
2044	3,105,000	1,331,781	4,436,781
2045	2,150,000	1,182,500	3,332,500
2046	2,150,000	1,075,000	3,225,000
2047	2,150,000	967,500	3,117,500
2048	2,150,000	860,000	3,010,000
2049	2,150,000	752,500	2,902,500
2050	2,150,000	645,000	2,795,000
2051	2,150,000	537,500	2,687,500
2052	2,150,000	430,000	2,580,000
2053	2,150,000	322,500	2,472,500
2054	2,150,000	215,000	2,365,000
2055	2,150,000	107,500	2,257,500
<b>TOTAL</b>	<b>\$ 257,595,000</b>	<b>\$ 111,263,785</b>	<b>\$ 368,858,785</b>

\* Does not include anticipated issuance of new debt.



# Airport Fund

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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 381,779 gallons of aviation fuel per month during FY26. The City serves as a fixed-based operator by providing fuel and general aviation customer services. Operations are primarily supported by a markup on fuel sold by the airport, hangar leases, and ramp fees.

## Fiscal Year 2025

Total revenues for FY25 are projected to be \$26,207,460. This decrease in revenue is driven by the retail fuel prices being lower than projected in forecasting for the FY25 budget even though FY25 has seen a modest increase in fuel sales compared to FY24. Projected operating revenues total \$24,750,404, which includes \$20,863,442 in fuel sales, \$1,629,199 in hangar leases, \$469,721 in interest income, and \$651,224 in miscellaneous revenues from rental cars, ramp fees and other fees. Non-operating revenues are projected at \$1,457,056 and consist of \$563,056 in transfers in and \$894,000 in grant proceeds.

Total expenses for FY25 are projected to be \$23,517,041. Operating expenses are projected at \$19,268,062 and non-operating expenses are projected at \$4,248,979. This includes transfers for administrative overhead and debt service payments.

Ending cash equivalent balance at 9/30/25 is projected to be \$12,947,951.

## Fiscal Year 2026

Total revenues for FY26 are budgeted at \$55,183,296. Revenues from fuel sales are anticipated at \$35,206,370, a 69% increase over FY25 projections. The increase captures the increasing cost of fuel for resale, which is reflected in the price and revenue projections and aims to account for historical trends in the fuel revenue and expense budget. It also anticipates a surge of revenues in June 2026 due to expected FIFA World Cup traffic. Total gallons sold are estimated at 4,581,343.

Non-operating revenues are increasing from FY25. In FY26, the City will issue bonds estimated at \$15,500,000 to fund capital projects. These projects include rental car and vertiport parking lot construction, construction of a new fuel farm, and runway rehabilitation construction. Non-operating revenues also include \$100,000 in grant proceeds and \$535,000 in transfers from other funds. These transfers from other funds 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 \$27,085,211 and includes \$1,638,333 for airport administration, \$533,201 for airfield operations, \$364,392 for Café Select operations, \$446,900 for U.S. Customs, and \$1,386,540 for maintenance and operations. The operating budget also includes \$22,715,846 for FBO services which is based on the increased gallons of fuel the City expects to resale mentioned above. In FY26, there is \$236,663 in one-time changes budgeted. These changes include \$150,000 for FIFA World Cup traffic surge readiness, \$66,663 for the purchase of an electrical group power unit for FBO Services, and the purchase and installation for a turbo chef oven for Café Select.

Total non-operating expenses are budgeted at \$18,810,000 and are \$14.56 million higher than FY25 non-operating expenses. This increase is mainly driven by the transfer out of bond proceeds for CIP projects mentioned above. The airport will also use system revenues totaling \$250,000 to fund the design of the rental car and vertiport parking lot capital project. Overhead reimbursement to the General Fund increased from \$1,000,000 in FY25 to \$1,113,276 in FY26. Debt service payments total \$1,326,119; a decrease from FY25. Contributions to the fleet and high-tech

replacement funds remain set at 87,581. Miscellaneous expenses increased to \$533,024 in FY26 from \$170,940 in FY25 primarily due to bond issuance and disclosure payments. Ending cash equivalent balance at 9/30/26 is expected to be \$19,935,377.

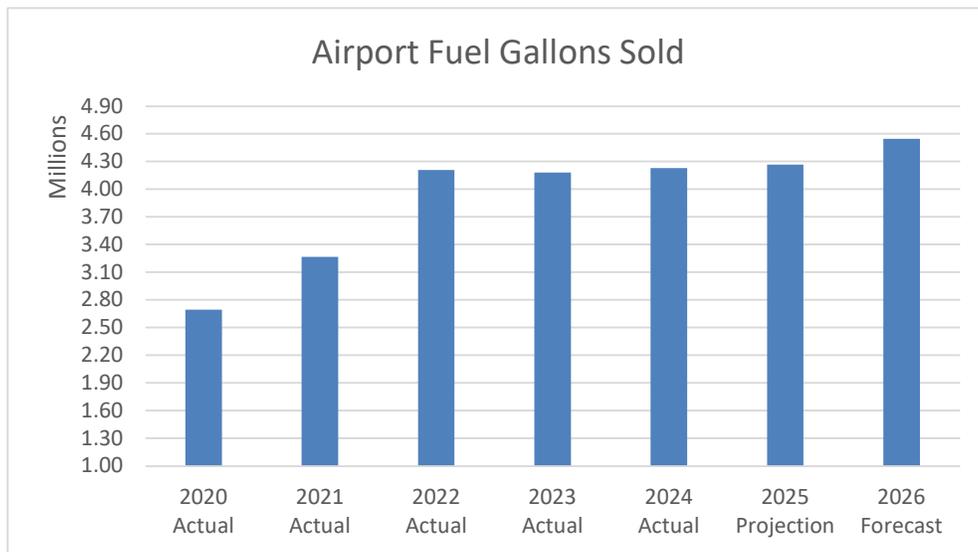
### Financial Analysis

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 FY25 projections and FY26 budget amounts is shown below.

	FY25 Projections	FY26 Budget
Cash Reserve Ratio	203%	262%
Direct Bond Coverage	5.11	4.51

Cash reserve ratios for both FY25 projections and FY26 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 FY24 projections and FY25 budget.

The graph below shows gallons of fuel sold. Projected total gallons of fuel sold in FY25 are 4.55 million gallons and the FY26 forecast is 4.58 million gallons based on current trends and estimates. 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**

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
<b>REVENUES</b>						
Fuel Sales	\$ 19,909,375	\$ 23,905,351	\$ 20,863,442	\$ 35,206,370	\$ -	\$ 35,206,370
Hangar Leases	1,575,192	1,559,700	1,629,199	1,589,200	-	1,589,200
Charges for Services	1,053,215	1,069,600	1,136,818	1,097,700	-	1,097,700
Interest Income	581,305	250,000	469,721	505,026	-	505,026
Other Revenues	400,488	350,000	348,184	350,000	-	350,000
Miscellaneous	329,601	300,000	303,040	300,000	-	300,000
Operating Revenues	23,849,176	27,434,651	24,750,404	39,048,296	-	39,048,296
Bond Proceeds	-	-	-	15,500,000	-	15,500,000
Grant Proceeds	100,000	894,000	894,000	100,000	-	100,000
Transfer from Other Funds	588,489	563,056	565,443	580,906	-	580,906
Non-Operating Revenues	688,489	1,457,056	1,459,443	16,180,906	-	16,180,906
Total Revenues	24,537,665	28,891,707	26,209,847	55,229,202	-	55,229,202
<b>EXPENDITURES</b>						
Airport Administration	1,447,332	1,568,274	1,580,474	1,488,333	150,000	1,638,333
Airfield Operations	408,803	488,364	486,989	533,201	-	533,201
FBO Services	15,267,786	19,941,829	14,657,760	22,649,183	66,663	22,715,846
Café Select	293,528	374,787	355,587	344,392	20,000	364,392
Maintenance and Operations	1,092,354	1,482,514	1,472,054	1,386,540	-	1,386,540
U.S. Customs	414,110	713,699	715,198	446,900	-	446,900
Total Operating Expenditures	18,923,913	24,569,466	19,268,062	26,848,548	236,663	27,085,211
Operating Transfers Out	1,326,239	1,087,581	1,087,581	1,200,857	-	1,200,857
Transfers Out - Bond CIP	-	-	-	15,500,000	-	15,500,000
Transfers Out - Non-Bond CIP	-	1,050,000	1,050,000	250,000	-	250,000
Debt Service	542,503	1,940,458	1,940,458	1,326,119	-	1,326,119
Miscellaneous	203,666	70,940	170,940	533,024	-	533,024
Total Non-Operating Expenditures	2,072,408	4,148,979	4,248,979	18,810,000	-	18,810,000
Total Expenditures	20,996,321	28,718,445	23,517,040	45,658,548	236,663	45,895,211
Cash & Equivalents - Beginning	8,835,020	11,117,572	11,117,572	13,810,378	-	13,810,378
Revenues Over/(Under) Expenditures	3,541,343	173,262	2,692,806	9,570,654	(236,663)	9,333,991
Debt Service Reserve	(805,001)	(860,041)	(860,041)	(3,160,700)	-	(3,160,700)
Cash & Equivalents - Ending	\$ 11,571,362	\$ 10,430,794	12,950,337	20,220,332	\$ (236,663)	\$ 19,983,669
CASH EQ. RESERVE RATIO (25% min)	775%	83%	203%	274%		263%
BOND COVERAGE (1.25x min)	5.02	2.49	5.11	4.60		4.51
FUEL GALLONS SOLD	4,227,593	4,265,384	4,547,167	4,581,343		4,581,343

CITY OF SUGAR LAND  
AIRPORT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Fuel Sales						
Aviation Fuel	19,909,375	23,905,351	20,863,442	35,206,370	-	35,206,370
Fuel Sales Total	19,909,375	23,905,351	20,863,442	35,206,370	-	35,206,370
Bond Proceeds						
OFS Bond Proceeds Par	-	-	-	15,500,000	-	15,500,000
Bond Proceeds Total	-	-	-	15,500,000	-	15,500,000
Charges for Services	1,053,215	1,069,600	1,136,818	1,097,700	-	1,097,700
Grant Proceeds						
Operating Contribution O. Gov	100,000	894,000	894,000	100,000	-	100,000
Grant Proceeds Total	100,000	894,000	894,000	100,000	-	100,000
Hangar Leases						
Lease T-Hanger	851,367	800,000	792,509	800,000	-	800,000
Lease Longterm Land	389,970	400,000	558,392	500,000	-	500,000
Lease ST Corporate I	132,081	150,000	103,778	100,000	-	100,000
Lease ST Corporate II	94,178	90,000	89,750	90,000	-	90,000
Leased Facilities Premises	65,473	37,000	34,339	37,000	-	37,000
Lease Northwest II	22,934	15,000	31,021	25,000	-	25,000
Lease Northwest I	9,040	20,000	-	20,000	-	20,000
Lease Short Term Hanger	2,950	40,500	12,210	10,000	-	10,000
Lease Tie Down	7,200	7,200	7,200	7,200	-	7,200
Hangar Leases Total	1,575,192	1,559,700	1,629,199	1,589,200	-	1,589,200
Interest Income						
Interest Earnings	429,468	250,000	469,721	505,026	-	505,026
Unrealized Gain/Loss Invest	151,836	-	-	-	-	-
Interest Income Total	581,305	250,000	469,721	505,026	-	505,026
Miscellaneous						
Misc. Operating Revenue	355,013	300,000	303,040	300,000	-	300,000
Customer Over/Short	(25,412)	-	-	-	-	-
Miscellaneous Total	329,601	300,000	303,040	300,000	-	300,000
Other Revenues						
Car Rental	400,488	350,000	348,184	350,000	-	350,000
Other Revenues Total	400,488	350,000	348,184	350,000	-	350,000
Transfer from Other Funds						
Transfer in General Fund	313,804	302,584	297,585	309,520	-	309,520
Transfer in Debt Service	224,685	210,472	217,857	221,385	-	221,385
Transfer in SLA	50,000	50,000	50,000	50,000	-	50,000
Transfer from Other Funds Total	588,489	563,056	565,443	580,906	-	580,906
<b>TOTAL REVENUES</b>	<b>24,537,665</b>	<b>28,891,707</b>	<b>26,209,847</b>	<b>55,229,202</b>	<b>-</b>	<b>55,229,202</b>

**CITY OF SUGAR LAND  
AIRPORT FUND  
FUND REPORT**

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projection	Base Budget	Change	Budget
<b>OPERATING EXPENDITURES</b>						
Airfield Operations						
Salaries & Benefits	249,802	263,940	263,940	364,960	-	364,960
Professional Services	87,437	89,849	89,849	90,502	-	90,502
Repairs & Maintenance	16,455	43,554	43,054	30,084	-	30,084
Non-Capital FF&E	37,592	59,682	59,682	15,000	-	15,000
General Operating Supplies	3,152	5,865	7,365	12,080	-	12,080
Travel and Training	8,325	7,200	7,200	7,200	-	7,200
Contracted Services	399	5,500	5,500	5,500	-	5,500
Uniforms	3,273	4,500	4,500	4,500	-	4,500
Dues & Memberships	825	2,055	2,055	2,100	-	2,100
Telecomm	1,404	2,575	1,200	1,200	-	1,200
Printing Services	60	75	75	75	-	75
Software	80	3,080	2,080	-	-	-
Recruiting	-	490	490	-	-	-
<b>Airfield Operations Total</b>	<b>408,803</b>	<b>488,364</b>	<b>486,989</b>	<b>533,201</b>	<b>-</b>	<b>533,201</b>
Airport Administration						
Salaries & Benefits	1,047,522	1,112,205	1,112,205	1,105,588	-	1,105,588
Electricity	196,938	179,500	195,400	202,200	-	202,200
Capital/Other	-	-	-	-	150,000	150,000
Professional Services	109,213	184,459	187,459	99,835	-	99,835
Telecomm	21,715	26,100	21,500	22,300	-	22,300
Travel and Training	23,870	18,175	18,175	18,175	-	18,175
Software	3,004	8,300	8,300	8,300	-	8,300
Non-Capital FF&E	12,912	9,950	7,850	7,850	-	7,850
General Operating Supplies	8,711	8,000	8,000	7,500	-	7,500
Dues & Memberships	5,175	5,700	5,200	5,200	-	5,200
Equipment Rental	4,418	5,100	5,100	5,100	-	5,100
Repairs & Maintenance	-	7,500	7,500	2,500	-	2,500
Public Relations	1,454	1,800	1,550	1,550	-	1,550
Printing Services	313	1,035	1,035	1,035	-	1,035
Employee Relations	1,921	700	700	700	-	700
Uniforms	166	250	500	500	-	500
Settlement Pay Out	10,000	-	-	-	-	-
<b>Airport Administration Total</b>	<b>1,447,332</b>	<b>1,568,774</b>	<b>1,580,474</b>	<b>1,488,333</b>	<b>150,000</b>	<b>1,638,333</b>
Café Select						
Salaries & Benefits	216,267	238,099	238,099	240,404	-	240,404
Other Items for Resale	63,568	83,398	83,398	83,398	-	83,398
Capital/Other	-	38,000	19,000	-	20,000	20,000
Professional Services	6,576	5,000	4,800	7,800	-	7,800
Repairs & Maintenance	425	2,638	2,038	5,000	-	5,000
Non-Capital FF&E	2,724	2,578	4,302	4,340	-	4,340
General Operating Supplies	2,041	2,824	1,700	1,200	-	1,200
Uniforms	857	1,000	1,000	1,000	-	1,000
Printing Services	706	1,000	1,000	1,000	-	1,000
Dues & Memberships	301	250	250	250	-	250
Accounting	64	-	-	-	-	-
<b>Café Select Total</b>	<b>293,528</b>	<b>374,787</b>	<b>355,587</b>	<b>344,392</b>	<b>20,000</b>	<b>364,392</b>
FBO Services						
Fuel	12,665,796	16,493,966	11,346,485	19,298,036	-	19,298,036
Salaries & Benefits	1,929,004	2,462,549	2,462,549	2,620,848	-	2,620,848
Professional Services	181,669	214,226	217,238	244,000	-	244,000
Fleet Replacement	20,504	77,400	106,200	109,900	-	109,900
Repairs & Maintenance	109,538	66,663	72,163	104,000	-	104,000

CITY OF SUGAR LAND  
AIRPORT FUND  
FUND REPORT

Description	FY24 Actuals	FY25	FY25	FY26	FY26	FY26
		Current Budget	Projection	Base Budget	Change	Budget
General Operating Supplies	77,294	93,076	93,076	93,376	-	93,376
Capital/Other	-	281,736	122,736	-	66,663	66,663
Public Relations	35,489	38,500	40,500	40,500	-	40,500
Software	26,734	76,775	70,775	37,475	-	37,475
Uniforms	23,973	32,625	31,625	33,625	-	33,625
Travel and Training	8,517	17,700	17,700	17,700	-	17,700
Telecomm	11,196	15,000	13,600	14,100	-	14,100
Other Items for Resale	8,263	13,000	13,000	13,000	-	13,000
Non-Capital FF&E	33,328	35,501	34,901	10,823	-	10,823
Employee Relations	4,003	5,800	5,800	5,800	-	5,800
Dues & Memberships	288	12,612	7,612	3,700	-	3,700
Printing Services	683	1,300	1,800	2,300	-	2,300
Marketing	-	2,900	-	-	-	-
Accounting	131,506	-	-	-	-	-
<b>FBO Services Total</b>	<b>15,267,786</b>	<b>19,941,329</b>	<b>14,657,760</b>	<b>22,649,183</b>	<b>66,663</b>	<b>22,715,846</b>
<b>Maintenance and Operations</b>						
Salaries & Benefits	657,954	758,826	758,826	843,745	-	843,745
Repairs & Maintenance	210,610	189,612	189,112	309,645	-	309,645
General Operating Supplies	70,666	92,800	96,300	89,000	-	89,000
Contracted Services	99,657	71,000	71,000	75,000	-	75,000
Non-Capital FF&E	9,861	17,500	7,500	15,000	-	15,000
Uniforms	9,729	11,500	10,000	11,500	-	11,500
Chemicals	8,408	11,500	11,500	11,500	-	11,500
Travel and Training	3,196	8,800	8,800	8,800	-	8,800
Professional Services	5,291	10,000	7,500	7,500	-	7,500
Natural Gas	2,823	4,000	4,000	4,000	-	4,000
Equipment Rental	673	1,300	3,800	3,800	-	3,800
Telecomm	1,018	1,960	2,300	2,400	-	2,400
Software	1,008	2,000	2,000	2,000	-	2,000
Fleet Replacement	11,185	4,100	1,800	1,900	-	1,900
Dues & Memberships	275	750	750	750	-	750
Capital/Other	-	296,867	296,867	-	-	-
<b>Maintenance and Operations Total</b>	<b>1,092,354</b>	<b>1,482,514</b>	<b>1,472,054</b>	<b>1,386,540</b>	<b>-</b>	<b>1,386,540</b>
<b>U.S. Customs</b>						
Professional Services	350,912	632,057	632,057	380,000	-	380,000
Contracted Services	28,534	35,000	35,000	35,000	-	35,000
Telecomm	27,826	19,701	21,200	21,900	-	21,900
Repairs & Maintenance	6,135	10,000	10,000	10,000	-	10,000
Non-Capital FF&E	704	16,940	16,940	-	-	-
<b>U.S. Customs Total</b>	<b>414,110</b>	<b>713,699</b>	<b>715,198</b>	<b>446,900</b>	<b>-</b>	<b>446,900</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>18,923,913</b>	<b>24,569,466</b>	<b>19,268,062</b>	<b>26,848,548</b>	<b>236,663</b>	<b>27,085,211</b>
<b>NON-OPERATING EXPENDITURES</b>						
<b>Debt Service</b>						
Debt Service Principal	-	1,457,357	1,457,357	900,000	-	900,000
Debt Service Interest	542,503	483,101	483,101	426,119	-	426,119
<b>Debt Service Total</b>	<b>542,503</b>	<b>1,940,458</b>	<b>1,940,458</b>	<b>1,326,119</b>	<b>-</b>	<b>1,326,119</b>
<b>Miscellaneous</b>						
Bond	-	-	-	310,000	-	310,000
Premiums	193,666	195,400	195,400	200,000	-	200,000
Contingency	-	-	100,000	100,000	-	100,000
Deductibles	10,000	29,600	29,600	25,000	-	25,000
Salary Savings	-	(154,060)	(154,060)	(101,976)	-	(101,976)
<b>Miscellaneous Total</b>	<b>203,666</b>	<b>70,940</b>	<b>170,940</b>	<b>533,024</b>	<b>-</b>	<b>533,024</b>
<b>Transfers to Other Funds</b>						

CITY OF SUGAR LAND  
AIRPORT FUND  
FUND REPORT

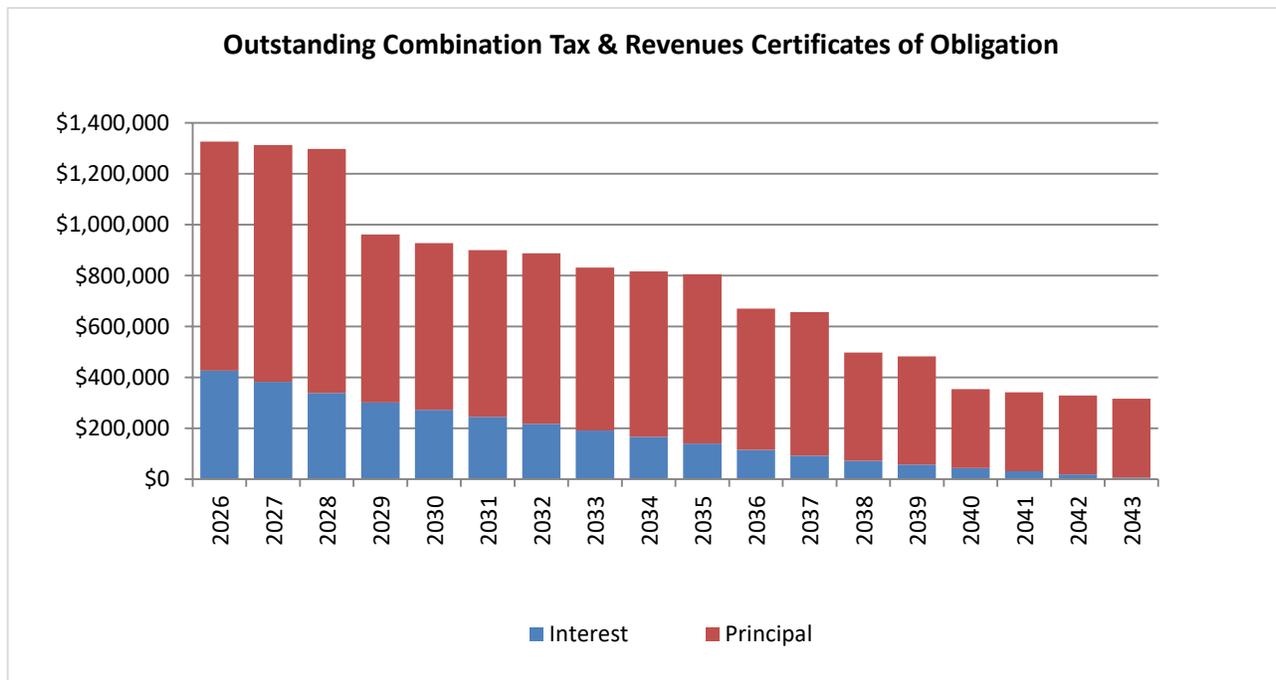
Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projection	Base Budget	Change	Budget
Transfer to Airport CIP Bond	-	-	-	15,500,000	-	15,500,000
Professional Services	1,238,658	1,000,000	1,000,000	1,113,276	-	1,113,276
Transfer to Airport CIP	-	1,050,000	1,050,000	250,000	-	250,000
Fleet Replacement	77,065	77,065	77,065	77,065	-	77,065
Non-Capital FF&E	10,516	10,516	10,516	10,516	-	10,516
Transfers to Other Funds Total	1,326,239	2,137,581	2,137,581	16,950,857	-	16,950,857
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>2,072,408</b>	<b>4,148,979</b>	<b>4,248,979</b>	<b>18,810,000</b>	<b>-</b>	<b>18,810,000</b>

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

Fiscal Year	Principal	Interest	Total
2026	900,000	426,119	1,326,119
2027	930,000	382,607	1,312,607
2028	960,000	338,229	1,298,229
2029	660,000	301,282	961,282
2030	655,000	272,441	927,441
2031	655,000	244,636	899,636
2032	670,000	217,638	887,638
2033	640,000	191,547	831,547
2034	650,000	165,863	815,863
2035	665,000	139,797	804,797
2036	555,000	115,138	670,138
2037	565,000	91,959	656,959
2038	425,000	72,656	497,656
2039	425,000	57,309	482,309
2040	310,000	43,400	353,400
2041	310,000	31,000	341,000
2042	310,000	18,600	328,600
2043	310,000	6,200	316,200
<b>TOTAL</b>	<b>\$ 10,595,000</b>	<b>\$ 3,116,421</b>	<b>\$ 13,711,421</b>

Series	Outstanding	Maturity
2013	\$ 245,000	2032
2015	990,000	2035
2015A	880,000	2028
2016	80,000	2029
2017	1,445,000	2037
2019A	1,350,000	2039
2023	5,605,000	2043
<b>TOTAL</b>	<b>\$ 10,595,000</b>	

\*Does not include anticipated issuance of new debt



## Solid Waste Fund

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

Republic Services has an exclusive franchise to provide residential and commercial solid waste services within the City. The City negotiated a new contract with Republic Services to extend the partnership for another ten-year term beginning in 2023. The new rate for residential solid waste service will be \$23.97 per household per month beginning in January 2026, which is a 5% increase based on the current contractual agreement. This will include a \$1 fee that will be contributed towards Emergency events. The current rate for residential solid waste service is \$21.88 per household per month.

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

### Fiscal Year 2025

Total revenues for FY25 are projected at \$10,428,591. Total budgeted revenue from residential collection and recycling fees is \$9,126,194. The City does not bill for Commercial Services; businesses contract and pay Republic Services directly. Other revenues include \$1,210,397 from franchise fees, \$28,000 in commercial license fees, \$4,000 in miscellaneous fees for reimbursements, and \$60,000 in interest income.

Total expenses are projected \$10,479,826 and include \$359,834 in personnel expenses for contract monitoring and program administration, \$9,112,830 for the solid waste contracts, \$72,937 in operation and maintenance costs, and \$70,000 for contingency. Transfers out total \$864,225 and include a transfer of \$9,048 to the Fleet Replacement Fund, \$342,818, which is the variance of the amount not utilized from the inter-fund loan from the Utility Fund, \$309,000 to the General Fund to support pavement rehabilitation efforts, and \$203,359 for administrative overhead allocation.

The estimated cash equivalent ending fund balance as of 9/30/2025 is estimated to be \$2,025,765.

### Fiscal Year 2026

Total revenues for FY26 are budgeted at \$17,412,243. Total budgeted revenue from residential collection is \$9,568,261. Other revenues include \$1,469,800 from franchise fees, \$32,000 in commercial license fees, \$3,500 in miscellaneous fees for reimbursement, and \$62,000 in interest income. The City is anticipated to receive FEMA reimbursement of \$5,957,182 and impose a new charge that will allow the City to prepare for disaster recovery, generating \$319,500 annually.

Total expenses are \$16,948,048 and include \$378,448 in personnel expenses for contract monitoring and program administration, \$9,568,260 for the solid waste contracts, \$173,737 in operation and maintenance costs, and \$70,000 for contingency. Transfers out total \$6,757,603 and include transfers to the Fleet Replacement Fund for \$9,048, \$309,000 to the General Fund to support pavement rehabilitation efforts, and \$482,373 for administrative overhead allocation and Repayment to the Utility fund from its FY24 Inter-fund loan of \$6,300,000. The Household Hazardous Waste (HHW) Program is a new initiative that will enable citizens to eliminate hazardous waste in a more efficient and timely manner; the initial budgeted expenses of \$100,000.

The estimated cash equivalent ending fund balance as of 9/30/2026 is estimated to be \$2,489,961.

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
<b>REVENUES</b>						
Solid Waste Collections	\$ 8,709,610	\$ 9,112,830	\$ 9,126,194	\$ 9,568,261	\$ -	\$ 9,568,261
Franchise Fees	1,354,622	1,387,900	1,210,397	1,469,800	-	1,469,800
Commercial SW License	24,749	29,000	28,000	32,000	-	32,000
Miscellaneous	(7,801)	4,000	4,000	3,500	-	3,500
Federal Reimbursements	-	-	-	5,957,182	-	5,957,182
Emergency Fee	-	-	-	319,500	-	319,500
Interest Income	34,445	-	60,000	62,000	-	62,000
<b>Operating Revenues</b>	<b>10,115,626</b>	<b>10,533,730</b>	<b>10,428,591</b>	<b>17,412,243</b>	-	<b>17,412,243</b>
Inter-Fund Loan From Utility	6,300,000	-	-	-	-	-
<b>Total Revenues</b>	<b>16,415,626</b>	<b>10,533,730</b>	<b>10,428,591</b>	<b>17,412,243</b>	-	<b>17,412,243</b>
<b>EXPENDITURES</b>						
Contractual Services	8,711,109	9,112,830	9,112,830	9,568,260	-	9,568,260
Contractual Services Hurricane	5,715,226	-	-	-	-	-
Salary & Benefits	343,948	359,834	359,834	378,448	-	378,448
Operations & Maintenance	82,518	72,937	72,937	73,737	100,000	173,737
<b>Total Operating Expenditures</b>	<b>14,852,801</b>	<b>9,545,601</b>	<b>9,545,601</b>	<b>10,020,445</b>	<b>100,000</b>	<b>10,120,445</b>
Miscellaneous	-	70,000	70,000	70,000	-	70,000
Transfers Out	521,407	840,637	864,225	6,757,603	-	6,757,603
<b>Total Non-Operating Expenditures</b>	<b>521,407</b>	<b>910,637</b>	<b>934,225</b>	<b>6,827,603</b>	-	<b>6,827,603</b>
<b>Total Expenditures</b>	<b>15,374,208</b>	<b>10,456,238</b>	<b>10,479,826</b>	<b>16,848,048</b>	<b>100,000</b>	<b>16,948,048</b>
Fund Balance - Beginning	1,057,859	2,077,000	2,077,000	2,025,765		2,025,765
Revenues Over/(Under) Expenditures	1,041,418	77,492	(51,235)	564,195	(100,000)	464,195
<b>Fund Balance - Ending</b>	<b>\$ 2,099,277</b>	<b>\$ 2,154,492</b>	<b>\$ 2,025,765</b>	<b>\$ 2,589,961</b>	<b>\$ (100,000)</b>	<b>\$ 2,489,961</b>
Minimum Fund Balance Requirement		\$ 522,812	\$ 523,991			\$ 847,402
Over/(Under) Requirement		1,631,680	1,501,774			1,642,558

**CITY OF SUGAR LAND  
SOLID WASTE FUND  
FUND REPORT**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Commercial SW License						
Impact Fees License Solids	10,791	13,000	14,000	16,000	-	16,000
Impact Fees License Liquids	13,958	16,000	14,000	16,000	-	16,000
Commercial SW License Total	24,749	29,000	28,000	32,000	-	32,000
Emergency Fee						
Collection Charges	-	-	-	319,500	-	319,500
Emergency Fee Total	-	-	-	319,500	-	319,500
Federal Reimbursements						
Reimbursements	-	-	-	5,957,182	-	5,957,182
Federal Reimbursements Total	-	-	-	5,957,182	-	5,957,182
Franchise Fees						
Franchise Fee Commerc Solids	722,185	650,000	652,401	700,000	-	700,000
Franchise Fee Residential	560,496	637,900	467,996	669,800	-	669,800
Franchise Fee Commerc Liquids	71,941	100,000	90,000	100,000	-	100,000
Franchise Fees Total	1,354,622	1,387,900	1,210,397	1,469,800	-	1,469,800
Interest Income						
Interest Earnings	34,445	-	60,000	62,000	-	62,000
Interest Income Total	34,445	-	60,000	62,000	-	62,000
Miscellaneous						
Misc. Operating Revenue	4,566	4,000	4,000	3,500	-	3,500
Customer Over/Short	(12,367)	-	-	-	-	-
Miscellaneous Total	(7,801)	4,000	4,000	3,500	-	3,500
Solid Waste Collections						
Solid Waste Removal	8,709,610	9,112,830	9,126,194	9,568,261	-	9,568,261
Solid Waste Collections Total	8,709,610	9,112,830	9,126,194	9,568,261	-	9,568,261
Transfer In						
Transfer in Utility Operating	6,300,000	-	-	-	-	-
Transfer In Total	6,300,000	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>16,415,626</b>	<b>10,533,730</b>	<b>10,428,591</b>	<b>17,412,243</b>	<b>-</b>	<b>17,412,243</b>

CITY OF SUGAR LAND  
SOLID WASTE FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Contractual Services						
Other Items for Resale	8,711,109	9,112,830	9,112,830	9,568,260	-	9,568,260
Contractual Services Total	8,711,109	9,112,830	9,112,830	9,568,260	-	9,568,260
Operations & Maintenance						
Salaries & Benefits	344,323	359,834	359,834	378,448	-	378,448
Professional Services	34,818	10,100	9,300	5,100	100,000	105,100
Contracted Services	10,009	30,171	14,171	43,671	-	43,671
Telecomm	3,507	6,307	6,307	6,307	-	6,307
Printing Services	6,133	2,668	18,668	3,668	-	3,668
Fuel	3,240	3,308	3,308	3,308	-	3,308
Equipment Rental	1,901	2,875	2,875	2,875	-	2,875
Dues & Memberships	1,169	2,200	2,200	2,700	-	2,700
Fleet Replacement	927	2,490	2,490	2,490	-	2,490
Uniforms	2,080	1,400	1,400	1,400	-	1,400
Travel and Training	5,064	11,100	11,100	1,100	-	1,100
General Operating Supplies	14,362	1,018	1,018	1,018	-	1,018
Software	9,250	100	100	100	-	100
Beryl Storm Debris	5,704,846	-	-	-	-	-
Non-Capital FF&E	63	-	-	-	-	-
Operations & Maintenance Total	6,141,693	433,571	432,771	452,185	100,000	552,185
<b>TOTAL OPERATING EXPENDITURES</b>	<b>14,852,801</b>	<b>9,546,401</b>	<b>9,545,601</b>	<b>10,020,445</b>	<b>100,000</b>	<b>10,120,445</b>
<b>NON-OPERATING EXPENDITURES</b>						
Miscellaneous						
Contingency	-	70,000	70,000	70,000	-	70,000
Miscellaneous Total	-	70,000	70,000	70,000	-	70,000
Transfers to Other Funds						
Transfer to Utility	-	319,230	342,818	5,957,182	-	5,957,182
Professional Services	203,359	203,359	203,359	482,373	-	482,373
Transfer to General	309,000	309,000	309,000	309,000	-	309,000
Fleet Replacement	9,048	9,048	9,048	9,048	-	9,048
Transfers to Other Funds Total	521,407	840,637	864,225	6,757,603	-	6,757,603
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>521,407</b>	<b>910,637</b>	<b>934,225</b>	<b>6,827,603</b>	<b>-</b>	<b>6,827,603</b>

# Storm Water Compliance Fee Fund

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The Storm Water Fund is used to account for stormwater compliance activities and drainage-related maintenance and operations previously funded in the General Fund. This fund is supported through a Storm Water Compliance Fee charged to residents, businesses, and establishments considered non-exempt by law or ordinance to this fee. State and Federal government mandates require municipalities to implement best management practices that reduce stormwater pollution by maintaining their waterways and drainage infrastructure. The Storm Water Compliance Fee is assessed on an impervious area basis, which considers a property's total area covered by materials such as asphalt, concrete, brick, stone, and compacted surfaces that reduce infiltration of precipitation.

## **Fiscal Year 2025**

Total revenues for FY25 are projected at \$2,149,934. Total projected revenue from compliance fees is \$2,112,934. Other revenues include interest income of \$37,000.

Total projected expenses are \$2,202,770 and include \$455,646 for the Stormwater Management program and \$1,747,123 for the Drainage Maintenance program.

The estimated ending fund balance as of 9/30/2025 is estimated to be \$775,332.

## **Fiscal Year 2026**

Total revenues for FY26 are budgeted at \$2,053,877. Total budgeted revenue from compliance fees is \$2,011,877. Other revenues include interest income of \$42,000.

Total expenses are \$2,089,784 and include \$424,277 for the Stormwater Management program and \$1,665,507 for the Drainage Maintenance program.

The estimated ending fund balance as of 9/30/2026 is estimated to be \$739,425.

**CITY OF SUGAR LAND  
STORM WATER COMPLIANCE FEE FUND  
INCOME STATEMENT**

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Stormwater Fees	\$ 2,066,738	\$ 2,124,813	\$ 2,112,934	\$ 2,011,877	\$ -	\$ 2,011,877
Interest Income	34,634	35,000	37,000	42,000	-	42,000
<b>Total Revenues</b>	<b>2,101,335</b>	<b>2,159,813</b>	<b>2,149,934</b>	<b>2,053,877</b>	<b>-</b>	<b>2,053,877</b>
<b>EXPENDITURES</b>						
Stormwater Management	272,046	495,228	455,646	424,277	-	424,277
Drainage Maintenance	1,244,559	1,896,650	1,747,123	1,665,507	-	1,665,507
<b>Total Expenditures</b>	<b>1,516,605</b>	<b>2,391,878</b>	<b>2,202,770</b>	<b>2,089,784</b>	<b>-</b>	<b>2,089,784</b>
Fund Balance - Beginning	398,638	828,168	828,168	775,332	-	775,332
Revenues Over/(Under) Expenditures	584,730	(232,065)	(52,836)	(35,907)	-	(35,907)
<b>Fund Balance - Ending</b>	<b>\$ 584,730</b>	<b>\$ 596,104</b>	<b>\$ 775,332</b>	<b>\$ 739,425</b>	<b>\$ -</b>	<b>\$ 739,425</b>

CITY OF SUGAR LAND  
 STORMWATER FUND  
 FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	34,634	35,000	37,000	42,000	-	42,000
Interest Income Total	34,634	35,000	37,000	42,000	-	42,000
Miscellaneous						
Customer Over/Short	(38)	-	-	-	-	-
Miscellaneous Total	(38)	-	-	-	-	-
Stormwater Fees						
Ent StormWater Fees-Residentia	1,296,627	1,333,689	1,342,709	1,336,064	-	1,336,064
Ent StormWater Fee-Commercial	770,111	791,124	770,225	675,813	-	675,813
Stormwater Fees Total	2,066,738	2,124,813	2,112,934	2,011,877	-	2,011,877
<b>TOTAL REVENUES</b>	<b>2,101,335</b>	<b>2,159,813</b>	<b>2,149,934</b>	<b>2,053,877</b>	<b>-</b>	<b>2,053,877</b>

CITY OF SUGAR LAND  
STORMWATER FUND  
FUND REPORT

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projection	Base Budget	Change	Budget
<b>OPERATING EXPENDITURES</b>						
Drainage Maintenance						
Repairs & Maintenance	635,059	1,006,835	867,509	874,839	-	874,839
Salaries & Benefits	246,371	370,166	370,166	390,711	-	390,711
Contracted Services	211,056	204,064	204,064	204,064	-	204,064
General Operating Supplies	63,216	55,712	70,603	54,603	-	54,603
Non-Capital FF&E	16,646	44,091	50,030	32,200	-	32,200
Professional Services	7,425	20,000	20,000	30,000	-	30,000
Software	22,720	26,700	27,200	27,200	-	27,200
Chemicals	24,750	10,800	6,100	22,100	-	22,100
Travel and Training	10,663	15,000	15,000	15,000	-	15,000
Equipment Rental	3,300	3,600	1,600	5,600	-	5,600
Uniforms	766	10,000	10,000	5,000	-	5,000
Dues & Memberships	2,169	3,690	1,690	3,190	-	3,190
Employee Relations	418	1,000	1,000	1,000	-	1,000
Capital/Other	-	124,991	102,161	-	-	-
<b>Drainage Maintenance Total</b>	<b>1,244,559</b>	<b>1,896,650</b>	<b>1,747,123</b>	<b>1,665,507</b>	<b>-</b>	<b>1,665,507</b>
Stormwater Management						
Salaries & Benefits	234,793	293,856	293,856	299,365	-	299,365
Professional Services	13,500	39,918	41,658	54,780	-	54,780
Non-Capital FF&E	3,726	16,000	16,000	16,000	-	16,000
Travel and Training	8,011	10,750	10,750	10,750	-	10,750
Public Relations	-	16,860	17,360	9,360	-	9,360
Software	-	1,269	1,269	9,269	-	9,269
Printing Services	205	7,000	7,000	7,000	-	7,000
Dues & Memberships	1,825	6,000	6,000	5,500	-	5,500
Fleet Replacement	2,381	3,700	3,700	3,700	-	3,700
Telecomm	-	2,619	2,619	2,619	-	2,619
General Operating Supplies	454	2,505	2,507	2,510	-	2,510
Fuel	1,314	2,424	2,424	2,424	-	2,424
Employee Relations	464	500	-	500	-	500
Uniforms	1,059	400	400	400	-	400
Capital/Other	-	50,105	50,103	100	-	100
Contracted Services	-	41,000	-	-	-	-
Accounting	3,308	-	-	-	-	-
Chemicals	863	-	-	-	-	-
Repairs & Maintenance	143	322	-	-	-	-
<b>Stormwater Management Total</b>	<b>272,046</b>	<b>495,228</b>	<b>455,646</b>	<b>424,277</b>	<b>-</b>	<b>424,277</b>
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,516,605</b>	<b>2,391,878</b>	<b>2,202,770</b>	<b>2,089,784</b>	<b>-</b>	<b>2,089,784</b>

# Internal Service Funds

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

## Employee Benefits Fund

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

Over the past five years, the City's average annual per capita spending on medical and pharmacy has increased by just 0.1%, significantly lower than the national average of 6.4%. This sustained cost control has enabled the City to continue offering a highly competitive health care plan while maintaining a stable and healthy fund balance. The key to supporting the fund balance:

**Contributions:** To support projected health plan costs in the 2026 plan year, contribution rates will increase by 4.4%. The City currently funds 85.8% of the total cost of health care which is aligned with like entities and is recommended continued target moving forward. The 4.4% rate increase is anticipated to result in an approximately \$600k increase from FY25.

**Miscellaneous Revenues:** These revenues include reimbursements and cobra contributions. A slight increase of \$40,476 from FY25 to FY 26 due to high reimbursements.

**Premiums & Claims:** Expenses projected to rise from \$15.4 million in FY25 to \$16.5 million in FY26, reflecting anticipated increase in claims, stop loss fees, and capitation fees.

After accounting for a self-insurance reserve of \$2.7 million, the available fund balance is projected at \$1.7 million in FY26.

## 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. 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.

This fund is supported by the contributions from participating funds of \$2,088,231, miscellaneous, sale of property and interest income totaling \$255,000, which is \$47,175 higher than anticipated by end of fiscal year 2025. Miscellaneous includes insurance proceeds for vehicles that are totaled and replaced prior to their planned replacement date.

The fund balance is projected to be \$36,606 as of September 30, 2025, primarily due to elevated vehicle replacement costs in recent years. For FY26, total expenditures are projected at \$685,990 for the replacement of 13 vehicles and related equipment, which is 35 fewer replacements than the prior year and results in cost savings of \$2.41 million. A \$100,000 contingency is included to support unforeseen needs.

The focus in FY26 is on rebuilding fund balance to support future needs while the City continues to evaluate its vehicle lifecycle strategy. In addition to the replacements in the main fund, four patrol vehicles will be replaced using the Contract Policing Fund. Expenditures also include upfit costs such as decals and equipment installation to place vehicles into service. The budgeted ending fund balance is \$1,693,847 as of September 30, 2026.

### **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.

The FY26 budgeted fund balance is projected to stay the same at \$2 million. The amount by which revenues exceed expenditure is expected to rise compared to last year's overage of \$125,292, with spending under \$34,482 of projected revenue. The primary components of this change are:

**Transfers:** The transfers come from General, Tourism, Airport, Solid Waste, and Utility funds, which are the same amount transferred from the previous year.

**Interest Income:** a slight increase of \$3,500 due to higher fund balance.

**Equipment & Contractual Services:** a decrease of \$102,228 due to fewer assets being replaced.

The available fund balance is projected at \$2 million in FY26. Although there is an upward trend in the fund balance, there are also expensive assets that need to be replaced in future years; this will help offset the future inflation of costs.

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Contributions	\$ 14,055,105	\$ 14,061,053	\$ 14,810,612	\$ 15,408,763	\$ -	\$ 15,408,763
Miscellaneous	1,479,307	1,632,467	1,902,096	1,942,572	-	1,942,572
Interest Income	170,413	137,822	143,891	143,891	-	143,891
<b>Total Revenues</b>	<b>15,704,826</b>	<b>15,831,342</b>	<b>16,856,599</b>	<b>17,495,226</b>	<b>-</b>	<b>17,495,226</b>
<b>EXPENDITURES</b>						
Premiums & Claims	14,223,996	15,158,835	15,351,525	16,495,867	-	16,495,867
Other	1,032,937	1,034,943	1,028,328	1,028,328	-	1,028,328
<b>Total Expenditures</b>	<b>15,256,933</b>	<b>16,193,778</b>	<b>16,379,853</b>	<b>17,524,195</b>	<b>-</b>	<b>17,524,195</b>
Fund Balance - Beginning	3,493,954	3,941,846	3,941,846	4,418,592	-	4,418,592
Revenues Over/(Under) Exp	447,893	(362,436)	476,746	(28,969)	-	(28,969)
<b>Fund Balance - Ending</b>	<b>\$ 3,941,846</b>	<b>\$ 3,579,410</b>	<b>\$ 4,418,592</b>	<b>\$ 4,389,623</b>	<b>\$ -</b>	<b>\$ 4,389,623</b>
Reserve for Self Insurance	(2,634,366)	(2,484,003)	(2,484,003)	(2,712,175)	-	(2,712,175)
Fund Balance - Available	1,307,480	1,095,407	1,934,589	1,677,448	-	1,677,448

CITY OF SUGAR LAND  
INTERNAL SERVICE FUND - EMPLOYEE BENEFITS FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Contributions						
Svs Chg City Contribution	11,960,805	12,799,293	13,477,657	14,021,974	-	14,021,974
Svs Chg Employee Contribution	2,094,300	1,261,760	1,332,955	1,386,789	-	1,386,789
Contributions Total	14,055,105	14,061,053	14,810,612	15,408,763	-	15,408,763
Interest Income						
Interest Earnings	145,491	137,822	143,891	143,891	-	143,891
Unrealized Gain/Loss Invest	24,922	-	-	-	-	-
Interest Income Total	170,413	137,822	143,891	143,891	-	143,891
Miscellaneous						
Reimbursements	1,278,875	1,363,815	1,613,682	1,654,158	-	1,654,158
Svs Chg Cobra Contribution	200,910	268,652	277,512	277,512	-	277,512
Misc. Operating Revenue	(154)	-	10,902	10,902	-	10,902
Customer Over/Short	(324)	-	-	-	-	-
Miscellaneous Total	1,479,307	1,632,467	1,902,096	1,942,572	-	1,942,572
<b>TOTAL REVENUES</b>	<b>15,704,826</b>	<b>15,831,342</b>	<b>16,856,599</b>	<b>17,495,226</b>	<b>-</b>	<b>17,495,226</b>

CITY OF SUGAR LAND  
INTERNAL SERVICE FUND - EMPLOYEE BENEFITS FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Other						
Insurance	678,092	668,654	722,414	722,414	-	722,414
Wellness Program	152,738	158,525	166,675	166,675	-	166,675
Professional Services	142,363	128,593	80,087	80,087	-	80,087
Software	54,491	74,698	53,730	53,730	-	53,730
Employee Relations	5,253	4,473	4,455	4,455	-	4,455
Travel and Training	-	-	650	650	-	650
Dues & Memberships	-	-	317	317	-	317
Other Total	1,032,937	1,034,943	1,028,328	1,028,328	-	1,028,328
Premiums & Claims						
Premiums & Claims	13,510,707	14,371,695	14,549,697	15,694,039	-	15,694,039
Dental Premiums	691,133	747,264	774,693	774,693	-	774,693
Premiums & Claims Total	14,201,840	15,118,959	15,324,390	16,468,732	-	16,468,732
<b>TOTAL OPERATING EXPENDITURES</b>	<b>15,234,777</b>	<b>16,153,902</b>	<b>16,352,718</b>	<b>17,497,060</b>	<b>-</b>	<b>17,497,060</b>
<b>NON-OPERATING EXPENDITURES</b>						
Premiums & Claims						
Premiums & Claims	22,156	39,876	27,135	27,135	-	27,135
Premiums & Claims Total	22,156	39,876	27,135	27,135	-	27,135
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>22,156</b>	<b>39,876</b>	<b>27,135</b>	<b>27,135</b>	<b>-</b>	<b>27,135</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Sale of Property	\$ 270,023	\$ 157,500	\$ 134,602	\$ 160,000	\$ -	\$ 160,000
Interest Income	85,833	40,000	23,223	45,000	-	45,000
Transfers From Other Funds	1,383,051	2,093,068	2,093,068	2,088,231	-	2,088,231
Miscellaneous	51,003	50,000	50,000	50,000	-	50,000
<b>Total Revenues</b>	<b>1,789,910</b>	<b>2,340,568</b>	<b>2,300,893</b>	<b>2,343,231</b>	<b>-</b>	<b>2,343,231</b>
<b>EXPENDITURES</b>						
Vehicles & Contractual Service	2,943,060	2,997,100	2,997,100	585,990	-	585,990
Contingency	-	-	-	100,000	-	100,000
<b>Total Expenditures</b>	<b>2,943,060</b>	<b>2,997,100</b>	<b>2,997,100</b>	<b>685,990</b>	<b>-</b>	<b>685,990</b>
Revenues Over/(Under) Expenditures	(1,153,150)	(656,532)	(696,207)	1,657,241		1,657,241
Fund Balance - Beginning	1,885,963	732,813	732,813	36,606		36,606
<b>Fund Balance - Ending</b>	<b>\$ 732,813</b>	<b>\$ 76,281</b>	<b>\$ 36,606</b>	<b>\$ 1,693,847</b>	<b>\$ -</b>	<b>\$ 1,693,847</b>

CITY OF SUGAR LAND  
INTERNAL SERVICE FUND - FLEET REPLACEMENT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	59,662	40,000	23,223	45,000	-	45,000
Unrealized Gain/Loss Invest	26,171	-	-	-	-	-
Interest Income Total	85,833	40,000	23,223	45,000	-	45,000
Miscellaneous						
Other Rev-Insurance Recovery	51,003	50,000	50,000	50,000	-	50,000
Miscellaneous Total	51,003	50,000	50,000	50,000	-	50,000
Sale of Property						
OFS Sale of Cap Assets	265,239	150,000	124,634	150,000	-	150,000
OFS Sale of NonCap Assets	4,784	7,500	9,968	10,000	-	10,000
Sale of Property Total	270,023	157,500	134,602	160,000	-	160,000
Transfers From Other Funds						
Transfer in General Fund	985,757	1,704,837	1,704,837	1,700,000	-	1,700,000
Transfer in Utility Operating	311,181	302,118	302,118	302,118	-	302,118
Transfer in Airport	77,065	77,065	77,065	77,065	-	77,065
Transfer in Solid Waste	9,048	9,048	9,048	9,048	-	9,048
Transfers From Other Funds Total	1,383,051	2,093,068	2,093,068	2,088,231	-	2,088,231
<b>TOTAL REVENUES</b>	<b>1,789,910</b>	<b>2,340,568</b>	<b>2,300,893</b>	<b>2,343,231</b>	<b>-</b>	<b>2,343,231</b>

CITY OF SUGAR LAND  
INTERNAL SERVICE FUND - FLEET REPLACEMENT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Vehicles & Contractual Service						
Capital/Other	2,720,349	2,395,000	2,395,000	443,570	-	443,570
Non-Capital FF&E	163,048	599,100	599,100	97,420	-	97,420
Salaries & Benefits	58,393	3,000	3,000	45,000	-	45,000
Deductibles	1,270	-	-	-	-	-
Vehicles & Contractual Service Total	2,943,060	2,997,100	2,997,100	585,990	-	585,990
<b>TOTAL OPERATING EXPENDITURES</b>	<b>2,943,060</b>	<b>2,997,100</b>	<b>2,997,100</b>	<b>585,990</b>	<b>-</b>	<b>585,990</b>
<b>NON-OPERATING EXPENDITURES</b>						
Contingency						
Contingency	-	-	-	100,000	-	100,000
Contingency Total	-	-	-	100,000	-	100,000
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>100,000</b>

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
<b>REVENUES</b>						
Sale of Capital Property	\$ 610	\$ 500	\$ 500	\$ 500	\$ -	\$ 500
Interest Income	107,140	75,000	76,500	80,000	-	80,000
Transfers in	1,059,980	1,193,980	1,193,980	1,193,980	-	1,193,980
<b>Total Revenues</b>	<b>1,167,730</b>	<b>1,269,480</b>	<b>1,270,980</b>	<b>1,274,480</b>	<b>-</b>	<b>1,274,480</b>
<b>EXPENDITURES</b>						
Equipment & Contractual Services	1,009,601	1,342,226	1,396,272	1,239,998	-	1,239,998
<b>Total Expenditures</b>	<b>1,009,601</b>	<b>1,342,226</b>	<b>1,396,272</b>	<b>1,239,998</b>	<b>-</b>	<b>1,239,998</b>
Fund Balance - Beginning	1,937,177	2,095,306	2,095,306	1,970,014	-	1,970,014
Revenues Over/(Under) Expenditures	158,129	(72,746)	(125,292)	34,482	-	34,482
<b>Fund Balance - Ending</b>	<b>\$ 2,095,306</b>	<b>\$ 2,022,560</b>	<b>\$ 1,970,014</b>	<b>\$ 2,004,495</b>	<b>\$ -</b>	<b>\$ 2,004,495</b>

CITY OF SUGAR LAND  
INTERNAL SERVICE FUND - HIGH TECH REPLACEMENT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>REVENUES</b>						
Interest Income						
Interest Earnings	90,937	75,000	76,500	80,000	-	80,000
Unrealized Gain/Loss Invest	16,203	-	-	-	-	-
Interest Income Total	107,140	75,000	76,500	80,000	-	80,000
Sale of Capital Property						
OFS Sale of NonCap Assets	610	500	500	500	-	500
Sale of Capital Property Total	610	500	500	500	-	500
Transfers In						
Transfer in General Fund	1,005,867	1,139,867	1,139,867	1,139,867	-	1,139,867
Transfer in Utility Operating	43,047	43,047	43,047	43,047	-	43,047
Transfer in Airport	10,516	10,516	10,516	10,516	-	10,516
Tourism	550	550	550	550	-	550
Transfers In Total	1,059,980	1,193,980	1,193,980	1,193,980	-	1,193,980
<b>TOTAL REVENUES</b>	<b>1,167,730</b>	<b>1,269,480</b>	<b>1,270,980</b>	<b>1,274,480</b>	<b>-</b>	<b>1,274,480</b>

CITY OF SUGAR LAND  
INTERNAL SERVICE FUND - HIGH TECH REPLACEMENT FUND  
FUND REPORT

Description	FY24 Actuals	FY25 Current Budget	FY25 Projection	FY26 Base Budget	FY26 Change	FY26 Budget
<b>OPERATING EXPENDITURES</b>						
Equipment & Contractual Services						
Non-Capital FF&E	944,388	835,059	1,027,799	1,191,420	-	1,191,420
Equipment & Contractual Services	-	148,335	198,473	48,578	-	48,578
Software	-	7,515	-	-	-	-
Professional Services	8,910	33,013	-	-	-	-
Capital/Other	48,971	318,304	170,000	-	-	-
Contracted Services	7,332	-	-	-	-	-
Equipment & Contractual Services Total	1,009,601	1,342,226	1,396,272	1,239,998	-	1,239,998
<b>TOTAL OPERATING EXPENDITURES</b>	<b>1,009,601</b>	<b>1,342,226</b>	<b>1,396,272</b>	<b>1,239,998</b>	<b>-</b>	<b>1,239,998</b>



The City of Sugar Land has five entities that are considered component units of the City and that are included in the City's ACFR. They are the Sugar Land Development Corporation (SLDC), the Sugar Land 4B Corporation (SL4B), the Tax Increment Reinvestment Zone (TIRZ) #1 that covers the Town Square area, TIRZ #3 that covers the Imperial site, and TIRZ #4 that covers property in Telfair near the intersection of U.S. Highway 59 and University Boulevard. However, the SLDC and 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.

SLDC was created in 1993 by the City under the Texas Development Corporation Act of 1979 and 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 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. SLDC is a type A sales tax corporation and SL4B is a type B sales tax corporation. State law allows the City to collect 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.

## **Sugar Land Development Corporation**

### **Fiscal Year 2025**

Total revenues are projected to be \$11,880,899 which includes sales tax of \$9,678,919, interest income of \$1,100,000, and an assignment from TIRZ#1 of \$1,071,980. This assignment from TIRZ#1 will be the last assignment to SLDC, with the assumed dissolution of the district in December 2025.

Expenditures are projected at \$15,871,886, which captures the original budget expenditures and approved budget amendments to date. Economic development program costs of \$635,047 include items such as business recruitment, travel and training, dues and memberships, professional services for marketing efforts, research and advertising.

Economic development incentive projections total \$4,700,000. This includes the original \$2,200,000 in funding, along with two allocations from the Reserve for Opportunities totaling \$2,500,000. Of that, \$1,500,000 was allocated for the first year of a three-year performance-based agreement with Plug & Play, a start-up accelerator program. The remaining \$1,000,000 was designated for pre-development costs related to acquiring and preparing infrastructure for the Imperial Historic District and adjacent properties.

Total debt service of \$4,545,134, includes \$3,886,028 in direct principal and interest payments on sales tax revenue bonds issued by the SLDC. Additionally, \$659,106 will be transferred to the Debt Service Fund to cover payments on the Series 2014 Certificates of Obligation. These certificates were originally issued for the Smart Financial plaza and parking improvements and were previously funded through Hotel Occupancy Tax (HOT) revenues. The shift to SLDC

funding was made to free up HOT revenues for other eligible tourism-related uses, consistent with the restricted purposes allowed under state law.

The remaining \$2,500,000 million in reserve for opportunities in this fund may be used to fund any economic development opportunities that may arise before the end of the fiscal year. Capital project transfers are projected to be \$2,300,000, which funds Public Works major roadway improvements and rehabilitation of various major street locations.

Remaining transfers to other funds total \$1,191,705. This includes \$50,000 to the Airport Fund to support international marketing efforts, and \$1,141,705 to the General Fund for cost allocation and reimbursement of a portion of salaries and benefits for economic development staff. These staff members, though budgeted in the General Fund, support and administer Type A projects such as business recruitment, retention, and development initiatives.

Projected available funding at 9/30/25 is \$19,735,681. The fund balance is \$18,425,537 higher than the policy requirement of \$1,310,144, which constitutes 15% of originally budgeted sales tax.

**Fiscal Year 2026**

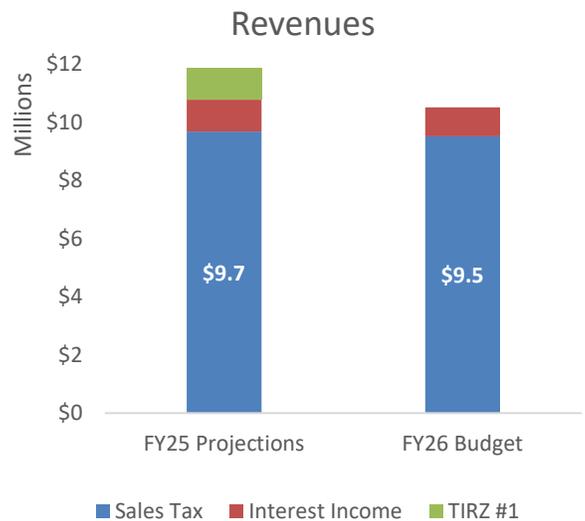
Revenues are budgeted at \$10,514,394, which includes sales tax estimated at \$9,514,394 and interest income at \$1,000,000. As TIRZ#1 is set to end on 12/31/2025, there will be no assignments from the TIRZ to SLDC.

Budgeted expenditures total \$16,515,436. Economic development program expenditures totaling \$1,185,047 include an increase from FY25 to FY26 of \$550,000 for FIFA World Cup 2026 sponsorship funding.

The budget also includes \$4,100,000 for economic development incentives as the Corporation expects various new incentive projects to begin in FY26. This amount also includes budgets from prior incentives which will continue through FY26. A majority of this funding is made up of the second year of budgeted payments for Plug & Play’s start-up accelerator program, totaling \$1,500,000.

In FY26, the Corporation’s total debt service payments are \$6,259,926. This includes \$2,967,219 in direct payments for outstanding sales tax revenue bonds issued by the Corporation, and \$3,292,707 in transfers to the Debt Service Fund. These transfers cover payments on newly issued bonds for the Imperial land acquisition (issued in FY25) and the Series 2014 debt, which was previously funded by Hotel Occupancy Tax revenues.

Transfers to other funds total \$1,670,463 in FY26. This includes \$1,620,463 to the General Fund for reimbursement of economic development and community redevelopment staff, as well as support services, and \$50,000 to the Sugar

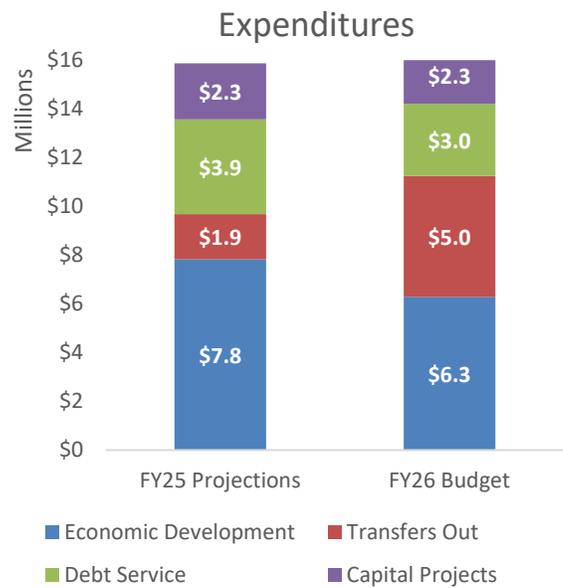


Land Regional Airport for international marketing. The increase in total transfers compared to FY25 is primarily due to higher support service costs charged by the General Fund, which rose from \$93,105 to \$484,257.

The Corporation has \$2,300,000 in capital projects scheduled for FY26, including \$300,000 for major roadway improvements by Public Works and \$2,000,000 for rehabilitation of various major street locations.

In addition, \$1,000,000 is allocated to the Reserve for Opportunities, which provides flexibility to respond to emerging projects throughout the year. The decrease in this reserve compared to FY25 is due to an increase in incentive commitments and economic development program activities.

Estimated available funding at 9/30/26 is \$13,469,357, which is \$12,042,198 over the policy requirement of \$1,427,159 which is 15% of the budgeted sales tax. The Corporation also maintains a bond coverage ratio of 3.58, which is above the 1.25 minimum.



## Sugar Land 4B Corporation

### Fiscal Year 2025

Total projected revenues for FY25 are \$10,705,597. This includes \$9,678,919 in sales tax, \$800,000 in interest income, \$146,678 from the TIRZ #1 assignment, and \$80,000 in miscellaneous revenue from the parking lot lease at Constellation Field. Beginning in FY26, these lease revenues will be collected by the General Fund and used to support the City’s Redevelopment Program.

Total expenditures are projected to be \$15,074,695, inclusive of the original budget and budget amendments approved to date. Economic Development program costs of \$575,744 are projected at budget.

Debt Service payments of \$2,015,925 are based on the current outstanding debt for sales tax revenue bonds issued by SL4B.

Incentive payments are projected to be \$9,037,500, which includes the original budget of \$2,037,500 for the final year of the AAA Astros agreement for Constellation Field improvements and funding for First Colony Mall Lifestyle Center sales tax incentives. The remaining funding consists of an allocation of \$3,600,000 from Reserve for Opportunities and a budget amendment of \$3,400,000 for the Lake Pointe Green project.

The balance of Reserve for Opportunities remains allocated and projected at \$576,012. These funds remain available for use through the end of the fiscal year.

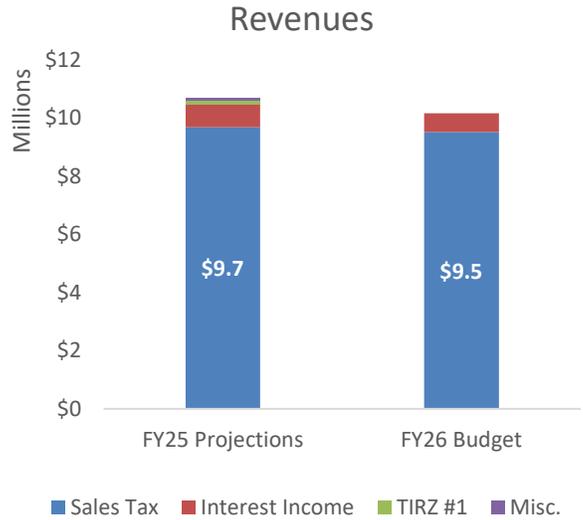
Transfers to Capital Projects are projected to be \$1,423,988. This funding includes \$331,163 for approved FUN Grant projects, \$200,000 for Eldridge Park improvements and \$892,825 for the splash pad at Memorial Park.

Transfers to other funds totaling \$1,444,526 include \$1,194,526 to the General Fund for economic development staff reimbursements, cost allocation for support services, and \$250,000 to the Civic Arts Fund to support public art and similar programming.

Projected available funding at 9/30/25 is \$12,369,350. The fund balance is projected to be \$11,059,206 higher than policy requirements of \$1,310,144, which constitutes 15% of originally budgeted sales tax.

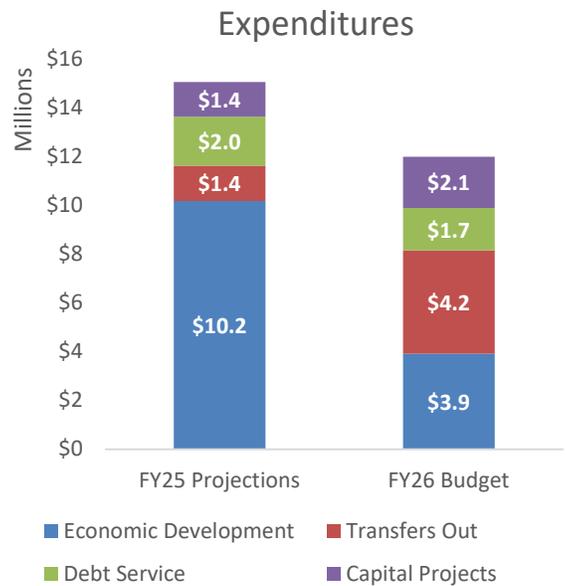
**Fiscal Year 2026**

Total revenues are projected to be \$10,164,394 and include sales tax estimated at \$9,514,394 and interest income of \$650,000. No assignment from TIRZ #1 is scheduled for FY26, given its anticipated dissolution in December 2025. Prior budgeted lease revenues will be captured in the General Fund in FY26 and moving forward.



Expenditures are budgeted at \$11,999,347. Economic Development Program expenditures total \$1,027,170 and include an increase of \$250,000 for FIFA World Cup 2026 incentives and \$250,000 for Town Center Events which will no longer be funded by TIRZ#1. The starting budget of \$527,170 was reduced through the City’s efficiency initiatives from the previous \$575,744.

Incentives are budgeted at \$893,000 and include \$750,000 for the Town Square project, \$73,000 for the Commercial Façade program and \$70,000 for potential sales tax incentive payments to First Colony Mall Lifestyle. The substantial reduction to the budget for incentives from FY25 is a result of the \$7,000,000 for Lake Pointe and payments for Constellation Field Improvements of \$2,000,000, ending in FY25.



Reserve for Opportunities is budgeted at \$2,000,000, which is a reduction from the prior year, based on available capacity after funding an increase in incentives and additional economic development program activities.

Capital projects funding is budgeted at \$2,100,000, which includes \$300,000 for FUN Grants and \$1,800,000 for Eldridge Park improvements.

Total debt service is budgeted at \$4,374,132 for current outstanding debt. This increase includes the newly issued debt for the Imperial land acquisition in FY25. \$1,737,550 of debt will be paid directly from the SL4B fund and \$2,636,582 will be transferred to the debt service fund for repayment of the Certificates of Obligation issued for Imperial.

Transfers to other funds totaling \$1,604,045, include the reimbursement to the General Fund for Economic Development staff, overhead cost allocation and a transfer of \$250,000 to the Public Arts Fund.

Estimated available funding at 9/30/26 is \$10,905,824. The ending fund balance is \$9,478,664 over the policy requirement of \$1,427,159, which is 15% of the budgeted sales tax. The Corporation also maintains a bond coverage ratio of 5.82, which is above the 1.25 minimum.

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
<b>REVENUES</b>						
Sales Tax	\$ 8,829,607	\$ 8,734,295	\$ 9,678,919	\$ 9,514,394	\$ -	\$ 9,514,394
Interest Income	1,283,089	600,000	1,100,000	1,000,000	-	1,000,000
Miscellaneous	47,209	30,000	30,000	-	-	-
TIRZ#1	1,793,000	1,221,980	1,071,980	-	-	-
<b>Total Revenues</b>	<b>11,952,904</b>	<b>10,586,275</b>	<b>11,880,899</b>	<b>10,514,394</b>	<b>-</b>	<b>10,514,394</b>
<b>EXPENDITURES</b>						
Economic Development Program	671,233	635,047	635,047	635,047	550,000	1,185,047
<b>Total Operating Expenditures</b>	<b>671,233</b>	<b>635,047</b>	<b>635,047</b>	<b>635,047</b>	<b>550,000</b>	<b>1,185,047</b>
Debt Service	3,912,531	3,886,028	3,886,028	2,967,219	-	2,967,219
Reserve for Opportunities	-	2,500,000	2,500,000	1,000,000	-	1,000,000
Incentives	1,576,192	3,700,000	4,700,000	4,100,000	-	4,100,000
Transfers to Capital Projects	-	3,300,000	2,300,000	2,300,000	-	2,300,000
Transfer to General Fund	1,008,205	1,141,705	1,141,705	1,620,463	-	1,620,463
Transfer to Debt Service Fund	-	659,106	659,106	3,292,707	-	3,292,707
Transfer to Airport Fund	50,000	50,000	50,000	50,000	-	50,000
<b>Total Non-Operating Expenditures</b>	<b>6,546,928</b>	<b>15,236,839</b>	<b>15,236,839</b>	<b>15,330,389</b>	<b>-</b>	<b>15,330,389</b>
<b>Total Expenditures</b>	<b>7,218,161</b>	<b>15,871,886</b>	<b>15,871,886</b>	<b>15,965,436</b>	<b>550,000</b>	<b>16,515,436</b>
Fund Balance - Beginning	23,872,555	28,607,298	28,607,298	24,616,311	-	24,616,311
Revenues Over/(Under) Expenditures	4,734,743	(5,285,611)	(3,990,987)	(5,451,042)	(550,000)	(6,001,042)
Debt Service Reserve	(3,627,000)	(3,358,062)	(3,358,062)	(3,623,344)	-	(3,623,344)
<b>Fund Balance - Ending</b>	<b>24,980,298</b>	<b>19,963,625</b>	<b>21,258,249</b>	<b>15,541,925</b>	<b>(550,000)</b>	<b>14,991,925</b>
Accrued Sales Tax	(1,447,473)	(1,522,568)	(1,522,568)	(1,522,568)	-	(1,522,568)
<b>Fund Balance - Available</b>	<b>\$ 23,532,825</b>	<b>\$ 18,441,057</b>	<b>\$ 19,735,681</b>	<b>\$ 14,019,357</b>	<b>\$ (550,000)</b>	<b>\$ 13,469,357</b>
Minimum Fund Balance (15%)	\$ 1,324,441	\$ 1,310,144	\$ 1,310,144	\$ 1,427,159	-	\$ 1,427,159
Over/Under Policy	22,208,384	17,130,913	18,425,537	12,592,198	-	12,042,198
Bond Coverage Ratio (>1.25x)	2.60	2.40	3.63	3.58	-	3.58

SUGAR LAND DEVELOPMENT CORPORATION

SCHEDULE OF REVENUES

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Sales Tax	\$ 8,829,607	\$ 8,734,295	\$ 9,678,919	\$ 9,514,394	\$ -	\$ 9,514,394
<b>Sales Tax</b>	<b>8,829,607</b>	<b>8,734,295</b>	<b>9,678,919</b>	<b>9,514,394</b>	<b>-</b>	<b>9,514,394</b>
Interest Earnings	1,027,597	600,000	1,100,000	1,000,000	-	1,000,000
Unrealized Gain/Loss Invest	255,491	-	-	-	-	-
<b>Interest Income</b>	<b>1,283,089</b>	<b>600,000</b>	<b>1,100,000</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
Intergov TIRZ 1	1,793,000	1,221,980	1,071,980	-	-	-
<b>TIRZ#1</b>	<b>1,793,000</b>	<b>1,221,980</b>	<b>1,071,980</b>	<b>-</b>	<b>-</b>	<b>-</b>
Misc. Operating Revenue	4,165	-	-	-	-	-
Lease Rev-PAC	43,044	30,000	30,000	-	-	-
<b>Miscellaneous</b>	<b>47,209</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 11,952,904</b>	<b>\$ 10,586,275</b>	<b>\$ 11,880,899</b>	<b>\$ 10,514,394</b>	<b>\$ -</b>	<b>\$ 10,514,394</b>

SUGAR LAND DEVELOPMENT CORPORATION

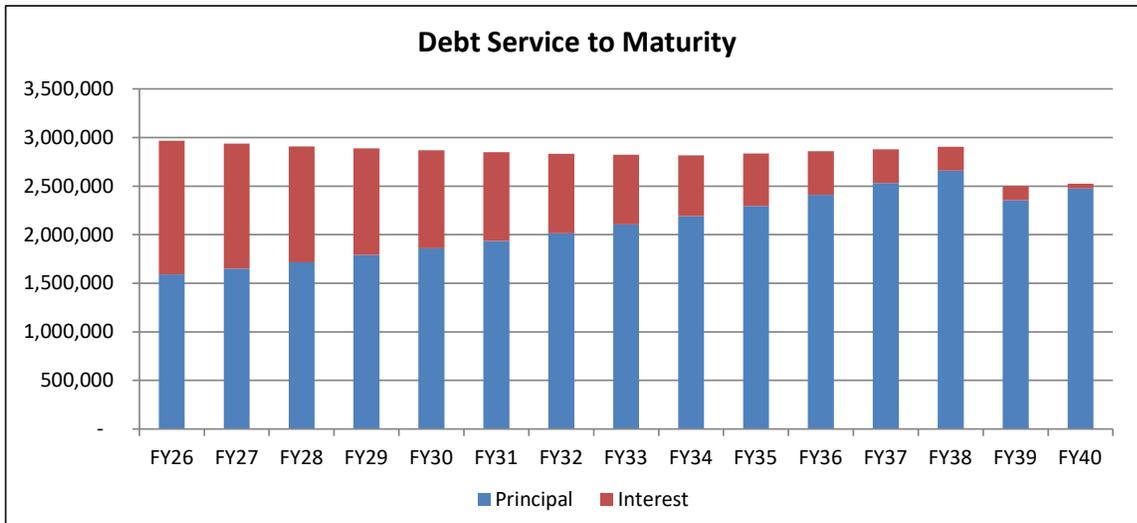
SUMMARY OF EXPENDITURES

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Employee Used Operating Suppli	\$ 3,273	\$ 1,710	\$ 1,710	\$ 1,400	\$ -	\$ 1,400
Non-Capital FF&E	28,367	3,090	3,090	1,000	-	1,000
Professional Service Noncapital	213,458	98,650	98,650	90,000	-	90,000
Financial Services	6,699	3,650	3,650	7,000	-	7,000
Printing Services	39	2,000	2,000	2,000	-	2,000
Software Licens & Subscription	54,624	77,135	67,935	66,470	-	66,470
Dues & Memberships	48,523	60,647	60,647	51,625	-	51,625
Postage & Freight	64	500	500	200	-	200
Telecomm	3,645	1,000	1,000	3,500	-	3,500
Marketing	190,779	267,125	276,325	273,711	550,000	823,711
Business Recruit and Reten	13,744	-	-	-	-	-
Employee Relations	1,864	1,150	750	750	-	750
Travel-Training in/Out of Stat	29,064	17,700	17,700	23,800	-	23,800
Business Meals & Travel Expens	71,794	90,051	90,451	105,000	-	105,000
Business Meals & Travel Expens	-	2,049	2,049	-	-	-
Equipment Rental	1,729	2,800	2,800	2,800	-	2,800
NonCap Paymt to Other Governmt	2,740	2,740	2,740	2,741	-	2,741
Paying Agent Fees	825	3,050	3,050	3,050	-	3,050
<b>Economic Development Program</b>	<b>671,233</b>	<b>635,047</b>	<b>635,047</b>	<b>635,047</b>	<b>550,000</b>	<b>1,185,047</b>
Debt Service Principal	2,295,000	2,400,000	2,400,000	1,590,000	-	1,590,000
Debt Service Interest	1,617,531	1,486,028	1,486,028	1,377,219	-	1,377,219
<b>Debt Service</b>	<b>3,912,531</b>	<b>3,886,028</b>	<b>3,886,028</b>	<b>2,967,219</b>	<b>-</b>	<b>2,967,219</b>
Contingency	-	2,500,000	2,500,000	1,000,000	-	1,000,000
<b>Reserve for Opportunities</b>	<b>-</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>
Business Recruit and Reten	1,260,465	3,700,000	3,700,000	4,100,000	-	4,100,000
Developer Agreement	315,726	-	-	-	-	-
Professional Service Noncapital	-	-	1,000,000	-	-	-
<b>Incentives</b>	<b>1,576,192</b>	<b>3,700,000</b>	<b>4,700,000</b>	<b>4,100,000</b>	<b>-</b>	<b>4,100,000</b>
Trf to General	1,008,205	1,141,705	1,141,705	1,620,463	-	1,620,463
Trf to SLDC CIP	-	3,300,000	2,300,000	-	-	-
Trf to Debt Svcs	-	659,106	659,106	3,292,707	-	3,292,707
Trf to CIP-Non Bond	-	-	-	2,300,000	-	2,300,000
Trf to Airport	50,000	50,000	50,000	50,000	-	50,000
<b>Transfers to Other Funds</b>	<b>1,058,205</b>	<b>5,150,811</b>	<b>4,150,811</b>	<b>7,263,170</b>	<b>-</b>	<b>7,263,170</b>
<b>Total Expenditures</b>	<b>\$ 7,218,161</b>	<b>\$ 15,871,886</b>	<b>\$ 15,871,886</b>	<b>\$ 15,965,436</b>	<b>\$ 550,000</b>	<b>\$ 16,515,436</b>

**COMPONENT UNIT**  
**SUGAR LAND DEVELOPMENT CORPORATION**  
**DEBT SERVICE REQUIREMENTS TO MATURITY - SALES TAX REVENUE BONDS**

	Principal	Interest	Total
FY26	1,590,000	1,377,219	2,967,219
FY27	1,650,000	1,286,778	2,936,778
FY28	1,715,000	1,192,806	2,907,806
FY29	1,790,000	1,099,675	2,889,675
FY30	1,860,000	1,007,425	2,867,425
FY31	1,935,000	913,538	2,848,538
FY32	2,015,000	817,863	2,832,863
FY33	2,105,000	718,113	2,823,113
FY34	2,190,000	625,669	2,815,669
FY35	2,295,000	540,688	2,835,688
FY36	2,410,000	449,000	2,859,000
FY37	2,530,000	350,200	2,880,200
FY38	2,660,000	246,400	2,906,400
FY39	2,355,000	146,100	2,501,100
FY40	2,475,000	49,500	2,524,500
	<u>\$ 31,575,000</u>	<u>\$ 10,820,972</u>	<u>\$ 42,395,972</u>

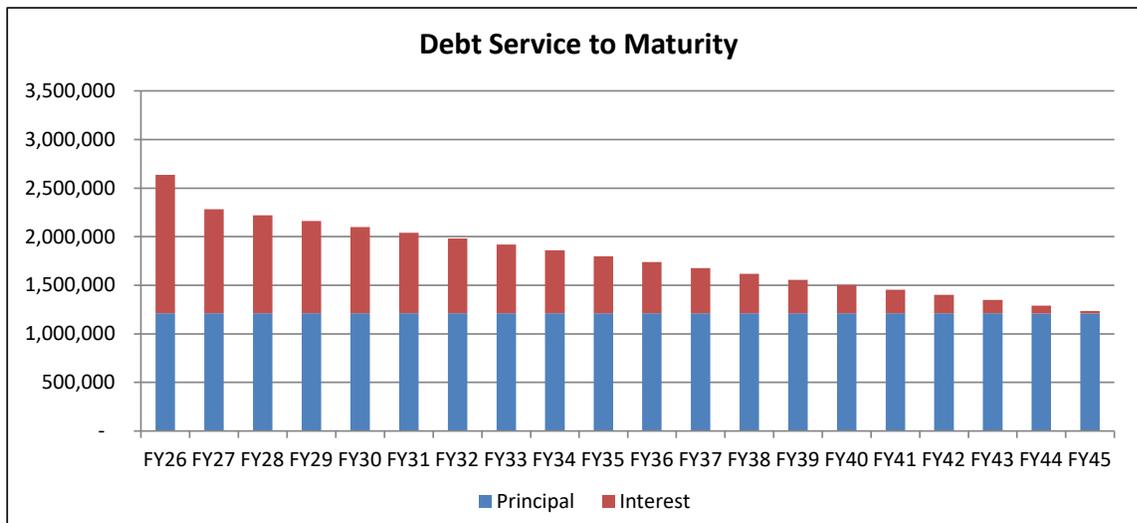
Outstanding Debt Issues		
Series	Principal	Matures
2014A	27,375,000	FY40
2021R	4,200,000	FY38
Total	<u>\$ 31,575,000</u>	



**COMPONENT UNIT  
SUGAR LAND DEVELOPMENT CORPORATION  
CERTIFICATES OF OBLIGATION - TRANSFER FOR IMPERIAL PURCHASE**

	Principal	Interest	Total
FY26	1,210,000	1,426,582	2,636,582
FY27	1,210,000	1,072,131	2,282,131
FY28	1,210,000	1,011,631	2,221,631
FY29	1,210,000	951,131	2,161,131
FY30	1,210,000	890,631	2,100,631
FY31	1,210,000	830,131	2,040,131
FY32	1,210,000	769,631	1,979,631
FY33	1,210,000	709,131	1,919,131
FY34	1,210,000	648,631	1,858,631
FY35	1,210,000	588,131	1,798,131
FY36	1,210,000	527,631	1,737,631
FY37	1,210,000	467,131	1,677,131
FY38	1,210,000	406,631	1,616,631
FY39	1,210,000	346,131	1,556,131
FY40	1,210,000	291,681	1,501,681
FY41	1,210,000	242,525	1,452,525
FY42	1,210,000	191,100	1,401,100
FY43	1,210,000	138,163	1,348,163
FY44	1,207,500	83,770	1,291,270
FY45	1,207,500	27,923	1,235,423
<b>\$ 24,195,000</b>	<b>\$ 11,620,451</b>	<b>\$ 35,815,451</b>	

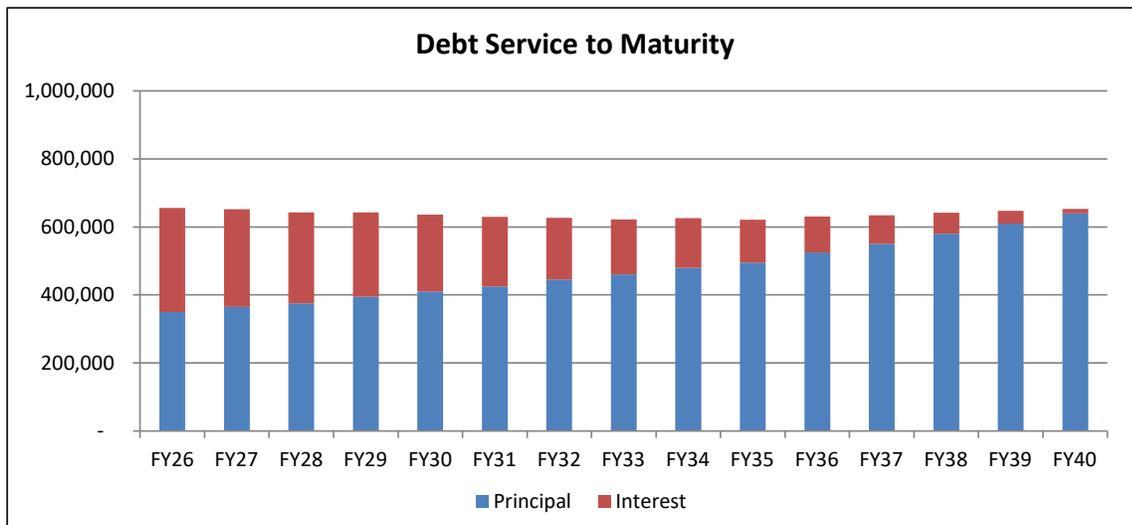
Outstanding Debt Issues		
Series	Principal	Matures
2025	24,195,000	FY45
<b>Total</b>	<b>\$ 24,195,000</b>	



**COMPONENT UNIT  
SUGAR LAND DEVELOPMENT CORPORATION  
CERTIFICATES OF OBLIGATION - TRANSFER FOR PRIOR HOT FUNDED**

	Principal	Interest	Total
FY26	350,000	306,125	656,125
FY27	365,000	287,356	652,356
FY28	375,000	267,931	642,931
FY29	395,000	247,719	642,719
FY30	410,000	226,588	636,588
FY31	425,000	204,669	629,669
FY32	445,000	181,831	626,831
FY33	460,000	162,675	622,675
FY34	480,000	145,600	625,600
FY35	495,000	126,100	621,100
FY36	525,000	105,700	630,700
FY37	550,000	84,200	634,200
FY38	580,000	61,600	641,600
FY39	610,000	37,800	647,800
FY40	640,000	12,800	652,800
<b>\$</b>	<b>7,105,000</b>	<b>\$ 2,458,694</b>	<b>\$ 9,563,694</b>

Outstanding Debt Issues		
Series	Principal	Matures
2014	7,105,000	FY40
<b>Total</b>	<b>\$ 7,105,000</b>	



**SUGAR LAND DEVELOPMENT CORPORATION  
SUMMARY OF CAPITAL PROJECTS  
FISCAL YEAR 2026**

	<b>Project #</b>	<b>Project Title</b>	<b>FY26</b>	<b>Description</b>
<b>Streets</b>	CST2502	Major Street Rehabilitation	2,000,000	Reconstruction of major roadways identified as part of the Pavement Management and Maintenance Program; including portions of Industrial Blvd, Commerce Green Blvd and Greatwood Parkway.
<b>Traffic</b>	CTR2501	Landscape Replacement for Major Roadway and Environmental Projects	300,000	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, and SH6, which are classified as Imperial and Highway 6 routes according to the Beautification Policy.
		<b>Total</b>	<b>\$ 2,300,000</b>	

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
<b>REVENUES</b>						
Sales Tax	\$ 8,829,607	\$ 8,734,295	\$ 9,678,919	\$ 9,514,394	\$ -	\$ 9,514,394
Interest Income	1,095,704	500,000	800,000	650,000	-	650,000
TIRZ#1	145,008	146,678	146,678	-	-	-
Miscellaneous	113,256	80,000	80,000	-	-	-
<b>Total Revenues</b>	<b>10,183,575</b>	<b>9,460,973</b>	<b>10,705,597</b>	<b>10,164,394</b>	<b>-</b>	<b>10,164,394</b>
<b>EXPENDITURES</b>						
Economic Development Program	437,594	575,744	575,744	527,170	-	527,170
Sponsorships					500,000	500,000
<b>Total Operating Expenditures</b>	<b>437,594</b>	<b>575,744</b>	<b>575,744</b>	<b>527,170</b>	<b>500,000</b>	<b>1,027,170</b>
Debt Service	2,011,500	2,015,925	2,015,925	1,737,550	-	1,737,550
Reserve for Opportunities	-	576,012	576,012	2,000,000	-	2,000,000
Bond Issuance & Disclosure	1,000	1,000	1,000	1,000	-	1,000
Incentives	2,042,000	9,037,500	9,037,500	823,000	70,000	893,000
Transfers to Capital Projects	1,283,322	1,423,988	1,423,988	2,100,000	-	2,100,000
Transfer to General Fund	1,108,782	1,194,526	1,194,526	1,354,045	-	1,354,045
Transfer to Debt Service Fund	-	-	-	2,636,582	-	2,636,582
Transfer to Public Art Fund	250,000	250,000	250,000	250,000	-	250,000
<b>Total Non-Operating Expenditures</b>	<b>6,696,604</b>	<b>14,498,951</b>	<b>14,498,951</b>	<b>10,902,177</b>	<b>70,000</b>	<b>10,972,177</b>
<b>Total Expenditures</b>	<b>7,134,198</b>	<b>15,074,695</b>	<b>15,074,695</b>	<b>11,429,347</b>	<b>570,000</b>	<b>11,999,347</b>
Fund Balance - Beginning	17,213,322	20,262,699	20,262,699	15,893,601	-	15,893,601
Revenues Over/(Under) Expenditures	3,049,377	(5,613,722)	(4,369,098)	(1,264,953)	(570,000)	(1,834,953)
Debt Service Reserve	(1,901,500)	(2,004,426)	(2,004,426)	(1,633,000)	-	(1,633,000)
Fund Balance - Ending	18,361,199	12,644,551	13,889,175	12,995,648	(570,000)	12,425,648
Accrued Sales Tax	(1,447,473)	(1,519,824)	(1,519,824)	(1,519,824)	-	(1,519,824)
<b>Fund Balance - Ending</b>	<b>\$ 16,913,726</b>	<b>\$ 11,124,726</b>	<b>\$ 12,369,350</b>	<b>\$ 11,475,824</b>	<b>\$ (570,000)</b>	<b>\$ 10,905,824</b>
Minimum Fund Balance (15%)	\$ 1,324,441	\$ 1,310,144	\$ 1,310,144	\$ 1,427,159		\$ 1,427,159
Over/Under Policy	15,589,285	9,814,582	11,059,206	10,048,664		9,478,664
Bond Coverage Ratio (>1.25x)	4.92	5.31	6.03	5.82		5.82

**SUGAR LAND 4B CORPORATION**

**SCHEDULE OF REVENUES**

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Sales Tax	\$ 8,829,607	\$ 8,734,295	\$ 9,678,919	\$ 9,514,394	\$ -	\$ 9,514,394
<b>Sales Tax</b>	<b>8,829,607</b>	<b>8,734,295</b>	<b>9,678,919</b>	<b>9,514,394</b>	<b>-</b>	<b>9,514,394</b>
Interest Earnings	896,628	500,000	800,000	650,000	-	650,000
Unrealized Gain/Loss Invest	199,076	-	-	-	-	-
<b>Interest Income</b>	<b>1,095,704</b>	<b>500,000</b>	<b>800,000</b>	<b>650,000</b>	<b>-</b>	<b>650,000</b>
Intergov TIRZ 1	145,008	146,678	146,678	-	-	-
<b>TIRZ#1</b>	<b>145,008</b>	<b>146,678</b>	<b>146,678</b>	<b>-</b>	<b>-</b>	<b>-</b>
Lease Rev-Ball Park	113,166	80,000	80,000	-	-	-
Svs Chg Community Event	90	-	-	-	-	-
<b>Miscellaneous</b>	<b>113,256</b>	<b>80,000</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 10,183,575</b>	<b>\$ 9,460,973</b>	<b>\$ 10,705,597</b>	<b>\$ 10,164,394</b>	<b>\$ -</b>	<b>\$ 10,164,394</b>

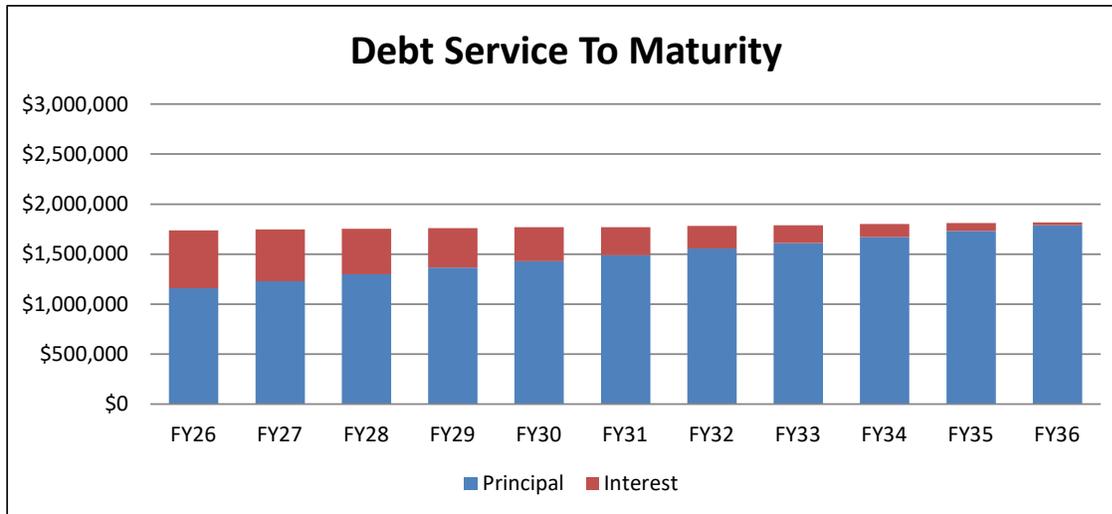
SUGAR LAND 4B CORPORATION

SUMMARY OF EXPENDITURES

Description	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Employee Used Operating Suppli	\$ 2,389	\$ 2,170	\$ 2,170	\$ 1,710	\$ -	\$ 1,710
Non-Capital FF&E	-	5,200	5,200	3,000	-	3,000
Professional Service Noncapital	190,247	251,668	254,568	210,000	-	210,000
Financial Services	1,638	2,000	2,000	2,000	-	2,000
Printing Services	2,794	2,250	2,250	2,500	-	2,500
Software Licens & Subscription	32,339	38,506	36,506	28,760	-	28,760
Dues & Memberships	14,875	34,200	34,200	13,550	-	13,550
Postage & Freight	-	500	500	500	-	500
Telecomm	4,339	3,100	2,200	2,600	-	2,600
Marketing	116,154	170,000	170,000	200,000	250,000	450,000
Public Relations	-	-	-	-	250,000	250,000
Employee Relations	1,029	750	750	750	-	750
Travel-Training in/Out of Stat	28,394	20,200	20,200	21,600	-	21,600
Business Meals & Travel Expens	39,204	37,517	37,517	32,650	-	32,650
Business Meals & Travel Expens	-	133	133	-	-	-
Equipment Rental	1,729	2,800	2,800	2,800	-	2,800
NonCap Paymt to Other Governmt	1,639	1,700	1,700	1,700	-	1,700
Paying Agent Fees	825	3,050	3,050	3,050	-	3,050
<b>Economic Development Program</b>	<b>437,594</b>	<b>575,744</b>	<b>575,744</b>	<b>527,170</b>	<b>500,000</b>	<b>1,027,170</b>
Debt Service Principal	1,310,000	1,375,000	1,375,000	1,160,000	-	1,160,000
Debt Service Interest	701,500	640,925	640,925	577,550	-	577,550
<b>Debt Service</b>	<b>2,011,500</b>	<b>2,015,925</b>	<b>2,015,925</b>	<b>1,737,550</b>	-	<b>1,737,550</b>
Contingency	-	576,012	576,012	2,000,000	-	2,000,000
<b>Reserve for Opportunities</b>	-	<b>576,012</b>	<b>576,012</b>	<b>2,000,000</b>	-	<b>2,000,000</b>
Bond Issuance & Disclosure	1,000	1,000	1,000	1,000	-	1,000
<b>Bond Issuance &amp; Disclosure</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	-	<b>1,000</b>
Business Recruit and Reten	2,042,000	9,037,500	9,037,500	823,000	70,000	893,000
<b>Incentives</b>	<b>2,042,000</b>	<b>9,037,500</b>	<b>9,037,500</b>	<b>823,000</b>	<b>70,000</b>	<b>893,000</b>
Trf to SL4B CIP	1,283,322	1,423,988	1,423,988	2,100,000	-	2,100,000
Professional Service Noncapital	1,108,782	1,194,526	1,194,526	1,354,045	-	1,354,045
Trf to Public Arts	250,000	250,000	250,000	250,000	-	250,000
Trf to Debt Svcs	-	-	-	2,636,582	-	2,636,582
<b>Transfers to Other Funds</b>	<b>2,642,104</b>	<b>2,868,514</b>	<b>2,868,514</b>	<b>6,340,627</b>	-	<b>6,340,627</b>
<b>Total Expenditures</b>	<b>\$ 7,134,198</b>	<b>\$ 15,074,695</b>	<b>\$ 15,074,695</b>	<b>\$ 11,429,347</b>	<b>\$ 570,000</b>	<b>\$ 11,999,347</b>

**COMPONENT UNIT**  
**SUGAR LAND 4B CORPORATION**  
**DEBT SERVICE REQUIREMENTS TO MATURITY - SALES TAX REVENUE BONDS**

				<b>Outstanding Debt Issues</b>		
	Principal	Interest	Total	Series	Principal	Matures
FY26	1,160,000	577,550	1,737,550	2019	16,330,000	FY36
FY27	1,230,000	517,800	1,747,800		<u>\$ 16,330,000</u>	
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>\$ 16,330,000</u>	<u>\$ 3,208,275</u>	<u>\$ 19,538,275</u>			

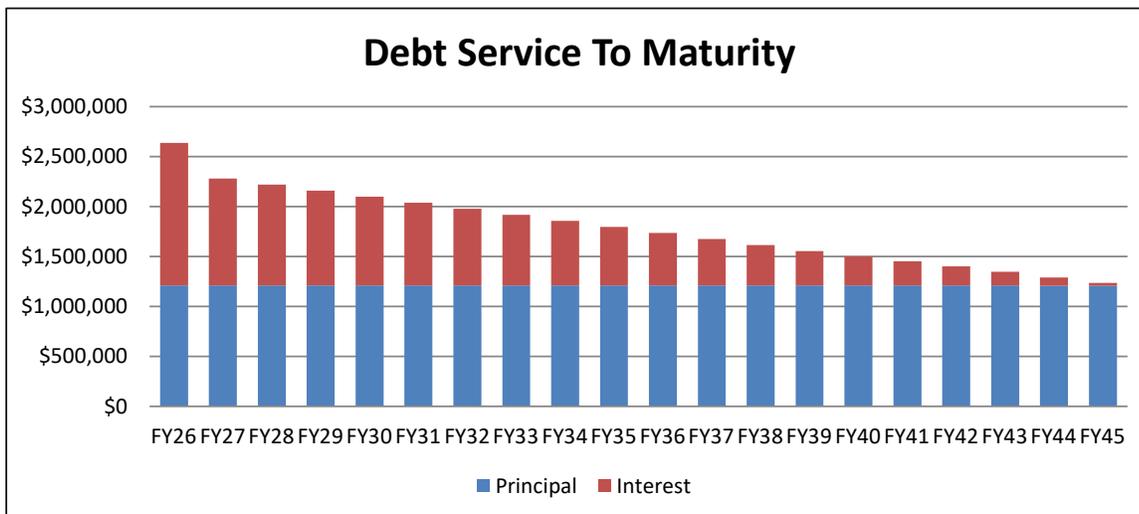


**COMPONENT UNIT  
SUGAR LAND 4B CORPORATION  
CERTIFICATES OF OBLIGATION - TRANSFER FOR IMPERIAL PURCHASE**

	Principal	Interest	Total
FY26	1,210,000	1,426,582	2,636,582
FY27	1,210,000	1,072,131	2,282,131
FY28	1,210,000	1,011,631	2,221,631
FY29	1,210,000	951,131	2,161,131
FY30	1,210,000	890,631	2,100,631
FY31	1,210,000	830,131	2,040,131
FY32	1,210,000	769,631	1,979,631
FY33	1,210,000	709,131	1,919,131
FY34	1,210,000	648,631	1,858,631
FY35	1,210,000	588,131	1,798,131
FY36	1,210,000	527,631	1,737,631
FY37	1,210,000	467,131	1,677,131
FY38	1,210,000	406,631	1,616,631
FY39	1,210,000	346,131	1,556,131
FY40	1,210,000	291,681	1,501,681
FY41	1,210,000	242,525	1,452,525
FY42	1,210,000	191,100	1,401,100
FY43	1,210,000	138,163	1,348,163
FY44	1,207,500	83,770	1,291,270
FY45	1,207,500	27,923	1,235,423
<b>\$</b>	<b>24,195,000</b>	<b>\$ 11,620,451</b>	<b>\$ 35,815,451</b>

**Outstanding Debt Issues**

Series	Principal	Matures
2025	24,195,000	FY45
	<u>\$ 24,195,000</u>	



**SUGAR LAND 4B CORPORATION  
SUMMARY OF CAPITAL PROJECTS  
FISCAL YEAR 2026**

	<b>Project #</b>	<b>Project Title</b>	<b>FY26</b>	<b>Description</b>
<b>Parks</b>	CPK2502	Fostering Unique Neighborhoods (F.U.N)	300,000	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.
<b>Parks</b>	CPK2504	Eldridge Park Improvements	1,800,000	Design and construct drainage improvements to the Eldridge Park parking lot, irrigation system and convert one field to artificial turf.
		<b>Total</b>	<b>\$ 2,100,000</b>	

# Five-Year Forecast

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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. These forecasts are guided based on the stipulations provided in the City's FMPS. Reasonable assumptions can be made regarding future actions based on these statements, 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. 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 FY26 budget as it requires addressing an ongoing need for recurring funding capacity, either through new revenue sources or decreases in expenditures through increased operational efficiency.

Forecast outcomes are highly dependent on several key assumptions that are based on information available at the time of preparation and are likely to change as new information becomes available. The forecasts outlined in this section are based on information available as of the budget filing scheduled in July 2025. A change in one or more of the assumptions used in forecasting can significantly alter the outcome of the forecast, which could have a sizable impact on the City's tax rate and capacity for future needs. Based on these assumptions, the forecast shows the following:

- With nominal tax increases by 1 cent each year for the GO bond projects, and reallocations within the voter approval rate, the tax rate can support budgeted operating and capital projects (debt service) needs.
- Maintains General Fund dependence on sales tax within the revised FMPS guidelines to fund operations below 50%.
- Funds \$69.8M of the out of the \$350 million in 2024 voter approved GO bonds in FY26.
- Fund operating needs and construction requirements to meet the mandated 60% groundwater reduction mandate from the Fort Bend Subsidence District in 2027.
- Maintenance increases are needed in Utility rates over several years as recommended in the 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 2027.
- 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 address challenges, fulfill obligations, and assess long-range implications of approved operating and capital budgets and policies.

## Forecast Assumptions

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

### Revenues

#### Property Taxes

Fiscal Year 2026 property taxes are budgeted at \$76.5 million with \$44.7 million going to operations and maintenance in the General Fund and \$31.8 million for the Debt Service Fund. General Fund tax revenues are assumed to grow approximately 3.5% in FY27-30 as limited by the voter approval rate. The forecast shows a shift within the voter approval rate to maintain operational revenue needs with a moderate 3% revaluation assumed.

## Sales Tax

Performance of sales tax revenues have been outperforming initial budget estimates in recent fiscal years on a consistent basis, leading to the reevaluation of the City’s Financial Management Policy (FMPS) for budgeting for and forecasting these revenues. The FMPS were revised in May 2024 and included adjusting the practice of estimating projected recurring revenue from the current year to now include a growth factor based on the Consumer Price Index (CPI) for the area. FY26 is based on FY25 recurring actual revenues with an estimated growth of 1.2%, based on the April 2025 publication of the index. Year 2, or FY27, is estimated to grow based on the 5-year average of the February CPI. FY28-30 follows FMPS direction of 3% annual growth when CPI for the current year is positive.

## Interest Earnings

Interest earnings for each fund are estimated based on available fund balances and the prevailing trend in rates of return. While the past year benefited from historically high interest rates, we are now observing a downward trend in yields. Considering this shift, projections for interest earnings have been made with a more conservative approach than in the prior year, reflecting the changing interest rate environment and aiming to ensure prudent forecasting.

## 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. The forecast assumes a transfer to the Debt Service Fund for \$685,175.

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 in FY26.

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	FY26	FY27	FY28	FY29	FY30
<b>SLDC</b>	\$ 3,292,707	\$ 2,934,488	\$ 2,864,563	\$ 2,803,851	\$ 2,737,220
<b>SL4B</b>	2,636,582	2,282,131	2,221,631	2,161,131	2,100,631
<b>Tourism Fund</b>	351,900	-	-	-	-
<b>Utility Fund- MUD Debt</b>	1,244,739	-	-	-	-
<b>Enclave at River Park PID</b>	95,288	91,788	88,288	84,788	81,638

## 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 generally 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.

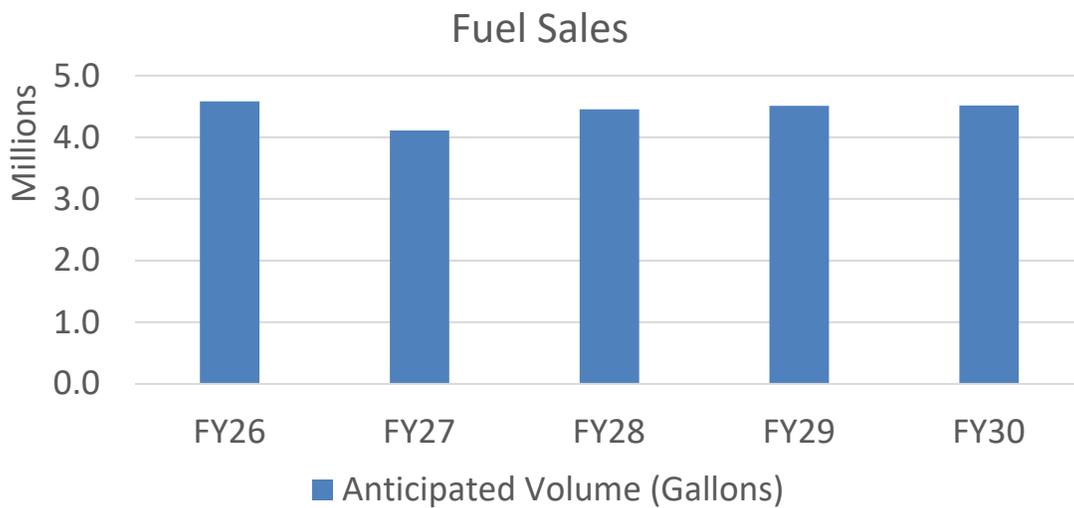
Debt Type	FY26	FY27	FY28	FY29	FY30
<b>2019 GO Bonds</b>	\$4,550,000	\$ -	\$ -	\$ -	\$ -
<b>2024 GO Bonds Election</b>	69,825,000	72,000,000	62,262,500	61,315,000	59,935,000
<b>Airport CO’s</b>	15,500,000	850,000	16,298,880	-	750,000
<b>Utility Revenue Bonds</b>	41,186,113	24,832,229	105,481,978	27,047,055	30,080,880
<b>Total by Year</b>	<b>\$131,061,113</b>	<b>\$97,682,229</b>	<b>\$184,043,358</b>	<b>\$88,362,055</b>	<b>\$90,765,880</b>

### Utility Charges for Services

Revenues in the Utility System Fund are based on the modeled average billed water consumption, based on normal year's rainfall and groundwater usage from GRP participants. There is minimal growth in water consumption due to development. Revenue increases are built into the forecast based on the annual utility rate study 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 2027. The forecast includes an approximate 3% increase on an average residential customer's water and wastewater bill, equivalent to approximately \$3 per month. In years FY27-30 the forecast accounts for 2-3% annual maintenance increases.

### Airport Fuel Sales

Fuel sales are built into the forecast based on estimated fuel prices and mark up. Volume of fuel is estimated to grow 1% from the current fiscal year's actuals, decrease by 10% in FY27 based on anticipated runway closures in August 2026, and grow an average of 3% each year for the remainder of the forecast. Total sales include Jet-A and AvGas.



### Expenditures

#### Operating Expenditures

Generally, out-year assumptions for the operating expenditures for the City's major funds include accounting for personnel costs increases of approximately 3%, meant to account for future merit pools and grade/step advancements. Increases to these costs are due to the movement of compensation structures driven by CPI or market analysis and are evaluated for their financial impact each year during the budget process. Operations and maintenance costs are grown at conservative rates across the different operating funds and are meant to preemptively capture future capacity for the evaluation of base budget adjustments in future budget processes for the rising costs of delivering existing services.

#### Property Tax Rebates

The City makes rebate payments 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; MUD values are assumed to grow consistent with the City's AV growth.

# 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.

No new recurring expenditures are built into the forecast outside of the standard assumptions of a 3% annual growth in personnel cost and a 2% annual growth in operational costs. To support the long-term financial resilience of the General Fund, the FY26 budget includes newly identified revenue streams totaling \$1 million. These new revenues, along with existing sources such as licenses & permits and charges for services, are projected to grow at an annual rate of 3% in future years.

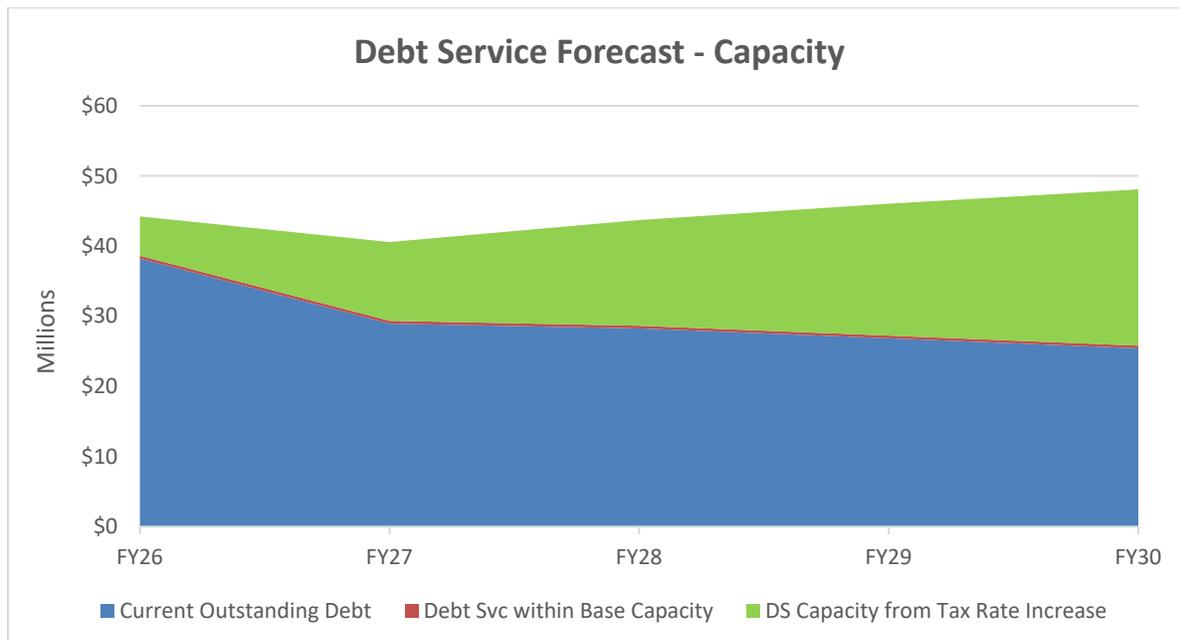
## Debt Service Funds

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 policy compliance throughout the five-year forecast period. Transfers from other funds align with the scheduled debt payments supported by their respective revenue streams. Based on the stated assumptions, the fund can support debt service payments for all outstanding obligations, including the remaining \$4.6 million issuance of the FY19 GO bonds and the planned \$69.8 million issuance in FY2026. Additionally, as debt service requirement decline, new debt capacity is expected to become available in future years.

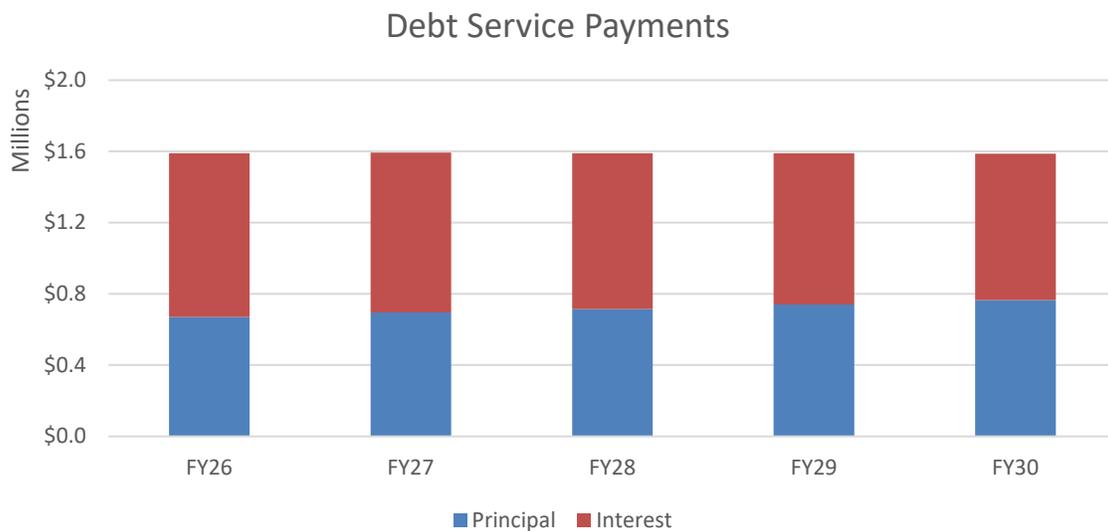
The chart shows annual debt service requirements for existing and anticipated bond issues:



### Debt Service Fund – Taxable Debt (Smart Financial Centre at Sugar Land)

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, so these payments are accounted for in a separate fund. Lease payments are made

monthly according to the terms of the thirty-year lease. Until a four-year debt service reserve is fully funded with cash, a letter of credit has been secured by the tenant to cover their obligations for the reserve. The debt is structured with level debt service payments of roughly \$1.6 million annually throughout the life of the bonds, which aids in the forecasting of required lease payments and debt service reserve contributions.



#### Utility System Fund

The Utility System Fund is an enterprise fund providing 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 coverage requirements, building cash reserves that can be used to reduce the amount of debt issuance necessary to fund future capital projects. While the five-year forecast shows a slight dip below the bond coverage target in FY28 and FY29, this is temporary and does not signal a structural rate issue.

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 near target. Rates should 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 is critical to maintain the financial health of the system.

Revenue bonds for the forecast total \$228.6 million that are planned to be issued for capital improvement projects in support of the Integrated Water Resources Plan, preparation of meeting the mandated 60% reduction in

groundwater usage by 2027, and expansion into the South of the Brazos development. The debt service reserve grows from \$14.0 million in FY26 to \$20.9 million in FY30 based on planned debt issuance and reserve requirements.

### **Airport Fund**

The Sugar Land Regional Airport is a user-fee-supported business enterprise fund. The City has been able to attract and maintain quality corporate customers due to the location and amenities offered by the Airport. The Airport is continuing improvements to enhance its image among the business users of airport services and to attract new customers. The Airport can 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. Current fuel sales have exceeded FY24 levels and are estimated to grow conservatively over the forecast. Additionally, hangar leases and other revenues will continue to grow throughout the forecast.

Fuel for resale expenditures are projected to be consistent with the volume of Fuel Sales. Operating expenditures are projected to decrease in the forecast by an average of 5% over the five-year period, excluding fuel expenditures and credit card fees, which have offsetting revenues. FY26 through FY28 capital projects for the Airport are planned to be financed through Certificates of Obligation that will be supported by the Airport Fund. One FY26 project will be partially funded by Airport Revenues. One FY29 project and one FY30 project are fully funded from 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 and is based on 7% of room revenue.

It is expected that Hotel Occupancy Tax revenues will rise by 1% in FY26 when compared to the revenues collected in FY25, as the city foresees an increase in foot traffic resulting from a greater number of festival events. The hotel occupancy revenue for FY26 is projected to align with the estimates for FY25 and remain consistent throughout the forecast period. The City has dedicated hotel tax revenues to the Debt Service Fund to cover the debt service obligations for the Conference Center. This arrangement reinforces the City's commitment to the principle that hotel taxes should be utilized for debt repayment rather than 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 \$9.5 million will be spent on tourism programs and marketing, and \$2.7 million on the visitor center.

The fund will transfer the final payment of \$0.35 million to the Debt Service Fund to support existing debt for the Conference Center, which is paying off in FY26. The fund is anticipated to exceed the fund balance policy requirement of 10% of budgeted HOT throughout the forecast.

### **Five-Year Capital Improvement Program**

The City's Five-Year CIP totals \$766.02 million for FY26-FY30 and has been prepared based on available funding.

Funding for CIP projects are derived from various sources, including utility revenue bonds, general obligation bonds, economic development sales taxes, donations, airport revenues, and connection fees. Major projects in the Five-Year CIP include drainage, parks, municipal, streets, traffic, water, wastewater and surface water.

A summary of the Five-Year CIP by project type and funding sources is shown below.

<b>PROJECT TYPE</b>	<b>2026-2030 TOTAL</b>	<b>SOURCES OF FUNDS</b>	<b>2026-2030 TOTAL</b>
Airport	\$61,195,880	CO's / Airport	33,398,880
Drainage	32,350,000	Airport Revenues	400,000
Mobility	107,912,500	GO Bonds	329,887,500
Municipal	188,000,000	Connection Fees	36,984,600
Parks	13,800,000	Other Sources	76,447,000
Streets	52,350,000	Donations	4,900,000
Surface Water	132,368,922	SL4B	11,300,000
Traffic	5,725,000	SLDC	5,000,000
Wastewater	90,999,526	Utility Revenue Bonds	228,628,255
Water	81,322,500	Utility System Revenues	10,000,007
		CIP Fund Balance	29,078,086
<b>TOTAL</b>	<b>\$ 766,024,328</b>	<b>TOTAL</b>	<b>\$ 766,024,328</b>

### **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 sources of revenue for the Corporation. Expenditures over the forecast total \$70.9M and include staffing reimbursement to the City, support service contracts, and the economic development program for marketing and business recruitment.

The Corporation has two remaining debt issues that maturing in 2038 and 2040, with a total of \$31.6M outstanding in principal. Average annual debt service payments are \$2.9M. In addition to debt service payments for SLDC issued sales tax revenues bonds, the 4A is also scheduled to transfer \$11.4M over the five-year forecast to cover 50% of the annual debt service on the Certificates of Obligation that were issued for the acquisition of the Imperial Historic District and adjacent properties. These bonds were issued on a 25-year term set to mature in 2045.

A performance agreement with Sugar Land Town Square, totaling \$6.25M over five years, captures funding for improvements and repositioning efforts in support of the revitalization strategy for the area. The associated payments of this agreement are split 50/50 between the SLDC and SL4B.

Capital Project funding totals \$5M in cash contributions over the five years and supports major roadway rehabilitation and landscaping improvements along major thoroughfares. The Corporation has an average annual debt service of approximately \$2.9M. The forecast allocates \$19M for incentives, including the \$6.25M for Town Square and \$3M for years 2 and 3 of the Plug & Play start-up accelerator program. A total of \$5M for Reserve for Opportunities is programmed across the five-year forecast.

The fund exceeds bond coverage requirements and maintains a fund balance over the 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 source of revenue for the Corporation.

The Corporation has one remaining debt issue that matures in 2036, with a total of \$16.3M in outstanding in principal. Average annual debt service payments are \$1.7M. In addition to debt service payments for SL4B issued sales tax revenues bonds, the 4B is also scheduled to transfer \$11.4M over the five-year forecast to cover 50% of

the annual debt service on the Certificates of Obligation that were issued for the acquisition of the Imperial Historic District and adjacent properties. These bonds were issued on a 25-year term set to mature in 2045.

A performance agreement with Sugar Land Town Square, totaling \$6.25M over five years, captures funding for improvements and repositioning efforts in support of the revitalization strategy for the area. The associated payments of this agreement are split 50/50 between the SLDC and SL4B. Additional incentives include the remaining years for potential payments for the sales tax performance agreement with First Colony Mall Lifestyle Center, ending in FY28.

In the forecast, SL4B contributes \$11.3 million for capital projects and includes annual funding for Parks projects and the continuation of the Fostering Unique Neighborhoods (FUN) program. Reserve for Opportunities funding is set at \$2M annually, totaling \$10M across the five-year forecast.

SL4B exceeds the required bond coverage ratio of 1.25x and maintains a fund balance over the policy requirement of 15% of annual budgeted sales tax revenue during the forecast period.

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Property Taxes	\$ 42,543,391	\$ 44,673,535	\$ 46,860,006	\$ 48,364,333	\$ 48,742,389	\$ 49,090,443
Sales Tax	58,073,515	57,086,367	59,203,130	60,979,224	62,808,600	64,692,858
Other Taxes	6,837,409	6,850,477	7,044,000	7,244,000	7,448,000	7,659,000
Licenses & Permits	3,919,000	4,495,453	4,628,000	4,765,000	4,906,000	5,051,000
Charges for Services	5,619,000	7,583,353	7,672,000	7,899,000	8,132,000	8,373,000
Fines & Forfeitures	1,176,200	1,210,000	1,246,000	1,283,000	1,322,000	1,362,000
Other	955,000	1,380,075	1,520,000	1,565,000	1,612,000	1,661,000
Intergovernmental	461,579	1,271,216	19,520	2,305	2,374	2,446
Interest Income	2,740,000	1,944,000	1,964,724	1,989,996	2,023,338	2,037,273
Operating Revenues	122,325,094	126,494,476	130,157,379	134,091,858	136,996,702	139,929,020
Transfers In	8,865,016	10,407,228	10,699,743	11,000,656	11,309,325	11,627,835
Non-operating Revenues	8,865,016	10,407,228	10,699,743	11,000,656	11,309,325	11,627,835
Total Revenues	131,190,110	136,901,704	140,857,123	145,092,513	148,306,027	151,556,855
<b>EXPENDITURES</b>						
General Government	27,235,485	27,093,893	27,405,000	28,164,000	28,944,000	29,746,000
Finance	6,111,184	6,250,509	6,422,000	6,600,000	6,783,000	6,972,000
Public Works	12,008,446	11,171,186	11,481,000	11,801,000	12,129,000	12,466,000
Parks & Recreation	7,245,263	7,190,802	7,378,000	7,582,000	7,791,000	8,005,000
Community Development	7,983,385	7,524,826	7,732,000	7,945,000	8,164,000	8,390,000
Environmental & Neighborhood SVC	9,430,223	9,480,112	9,743,000	10,013,000	10,290,000	10,575,000
Police Department	30,738,741	31,501,619	32,378,000	33,280,000	34,208,000	35,162,000
Public Safety Dispatch	4,078,516	4,291,004	4,411,000	4,534,000	4,660,000	4,790,000
Fire Department	24,380,809	25,519,977	25,990,000	26,716,000	27,462,000	28,229,000
Departmental Expenditures	129,212,051	130,023,928	132,940,000	136,635,000	140,431,000	144,335,000
Transfers to Other Funds	3,272,377	3,271,579	3,070,913	3,364,502	3,250,196	2,891,034
Miscellaneous	1,413,793	3,285,000	35,000	(25,000)	(86,800)	(150,454)
Rebates & Assignments	3,541,356	4,125,829	4,249,604	4,377,092	4,401,950	4,424,361
Non-departmental Expenditures	8,227,526	10,682,408	7,355,517	7,716,594	7,565,347	7,164,941
Total Expenditures	137,439,577	140,706,336	140,295,517	144,351,594	147,996,347	151,499,941
<b>Fund Balance - Beginning</b>	<b>53,714,637</b>	<b>47,465,170</b>	<b>43,660,538</b>	<b>44,222,144</b>	<b>44,963,064</b>	<b>45,272,744</b>
Revenues Over/(Under) Expenditures	(6,249,467)	(3,804,632)	561,605	740,920	309,680	56,914
<b>Fund Balance - Ending</b>	<b>\$ 47,465,170</b>	<b>\$ 43,660,538</b>	<b>\$ 44,222,144</b>	<b>\$ 44,963,064</b>	<b>\$ 45,272,744</b>	<b>\$ 45,329,658</b>
Accrued Sales/Franchise Taxes	(9,483,653)	(9,483,653)	(9,867,188)	(10,163,204)	(10,468,100)	(10,782,143)
Fund Balance - Available	\$ 37,981,517	\$ 34,176,886	\$ 34,354,955	\$ 34,799,860	\$ 34,804,644	\$ 34,547,515
Ending Fund Balance- % of Oper Exp	37%	34%	33%	33%	32%	31%
Fund Balance - Requirement	\$ 31,759,970	\$ 31,959,644	\$ 33,543,750	\$ 34,467,500	\$ 35,416,500	\$ 36,392,500
Over / (Under) Policy	15,705,201	11,700,894	10,678,394	10,495,564	9,856,244	8,937,158

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Current Property Tax	\$ 29,610,579	\$ 31,772,168	\$ 36,510,448	\$ 40,015,148	\$ 44,910,061	\$ 50,076,056
Delinquent Property Taxes	(307,636)	57,175	73,000	80,000	89,900	100,200
Interest on Investments	477,600	298,100	270,800	248,800	197,700	221,800
Miscellaneous	521,550	521,550	521,550	521,550	521,550	521,550
<b>Total Operating Revenues</b>	<b>30,302,093</b>	<b>32,648,993</b>	<b>37,375,798</b>	<b>40,865,498</b>	<b>45,719,211</b>	<b>50,919,606</b>
From Utility Fund	3,567,094	1,244,739	-	-	-	-
From Tourism Fund	685,175	351,900	-	-	-	-
From PID	98,788	95,288	91,788	104,293	102,903	101,978
From SLDC	659,106	3,292,707	2,934,488	2,864,563	2,803,851	2,737,220
From SL4B	-	2,636,582	2,282,132	2,221,632	2,161,132	2,100,632
<b>Total Transfers In</b>	<b>5,010,163</b>	<b>7,621,216</b>	<b>5,308,407</b>	<b>5,190,487</b>	<b>5,067,885</b>	<b>4,939,829</b>
<b>Total Revenues</b>	<b>35,312,255</b>	<b>40,270,209</b>	<b>42,684,204</b>	<b>46,055,985</b>	<b>50,787,097</b>	<b>55,859,435</b>
<b>EXPENDITURES</b>						
Current Outstanding & New Debt	30,750,699	44,218,267	40,572,665	43,699,573	46,032,438	48,094,428
Issuance Costs/Fiscal Fees/Other	69,650	50,000	50,000	50,000	50,000	50,000
Refunding Payment to Escrow	-	-	-	-	-	-
<b>Total Debt Service</b>	<b>30,820,349</b>	<b>44,268,267</b>	<b>40,622,665</b>	<b>43,749,573</b>	<b>46,082,438</b>	<b>48,144,428</b>
Rebates & Assignments	2,375,578	2,951,012	3,064,279	3,174,518	3,888,926	4,550,406
Transfers to Other Funds	257,634	273,931	236,569	269,397	280,173	291,380
<b>Total Non-Operating Expenditures</b>	<b>2,633,212</b>	<b>3,224,943</b>	<b>3,300,849</b>	<b>3,443,915</b>	<b>4,169,099</b>	<b>4,841,786</b>
<b>Total Expenditures</b>	<b>33,453,561</b>	<b>47,493,210</b>	<b>43,923,514</b>	<b>47,193,488</b>	<b>50,251,537</b>	<b>52,986,213</b>
FUND BALANCE - BEGINNING	12,133,353	13,992,047	6,769,046	5,529,736	4,392,233	4,927,793
CHANGE IN FUND BALANCE	1,858,694	(7,223,002)	(1,239,309)	(1,137,504)	535,560	2,873,221
<b>FUND BALANCE - ENDING</b>	<b>\$ 13,992,047</b>	<b>\$ 6,769,046</b>	<b>\$ 5,529,736</b>	<b>\$ 4,392,233</b>	<b>\$ 4,927,793</b>	<b>\$ 7,801,014</b>
Policy Requirement	\$ 3,075,070	\$ 4,421,827	\$ 4,057,266	\$ 4,369,957	\$ 4,603,244	\$ 4,809,443
Over/(Under) Policy	10,916,978	2,347,219	1,472,470	22,276	324,549	2,991,572
Policy Requirement	10%	10%	10%	10%	10%	10%

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Rent	\$ 2,000,666	\$ 2,003,384	\$ 2,002,920	\$ 2,002,417	\$ 2,001,646	\$ 2,001,516
Interest Income	95,400	120,000	133,000	155,000	177,000	201,000
<b>Total Revenues</b>	<b>2,096,066</b>	<b>2,123,384</b>	<b>2,135,920</b>	<b>2,157,417</b>	<b>2,178,646</b>	<b>2,202,516</b>
<b>EXPENDITURES</b>						
Current Outstanding & New Debt	1,587,899	1,589,530	1,592,768	1,589,319	1,589,029	1,586,933
Fiscal Fees/Other	825	825	825	825	825	825
<b>Total Expenditures</b>	<b>1,588,724</b>	<b>1,590,355</b>	<b>1,593,593</b>	<b>1,590,144</b>	<b>1,589,854</b>	<b>1,587,758</b>
Change in Fund Balance	507,342	533,029	542,328	567,273	588,793	614,758
Fund Balance - Beginning	2,297,277	2,804,620	3,337,648	3,879,976	4,447,250	5,036,042
<b>Fund Balance - Ending</b>	<b>\$ 2,804,620</b>	<b>\$ 3,337,648</b>	<b>\$ 3,879,976</b>	<b>\$ 4,447,250</b>	<b>\$ 5,036,042</b>	<b>\$ 5,650,801</b>

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Charges for Services	\$ 47,086,275	\$ 48,840,092	\$ 51,833,054	\$ 55,060,063	\$ 58,454,726	\$ 61,932,015
Surface Water Fees	26,611,295	26,453,263	27,485,965	28,598,072	29,746,116	30,935,758
Tap Fees	88,635	732,534	895,809	1,004,659	1,004,659	841,384
Interest Income	2,003,268	1,073,467	1,105,671	1,138,841	1,173,006	1,208,197
Miscellaneous	1,117,621	451,950	451,950	451,950	451,950	451,950
Operating Revenues	76,907,094	77,551,306	81,772,450	86,253,585	90,830,457	95,369,303
Bond Proceeds	68,173,263	41,186,118	24,832,231	105,481,980	27,047,059	30,080,880
Transfers In - PID	34,531	33,531	32,281	31,031	29,781	29,031
Transfers In - Connection Fees	868,019	868,019	868,019	868,019	868,019	868,019
Transfers In - Solid Waste	319,230	5,957,182	-	-	-	-
Non-operating Revenues	69,395,043	48,044,850	25,732,531	106,381,030	27,944,859	30,977,930
Total Revenues	146,302,137	125,596,156	107,504,980	192,634,615	118,775,316	126,347,234
<b>EXPENDITURES</b>						
Utility Administration	1,627,568	1,294,584	1,315,295	1,349,447	1,384,573	1,420,697
Water Distribution	3,274,044	3,022,265	3,083,720	3,146,850	3,211,580	3,277,939
Water Production	5,696,023	4,468,584	4,534,996	4,602,724	4,671,802	4,742,262
Wastewater Collection	1,597,825	1,660,136	1,696,404	1,733,625	1,771,825	1,811,034
Wastewater Treatment	9,705,944	8,969,236	9,079,981	9,192,464	9,306,723	9,422,794
Customer Service	2,379,971	2,054,041	2,098,136	2,143,378	2,189,801	2,237,438
Water Quality	1,204,951	1,113,199	1,141,921	1,171,458	1,201,834	1,233,073
Water Conservation	426,839	392,386	398,210	404,149	410,206	416,384
Treasury	2,380,768	2,452,627	2,499,926	2,548,381	2,598,024	2,648,888
AMI Operations	855,915	889,506	905,206	921,268	937,700	954,514
Surface Water	12,823,304	9,529,530	9,659,362	9,791,527	9,926,083	10,063,083
Total Operating Expenditures	41,973,152	35,846,094	36,413,157	37,005,271	37,610,151	38,228,106
Debt Service	28,128,484	31,793,137	32,611,368	42,741,864	43,586,050	43,935,613
Issuance Costs	428,521	726,722	2,244,362	262,078	584,146	652,129
Transfers Out	8,931,685	7,117,975	6,107,679	6,345,573	6,586,973	6,831,937
Miscellaneous	(553,680)	332,337	325,714	318,892	311,865	304,627
Contingency	-	500,000	500,000	500,000	500,000	500,000
CIP Transfers	69,744,743	43,186,118	26,832,231	107,481,980	29,047,059	32,080,880
Total Non-Operating Expenditures	106,679,752	83,656,289	68,621,354	157,650,386	80,616,092	84,305,186
Total Expenditures	148,652,904	119,502,383	105,034,511	194,655,657	118,226,243	122,533,292
Cash Equivalent - Beginning	45,044,676	42,693,909	48,787,682	51,258,152	49,237,110	49,786,183
Revenues Over/(Under) Expenditures	(2,350,767)	6,093,773	2,470,470	(2,021,042)	549,073	3,813,942
Reserve - Debt Service	(9,110,646)	(14,134,754)	(14,547,003)	(19,473,867)	(20,118,944)	(20,951,894)
Cash Equivalent - Ending	\$ 33,583,263	\$ 34,652,928	\$ 36,711,149	\$ 29,763,243	\$ 29,667,239	\$ 32,648,230
Bond Coverage	1.24	1.31	1.39	1.15	1.22	1.30
Target	1.25	1.25	1.25	1.25	1.25	1.25
Operating Reserves	80%	97%	101%	80%	79%	85%
Target	25%	25%	25%	25%	25%	25%

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Fuel Sales	\$ 20,863,442	\$ 35,206,370	\$ 31,590,731	\$ 34,229,381	\$ 34,646,221	\$ 34,699,291
Hangar Leases	1,629,199	1,589,200	1,606,092	1,623,173	1,640,445	1,657,911
Charges for Services	1,136,818	1,097,700	1,108,677	1,119,764	1,130,961	1,142,271
Interest Income	469,721	505,026	520,177	535,782	551,856	568,411
Other Revenues	348,184	350,000	354,000	358,000	362,000	366,000
Miscellaneous	303,040	300,000	300,000	300,000	300,000	300,000
Operating Revenues	24,750,404	39,048,296	35,479,677	38,166,100	38,631,483	38,733,884
Bond Proceeds	-	15,500,000	850,000	16,298,880	-	750,000
Grant Proceeds	894,000	100,000	100,000	100,000	100,000	100,000
Transfer from Other Funds	563,056	535,000	549,550	564,537	579,973	595,872
Non-Operating Revenues	1,457,056	16,135,000	1,499,550	16,963,417	679,973	1,445,872
Total Revenues	26,207,460	55,183,296	36,979,227	55,129,517	39,311,456	40,179,756
<b>EXPENDITURES</b>						
Airport Administration	1,580,474	1,638,333	1,503,216	1,518,248	1,533,431	1,548,765
Airfield Operations	486,989	533,201	538,533	543,918	549,357	554,851
FBO Services	14,657,760	22,715,846	17,261,782	18,703,591	18,931,360	18,960,359
Café Select	355,587	364,392	347,836	351,315	354,828	358,376
Maintenance and Operations	1,472,054	1,386,540	1,400,405	1,414,409	1,428,553	1,442,839
U.S. Customs	715,198	446,900	451,369	455,883	460,442	465,046
Total Operating Expenditures	19,268,062	27,085,211	21,503,141	22,987,363	23,257,970	23,330,235
Operating Transfers Out	1,087,581	1,200,857	1,344,754	1,490,313	1,637,554	1,786,499
Transfers Out - Bond CIP	-	15,500,000	850,000	16,298,880	-	750,000
Transfers Out - Non-Bond CIP	1,050,000	250,000	-	-	75,000	75,000
Debt Service	1,940,458	1,326,119	2,703,887	2,734,185	3,826,871	3,726,427
Miscellaneous	170,940	533,024	239,004	546,952	219,934	233,883
Total Non-Operating Expenditures	4,248,979	18,810,000	5,137,646	21,070,330	5,759,360	6,571,810
Total Expenditures	23,517,040	45,895,211	26,640,786	44,057,693	29,017,330	29,902,045
Fund Balance - Beginning	11,117,572	13,807,992	23,096,077	33,434,518	44,506,341	54,800,466
Revenues Over/(Under) Expenditures	2,690,420	9,288,085	10,338,441	11,071,823	10,294,125	10,277,711
Debt Service Reserve	(860,041)	(3,160,700)	(3,226,050)	(3,219,058)	(3,209,598)	(3,130,898)
Fund Balance - Ending	\$ 12,947,951	\$ 19,935,377	\$ 30,208,468	\$ 41,287,283	\$ 51,590,868	\$ 61,947,279
CASH EQ. RESERVE RATIO (25% min)	203%	262%	712%	964%	1192%	1418%
BOND COVERAGE (1.25x min)	5.11	4.51	5.11	3.97	4.13	4.16
FUEL GALLONS SOLD	4,547,167	4,581,343	4,110,846	4,454,209	4,508,452	4,515,358

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Hotel/Motel Occupancy Tax	\$ 2,888,981	\$ 2,891,870	\$ 2,894,762	\$ 2,897,657	\$ 2,900,554	\$ 2,903,455
Interest Income	95,000	100,000	95,000	95,000	95,000	95,000
Miscellaneous	21,000	21,000	21,000	21,000	21,000	21,000
<b>Total Revenues</b>	<b>3,004,981</b>	<b>3,012,870</b>	<b>3,010,762</b>	<b>3,013,657</b>	<b>3,016,554</b>	<b>3,019,455</b>
<b>EXPENDITURES</b>						
Tourism Program	1,128,374	1,728,110	1,762,673	1,797,926	1,833,885	1,870,562
Imperial Historic District	357,114	533,603	544,275	555,161	566,264	577,589
<b>Total Operating Expenditures</b>	<b>1,485,488</b>	<b>2,261,713</b>	<b>2,306,948</b>	<b>2,353,087</b>	<b>2,400,148</b>	<b>2,448,151</b>
Transfer Out - Debt Service Fund	685,175	351,900	-	-	-	-
Transfer Out - Others	550	550	550	550	550	550
<b>Total Non-Operating Expenditures</b>	<b>685,725</b>	<b>352,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>2,171,213</b>	<b>2,614,163</b>	<b>2,306,948</b>	<b>2,353,087</b>	<b>2,400,148</b>	<b>2,448,151</b>
Fund Balance - Beginning	3,255,299	4,864,914	6,039,467	7,519,129	8,955,545	10,347,798
Revenues Over/(Under) Expenditures	833,768	398,707	703,814	660,570	616,406	571,304
<b>Fund Balance - Ending</b>	<b>\$ 4,089,067</b>	<b>\$ 5,263,621</b>	<b>\$ 6,743,282</b>	<b>\$ 8,179,699</b>	<b>\$ 9,571,952</b>	<b>\$ 10,919,102</b>
GAAP Adjustments	(775,847)	(775,847)	(775,847)	(775,847)	(775,847)	(775,847)
<b>Available Fund Balance</b>	<b>\$ 3,313,221</b>	<b>\$ 4,487,774</b>	<b>\$ 5,967,435</b>	<b>\$ 7,403,852</b>	<b>\$ 8,796,105</b>	<b>\$ 10,143,255</b>
Fund Balance Policy (10% of Budgeted HOT)	\$ 288,898	\$ 289,187	\$ 289,476	\$ 289,766	\$ 290,055	\$ 290,345
Over/Under Policy	3,800,169	4,974,434	6,453,806	7,889,933	9,281,896	10,628,756

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Sales Tax	\$ 9,678,919	\$ 9,514,394	\$ 9,969,788	\$ 10,268,882	\$ 10,576,948	\$ 10,894,257
Interest Income	1,100,000	1,000,000	790,000	550,000	430,000	360,000
Miscellaneous	30,000	-	-	-	-	-
TIRZ#1	1,071,980	-	-	-	-	-
<b>Total Revenues</b>	<b>11,880,899</b>	<b>10,514,394</b>	<b>10,759,788</b>	<b>10,818,882</b>	<b>11,006,948</b>	<b>11,254,257</b>
<b>EXPENDITURES</b>						
Economic Development Program	635,047	1,185,047	641,367	647,750	654,197	660,709
<b>Total Operating Expenditures</b>	<b>635,047</b>	<b>1,185,047</b>	<b>641,367</b>	<b>647,750</b>	<b>654,197</b>	<b>660,709</b>
Debt Service	3,886,028	2,967,219	2,936,778	2,907,806	2,889,675	2,867,425
Reserve for Opportunities	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Incentives	4,700,000	4,100,000	5,575,000	4,130,000	3,085,426	2,200,000
Transfers to Capital Projects	2,300,000	2,300,000	1,800,000	300,000	300,000	300,000
Transfer to General Fund	1,141,705	1,620,463	1,669,077	1,719,149	1,770,724	1,823,845
Transfer to Debt Service Fund	659,106	3,292,707	2,934,488	2,864,563	2,803,851	2,737,220
Transfer to Airport Fund	50,000	50,000	50,000	50,000	50,000	50,000
<b>Total Non-Operating Expenditures</b>	<b>15,236,839</b>	<b>15,330,389</b>	<b>15,965,343</b>	<b>12,971,518</b>	<b>11,899,675</b>	<b>10,978,489</b>
<b>Total Expenditures</b>	<b>15,871,886</b>	<b>16,515,436</b>	<b>16,606,710</b>	<b>13,619,268</b>	<b>12,553,872</b>	<b>11,639,198</b>
Fund Balance - Beginning	28,607,298	24,616,311	18,615,269	12,768,347	9,967,960	8,421,037
Revenues Over/(Under) Expenditures	(3,990,987)	(6,001,042)	(5,846,922)	(2,800,387)	(1,546,924)	(384,941)
Debt Service Reserve	(3,358,062)	(3,623,344)	(3,589,134)	(3,472,500)	(3,263,500)	(3,045,000)
<b>Fund Balance - Ending</b>	<b>21,258,249</b>	<b>14,991,925</b>	<b>9,179,213</b>	<b>6,495,460</b>	<b>5,157,537</b>	<b>4,991,095</b>
Accrued Sales Tax	(1,522,568)	(1,522,568)	(1,522,568)	(1,522,568)	(1,522,568)	(1,522,568)
<b>Fund Balance - Available</b>	<b>\$ 19,735,681</b>	<b>\$ 13,469,357</b>	<b>\$ 7,656,645</b>	<b>\$ 4,972,893</b>	<b>\$ 3,634,969</b>	<b>\$ 3,468,528</b>
Minimum Fund Balance (15%)	\$ 1,310,144	\$ 1,427,159	\$ 1,495,468	\$ 1,540,332	\$ 1,586,542	\$ 1,634,139
Over/Under Policy	18,425,537	12,042,198	6,161,177	3,432,561	2,048,427	1,834,389
Bond Coverage Ratio (>1.25x)	3.63	3.58	3.70	3.74	3.84	3.95

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>REVENUES</b>						
Sales Tax	\$ 9,678,919	\$ 9,613,326	\$ 9,969,788	\$ 10,268,882	\$ 10,576,948	\$ 10,894,257
Interest Income	800,000	650,000	604,529	527,546	457,128	400,140
TIRZ#1	146,678	-	-	-	-	-
Miscellaneous	80,000	-	-	-	-	-
<b>Total Revenues</b>	<b>10,705,597</b>	<b>10,263,326</b>	<b>10,574,317</b>	<b>10,796,428</b>	<b>11,034,076</b>	<b>11,294,397</b>
<b>EXPENDITURES</b>						
Economic Development Program	575,744	527,170	531,594	536,871	542,200	547,582
Sponsorships		500,000	300,000	-	-	-
<b>Total Operating Expenditures</b>	<b>575,744</b>	<b>1,027,170</b>	<b>831,594</b>	<b>536,871</b>	<b>542,200</b>	<b>547,582</b>
Debt Service	2,015,925	1,737,550	1,747,800	1,754,550	1,759,750	1,768,850
Incentives	9,037,500	893,000	1,570,000	1,945,000	1,875,000	250,000
Bond Issuance & Disclosure	1,000	1,000	1,000	1,000	1,000	1,000
Reserve for Opportunities	576,012	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Transfers to Capital Projects	1,423,988	2,100,000	2,300,000	2,300,000	2,300,000	2,300,000
Transfer to General Fund	1,194,526	1,354,045	1,394,666	1,436,506	1,479,602	1,523,990
Transfer to Debt Service Fund	-	2,636,582	2,282,131	2,221,631	2,161,131	2,100,631
Transfer to Public Art Fund	250,000	250,000	250,000	250,000	250,000	250,000
<b>Total Non-Operating Expenditures</b>	<b>14,498,951</b>	<b>10,972,177</b>	<b>11,545,598</b>	<b>11,908,688</b>	<b>11,826,483</b>	<b>10,194,471</b>
<b>Total Expenditures</b>	<b>15,074,695</b>	<b>11,999,347</b>	<b>12,377,192</b>	<b>12,445,558</b>	<b>12,368,683</b>	<b>10,742,053</b>
Fund Balance - Beginning	20,262,699	15,893,601	14,157,580	12,354,705	10,705,575	9,370,968
Revenues Over/(Under) Expenditures	(4,369,098)	(1,736,021)	(1,802,875)	(1,649,130)	(1,334,606)	552,344
Fund Balance - Ending	15,893,601	14,157,580	12,354,705	10,705,575	9,370,968	9,923,312
Accrued Sales Tax	(1,519,824)	(1,519,824)	(1,519,824)	(1,519,824)	(1,519,824)	(1,519,824)
Debt Service Reserve	(2,004,426)	(1,633,000)	(1,517,000)	(1,394,000)	(1,264,000)	(1,127,500)
Fund Balance - Available	\$ 12,369,350	\$ 11,004,756	\$ 9,317,881	\$ 7,791,750	\$ 6,587,144	\$ 7,275,988
Minimum Fund Balance (15%)	\$ 1,310,144	\$ 1,441,999	\$ 1,495,468	\$ 1,540,332	\$ 1,586,542	\$ 1,634,139
Over/Under Policy	11,059,206	9,562,757	7,822,412	6,251,418	5,000,602	5,641,849
Bond Coverage Ratio (>1.25x)	6.03	5.87	6.03	6.14	6.24	6.38

# **City of Sugar Land Financial Management Policy Statements**

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# City of Sugar Land

## Financial Management Policy Statements

### Introduction

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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 cases, 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

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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

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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, Annual Comprehensive Financial Reports (ACFR) 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

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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, consistent with the City Charter. These reports will be prepared on a cash basis.

Capital Projects are reported quarterly to the City Manager and included in the quarterly report to City Council.

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## Annual Audit

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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 Annual Comprehensive Financial Report (ACFR) shall be issued no later than six (6) months following the end of the fiscal year. The CFR 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 ACFRs that evidence the spirit of transparency and full disclosure. The Controller shall be responsible for establishing a process to ensure timely resolution of audit recommendations.

## Finance/Audit Committee

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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 audit regarding any major issues/concerns/findings that may arise.

## Continuing Disclosure

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The Director of Finance will ensure that the Municipal Securities Rulemaking Board's EMMA<sup>®</sup> (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<sup>®</sup> 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

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All checks shall have two signatures. The following persons shall be authorized to sign checks: City Manager, Deputy City Manager or Director of Finance, Deputy Director of Finance and/or 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

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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 selection.

## Independent Auditors

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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 an 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

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While the City is responsible for ensuring 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.
- 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

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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

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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.
  - 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

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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.

## Municipal Advisor

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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.
- To ensure that the City is still receiving services of 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

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Pursuant to State law, the City of Sugar Land may approve a contract for depository services 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 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 the City Council.

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## BUDGET AND LONG-RANGE FINANCIAL PLANNING

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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

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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)*

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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*

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Non-recurring revenue sources, such as a one-time revenue remittance or fund balance more than 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.
6. Sales tax more than budgeted, if budgeted consistent with policy.

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 the 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 drawdown 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

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### *Tax Rate*

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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 Texas 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. (Texas 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 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.

## *Budgeting for Tax Revenues*

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As economic conditions permit and in accordance with the voter-approval tax rate, the City Manager will recommend a tax rate that maintains the voter approval rate for operations at 3.5% to maintain existing service levels, recognizing that individual tax bills will vary based on several factors, including revaluation, residential vs commercial revaluation and exemptions. Adoption of the annual budget and tax rate will consider growth in the certified tax roll, adjustments to the nominal tax rate and the homestead exemption- with a long-term objective of stability in operating tax revenues and funding voter approved bond projects. Funding for increases to service levels may be considered for voter approval of the tax rate over the 3.5% for operations.

As stated in the GO bond section of the FMPS, after a GO bond election, the debt service tax rate will be adjusted based on the projected annual impact of the bonds-and consistent with state truth in taxation calculations with inclusion of new debt in the debt tax rate calculations. (see page 33)

For budgeting and forecasting purposes, the City will assume:

- An annual growth of 3.5% in M&O tax revenues consistent with the voter-approval tax rate.
- Debt service tax revenues will be forecast to support the City's anticipated debt obligations plus the estimated annual tax adjustment based on the updated issuance plan for voter authorized debt.
- Funding for increases to service levels may be considered for voter approval of the tax rate over the 3.5% for operations.
- 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.
- Budgeted revenue from property taxes should include an allowance of 1% for potential reductions in value from court ordered reductions. (essentially budget revenues at 98.5% of the levy amount)

## *Homestead Exemption*

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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 the 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*

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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*

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Sales tax used to fund recurring operations shall have a target of 50% of recurring operating expenditures. As sales tax revenue fluctuates due to changes in economic conditions, the City shall endeavor through long-term strategies to limit its reliance on sales tax revenues for funding recurring operating expenditures. The goal is to limit 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*

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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*

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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*

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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. This baseline shall be grown by CPI as published by the Bureau of Labor Statistics for -All Urban Consumers for the Houston-Sugar Land-Baytown MSA when positive. If the published CPI is negative, assume 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 5-year average CPI or 5%.
  - b. Year 3-5 growth = 3%.
2. Negative CPI:
  - a. Year 2 growth = lesser of 5-year average CPI or 3%.
  - b. Year 3-5 growth =3%.

### *Utility System Revenues*

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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.

When significant projects are identified that will require an increase in revenues to meet bond coverage requirements, rates shall be adjusted as early as possible to allow the revenues to be well established to minimize any downward pressure on the bond rating, and potentially provide positive impacts for an upgrade.

If an extreme weather event should take place (like Winter Storm Uri in 2021) that causes customers to experience waterline breaks resulting in damage to property, City Council may consider an Ordinance to provide temporary relief from excess billings. Staff shall recommend a relief program to City Council based on the circumstances of the event.

### *Employee Compensation*

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When funding is available, the proposed budget shall include an amount adequate to cover market and tenure movements in the public safety and non-public safety compensation structures, and associated performance recognition programs 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.

The City's compensation plan shall be approved by the City Council and administered by the City Manager as identified in the City Charter and the Council adopted Compensation Philosophy (Resolution No. 24-26). All employees shall be paid within the approved budget and established compensation structures and performance programs.

## Budget Management

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The budget is adopted by City Council through one reading of an ordinance, no later than the 25<sup>th</sup> day of September, as directed by Section 6.03b of the City Charter. Under Texas 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 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

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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 if 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

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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 one-time funding for contingencies equal to 1% of operating expenditures in the adopted budget. The General Fund may also include a budgeted reserve of one-time funding to cover potential emergency response costs to cover expenses until reimbursed by FEMA. 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

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Under State law, the budget must be adopted before a tax rate can be adopted. Should the adopted tax rate generate significantly 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.

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. The 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 the 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 the 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 more than policy requirements at the end of the fiscal year.
- Budget Amendment for Projections- as part of the annual budget process, the Budget Department 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

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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, if 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 less than estimated costs, 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

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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

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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 the City Council.

### REVENUES AND OTHER RESOURCES

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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 Department shall maintain a revenue manual documenting the various revenue sources of the City and how those revenues are derived and estimated.

## Property Taxes

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- 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

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- 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

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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

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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

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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

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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

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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 if 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

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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*

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- 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 public benefit, the City shall finance those services through property and sales taxes.
- c. For services that provide both specific benefits and a 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*

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- 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*

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Working with the department or office, the Budget Department 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*

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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**

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### Operating Expenditures

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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

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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, 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.

### Operational Performance Management Program

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The overall objective of the performance management program for the City of Sugar Land is to measure and track the city's progress in achieving its goals and objectives, and to provide valuable insights for decision making, resource allocation, and continuous improvement. By defining key performance indicators (KPIs) and implementing a systematic approach for reviewing and utilizing these metrics, this program aims to improve decision-making, resource allocation, and accountability.

The selection of performance measures should be based on the following principles:

1. **Alignment with City Goals:** Each metric should directly align with the strategic goals and priorities of the City of Sugar Land, as outlined in its long-term plans and vision.
2. **Relevance:** Metrics should be relevant to the specific focus area they are intended to measure, providing meaningful insights into the city's performance.
3. **Measurability:** Metrics should be quantifiable and measurable using available data sources or through specific data collection efforts

4. Actionability: Metrics should provide information that can be acted upon, helping identify areas for improvement and guiding resource allocation decisions.
5. Accessibility: Metrics should be easily understandable by stakeholders, including city officials, staff, residents and businesses.
6. Balance: A balanced set of metrics should be established to capture the different dimensions of performance in each focus area.
7. Long-term Perspective: Some metrics should focus on long-term trends and impacts to assess the city's progress over time.

## Annual Program of Services

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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

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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 be 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

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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 at the service level by the departments on a recurring basis with the use of the Service Delivery Models and sound performance measures and can be evaluated in-house by staff or contracted to a consultant with expertise in a particular area. This should be an ongoing continuous improvement process developed through the Operational Performance Management Program.

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

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The City provides many municipal services to its citizens covering a wide variety of disciplines. Attempting to perform all 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

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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

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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

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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 more than 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

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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.
3. Solid Waste Fund – target balance of 5% of recurring operating expenditures, to be built up beginning with the FY23 budget.

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

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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

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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

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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.

## Other Funds (Internal Service & Special Revenue)

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### 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.

### 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.

### 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.

### Tourism Fund

The 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 minimum fund balance of 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**

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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

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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)

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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 infrastructure 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 studies, 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, and cost estimates might be revised 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 is 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.

### *Infrastructure Evaluation and Replacement/Rehabilitation:*

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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. If upgrades are warranted to meet current design standards, a cost/benefit analysis will be performed.

### *Community Redevelopment Projects*

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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*

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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 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)*

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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 using 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*

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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*

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1. The City may allocate one-time general revenue funding to capital improvements and capital purchases. When capital improvements are funded, the funds will be transferred to the non-bond CIP fund.
2. 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 funded by pay-as-you-go funding must receive approval from the Budget Department before they begin, to ensure funding is available.

### *Timing of Bond Funded Projects*

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When capital projects are funded by a planned bond issuance, under IRS regulations the projects may begin ahead of the actual issuance of the bonds, if the City Council has approved a Resolution stating the City's Intent to Reimburse from the proceeds of future tax-exempt bond issues. The resolution must be approved within 60 days of the first expenditure of funds to qualify for reimbursement.

### *Capital Projects Management*

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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**

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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*

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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 may 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 and funded within the department's operating budget. (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

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In evaluating the issuance of additional debt to finance projects, the City shall consider the statements of the rating agencies regarding 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

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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

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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 half of the maturity schedule. 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 based on the amount of annual debt service that the City can fund within the anticipated debt service tax rate with normal 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 based on the assumptions made by the governing body. . 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)

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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 84<sup>th</sup> 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, low interest loans, or partnerships) 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.

### CO's in the Definition of Debt for Tax Rate Calculations

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For CO's issued after September 1, 2021, the debt may be considered as part of the debt service tax rate calculation if it meets the following definition (HB1869 of the 87<sup>th</sup> session amending Texas Tax Code 26.012):

- A bond, warrant, certificate of obligation, or other evidence of indebtedness by a taxing unit that is payable [solely] from property taxes in installments over a period of more than one year, not budgeted for payment from maintenance and operations funds, and secured by a pledge of property taxes; and meets one of the following requirements:
  - has been approved at an election;
  - includes self-supporting debt;
  - evidences a loan under a state or federal financial assistance program;
  - is issued for designated infrastructure;
  - is a refunding bond;
  - is issued in response to an emergency under Section 1431.015, Government Code;

- is issued for renovating, improving, or equipping existing buildings or facilities;
- is issued for vehicles or equipment; or
- is issued for a project under Chapter 311, Tax Code, or Chapter 222, Transportation Code, that is in a reinvestment zone created under one of those chapters, or
- a payment made under contract to secure indebtedness of a similar nature issued by another political subdivision on behalf of the taxing unit.

Designated infrastructure means infrastructure, including a facility, equipment, rights-of-way, or land, for the following purposes:

- streets, roads, highways, bridges, sidewalks, parks, landfills, parking structures, or airports;
- telecommunications, wireless communications, information technology systems, applications, hardware, or software;
- cybersecurity;
- as part of any utility system, water supply project, water plant, wastewater plant, water and wastewater distribution or conveyance facility, wharf, dock, or flood control and drainage project;
- police stations, fire stations, or other public safety facilities, jails, juvenile detention facilities, or judicial facilities, and any facilities that are physically attached to these facilities;
- as part of any school district; or
- as part of any hospital district created by general or special law that includes a teaching hospital.

Refunding bond means a bond or other obligation issued for refunding or refinancing purposes under Chapter 1207 or 1371, Government Code.

Self-supporting debt means the portion of a bond, warrant, certificate of obligation, or other evidence of indebtedness described above designated by the governing body of a political subdivision as being repaid from a source other than property taxes.

## General Obligation Bonds (GO's)

General Obligation Bonds require voter approval. 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. The tax rate shall be adjusted annually based on the projected impact from the GO bond election. If the tax rate is not adjusted to fully fund approved projects in that year's CIP, the projects will not be funded 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

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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

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- 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 principal payments or declining debt repayment schedules and shall seek to retire 50% of the total principal outstanding within the first half of the maturity schedule.
- 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

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The City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a 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.

### *Allocation of Savings from Taxable Refunding Bonds*

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When a taxable bond issue is refunded for savings, the savings shall be applied in a way that mutually benefits the City and the beneficiary of the taxable bonds. For Public Private Partnerships financed by Taxable CO's, the use of savings from the refunding should be agreed upon between the partners in advance of undertaking the refunding issue.

### *Interest Earnings and Remaining Bond Proceeds*

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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*

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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, or if uncertainty in the bond market is such that a competitive issuance may not generate the required 3 bids to meet IRS requirements. 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*

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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*

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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*

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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*

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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 ACFR under GASB Statement No. 88 and should be disclosed to the MSRB through the EMMA website.

## **CASH MANAGEMENT AND INVESTMENTS**

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To maintain the City's cash in such a manner 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*

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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*

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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*

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Interest earned from investments shall be distributed to the funds from which the funds were provided for investment.

### *Arbitrage Investments and Reporting*

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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*

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The City of Sugar Land will select its official bank depository through a formal bidding process 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*

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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 adjustments 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**

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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.

### *Federal Stimulus Funds*

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The City shall spend federal stimulus funding (CARES Act and American Rescue Plan Act- ARPA) in accordance with the terms of the treasury guidance and federal requirements. All reporting shall be completed in accordance with the terms and conditions of the funds. These funds are considered one-time in nature and will not be used to fund recurring programs.

### *Grant Guidelines*

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The City will actively pursue grant funding from the state and federal government along with privately funded grants. 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. When necessary, the City will retain consultants to assist with this process.

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*

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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*

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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

## Non-Exempt Salary Structure – FY26

### NE14

<b>Minimum:</b>	<b>\$20.20</b>	<b>Midpoint:</b>	<b>\$23.24</b>	<b>Maximum:</b>	<b>\$26.27</b>
	<b>\$42,016</b>		<b>\$48,339</b>		<b>\$54,642</b>

Airport Maintenance Trainee	Pump & Motor Technician Trainee	Street & Drainage Trainee
Fleet Transporter	Receptionist	Utility Maintenance Trainee
Parks Maintenance Trainee	Right of Way Trainee	Water Quality Technician Trainee

### NE16

<b>Minimum:</b>	<b>\$22.24</b>	<b>Midpoint:</b>	<b>\$26.12</b>	<b>Maximum:</b>	<b>\$30.00</b>
	<b>\$46,259</b>		<b>\$54,330</b>		<b>\$62,400</b>

Administrative Assistant	Distribution Specialist	Quick Lube Technician
Airport Maintenance Worker I	Fleet Inventory & Data Specialist	Ramp Agent
Airport Services Representative I	Intake & Adoption Specialist	Records Technician
Cafe Attendant I	Kennel Technician	Right of Way Technician
Court Clerk I	Line Crew Apprentice	Signs Technician I
Custodian	Operator Apprentice	Street & Drainage Technician
Customer Experience Ambassador I	Parks Maintenance Worker I	Utility Maintenance Worker I
Customer Service Rep I	Permit Coordinator	Warrant Clerk
Department Specialist	Pretreatment Technician	Water Quality Technician I
	Pump & Motor Technician I	

### NE18

<b>Minimum:</b>	<b>\$24.53</b>	<b>Midpoint:</b>	<b>\$29.40</b>	<b>Maximum:</b>	<b>\$34.33</b>
	<b>\$51,022</b>		<b>\$61,152</b>		<b>\$71,406</b>

Airport Maintenance Worker II	Customer Service Rep II	Records Analyst
Airport Services Representative II	Facility Services Technician I	Residential Rental Inspector I
Animal Services Officer I	I&C Tech-Apprentice	Right of Way Sr Technician
Automotive Technician I	Irrigation Technician	Signals Technician I
Billing Specialist I	Laboratory Technician I	Signs Technician II
Building Inspector I	Line Crew I	Sr Administrative Assistant
Cafe Attendant II	Operator I	Sr Permit Coordinator
Code Enforcement Inspector I	Parks Facilities Technician	Stormwater Services Inspector
Construction Inspector I	Parks Maintenance Worker II	Street & Drainage Sr Technician
Court Clerk II	Parks Reservation Specialist	Utility Maintenance Worker II
Customer Experience Ambassador II	Pretreatment Inspector	Water Quality Technician II
	Pump & Motor Technician II	

# City of Sugar Land

## NE20

<b>Minimum:</b>	<b>\$28.21</b>	<b>Midpoint:</b>	<b>\$33.83</b>	<b>Maximum:</b>	<b>\$39.51</b>
	<b>\$58,677</b>		<b>\$70,366</b>		<b>\$82,181</b>

Accountant	Customer Experience Ambassador III	Parks Maintenance Crew Chief
Accounts Payable Coordinator	Development Coordinator	Public Information Analyst
Administrative Coordinator	Electrician-Apprentice	Public Meeting Coordinator
Administrative Supervisor	Emergency Vehicle Technician Apprentice	Pump & Motor Crew Chief
Airport Maintenance Coordinator	End User Support Specialist I	Purchasing Card Coordinator
Airport Maintenance Worker III	Facility Services Technician II	Residential Rental Inspector II
Airport Operations Agent	Food Inspector I	Right of Way Crew Chief
Airport Services Representative III	Forensic Technician	Signals Technician II
Animal Services Officer II	GIS Specialist I	Signs Technician III
Automotive Technician II	Grants Analyst	Sr Irrigation Technician
Billing Specialist II	I&C Technician I	Sr Pump & Motor Tech
Building Inspector II	Laboratory Technician II	Sr Stormwater Services Inspector
Cafe Attendant III	Line Crew II	Street & Drainage Crew Chief
Code Enforcement Inspector II	Operator II	Utility Crew Chief
Compliance Specialist		Veterinary Technician
Construction Inspector II		Warrant Coordinator

## NE22

<b>Minimum:</b>	<b>\$31.74</b>	<b>Midpoint:</b>	<b>\$38.92</b>	<b>Maximum:</b>	<b>\$46.03</b>
	<b>\$66,019</b>		<b>\$80,954</b>		<b>\$95,742</b>

ASR Supervisor	Food Inspection Coordinator	Sr Accounts Payable Coordinator
Automotive Technician III	Food Inspector II	Sr Airport Operations Agent
Building Inspector III	GIS Specialist II	Sr Code Enforcement Inspector
Building Plans Reviewer	I&C Technician II	Sr Construction Inspector
Cafe Supervisor	Juvenile Case Coordinator	Sr Environmental Compliance Inspector
CIP Coordinator	Line Crew III	Sr Environmental Service Inspector
Contract Services Coordinator	Operator III	Sr Facility Services Technician
Court Docket Specialist	Parks Maintenance Sr Crew Chief	Sr Forensic Technician
Crime Analyst	Permits Supervisor	Sr Residential Rental Inspector
Customer Experience Supervisor	Pump & Motor Sr Crew Chief	Street & Drainage Sr Crew Chief
Electrician-Journeyman	Recruitment Specialist	System Administrator I
Emergency Vehicle Technician I	Right of Way Sr Crew Chief	Telecommunications Specialist
End User Support Specialist II	Signals Technician III	Utility Sr Crew Chief
Executive Assistant	Sr Accountant	

# City of Sugar Land

## NE24

<b>Minimum:</b>	<b>\$35.78</b>	<b>Midpoint:</b>	<b>\$44.73</b>	<b>Maximum:</b>	<b>\$53.70</b>
	<b>\$74,422</b>		<b>\$93,038</b>		<b>\$111,696</b>

Animal Shelter Supervisor  
Building Inspector IV  
Chief Construction Inspector  
Electrician-Master

Emergency Vehicle Technician II  
Field Supervisor  
Fleet Services Supervisor  
GIS Specialist III

Line Crew Trainer  
Line Supervisor  
System Administrator II

# City of Sugar Land

## Exempt Salary Structure – FY26

### EX20

<b>Minimum:</b>	<b>\$29.41</b>	<b>Midpoint:</b>	<b>\$33.84</b>	<b>Maximum:</b>	<b>\$38.22</b>
	<b>\$61,173</b>		<b>\$70,387</b>		<b>\$79,498</b>

AMI Program Analyst I	Internal Communications Specialist	Multimedia/Graphic Design Specialist
Claims Specialist	Management Analyst I	People Success Generalist
Communications & Community Engagement Specialist	Marketing & Engagement Specialist	Planning Specialist
Economic Development Specialist	Media Production Specialist	

### EX22

<b>Minimum:</b>	<b>\$31.75</b>	<b>Midpoint:</b>	<b>\$38.93</b>	<b>Maximum:</b>	<b>\$46.04</b>
	<b>\$66,040</b>		<b>\$80,974</b>		<b>\$95,763</b>

Agenda Coordinator	Economic Development Coordinator	Planner II
Airport Leasing Coordinator	Engagement & Experience Coordinator	Pretreatment Coordinator
AMI Program Analyst II	Engineer I	Project Manager I
Animal Services Engagement Coordinator	Environmental Compliance Coordinator	Purchasing Coordinator
Application Developer I	Environmental Operations Coordinator	Recreation Coordinator
Application Developer II	Events Coordinator	Safety & Risk Coordinator
AV Systems Coordinator	Facilities Services Coordinator	Sales & Events Coordinator
Budget Analyst	Grants Officer	Tourism Marketing Coordinator
Civic Arts Coordinator	Health & Wellness Coordinator	Traffic Management Center Analyst I
Code Compliance Coordinator	Leave Solutions Partner	Traffic Management Center Operator I
Communications & Community Engagement Coordinator	Management Analyst II	Transportation & Mobility Innovation Analyst I
Community Development Coordinator	Marketing & Engagement Coordinator	Transportation & Mobility Innovation Analyst II
Community Engagement Coordinator	Media Production Coordinator	Transportation & Mobility Innovation Planner I
Compliance & Budget Analyst	Multimedia/Graphic Design Coordinator	Transportation & Mobility Innovation Planner II
Customer Experience Coordinator	Parks Development Coordinator	Venue Coordinator
Data Engineer I	People Development Training Coordinator	Victim Services Coordinator
Data Engineer II	People Success Partner	Water Conservation Manager
Department Analyst	Planner I	
Development Services Experience Analyst		

# City of Sugar Land

## EX24

<b>Minimum:</b>	<b>\$35.79</b>	<b>Midpoint:</b>	<b>\$44.74</b>	<b>Maximum:</b>	<b>\$53.71</b>
	<b>\$74,443</b>		<b>\$93,059</b>		<b>\$111,717</b>

Administrative Manager	Development Services Experience Manager	Sr Community Development Coordinator
Airport Operations Manager	End User Support Supervisor	Sr Compliance & Budget Analyst
AMI Field Operations Manager	Engineer II	Sr Data & Performance Strategist
Application Developer III	Engineer III	Sr People Success Partner
Application Developer IV	Facilities Services Supervisor	Sr Planner
Billing Supervisor	Fire/EMS Services Supervisor	Sr Purchasing Coordinator
Business Development Manager	Innovation Project Lead	Strategic Initiatives Manager
Business Systems Analyst	Line Services Manager	Traffic Management Center Analyst II
Civic Arts Manager	Media Production Manager	Traffic Management Center Operator II
Collections & Customer Service Supervisor	Multimedia Manager	Training Center Manager
Communications & Community Engagement Manager	People Development Trainer	Transportation & Mobility Innovation Analyst III
Community Partnerships & Program Manager	Platform Data Administrator	Transportation & Mobility Innovation Analyst IV
Community Relations & Media Administrator	Principal Accountant	Transportation & Mobility Innovation Planner III
Compliance Supervisor	Principal Planner	Transportation & Mobility Innovation Planner IV
Court Clerk Supervisor	Project Manager II	Water Resources Manager
Court Services Supervisor	Project Manager III	
Customer Experience Manager	Records Manager	
Data & Performance Strategist	Recreation Supervisor	
Data Consultant	Risk & Safety Officer	
	Sales & Events Manager	
	Sr Budget Analyst	

## EX26

<b>Minimum:</b>	<b>\$42.06</b>	<b>Midpoint:</b>	<b>\$52.56</b>	<b>Maximum:</b>	<b>\$63.10</b>
	<b>\$87,485</b>		<b>\$109,325</b>		<b>\$131,248</b>

Accounting Manager	Construction Service Manager	Emergency Management Coordinator
Accounts Payable Manager	Customer Experience Administrator	Engineering Manager
Airport Finance Manager	Data Program Manager	Enterprise Data Architect Lead
AMI Program Manager	Deputy Animal Services Administrator	Environmental Manager
Asset & Operations Manager	Deputy Building Official	Event Production Manager
Assistant City Attorney	Deputy City Clerk	Facilities Services Manager
Budget Manager	Deputy Communications Administrator	Field Operations Manager
Business Systems Manager	Deputy Court Administrator	Fire/EMS Administrator
City Council Liaison	Development Planning Manager	Fire/EMS Business Manager
Code Compliance Manager	Digital Forensic Examiner	Fleet Manager
Community Development Manager		Food Inspection Manager

# City of Sugar Land

Innovation & Performance Manager	Public Works Finance Manager	Sr Project Manager
Intelligent Transportation System Manager	Purchasing Manager	Streets & Drainage Manager
Investment & Debt Manager	Real Property Manager	Surface Water Plant Manager
IT Manager	Records Administrator	Technical Services Manager
Public Relations & Media Manager	Recreation Manager	Tourism Administrator
Parks Development Manager	Redevelopment Planning Manager	Traffic Engineering Manager
Parks Maintenance Manager	Right of Way Services Manager	Transportation & Mobility Manager
Payroll Manager	Risk Mitigation Manager	Treasury Manager
People & Culture Business Manager	Sr Communications Manager	Vertical Construction Manager
People Development Manager	Sr Community Engagement Manager	Wastewater Facilities Manager
People Experience Manager	Sr Executive Media Producer	Water Operations Manager
	Sr Marketing Manager	Water Quality Manager

## EX28

<b>Minimum:</b>	<b>\$49.47</b>	<b>Midpoint:</b>	<b>\$63.05</b>	<b>Maximum:</b>	<b>\$76.69</b>
	<b>\$102,898</b>		<b>\$131,144</b>		<b>\$159,515</b>

Animal Services Administrator	Assistant Director of Neighborhood Services	Assistant Director of Utilities
Assistant Director of Aviation	Assistant Director of Parks & Recreation	Chief Building Official
Assistant Director of Budget	Assistant Director of People & Culture	City Traffic Engineer
Communications Administrator	Assistant Director of Planning & Development Services	Emergency Management Administrator
Assistant Director of Redevelopment	Assistant Director of Public Works	Fleet Administrator
Assistant Director of Data & Innovation	Assistant Director of Strategic & Government Affairs	Intergovernmental Relations Manager
Assistant Director of Economic Development	Assistant Director of Tourism	Sr Assistant City Attorney
Assistant Director of Information Technology		Sr Engineering Manager
		Sr Police Finance Manager
		Sr Vertical Construction Manager

## EX30

<b>Minimum:</b>	<b>\$58.18</b>	<b>Midpoint:</b>	<b>\$75.65</b>	<b>Maximum:</b>	<b>\$93.06</b>
	<b>\$121,014</b>		<b>\$157,352</b>		<b>\$193,565</b>

Assistant City Engineer	Deputy Director of Aviation	Deputy Director of Fire/EMS
Controller	Deputy Director of Finance	Deputy Director of People & Culture
First Assistant City Attorney		

# City of Sugar Land

## City Leadership – FY26

### CL32

<b>Minimum:</b>	<b>\$60.52</b>	<b>Midpoint:</b>	<b>\$77.14</b>	<b>Maximum:</b>	<b>\$93.81</b>
	<b>\$125,882</b>		<b>\$160,451</b>		<b>\$195,125</b>

Chief of Staff  
City Clerk

Municipal Court Administrator  
Public Safety Dispatch Director

### CL34

<b>Minimum:</b>	<b>\$66.79</b>	<b>Midpoint:</b>	<b>\$86.80</b>	<b>Maximum:</b>	<b>\$106.84</b>
	<b>\$138,923</b>		<b>\$180,544</b>		<b>\$222,227</b>

Director of Budget  
Director of Customer Experience  
Director of Economic Development  
Director of Finance

Director of Information Technology, Data & Security  
Director of Parks & Recreation  
Director of People & Culture  
Director of Planning & Development Services

Director of Public Works  
Director of Redevelopment  
Director of Strategic & Government Affairs  
Director of Utilities

### CL36

<b>UNGRADED</b>
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City Manager  
Deputy City Manager  
Assistant City Manager

City Attorney/Executive Director  
City Engineer/Executive Director  
Municipal Court Judge

Chief of Police  
Chief of Fire-EMS

### COUNCIL STIPEND

<b>MAYOR (EO2)</b>	<b>MONTHLY: \$1,900.00</b>	<b>COUNCIL MEMBERS (EO1)</b>	<b>MONTHLY: \$950.00</b>
	<b>ANNUAL: \$22,800</b>		<b>ANNUAL: \$11,400</b>

## PUBLIC SAFETY SALARY STRUCTURES – FY26 (Proposed)

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
<b>PD1</b>										
Detention Officer	\$25,59	\$26,87	\$28,15	\$29,44	\$30,71	\$31,73	\$32,76	\$33,78	\$34,81	\$35,83
	\$53,227	\$55,890	\$58,552	\$61,235	\$63,877	\$65,998	\$68,141	\$70,262	\$72,405	\$74,526
<b>P-1</b>										
Police Officer - Recruit	\$ 30.92									
<b>P-2</b>										
Police Officer	\$37,62	\$39,26	\$40,90	\$42,54	\$44,18	\$45,51	\$46,83	\$48,16	\$49,48	\$50,81
	\$78,250	\$81,661	\$85,072	\$88,483	\$91,894	\$94,661	\$97,406	\$100,173	\$102,918	\$105,685
<b>P-3</b>										
Police Sergeant	\$51,82	\$52,86	\$53,91	\$54,72	\$55,54	\$56,37	\$56,93	\$57,44	\$57,96	\$58,42
	\$107,786	\$109,949	\$112,133	\$113,818	\$115,523	\$117,250	\$118,414	\$119,475	\$120,557	\$121,514
<b>P-4</b>										
Police Lieutenant	\$59,58	\$60,90	\$62,18	\$63,42	\$64,63	\$65,86	\$66,97	\$68,03		
	\$123,926	\$126,672	\$129,334	\$131,914	\$134,430	\$136,989	\$139,298	\$141,502		
<b>P-5</b>										
Police Captain	\$70,29	\$72,50	\$74,68	\$76,81	\$78,89	\$80,94				
	\$146,203	\$150,800	\$155,334	\$159,765	\$164,091	\$168,355				
<b>P-6</b>										
Assistant Chief of Police	\$81,95	\$83,80	\$85,60	\$87,35	\$89,05	\$90,69				
	\$170,456	\$174,304	\$178,048	\$181,688	\$185,224	\$188,635				

## PUBLIC SAFETY SALARY STRUCTURES – FY26 (Proposed)

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
<b>PTR</b>	\$ 26.77									
<b>PT1</b>	Dispatcher I (Certified)	\$27,388	\$28,911	\$30,445	\$31,998	\$33,518	\$35,018	\$36,518	\$38,018	\$39,518
<b>PT2</b>	Dispatcher II (Certified)	\$64,002	\$67,725	\$71,448	\$75,171	\$78,894	\$82,617	\$86,340	\$90,063	\$93,786
<b>PT3</b>	Dispatch Supervisor	\$95,742	\$97,053	\$98,364	\$99,675	\$100,986	\$102,297	\$103,608	\$104,919	\$106,230
<b>PT4</b>	Dispatch Manager	\$107,141	\$112,133	\$117,104	\$122,075	\$127,046	\$132,017	\$136,988	\$141,959	\$146,930

## PUBLIC SAFETY SALARY STRUCTURES – FY26 (Proposed)

		Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	
<b>FR</b>	Paramedic/Fire Recruit (Shift-2080 Hours)	\$ 21.74										
<b>F1F</b>	Firefighter (Shift-2912 Hours)	\$25.41	\$26.52	\$27.62	\$28.73	\$29.84	\$30.73	\$31.62	\$32.51	\$33.40	\$34.29	
		\$73,994	\$77,226	\$80,429	\$83,662	\$86,894	\$89,486	\$92,077	\$94,669	\$97,261	\$99,852	
<b>F1P</b>	Firefighter/Paramedic (Shift-2912 Hours)	\$27.95	\$29.17	\$30.39	\$31.61	\$32.83	\$33.81	\$34.80	\$35.78	\$36.76	\$37.75	
		\$81,390	\$84,943	\$88,496	\$92,048	\$95,601	\$98,455	\$101,338	\$104,191	\$107,045	\$109,928	
<b>F2F</b>	Fire Engineer / Operator (Shift-2912 Hours)	\$29.78	\$31.07	\$32.36	\$33.66	\$34.96	\$36.01	\$37.05	\$38.10			
		\$86,719	\$90,476	\$94,232	\$98,018	\$101,804	\$104,861	\$107,890	\$110,947			
<b>F3F</b>	Fire Lieutenant (Shift-2912 Hours)	\$38.45	\$39.23	\$40.01	\$40.61	\$41.22	\$41.64	\$42.01	\$42.39			
		\$111,966	\$114,238	\$116,509	\$118,256	\$120,033	\$121,256	\$122,333	\$123,440			
<b>F3G</b>	Fire Lieutenant (Non-Shift-2080 Hours)	\$56.53	\$57.66	\$58.81	\$59.69	\$60.59	\$61.20	\$61.75	\$62.31			
		\$117,582	\$119,933	\$122,325	\$124,155	\$126,027	\$127,296	\$128,440	\$129,605			
<b>F4F</b>	Fire Captain (Shift-2912 Hours)	\$43.02	\$43.98	\$44.90	\$45.80	\$46.67	\$47.56					
		\$125,274	\$128,070	\$130,749	\$133,370	\$135,903	\$138,495					
<b>F4G</b>	Fire Captain (Non-Shift-2080 Hours)	\$63.25	\$64.65	\$66.00	\$67.33	\$68.61	\$69.91					
		\$131,560	\$134,472	\$137,280	\$140,046	\$142,709	\$145,413					
<b>F5F</b>	Battalion Chief (Shift-2912 Hours)	\$48.27	\$49.79	\$51.28	\$52.74	\$54.17	\$55.58					
		\$140,562	\$144,988	\$149,327	\$153,579	\$157,743	\$161,849					
<b>F5G</b>	Assistant Fire Marshal Battalion Chief (Non-Shift-2080 Hours)	\$70.29	\$72.50	\$74.68	\$76.81	\$78.89	\$80.94					
		\$146,203	\$150,800	\$155,334	\$159,765	\$164,091	\$168,355					
<b>F6G</b>	Assistant Chief of Fire-EMS (Non-Shift-2080 Hours)	\$81.95	\$83.80	\$85.60	\$87.35	\$89.05	\$90.69					
		\$170,456	\$174,304	\$178,048	\$181,688	\$185,224	\$188,635					

# Glossary

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## 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 86<sup>th</sup> 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

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## A

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

## C

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

## D

DEM: Department of Emergency Management  
DPS: Department of Public Safety

## E

EMS: Emergency Medical Service  
EOC: Emergency Operations Center  
EPA: Environmental Protection Agency  
ETJ: Extraterritorial Jurisdiction

## F

FAA: Federal Aviation Administration  
FBISD: Fort Bend Independent School District  
FBO: Fixed Base Operator  
FBSD: Fort Bend Subsidence District  
FEMA: Federal Emergency Management Agency  
FMPS: Financial Management Policy Statements  
FTE: Full-time Equivalent  
FY: Fiscal Year

## G

GAAP: Generally Accepted Accounting Principals  
GASB: Governmental Accounting Standards Board  
GFOA: Government Finance Officers Association  
GIS: Geographic Information Systems  
GRP: Groundwater Reduction Plan

## H

H-GAC: Houston - Galveston Area Council  
HAZ-MAT: Hazardous Materials

## K

KSLB: Keep Sugar Land Beautiful

## L

LID: Levee Improvement District  
LLEBG: Local Law Enforcement Block Grant

## M

M&O: Maintenance and Operations  
MG: millions of gallons  
MGD: millions of gallons per day  
MSA: metropolitan statistical area  
MUD: Municipal Utility District

## O

O&M: Operations and Maintenance

## P

PER: Preliminary Engineering Report  
PM: Preventative Maintenance  
PO: Purchase Order

## R

RFP: Request for Proposal  
RFS: Request for Services  
ROW: Right-of-Way

## S

SCADA: Supervisory Control and Data Acquisition  
SPA: Strategic Partnership Agreement  
STEP: Selective Traffic Enforcement Program  
SWAT: Special Weapons and Tactics

## T

TCEQ: Texas Commission of Environmental Quality. The name changed from TNRCC effective September 1, 2002  
TEEX: Texas Engineering Extension Service  
TML: Texas Municipal League  
TMRS: Texas Municipal Retirement System

## V

VOIP: Voice over Internet Protocol

## W

WCID: Water Control Improvement District

# City Resources

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## Goal Measures

Re-imagining the future requires the City to have a bold vision – one that supports a next generation of competitive advantage in the lifecycle of our city and focuses on initiatives to address City Council’s vision. Strategic outcomes were identified by City Council which reflect the community’s priorities as well as outlines how the city can measure its performance to addressing these priorities.

Link: <https://www.sugarlandtx.gov/2299/Strategic-Outcomes>

## Comprehensive Plan

Comprehensive plans are the documents that prepares a city for future development or redevelopment of the city in its entirety, emphasizing future growth or pending redevelopment areas. Needs are identified by growth projections and underlying basic assumptions related to anticipated needs. Comprehensive plans are comprised of base information, vision statements, and sets of master plans that have implications for land use, transportation, and public facilities, including possible future capital improvements, development regulations, or major policies.

Link: <https://www.sugarlandtx.gov/542/Comprehensive-Plan>