



ADOPTED

ANNUAL BUDGET

& PROGRAM OF SERVICES

FISCAL YEAR 2025-2026



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**City of Sugar Land
Fiscal Year 2025-2026
Adopted Budget Cover Page
September 16, 2025**

Page Amended with the Adoption of the Property Tax Rate

This budget will raise less revenue from property taxes than last year's budget by an amount of \$1,879,985, which is a 2.4 percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$309,930.

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

FOR: Mayor Carol K. McCutcheon
District 1 Suzanne Whately
District 2 Sanjay Singhal
District 3 Stewart Jacobson
District 4 Rick Miller
At Large 1 Jim Vonderhaar
At Large 2 Rob Boettcher

AGAINST: None

Present and not voting: None

ABSENT: None

Property Tax Rate Comparison

	2025-2026	2024-2025
Property Tax Rate:	\$0.358827/100	\$0.353210/100
No-New-Revenue Tax Rate:	\$0.367991/100	\$0.347218/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.216579/100	\$0.203695/100
Voter-Approval Tax Rate:	\$0.377063/100	\$0.363466/100
Debt Rate:	\$0.151655/100	\$0.146038/100

Total debt obligation for City of Sugar Land secured by property taxes: \$32,269,790



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 VonderhaarCouncil Member, At Large Position One

Presented By:

Mike Goodrum.....City Manager



CITY OF SUGAR LAND

City Manager's Office

October 21, 2025

Honorable Mayor and Members of City Council:

In accordance with Texas statutes and Section 6.03 of the City of Sugar Land Charter, I am pleased to present the adopted budget for the fiscal year beginning October 1, 2025 (FY26) as amended on October 21, 2025. This adopted 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 adopted budget positions the City for future success, preserves financial and operational stability, and remains structurally balanced and sustainable in 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.

The city identified 4.7 million in efficiencies in the General Fund. This included the reduction of 16 vacant positions. In addition, the City identified over \$2.8 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 spanned 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.

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.

In September 2025, Visit Sugar Land joined the FIFA World Cup 26 Houston Host Committee as an official Host City Supporter. This \$2.5 million investment positions Sugar Land to participate in regional World Cup initiatives, host community-focused events, and engage visitors drawn to the Houston region during the tournament. Through strategic investments approved by City Council, Sugar Land will leverage the World Cup to strengthen tourism, elevate the city's global profile, and create long-term benefits through enhanced visibility and visitor engagement.

Economic and Legislative Impacts

During FY25, the City has experienced strong performance in sales tax revenues, with collections through September coming in at 11.28% above budget and 11.76% 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 86th 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. During the 89th legislative session, no major changes were made that significantly affected the City's property tax revenues. However, state lawmakers continue to introduce proposals that could further adjust or restrict allowable tax rates in the future.

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 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 of \$77 thousand for the operations and maintenance of the recently 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. Funding has also been included for ongoing expenses 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.

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.

Additional Efficiencies

With the adoption of a property tax rate lower than the rate included in the adopted budget, staff worked diligently to reduce the General Fund budget by \$1.1 million in ongoing expenses. These reductions include \$85 thousand in operations and maintenance costs, \$914 thousand from the elimination of nine positions, and \$86 thousand in reduced MUD rebates resulting from the lower tax rate.

City staff remain committed to delivering high-quality services to the residents of Sugar Land. All departments carefully identified reductions that would minimize impacts on the community; however, some effects are unavoidable. Residents may experience slightly longer wait times, and the City's capacity to take on new projects or initiatives may be limited. City staff will continue to monitor the impact of these reductions to ensure the level of service and responsiveness the community expects is maintained.

FY26 Revenues Highlights

Property Taxes

The FY26 budget's property tax revenues are derived from a certified 2025 tax roll valued at \$21.3 billion. The adopted tax rate is \$0.353210 per \$100 of assessed value, which includes an increase of \$0.00562 dedicated exclusively to funding the debt service for the 2024 voter-approved bond package. Even with this adjustment, the City's tax rate remains among the lowest in the state for municipalities with populations exceeding 100,000.

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 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

The Five-Year CIP totals \$766 million, with \$183.9 million in projects funded in FY26. The 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.

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

General CIP projects are further supported by \$4.9 million in donations, \$2.3 million from the Sugar Land Development Corporation for street projects, \$2.1 million from the Sugar Land 4B Corporation for parks, and \$725,000 contributed from various other sources.

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. 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 adopted, amended with the lower tax rate, FY26 budget with transfers totals \$606.4 million. Of the total, \$330.0 million is for operating funds and issuance costs, and \$183.9 million is for capital projects.

Fund	FY26 Adopted Budget
General Fund*	\$137,052,899
Debt Service Funds	45,212,554
Enterprise Funds	107,367,437
Economic Development Corporations	14,910,986
Other Funds	25,413,115
Total Operating Funds	\$329,956,991
Capital Projects	183,888,750
Total FY26 Adopted Budget	\$513,845,740
Transfers	92,511,148
Total Budget with Transfers	\$606,356,888

*Included October 2025 Budget Amendment

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,

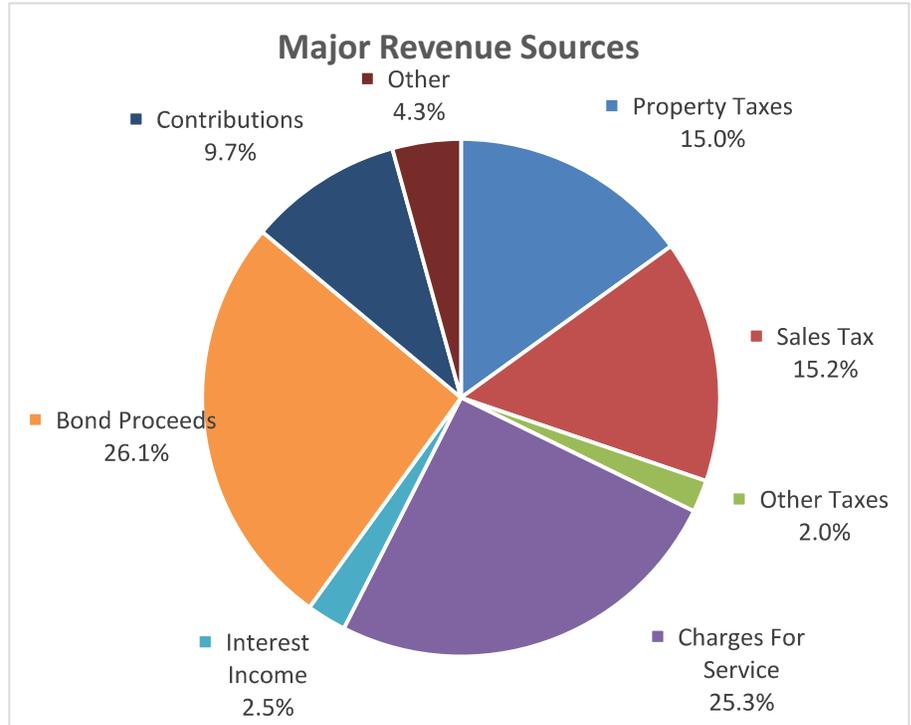


Michael W. Goodrum
City Manager

Executive Summary

Major Revenue Sources

Major revenue sources for the City total \$501.8 million (excluding inter-fund transfers). The five primary revenue categories comprise of property taxes, sales tax, bond proceeds, charges for services, and other taxes (franchise taxes and hotel occupancy taxes), charges for services and bond proceeds, which represent 83.6% 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 15.0% of total revenues at \$75.5 million. The total 2025 tax rate of \$0.358827 per \$100 includes an increase of \$0.005617 to Debt Services for the remaining 2019 and new 2024 GO Bond projects. The City maintained the homestead exemption at 15.0% 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.

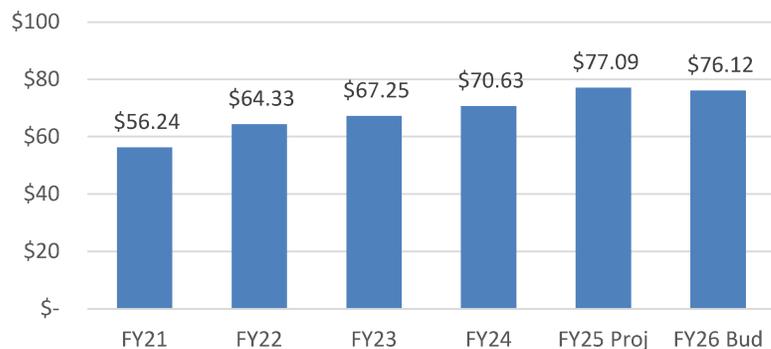
Sales Tax

Sales tax revenue represent 15.2% of total revenues at \$76.1 million. 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. The graph on the right shows how sales tax is distributed in Sugar Land. 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 4A (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

Total Sales Tax in Millions



is \$76.1 million and is based on the FY25 recurring actuals grown by CPI. The chart illustrates the historical trend of sales tax collections in the City.

Other Taxes

Other Taxes represent 2.0% of City revenues at \$10.1 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 tax collections are forecasted at \$3.2 million. This revenue is derived from hotels submitting a 7% tax on their total room receipts to the City within 30 days following each quarter. Budget estimates for franchise taxes and hotel occupancy taxes are informed by trend analysis, which evaluates historical performance and incorporates anticipated growth associated with new development.

Charges for Services

Charges for services are user-based fees, meaning only those who use a particular service pay for it. Examples include metered water, wastewater, fuel charges, solid waste fees, EMS service charges, and other fees where the cost of providing the service is borne by its users. This revenue stream represents 25.3% of total revenues at \$126.8 million and includes fees collected 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 \$0.83 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 \$0.76 million and represent the remaining 10.0% 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 \$76 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 \$28 million. Budgeted fuel sales of \$25 million represent estimated fuel sales of 4,377,096 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 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), utility and airport revenue bonds.

Contributions

Total contributions for FY26 are \$48.4 million. Of this amount, \$15.4 million represents employee and City premium payments to the Employee Benefits Fund. \$27.4 million comes from grant revenues supporting the runway rehabilitation project. The remaining \$5.6 million includes contributions from TWDB, HGAC grants, Fort Bend County, and donations.

Interest Income

Interest income across all funds is estimated at \$12.4 million based on current interest rates. This accounts for 2.5% of all revenue sources.

Other Revenues

Other revenues represent the remaining 4.3% of total revenues at \$21.5 million. Miscellaneous revenues include licenses and permits, fines and forfeitures, reimbursements, and intergovernmental revenues.

Expenditures by Type

The FY26 budget totals \$513.8 million (excluding inter-fund transfers). The chart on the right illustrates expenditures by type.

General Government expenditures represent 8.4% of total expenditures at \$43.3 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 \$47.2 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.

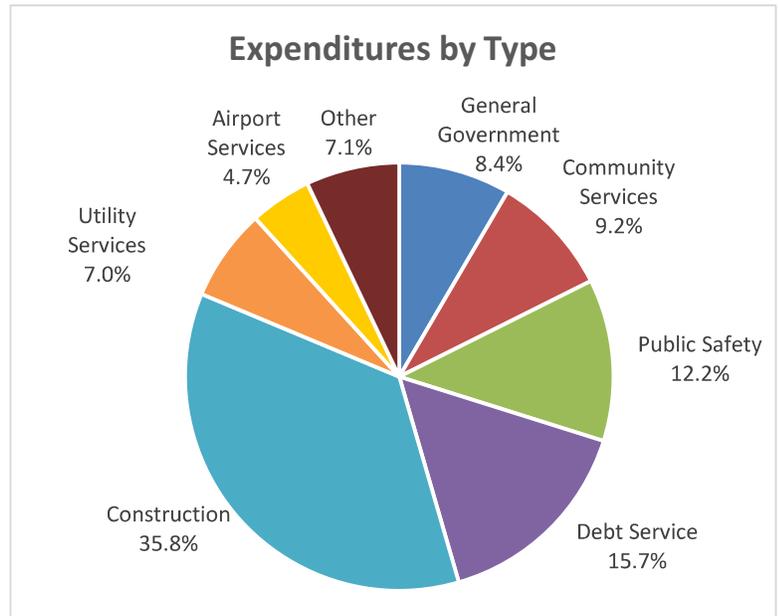
Public Safety expenditures represent 12.2% of total expenditures at \$62.9 million and include the Police, Fire, Emergency Medical Services, and Public Safety Dispatch departments.

Debt Service represents 15.7% of total expenditures at \$80.5 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 35.8% 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 7.0% 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 account for 4.7% of total expenditures, totaling \$23.9 million. Global Select, the airport's fixed-base operator responsible for fuel and aviation customer services, represents \$19.5 million of this amount. The remaining service costs include Airport Administration, Café Select, and overall Airport Maintenance and Operations.



Other expenditures represent 7.1% of expenditures at \$36.3 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 of 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

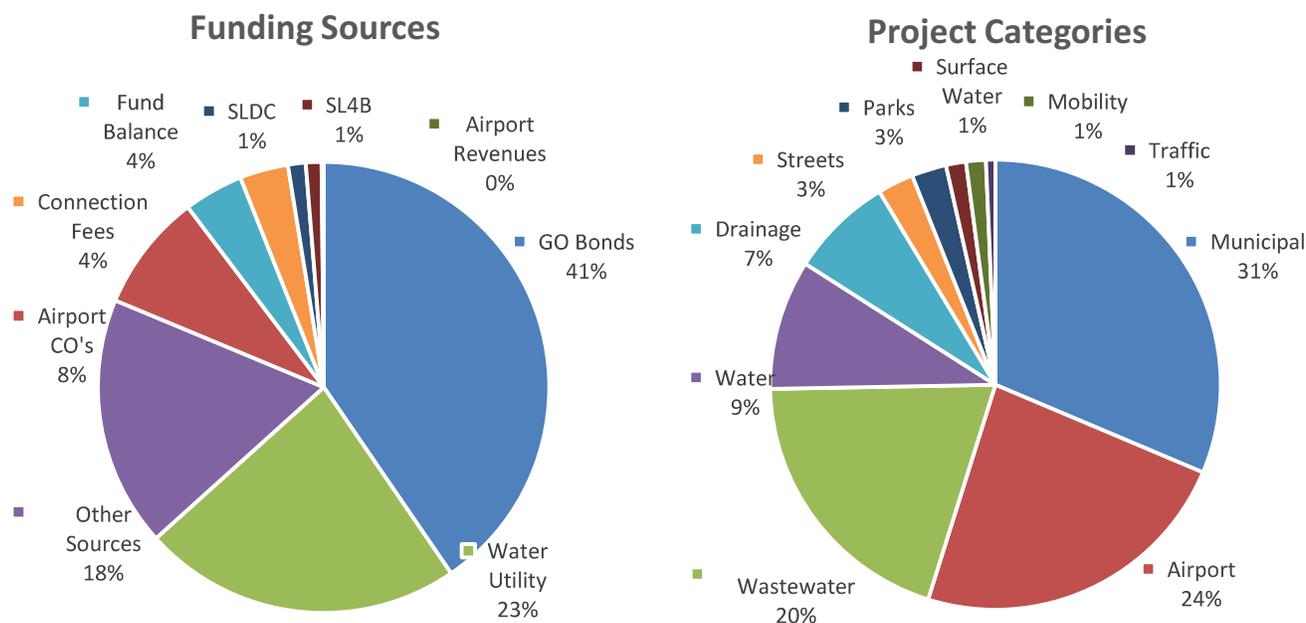
The budget in the Debt Service Funds, excluding inter-fund transfers, totals \$45.2 million. Expenditures include \$42.2 million in debt service payments and fiscal fees. The budget also includes \$3.0 million in property tax rebates to in-city MUDs. The ending fund balance of \$14.0 million is above the policy requirement of 10% of debt service requirements.

General Fund

The General Fund budget, excluding inter-fund transfers, totals \$137.1 million. The anticipated FY26 ending fund balance in the General Fund is \$42.8 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 \$766.0 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 \$69.2 million, excluding CIP projects and inter-fund transfers. An increase in cash equivalents of \$1 million is anticipated for the fiscal year. The FY26 budgeted ending cash equivalent totals \$32.2 million and exceeds the 25% cash operating reserve requirement.

Airport Fund

The Airport Fund budget totals \$25.9 million, excluding CIP projects and inter-fund transfers. The fund anticipates an increase in cash equivalents of \$1 million. The FY26 budgeted ending balance of \$13.8 million is above the policy requirement of 25% of operating expenditures.

Solid Waste Fund

The Solid Waste Fund operating budget totals \$10.2 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 \$2.9 million, which is above the minimum fund balance policy of 5% of total expenditures.

Stormwater Compliance Fee Fund

The Stormwater Compliance operating budget totals \$2.1 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 \$3 million for outstanding debt issues. The FY26 budgeted ending balance of \$14.7 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 \$12.1 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 \$4.5 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**

	FY24 Actuals	FY25 Adjusted Budget	FY25 Projections	FY26 Adopted Budget
REVENUES:				
Property Taxes	\$ 67,189,935	\$ 72,166,037	\$ 72,166,037	\$ 75,460,412
Sales Tax	70,636,853	77,085,726	77,085,726	76,115,155
Other Taxes	9,433,256	9,607,438	9,607,438	10,140,477
Licenses & Permits	3,881,167	5,472,915	5,472,915	4,495,453
Charges For Service	110,749,728	115,393,010	115,393,010	126,759,139
Fines & Forfeitures	1,250,414	1,127,240	1,127,240	1,248,750
Interest Income	22,387,238	8,507,782	8,507,782	12,417,004
Intergovernmental	9,917,347	9,085,487	3,002,959	1,504,290
Miscellaneous	11,669,708	26,071,146	26,071,146	14,215,913
Bond Proceeds	23,324,760	143,550,205	94,623,263	131,061,118
Contributions	14,055,105	14,810,613	14,810,613	48,430,763
Total Revenues	344,495,512	482,877,599	427,868,129	501,848,475
Transfers From Other Funds	47,816,769	94,911,632	94,923,107	92,511,146
Total Available Resources	392,312,281	577,789,231	522,791,235	594,359,621
EXPENDITURES:				
General Government	29,184,613	36,361,290	36,190,834	36,973,970
Finance	5,734,388	6,450,837	6,489,179	6,339,520
Public Works	13,424,119	12,415,846	12,437,084	11,121,186
Parks & Recreation	6,864,166	7,639,488	7,639,488	7,079,693
Community Development	6,846,592	8,228,393	8,228,393	7,412,717
Environmental & Neighborhood Services	20,129,245	21,713,283	21,714,875	21,541,625
Police Department	31,725,788	36,852,702	36,852,702	37,344,669
Fire Department	22,841,803	26,914,677	26,893,010	25,567,432
Debt Service	45,738,390	69,170,927	68,742,063	80,514,594
Other	5,956,054	14,481,240	14,750,284	10,825,200
Construction	46,037,343	388,683,761	304,209,329	183,888,750
Utility Services	39,934,638	42,302,989	42,294,739	35,846,094
Airport Services	18,923,209	19,615,748	19,615,748	23,924,776
Insurance Coverage	14,223,996	15,351,525	15,351,525	16,495,867
Equipment Replacement	3,820,879	4,339,326	4,339,326	1,925,988
Rebates & Assignments	4,978,723	5,896,934	5,916,934	7,043,659
Total Expenditures	316,363,946	716,418,967	631,665,514	513,845,740
Transfers To Other Funds	49,100,092	94,911,632	94,923,107	92,511,148
Total Expenditures & Transfers	\$ 365,464,038	\$ 811,330,599	\$ 726,588,621	\$ 606,356,888

FY26 Budget - Changes from Filing

General Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 47,465,170	\$ 47,073,849	\$ (391,321)
Revenues	136,901,704	136,051,248	(850,456)
Expenditures	140,706,336	140,324,188	(382,148)
Ending Fund Balance	\$ 43,660,538	\$ 42,800,909	\$ (859,629)

Special Events Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 1,112,859	\$ 1,074,359	\$ (38,500)
Revenues	520,000	520,000	-
Expenditures	506,948	1,136,948	630,000
Ending Fund Balance	\$ 1,125,912	\$ 457,412	\$ (668,500)

Sugar Land Development Corp Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 24,616,311	\$ 24,303,867	\$ (312,444)
Revenues	10,514,394	10,514,394	-
Expenditures	16,515,436	16,515,436	-
Ending Fund Balance	\$ 14,991,925	\$ 14,679,481	\$ (312,444)

Animal Shelter Donations Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 216,824	\$ 204,487	\$ (12,337)
Revenues	30,000	30,000	-
Expenditures	56,000	56,000	-
Ending Fund Balance	\$ 190,824	\$ 178,487	\$ (12,337)

Court Security Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 91,387	\$ 91,387	\$ -
Revenues	44,500	44,500	-
Expenditures	22,000	22,000	-
Ending Fund Balance	\$ 113,887	\$ 113,887	\$ -

Court Technology Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 78,282	\$ 70,282	\$ (8,000)
Revenues	34,700	34,700	-
Expenditures	19,700	19,700	-
Ending Fund Balance	\$ 93,282	\$ 85,282	\$ (8,000)

Truancy Prevention Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 134,674	\$ 153,999	\$ 19,325
Revenues	45,000	45,000	-
Expenditures	47,311	47,311	-
Ending Fund Balance	\$ 132,363	\$ 151,688	\$ 19,325

Juror Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 4,433	\$ 4,463	\$ 30
Revenues	930	930	-
Expenditures	-	-	-
Ending Fund Balance	\$ 5,363	\$ 5,393	\$ 30

Tourism Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 3,823,794	\$ 3,823,794	\$ -
Revenues	3,012,870	3,271,000	258,130
Expenditures	2,614,163	2,624,163	10,000
Ending Fund Balance	\$ 4,222,501	\$ 4,470,631	\$ 248,130

Enclave at River Park PID	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 63,023	\$ 63,023	\$ -
Revenues	129,089	129,089	-
Expenditures	128,879	128,879	-
Ending Fund Balance	\$ 63,233	\$ 63,233	\$ -

Park at Eldridge PID	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 85,559	\$ 85,559	\$ -
Revenues	103,004	103,004	-
Expenditures	50	50	-
Ending Fund Balance	\$ 188,513	\$ 188,513	\$ -

SPA DRF Riverstone	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 3,553,846	\$ 3,553,846	\$ -
Revenues	693,990	693,990	-
Expenditures	-	-	-
Ending Fund Balance	\$ 4,247,836	\$ 4,247,836	\$ -

SPA DRF Tara Plantation	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 854,024	\$ 854,024	\$ -
Revenues	103,000	103,000	-
Expenditures	-	-	-
Ending Fund Balance	\$ 957,024	\$ 957,024	\$ -

Federal Seizures Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 49,341	\$ 49,341	\$ -
Revenues	2,000	2,000	-
Expenditures	-	-	-
Ending Fund Balance	\$ 51,341	\$ 51,341	\$ -

State Seizure Funds	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 1,098,842	\$ 1,098,842	\$ -
Revenues	50,000	33,000	(17,000)
Expenditures	330,000	330,000	-
Ending Fund Balance	\$ 818,842	\$ 801,842	\$ (17,000)

Law Enforcement Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 24,546	\$ 24,546	\$ -
Revenues	1,000	1,000	-
Expenditures	-	-	-
Ending Fund Balance	\$ 25,546	\$ 25,546	\$ -

Public Education and Government Fun	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 17,446	\$ 17,446	\$ -
Revenues	144,000	144,000	-
Expenditures	116,100	116,100	-
Ending Fund Balance	\$ 45,346	\$ 45,346	\$ -

American Rescue Plan Act Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 958,406	\$ 637,307	\$ (321,099)
Revenues	-	-	-
Expenditures	-	-	-
Ending Fund Balance	\$ 958,406	\$ 637,307	\$ (321,099)

Contract Policing Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 427,792	\$ 427,792	\$ -
Revenues	1,090,500	903,697	(186,803)
Expenditures	1,296,316	1,244,049	(52,267)
Ending Fund Balance	\$ 221,977	\$ 87,440	\$ (134,537)

Public Arts Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 803,682	\$ 803,682	\$ -
Revenues	295,000	295,000	-
Expenditures	719,000	719,000	-
Ending Fund Balance	\$ 379,682	\$ 379,682	\$ -

Opioid Litigation Settlement Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ -	\$ -	\$ -
Revenues	-	-	-
Expenditures	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ -

Employee Benefits Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 4,418,592	\$ 4,418,593	\$ 1
Revenues	17,495,226	17,495,226	-
Expenditures	17,524,195	17,524,195	-
Ending Fund Balance	\$ 4,389,623	\$ 4,389,624	\$ 1

Fleet Replacement Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 36,606	\$ 92,749	\$ 56,143
Revenues	2,343,231	2,343,231	-
Expenditures	685,990	685,990	-
Ending Fund Balance	\$ 1,693,847	\$ 1,749,990	\$ 56,143

High-Tech Replacement Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 1,970,014	\$ 2,024,060	\$ 54,046
Revenues	1,274,480	1,274,480	-
Expenditures	1,239,998	1,239,998	-
Ending Fund Balance	\$ 2,004,495	\$ 2,058,541	\$ 54,046

Debt Service Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 13,992,047	\$ 14,309,134	\$ 317,087
Revenues	40,270,209	40,261,273	(8,936)
Expenditures	47,493,210	43,896,420	(3,596,790)
Ending Fund Balance	\$ 6,769,046	\$ 10,673,987	\$ 3,904,941

Debt Service Fund - Taxable CO's	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 2,804,620	\$ 2,804,620	\$ -
Revenues	2,123,384	2,123,384	-
Expenditures	1,590,355	1,590,355	-
Ending Fund Balance	\$ 3,337,648	\$ 3,337,648	\$ -

Utility Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 42,717,497	\$ 40,211,065	\$ (2,506,432)
Revenues	125,596,156	125,596,156	-
Expenditures	119,502,383	119,502,383	-
Ending Fund Balance	\$ 34,676,516	\$ 32,170,085	\$ (2,506,431)

Airport Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 13,810,378	\$ 13,908,177	\$ 97,799
Revenues	55,229,202	45,930,690	(9,298,512)
Expenditures	45,895,211	42,839,776	(3,055,435)
Ending Fund Balance	\$ 19,983,669	\$ 13,838,713	\$ (6,144,956)

Solid Waste Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 2,025,765	\$ 2,440,265	\$ 414,500
Revenues	17,412,243	17,412,243	-
Expenditures	16,948,048	16,948,048	-
Ending Fund Balance	\$ 2,489,961	\$ 2,904,460	\$ 414,499

Stormwater Compliance Fee Fund	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 775,332	\$ 954,699	\$ 179,367
Revenues	2,053,877	2,053,877	-
Expenditures	2,089,784	2,089,784	-
Ending Fund Balance	\$ 739,425	\$ 918,792	\$ 179,367

SL4B	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 15,893,601	\$ 15,616,258	\$ (277,343)
Revenues	10,164,394	10,164,394	-
Expenditures	11,999,347	11,999,347	-
Ending Fund Balance	\$ 12,425,648	\$ 12,148,305	\$ (277,343)

Capital Projects	Budget Filing	Budget Adoption	Variance
Beginning Fund Balance	\$ 222,574,079	\$ 222,574,079	\$ -
Revenues	176,785,116	176,785,116	-
Expenditures	183,888,750	183,888,750	-
Ending Fund Balance	\$ 215,470,445	\$ 215,470,445	\$ -

**FISCAL YEAR 2026
PROPOSED BUDGET**

REVENUES

Category Description	Governmental Funds		
	General Fund	Debt Service Fund	Capital Projects
Property Taxes	\$ 43,640,005	\$ 31,820,407	-
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	1,404,290	-	-
Miscellaneous	1,430,075	2,524,934	-
Bond Proceeds	-	-	74,375,000
Contributions	-	-	5,625,000
Total Revenue	125,644,020	34,763,441	86,052,000
Transfers From Other Funds	10,407,228	7,621,216	4,400,000
Total Available Resources	136,051,248	42,384,657	90,452,000

EXPENDITURES

General Government	26,671,042	-	-
Finance	6,250,509	-	-
Public Works	11,121,186	-	-
Parks & Recreation	7,079,693	-	-
Community Development	7,412,717	-	-
Environmental & Neighborhood Services	9,275,397	-	-
Police Department	35,770,620	-	-
Fire Department	25,567,432	-	-
Debt Service	-	41,544,797	-
Other	3,837,583	690,818	-
Construction	-	-	84,400,000
Utility Services	-	-	-
Airport Services	-	-	-
Insurance Coverage	-	-	-
Equipment Replacement	-	-	-
Rebates & Assignments	4,066,720	2,976,939	-
Total Expenditures	137,052,899	45,212,554	84,400,000
Transfers To Other Funds	3,271,290	274,221	-
Total Expenditures & Transfers	140,324,188	45,486,775	84,400,000
Revenue Over (Under) Expenditures	(4,272,940)	(3,102,118)	6,052,000
BEGINNING BALANCE	\$ 47,073,849	\$ 17,113,754	\$ 150,901,609
Reserved for Debt Service	-	-	-
Reserved for Self Insurance	-	-	-
Reserved for Capital Repairs	-	-	(3,170,894)
END BUDGET BALANCE	\$ 42,800,909	\$ 14,011,636	\$ 153,782,715

**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	28,342,058	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	-	-
Total Revenue	118,737,424	72,746,784	17,412,243	2,053,877
Transfers From Other Funds	50,044,848	16,330,906	-	-
Total Available Resources	168,782,272	89,077,690	17,412,243	2,053,877

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	1,741,119	-	-
Other	832,337	223,024	70,000	-
Construction	56,341,750	43,147,000	-	-
Utility Services	35,846,094	-	-	-
Airport Services	-	23,924,776	-	-
Insurance Coverage	-	-	-	-
Equipment Replacement	-	-	-	-
Rebates & Assignments	-	-	-	-
Total Expenditures	125,540,040	69,035,919	10,190,445	2,089,784
Transfers To Other Funds	51,172,112	16,950,857	6,757,603	-
Total Expenditures & Transfers	176,712,152	85,986,776	16,948,048	2,089,784
Revenue Over (Under) Expenditures	(7,929,880)	3,090,914	464,195	(35,907)
BEGINNING BALANCE	\$ 135,992,326	\$ 16,955,946	\$ 2,440,265	\$ 954,699
Reserved for Debt Service	(14,134,754)	(3,160,700)	-	-
Reserved for Self Insurance	-	-	-	-
Reserved for Capital Repairs	-	-	-	-
END BUDGET BALANCE	\$ 113,927,692	\$ 16,886,160	\$ 2,904,460	\$ 918,792

**FISCAL YEAR 2026
PROPOSED BUDGET**

REVENUES

Category Description	Internal Service Funds			Enclave at River Park PID
	Employee Benefits	Fleet Replacement	Hi-Tech Replacement	
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	-	-	-
Total Revenue	17,495,226	255,000	80,500	2,000
Transfers From Other Funds	-	2,088,231	1,193,980	127,089
Total Available Resources	17,495,226	2,343,231	1,274,480	129,089

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	-	-	-	-
Total Expenditures	17,524,195	685,990	1,239,998	60
Transfers To Other Funds	-	-	-	128,819
Total Expenditures & Transfers	17,524,195	685,990	1,239,998	128,879

Revenue Over (Under) Expenditures	(28,969)	1,657,241	34,482	210
BEGINNING BALANCE	\$ 4,418,593	\$ 92,749	\$ 2,024,060	\$ 63,023
Reserved for Debt Service	-	-	-	-
Reserved for Self Insurance	(2,712,175)	-	-	-
Reserved for Capital Repairs	-	-	-	-
END BUDGET BALANCE	\$ 1,677,449	\$ 1,749,990	\$ 2,058,542	\$ 63,233

**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	-	-	3,150,000	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	-	-	-	-	-
Total Revenue	90,355	520,000	3,271,000	144,000	30,000
Transfers From Other Funds	12,649	-	-	-	-
Total Available Resources	103,004	520,000	3,271,000	144,000	30,000

EXPENDITURES

General Government	-	1,136,948	2,271,713	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	-	-	-	-	-
Total Expenditures	50	1,136,948	2,271,713	116,100	56,000
Transfers To Other Funds	-	-	352,450	-	-
Total Expenditures & Transfers	50	1,136,948	2,624,163	116,100	56,000
Revenue Over (Under) Expenditures	102,954	(616,948)	646,837	27,900	(26,000)
BEGINNING BALANCE	\$ 85,559	\$ 1,074,359	\$ 3,823,794	\$ 17,446	\$ 204,487
Reserved for Debt Service	-	-	-	-	-
Reserved for Self Insurance	-	-	-	-	-
Reserved for Capital Repairs	-	-	-	-	-
END BUDGET BALANCE	\$ 188,513	\$ 457,411	\$ 4,470,631	\$ 45,346	\$ 178,487

**FISCAL YEAR 2026
PROPOSED BUDGET**

REVENUES

Category Description	Special Revenue Funds					
	American Recovery Plan	Contract Policing	Public Art Trust Fund	Opioid Settlement	Court Security	Court Tech
Property Taxes	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-
Other Taxes	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Charges For Service	-	899,697	-	-	40,000	32,000
Fines & Forfeitures	-	-	-	-	-	-
Interest Income	-	4,000	10,000	-	4,500	2,700
Intergovernmental	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Total Revenue	-	903,697	10,000	-	44,500	34,700
Transfers From Other Funds	-	-	285,000	-	-	-
Total Available Resources	-	903,697	295,000	-	44,500	34,700

EXPENDITURES

General Government	-	-	719,000	-	-	-
Finance	-	-	-	-	22,000	19,700
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Environmental & Neighborhood Services	-	-	-	-	-	-
Police Department	-	1,244,049	-	-	-	-
Fire Department	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Other	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Utility Services	-	-	-	-	-	-
Airport Services	-	-	-	-	-	-
Insurance Coverage	-	-	-	-	-	-
Equipment Replacement	-	-	-	-	-	-
Rebates & Assignments	-	-	-	-	-	-
Total Expenditures	-	1,244,049	719,000	-	22,000	19,700
Transfers To Other Funds	-	-	-	-	-	-
Total Expenditures & Transfers	-	1,244,049	719,000	-	22,000	19,700
Revenue Over (Under) Expenditures	-	(340,352)	(424,000)	-	22,500	15,000
BEGINNING BALANCE	\$ 637,307	\$ 427,792	\$ 803,682	\$ 0	\$ 91,387	\$ 70,282
Reserved for Debt Service	-	-	-	-	-	-
Reserved for Self Insurance	-	-	-	-	-	-
Reserved for Capital Repairs	-	-	-	-	-	-
END BUDGET BALANCE	\$ 637,307	\$ 87,440	\$ 379,682	\$ 0	\$ 113,887	\$ 85,282

**FISCAL YEAR 2026
PROPOSED BUDGET**

REVENUES

Category Description					Total City
	Truancy Prevention	Juror Fund	Law Enforcement	SPA Debt Reduction	
Property Taxes	-	-	-	-	\$ 75,460,412
Sales Tax	-	-	-	-	57,086,367
Other Taxes	-	-	-	-	10,140,477
Licenses & Permits	-	-	-	-	4,495,453
Charges For Service	-	-	-	622,990	126,759,139
Fines & Forfeitures	38,000	750	-	-	1,248,750
Interest Income	7,000	180	36,000	174,000	10,767,004
Intergovernmental	-	-	-	-	1,504,290
Miscellaneous	-	-	-	-	14,215,913
Bond Proceeds	-	-	-	-	131,061,118
Contributions	-	-	-	-	48,430,763
Total Revenue	45,000	930	36,000	796,990	481,169,687
Transfers From Other Funds	-	-	-	-	92,511,146
Total Available Resources	45,000	930	36,000	796,990	573,680,833

EXPENDITURES

General Government	-	-	-	-	30,914,803
Finance	47,311	-	-	-	6,339,520
Public Works	-	-	-	-	11,121,186
Parks & Recreation	-	-	-	-	7,079,693
Community Development	-	-	-	-	7,412,717
Environmental & Neighborhood Services	-	-	-	-	21,541,625
Police Department	-	-	330,000	-	37,344,669
Fire Department	-	-	-	-	25,567,432
Debt Service	-	-	-	-	75,805,775
Other	-	-	-	-	6,682,200
Construction	-	-	-	-	183,888,750
Utility Services	-	-	-	-	35,846,094
Airport Services	-	-	-	-	23,924,776
Insurance Coverage	-	-	-	-	16,495,867
Equipment Replacement	-	-	-	-	1,925,988
Rebates & Assignments	-	-	-	-	7,043,659
Total Expenditures	47,311	-	330,000	-	498,934,754
Transfers To Other Funds	-	-	-	-	78,907,351
Total Expenditures & Transfers	47,311	-	330,000	-	577,842,105
Revenue Over (Under) Expenditures	(2,311)	930	(294,000)	796,990	(4,161,273)
BEGINNING BALANCE	\$ 153,999	\$ 4,463	\$ 1,172,729	\$ 4,407,869	\$ 391,006,029
Reserved for Debt Service	-	-	-	-	(17,295,454)
Reserved for Self Insurance	-	-	-	-	(2,712,175)
Reserved for Capital Repairs	-	-	-	-	(3,170,894)
END BUDGET BALANCE	\$ 151,688	\$ 5,393	\$ 878,729	\$ 5,204,859	\$ 363,666,233

**FISCAL YEAR 2026
PROPOSED BUDGET**

REVENUES

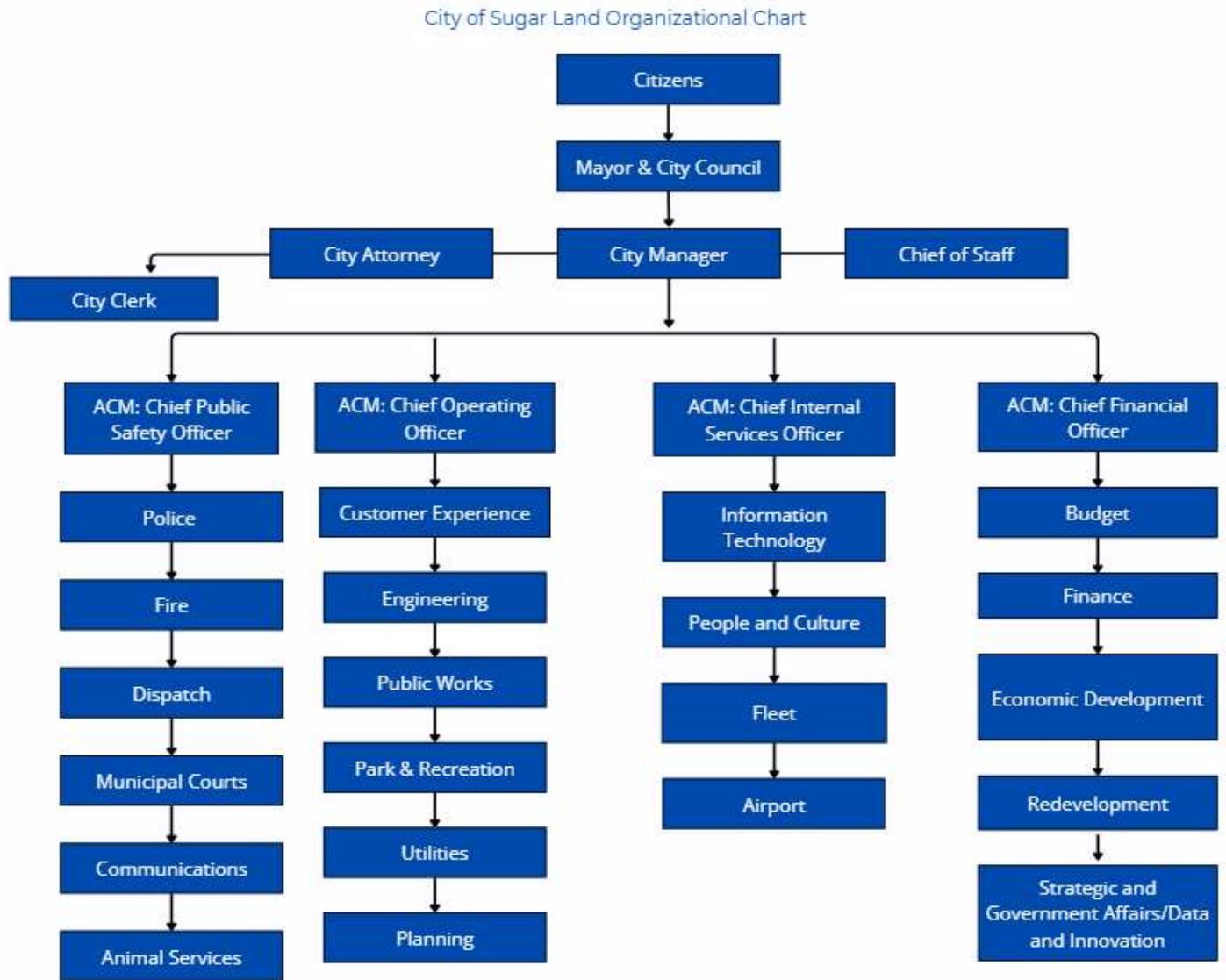
Category Description	Component Units		TOTAL
	SLDC	SL4B	
Property Taxes	-	-	\$ 75,460,412
Sales Tax	9,514,394	9,514,394	76,115,155
Other Taxes	-	-	10,140,477
Licenses & Permits	-	-	4,495,453
Charges For Service	-	-	126,759,139
Fines & Forfeitures	-	-	1,248,750
Interest Income	1,000,000	650,000	12,417,004
Intergovernmental	-	-	1,504,290
Miscellaneous	-	-	14,215,913
Bond Proceeds	-	-	131,061,118
Contributions	-	-	48,430,763
Total Revenue	10,514,394	10,164,394	501,848,475
Transfers From Other Funds	-	-	92,511,146
Total Available Resources	10,514,394	10,164,394	594,359,621

EXPENDITURES

General Government	5,281,997	777,170	36,973,970
Finance	-	-	6,339,520
Public Works	-	-	11,121,186
Parks & Recreation	-	-	7,079,693
Community Development	-	-	7,412,717
Environmental & Neighborhood Services	-	-	21,541,625
Police Department	-	-	37,344,669
Fire Department	-	-	25,567,432
Debt Service	2,970,269	1,738,550	80,514,594
Other	1,000,000	3,143,000	10,825,200
Construction	-	-	183,888,750
Utility Services	-	-	35,846,094
Airport Services	-	-	23,924,776
Insurance Coverage	-	-	16,495,867
Equipment Replacement	-	-	1,925,988
Rebates & Assignments	-	-	7,043,659
Total Expenditures	9,252,266	5,658,720	513,845,740
Transfers To Other Funds	7,263,170	6,340,627	92,511,148
Total Expenditures & Transfers	16,515,436	11,999,347	606,356,888
Revenue Over (Under) Expenditures	(6,001,042)	(1,834,953)	(11,997,268)
BEGINNING BALANCE	\$ 24,303,867	\$ 15,616,258	\$ 430,926,154
Reserved for Debt Service	(3,623,344)	(1,633,000)	(22,551,798)
Reserved for Self Insurance	-	-	(2,712,175)
Reserved for Capital Repairs	-	-	(3,170,894)
END BUDGET BALANCE	\$ 14,679,481	\$ 12,148,305	\$ 390,494,019

City of Sugar Land Organizational Chart

As of October 1, 2025



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, except for 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

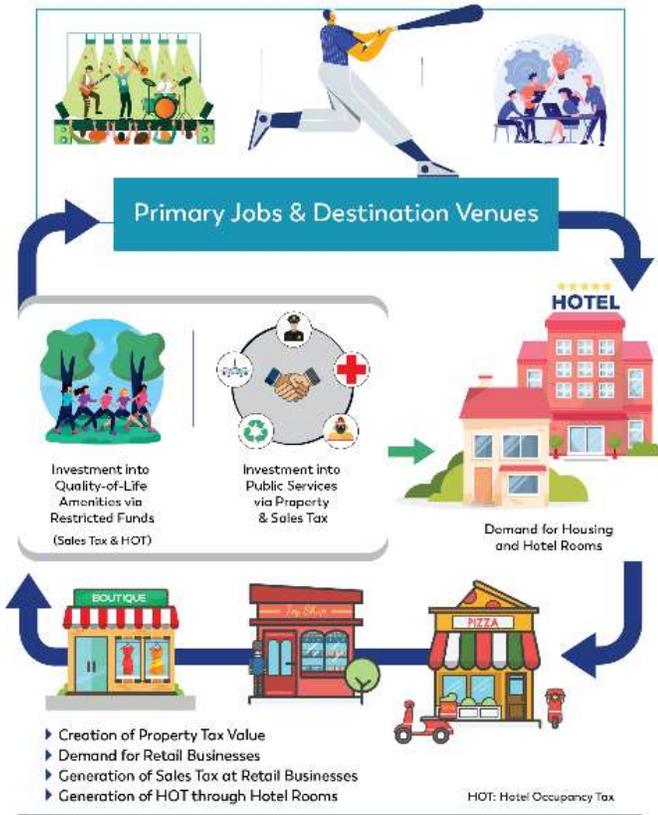
Marketing

*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

Economic Development Impact Cycle



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 a 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 November 2024, Plug and Play announced its Sugar Land location. Plug and Play's presence in Sugar Land represents a major step forward in strengthening the city's innovation ecosystem and attracting high-growth companies. Through its global accelerator platform, Plug and Play connects startups with corporate partners, mentors, and investors, creating new pathways for emerging technologies to scale. By hosting programs in Sugar Land, the organization enhances the city's visibility as a competitive destination for tech-focused ventures and supports the development of solutions that contribute to long-term economic vitality.

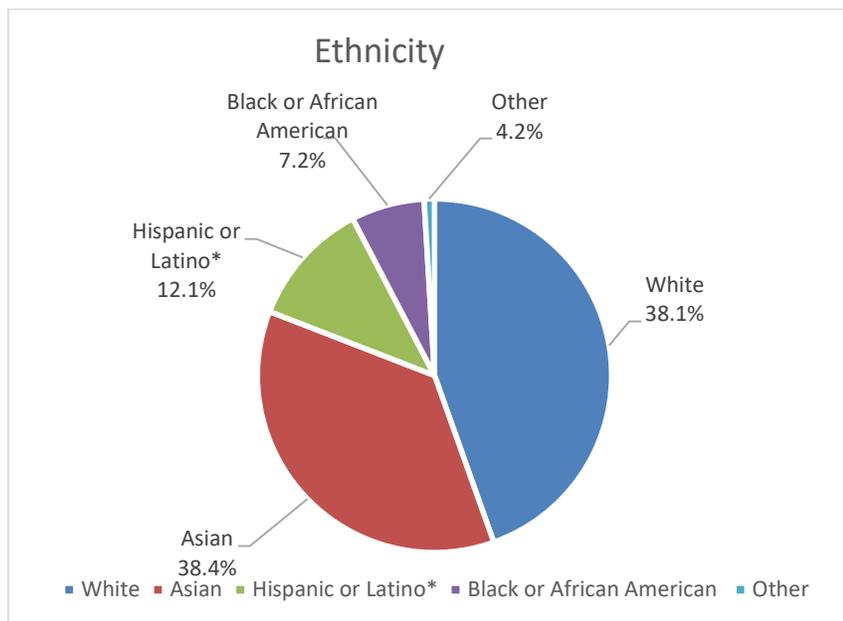
Sugar Land continues to position itself as a destination city. The Smart Financial Centre at Sugar Land continues to earn recognition as a top theatre venue, welcoming more than 306,000 attendees in 2024 and had a total of 111 shows. Additionally, Constellation Field, home to the Sugar Land Space Cowboys, 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.

In September 2025, Visit Sugar Land joined the FIFA World Cup 26 Houston Host Committee as an official Host City Supporter. This collaboration positions Sugar Land to participate in regional World Cup initiatives, host community-focused events, and engage visitors drawn to the Houston region during the tournament. Through strategic investments approved by City Council, Sugar Land will leverage the World Cup to strengthen tourism, elevate the city's global profile, and create long-term benefits through enhanced visibility and visitor engagement.

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
Budgeted Full Time Employees	887.75	928.75	965.00	939.75
Total Operating Budget	\$ 282 M	\$ 288 M	\$317 M	\$330 M
Fire Protection-Emergency Medical Services				
Number of Stations	7	7	7	7
Certified Firefighters	124	124	124	124
Calls for Service	10,652	10,704	10,920	11,070
Police Protection				
Number of Stations	1	1	1	1
Certified Police Officers	174	181	178	178
Calls for Service	72,200	75,291	75,364	75,500
Parks & Recreation				
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
Public Works				
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
Utilities				
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
Airport				
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

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 (CIP). 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 March, 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 April to review proposed operating budgets and supplemental requests. Requests are prioritized by the City Manager and recommended to City Council for funding based on available resources. The budget is filed with City Council in July and reviewed in detail through a series of budget workshops in August. Changes that result from the Council workshops are incorporated into the final budget. The final budget is adopted by Council no later than the 25th of September in accordance with the City Charter. Annual operating budgets are adopted for the General Fund, Special Revenue Funds, Internal Service Funds, Component Units, and Debt Service Fund. The budgets for the Enterprise Funds are adopted as a financial plan and guide. After Council adoption, the Annual Budget is compiled and distributed. The budget is amended twice a year: 1) early in the following calendar year for carry over funds and 2) towards the end of the fiscal year for full year updated projections.

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.

FY26 Budget Calendar

February	<ul style="list-style-type: none"> • Key issues identified and prioritized by City Management • Monitor State Legislature for potential impacts
March	<ul style="list-style-type: none"> • Budget Office prepares preliminary Five-Year forecast • City Manager develops budget message based on key issues
April	<ul style="list-style-type: none"> • CIP Kick-Off • Budget Kick-Off meeting: Directors and Managers <ul style="list-style-type: none"> - Introduce and distribute budget instructions - Line-item allocation of budgets by departments - Departments prepare requests for additional funds • Budget Office develops instructions and forms for budget preparation • Budget Office develops preliminary funding plan for Five-Year CIP
May	<ul style="list-style-type: none"> • Budget Office reviews departmental budget submissions • Cost allocation plan updated • City Management reviews departmental budget submissions
June	<ul style="list-style-type: none"> • Review list of CIP projects with City Council • CIP project list finalized and fiscally constrained • Finalize Five-Year forecast • Prepare proposed budget document, transmittal letter, and budget filing presentations
July	<ul style="list-style-type: none"> • Review list of CIP projects with Planning & Zoning • July 15th: Proposed budget filed with City Council • Certified tax roll due from the Central Appraisal District
August	<ul style="list-style-type: none"> • Council budget workshops (Thursday mornings) • Publish voter approval tax rate and proposed tax rates
September	<ul style="list-style-type: none"> • Final FY26 Budget Amendment Ordinance • Public hearing on proposed tax rate and budget • City Council adoption of FY26: <ul style="list-style-type: none"> ○ Annual budget, Five-Year CIP, compensation plan ○ City Council adopt 2026 tax rate • Approve Fee ordinance and PID assessment ordinance

Legal Requirements & Basis of Budgeting

Legal Requirements for the Budget

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

The City Secretary posts a notice at City Hall and publishes the notice in the official newspaper stating the times and places where copies of the message and budget are available for public review. One public hearing must be held on the budget at least 15 days after it is filed and before the budget is adopted. The budget is adopted by ordinance with one reading prior to the 25th day of the last month of the fiscal year, as required by the City Charter. The adopted budget is filed with the County Clerk.

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

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

Financial Management Policy Statements

The Financial Management Policy Statements are approved through City Council Resolution. These statements give general guidelines for the development of fiscal policies to ensure that financial resources are available to meet present and future needs of citizens and aid in fulfilling the goal of a responsible city government. 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 sixteen active special revenue funds budgeted for FY26, 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



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 focuses are:

- 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 reinvigorating 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

Staffing Levels

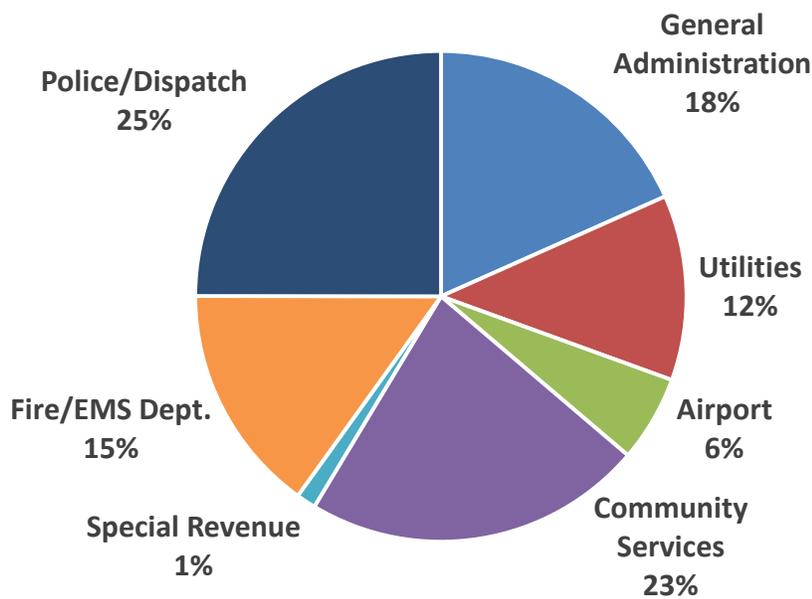
FY26 Budget

The number of budgeted Full Time Equivalent (FTE) positions in FY26 Budget totals 939.75, which has decreased from last year's budget position of 965.50.

Employees by Service Areas

The chart below illustrates the 939.75 FTE count by Service Area. General Administration is comprised of City Manager, Assistance City Manager, Strategic and Government Affairs, City Clerk, Communication and Engagement, People and Culture, City Attorney, IT, Economic Development, Budget, Finance, and Municipal Court. Community Services is comprised of Public Works, Environmental & Neighborhood Services, Parks & Recreation, Engineering, Redevelopment and Planning & Development. Special Revenue include Tourism, Special Events. Utilities include Solid Waste, Storm Water, and Utility System.

FY26 - Employees by Service Area



Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Assistant to the City Manager	1.00	-	-	-	-	-
Chief of Staff	1.00	1.00	-	1.00	-	1.00
City Manager	1.00	1.00	-	1.00	-	1.00
Executive Assistant	-	1.00	(1.00)	-	-	-
Executive Director	-	1.00	(1.00)	-	-	-
Management Analyst I - CM	2.00	-	-	-	-	-
Sr Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Venue Coordinator	1.00	1.00	-	1.00	-	1.00
City Manager Total	7.00	6.00	(2.00)	4.00	-	4.00
Assistant City Manager	3.00	3.00	1.00	4.00	-	4.00
Deputy City Manager	1.00	1.00	(1.00)	-	-	-
Director of Special Projects	1.00	-	-	-	-	-
Executive Assistant	2.00	3.00	-	3.00	(1.00)	2.00
Assistant City Managers Total	7.00	7.00	-	7.00	(1.00)	6.00
Agenda Coordinator	1.00	-	-	-	-	-
CC Help - Temp	0.25	0.25	-	0.25	(0.25)	-
City Council Liaison	1.00	1.00	-	1.00	-	1.00
Executive Assistant	1.00	1.00	-	1.00	-	1.00
Mayor and City Council	3.25	2.25	-	2.25	(0.25)	2.00
Assistant Director Of Strategic And Government Affairs	-	-	1.00	1.00	-	1.00
Director Of Strategic And Government Affairs	-	1.00	-	1.00	-	1.00
Executive Assistant	-	1.00	-	1.00	(1.00)	-
Government Affairs Coordinator	-	-	1.00	1.00	-	1.00
Intergovernmental Relations Manager	1.00	1.00	-	1.00	-	1.00
Internal Communications Specialist	-	1.00	-	1.00	-	1.00
Management Analyst I & II	-	2.00	(1.00)	1.00	-	1.00
Strategic Initiatives Manager	-	1.00	-	1.00	-	1.00
Strategic and Government Affairs	1.00	7.00	1.00	8.00	(1.00)	7.00
Administrative Coordinator	-	1.00	-	1.00	-	1.00
Administrative Manager	1.00	-	-	-	-	-
Assistant Director Of Data & Innovation	1.00	1.00	-	1.00	-	1.00
Data and Performance Strategist/Sr.	3.00	3.00	(1.00)	2.00	-	2.00
Data Consultant	-	1.00	1.00	2.00	-	2.00
Data Program Manager	-	1.00	-	1.00	-	1.00
Director of Data and Innovation	1.00	1.00	-	1.00	(1.00)	-
Innovation Administrative Assistant - PartTime	0.50	-	-	-	-	-
Innovation & Performance Manager	1.00	1.00	-	1.00	-	1.00
Innovation Strategist	1.00	-	-	-	-	-
Management Analyst I	1.00	-	-	-	-	-
Sr Continuous Improvement Lead	1.00	1.00	-	1.00	-	1.00
Data and Innovation	10.50	10.00	-	10.00	(1.00)	9.00
Strategic and Government Affairs Total	14.75	19.25	1.00	20.25	(2.25)	18.00
Administrative Assistant	1.00	1.00	-	1.00	(1.00)	-
Administrative Assistant - Part Time	0.50	0.50	-	0.50	(0.50)	-
Administrative Manager	1.00	1.00	-	1.00	-	1.00
Agenda Coordinator	-	1.00	(1.00)	-	-	-
City Clerk	1.00	1.00	-	1.00	-	1.00
Department Specialist	1.00	1.00	(1.00)	-	-	-
Deputy City Secretary	1.00	1.00	-	1.00	-	1.00
Government Information Analyst	1.00	-	-	-	-	-
Public Information Analyst	-	1.00	-	1.00	-	1.00
Public Meeting Coordinator	-	1.00	-	1.00	-	1.00
Records Administrator	-	-	1.00	1.00	-	1.00
Records Analyst	1.00	1.00	1.00	2.00	-	2.00
Records Manager	1.00	1.00	1.00	1.00	-	1.00
Records Technician	1.00	-	3.00	3.00	-	3.00
City Clerk Total	9.50	9.50	4.00	13.50	(1.50)	12.00
311 Contact Center Ambassador I & II	7.00	7.00	-	7.00	-	7.00
Administrative Coordinator	-	1.00	-	1.00	-	1.00
Customer Experience Administrator	-	1.00	-	1.00	-	1.00
Customer Experience Coordinator	1.00	1.00	-	1.00	-	1.00
Customer Experience Manager	1.00	1.00	-	1.00	-	1.00
Customer Experience Supervisor	1.00	1.00	-	1.00	-	1.00

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Director of Customer Experience	-	1.00		1.00	-	1.00
Customer Experience Total	10.00	13.00	-	13.00	-	13.00
Av Systems Coordinator	1.00	1.00		1.00	-	1.00
Communications & Community Engagement Director	1.00	1.00		1.00	(1.00)	-
Communications & Community Engagement Manager	-	1.00		1.00	-	1.00
Communications & Community Engagement Specialist	-	1.00		1.00		1.00
Communications and Community Engagement Assistant Director	-	-		-	-	-
Communications Director	-	-		-	-	-
Community Engagement Coordinator	1.00	-		-	-	-
Community Engagement Manager	1.00	1.00	(1.00)	-	-	-
Community Engagement Specialist	-	1.00		1.00	(1.00)	-
Content Strategist	1.00	-		-	-	-
Deputy Communications Administrator	2.00	1.00	-	1.00	-	1.00
Digital Communications Specialist	1.00	1.00	(1.00)	-	-	-
Executive Media Producer	1.00	-		-	-	-
Media Producer	2.00	2.00		2.00	-	2.00
Multimedia/Graphic Design Coordinator	1.00	1.00		1.00		1.00
Multimedia/Graphic Design Specialist	-	1.00		1.00	-	1.00
Public Affairs Strategist	1.00	-		-	-	-
Public Affairs Strategist	-	1.00	(1.00)	-	-	-
Public Information Officer	-	1.00		1.00	-	1.00
Public Relations And Media Manager	-	-	1.00	1.00	-	1.00
Senior Executive Media Producer	-	1.00		1.00	-	1.00
Technical Services Manager	-	-	1.00	1.00	-	1.00
Communications and Community Engagement Total	13.00	15.00	(1.00)	14.00	(2.00)	12.00
Administrative Coordinator	1.00	1.00		1.00	-	1.00
Assistant Director Of People & Culture	1.00	1.00		1.00	-	1.00
Department Specialist	1.00	1.00	(1.00)	-	-	-
Deputy Director Of People & Culture	1.00	1.00		1.00	-	1.00
Director Of People & Culture	1.00	1.00		1.00	-	1.00
Engagement & Experience Coordinator	1.00	1.00		1.00	-	1.00
Health & Wellness Coordinator	1.00	1.00		1.00	-	1.00
HR Generalist - Temp	-	0.50		0.50	(0.25)	0.25
Onboarding & Leave Solutions Partner	1.00	1.00		1.00	-	1.00
People & Culture Business Manager	1.00	1.00		1.00	-	1.00
People Development Manager	1.00	1.00		1.00	-	1.00
People Development Trainer	-	-	2.00	2.00	-	2.00
People Experience Manager	1.00	1.00		1.00	-	1.00
People Success Partner	2.00	2.00		2.00	-	2.00
Recruitment Specialist	-	1.00		1.00	(1.00)	-
Risk Mitigation Manager	1.00	1.00		1.00	-	1.00
Safety & Risk Coordinator	1.00	1.00		1.00	-	1.00
Sr People Success Partner	1.00	1.00		1.00	-	1.00
People and Culture Total	16.00	17.50	1.00	18.50	(1.25)	17.25
Administrative Manager	1.00	1.00		1.00	-	1.00
Assistant City Attorney	3.00	3.00	(1.00)	2.00	-	2.00
City Attorney	1.00	1.00		1.00	-	1.00
First Assistant City Attorney	1.00	1.00		1.00	-	1.00
Sr. Assistant City Attorney	1.00	1.00	1.00	2.00	-	2.00
City Attorney Total	7.00	7.00	-	7.00	-	7.00
Administrative Coordinator	1.00	1.00		1.00	-	1.00
Application Developer II & III	4.00	6.00		6.00	-	6.00
Business Automation Lead	1.00	1.00		1.00	(1.00)	-
Business Systems Analyst	1.00	1.00		1.00	-	1.00
Business Systems Manager	-	1.00		1.00	-	1.00
Data Analyst	2.00	-		-	-	-
Data Engineer	-	2.00	(1.00)	1.00	-	1.00
Director Of Information Technology, Data And Security	1.00	1.00		1.00	-	1.00
End User Support Specialist II & III	4.00	4.00		4.00	-	4.00
End User Support Supervisor	-	-	1.00	1.00	-	1.00
Enterprise Data Architect	1.00	-		-	-	-
Enterprise Data Architect Lead	-	1.00		1.00	-	1.00
G.I.S. Specialist	3.00	3.00		3.00	(1.00)	2.00

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
IT Manager	3.00	2.00		2.00	-	2.00
IT Project Manager - ERP	1.00	-		-	-	-
Lead User Support Specialist	1.00	1.00	(1.00)	-	-	-
Platform Data Administrator	2.00	2.00		2.00	-	2.00
System Administrator (I & II)	4.00	4.00		4.00	-	4.00
Telecommunications Specialist	1.00	1.00		1.00	-	1.00
Information Technology Total	30.00	31.00	(1.00)	30.00	(2.00)	28.00
Administrative Assistant	1.00	1.00		1.00	-	1.00
Digital Marketing Coordinator	-	1.00		1.00	-	1.00
Assistant Director Of Economic Development	1.00	1.00		1.00	-	1.00
Business Development Manager	-	1.00	-	1.00	-	1.00
Business Recruitment Manager	-	-	1.00	1.00	-	1.00
Civic Arts Coordinator	1.00	1.00	-	1.00	-	1.00
Compliance and Budget Analyst	1.00	1.00	-	1.00	-	1.00
Cultural Arts Manager	1.00	1.00	(1.00)	-	-	-
Director Of Economic Development	1.00	-	1.00	1.00	-	1.00
Economic Dev Marketing Coordinator	0.50	-	-	-	-	-
Economic Development Coordinator	1.00	1.00	(1.00)	-	-	-
Executive Director	-	1.00	(1.00)	-	-	-
Promotions Assistant - PartTime	0.25	0.25	(0.25)	-	-	-
Special Events Coordinator - Temp	-	0.25	(0.25)	-	-	-
Sr Marketing Manager	0.50	0.50		0.50	(0.50)	-
Sr. Administrative Coordinator	1.00	-	-	-	-	-
Sr. Business Development Manager	1.00	-	-	-	-	-
Tourism Marketing Associate	-	0.50		0.50	(0.50)	-
Economic Development Total	10.25	10.50	(1.50)	9.00	(1.00)	8.00
Assistant Director of Budget	-	1.00		1.00	-	1.00
Budget & Strategy Analyst/Sr	5.00	3.00		3.00	-	3.00
Budget Manager	1.00	1.00		1.00	-	1.00
Director of Budget	1.00	1.00		1.00	-	1.00
Executive Assistant	-	-	1.00	1.00	-	1.00
Executive Director	1.00	-	-	-	-	-
Grants Analyst	-	-	1.00	1.00	-	1.00
Grants Officer	-	-	1.00	1.00	-	1.00
Budget Total	8.00	6.00	3.00	9.00	-	9.00
General Government Total	132.50	141.75	3.50	145.25	(11.00)	134.25
Administrative Coordinator	1.00	-		-	-	-
Deputy Director of Finance	1.00	1.00		1.00	-	1.00
Director of Finance	1.00	1.00		1.00	-	1.00
Director of Fiscal Projects	1.00	-		-	-	-
Director of Special Projects	-	1.00		1.00	(1.00)	-
Grants Analyst	1.00	1.00	(1.00)	-	-	-
Grants Officer	1.00	1.00	(1.00)	-	-	-
Investment & Debt Manager	1.00	1.00		1.00	-	1.00
Sr. Administrative Assistant	-	-		-	-	-
Finance Administration	7.00	6.00	(2.00)	4.00	(1.00)	3.00
Accountant	2.00	1.00		1.00	-	1.00
Accounting Manager	-	1.00		1.00	-	1.00
Accounts Payable Coordinator	1.50	1.50		1.50	-	1.50
Accounts Payable Manager	1.00	1.00		1.00	-	1.00
Administrative Coordinator	1.00	1.00		1.00	-	1.00
Chief Accountant	1.00	1.00		1.00	-	1.00
Controller	1.00	1.00		1.00	-	1.00
Deputy Controller	1.00	-		-	-	-
Payroll Manager	-	1.00		1.00	-	1.00
Principal Accountant	4.00	4.00		4.00	-	4.00
Purchasing Card Coordinator	1.00	1.00		1.00	-	1.00
Sr Accounts Payable Coordinator	1.00	1.00		1.00	-	1.00
Sr. Accountant	1.00	1.00		1.00	-	1.00
Sr. Accountant - AP	1.00	1.00		1.00	-	1.00
Accounting	16.50	16.50	-	16.50	-	16.50
Purchasing Coordinator	2.00	2.00		2.00	-	2.00
Purchasing Manager	1.00	1.00		1.00	-	1.00

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Sr. Purchasing Coordinator	2.00	2.00		2.00	-	2.00
Purchasing	5.00	5.00	-	5.00	-	5.00
Administrative Assistant	1.00	1.00		1.00	-	1.00
Compliance Collections Specialist	1.00	-		-	-	-
Compliance Collections Supervisor	1.00	-		-	-	-
Compliance Specialist	-	1.00		1.00	-	1.00
Compliance Supervisor	-	1.00		1.00	-	1.00
Court Clerk	3.00	3.00		3.00	-	3.00
Court Clerk Supervisor	-	1.00		1.00	-	1.00
Court Docket Coordinator	1.00	1.00		1.00	-	1.00
Court Services Supervisor	1.00	1.00		1.00	-	1.00
Deputy Court Administrator	1.00	1.00		1.00	-	1.00
Juvenile Case Coordinator	-	0.50		0.50		0.50
Municipal Court Administrator	1.00	1.00		1.00	-	1.00
Municipal Court Judge	1.00	1.00		1.00	-	1.00
Sr. Court Clerk	1.00	-		-	-	-
Warrant Coordinator	1.00	1.00		1.00	-	1.00
Municipal Court	13.00	13.50	-	13.50	-	13.50
Finance Total	41.50	41.00	(2.00)	39.00	(1.00)	38.00
Assistant Director Of Neighborhood Services			1.00	1.00	-	1.00
Assistant Director of Public Works	1.00	2.00		2.00	(1.00)	1.00
Civic Arts Manager			1.00	1.00	-	1.00
Director of Public Works	0.50	0.50	0.50	1.00	-	1.00
Executive Assistant	1.00	1.00		1.00	-	1.00
Executive Director	-	0.50	-	0.50	(0.50)	-
Finance Manager	0.50	0.50		0.50	(0.25)	0.25
Public Works Administration	3.00	4.50	2.50	7.00	(1.75)	5.25
Crew Chief	5.00	5.00		5.00	-	5.00
Field Supervisor	3.00	3.00		3.00	-	3.00
General Maintenance Worker (I & II)	9.00	9.00		9.00	-	9.00
Project Manager III	1.00	1.00		1.00	-	1.00
Streets and Drainage Manager	1.00	1.00		1.00	-	1.00
Street & Drainage Maintenance	19.00	19.00		19.00	-	19.00
Crew Chief	4.00	4.00	(1.00)	3.00	-	3.00
Field Supervisor	1.00	1.00		1.00	-	1.00
Right Of Way Services Manager	1.00	1.00		1.00	-	1.00
Right Of Way Technician	12.00	12.00		12.00	-	12.00
Right Of Way Trainee	2.00	2.00		2.00	(2.00)	-
Sr Crew Chief	-	-	1.00	1.00	-	1.00
Sr Irrigation Technician	1.00	1.00		1.00	-	1.00
ROW Maintenance	21.00	21.00		21.00	(2.00)	19.00
City Traffic Engineer	1.00	1.00		1.00	-	1.00
Engineer (I)	1.00	-		-	-	-
Field Supervisor	2.00	2.00		2.00	-	2.00
Intelligent Transportation System Manager	1.00	1.00		1.00	-	1.00
Traffic Engineering Manager	1.00	-		-	-	-
Traffic Management Center Analyst	1.00	1.00		1.00	-	1.00
Traffic Management Center Operator II	1.00	1.00		1.00	-	1.00
Traffic Technician (I, II & III)	7.00	7.00		7.00	-	7.00
Traffic Operations	15.00	13.00		13.00	-	13.00
Public Works Total	58.00	57.50	2.50	60.00	(3.75)	56.25
Administrative Manager	1.00	1.00		1.00	-	1.00
Assistant Director of Parks & Recreation	2.00	2.00		2.00	-	2.00
Director of Parks & Recreation	1.00	1.00		1.00	-	1.00
Sr Administrative Assistant	1.00	1.00		1.00	-	1.00
Parks Administration	5.00	5.00		5.00	-	5.00
Crew Chief	4.00	4.00		4.00	-	4.00
Field Supervisor	1.00	2.00		2.00	-	2.00
General Maintenance Worker (I & II)	8.00	7.00		7.00	-	7.00
Parks Development Coordinator	-	1.00		1.00	-	1.00
Parks Development Manager	1.00	1.00		1.00	-	1.00
Parks Maintenance Manager	1.00	1.00		1.00	-	1.00
Parks Development	15.00	16.00		16.00	-	16.00

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Event Coordinator	1.00	2.00		2.00	(1.00)	1.00
Event Coordinator - Part Time	1.00	0.50		0.50		0.50
Event Production Manager	1.00	1.00		1.00	-	1.00
Special Events	3.00	3.50		3.50	(1.00)	2.50
Community Event Manager	1.00	-	1.00	1.00	-	1.00
Event Development Coordinator	-	1.00		1.00		1.00
Parks Facility Technician	1.00	1.00		1.00	-	1.00
Parks Reservation Specialist - Part Time	1.00	1.00	(1.00)	-	-	-
Recreation Manager	1.00	-		-	-	-
Recreation Specialist - Part Time	2.50	2.50	(0.50)	2.00		2.00
Recreation	6.50	5.50	(0.50)	5.00	-	5.00
Recreation Coordinator	1.00	1.00		1.00	-	1.00
Recreation Specialist - Part Time	1.00	1.00		1.00		1.00
Recreation Supervisor	1.00	1.00		1.00	-	1.00
Seniors Programs	3.00	3.00		3.00	-	3.00
Lead Camp Counselor - Temp	2.00	-		-	-	-
Park Ambassador - Part Time	1.50	1.50		1.50	-	1.50
Recreation Coordinator	1.00	1.00		1.00	-	1.00
Recreation Manager	-	1.00		1.00	-	1.00
Recreation Specialist - Part Time	-	-	0.50	0.50	-	0.50
Recreation Supervisor	1.00	1.00		1.00	-	1.00
Imperial Park Recreation Center	5.50	4.50	0.50	5.00	-	5.00
Parks & Recreation Total	38.00	37.50	-	37.50	(1.00)	36.50
Administrative Manager - PD&S	1.00	-		-	-	-
Director of Planning & Development Services	1.00	1.00		1.00	-	1.00
Executive Assistant	-	1.00		1.00	(1.00)	-
Planning & Development Services Administration	2.00	2.00		2.00	(1.00)	1.00
Assistant Director Of Planning & Development Services	1.00	1.00		1.00	-	1.00
Development Coordinator	2.00	1.00		1.00	-	1.00
GIS Planner	-	1.00	(1.00)	-	-	-
Planner - Temp	0.25	0.25		0.25	-	0.25
Planner I	1.00	1.00		1.00	-	1.00
Planner II	2.00	1.00	2.00	3.00	(1.00)	2.00
Principal Planner	-	1.00		1.00	-	1.00
Senior Planner	-	1.00		1.00	-	1.00
Planning & Development	6.25	7.25	1.00	8.25	(1.00)	7.25
Development Services Experience Analyst	1.00	1.00		1.00	-	1.00
Development Services Experience Manager	1.00	1.00		1.00	-	1.00
Permit Coordinator	4.00	3.00	1.00	4.00	-	4.00
Permits Supervisor	1.00	1.00		1.00	-	1.00
Sr Permit Coordinator	2.00	3.00	(1.00)	2.00	(1.00)	1.00
Permits	9.00	9.00	-	9.00	(1.00)	8.00
Building Inspector II & III	3.00	6.00		6.00	-	6.00
Building Inspector IV - Code Specialist	2.00	2.00		2.00	-	2.00
Building Inspector Recruit	3.00	-		-	-	-
Chief Building Official	1.00	1.00		1.00	-	1.00
Deputy Building Official	1.00	1.00		1.00	-	1.00
Inspections	10.00	10.00	-	10.00	-	10.00
Planning & Development Services Total	27.25	28.25	1.00	29.25	(3.00)	26.25
Assistant Director Of Redevelopment	2.00	2.00	(1.00)	1.00		1.00
Communications Manager			1.00	1.00		1.00
Community Development Coordinator	2.00	2.00	(1.00)	1.00		1.00
Director of Redevelopment	1.00	1.00		1.00	-	1.00
Executive Assistant	-	1.00	-	1.00		1.00
Long Range Planner	1.00	-	-	-		-
Planner II	1.00	-	-	-		-
Redevelopment Planning Manager			1.00	1.00		1.00
Sr Community Development Coordinator	1.00	1.00	-	1.00		1.00
Sr. Planner	1.00	2.00	(1.00)	1.00	(1.00)	-
Redevelopment Total	9.00	9.00	(1.00)	8.00	(1.00)	7.00
Assistant City Engineer	2.00	2.00		2.00	-	2.00
Assistant City Engineer/Assistant Director	-	1.00		1.00	(1.00)	-
Chief Construction Inspector			1.00	1.00	-	1.00

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
CIP Coordinator	1.00	1.00		1.00	-	1.00
Construction Inspector (I & II)	3.00	3.00	1.00	4.00	-	4.00
Construction Manager	1.00	1.00	-	1.00	-	1.00
Engineer (I, II, III, IV)	3.00	4.00	(1.00)	3.00	-	3.00
Engineer I - Traffic	-	1.00	(1.00)	-	-	-
Engineering Manager	2.00	2.00	-	2.00	-	2.00
Executive Assistant	1.00	1.00		1.00	-	1.00
Executive Director - City Engineer	1.00	1.00		1.00	-	1.00
Project Manager II	1.00	1.00	-	1.00	-	1.00
Real Property Manager	1.00	1.00	-	1.00	-	1.00
Sr Construction Inspector	2.00	2.00	(1.00)	1.00	-	1.00
Sr Manager Vertical Construction	1.00	1.00	-	1.00	-	1.00
Sr. Administrative Coordinator	-	-	-	-	-	-
Sr. Engineer Manager	2.00	2.00	-	2.00	-	2.00
Sr. Project Manager	2.00	1.00	1.00	2.00	-	2.00
Sr. Project Manager - Temp	0.25	-	-	-	-	-
Traffic Engineering Manager	-	1.00	-	1.00	-	1.00
Transportation & Mobility Innovations Analyst	-	-	-	-	-	-
Transportation & Mobility Innovations Coordinator	1.00	-	-	-	-	-
Transportation & Mobility Innovations Manager	1.00	-	-	-	-	-
Transportation & Mobility Manager	-	1.00	-	1.00	-	1.00
Engineering	25.25	27.00		27.00	(1.00)	26.00
Asset & Operations Manager	1.00	1.00		1.00	-	1.00
Asset Management	1.00	1.00		1.00		1.00
Engineering Total	26.25	28.00	-	28.00	(1.00)	27.00
Assistant Director of ENS	2.00	-	-	-	-	-
Assistant Director of Neighborhood Services	-	1.00	(1.00)	-	-	-
Director of Environmental & Neighborhood Services	1.00	-	-	-	-	-
ENS Administration	3.00	1.00	(1.00)			
Administrative Supervisor	-	1.00		1.00	-	1.00
Automotive Technician (I & II)	5.00	5.00	1.00	6.00	-	6.00
Department Specialist	1.00	1.00		1.00	-	1.00
Emergency Vehicle Technician II	1.00	1.00	-	1.00	-	1.00
Emergency Vehicle Technician in Training	-	1.00	(1.00)	-	-	-
Fleet Administrator	-	1.00		1.00	-	1.00
Fleet Inventory & Data Specialist	-	1.00		1.00	-	1.00
Fleet Inventory and Parts Clerk	1.00	-	-	-	-	-
Fleet Services Clerk	1.00	-	-	-	-	-
Fleet Services Manager	1.00	-	-	-	-	-
Fleet Services Supervisor	1.00	1.00		1.00	-	1.00
Fleet Transporter	0.50	1.00		1.00	-	1.00
Quick Lube Technician	-	1.00		1.00	-	1.00
Fleet Total	11.50	14.00	-	14.00	-	14.00
Administrative Coordinator	1.00	-	-	-	-	-
Administrative Manager	-	1.00		1.00	-	1.00
Animal Service Administrator	1.00	1.00		1.00	-	1.00
Animal Services Engagement Coordinator	1.00	1.00	1.00	2.00	-	2.00
Animal Services Officer (I & II)	4.00	4.00	(1.00)	3.00	-	3.00
Animal Shelter Supervisor	1.00	1.00		1.00	-	1.00
Community Partnership & Program Manager	1.00	1.00	(1.00)	-	-	-
Deputy Animal Services Administrator			1.00	1.00	-	1.00
Field Supervisor	1.00	1.00		1.00	-	1.00
Intake & Adoption Specialist			1.00	1.00	-	1.00
Kennel Technician	2.00	4.00		4.00	-	4.00
Kennel Technician - PT	0.50	1.50		1.50	(0.50)	1.00
Receptionist	1.00	1.00	(1.00)	-	-	-
Veterinarian	1.00	0.50		0.50	(0.50)	-
Veterinary Technician	1.00	2.00		2.00	-	2.00
Animal Services Total	15.50	19.00	-	19.00	(1.00)	18.00
Administrative Coordinator	1.00	1.00		1.00	-	1.00
Distribution Specialist	1.00	1.00		1.00	-	1.00
Facilities Services Coordinator	1.00	1.00		1.00	-	1.00
Facilities Services Manager	1.00	1.00		1.00	-	1.00

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Facilities Services Project Manager	1.00	-	-	-	1.00	1.00
Facilities Services Supervisor	1.00	1.00	-	1.00	-	1.00
Facility Services Technician	2.00	-	-	-	-	-
Facility Services Technician	2.00	4.00	-	4.00	(1.00)	3.00
Facility Services Technician - Temp	0.25	0.25	-	0.25	-	0.25
Mail Courier - Temp	0.25	0.25	-	0.25	-	0.25
Sr. Facility Services Tech	4.00	5.00	-	5.00	(2.00)	3.00
Facilities Management	14.50	14.50		14.50	(2.00)	12.50
Food Inspection Coordinator	1.00	1.00	-	1.00	-	1.00
Food Inspection Manager	1.00	1.00	-	1.00	-	1.00
Food Inspector	2.00	2.00	-	2.00	-	2.00
Food Inspection	4.00	4.00		4.00		4.00
Code Compliance Manager	1.00	1.00	-	1.00	-	1.00
Code Enforcement Inspector	4.00	4.00	-	4.00	-	4.00
Sr Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Code Enforcement	6.00	6.00		6.00		6.00
Code Compliance Coordinator	1.00	1.00	-	1.00	-	1.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
Residential Rental Inspector I	1.00	1.00	-	1.00	-	1.00
Rental Registration	3.00	3.00		3.00		3.00
Environmental & Neighborhood Services Total	57.50	61.50	(1.00)	60.50	(3.00)	57.50
Administrative Manager	0.50	-	-	-	-	-
Administrative Coordinator	1.00	1.00	-	1.00	(1.00)	-
Assistant Police Chief	3.00	3.00	(1.00)	2.00	-	2.00
Chief Of Police	1.00	1.00	-	1.00	-	1.00
Community Engagement and Media Administrator	-	1.00	-	1.00	(1.00)	-
Crime Analyst	1.00	1.00	-	1.00	-	1.00
Executive Assistant	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	-	-	1.00	1.00	-	1.00
Police Sergeant	-	-	1.00	1.00	-	1.00
Sr Police Finance Manager	-	-	1.00	1.00	-	1.00
Police Administration	7.50	8.00	2.00	10.00	(2.00)	8.00
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Administrative Manager	0.50	-	-	-	-	-
Background Investigator - Temp	-	1.00	(0.25)	0.75	-	0.75
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	1.00	1.00	-	1.00	-	1.00
Police Officer	13.00	12.00	(1.00)	11.00	-	11.00
Police Officer - Motorcycle	8.00	-	-	-	-	-
Police Sergeant	4.00	2.00	-	2.00	-	2.00
Records Manager	-	1.00	(1.00)	-	-	-
Records Specialist	-	5.00	(5.00)	-	-	-
Support Services Bureau	28.50	24.00	(7.25)	16.75		16.75
Department Specialist	1.00	1.00	-	1.00	-	1.00
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	2.00	1.00	(1.00)	-	-	-
Police Officer	4.00	4.00	(1.00)	3.00	-	3.00
Police Sergeant	2.00	3.00	(1.00)	2.00	-	2.00
Records Manager	1.00	-	-	-	-	-
Records Technician	5.00	-	1.00	1.00	-	1.00
Professional Services	16.00	10.00	(2.00)	8.00		8.00
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	6.00	6.00	-	6.00	-	6.00
Police Officer	83.00	75.00	8.00	83.00	-	83.00
Police Officer - Motorcycle	-	-	-	-	-	-
Police Sergeant	18.00	15.00	3.00	18.00	-	18.00
Sr Administrative Assistant	1.00	1.00	-	1.00	-	1.00
Patrol	109.00	98.00	11.00	109.00		109.00
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Crime Analyst	1.00	1.00	-	1.00	-	1.00
Crime Scene Technician	4.00	4.00	-	4.00	-	4.00
Finance Manager	-	1.00	(1.00)	-	-	-
Police Captain	1.00	1.00	-	1.00	-	1.00

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Police Lieutenant	1.00	2.00		2.00		2.00
Police Officer	20.00	29.00	(3.00)	26.00	-	26.00
Police Officer - Motorcycle	-	8.00	(2.00)	6.00	-	6.00
Police Sergeant	4.00	8.00	(3.00)	5.00	-	5.00
Sr Forensic Technician	-	-	1.00	1.00	-	1.00
Victim Services Coordinator	1.00	1.00		1.00	-	1.00
Warrant Clerk	1.00	1.00		1.00	-	1.00
Criminal Investigations	34.00	57.00	(8.00)	49.00	-	49.00
Detention Officer	5.00	5.00		5.00	-	5.00
Police Sergeant	1.00	1.00		1.00	-	1.00
Detention Center	6.00	6.00	-	6.00	-	6.00
Emergency Management Coordinator	1.00	1.00		1.00	-	1.00
Emergency Management Of Administrator	1.00	1.00		1.00	-	1.00
Training Center Manager	1.00	1.00		1.00	-	1.00
Emergency Management	3.00	3.00	-	3.00	-	3.00
Sworn Total	175.00	175.00	-	175.00	-	175.00
Police Department Total	204.00	206.00	(4.25)	201.75	(2.00)	199.75
Public Safety Dispatch Administrator	1.00			-		-
Public Safety Dispatch Director	-	1.00		1.00		1.00
Public Safety Dispatch Manager	2.00	2.00	1.00	3.00	-	3.00
Public Safety Dispatch Shift Supervisor	6.00	6.00		6.00	-	6.00
Public Safety Dispatcher (I & II)	25.00	25.00		25.00	-	25.00
Quality Assurance Coordinator	1.00	1.00	(1.00)	-	-	-
Public Safety Dispatch Total	35.00	35.00	-	35.00	-	35.00
Chief Of Fire-Ems	1.00	1.00		1.00	-	1.00
Code Compliance Coordinator	2.00	2.00	(1.00)	1.00		1.00
Compliance & Budget Analyst	1.00	1.00		1.00	-	1.00
Data & Performance Strategist	1.00	1.00		1.00		1.00
Deputy Director Of Fire/Ems	1.00	1.00		1.00	-	1.00
Fire/Ems Administrator	1.00	1.00		1.00	-	1.00
Fire/Ems Business Manager	-	-	1.00	1.00	-	1.00
Fire/Ems Services Supervisor	-	-	1.00	1.00		1.00
Sr. Administrative Assistant	1.00	1.00	(1.00)	-		-
Fire Administration	8.00	8.00	-	8.00	-	8.00
Assistant Fire Chief	1.00	1.00		1.00	-	1.00
Battalion Chief	6.00	6.00		6.00		6.00
Fire Captain	5.00	5.00	(1.00)	4.00		4.00
Fire Driver	21.00	21.00		21.00		21.00
Fire Lieutenant	23.00	21.00	2.00	23.00		23.00
Firefighter	69.00	74.00	(2.00)	72.00		72.00
Emergency Services	125.00	128.00	(1.00)	127.00	-	127.00
Assistant Fire Chief	1.00	1.00		1.00	-	1.00
Assistant Fire Marshal	1.00	1.00		1.00	-	1.00
Fire Captain	-	-	1.00	1.00	-	1.00
Fire Lieutenant	5.00	4.00		4.00		4.00
Prevention	7.00	6.00	1.00	7.00	-	7.00
Fire/EMS Department Total	140.00	142.00	-	142.00	-	142.00
GENERAL FUND	769.00	787.50	(1.25)	786.25	(26.75)	759.50
LESS TEMPORARY POSITIONS	3.25	2.75	(0.50)	2.25	(0.50)	1.75
GENERAL FUND NET FTE	765.75	784.75	(0.75)	784.00	(26.25)	757.75
Police Officer	0.50	0.50	-	0.50	-	0.50
Court Security	0.50	0.50	-	0.50	-	0.50
COURT SECURITY FUND	0.50	0.50	-	0.50	-	0.50
Destination Event Coordinator - PartTime	-	-	0.50	0.50	-	0.50
SPECIAL EVENTS	-	-	0.50	0.50	-	0.50
Economic Dev Marketing Coordinator	0.50	-		-	-	-
Promotions Assistant - Part Time	0.25	0.25		0.25	(0.25)	-
Sr. Marketing Manager	0.50	0.50		0.50	0.50	1.00
Marketing & Engagement Coordinator	-	0.50		0.50	0.50	1.00
Convention & Visitors Bureau	1.25	1.25	-	1.25	0.75	2.00
Assistant Director Of Tourism	-	1.00		1.00	-	1.00
Destination Event Coordinator - Part Time	-	0.50		0.50	(0.50)	-
Sales & Event Coordinator	1.00	1.00		1.00	(1.00)	-

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Sales & Event Manager	1.00	-	-	-	1.00	1.00
Tourism & Servicing Specialist - Part Time	0.50	-	-	-	-	-
Tourism Program	2.50	2.50	-	2.50	(0.50)	2.00
TOURISM FUND	3.75	3.75	-	3.75	0.25	4.00
Police Officer	-	6.00	-	6.00	-	6.00
Police Sergeant	-	1.00	-	1.00	-	1.00
CONTRACT POLICING FUND	-	7.00	-	7.00	-	7.00
SPECIAL REVENUE FUNDS	4.25	11.25	0.50	11.75	0.25	12.00
Administrative Manager	0.50	0.50	-	0.50	0.25	0.75
Assistant Director of Utilities	2.00	1.00	-	1.00	-	1.00
Budget Analyst	-	1.00	-	1.00	-	1.00
Contract Services Coordinator	1.00	1.00	-	1.00	-	1.00
Deputy Director of Public Works	1.00	1.00	(1.00)	-	-	-
Director of Public Works	0.50	0.50	(0.50)	-	-	-
Director of Utilities	-	1.00	-	1.00	-	1.00
Executive Director	-	0.50	-	0.50	(0.50)	-
GIS Specialist I	-	-	1.00	1.00	-	1.00
Sr. Administrative Assistant	1.00	2.00	-	2.00	-	2.00
Utility Administration	6.00	8.50	(0.50)	8.00	(0.25)	7.75
Crew Chief	5.00	5.00	-	5.00	-	5.00
Engineer I	1.00	1.00	-	1.00	-	1.00
Facility Operations Manager	0.50	-	-	-	-	-
Field Operations Manager	1.00	1.00	-	1.00	-	1.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	6.00	6.00	-	6.00	-	6.00
Water Operations Manager	-	0.50	-	0.50	-	0.50
Water Distribution	14.50	14.50	-	14.50	-	14.50
Field Supervisor	2.50	2.50	0.50	3.00	-	3.00
Electrician-Journeyman	-	-	2.00	2.00	-	2.00
I & C Technician	0.50	0.50	-	0.50	-	0.50
Lead Utilities Operator	1.00	1.00	(1.00)	-	-	-
Utilities Operator (II & III)	3.50	3.50	1.50	5.00	-	5.00
Water Production	7.50	7.50	3.00	10.50	-	10.50
Crew Chief & Sr. Crew Chief	3.00	3.00	-	3.00	-	3.00
Electrician	0.50	-	-	-	-	-
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	6.00	6.00	(1.00)	5.00	-	5.00
Wastewater Collection	10.50	10.00	(1.00)	9.00	-	9.00
Crew Chief	1.00	1.00	-	1.00	-	1.00
Department Specialist	1.00	1.00	-	1.00	-	1.00
Electrician	-	0.50	(0.50)	-	-	-
Field Supervisor	0.50	0.50	(0.50)	-	-	-
P&M Technician (I & II)	4.00	6.00	-	6.00	-	6.00
Utilities Operator	0.50	0.50	(0.50)	-	-	-
Wastewater Facilities Manager	-	1.00	-	1.00	-	1.00
Wastewater Treatment	7.00	10.50	(1.50)	9.00	-	9.00
Crew Chief & Sr. Crew Chief	2.00	2.00	-	2.00	-	2.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker II	9.00	9.00	1.00	10.00	-	10.00
Customer Service	12.00	12.00	1.00	13.00	-	13.00
Administrative Assistant	-	-	1.00	1.00	-	1.00
Field Supervisor	1.00	2.00	(1.00)	1.00	-	1.00
Lab Technician	0.50	0.50	-	0.50	-	0.50
Pretreatment Coordinator	1.00	1.00	-	1.00	-	1.00
Water Quality Manager	1.00	1.00	-	1.00	-	1.00
Water Quality Technician	4.00	4.00	-	4.00	-	4.00
Water Quality	7.50	8.50	-	8.50	-	8.50
Water Conservation Coordinator	1.00	1.00	-	1.00	-	1.00
Water Conservation	1.00	1.00	-	1.00	-	1.00
Administrative Supervisor	-	1.00	-	1.00	-	1.00
AMI Field Operations Manager	1.00	-	-	-	-	-
AMI Program Manager	1.00	-	-	-	-	-
Electrician	0.50	0.50	(0.50)	-	-	-

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Facility Operations Manager	0.50	0.50	(0.50)	-	-	-
General Maintenance Worker I	1.00	1.00	-	1.00	-	1.00
I & C Technician	0.50	0.50	-	0.50	-	0.50
Lab Technician	0.50	0.50	-	0.50	-	0.50
Lead Utilities Operator	3.00	3.00	(3.00)	-	-	-
Surface Water Field Supervisor	2.00	2.00	-	2.00	-	2.00
Surface Water Plant Manager	1.00	1.00	-	1.00	-	1.00
Utilities Operator (I & II)	2.00	3.00	3.00	6.00	-	6.00
Utilities Operator Trainee	2.00	2.00	-	2.00	-	2.00
Water Operations Manager	-	-	0.50	0.50	-	0.50
Water Resources Manager	1.00	1.00	-	1.00	-	1.00
Surface Water	16.00	16.00	(0.50)	15.50	-	15.50
AMI Field Operations Manager	-	1.00	-	1.00	-	1.00
AMI Program Analyst	-	1.00	-	1.00	-	1.00
AMI Program Manager	-	1.00	-	1.00	-	1.00
AMI	-	3.00	-	3.00	-	3.00
Billing Supervisor	1.00	1.00	-	1.00	-	1.00
Billing/Collection Spec. (I & II)	4.00	4.00	-	4.00	-	4.00
Collections & Customer SVC Supervisor	1.00	1.00	-	1.00	-	1.00
Customer Service Rep (I & II)	4.00	4.00	-	4.00	-	4.00
Treasury Department Analyst	1.00	1.00	-	1.00	-	1.00
Treasury Manager	1.00	1.00	-	1.00	-	1.00
Treasury	12.00	12.00	-	12.00	-	12.00
Utility System Fund Total	94.00	103.50	0.50	104.00	(0.25)	103.75
Administrative Assistant	1.00	-	-	-	-	-
Administrative Coordinator	1.00	1.00	-	1.00	-	1.00
Airport Business Manager	1.00	-	-	-	-	-
Airport Engagement Coordinator	-	-	1.00	1.00	-	1.00
Airport Leasing Coordinator	1.00	-	1.00	1.00	-	1.00
Assistant Director of Aviation	1.00	1.00	1.00	2.00	-	2.00
Deputy Director of Aviation	1.00	1.00	(1.00)	-	-	-
Director of Aviation	1.00	-	1.00	1.00	-	1.00
Executive Assistant	-	1.00	(1.00)	-	-	-
Executive Director	-	1.00	(1.00)	-	-	-
Finance Manager	-	1.00	-	1.00	-	1.00
Sr. Administrative Assistant	-	1.00	-	1.00	-	1.00
Airport Administration	7.00	7.00	1.00	8.00	-	8.00
Airport Leasing Coordinator	-	1.00	(1.00)	-	-	-
Airport Operations Agent	2.00	2.00	-	2.00	-	2.00
Airport Operations Manager	-	1.00	-	1.00	-	1.00
Airport Operations Supervisor	1.00	-	-	-	-	-
Airfield Operations	3.00	4.00	(1.00)	3.00	-	3.00
Airport Services Rep (I & II)	7.00	7.00	-	7.00	-	7.00
ASR Supervisor	1.00	1.00	(1.00)	-	-	-
Customer Experience Manager	1.00	1.00	-	1.00	-	1.00
Line Crew (I, II & III)	16.00	15.00	(2.00)	13.00	-	13.00
Line Crew Trainer & Apprentice	1.00	1.00	3.00	4.00	-	4.00
Line Services Manager	1.00	1.00	-	1.00	-	1.00
Line Supervisor	2.00	2.00	-	2.00	-	2.00
Ramp Agent	-	-	1.00	1.00	1.00	2.00
FBO Services	29.00	28.00	1.00	29.00	1.00	30.00
Café Attendant (I & II)	2.00	2.00	-	2.00	-	2.00
Café Attendant I - Temp	-	0.25	(0.25)	-	-	-
Café Supervisor	1.00	1.00	-	1.00	-	1.00
Café Select	3.00	3.25	(0.25)	3.00	-	3.00
Airfield & Facilities Manager	-	-	1.00	1.00	-	1.00
Airport Field Supervisor	1.00	1.00	-	1.00	-	1.00
Airport Maintenance Coordinator	1.00	1.00	(1.00)	-	-	-
Custodian	1.00	1.00	-	1.00	-	1.00
Custodian - Part Time	0.50	0.50	-	0.50	-	0.50
General Maintenance Worker (I & II)	6.00	6.00	-	6.00	-	6.00
Maintenance & Operations	9.50	9.50	-	9.50	-	9.50
AIRPORT FUND	51.50	51.75	0.75	52.50	1.00	53.50

Historical Detail of Authorized Full-Time Equivalents

Position Title	FY24 Budget	FY25 Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustments	FY26 Budget
Administrative Supervisor	1.00	0.50		0.50	-	0.50
Environmental Manager	1.00	1.00		1.00	-	1.00
Environmental Operations Coordinator	1.00	1.00		1.00	-	1.00
Environmental Services Inspector	1.00	1.00		1.00	-	1.00
Solid Waste	4.00	3.50	-	3.50	-	3.50
SOLID WASTE FUND	4.00	3.50	-	3.50	-	3.50
Crew Chief	1.00	1.00		1.00	-	1.00
General Maintenance Worker II	2.00	2.00		2.00	-	2.00
Operations Manager	1.00	-		-	-	-
Public Works Engineering Manager	-	1.00		1.00	-	1.00
Storm Water Compliance Drainage	4.00	4.00		4.00	-	4.00
Administrative Supervisor	-	0.50		0.50	-	0.50
Environmental Compliance Coordinator	1.00	1.00		1.00	-	1.00
Environmental Compliance Inspector	-	1.00		1.00	-	1.00
Environmental Services Inspector	1.00	1.00		1.00	-	1.00
Storm Water Compliance Inspector	1.00	-		-	-	-
Storm Water Compliance Management	3.00	3.50		3.50	-	3.50
STORM WATER FUND	7.00	7.50		7.50	-	7.50
TOTAL ENTERPRISE FUNDS	156.50	166.25	1.25	167.50	0.75	168.25
TOTAL ALL FUNDS	929.75	965.00	0.50	965.50	(25.75)	939.75
Less Temporary Positions	3.25	3.00	(0.75)	2.25	(0.50)	1.75
TOTAL FULL TIME EQUIVALENT	926.50	962.00	1.25	963.25	(25.25)	938.00

Property Taxes

The City's property tax is levied each October 1st on the certified assessed value as of January 1st for all real and personal property. The appraisal of property is the responsibility of the Fort Bend Central Appraisal District. Appraisals may be challenged through various appeals and, if necessary, legal action.

The City owns and operates the Sugar Land Regional Airport. Federal Aviation Administration assurance requires that all airport revenues, including those derived from airport properties, must be used exclusively for the capital or operating needs of the airport. As such, the city transfers all taxes received on airport valuations to the Airport Enterprise Fund for operating expenses and development. The City also has an agreement whereby the City rebates a portion of the property taxes collected from in-City MUDs back to the districts.

Tax Increment Reinvestment Zones, or TIRZs, are special districts created by the City to support targeted economic development. When a TIRZ is established, the current value of property within the zone is set as a base. As new development occurs and property values increase, the additional tax revenue generated above that base is captured and reinvested back into the zone. These funds support infrastructure, public facilities, and other projects that encourage continued growth. The City currently has three TIRZs:

In 1998, TIRZ#1 was formed, which includes Sugar Land Town Square. Taxes assessed and collected by the participating entities (City, County, and LID #2) over and above the base value of the property upon creation of the TIRZ #1 (\$5.57 million) are deposited to the benefit of the TIRZ to support improvements within the TIRZ #1. For FY26 the City expects to contribute \$903,524 (assumed at 98.5% collection rate) in property tax for TIRZ#1 at 100% participation. As TIRZ#1 is scheduled to be dissolved at the end of calendar year 2025, any unspent fund balance or revenues received after that point will revert back to the participating entities.

TIRZ #3 – Imperial was formed in 2007. The purpose of TIRZ #3 is to facilitate a program of public improvements to allow the development and redevelopment of property as a master-planned and mixed-use community. Taxes assessed and collected by the participating entities (City and County) over and above the base value of the property upon creation of the TIRZ #3 (\$5.60 million) are deposited to the benefit of the TIRZ. Included in the development is the preservation

and/or reuse of certain historic structures at the Imperial Sugar site and the location of a museum to house Imperial Sugar artifacts. For FY26 the City expects to contribute \$1,000,701 (assumed at 98.5% collection rate) in property tax for TIRZ#3 at 50% participation.

TIRZ #4 – located at US59 and University Boulevard was formed in 2009. Taxes assessed and collected by the participating entities (City, County, Fort Bend MUD138, and Fort Bend MUD139) over and above the base value of the property upon creation of the TIRZ #4 (\$21.52 million) are deposited to the benefit of the TIRZ. The purpose of the zone is to support development of employment, commercial, cultural arts, and an entertainment district within an urban-density mixed-use center. For FY26 the City expects to contribute \$681,732 (assumed at 98.5% collection rate) in property tax for TIRZ#4 at 50% participation.

The total property tax collections for FY25 are projected to be \$74,340,360 or 98.5% of the adjusted levy, including all three TIRZs. Revenues are distributed between operations and maintenance (\$42,195,636), debt service (\$29,744,205), TIRZ # 1 (\$709,985), TIRZ #3 (\$1,042,102), and TIRZ #4 (\$648,432).

Fiscal Year 2026

The certified net assessed valuation of \$21,995,007,740 for tax year 2025 is \$627,422,774 or 2.94% greater than the 2025 adjusted tax roll, including values inside the TIRZs. Of the \$22.0 billion in taxable value, \$255.6 million is incremental value in TIRZ #1, \$283.1 million in TIRZ #3, and \$192.9 million in TIRZ #4. Taxes collected on the incremental value from each TIRZ will be allocated from the City. Net assessed residential value increased 3.1%, and net assessed commercial value increased by 2.6% over the 2025 adjusted tax roll, including new value. Based on the certified tax roll and the 2025 tax rate of \$0.358827 per \$100 of assessed value, the anticipated tax collections for FY26 are \$77,740,166 at a 98.5% collection rate or \$3,399,806 greater than FY25 projections including the three TIRZs. Based on the 98.5% collection rate, \$75,154,209 will remain with the City and \$2,585,957 will be conveyed to the three TIRZs.

The homestead exemption for tax year 2025 remains at 15%. The optional exemption for over-65 and disabled persons remains at \$70,000.

The overall adopted tax rate for tax year 2025 is \$0.358827. The allocation for tax year 2024 and 2025 tax rate is as follows:

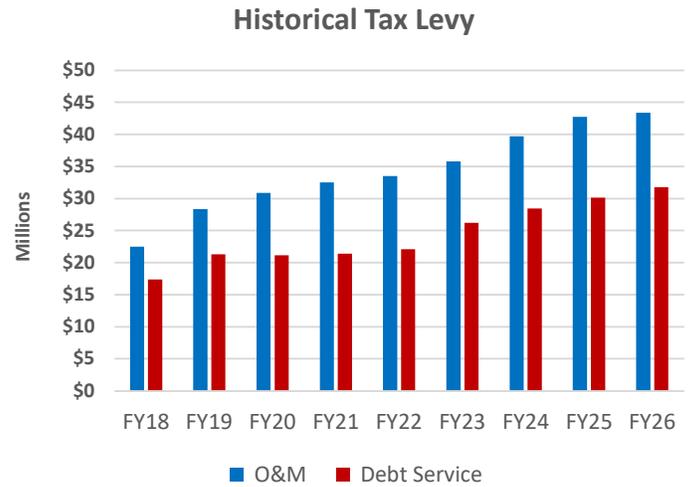
	Tax Year 2024		Tax Year 2025	
		%		%
M&O	\$ 0.207172	58.65%	\$ 0.207172	57.74%
Debt Service	0.146038	41.35%	0.151655	42.26%
Total	\$ 0.353210	100.00%	\$ 0.358827	100.00%

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

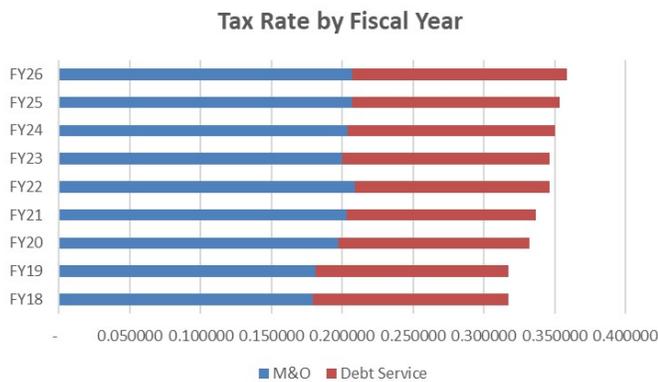
No New Revenue Tax Rate: \$0.367991
 Voter Approval Tax Rate: \$0.377063

Based on the average residential value of \$522,316 with a 15% homestead exemption, at the adopted 2025 tax rate of \$0.358827, the average tax bill is \$1,593. Below is the tax comparison table for tax year 2025 and tax year 2026:

Description	TY2024	TY2025	Change
Average Home Value	\$505,735	\$522,316	\$16,581
Homestead Exemption	-\$75,860	-\$78,347	-\$2,487
Average Taxable Value	\$429,875	\$443,969	\$14,094
Rate per \$100	\$0.353210	\$0.358827	\$0.005617
Tax Average Homestead	\$1,518	\$1,593	\$75
Total Tax Levy All Properties	\$78,232,236	\$76,352,251	-\$1,879,985



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



In FY26 property taxes per capita, excluding TIRZ valuation, is approximately \$677. Taxes per capita increased in FY26 due to increase in net assessed values taxable to the City.

**CITY OF SUGAR LAND
PROPERTY TAX COLLECTIONS**

	Supplement #12 FY24 Actual	FY25 Budget Certified Levy	FY25 YTD Projections Adjusted Levy	FY26 Base Budget Certified Levy	FY26 Changes	FY26 Budget Certified Levy
Total Tax Levy:						
City Levy	\$67,589,247	\$74,005,167	\$73,035,372	\$75,104,326	1,194,363	\$76,298,689
TIRZ #1	1,024,047	657,963	720,797	902,924	14,359	917,283
TIRZ #3	956,385	930,502	1,057,972	1,000,037	15,903	1,015,940
TIRZ #4	723,846	608,470	658,306	681,280	10,834	692,114
Total Tax Levy @ 100%	70,293,524	76,202,101	75,472,447	77,688,567	1,235,460	78,924,026
Collection Rate 98.5%	69,239,121	75,059,069	74,340,360	76,523,238	1,216,928	77,740,166
Tax Revenue Allocation						
Maintenance	39,375,752	42,755,928	42,195,636	43,390,959	-	43,390,959
Debt	28,196,040	30,139,161	29,744,205	30,586,802	1,176,448	31,763,250
Total City Revenues	67,571,792	72,895,089	71,939,841	73,977,761	1,176,448	75,154,209
City TIRZ Participation						
TIRZ #1	810,283	648,093	709,985	889,380	14,144	903,524
TIRZ #3	807,290	916,544	1,042,102	985,037	15,665	1,000,701
TIRZ #4	552,335	599,343	648,432	671,061	10,672	681,732
BUDGETED TAX REVENUE	\$69,741,700	\$75,059,069	\$74,340,360	\$76,523,238	\$1,216,928	\$77,740,166
Tax Year						
Net Assessed Value	\$20,083,864,104	\$21,574,162,858	21,367,584,966	\$21,995,007,740	2025	2025 Certified
TIRZ #1 Value @ 100%	(292,584,719)	(186,280,845)	(204,070,466)	(255,633,710)		(255,633,710)
TIRZ #3 Value @ 50%	(273,252,931)	(263,441,537)	(299,530,514)	(283,128,196)		(283,128,196)
TIRZ #4 Value @ 50%	(206,813,092)	(172,268,536)	(186,378,148)	(192,882,398)		(192,882,398)
Taxable to City	19,311,213,363	20,952,171,940	20,677,605,839	21,263,363,436	-	21,263,363,436
Tax Rate Per \$100						
Maintenance	\$ 0.203962	\$ 0.207172	\$ 0.207172	\$ 0.207172		\$ 0.207172
Debt	\$ 0.146038	\$ 0.146038	\$ 0.146038	\$ 0.146038	\$ 0.005617	\$ 0.151655
Total Tax Rate	\$ 0.350000	\$ 0.353210	\$ 0.353210	\$ 0.353210	\$ 0.005617	\$ 0.358827
Tax Rate Split:						
Maintenance	58.27%	58.65%	58.65%	58.65%		57.74%
Debt	41.73%	41.35%	41.35%	41.35%		42.26%
Total	100.00%	100.00%	100.00%	100.00%	0.00%	100.00%
Certified Levy - 100%	\$70,293,524	\$76,202,101	\$75,472,447	\$77,688,567	\$1,235,459	\$78,924,026

CITY OF SUGAR LAND
FISCAL YEAR 2026 BUDGET
ANALYSIS OF PRELIMINARY TAX ROLL

Tax Year	Supp # 8 2024 FY25	Certified 2025 FY26	% Change
No. of Items	52,330	52,111	-0.42%
Residential Property:			
Land	\$ 3,613,449,929	3,619,075,782	0.16%
Improvements	15,146,626,975	14,896,507,994	-1.65%
Total Residential Property	18,760,076,904	18,515,583,775	-1.30%
Commercial Property:			
Land	1,762,743,041	1,777,123,526	0.82%
Improvements	5,418,489,683	5,661,475,406	4.48%
Personal Property	1,887,678,479	1,804,493,042	-4.41%
Total Commercial Property	9,068,911,203	9,243,091,975	1.92%
Agricultural Property	8,151,136	8,342,476	2.35%
Automobiles	144,836,587	142,080,995	-1.90%
Total Market Value	27,981,975,830	27,909,099,222	-0.26%
Productivity Loss	(8,037,866)	(8,229,206)	2.38%
Homestead Cap Adjustment	(1,002,282,149)	(246,225,604)	-75.43%
Circuit Breaker Limit Cap Adjustment	(40,449,876)	(55,965,086)	
Exempt Properties	(2,225,875,383)	(2,228,503,659)	0.12%
Total Assessed Value	24,705,330,556	25,370,175,667	2.69%
Less:			
Homestead Exemptions	(2,204,421,980)	(2,264,420,176)	2.72%
Over 65 Exemptions	(785,856,433)	(782,189,227)	-0.47%
Disabled Persons Exemptions	(20,661,669)	(20,121,850)	-2.61%
Disabled Veterans Exemptions	(2,825,250)	(2,761,250)	-2.27%
Disabled Veterans 100%	(88,667,900)	(94,944,449)	7.08%
Disabled Veterans 100% Surviving Spouse	(6,507,389)	(6,314,753)	-2.96%
First Responder Surviving Spouse	(240,403)	(226,284)	-5.87%
Abatements	(103,460,608)	(80,065,926)	-22.61%
Pollution	(4,964,700)	(4,984,321)	0.40%
Personal Leased Vehicles	(116,079,152)	(114,961,462)	-0.96%
Prorated Exempt Property	(213,764)	-	-100.00%
Solar	(2,839,696)	(3,384,952)	19.20%
Disaster Exemption	(183,390)	-	-
House Bill 366 Exemptions	(823,256)	(793,277)	-3.64%
Total Exemptions	(3,337,745,590)	(3,375,167,927)	1.12%
Net Assessed Valuation (NAV)	21,367,584,966	21,995,007,740	2.94%
Less: TIRZ #1 Value @ 100%	(204,070,466)	(255,633,710)	25.27%
Less: TIRZ #3 Value @ 50%	(299,530,514)	(283,128,196)	-5.48%
Less: TIRZ #4 Value @ 50%	(186,378,148)	(192,882,398)	3.49%
Taxable Valuation to City	\$ 20,677,605,839	\$ 21,263,363,436	2.83%

**CITY OF SUGAR LAND
 PRINCIPAL TAXPAYERS
 2025 TOP TEN TAXPAYERS**

2025 Rank	Taxpayer		2025 Taxable Assessed Valuation	Percentage of Total Net Assessed Valuation
1	LCFRE Sugar Land Town Square LLC	\$	174,978,703	0.80%
2	First Colony Mall LLC		121,000,000	0.55%
3	Market Town Center Owner LLC		106,827,050	0.49%
4	Centerpoint Energy Electric		87,038,960	0.40%
5	Tramontina USA LLC		75,776,981	0.34%
6	Tusa HQ LLC		69,331,706	0.32%
7	DPEG First Colony LP		67,000,003	0.30%
8	Telfair Lofts Cedros LLC et al		65,050,721	0.30%
9	AmerisourceBergen Drug co		61,935,767	0.28%
10	API Realty LLC		60,378,118	0.27%
	Other		21,105,689,731	95.96%
Total Net Assessed Valuation		\$	21,995,007,740	100.00%

Debt Service Funds

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

The Debt Service Funds account for the issuance of debt and provides for the payment of debt principal and interest as they come due. In the Debt Service Fund for tax-exempt debt, an ad valorem (property) tax rate and tax levy is required to be computed and levied to produce sufficient revenue to satisfy annual debt service requirements. The City has no general obligation legal debt limit other than a ceiling on the tax rate specified by the State of Texas.

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 an agreement to rebate 50% of City property taxes collected from properties within in-City MUDs back to the districts. The MUDs use these rebates to pay down debt or offset operating costs, which helps reduce their overall tax rates and benefits residents. The Debt Service Fund includes the debt service tax rate component of these agreements.

Debt Service Fund

Revenues are projected at \$35,629,342 which includes \$29,417,217 in current and delinquent property taxes. Other funding sources include transfers from other funds of \$5,010,163, interest income of \$680,000, and other miscellaneous revenue of \$521,963. 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 \$14,309,134, which is \$11,234,065 over the fund balance policy requirement of 10% of annual debt service.

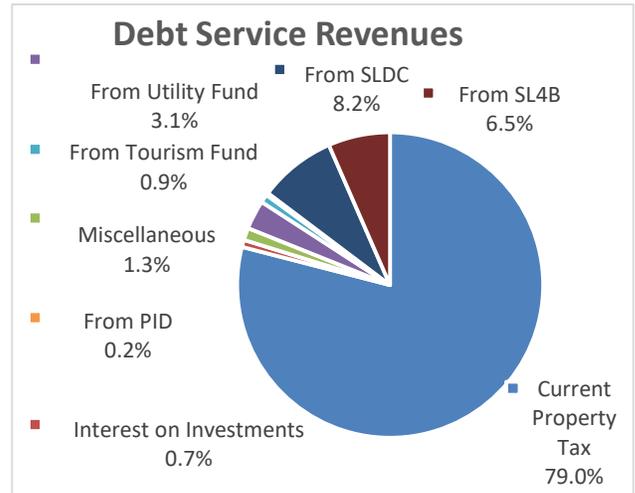
Revenues

Total revenues are budgeted for \$40,261,273. Funding from property taxes includes \$31,763,250 in current property taxes and \$57,157 in delinquent property taxes. Total property taxes of \$31,820,407 represent 79.0% of funding sources. Property tax revenues include \$0.005617 increase in the nominal tax rate to implement the remaining 2019 and the new 2024 GO bond projects. 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 FY25. 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.

Expenditures

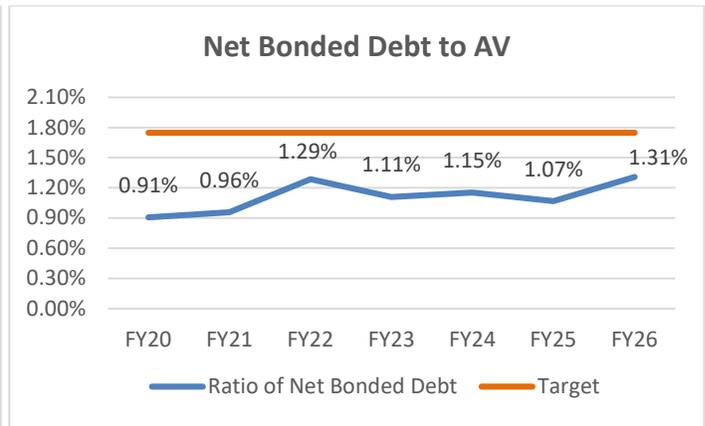
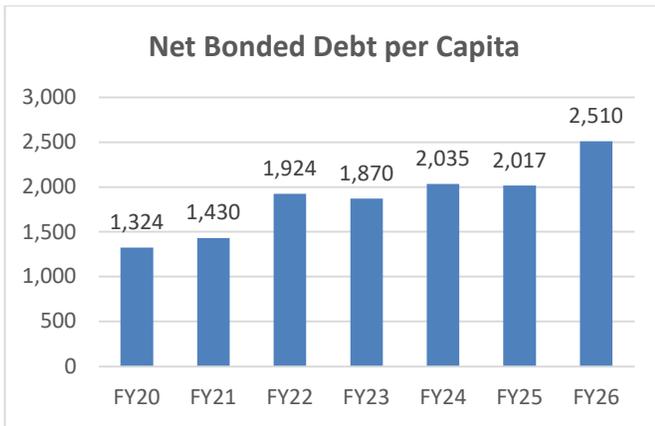
The total debt service requirement for existing outstanding debt in FY26 is \$32,972,767. The budget also includes debt service payments for the planned issuance of \$4,550,000 in remaining voter-authorized 2019 GO bonds, as well as up to \$69,825,000 in 2024 GO authorized bonds. Additionally, the budget includes a \$3,675,000 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 \$3,251,160 based on the anticipated 2025 tax rate allocation and certified values in the MUDs. Estimated transfer to the Airport for property taxes collected within its borders is \$221,675. Transfers to Enclave at River Park PID are estimated at \$52,546.

The budgeted ending fund balance at 9/30/26 is \$10,673,986, which is \$6,678,460 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 1.31% 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 \$2,510, 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.

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.

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**

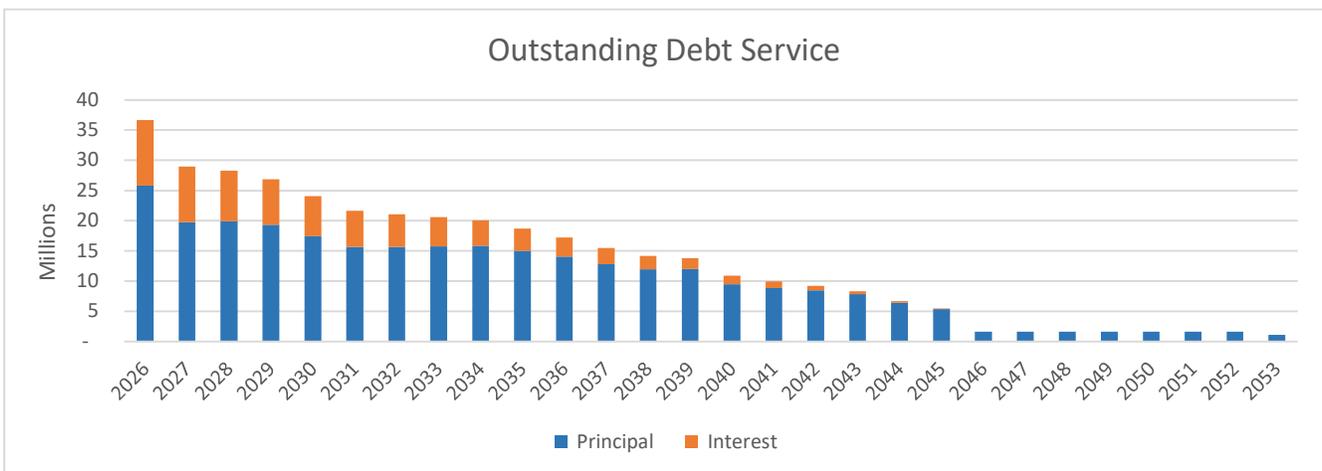
	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Current Property Tax	\$ 28,196,040	\$ 29,638,008	\$ 29,638,008	\$ 31,763,250	\$ -	\$ 31,763,250
Delinquent Property Taxes	(294,262)	(220,791)	(220,791)	57,157	-	57,157
Interest on Investments	792,066	680,000	680,000	298,100	-	298,100
Miscellaneous	355,550	521,963	521,963	521,550	-	521,550
Total Operating Revenues	29,051,921	30,619,180	30,619,180	32,640,057	-	32,640,057
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
Total Transfers In	5,425,208	5,010,163	5,010,163	7,621,216	-	7,621,216
Total Revenues	34,477,128	35,629,342	35,629,342	40,261,273	-	40,261,273
EXPENDITURES						
Current Outstanding & New Debt	28,969,370	30,759,282	30,750,699	39,955,267	-	39,955,267
Issuance Costs/Fiscal Fees/Other	42,059	81,067	69,650	689,993	-	689,993
Total Debt Service	29,011,429	30,840,349	30,820,349	40,645,260	-	40,645,260
Rebates & Assignments	2,071,046	2,355,578	2,375,578	2,976,939	-	2,976,939
Transfers to Other Funds	263,055	257,634	257,634	274,221	-	274,221
Total Non-Operating Expenditures	2,334,101	2,613,212	2,633,212	3,251,160	-	3,251,160
Total Expenditures	31,345,530	33,453,561	33,453,561	43,896,420	-	43,896,420
FUND BALANCE - BEGINNING	9,001,755	12,133,353	12,133,353	14,309,134		14,309,134
CHANGE IN FUND BALANCE	3,131,598	2,175,781	2,175,781	(3,635,147)	-	(3,635,147)
FUND BALANCE - ENDING	\$ 12,133,353	\$ 14,309,134	\$ 14,309,134	\$ 10,673,987	\$ -	\$ 10,673,987
Policy Requirement	\$ 2,896,937	\$ 3,075,928	\$ 3,075,070	\$ 3,995,527	\$	\$ 3,995,527
Over/(Under) Policy	9,236,416	11,233,206	11,234,065	6,678,460		6,678,460
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
REVENUES						
Rent	\$ 1,782,581	\$ 2,000,666	\$ 2,000,666	\$ 2,003,384	\$ -	\$ 2,003,384
Interest Income	103,870	95,400	95,400	120,000	-	120,000
Total Revenues	1,886,451	2,096,066	2,096,066	2,123,384	-	2,123,384
EXPENDITURES						
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
Total Expenditures	1,589,024	1,588,724	1,588,724	1,590,355	-	1,590,355
Fund Balance - Beginning	1,999,850	2,297,277	2,297,277	2,804,620	-	2,804,620
Change in Fund Balance	297,428	507,342	507,342	533,029	-	533,029
Fund Balance - Ending	\$ 2,297,277	\$ 2,804,620	\$ 2,804,620	\$ 3,337,648	\$ -	\$ 3,337,648

Bond Debt Service
City of Sugar Land, Texas
FY Ended 9/30

	Principal	Interest	Total
2026	25,795,000	10,852,767	36,647,767
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	17,405,000	6,676,539	24,081,539
2031	15,605,000	6,027,370	21,632,370
2032	15,615,000	5,428,732	21,043,732
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
Total All Issues	\$ 289,355,000	\$ 80,940,630	\$ 370,295,630



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

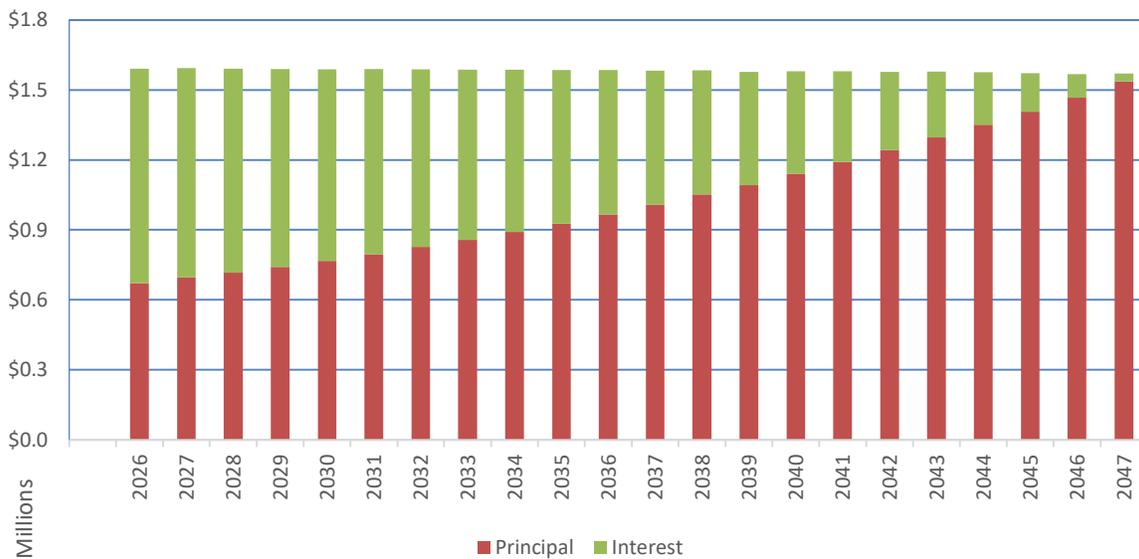
Year	Issue Description	Principal	Interest	Total
2013	Combination Tax & Revenue Certificates of Obligation, Series 2013	\$ 1,225,000	\$ 289,866	\$ 1,514,866
2014	General Obligation Refunding Bonds, Series 2014	480,000	9,600	489,600
2014	Combination Tax & Revenue Certificates of Obligation, Series 2014	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)	3,675,000	-	3,675,000
Total FY26 Debt Service- Outstanding Bonds		\$ 25,795,000	\$ 10,852,767	\$ 36,647,767

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

Year	Issue Description	Principal	Interest	Total
2013	Combination Tax & Revenue Certificates of Obligation, Series 2013	\$ 8,575,000	\$ 912,166	9,487,166
2014	General Obligation Refunding Bonds, Series 2014	480,000	9,600	489,600
2014	Combination Tax & Revenue Certificates of Obligation, Series 2014	7,105,000	2,458,694	9,563,694
2015	Combination Tax & Revenue Certificates of Obligation, Series 2015	8,910,000	1,507,916	10,417,916
2015	General Obligation Bonds, Series 2015	6,775,000	992,116	7,767,116
2015	General Obligation Refunding Bonds, Series 2015	2,280,000	174,500	2,454,500
2016	General Obligation Refunding Bonds, Series 2016	6,450,000	417,600	6,867,600
2016	Combination Tax and Revenue Certificates of Obligation, Series 2016	10,550,000	1,705,800	12,255,800
2016	General Obligation Bonds, Series 2016	4,155,000	685,225	4,840,225
2017	Combination Tax and Revenue Certificates of Obligation, Series 2017	11,420,000	2,269,825	13,689,825
2019	Combined Tax & Revenue Certificates of Obligation, Series 2019	13,305,000	3,286,216	16,591,216
2019	General Obligation Refunding Bonds, Series 2019	5,765,000	773,100	6,538,100
2019	Combination Tax & Revenue Certificates of Obligation, Series 2019A	12,020,000	2,691,928	14,711,928
2019	General Obligation Refunding & Improvement Bonds, Series 2019A	9,105,000	1,905,375	11,010,375
2021	General Obligation Refunding & Improvement Bonds, Series 2021	7,120,000	1,603,925	8,723,925
2021	General Obligation Bonds, Series 2021A	14,850,000	-	14,850,000
2022	Certificates of Obligation Series 2022A	25,670,000	-	25,670,000
2022	General Obligation & Improvement Bonds, Series 2022	10,835,000	4,595,600	15,430,600
2022	General Obligation & Improvement Bonds, Series 2022A	25,010,000	10,175,838	35,185,838
2023	GO Bonds & Certificates of Obligation Series 2023	3,840,000	-	3,840,000
2024	General Obligation Bonds, Series 2024	9,825,000	4,296,975	14,121,975
2024	Combination Tax and Revenue Certificates of Obligation, Series 2024	10,620,000	4,729,600	15,349,600
2025	General Obligation Bonds, Series 2025	26,300,000	12,507,724	38,807,724
2025	Certificates of Obligation, Series 2025	48,390,000	23,240,909	71,630,909
Total Debt Service- Outstanding Bonds		\$ 289,355,000	\$ 80,940,630	\$ 370,295,630

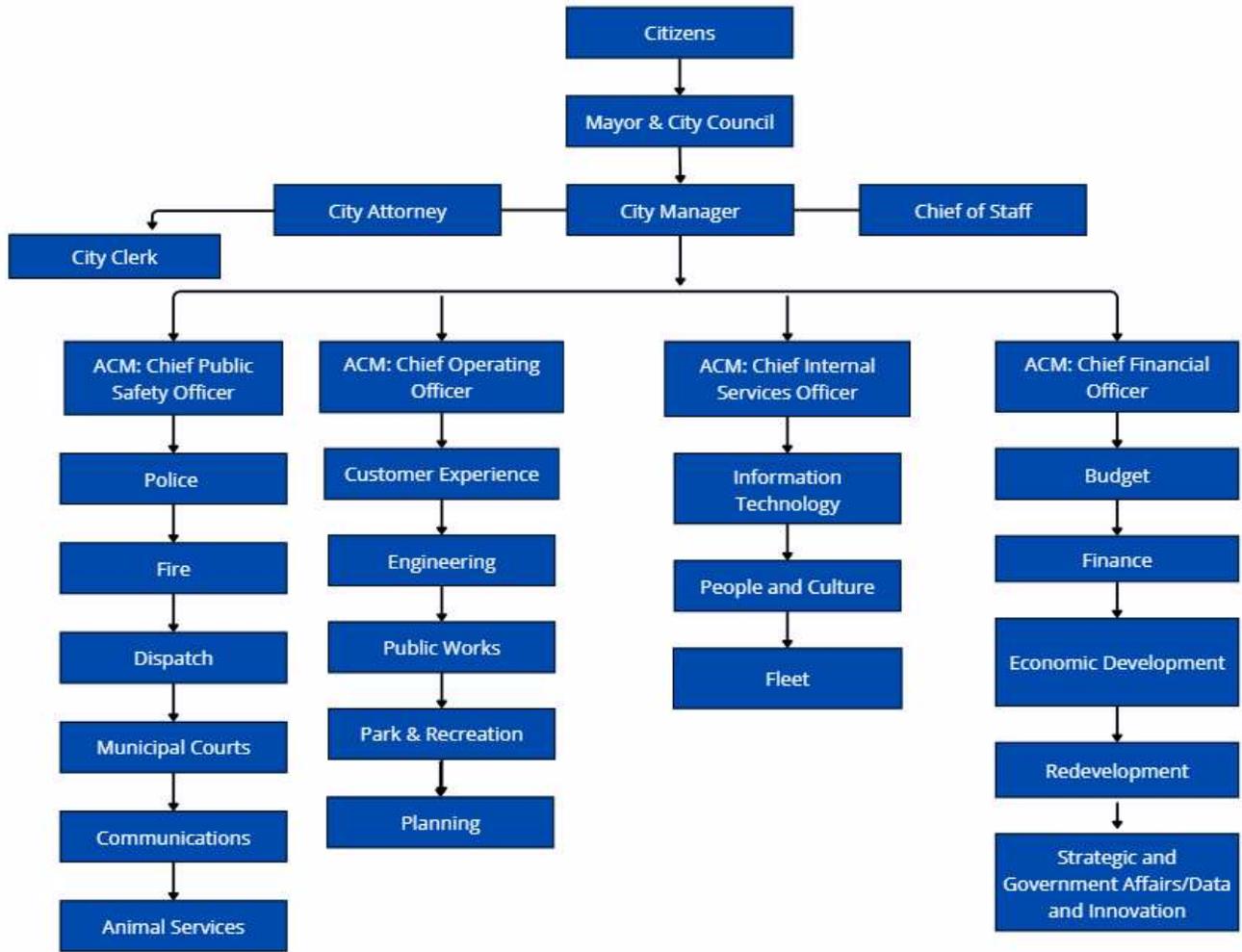
**CITY OF SUGAR LAND
DEBT SERVICE REQUIREMENTS TO MATURITY
TOTAL OF ALL DEBT OUTSTANDING - TAXABLE CO'S**

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
TOTAL	\$ 22,605,000	\$ 12,181,662	\$ 34,786,662



General Fund Organizational Chart

As of October 1, 2025



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 public safety, public works, parks and recreation, community planning and redevelopment, finance, and general administration. 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.

Budgeted Revenues

The final budgeted revenues total \$136,051,248. The chart on the right 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.

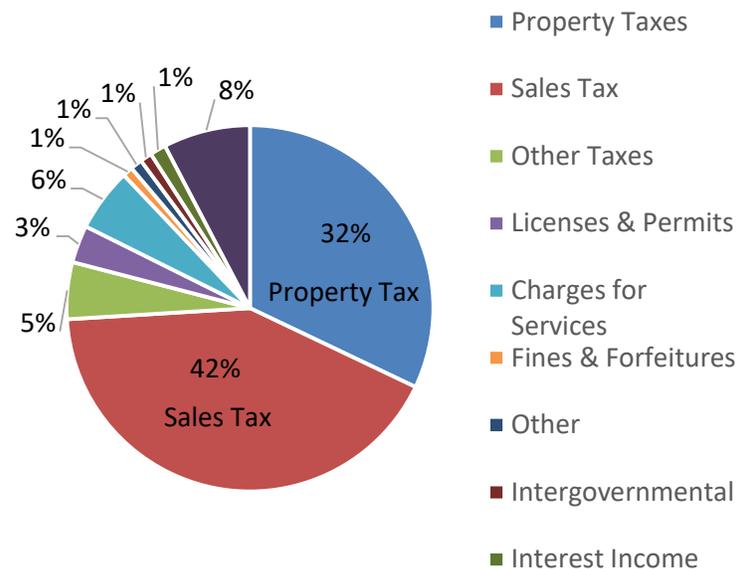
In accordance with the City’s Financial Management Policy Statements (FMPS), the FY26 sales tax budget reflects a conservative forecasting approach using the April 2025 Consumer Price Index (CPI) of 1.2%. This method balances growth expectations with fiscal prudence and limits recurring operating expenditures to no more than 50% of projected sales tax revenues, supporting the City’s commitment to long-term financial resiliency.

Property tax is the second largest revenue source for the General Fund. The adopted budget was originally based on a property tax rate of \$0.363210, which included an Operations and Maintenance (O&M) rate of \$0.211555. However, the final adopted tax rate lowered the O&M rate to \$0.207172. On October 21, 2025, the budget was amended to reflect a \$921,206 reduction in property tax revenues resulting from the lower rate. The final property tax revenue total is \$43,640,005.

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,

General Fund Revenues

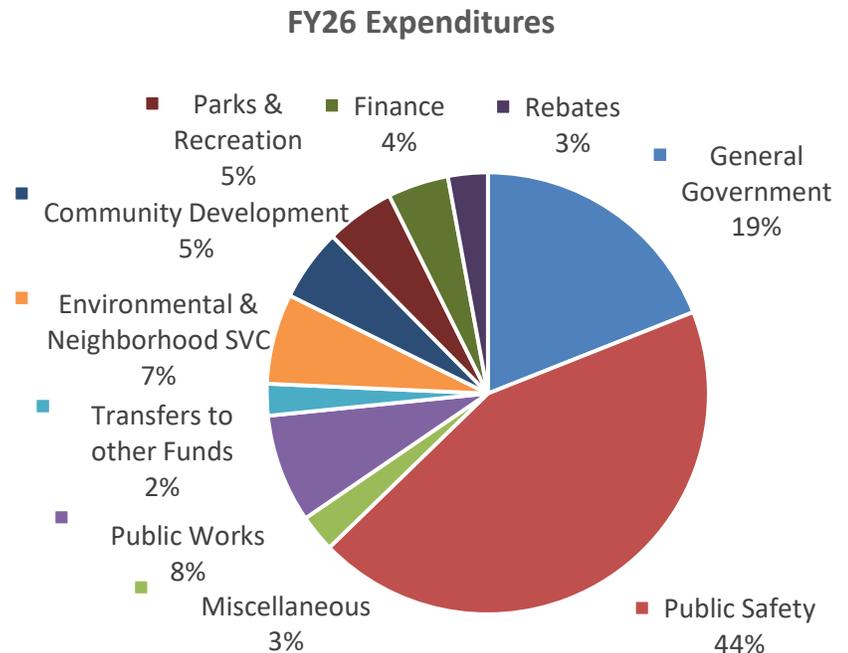


and the introduction of additional service-based charges that better reflect current service demands and cost recovery goals.

Remaining revenue totals \$5,988,365, which includes fines and forfeitures of \$1,210,000, interest income of 1,944,000, other miscellaneous revenues of \$1,430,075, and intergovernmental of \$1,404,290. The intergovernmental budget includes one-time revenue of \$1,252,265 for FEMA reimbursement for Hurricane Beryl associated personnel costs.

Budgeted Expenditures

General Fund amended budget expenditures total \$140,324,188 for FY26. Of this total, \$129,148,596 allocated to departmental operations and \$11,175,592 for non-departmental expenditures, including transfers, rebates and assignments, and other citywide items. Approximately 73% 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 \$137,253,240 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 \$2,841,497, 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 operations for 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.

The adopted budget comprised recurring budget of \$137,897,659, and one-time expenditures of \$3,511,847. After the amendment, recurring expenditures were reduced to \$136,812,341. The reduction reflects \$85,140 in operations and maintenance cost, \$914,141 resulting from the elimination of nine positions, and \$86,037 in reduced MUD rebates due to lower property tax rate.

Budgeted Fund Balance

With the expenditure over revenues by \$4,272,940, FY26 budget uses a portion of the excess fund balance carried forward from FY25 to balance the FY26 budget. The FY26 ending fund balance is projected to be \$42,800,909, which is \$9,432,791 above the City’s fund balance policy requirement of maintaining 25% of recurring budgeted expenditures.

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Adopted Budget	FY26 Amendment	FY26 Final Budget
REVENUES								
Property Taxes	\$ 39,288,157	\$ 42,748,820	\$ 42,748,820	\$ 44,561,211	\$ -	\$ 44,561,211	\$ (921,206)	\$ 43,640,005
Sales Tax	52,977,640	58,282,574	58,282,574	57,086,367	-	57,086,367	-	57,086,367
Other Taxes	6,309,596	6,397,593	6,397,593	6,850,477	-	6,850,477	-	6,850,477
Licenses & Permits	3,881,167	5,472,915	5,472,915	4,495,453	-	4,495,453	-	4,495,453
Charges for Services	5,825,336	6,314,400	6,314,400	7,583,353	-	7,583,353	-	7,583,353
Fines & Forfeitures	1,211,709	1,090,500	1,090,500	1,210,000	-	1,210,000	-	1,210,000
Other	1,625,517	2,676,240	2,676,240	1,380,075	50,000	1,430,075	-	1,430,075
Intergovernmental	494,816	784,097	784,097	18,951	1,385,339	1,404,290	-	1,404,290
Interest Income	3,596,908	2,359,000	2,359,000	1,944,000	-	1,944,000	-	1,944,000
Operating Revenues	115,210,846	126,126,139	126,126,139	125,129,887	1,435,339	126,565,226	(921,206)	125,644,020
Transfers In	8,807,599	8,865,016	8,865,016	10,407,228	-	10,407,228	-	10,407,228
Non-operating Revenues	8,807,599	8,865,016	8,865,016	10,407,228	-	10,407,228	-	10,407,228
Total Revenues	124,018,444	134,991,155	134,991,155	135,537,115	1,435,339	136,972,454	(921,206)	136,051,248
EXPENDITURES								
General Government	23,952,526	28,055,864	28,055,864	26,395,946	698,947	27,094,893	(423,851)	26,671,042
Finance	5,679,317	6,388,133	6,388,133	6,250,509	-	6,250,509	-	6,250,509
Public Works	12,176,666	12,290,846	12,312,084	11,171,186	-	11,171,186	(50,000)	11,121,186
Parks & Recreation	6,864,166	7,639,488	7,639,488	7,130,802	60,000	7,190,802	(111,109)	7,079,693
Community Development	6,846,592	8,228,393	8,228,393	7,523,826	-	7,523,826	(111,109)	7,412,717
Environmental & Neighborhood SVC	9,437,575	10,057,589	10,036,351	9,378,342	101,770	9,480,112	(204,715)	9,275,397
Police Department	27,600,042	31,693,927	31,693,927	31,565,718	-	31,565,718	(98,497)	31,467,220
Public Safety Dispatch	3,420,334	4,080,985	4,080,985	4,303,399	-	4,303,399	-	4,303,399
Fire Department	22,791,979	25,065,250	25,065,250	25,126,029	441,403	25,567,432	-	25,567,432
Departmental Expenditures	118,769,197	133,500,474	133,500,475	128,845,756	1,302,120	130,147,876	(999,281)	129,148,596
Transfers to other Funds	3,806,218	3,272,377	3,272,377	3,258,641	12,649	3,271,290	-	3,271,290
Miscellaneous	1,708,375	1,317,736	1,317,736	996,086	2,841,497	3,837,583	-	3,837,583
Rebates & Assignments	2,907,677	3,541,356	3,541,356	4,152,757	-	4,152,757	(86,037)	4,066,720
Non-departmental Expenditures	8,422,269	8,131,469	8,131,469	8,407,484	2,854,146	11,261,630	(86,037)	11,175,592
Total Expenditures	127,191,466	141,631,943	141,631,943	137,253,240	4,156,266	141,409,506	(1,085,318)	140,324,188
Fund Balance - Beginning	56,887,659	53,714,637	53,714,637	47,073,849	-	47,073,849	-	47,073,849
Revenues Over/(Under) Expenditures	(3,173,022)	(6,640,788)	(6,640,788)	(1,716,125)	(2,720,927)	(4,437,052)	164,112	(4,272,940)
Fund Balance - Ending	\$ 53,714,637	\$ 47,073,849	\$ 47,073,849	\$ 45,357,724	\$ (2,720,927)	\$ 42,636,797	\$ 164,112	\$ 42,800,909
Accrued Sales/Franchise Taxes	(9,078,483)	(9,483,653)	(9,483,653)	(9,483,653)	-	(9,483,653)	-	(9,483,653)
Fund Balance - Available	\$ 44,636,154	\$ 37,590,197	\$ 37,590,196	\$ 35,874,071	\$ (2,720,927)	\$ 33,153,145	\$ 164,112	\$ 33,317,256
Ending Fund Balance- % of Oper Exp		35%	35%	34%		32%		32%
Fund Balance - Requirement		\$ 33,848,358	\$ 33,848,358	\$ 33,478,343		\$ 33,639,448		\$ 33,368,119
Over / (Under) Policy		13,225,492	13,225,491	11,879,381		8,997,349		9,432,791

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

	FY24 Actuals	FY25 Budget	FY25 Projections	FY26 Budget	Adopted 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

GENERAL FUND

SCHEDULE OF REVENUES

Description	FY25			FY26		FY26		FY26
	FY24 Actuals	Current Budget	FY25 Projections	Base Budget	FY26 Changes	Adopted Budget	FY26 Amendment	Final Budget
Property Tax Current	\$ 39,375,751	\$ 42,402,326	\$ 42,402,326	\$ 44,308,953	\$ -	\$ 44,308,953	\$ (917,993)	\$ 43,390,960
Property Tax Delinquent	(407,485)	(55,193)	(55,193)	44,309	-	44,309	(918)	43,391
Property Tax Penalty and Int	314,020	370,561	370,561	184,944	-	184,944	(2,295)	182,649
Property Tax Spec Inventory	5,871	31,126	31,126	23,005	-	23,005	-	23,005
Property Taxes	39,288,157	42,748,820	42,748,820	44,561,211	-	44,561,211	(921,206)	43,640,005
Sales Tax	52,977,640	58,282,574	58,282,574	57,086,367	-	57,086,367	-	57,086,367
One-Time Sales Tax	-	-	-	-	-	-	-	-
Sales Tax	52,977,640	58,282,574	58,282,574	57,086,367	-	57,086,367	-	57,086,367
Other Tax Mixed Drink	724,817	713,613	713,613	734,892	-	734,892	-	734,892
Other Tax-Franchise Electric	4,323,516	4,361,350	4,361,350	4,780,585	-	4,780,585	-	4,780,585
Other Tax-Franchise Gas	450,369	470,244	470,244	475,000	-	475,000	-	475,000
Other Tax-Franchise Telecomm	98,516	46,287	46,287	100,000	-	100,000	-	100,000
Other Tax-Franchise Cable TV	657,396	706,389	706,389	700,000	-	700,000	-	700,000
Other Tax-Right of Way	54,982	99,710	99,710	60,000	-	60,000	-	60,000
Other Taxes	6,309,596	6,397,593	6,397,593	6,850,477	-	6,850,477	-	6,850,477
LP Building	2,117,039	3,435,106	3,435,106	2,173,000	-	2,173,000	-	2,173,000
LP Infrastructure Review	21,004	45,609	45,609	155,421	-	155,421	-	155,421
LP Electrical	168,842	261,000	261,000	243,685	-	243,685	-	243,685
LP Irrigation	15,976	18,000	18,000	21,000	-	21,000	-	21,000
LP Health	(2,052)	-	-	-	-	-	-	-
LP Food Health	416,142	402,000	402,000	432,979	-	432,979	-	432,979
LP HVAC	228,670	372,000	372,000	342,000	-	342,000	-	342,000
LP Late Fees	22,989	18,700	18,700	17,600	-	17,600	-	17,600
LP Liquor	34,990	25,000	25,000	22,500	-	22,500	-	22,500
LP Plat Fees	24,744	35,500	35,500	42,724	-	42,724	-	42,724
LP Plumbing	125,489	127,000	127,000	139,000	-	139,000	-	139,000
LP Reinspection Fees	5,094	64,000	64,000	204,148	-	204,148	-	204,148
LP Signs	26,917	28,000	28,000	30,073	-	30,073	-	30,073
LP Contractor Registration	71	-	-	-	-	-	-	-
LP Right of Way	3,691	2,000	2,000	3,111	-	3,111	-	3,111
LP Other Fire Code	213,487	237,000	237,000	255,620	-	255,620	-	255,620
LP Solicitor	27,001	11,000	11,000	13,000	-	13,000	-	13,000
LP Land Disturbance Fee	1,328	1,000	1,000	1,000	-	1,000	-	1,000
LP Site Plan Fees	19,822	21,000	21,000	20,592	-	20,592	-	20,592
LP Zoning and Conditional Use	11,249	10,000	10,000	9,000	-	9,000	-	9,000
Penalties	-	-	-	-	-	-	-	-
LP Rental Inspection Fees	398,677	359,000	359,000	369,000	-	369,000	-	369,000
LP Rental Reinspection Fees	-	-	-	-	-	-	-	-
Licenses & Permits	3,881,167	5,472,915	5,472,915	4,495,453	-	4,495,453	-	4,495,453
Svs Chg Reproduction Copies	3,232	6,000	6,000	6,000	-	6,000	-	6,000
Lease Rev-ShareKayak	3,630	2,500	2,500	3,500	-	3,500	-	3,500
Svs Chg Swim Pool Admission	15,068	16,000	16,000	14,900	-	14,900	-	14,900
Svs Chg Facility Usage Cards	61,983	66,800	66,800	181,250	-	181,250	-	181,250
Svs Chg Swim Pool Rent	1,869	2,000	2,000	2,500	-	2,500	-	2,500
Svs Chg Building Rent	124,421	80,700	80,700	123,253	-	123,253	-	123,253
Svs Chg Community Event Recreat	42,427	46,000	46,000	53,300	-	53,300	-	53,300
Svs Chg Athletic Leagues	-	-	-	9,000	-	9,000	-	9,000
Svs Chg Pavilion Rent	61,917	78,100	78,100	90,426	-	90,426	-	90,426
Svs Chg Light Fees	32,973	39,000	39,000	41,400	-	41,400	-	41,400
Svs Chg Leisure Classes	245,553	259,200	259,200	261,900	-	261,900	-	261,900
Svs Chg Athletic Field Rent	16,109	25,100	25,100	34,445	-	34,445	-	34,445
Svs Chg Senior Programs	20,120	15,800	15,800	19,008	-	19,008	-	19,008
SVS-Credit Card Fees	-	-	-	128,614	-	128,614	-	128,614
Svs Chg Animal Adoption	14,647	14,000	14,000	15,762	-	15,762	-	15,762
Svs Chg Animal Impound	2,154	3,400	3,400	3,111	-	3,111	-	3,111
Svs Chg Food Mgr Certif Trg	1,238	1,500	1,500	1,800	-	1,800	-	1,800
Svs Chg False Alarm Fees	36,128	28,300	28,300	29,500	-	29,500	-	29,500
Svs Chg Accident Reports	3,032	500	500	900	-	900	-	900
Svs Chg Festival Site Rental	186,624	332,600	332,600	422,607	-	422,607	-	422,607
Lease Revenue GO APE	12,000	28,700	28,700	28,700	-	28,700	-	28,700
Svs Chg Finger Printing	2,650	200	200	622	-	622	-	622
Svs Chg Fire Protection Fees	1,302,080	1,308,000	1,308,000	1,759,295	-	1,759,295	-	1,759,295
ECO GOV Grant Application Fee	-	-	-	5,000	-	5,000	-	5,000
Svs Chg Lease	-	-	-	110,000	-	110,000	-	110,000
Svs Chg EMS	3,635,481	3,960,000	3,960,000	4,236,560	-	4,236,560	-	4,236,560
Charges for Services	5,825,336	6,314,400	6,314,400	7,583,353	-	7,583,353	-	7,583,353

GENERAL FUND

SCHEDULE OF REVENUES

Description	FY24	FY25	FY25	FY26	FY26	FY26	FY26	
	Actuals	Current Budget	Projections	Base Budget	Changes	Adopted Budget	FY26 Amendment	Final Budget
Fines Admin Court Fees	61,684	55,600	55,600	58,000	-	58,000		58,000
Fines City Portion DPS Fee	4,043	3,800	3,800	4,000	-	4,000		4,000
Fines Child Safety	132,904	135,500	135,500	143,000	-	143,000		143,000
Fines Commercial Vehicles	22,876	9,200	9,200	10,000	-	10,000		10,000
Fines Municipal Court	899,899	799,400	799,400	900,000	-	900,000		900,000
Fines Judicial Efficiency	781	4,500	4,500	2,000	-	2,000		2,000
Fines Warrants	72,044	65,200	65,200	74,000	-	74,000		74,000
Fines Online Convenience Fee	17,479	17,300	17,300	19,000	-	19,000		19,000
Fines & Forfeitures	1,211,709	1,090,500	1,090,500	1,210,000	-	1,210,000		1,210,000
Operating Contribution Nongov	347,534	288,000	288,000	270,000	-	270,000		270,000
Misc. Operating Revenue	121,944	211,700	211,700	175,000	-	175,000		175,000
Other Rev-Unclaimed Property	-	1,000	1,000	-	-	-		-
Other Rev-Insurance Recovery	876,878	1,680,000	1,680,000	644,151	-	644,151		644,151
OFS Sale of Cap Assets	31,135	18,000	18,000	-	-	-		-
OFS Sale of NonCap Assets	23,918	8,000	8,000	-	-	-		-
Reimbursements	298,361	469,540	469,540	290,924	50,000	340,924		340,924
Customer Over/Short	6	-	-	-	-	-		-
Cash Over/Short	(74,258)	-	-	-	-	-		-
Other	1,625,517	2,676,240	2,676,240	1,380,075	50,000	1,430,075		1,430,075
Operating Contribution Federal	225,857	530,500	530,500	-	1,385,339	1,385,339		1,385,339
Operating Contribution O. Gov	148,027	147,000	147,000	-	-	-		-
Intergov TIRZ 1	80,443	83,000	83,000	16,778	-	16,778		16,778
Intergov TIRZ 3	13,988	11,573	11,573	806	-	806		806
Intergov TIRZ 4	26,500	12,024	12,024	1,367	-	1,367		1,367
Intergovernmental	494,816	784,097	784,097	18,951	1,385,339	1,404,290		1,404,290
Interest Earnings	2,967,216	2,359,000	2,359,000	1,944,000	-	1,944,000		1,944,000
Unrealized Gain/Loss Invest	629,692	-	-	-	-	-		-
Interest Income	3,596,908	2,359,000	2,359,000	1,944,000	-	1,944,000		1,944,000
Trf from 104 for Admin. Svcs	825,489	1,141,705	1,141,705	1,620,463	-	1,620,463		1,620,463
Trf in SL4B	1,108,782	1,194,526	1,194,526	1,354,045	-	1,354,045		1,354,045
Trf in SLA	182,716	-	-	-	-	-		-
Svs Chg Fr Utility Fund	4,939,595	5,016,426	5,016,426	5,528,071	-	5,528,071		5,528,071
Svs Chg Fr Airport	1,238,658	1,000,000	1,000,000	1,113,276	-	1,113,276		1,113,276
Svs Chg Fr Solid Waste	203,359	203,359	203,359	482,373	-	482,373		482,373
Trf in Solid Waste	309,000	309,000	309,000	309,000	-	309,000		309,000
Transfers In	8,807,599	8,865,016	8,865,016	10,407,228	-	10,407,228		10,407,228
GRAND TOTAL	\$ 124,018,444	\$ 134,991,155	\$ 134,991,155	\$ 135,537,115	\$ 1,435,339	\$ 136,972,454	\$ (921,206)	\$ 136,051,248

**GENERAL FUND
SUMMARY OF EXPENDITURES**

Description	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Adopted Budget	FY26 Amendment	FY26 Final Budget
Mayor & City Council	\$ 563,474	\$ 582,485	\$ 582,485	\$ 569,692	\$ -	\$ 569,692	\$ -	\$ 569,692
City Manager	1,392,130	1,249,225	1,249,225	899,925	-	899,925	-	899,925
Assistant City Managers	1,546,978	1,638,631	1,638,631	1,984,435	-	1,984,435	(108,786)	1,875,649
Emergency Management	593,633	537,868	537,105	527,617	25,000	552,617	-	552,617
Office of Intergovernmental Relations	246,943	287,131	287,131	265,821	-	265,821	-	265,821
Strategic Planning & Philanthropy	(284)	-	-	-	-	-	-	-
Strategic and Government Affairs	468,874	924,719	924,719	852,909	-	852,909	-	852,909
Budget & Strategy	933,840	1,118,745	1,118,745	1,191,935	-	1,191,935	-	1,191,935
City Clerk	930,638	2,073,672	2,073,672	1,774,590	-	1,774,590	(76,302)	1,698,288
Public Affairs	385,356	425,239	425,239	384,825	-	384,825	-	384,825
311 Contact Center	1,068,962	1,388,031	1,388,031	1,551,352	-	1,551,352	-	1,551,352
Community Engagement	1,393,434	1,635,588	1,635,588	1,433,660	-	1,433,660	(86,011)	1,347,650
People & Culture	2,433,571	2,002,434	2,002,434	2,005,483	-	2,005,483	(9,800)	1,995,683
Risk Management	283,174	310,936	310,936	316,147	15,000	331,147	(2,000)	329,147
Training and Development	184,981	518,845	518,845	547,322	-	547,322	-	547,322
City Attorney	1,190,144	1,337,649	1,337,649	1,362,381	-	1,362,381	-	1,362,381
Information Technology	6,593,324	8,036,369	8,036,369	7,139,952	438,947	7,578,899	(23,340)	7,555,559
Data and Innovation	1,483,980	1,576,174	1,576,174	1,330,457	-	1,330,457	-	1,330,457
What Works Cities	21,246	449	1,213	-	-	-	-	-
Redevelopment	-	9,604	9,604	1,120,163	220,000	1,340,163	(117,612)	1,222,551
Economic Development	2,238,130	2,402,071	2,402,071	1,137,279	-	1,137,279	-	1,137,279
General Government	23,952,526	28,055,864	28,055,864	26,395,946	698,947	27,094,893	(423,851)	26,671,042
Finance Administration	2,121,601	2,112,072	2,112,072	1,849,857	-	1,849,857	-	1,849,857
Accounting	1,644,289	2,130,280	2,130,280	2,141,932	-	2,141,932	-	2,141,932
Purchasing	559,451	616,182	616,182	662,450	-	662,450	-	662,450
Municipal Court	1,353,976	1,529,599	1,529,599	1,596,270	-	1,596,270	-	1,596,270
Finance	5,679,317	6,388,133	6,388,133	6,250,509	-	6,250,509	-	6,250,509
Public Works Administration	671,615	792,049	813,287	876,364	-	876,364	-	876,364
Street & Drainage Maintenance	4,230,598	3,764,672	3,764,672	2,972,808	-	2,972,808	-	2,972,808
ROW Maintenance	2,490,021	2,936,193	2,936,193	2,688,034	-	2,688,034	-	2,688,034
Traffic Operations	4,784,433	4,797,932	4,797,932	4,633,980	-	4,633,980	(50,000)	4,583,980
Public Works	12,176,666	12,290,846	12,312,084	11,171,186	-	11,171,186	(50,000)	11,121,186
Parks Administration	735,179	1,052,733	1,052,733	786,741	-	786,741	-	786,741
Development & Maintenance	3,884,382	4,009,446	3,983,446	3,881,265	-	3,881,265	-	3,881,265
Special Events	858,856	936,683	962,683	807,112	50,000	857,112	(111,109)	746,003
Recreation & Athletics	778,044	907,913	907,913	975,032	10,000	985,032	-	985,032
Senior Programs	289,801	348,354	348,354	351,917	-	351,917	-	351,917
Imperial Park	317,904	384,360	384,360	328,736	-	328,736	-	328,736
Parks & Recreation	6,864,166	7,639,488	7,639,488	7,130,802	60,000	7,190,802	(111,109)	7,079,693
Planning Administration	301,069	342,747	342,747	259,125	-	259,125	-	259,125
Planning & Development	616,725	844,630	844,630	973,402	-	973,402	(111,109)	862,293
Long Range Planning	308,431	377,678	377,678	-	-	-	-	-
Permits	1,059,805	1,277,334	1,277,334	798,137	-	798,137	-	798,137
Inspections	909,240	827,974	827,974	1,287,911	-	1,287,911	-	1,287,911
City Engineer	3,523,322	4,425,938	4,425,938	4,069,448	-	4,069,448	-	4,069,448
Asset Management	128,000	132,092	132,092	135,804	-	135,804	-	135,804
Community Development	6,846,592	8,228,393	8,228,393	7,523,826	-	7,523,826	(111,109)	7,412,717
ENS Administration	499,266	181,774	181,774	6,000	-	6,000	-	6,000
Fleet Services	1,467,451	1,686,558	1,686,558	1,656,204	95,000	1,751,204	-	1,751,204
Facilities Management	4,466,279	4,674,829	4,674,829	3,980,762	-	3,980,762	(204,715)	3,776,047
Animal Services	1,651,635	2,158,962	2,158,962	2,228,991	6,770	2,235,761	-	2,235,761
Stormwater Management	3,752	344	344	2,940	-	2,940	-	2,940
Food Inspection	414,361	409,544	409,544	482,454	-	482,454	-	482,454
Code Enforcement	611,226	637,089	615,851	1,012,990	-	1,012,990	-	1,012,990
Rental Registration	323,605	308,489	308,489	8,000	-	8,000	-	8,000
Environmental & Neighborhood SVC	9,437,575	10,057,589	10,036,351	9,378,342	101,770	9,480,112	(204,715)	9,275,397
Police Administration	1,555,832	2,273,594	2,295,036	2,553,438	-	2,553,438	(98,497)	2,454,941
Staff Services	3,187,479	3,264,553	3,264,553	3,166,138	-	3,166,138	-	3,166,138
Professional Services	2,264,213	2,547,039	2,547,039	2,709,126	-	2,709,126	-	2,709,126
Patrol	13,453,168	14,915,105	14,903,183	15,041,023	-	15,041,023	-	15,041,023
Criminal Investigations	6,576,628	7,982,765	7,973,246	7,424,726	-	7,424,726	-	7,424,726
Detention Center	528,977	610,666	610,666	634,760	-	634,760	-	634,760
TCLDOSE Training	13,777	65,902	65,902	10,189	-	10,189	-	10,189
SWAT	19,968	33,570	33,570	26,318	-	26,318	-	26,318
Police Department	27,600,042	31,693,194	31,693,194	31,565,718	-	31,565,718	(98,497)	31,467,220
PS Dispatch	3,420,334	4,081,717	4,081,717	4,303,399	-	4,303,399	-	4,303,399
Public Safety Dispatch	3,420,334	4,081,717	4,081,717	4,303,399	-	4,303,399	-	4,303,399

GENERAL FUND

SUMMARY OF EXPENDITURES

Description	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Adopted Budget	FY26 Amendment	FY26 Final Budget
Fire Administration	978,918	1,017,801	1,017,801	1,230,726	-	1,230,726		1,230,726
Emergency Services	20,727,971	22,769,765	22,773,002	22,349,852	441,403	22,791,255		22,791,255
Fire - Training Facility	-	41,762	36,762	94,634	-	94,634		94,634
Prevention & Investigation	1,085,091	1,235,922	1,237,685	1,450,817	-	1,450,817		1,450,817
Fire Department	22,791,979	25,065,250	25,065,250	25,126,029	441,403	25,567,432	-	25,567,432
Total Operating Expenditures	118,769,197	133,500,474	133,500,475	128,845,756	1,302,120	130,147,876	(999,281)	129,148,596
Transfers to Other Funds	3,806,218	3,272,377	3,272,377	3,258,641	12,649	3,271,290		3,271,290
Miscellaneous	1,708,375	1,317,736	1,317,736	996,086	2,841,497	3,837,583		3,837,583
Rebates & Assignments	2,907,677	3,541,356	3,541,356	4,152,757	-	4,152,757	(86,037)	4,066,720
Total Non-Operating	8,422,269	8,131,469	8,131,469	8,407,484	2,854,146	11,261,630	(86,037)	11,175,592
Total Expenditures	\$ 127,191,466	\$ 141,631,943	\$ 141,631,943	\$ 137,253,240	\$ 4,156,266	\$ 141,409,506	\$ (1,085,318)	\$ 140,324,188

General Fund Department Budgets

Overview

The following section provides detailed budget information for each department within the **General Fund**. These department pages offer a consistent snapshot of how each department is organized, how resources are allocated, and how performance supports the City's strategic goals.

Each department page contains the following elements:

- **Mission, Vision, and Objectives:** A brief statement outlining the department's purpose and primary responsibilities.
- **Programs of Service:** A summary of the department's major divisions or programs and the services they provide.
- **Fiscal Year Changes:** A short explanation of notable adjustments for the fiscal year, including additions, reductions, or realignments.
- **Budget Summary:** Tables showing the department's budget by expenditure category and by division, including prior-year actuals, current-year budget, projections, base budget, and approved changes.
- **FTE Summary:** A breakdown of staffing levels by division, including adjustments and the final adopted FTE count.
- **Strategy & Performance Measures:** Key strategic outcome areas and selected performance measures that track operational results over time.

General Government Departments

This section includes departments that make up the General Government:

- City Manager
- Assistant City Managers
- Strategic & Government Affairs
- City Clerk
- Customer Experience
- Communications & Community Engagement
- People & Culture
- City Attorney
- Information Technology
- Redevelopment
- Economic Development
- Budget

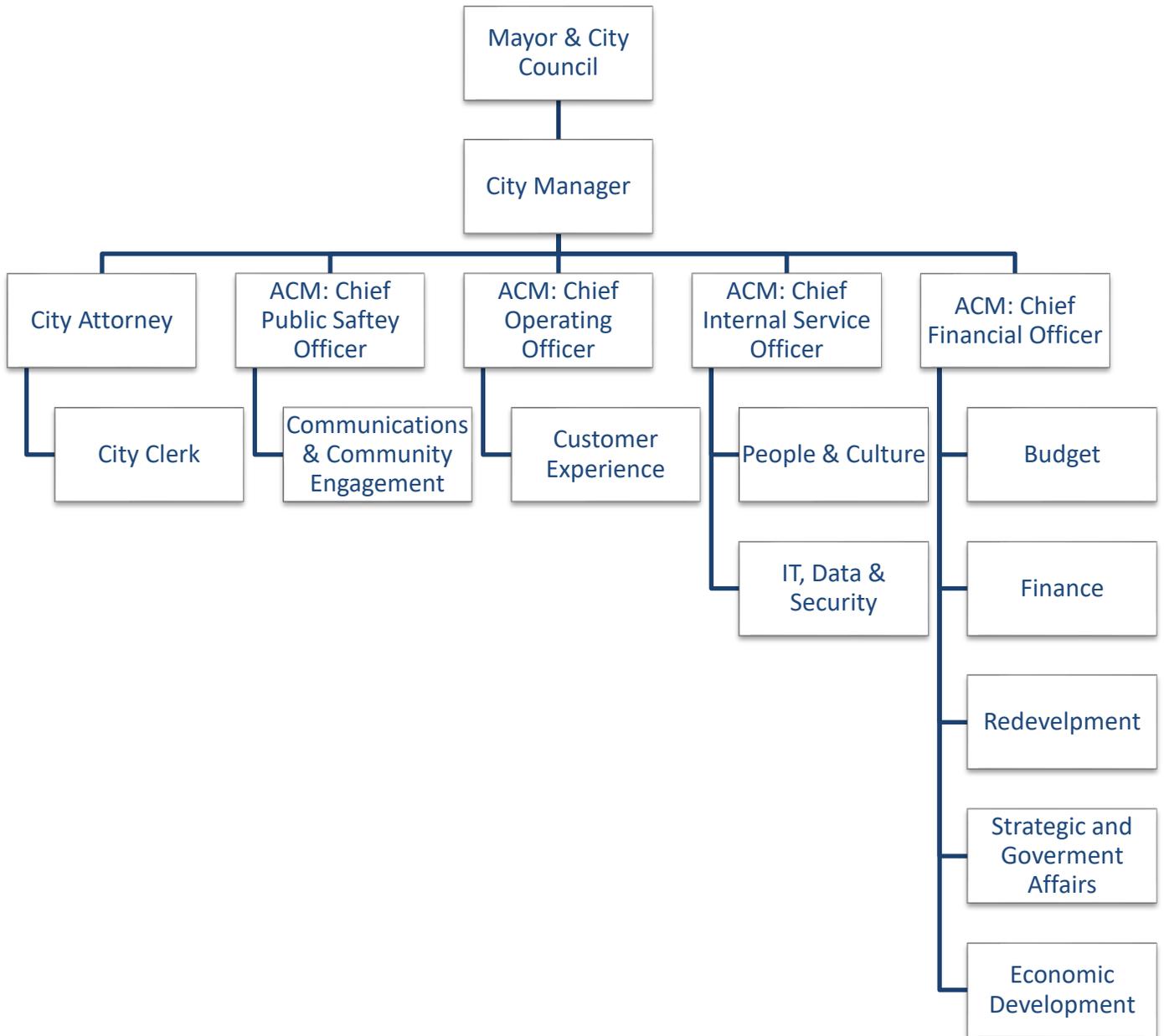
Additional Departments

This section includes additional departments that utilize the General Fund:

- Finance
- Public Works
- Parks & Recreation
- Planning & Development Services
- Fire & EMS
- Non-Departmental
- Engineering
- Environmental & Neighborhood Services
- Police Department
- Public Safety Dispatch

General Government Organizational Chart

As of October 1, 2025



Mayor and City Council

Mission, Goals and Objectives

The **Mayor and City Council** provide direction to the City Manager and staff to achieve service level objectives. The long-range vision of the City is established by adopting goals, objectives, and strategies.

Services Provided

Two regular City Council meetings are held each month on the first and third Tuesday, as well as a workshop on the fourth Tuesday of the month. The Mayor and City Council adopt policies and may modify policy recommendations from the City Manager. The annual budget and five-year CIP, filed by the City Manager, is reviewed by the Mayor and City Council through a series of workshops and public hearings and is adopted by ordinance per the City's charter requirements.

FY26 Changes

There was a position elimination, and the salary reduction was reflected on the FY26 Base Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 499,356	\$ 511,938	\$ 511,938	\$ 503,087	\$ -	\$ 503,087
Supplies	44,810	57,260	53,260	26,024	-	26,024
Professional Services	2,219	3,900	7,900	11,800	-	11,800
Repairs & Maintenance	-	1,250	1,250	-	-	-
Purchased Services	17,089	8,137	8,137	28,781	-	28,781
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 563,474	\$ 582,485	\$ 582,485	\$ 569,692	\$ -	\$ 569,692

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Mayor & City Council	3.25	2.25	-	2.25	(0.25)	2.00
Category Totals	3.25	2.25	-	2.25	(0.25)	2.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Mayor and City Council	All	1

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 % of Residents that love calling Sugar Land home	New	95%	96%	97%	98%

- 1) The Percentage of Residents that love calling Sugar Land home** measures residents who report that they genuinely enjoy living in Sugar Land and feel proud to call it their home.

City Manager

Mission, Goals and Objectives

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

Programs of Service

On a day-to-day basis, the City Manager focuses on “Responsible City Government,” as evidenced by the emphasis on implementing City Council direction, managing the City organization through the appointment and removal of employees, and encouraging citizen engagement and education.

FY26 Changes

There were no recurring or one-time additions in the City Management budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 980,293	\$ 1,152,353	\$ 1,152,353	\$ 797,973	\$ -	\$ 797,973
Supplies	131,042	62,136	62,136	87,102	-	87,102
Professional Services	5,028	23,595	23,595	10,800	-	10,800
Repairs & Maintenance	130,473	-	-	-	-	-
Purchased Services	119,276	11,141	11,141	4,050	-	4,050
Capital/Other	26,018	-	-	-	-	-
Category Totals	\$ 1,392,130	\$ 1,249,225	\$ 1,249,225	\$ 899,925	\$ -	\$ 899,925

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
City Manager	7.00	6.00	(2.00)	4.00	-	4.00
Category Totals	7.00	6.00	(2.00)	4.00	-	4.00

Assistant City Managers

Mission, Vision and Objectives

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

FY26 Changes

There was a recurring reduction of \$108,786 due to position elimination in the City Management budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 1,417,705	\$ 1,494,612	\$ 1,494,612	\$ 1,902,517	\$ (108,786)	\$ 1,793,731
Supplies	67,502	66,124	66,124	53,182	-	53,182
Professional Services	42,618	42,288	42,288	7,188	-	7,188
Repairs & Maintenance	377	-	-	-	-	-
Purchased Services	18,776	35,607	35,607	21,548	-	21,548
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,546,978	\$ 1,638,631	\$ 1,638,631	\$ 1,984,435	\$ (108,786)	\$ 1,875,649

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Assistant City Managers	7.00	7.00	-	7.00	(1.00)	6.00
Category Totals	7.00	7.00	-	7.00	(1.00)	6.00

Communications and Community Engagement

Mission, Goals and Objectives

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

Services Provided

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

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

FY26 Changes

There was a recurring reduction of \$86,011 due to position elimination in the Communication and Communicate Engagement Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 1,585,412	\$ 1,756,249	\$ 1,756,249	\$ 1,556,021	\$ (86,011)	\$ 1,470,011
Supplies	57,890	89,853	89,853	34,267	-	34,267
Professional Services	66,089	93,158	93,158	131,500	-	131,500
Repairs & Maintenance	350	450	450	450	-	450
Purchased Services	69,049	121,117	121,117	96,247	-	96,247
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,778,790	\$ 2,060,828	\$ 2,060,828	\$ 1,818,485	\$ (86,011)	\$ 1,732,475

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Community Engagement	13.00	15.00	(1.00)	14.00	(2.00)	12.00
Category Totals	13.00	15.00	(1.00)	14.00	(2.00)	12.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Communications	Government: Respected & Influential	1, 2
Community Engagement	People: Welcoming & Engaged	3

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Social Media Impression Rate	New	New	6.5%	7%	7.5%
2 Email Newsletters Subscriptions	New	New	5,435	6,254	6,500
3 # of Hours Volunteered	New	New	13,372	12,100	12,500

Communications and Community Engagement

- 1) **Social Media Impression Rate** measures how often the City's content is shown to users relative to the size of its audience. This KPI helps evaluate how visible and effective the City's digital communication efforts are over time.
- 2) **Email Newsletters Subscriber Growth** tracks the number of new individuals who sign up to receive City newsletters. Email is a primary communication method preferred by residents, and strong subscriber growth indicates successful outreach, relevant content, and increased engagement with City updates.
- 3) **Total Hours Served by Volunteers** tracks the total number of hours contributed by volunteers across City programs. Volunteer engagement supports community involvement, contributes to operational efficiency, and reflects residents' interest in civic participation. Monitoring volunteer hours helps evaluate program effectiveness, satisfaction, and the overall value provided to the city.

Budget & Strategy

Mission, Goals and Objectives

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

Services Provided

Budget oversees the budget process and assists departments regarding budgeting and financial analysis.

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

FY26 Changes

There were no recurring or one-time additions for FY26.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 763,033	\$ 1,038,843	\$ 1,038,843	\$ 1,149,147	\$ -	\$ 1,149,147
Supplies	58,130	46,671	46,671	26,799	-	26,799
Professional Services	43,644	19,364	19,364	11,924	-	11,924
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	69,033	13,867	13,867	4,065	-	4,065
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 933,840	\$ 1,118,745	\$ 1,118,745	\$ 1,191,935	\$ -	\$ 1,191,935

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Budget & Strategy	8.00	6.00	3.00	9.00	-	9.00
Category Totals	8.00	6.00	3.00	9.00	-	9.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Budget	Finance: Strong & Viable	1-2
Strategic Planning	All	3

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Receiving Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes	Yes
2 Average Time to Complete Transfer Requests	New	36 Hours	24 hours	24 hours	24 hours
3 % of Written Grants Approved	New	New	New	70%	75%

Budget & Strategy

- 1) **Receiving GFOA's Distinguished Budget Presentation Award** – Receiving GFOA's Distinguished Budget Presentation Award indicates that a government's budget document meets nationally recognized guidelines for clarity, transparency, and effective public communication.
- 2) **Average time to Complete Transfer Request** measures how long it typically takes an organization to process and fully complete a transfer request, from the moment the request is submitted to the moment it is finalized.
- 3) **Percentage of the Written Grants Approved** measures the proportion of grant applications submitted by the City that receive approval from granting agencies. It is calculated by dividing the number of grants awarded by the total number of grant applications submitted within a given period and expressing the result as a percentage. This metric reflects the effectiveness and success rate of the City's grant-seeking efforts.

City Attorney

Mission, Goals and Objectives

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

Services Provided

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

FY26 Changes

There were no additions to the City Attorney’s budget for FY26.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 1,098,727	\$ 1,165,849	\$ 1,165,849	\$ 1,216,294	\$ -	\$ 1,216,294
Supplies	23,548	14,271	14,271	14,271	-	14,271
Professional Services	45,201	98,078	111,408	92,066	-	92,066
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	22,668	59,450	46,120	39,750	-	39,750
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,190,144	\$ 1,337,649	\$ 1,337,649	\$ 1,362,381	\$ -	\$ 1,362,381

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
City Attorney	7.00	7.00	-	7.00	-	7.00
Category Totals	7.00	7.00	-	7.00	-	7.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
City Attorney	Government: Respected & Influential	1-3

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Legal Requests Received	New	1,663	1,847	2,623	2,800
2 Legal Requests Completed	New	1,578	1,870	2,598	2,800
3 Open Records Requests Reviewed	New	1,054	1,244	1,806	2,000

- 1) Legal Requests Received:** Tracking and reporting the total number of requests received by the department is essential for workload management, resource allocation, trend analysis, accountability, and transparency. This data ultimately enables the department to operate more effectively, strategically, and in alignment with the organization’s objectives.

- 2) **Legal Requests Completed:** Tracking and reporting the number of completed requests within the department is vital for operational efficiency, ensuring high-quality service delivery, and alignment with the organization's strategic goals. This practice not only fosters a culture of accountability and continuous improvement but also reinforces the department's essential role within the larger organizational framework.
- 3) **Open Records Requests Reviewed:** Reporting the number of open records requests reviewed is crucial for accountability and compliance monitoring. This supports the organization's operational goals and reinforces its dedication to transparency and responsiveness.

City Clerk

Mission, Goals and Objectives

The mission of the City Clerk is to act as stewards of open and accountable government, committed to upholding statutory principles, serve as guardians of the municipal legislative processes and official information, practice integrity, and provide excellent service that respects the uniqueness and diversity of our organization and the community.

Services Provided

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

FY26 Changes

There was a recurring reduction of \$76,302 due to position elimination in the FY26 budget for the Office of the City Clerk.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 686,750	\$ 1,551,757	\$ 1,551,757	\$ 1,460,364	\$ (76,302)	\$ 1,384,062
Supplies	101,470	313,189	313,189	132,755	-	132,755
Professional Services	41,587	57,076	56,926	56,848	-	56,848
Repairs & Maintenance	5,141	753	753	753	-	753
Purchased Services	95,690	150,896	151,046	123,870	-	123,870
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 930,638	\$ 2,073,672	\$ 2,073,672	\$ 1,774,590	\$ (76,302)	\$ 1,698,288

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
City Clerk	9.50	9.50	4.00	13.50	(1.50)	12.00
Category Totals	9.50	9.50	4.00	13.50	(1.50)	12.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
City Clerk	All	1

City Clerk

Performance Measures

	Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1	Open Records Request Received	2,071	3,278	4,001	4,200	4,500
2	Open Records Closed	1,820	2,787	3,753	4,000	4,200
3	Agenda Items	1,350	1,445	1,247	1,273	1,298
4	Records Box Destruction	131	1,338	78	413	300
5	Records Boxes Received	110	183	287	200	250

- 1) **Open Records Requests Received** - The Texas Public Information Act ensures people the right of access to government information. As the stewards of open government for the City, the performance measure is to reassure the public that the City Secretary is administering requests for records in accordance with the local and state statutes.
- 2) **Open Records Requests Closed** measure tracks the number of open records requests that have been successfully closed by the City Secretary's office. It reflects the efficiency and responsiveness of the office in handling public information requests, ensuring that citizens receive timely access to government records as mandated by the Texas Public Information Act.
- 3) **Agenda Items** monitor the number of agenda items processed by the City Secretary's office. It highlights the office's role in facilitating the smooth operation of city governance by managing and organizing the items that are discussed and decided upon in city meetings, ensuring transparency and accountability in the decision-making process.
- 4) **Records Box Destruction** identifies records that have met their retention as outlined by retention schedules. A records retention schedule is a document that identifies and describes a state agency's records and the lengths of time that each type of record must be retained.
- 5) **Records Box Received (Referred to as New Boxes)** - New records that are assigned retention schedules and must be maintained until their destruction. New boxes are stored at an off-site facility for the protection of the company's assets until their destruction.

Customer Experience & 311 Contact Center

Mission, Goals and Objectives

The Mission of the Customer Experience Department is to deliver internal and external services in a modern and tailored manner, using human-centered design, community feedback, data, and employee empowerment to benefit all stakeholders.

Services Provided

The Department of Customer Experience (DCX), established in 2023, enhances customer service across Sugar Land by delivering innovative resources that engage and empower the community. The department focuses on creating positive, proactive, and accessible interactions for residents and stakeholders across all City services.

The 311 Contact Center serves as the primary point of contact for residents and visitors seeking information on City services. The Center assists with inquiries related to solid waste programming, job opportunities, events, code violations, parks, and more. It also processes service requests such as sidewalk repairs, graffiti removal, and animal-related concerns, ensuring responsive support for City questions and service needs.

FY26 Changes

There were no additions to the FY26 budget for the 311 Contact Center.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 867,063	\$ 1,004,380	\$ 1,004,380	\$ 1,269,498	\$ -	\$ 1,269,498
Supplies	48,303	48,069	48,069	52,280	-	52,280
Professional Services	49,027	100,106	100,106	73,424	-	73,424
Repairs & Maintenance	47,298	-	-	-	-	-
Purchased Services	57,270	235,476	235,476	156,150	-	156,150
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,068,962	\$ 1,388,031	\$ 1,388,031	\$ 1,551,352	\$ -	\$ 1,551,352

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
311 Contact Center	10.00	13.00	-	13.00	-	13.00
Category Totals	10.00	13.00	-	13.00	-	13.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
311 Contact Center	People: Welcoming & Engaged, Government: Respected & influential	1-7

Performance Measures

	Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1	Number of Calls Offered	71,888	59,407	66,039	80,000	85,000
2	Number of Calls Answered	54,205	45,109	54,494	75,000	80,000
3	Average Call Handle Time	4m 32s	7m 8s	7m 36s	7m	7m
4	Average Call Hold Time	40s	1m 21s	1m 38s	1m 15s	1m
5	Average Speed of Answer	New	1m 30s	1m	1m 30s	1m 30s
6	Average Call Wait Time	2m 16s	2m 15s	1m 6s	30s	1m
7	Average Call Abandonment Rate	14.77%	17.00%	13.25%	10%	10%

- 1) **Number of Phone Calls Offered** shows the total number of interactions routed into the 311 queue for an agent to answer. Calls may be answered, abandoned, or rerouted. This data provides insight into demand for 311 services and supports staffing and resource planning.
- 2) **Number of Phone Calls Answered** tracks the number of calls answered by 311 ambassadors. It reflects the volume of interactions handled and provides context for assessing service capacity and customer demand.
- 3) **Average Call Handle Time** measures the average amount of time ambassadors spend managing interactions, including talk time, hold time, and after-call work. This KPI reflects the complexity of inquiries and the thoroughness required to fully address customer concerns.
- 4) **Average Call Hold Time** represents the average duration that callers are placed on hold during an interaction. This KPI provides insight into operational efficiency and customer experience.
- 5) **Average Call Speed of Answer** measures how long interactions wait in the queue before an agent answers. This KPI reflects responsiveness and supports the evaluation of staffing levels and call management practices.
- 6) **Average Call Wait Time** captures the total time an interaction remains in the queue before being answered, rerouted, or abandoned. This KPI helps assess the overall customer experience and availability of staff during peak call periods.
- 7) **Average Call Abandonment Rate** measures the percentage of interactions in which a caller disconnects before reaching an agent. It provides insight into potential gaps in responsiveness, system capacity, and customer patience thresholds.

People & Culture

Mission, Goals and Objectives

The Department of People & Culture powers the City of Sugar Land by delivering exceptional service, resources, and support to every employee – past, present, and future. We lead with inclusivity, fairness, and consistency, champion competitive pay and meaningful benefits, spark growth through development and learning opportunities, fuel engagement, and cultivate a safe, thriving workplace where every team member can blaze their own trail.

Services Provided

People & Culture

We are the heartbeat of the City – shaping the employee experience from day one. From recruiting top talent and designing benefits that truly matter, to fostering engagement, recognition, and our BLAZE values, we make the workplace vibrant, inclusive, and empowering.

People Development

We turn potential into performance. Through innovative learning, leadership programs, and growth opportunities, we equip employees at every level to excel, lead, and blaze new trails for the future of the City.

Risk Management

We are the City’s shield and safety engine. From comprehensive insurance oversight to proactive risk prevention, claims management, and safety programs, we protect people, assets, and operations, ensuring the City thrives with confidence and resilience.

FY26 Changes

There were position eliminations in the P&C department, and the salary reduction was included in the FY26 Base Budget. In addition, there was a net increase of \$3,200 for professional services in the People & Culture budget.

People & Culture

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 1,908,287	\$ 1,614,015	\$ 1,614,015	\$ 1,691,319	\$ -	\$ 1,691,319
Supplies	190,235	166,372	166,372	149,121	-	149,121
Professional Services	185,047	90,620	90,620	69,710	(9,800)	59,910
Repairs & Maintenance	1,614	1,200	1,200	1,200	-	1,200
Purchased Services	148,389	130,227	130,227	94,133	-	94,133
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 2,433,571	\$ 2,002,434	\$ 2,002,434	\$ 2,005,483	\$ (9,800)	\$ 1,995,683
FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
People & Culture	13.00	14.50	(1.00)	13.50	(1.25)	12.25
Category Totals	13.00	14.50	(1.00)	13.50	(1.25)	12.25

People Development

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ (86)	\$ 332,618	\$ 332,618	\$ 386,612	\$ -	\$ 386,612
Supplies	81,578	69,495	69,495	143,710	-	143,710
Professional Services	103,419	69,603	69,603	16,000	-	16,000
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	70	47,130	47,130	1,000	-	1,000
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 184,981	\$ 518,845	\$ 518,845	\$ 547,322	\$ -	\$ 547,322

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Training and Development	1.00	1.00	2.00	3.00	-	3.00
Category Totals	1.00	1.00	2.00	3.00	-	3.00

Risk Management

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 230,084	\$ 258,664	\$ 258,664	\$ 256,863	\$ -	\$ 256,863
Supplies	8,597	8,660	8,475	9,164	-	9,164
Professional Services	43,374	27,328	27,512	29,345	13,000	42,345
Repairs & Maintenance	-	100	100	100	-	100
Purchased Services	1,120	16,185	16,185	20,675	-	20,675
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 283,174	\$ 310,936	\$ 310,936	\$ 316,147	\$ 13,000	\$ 329,147

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Risk Management	2.00	2.00	-	2.00	-	2.00
Category Totals	2.00	2.00	-	2.00	-	2.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
People & Culture	People: Welcoming & Engaged	1
People Development	People: Welcome & Engaged	1
Risk Management	People: Welcoming & Engaged	1

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 City of Sugar Land Engagement Score	New	70%	76%	77%	78%

- 1) **City of Sugar Land Engagement Score** measures how connected, motivated, and supported employees feel in the workplace. Engagement is a key indicator of organizational health, predicting retention, productivity, culture, and service quality. Tracking this KPI helps identify strengths—such as pride in working for the City—and areas where targeted efforts can further strengthen the employee experience.

Information Technology

Mission, Goals and Objectives

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

Services Provided

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

FY26 Changes

There were position eliminations in the IT department, the reduction was reflected on the FY26 base budget. In addition, there was a one-time cost of 438,947 for fiber expansion and cyber security backup & recovery contract, partially offset by a reduction of \$23,340 in contractual services added through the FY26 Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 3,187,701	\$ 3,807,951	\$ 3,807,951	\$ 3,531,267	\$ -	\$ 3,531,267
Supplies	111,967	166,014	179,316	140,805	-	140,805
Professional Services	303,375	297,844	292,264	257,050	214,160	471,210
Repairs & Maintenance	20,460	11,622	1,622	1,500	-	1,500
Purchased Services	2,936,857	3,749,943	3,752,221	3,209,330	201,447	3,410,777
Capital/Other	32,964	2,995	2,995	-	-	-
Category Totals	\$ 6,593,324	\$ 8,036,369	\$ 8,036,369	\$ 7,139,952	\$ 415,607	\$ 7,555,559
FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Information Technology	30.00	31.00	(1.00)	30.00	(2.00)	28.00
Category Totals	30.00	31.00	(1.00)	30.00	(2.00)	28.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
IT Department	All	1-4

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Service Delivery: Customer Satisfaction Score	New	New	New	4.83/5.00	4.5/5.00
2 Project Delivery: Agile Project Health Score	New	New	New	3.81/5.00	4.5/5.00
3 Lights On: System Availability and Performance Score	New	New	New	4.90/5.00	4.75/5.00

- 1) **Service Delivery: Customer Satisfaction Score**: This KPI measures user satisfaction with technology service requests. After each ticket is resolved, employees receive a brief survey rating the quality, timeliness, and effectiveness of the service provided. High satisfaction reflects reliable support, responsiveness, and strong partnership with internal customers.
- 2) **Project Delivery: Agile Project Health Score**: This KPI tracks the successful delivery of IT projects—on time, on budget, and within scope—using bi-weekly expectation surveys aligned with Agile project management practices. The score reflects communication quality, transparency, progress toward goals, and overall stakeholder satisfaction.
- 3) **Lights On: System Availability and Performance Score**: “Lights On” measures the availability and performance of core systems, applications, and infrastructure. Uptime percentages across key services are converted into a standardized 5-point scale. Strong performance ensures continuous operations, minimal service disruptions, and a secure, resilient technology environment.

Department of Strategic and Government Affairs

Mission, Goals, and Objectives

The mission of the Strategic and Government Affairs Department (SGA) is to develop visionary, data-driven strategies that support sustainable solutions, enhance transparency, and foster accountability. Through proactive engagement, strategic analysis, and problem-based approaches, SGA helps the organization navigate evolving needs and deliver improved experiences for both internal and external stakeholders.

Services Provided

The Department of Strategic and Government Affairs (SGA) aligns City programs, services, and initiatives with Sugar Land’s long-term vision. Through strategic planning, stakeholder engagement, data-driven analysis, and intergovernmental coordination, SGA supports the City’s commitment to effective, transparent, and forward-thinking governance. The department drives organizational alignment with City Council’s Strategic Outcome Areas while fostering relationships that strengthen community impact and promote sustainable growth.

FY26 Changes

There were position eliminations in the SG&A department, and the salary reduction was reflected on the FY26 Base Budget.

Strategic and Government Affairs/Intergovernmental Relations

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 527,998	\$ 749,520	\$ 749,520	\$ 781,049	\$ -	\$ 781,049
Supplies	41,444	133,877	133,877	132,320	-	132,320
Professional Services	133,512	209,792	209,792	86,700	-	86,700
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	12,579	118,661	118,661	118,661	-	118,661
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 715,533	\$ 1,211,850	\$ 1,211,850	\$ 1,118,730	\$ -	\$ 1,118,730

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Strategic and Government Affairs	1.00	7.00	1.00	8.00	(1.00)	7.00
Category Totals	1.00	7.00	1.00	8.00	(1.00)	7.00

Data & Innovation

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 1,100,076	\$ 1,215,911	\$ 1,215,911	\$ 1,061,709	\$ -	\$ 1,061,709
Supplies	65,848	128,548	126,548	57,569	-	57,569
Professional Services	10,203	13,906	16,670	18,270	-	18,270
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	329,099	218,258	218,258	192,909	-	192,909
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,505,226	\$ 1,576,623	\$ 1,577,387	\$ 1,330,457	\$ -	\$ 1,330,457

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Data and Innovation	10.50	10.00	-	10.00	(1.00)	9.00
Category Totals	10.50	10.00	-	10.00	(1.00)	9.00

Strategy

Division	Strategic Outcome Area	Corresponding Measure	Performance
Strategy	Government: Respected & Influential	1, 4	
Data & Innovation	Government: Respected & Influential	1,2,3	
Intergovernmental Relations	Government: Respected & Influential	5	

Performance Measures

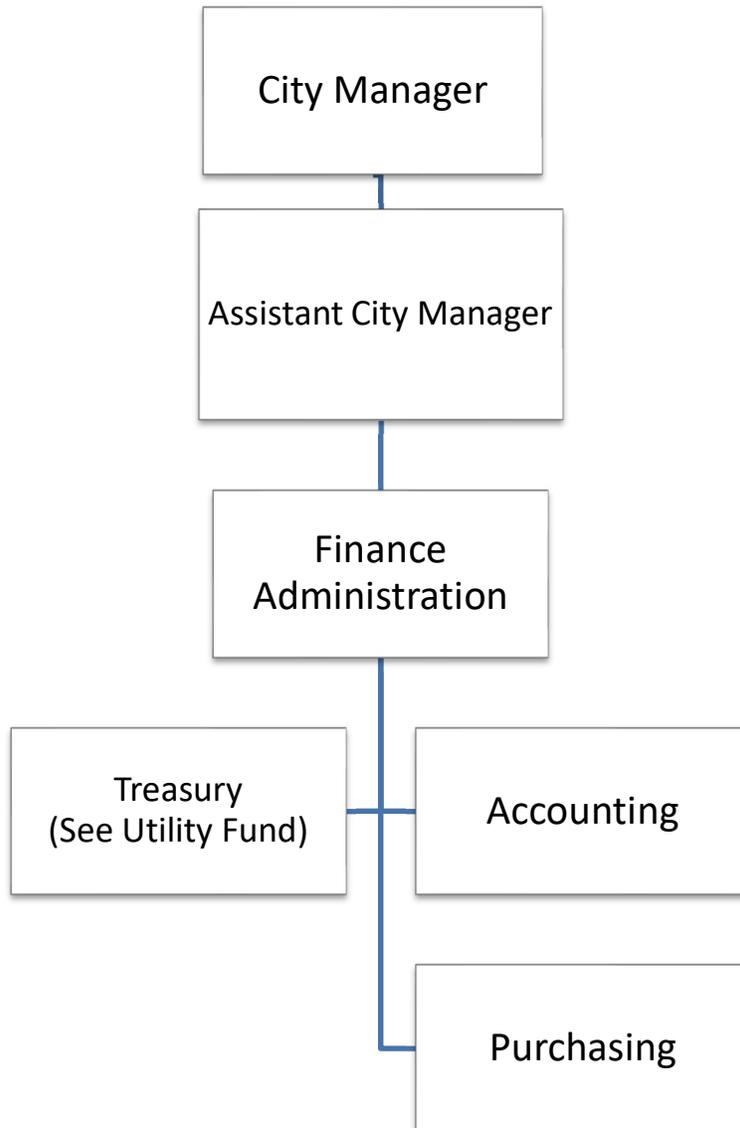
Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 SGA and Data & Innovation Service Satisfaction Score	New	New	4.77	4.80	4.80
2 Sugar Land Open Data Portal User Count	New	New	4,944	79,609	90,000
3 Sugar Land Open Data Portal Web Activities	New	New	63,791	456,188	500,000
4 Strategic Action Plan Newsletter Open Rate	New	New	New	59.7%	60%
5 Number of Bills Reviewed during Texas Legislative Session	N/A	467	N/A	773	N/A

*Note: The Texas Legislature meets bi-annually and bills are only tracked during session.

- 1) SGA and Data & Innovation Service Satisfaction Rate:** This KPI measures satisfaction with the strategic planning, communications, and data services provided by SGA and the Office of Data & Innovation. A high satisfaction rate indicates that internal stakeholders find these services valuable, aligned with expectations, and supportive of organizational goals. Tracking this measure helps identify opportunities to enhance service delivery and strengthen organizational trust.
- 2) and 3) Sugar Land Open Data Portal User Count and Web Activities:** Tracking user count and web activities on the Open Data portal (Sugar Land Insights) helps measure the community’s engagement with government transparency initiatives. A high visitor count indicates successful promotion of data accessibility and civic tech tools. This KPI also informs decisions about how to expand, improve, and prioritize datasets.
- 4) Strategic Action Plan Newsletter Open Rate:** The Strategic Action Plan Newsletter Open Rate measures the percentage of recipients who open the City’s Strategic Action Plan email updates. This KPI indicates how effectively key messages about strategic priorities, progress, and organizational initiatives reach and engage the intended audience. Monitoring open rates helps assess the relevance of content, refine communication strategies, and strengthen transparency by ensuring that residents and stakeholders remain informed about the City’s long-term goals and accomplishments.
- 5) Number of Bills Reviewed During Texas Legislative Session:** This measure captures the volume of bills reviewed during each Texas legislative session. It reflects the scope of SGA’s legislative monitoring and advocacy work and provides context for workload, resource needs, and responsiveness to state-level policy developments affecting City operations.

Finance

As of October 1, 2025



Finance

Mission, Goals and Objectives

The mission of the Finance Department To provide accurate, timely financial information, safeguard City assets, and promote transparency across all financial operations. The Finance Department safeguards the City’s financial integrity through responsible stewardship, transparent reporting, and exemplary fiscal management. The team oversees all core financial functions—including payroll, purchasing and accounts payable, treasury and collections, investments, debt management, and general ledger accounting—to ensure accuracy, accountability, and long-term sustainability. By maintaining efficient operations and strong internal controls, Finance supports City leadership, employees, residents, and vendors with reliable financial services that uphold public trust.

Services Provided

The Finance Department is made up of Finance Administration, Budget, Accounting, Purchasing, and Municipal Court. **Finance Administration** is responsible for reviewing and implementing financial policies and managing the City’s debt issuance and investment of public funds.

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

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

FY26 Changes

There was one position elimination in FY26 and the salary reduction is reflected on the FY26 base budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 2,944,177	\$ 3,298,574	\$ 3,298,574	\$ 3,111,101	\$ -	\$ 3,111,101
Supplies	52,286	51,435	51,635	52,759	-	52,759
Professional Services	1,249,252	1,415,136	1,415,136	1,394,596	-	1,394,596
Repairs & Maintenance	1,500	374	374	50	-	50
Purchased Services	78,126	93,015	92,815	95,733	-	95,733
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 4,325,341	\$ 4,858,534	\$ 4,858,534	\$ 4,654,239	\$ -	\$ 4,654,239

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Finance Administration	2,121,601	2,112,072	2,112,072	1,849,857	-	1,849,857
Accounting	1,644,289	2,130,280	2,130,280	2,141,932	-	2,141,932
Purchasing	559,451	616,182	616,182	662,450	-	662,450
Category Totals	\$ 4,325,341	\$ 4,858,534	\$ 4,858,534	\$ 4,654,239	\$ -	\$ 4,654,239

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Finance Administration	7.00	6.00	(2.00)	4.00	(1.00)	3.00
Accounting	16.50	16.50	-	16.50	-	16.50
Purchasing	5.00	5.00	-	5.00	-	5.00
Category Totals	28.50	27.50	(2.00)	25.50	(1.00)	24.50

Strategy

Finance

Division	Strategic Outcome Area	Corresponding Performance Measure
Administration	Finance: Strong & Viable	1-5
Accounting	Finance: Strong & Viable	4, 5
Purchasing	Finance: Strong & Viable	5

Performance Measures

	Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1	Efficiency Ratios: Cost per Invoice	New	New	New	\$3.48	\$3.00
2	Efficiency Ratios: Collect Cost Percentage	New	New	New	2.8%	2.7%
3	Efficiency Ratios: Cost of Finance as a Percentage of Budget	New	New	New	1.2%	1.1%
4	Bond Rating	AAA	AAA	AAA	AAA	AAA
5	Return on Investment*	2.72%	3.46%	4.41%	4.41%	4.5%

1) , 2), and 3) Efficiency Ratios: Efficiency ratios measure the cost-effectiveness of core financial operations and ensure the department is appropriately resourced for organizational needs. These indicators reflect the City’s commitment to strong financial stewardship, operational excellence, and accountability.

- a. Cost per Invoice: Tracks the average cost of processing an invoice from receipt to payment.
- b. Collection Cost Percentage: Measures the percentage of each revenue dollar required to process and collect payments, reflecting the operational efficiency and cost-effectiveness of Treasury’s collection activities.
- c. Cost of Finance as a % of Budget: Assesses the Finance Department’s total cost relative to the City’s total revenues.

4) Bond Rating: Bond ratings reflect the City’s financial stability, management quality, economic outlook, and ability to meet debt obligations. A high bond rating reduces borrowing costs, strengthens investor confidence, and enhances the City’s ability to fund long-term capital projects.

5) Return on Investment: This indicator tracks the City’s weighted average investment yield while prioritizing capital preservation and liquidity in accordance with local government investment policies. In Fiscal Year 2025, the City’s investment yields ranged from 4.31% to 4.74%, performing in line with or above the 30-day weighted average yields of TexPool and Texas CLASS.

*Note: The Return on Investment measure utilizes the September Weighted Average Yield (WAY) from the City of Sugar Land’s Monthly Financial Reports.

Municipal Court

As of October 1, 2025



Municipal Court

Mission, Goals and Objectives

The mission of Municipal Court is to foster a culture of growth, support, and knowledge by empowering staff to effectively serve the community. The court is committed to administering equitable justice through collaboration, professionalism, and service excellence.

Services Provided

The Sugar Land Municipal Court is responsible for upholding the City's ability to perform essential government functions while maintaining financial integrity, operational efficiency, and superior customer service. The court ensures fair and impartial treatment to all individuals who appear before it and remains committed to delivering justice in a timely, transparent, and equitable manner.

FY26 Changes

There were no recurring or one-time additions added through the FY26 Budget.

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Municipal Court	Finance: Strong & Viable	1-4

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 1,236,683	\$ 1,368,533	\$ 1,368,533	\$ 1,459,343	\$ -	\$ 1,459,343
Supplies	19,337	35,801	35,124	30,247	-	30,247
Professional Services	66,691	82,172	82,649	74,400	-	74,400
Repairs & Maintenance	1,861	1,500	1,500	1,500	-	1,500
Purchased Services	29,404	41,593	41,793	30,780	-	30,780
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,353,976	\$ 1,529,599	\$ 1,529,599	\$ 1,596,270	\$ -	\$ 1,596,270

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Court	13.00	13.50	-	13.50	-	13.50
Category Totals	13.00	13.50	-	13.50	-	13.50

Performance Measures

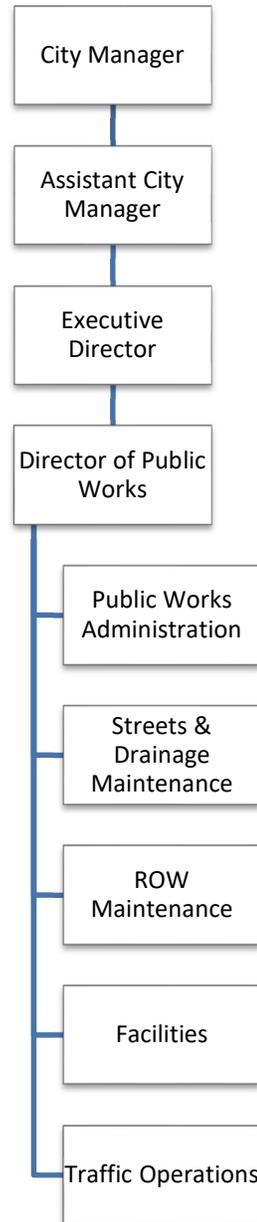
Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Clearance Rate	93.67%	108.64%	110.77%	100.75%	100%
2 Time to Disposition: 60 Days	61%	64%	63%	66%	75%
3 Time to Disposition: 90 Days	67%	69%	67%	69%	90%
4 Time to Disposition: 180 Days	77%	76%	75%	74%	98%
5 Percentage of Total Active Pending Cases Between 60-90 Days Old	44%	50%	51%	66%	75%

Municipal Court

- 1) **Clearance Rate** measures the court's ability to keep up with incoming cases. A rate at or above 100% indicates that the court is disposing of cases at least as quickly as they are filed, preventing backlogs and ensuring efficient case management.
- 2) **, 3), and 4) Time to Disposition** tracks the amount of time it takes the court to process cases from filing to final disposition. Measuring timeliness ensures cases are handled efficiently and that the public receives prompt access to justice.
- 5) **Percentage of Total Active Pending Cases Between 60-90 Days Old** evaluates the age of active pending cases to ensure they are progressing appropriately. Monitoring this segment of the caseload helps maintain timely judicial action and prevents delays in case processing.

Public Works

As of October 1, 2025



Public Works

Mission, Vision and Objectives

The Public Works Department will strive to enhance the quality of life for all residents by providing safe, reliable, and effective services consistent with the stated goals of the City. The Public Works Department is responsible for the repair and operations and maintenance of the City's public streets, traffic control devices, sidewalks, bridges, and drainage system.

Programs of Service

The **Administration** program manages components common to all divisions, such as customer service, emergency management, the safety program, public education, personnel management, infrastructure data capture, asset management, and event assistance.

The **Street & Drainage** Maintenance program is responsible for the administration and operation of public streets, sidewalks, and bridges along with maintenance of sewer lines and open ditches.

Right of Way maintenance manages the turf, landscape and irrigation in the City's Right of Way, along with the City's Bike and Pedestrian Master Plan and administration of the City's Tree Ordinance.

The **Traffic Program** is responsible for the engineering, maintenance, and operation of all traffic control devices within the City limits, which includes the maintenance and monitoring of traffic signals, school zones, regulatory signs, street name signs, and railroad wayside horns located within the City limits.

FY26 Changes

There were position eliminations in the Public Works department, and the salary reduction was included in the FY26 Base Budget. In addition, there was a recurring reduction of \$50,000 for repair and maintenance costs added in the FY26 Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 4,895,388	\$ 5,284,335	\$ 5,284,335	\$ 5,801,639	\$ -	\$ 5,801,639
Supplies	1,277,097	1,342,249	1,341,377	1,371,975	-	1,371,975
Professional Services	2,819,737	2,958,931	2,980,169	2,539,841	-	2,539,841
Repairs & Maintenance	2,915,530	2,588,563	2,588,563	1,364,855	(50,000)	1,314,855
Purchased Services	74,119	81,243	82,115	71,352	-	71,352
Capital/Other	194,794	35,524	35,524	21,524	-	21,524
Category Totals	\$ 12,176,666	\$ 12,290,846	\$ 12,312,084	\$ 11,171,186	\$ (50,000)	\$ 11,121,186

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Public Works Administration	671,615	792,049	813,287	876,364	-	876,364
Street & Drainage Maintenance	4,230,598	3,764,672	3,764,672	2,972,808	-	2,972,808
ROW Maintenance	2,490,021	2,936,193	2,936,193	2,688,034	-	2,688,034
Traffic Operations	4,784,433	4,797,932	4,797,932	4,633,980	(50,000)	4,583,980
Category Totals	\$ 12,176,666	\$ 12,290,846	\$ 12,312,084	\$ 11,171,186	\$ (50,000)	\$ 11,121,186

Public Works

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Public Works Administration	3.00	4.50	2.50	7.00	(1.75)	5.25
Street & Drainage Maintenance	19.00	19.00		19.00	-	19.00
ROW Maintenance	21.00	21.00		21.00	(2.00)	19.00
Traffic Operations	15.00	13.00		13.00	-	13.00
Category Totals	58.00	57.50	2.50	60.00	(3.75)	56.25

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Administration	Infrastructure: Sustainable & Reliable	1-3
Street & Drainage	Infrastructure: Sustainable & Reliable	2,3
Right of Way	Infrastructure: Sustainable & Reliable	3
Traffic Program	Transportation: Connected & Convenient	3

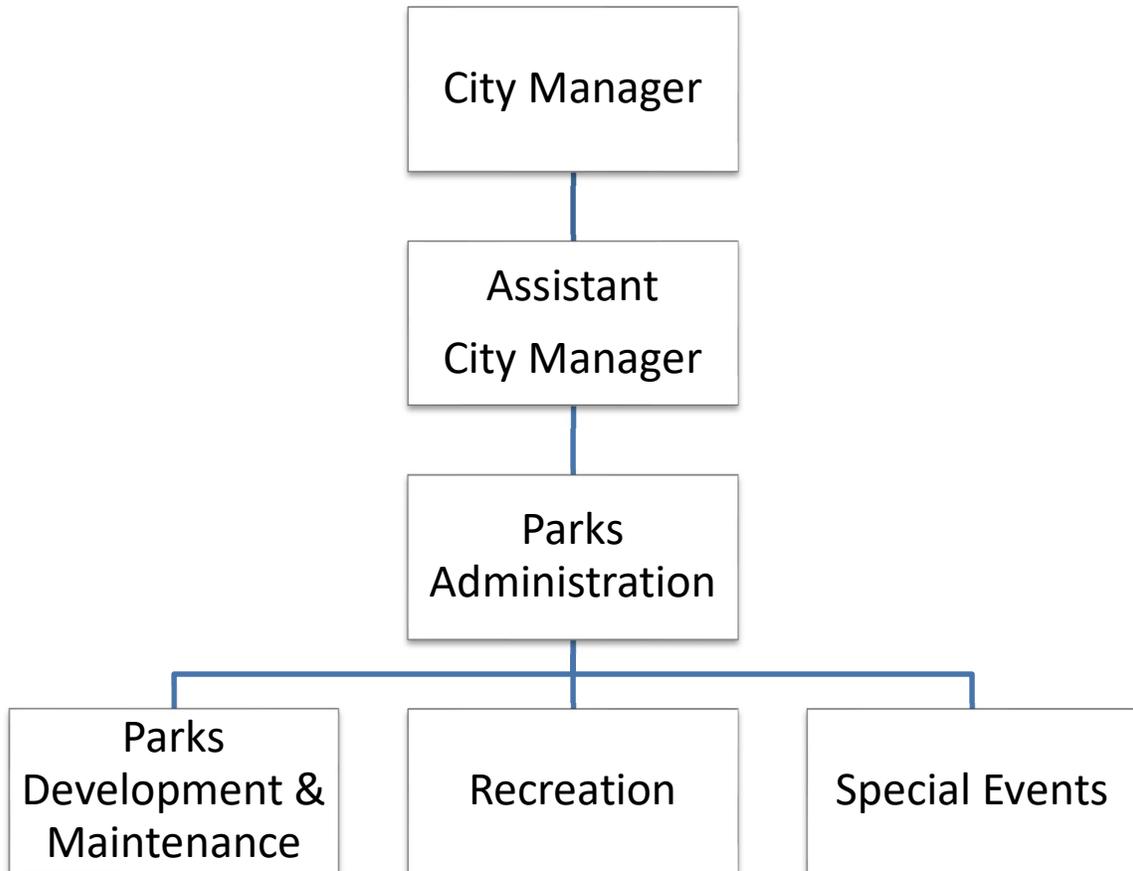
Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Utility Restoration Timeliness	New	New	2.5	2	2
2 Number of Beautification Cycles	New	New	New	44	44
3 Street Sign Replacements Completed	New	1,970	2,076	2,462	2,500

- 1) Utility Restoration Timeliness:** When the Utility Division makes emergency repairs to water or wastewater infrastructure, the surrounding concrete or pavement is often disturbed. The Streets Division is responsible for restoring the concrete within ten business days to maintain mobility, safety, and community expectations for timely repairs.
- 2) Number of Beautification Cycles:** The Right-of-Way Division maintains approximately 315 acres of beautification areas citywide. Mowing, or beautification, cycles occur weekly, weather permitting, and are scheduled throughout the year to ensure consistent, high-quality maintenance of public spaces.
- 3) Street Sign Replacements Completed:** Regularly updating and replacing street signs is essential to maintaining a safe and navigable transportation network. Sign replacements improve wayfinding, visibility, and compliance with regulations. They also support the overall appearance and functionality of the City's transportation system.

Parks & Recreation

As of October 1, 2025



Parks & Recreation

Mission, Goals and Objectives

Sugar Land Parks and Recreation is committed to creating, maintaining, and providing inclusive recreational opportunities, innovative events, and high-quality parks that enrich the community and deliver exceptional experiences.

Programs of Service

Administration is responsible for implementing the programs, policies, and services established under the leadership of City Council, City administration, and associated advisory boards of the City.

Development & Maintenance is responsible for the planning, designing, and construction of park facilities and park area landscape as well as pest control, custodial services, and repairs.

Imperial Park Recreation Center (IPRC) includes events, meeting room use, and facilities rentals

Recreation oversees leisure classes, youth sports associations, and contractual operations of the municipal pool, including swim lessons, life guards, swim team usage, open play, sports camps, and tournaments

Senior Center creates, manages, and delivers program and activities for senior citizens at the T.E. Harman Center and T.E. Harman Center rentals.

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

FY26 Changes

There was a recurring reduction of \$111,109 associated with position elimination, partially offset by increased contract costs in the FY26 Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 3,141,564	\$ 3,538,544	\$ 3,538,544	\$ 3,883,146	\$ (111,109)	\$ 3,772,037
Supplies	261,431	454,679	447,173	224,478	-	224,478
Professional Services	929,604	958,434	958,434	823,156	-	823,156
Repairs & Maintenance	1,854,303	1,923,196	1,901,196	1,660,907	10,000	1,670,907
Purchased Services	639,717	676,225	701,731	389,115	50,000	439,115
Capital/Other	37,547	88,409	92,409	150,000	-	150,000
Category Totals	\$ 6,864,166	\$ 7,639,488	\$ 7,639,488	\$ 7,130,802	\$ (51,109)	\$ 7,079,693

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Parks Administration	735,179	1,052,733	1,052,733	786,741	-	786,741
Development & Maintenance	3,884,382	4,009,446	3,983,446	3,881,265	-	3,881,265
Special Events	858,856	936,683	962,683	807,112	(61,109)	746,003
Recreation & Athletics	778,044	907,913	907,913	975,032	10,000	985,032
Senior Programs	289,801	348,354	348,354	351,917	-	351,917
Imperial Park	317,904	384,360	384,360	328,736	-	328,736
Category Totals	\$ 6,864,166	\$ 7,639,488	\$ 7,639,488	\$ 7,130,802	\$ (51,109)	\$ 7,079,693

Parks & Recreation

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Parks Administration	5.00	5.00	-	5.00	-	5.00
Parks Development	15.50	16.00	-	16.00	-	16.00
Special Events	3.00	3.50	-	3.50	(1.00)	2.50
Recreation	6.50	5.50	(0.50)	5.00	-	5.00
Senior Programs	3.00	3.00		3.00	-	3.00
Imperial Park Recreation Center	5.50	4.50	0.50	5.00	-	5.00
Category Totals	38.50	37.50	-	37.50	(1.00)	36.50

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Administration	Culture: Dynamic & Fun	All
Development & Maintenance	Culture: Dynamic & Fun	All
Imperial Park Recreation Center	Culture: Dynamic & Fun	All
Recreation	Culture: Dynamic & Fun	All
Senior Center	Culture: Dynamic & Fun	All
Special Events	Culture: Dynamic & Fun	All

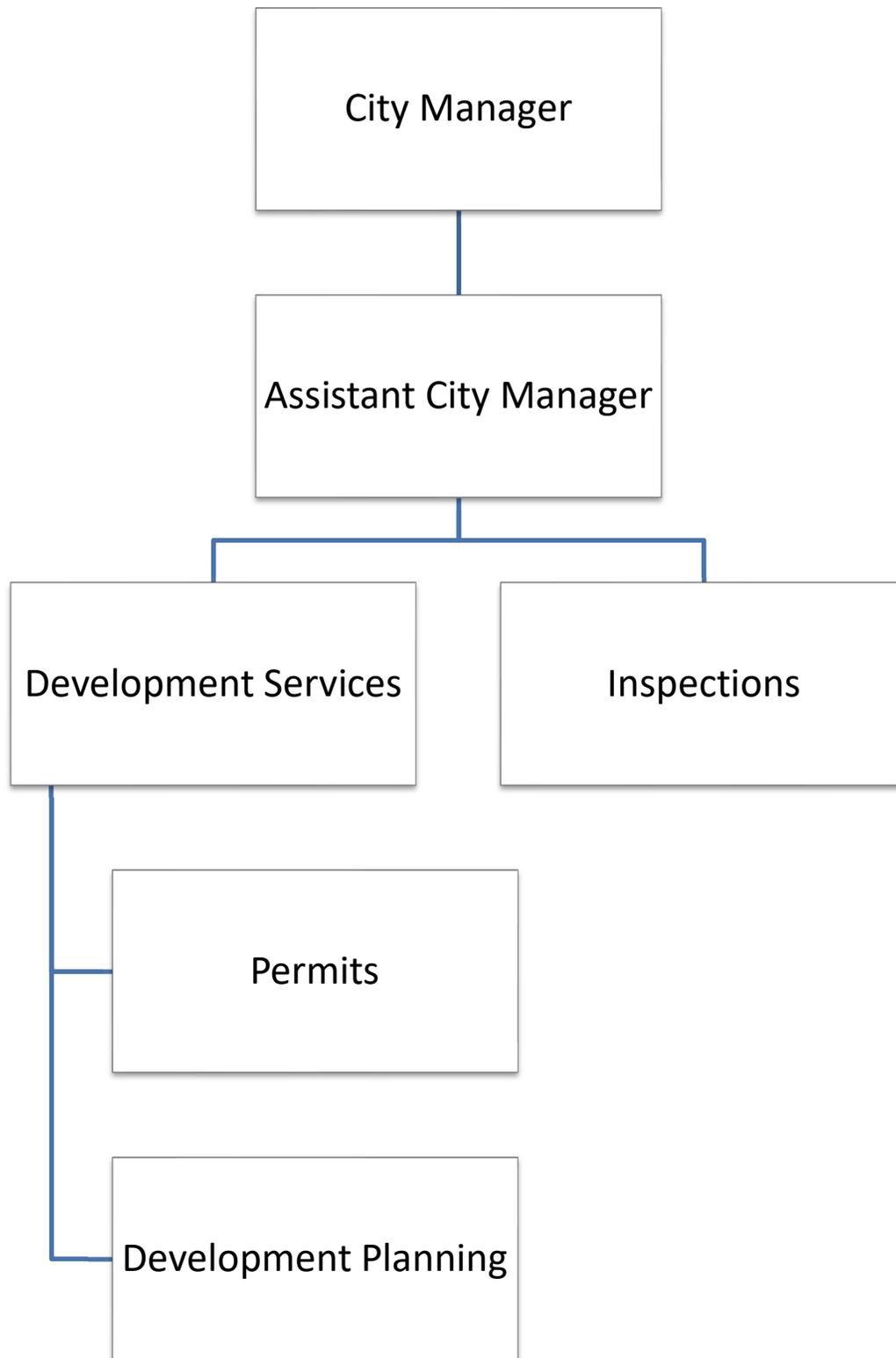
Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Number of Visits to Parks	2,200,000	2,100,000	2,100,000	2,250,000	2,250,000
2 Number of Recreational Program Offerings	200	186	259	270	280
3 Number of IPRC Members	1,323	1,500	2,374	2,400	2,500

- 1) Number of Visits to Parks** tracks total visits to Sugar Land parks. Visitation is a key indicator of community engagement, program effectiveness, and the value residents and visitors place on parks and recreational amenities. Monitoring this data supports planning, resource allocation, and long-term decision-making.
- 2) Number of Recreational Program Offerings** tracks the number of recreational programs offered throughout the year. A diverse set of offerings demonstrates the department's commitment to providing accessible and engaging opportunities that promote wellness, social connection, and lifelong learning.
- 3) Number of IPRC Members** measures total membership at the Imperial Park Recreation Center. Membership levels reflect facility utilization, program relevance, and the community's engagement with health and wellness activities.

Planning & Development Services

As of October 1, 2025



Planning & Development Services

Mission, Goals and Objectives

The department’s mission is to build Sugar Land today for a thriving, sustainable, and resilient future – driven by visionary planning, collaboration, innovation, and a relentless pursuit to create an experience where customers feel important, and their investment in the community is valued.

Services Provided

Development Planning is responsible for administering development review for applications such as subdivision plats, site plans, general land plans, rezoning and conditional use permit cases, variances, special exceptions, and appeals. The primary guide for the Program is the City of Sugar Land Development Code.

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

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

FY26 Changes

There were position eliminations, and the salary reduction was included in the FY26 Base Budget. In addition, a recurring reduction of \$111,109 associated with additional position elimination was reflected in the FY26 budget changes.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 2,875,794	\$ 3,374,667	\$ 3,374,667	\$ 3,117,058	\$ (111,109)	\$ 3,005,949
Supplies	112,761	117,956	117,716	92,977	-	92,977
Professional Services	122,139	158,610	158,610	97,441	-	97,441
Repairs & Maintenance	61	3,864	3,864	3,864	-	3,864
Purchased Services	10,669	15,267	15,507	7,234	-	7,234
Capital/Other	73,845	-	-	-	-	-
Category Totals	\$ 3,195,270	\$ 3,670,363	\$ 3,670,363	\$ 3,318,574	\$ (111,109)	\$ 3,207,465

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Planning Administration	301,069	342,747	342,747	259,125	-	259,125
Planning & Development	616,725	844,630	844,630	973,402	(111,109)	862,293
Long Range Planning	308,431	377,678	377,678	-	-	-
Permits	1,059,805	1,277,334	1,277,334	798,137	-	798,137
Inspections	909,240	827,974	827,974	1,287,911	-	1,287,911
Category Totals	\$ 3,195,270	\$ 3,670,363	\$ 3,670,363	\$ 3,318,574	\$ (111,109)	\$ 3,207,465

Planning & Development Services

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Planning Administration	2.00	2.00	-	2.00	(1.00)	1.00
Planning & Development	6.25	7.25	1.00	8.25	(1.00)	7.25
Permits	9.00	9.00	-	9.00	(1.00)	8.00
Inspections	10.00	10.00	-	10.00	-	10.00
Category Totals	27.25	28.25	1.00	29.25	(3.00)	26.25

Strategy

Department	Strategic Outcome Area	Corresponding Performance Measure
Planning & Development Services	Infrastructure: Sustainable & Resilient	1

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Permit Satisfaction Score	New	4.5/5.0	4.72/5.0	4.83/5.0	4.85/5.0

- 1) **Permit Satisfaction Score** measures customer satisfaction with the City’s permitting services. This indicator reflects how effectively the permitting process supports residents, contractors, and developers through clear communication, timely processing, and responsive service. Monitoring this measure helps identify opportunities to refine workflows, enhance customer support, and promote a consistent, high-quality experience.

Engineering

Mission, Vision and Objectives

The department’s mission is to collaboratively provide innovative and sustainable solutions that strengthen a thriving economy and elevate the quality of life for the Sugar Land community.

Services Provided

The Engineering Department provides centralized support to owner and stakeholder departments for development of the Capital Improvement Program (CIP) and design and construction of capital projects and external services dealing with public infrastructure related to development improvements, floodplain regulations and adherence to City regulations, development code, and engineering design standards. In addition, the department manages all real estate services and Transportation and Mobility Program. These services are focused on consistency and efficiency for success and rely on sound communication throughout the department and stakeholders to accomplish its mission.

FY26 Changes

There was one position elimination in the Engineering department, and the salary reduction was included in the FY26 base budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 3,229,276	\$ 4,033,182	\$ 4,033,182	\$ 3,979,654	\$ -	\$ 3,979,654
Supplies	92,848	132,776	108,776	107,471	-	107,471
Professional Services	269,705	195,516	225,116	78,270	-	78,270
Repairs & Maintenance	21,774	165,849	163,849	8,450	-	8,450
Purchased Services	11,554	30,707	27,107	31,407	-	31,407
Capital/Other	26,166	-	-	-	-	-
Category Totals	\$ 3,651,322	\$ 4,558,031	\$ 4,558,031	\$ 4,205,252	\$ -	\$ 4,205,252

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
City Engineer	3,523,322	4,425,938	4,425,938	4,069,448	-	4,069,448
Asset Management	128,000	132,092	132,092	135,804	-	135,804
Category Totals	\$ 3,651,322	\$ 4,558,031	\$ 4,558,031	\$ 4,205,252	\$ -	\$ 4,205,252

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
City Engineer	25.25	27.00		27.00	(1.00)	26.00
Asset Management	1.00	1.00	-	1.00	-	1.00
Category Totals	26.25	28.00	-	28.00	(1.00)	27.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Engineering	Infrastructure: Sustainable & Resilient	All

Engineering

Performance Measures

	Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1	Average Plan Review Time	2.67	3.14	2.52	2.35	2.50
2	CIP Projects on Time	New	New	New	65%	80%
3	CIP Projects on Budget	New	New	New	87%	90%
4	Asset Management – Percentage Change of Asset Inventory Data (Coming Soon)	New	New	New	New	New
5	Public Sentiment Toward Projects (Coming Soon)	New	New	New	New	New

- 1) Average Plan Review Time** measures the department’s efficiency in reviewing development plans. Effective and timely plan review supports high-quality private development and ensures continued investment in the community.
- 2) CIP Projects on Time** evaluates the percentage of CIP projects delivered on schedule. Timely delivery minimizes disruption, maintains public trust, and ensures efficient use of resources.
- 3) CIP Projects on Budget** tracks the percentage of CIP projects delivered within approved budgets. Staying on budget ensures responsible financial stewardship and reduces the risk of impacts on other City services.

To track project progress, the City's Engineering Department uses a standard method called **Earned Value Analysis (EVA)** to monitor all major CIP projects. EVA is a simple, three-part system that answers two critical questions:

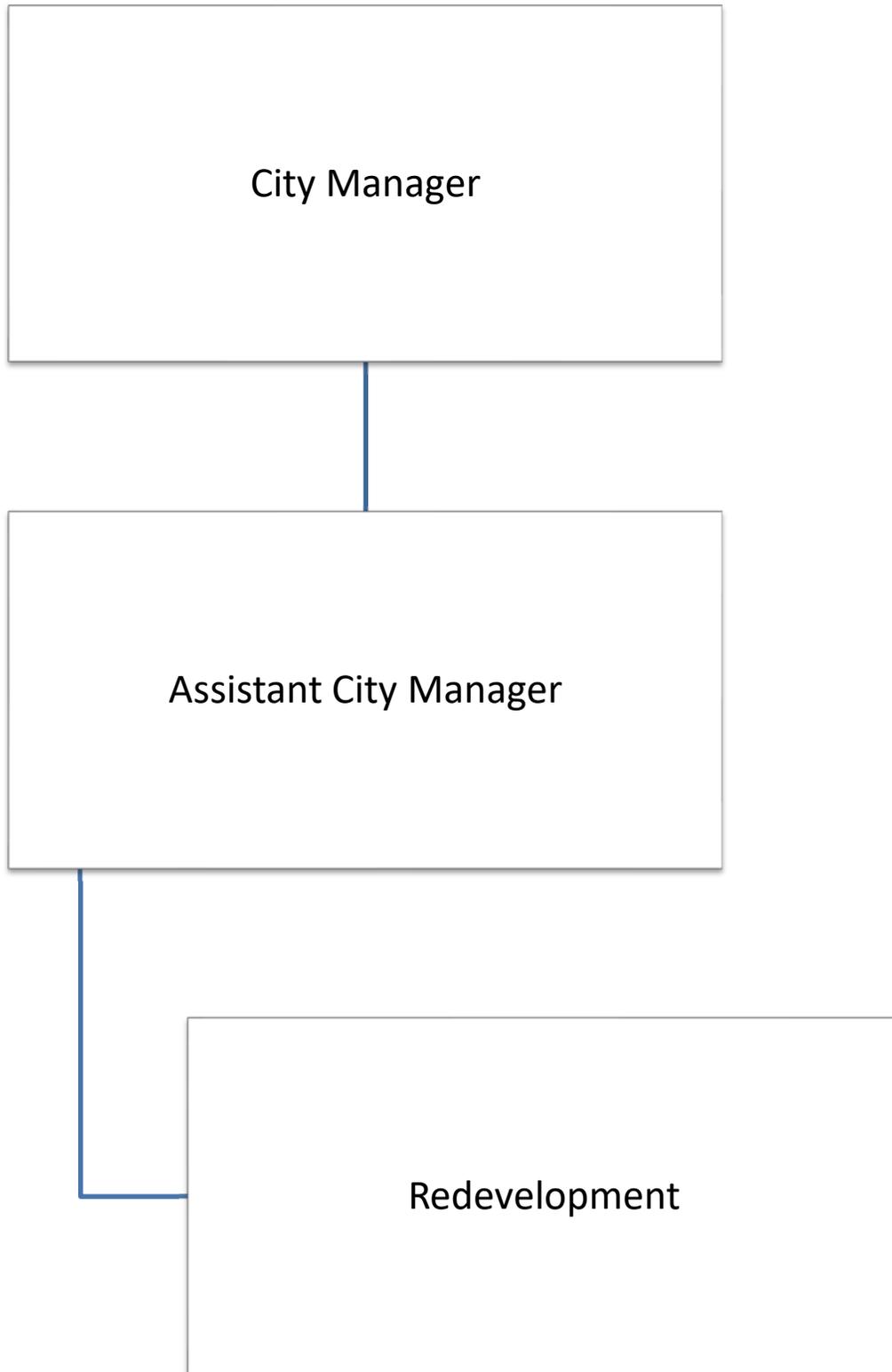
Question	Status	Indicator
Are we on budget?	We compare the dollar value of the work <i>actually completed</i> against the dollars <i>actually spent</i> .	If we spent more than the value we received, the project is over budget .
Are we on time?	We compare the dollar value of the work <i>actually completed</i> against the work <i>scheduled</i> to be done.	If we completed less than what was scheduled, the project is behind schedule .

This quantitative method provides an objective, early warning system, allowing us to proactively manage contractors and keep projects like new streets and utility upgrades on track.

- 4) Asset Management – Percentage Change of Asset Inventory Data (Coming Soon)** tracks the year-over-year percentage change in the number of assets included in the City’s engineering asset inventory (e.g., streets, drainage, sidewalks, and related infrastructure). Improving and maintaining a complete, up-to-date inventory supports long-term asset management, capital planning, and risk-based investment decisions.
- 5) Public Sentiment Toward Projects (Coming Soon)** evaluates resident perceptions of infrastructure projects. Understanding public sentiment helps guide community engagement strategies and supports transparency, trust, and smoother project implementation.

Redevelopment

As of October 1, 2025



Redevelopment

Mission, Goals and Objectives

The mission for The Department of Redevelopment is to advocate for and support development and redevelopment that will sustain strong community services and a thriving quality of life.

Services Provided

The Department of Redevelopment leads the City's strategic reinvestment efforts to support long-term economic vitality, enhance quality of life, and preserve Sugar Land's unique character. With limited remaining developable land and an increasingly built-out environment, Sugar Land faces a pivotal moment in its lifecycle. Strategic redevelopment is now essential to sustaining fiscal strength, attracting investment, diversifying housing options, and maintaining the high-quality amenities, services, and experiences that residents expect.

Redevelopment focuses on reimagining underutilized spaces, revitalizing aging commercial areas, and preparing key districts for transformative projects. By aligning land use planning, community engagement, incentives, and partnerships with innovative developers, the department works to secure a vibrant future while honoring the history that defines Sugar Land.

FY26 Changes

There was an increase of \$220,000 for the Great Homes program partially offset by a reduction of \$117,612 due to the elimination of one FTE position in the Redevelopment Budget.

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Redevelopment	Economy: Thriving & Vibrant	1,2

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Proposed Target	2026 Projected Target
1 Amount of Private Investment Leverage by Public Incentives	New	\$2,100,00	\$5,000,000	\$45,000,000	\$5,000,000
2 Community Engagement Participation	New	1,315	1,348	1,350	1,400

Amount of Private Investment Leverage by Public Incentives

This metric tracks the total private dollars invested in redevelopment projects that utilized public incentives. It reflects the City's ability to attract high-value reinvestment, support residential and commercial revitalization, and maximize return on public investment.

Community Engagement Participation

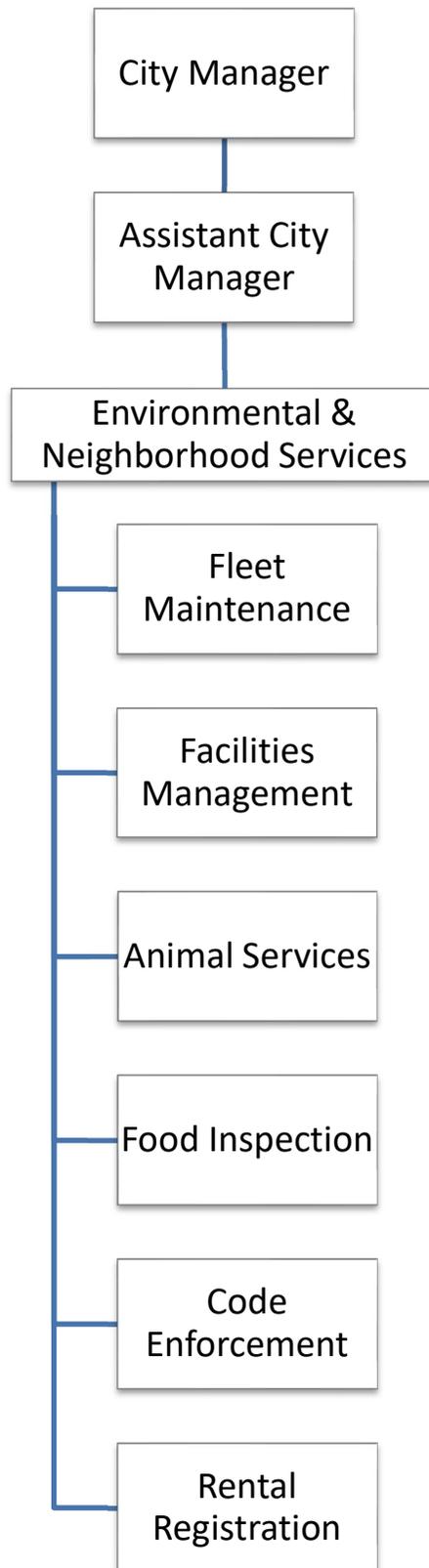
Meaningful community involvement is essential to successful redevelopment. This KPI measures participation in redevelopment-focused engagement activities such as town halls, neighborhood meetings, open houses, focus groups, and public events. High engagement levels indicate informed stakeholders, community buy-in, and stronger redevelopment outcomes.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ -	\$ -	\$ -	\$ 2,762	\$ -	\$ 2,762
Supplies	-	6,051	6,976	12,436	-	12,436
Professional Services	-	-	-	2,025	102,388	104,413
Repairs & Maintenance	-	1,000	1,000	1,000	-	1,000
Purchased Services	-	2,553	1,627	2,725	-	2,725
Capital/Other	-	-	-	-	-	-
Category Totals	\$ -	\$ 9,604	\$ 9,604	\$ 20,948	\$ 102,388	\$ 123,336

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Redevelopment	9.00	9.00	(1.00)	8.00	(1.00)	7.00
Category Totals	9.00	9.00	(1.00)	8.00	(1.00)	7.00

Environmental & Neighborhood Services

As of October 1, 2025



Environmental & Neighborhood Services

Mission, Goals and Objectives

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

Services Provided

Fleet Maintenance maintains over 600 vehicles/equipment, which, includes fire apparatus and medics, Police vehicles, Public Works Trucks and equipment along with small pieces of machinery. The Fleet Division is responsible for all assets from the procurement stage until disposal. Fleet Maintenance also performs state inspections, the build out of all vehicles and equipment. Additionally, Fleet Maintenance is responsible for the procurement and disbursement of the city’s fuel. **Facilities Management** manages a maintenance and improvement program, retires assets, provides immediate repairs, and engages in special projects and new vertical construction projects. **Animal Services** operates the City’s animal shelter and enforces animal-related City ordinances. **Stormwater Management** is responsible for developing and implementing the City’s Stormwater Management Program and providing water quality guidelines for storm water discharge as required by federal and state agencies. The **Food Inspection** program is responsible for the permitting and inspection of temporary, mobile and permanent food establishments in order to ensure they are safe, sanitary and in compliance with applicable codes and regulations. **Code Enforcement** works to protect the health, safety and welfare of residents through enforcement of the City’s Codes and Ordinances. The **Rental Registration** ensures approximately 3,784 active rental properties are conforming to property maintenance standards and are safe for occupancy.

FY26 Changes

There was a recurring reduction of \$204,715 associated with the elimination of FTE positions, partially offset by increased service costs totaling \$101,770 in the FY26 Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 5,366,924	\$ 6,176,689	\$ 6,176,689	\$ 6,133,455	\$ (204,715)	\$ 5,928,740
Supplies	569,884	535,898	554,734	657,146	-	657,146
Professional Services	1,312,334	1,355,989	1,312,579	1,039,974	6,770	1,046,744
Repairs & Maintenance	1,821,812	1,676,357	1,675,201	1,067,057	-	1,067,057
Purchased Services	269,462	231,395	230,545	172,395	95,000	267,395
Capital/Other	97,158	81,260	86,602	308,315	-	308,315
Category Totals	\$ 9,437,575	\$ 10,057,589	\$ 10,036,351	\$ 9,378,342	\$ (102,945)	\$ 9,275,397

Environmental & Neighborhood Services

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
ENS Administration	499,266	181,774	181,774	6,000	-	6,000
Facilities Management	4,466,279	4,674,829	4,674,829	3,980,762	(204,715)	3,776,047
Fleet Services	1,467,451	1,686,558	1,686,558	1,656,204	95,000	1,751,204
Stormwater Management	3,752	344	344	2,940	-	2,940
Food Inspection	414,361	409,544	409,544	482,454	-	482,454
Code Enforcement	611,226	637,089	615,851	1,012,990	-	1,012,990
Rental Registration	323,605	308,489	308,489	8,000	-	8,000
Animal Services	1,651,635	2,158,962	2,158,962	2,228,991	6,770	2,235,761
Category Totals	\$ 9,437,575	\$ 10,057,589	\$ 10,036,351	\$ 9,378,342	\$ (102,945)	\$ 9,275,397

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
ENS Administration	3.00	1.00	(1.00)	-	-	-
Facilities Management	14.50	14.50	-	14.50	(2.00)	12.50
Fleet Services	11.50	14.00	-	14.00	-	14.00
Stormwater Management	-	-	-	-	-	-
Food Inspection	4.00	4.00	-	4.00	-	4.00
Code Enforcement	6.00	6.00	-	6.00	-	6.00
Rental Registration	3.00	3.00	-	3.00	-	3.00
Animal Services	15.50	19.00	-	19.00	(1.00)	18.00
Category Totals	57.50	61.50	(1.00)	60.50	(3.00)	57.50

Strategy

Department	Strategic Outcome Area	Corresponding Performance Measure
Environmental & Neighborhood Services	Community: Safe & Secure	All

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Fleet – Average Maintenance Cost Per Vehicle	\$3,280	\$3,250	<\$3,200	<\$3,000	<\$3,000
2 Animal Services Intakes / Outcomes	1422/1441	940/955	866/852	918/779	900/800
3 Animal Services Save Rate	82%	89%	88%	90%	90%
4 Length of Stay	22 Days	27 Days	28 Days	37 Days	≤14 Days

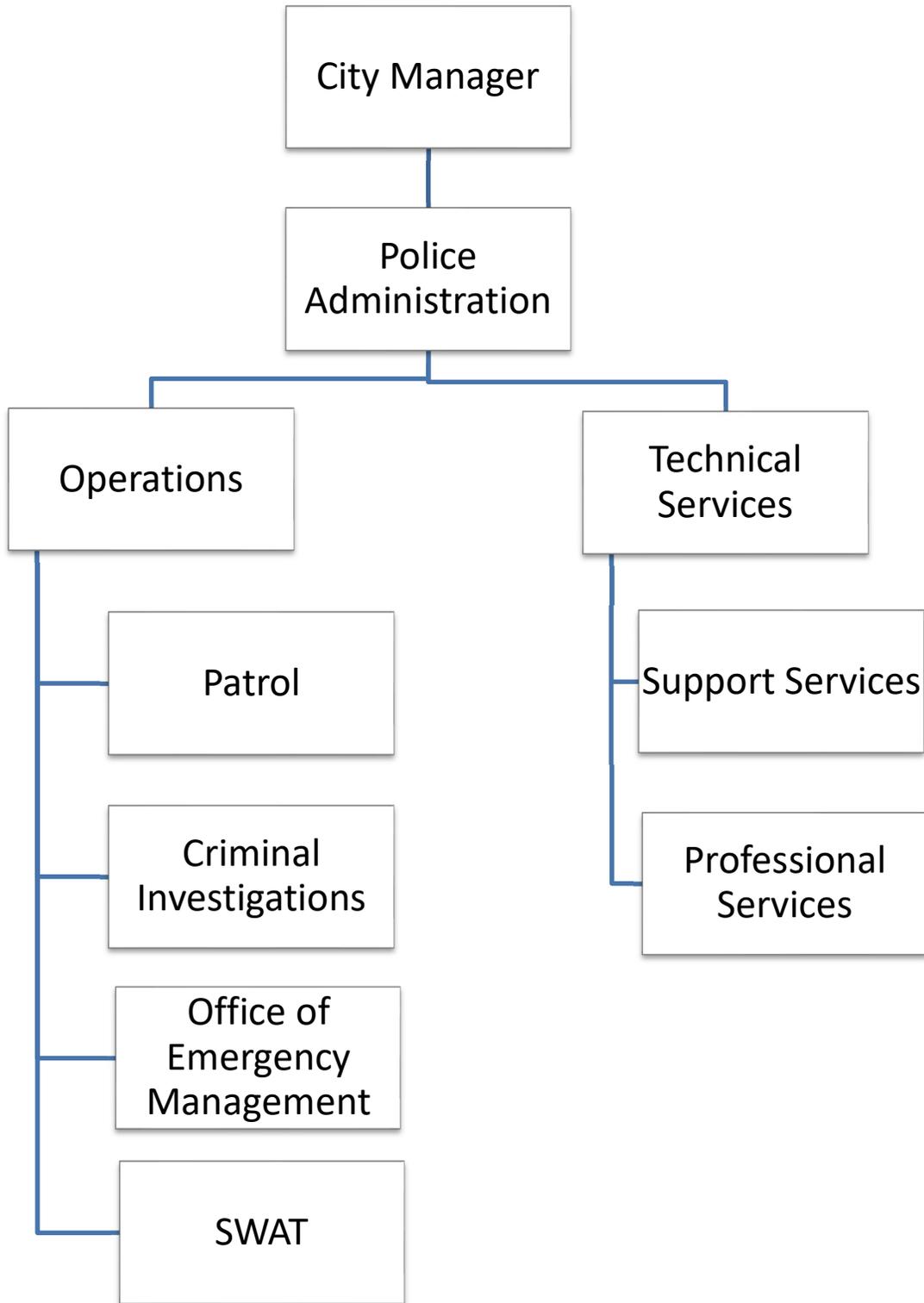
- 1) Average Maintenance Cost Per Vehicle** tracks the average cost of maintaining each vehicle in the fleet. Monitoring these costs helps identify trends, manage budgets effectively, and ensure the fleet's operational efficiency. Keeping maintenance costs low without compromising quality supports the longevity and reliability of the vehicles, ultimately aiding in resource allocation and financial planning.
- 2) Intakes and Outcomes** tracks the total number of animals entering the shelter and the outcomes through which they leave, such as adoption, return to owner, transfer, or euthanasia. Monitoring intake and outcome trends supports effective planning, resource allocation, and continuous improvement in animal care. This measure also helps assess progress in reducing shelter intakes and increasing live outcomes.

Environmental & Neighborhood Services

- 3) **Save Rate** measures the percentage of animals leaving the shelter alive through adoption, return to owner, or transfer. This KPI is a core indicator of shelter performance and reflects the effectiveness of efforts to improve animal welfare, increase live outcomes, and support community partnerships.
- 4) **Length of Stay** tracks the average number of days an animal spends in the shelter before leaving through adoption, return to owner, or transfer. Shorter stays reduce stress on animals, improve overall welfare, and increase the shelter's capacity to assist more animals. This KPI supports efficient operations and enhances the shelter's ability to achieve positive outcomes.

Police Department & Public Safety Dispatch

As of October 1, 2025



Police Department

Mission, Vision, and Objectives

Mission: The Sugar Land Police Department will prevent and suppress crime through constitutional policing, partnerships, and innovation; serving our community in a professional, courageous, and compassionate manner.

Vision: Our Team will establish the industry standard for law enforcement services. We will continuously strive to advance the standards of professionalism, accountability, and leadership at all levels.

Programs of Service

Police Administration

Responsible for community relations, beat accountability, financial management, accreditation, policy establishment and compliance, crime analyses, internal affairs, and overall administration of the department.

The Media Relations team works to highlight the exceptional work and staff of the Sugar Land Police Department, provide timely and accurate public safety information, and strengthen digital engagement with the community via social media platforms and the city council liaison.

Support Services Division

Within this division there are multiple units carrying out various assignments. The Training Unit is responsible for providing in-house and external training, coordinating recruitment efforts, administering the firearms range and, the Command Competency Lab training program. The lab consists of tabletop exercises being conducted on a regular basis for staff to participate in utilizing resources readily available, e.g. mobile computers, radios, personnel etc. The Crime Prevention Unit includes community outreach programs and various problem-solving initiatives. The Support Services Division also houses our Crisis Intervention Unit, which focuses on assisting our Officers and community with interactions related to mental health consumers.

Professional Services Division

The professional services division is comprised of several areas to that serve the needs of the department. The Records Unit is responsible for processing, maintaining, and securing the official records of the Police Department. Fleet & Equipment Services is responsible for maintaining the department's fleet vehicles as well as all police-related uniforms and equipment. The Detention and Warrants Unit is responsible for the booking and housing of detainees, service of warrants, and court security. CALEA accreditation management, social media, Sugar Land Citizens Police Academy Alumni Association liaison, and crime analysis are part of the division's responsibilities. Contract policing services is a program that aims to foster stronger community relationships through contracted increased neighborhood patrols promoting safety and resident cooperation. The Special Events Unit provides traffic control and general security management for City permitted and unpermitted events, and assists in planning dozens of city events throughout the year.

Patrol Division

Patrol Officers, through Beat Management, respond to calls for service, conduct preventative patrols, general traffic enforcement, directed assignments, DWI investigations, police officer field training, bicycle patrols, and department lobby officer. Within the division there specialized teams comprised of patrol officers who have taken on extra roles in addition to their patrol duties. The Special Response Team (SRT) is a part-time unit which plans, trains and is equipped for responding to situations of civil unrest. The Honor Guard team provides ceremonial duties for events and funerals throughout the year. The K-9 Unit supplements patrol functions and investigations. The Drone Team is responsible for deploying and operating unmanned aerial systems to support law-enforcement operations and event coverage.

Police Department

Criminal Investigations Division

Detectives conduct follow-up investigations such as interviews, video analysis, and corroborating evidence to solve cases. The division also has several specialized units to include major crimes, robbery/burglary, crimes against children, and persons' crimes. The division includes specialized areas to further investigate cases and crimes. The Forensic Services and Property & Evidence Management is comprised of highly trained personnel who perform crime scene investigation, laboratory analyses, property/evidence management, and maintain the ANSI National Accreditation Board (ANAB) crime lab accreditation management. The Digital Forensics Unit assists with investigations by retrieving digital evidence from media such as phones, computers, and vehicles to help support the detectives with their criminal investigations. The Crime Suppression Team is focuses on proactively combating crime, often targeting specific issues such as crime trends, gangs, or high-crime areas.

Specific Investigations personnel are assigned to the Fort Bend County Narcotics Task Force, the FBI's Joint Terrorism Task Force and Safe Streets Task Force, ATF's Houston Gun Strike Task Force, and the Houston Metro Internet Crimes Against Children's Task Force. Personnel also serve in the department's Crime Victim's Assistance program and case coordination.

The Parks Unit's primary responsibility is to patrol the City's parks, ensuring a safe and welcoming environment for residents and visitors while serving as the main liaison with the Sugar Land Parks Department. Officers provide high-visibility patrols, respond to incidents and concerns within park facilities, support special events, assist with park-related ordinance enforcement, and work collaboratively with Parks staff to address maintenance or safety issues

The Traffic Unit utilizes motorcycles and specially marked vehicles to enhance mobility and visibility while focusing on traffic safety and enforcement efforts. Responsibilities include monitoring and enforcing traffic laws, addressing commercial motor vehicle violations, and public education, and conducting thorough traffic crash investigations to improve roadway safety in an effort reduce future incidents.

Special Weapons and Tactics (SWAT)

A regional team that serves High-Risk felony warrants, responds to hostage/barricaded situations, conducts surveillance, provides dignitary protection, and provides tactical experience beyond the normal patrol function. SWAT Operators routinely teach classes to officers for improved officer safety, tactics, and lifesaving training. The Crisis Negotiations team is a regional team attached to SWAT who respond to critical incidents to communicate with suspects/victims to promote a peaceful resolution.

Sugar Land Office of Emergency Management (OEM)

Sugar Land OEM aims to strengthen community preparedness, coordination, communication, and resource allocation to ensure effective response and recovery during emergencies or disasters, serving as a unifying force for city departments and local stakeholders. Through strategic partnerships, public awareness efforts, efficient use of resources, coordinated operations, and fiscal sustainability, the office works to keep the city's emergency functions ready. Its services encompass all-hazards planning, operational coordination, educational outreach, and training and exercises—providing clear and usable plans, timely information and resource support, community preparedness education, and capability-building opportunities that enhance knowledge and address gaps across the emergency management network.

Police Department

FY26 Changes

There was a recurring reduction of \$98,497 due to position elimination in the Police Budget. Emergency Management budget includes additional \$25,000 for increased user licenses in the FY26 Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 24,868,144	\$ 27,843,787	\$ 27,843,787	\$ 28,624,850	\$ (98,497)	\$ 28,526,352
Supplies	1,141,481	1,459,785	1,453,417	1,070,536	-	1,070,536
Professional Services	230,634	208,154	208,143	211,201	-	211,201
Repairs & Maintenance	386,842	286,598	290,145	292,750	-	292,750
Purchased Services	925,131	1,507,249	1,510,080	1,366,381	-	1,366,381
Capital/Other	47,810	387,622	387,622	-	-	-
Category Totals	\$ 27,600,042	\$ 31,693,194	\$ 31,693,194	\$ 31,565,718	\$ (98,497)	\$ 31,467,220

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Police Administration	1,555,832	2,273,594	2,295,036	2,553,438	(98,497)	2,454,941
Staff Services	3,187,479	3,264,553	3,264,553	3,166,138	-	3,166,138
Professional Services	2,264,213	2,547,039	2,547,039	2,709,126	-	2,709,126
Patrol	13,453,168	14,915,105	14,903,183	15,041,023	-	15,041,023
Criminal Investigations	6,576,628	7,982,765	7,973,246	7,424,726	-	7,424,726
Detention Center	528,977	610,666	610,666	634,760	-	634,760
TCLEOSE Training	13,777	65,902	65,902	10,189	-	10,189
SWAT	19,968	33,570	33,570	26,318	-	26,318
Category Totals	\$ 27,600,042	\$ 31,693,194	\$ 31,693,194	\$ 31,565,718	\$ (98,497)	\$ 31,467,220

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Police Administration	6.50	8.00	2.00	10.00	(2.00)	8.00
Staff Services	28.50	24.00	(7.25)	16.75	-	16.75
Professional Services	16.00	10.00	(2.00)	8.00	-	8.00
Patrol	109.00	98.00	11.00	109.00	-	109.00
Criminal Investigations	34.00	57.00	(8.00)	49.00	-	49.00
Detention Center	6.00	6.00	-	6.00	-	6.00
Category Totals	200.00	203.00	(4.25)	198.75	(2.00)	196.75

Emergency Management

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 396,522	\$ 410,212	\$ 410,212	\$ 431,569	\$ -	\$ 431,569
Supplies	124,751	47,907	47,144	45,488	-	45,488
Professional Services	26,961	39,974	39,974	31,958	-	31,958
Repairs & Maintenance	5,703	3,000	3,000	4,000	-	4,000
Purchased Services	39,696	36,776	36,776	14,602	25,000	39,602
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 593,633	\$ 537,868	\$ 537,105	\$ 527,617	\$ 25,000	\$ 552,617

Police Department

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Emergency Management	3.00	3.00	-	3.00	-	3.00
Category Totals	3.00	3.00	-	3.00	-	3.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Administration	Community: Safe & Secure	All
Patrol	Community: Safe & Secure	1,2
Criminal Investigations	Community: Safe & Secure	2
Support Services	Community: Safe & Secure	All
Professional Services	Community: Safe & Secure	All
Office of Emergency Management	Community: Safe & Secure	5
Media Relations	Community: Safe & Secure	3,4

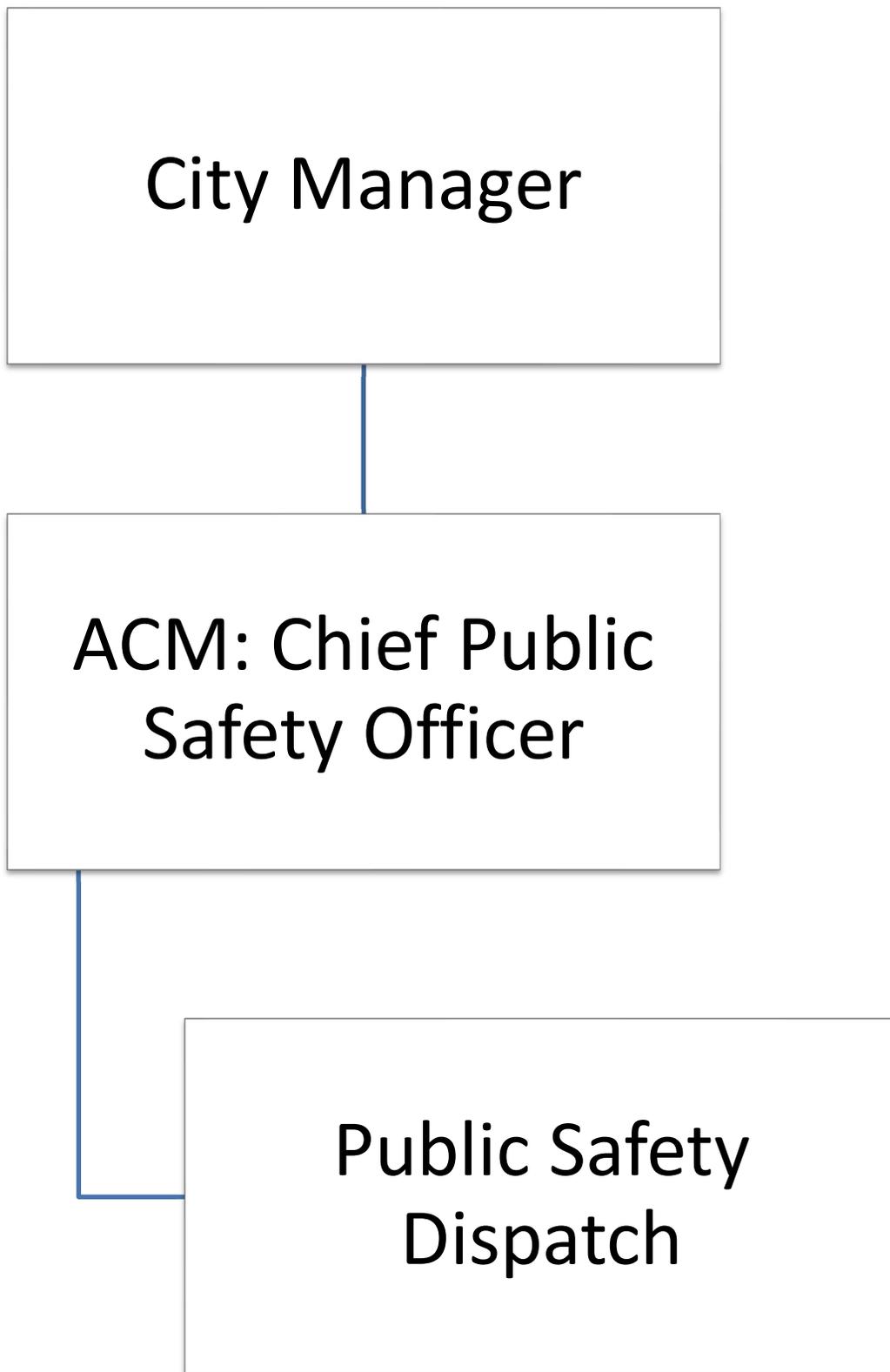
Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Percentage of Calls Responded to within 7 Minutes	New	New	84.5%	78.5%	80%
2 Clearance Rate	New	New	32.1%	27.5%	28%
3 Number of Views	New	New	9,512,700	30,000,000	35,000,000
4 Number of Engagements	New	New	729,338	2,332,514	2,500,000
5 Number of EOC Activations	32	21	21	20	20*

* not including EOC activations for 2026 FIFA World Cup.

- 1) Percentage of Calls Responded to within Seven Minutes:** Rapid response times lead to better outcomes in emergencies. Prompt arrival reduces harm, supports de-escalation, accelerates aid to victims, and reinforces community trust. Maintaining consistent, timely responses demonstrates that public safety remains a top priority.
- 2) Clearance Rate** reflect the department's commitment to conducting high-quality investigations that lead to justice for victims and accountability for offenders. Strong clearance performance enhances community trust and strengthens cooperation during investigations.
- 3) Number of Views** tracks how often media content is viewed. It serves as an early indicator of content reach and effectiveness across platforms.
- 4) Number of Engagements** measures total interactions with content, including likes, comments, shares, and favorites. Engagement levels reflect community interest, topic relevance, and opportunities for two-way communication
- 5) EOC Activations** measures the total count of times the Emergency Operations Center has been activated, including both full-scale activations for major incidents and events requiring staffed operations, as well as smaller virtual activations involving limited key stakeholders to maintain readiness and coordination.

As of October 1, 2025



Public Safety Dispatch

Mission Statement

The mission of Sugar Land Public Safety Dispatch is to serve as the community's lifeline and the primary point of contact for emergency assistance by delivering rapid, accurate, and dependable public safety communications.

Programs of Service

The Sugar Land **Public Safety Dispatch** Center is the public safety answering point for the City of Sugar Land. The center answers 911 and other emergency and non-emergency calls, requests for assistance, and ensures that each one is processed accurately and timely. After gathering information from the caller, the nature of the call is determined, and the appropriate field responders are dispatched via radios and computers. All Dispatchers/Call Takers are trained in Emergency Medical Dispatch protocols and Fire Service Dispatch protocols and licensed as Law Enforcement Telecommunicators by the State of Texas.

FY26 Changes

There were no recurring or one-time additions added through the FY26 Budget.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 3,289,522	\$ 3,904,632	\$ 3,904,632	\$ 4,124,886	\$ -	\$ 4,124,886
Supplies	36,494	68,020	65,058	58,468	-	58,468
Professional Services	5,500	10,237	13,199	45,915	-	45,915
Repairs & Maintenance	23,353	32,910	32,910	39,500	-	39,500
Purchased Services	65,465	65,918	65,918	34,630	-	34,630
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 3,420,334	\$ 4,081,717	\$ 4,081,717	\$ 4,303,399	\$ -	\$ 4,303,399

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Public Safety Dispatch	35.00	35.00	-	35.00	-	35.00
Category Totals	35.00	35.00	-	35.00	-	35.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Public Safety Dispatch	Community: Safe & Secure	1-4

Performance Measures

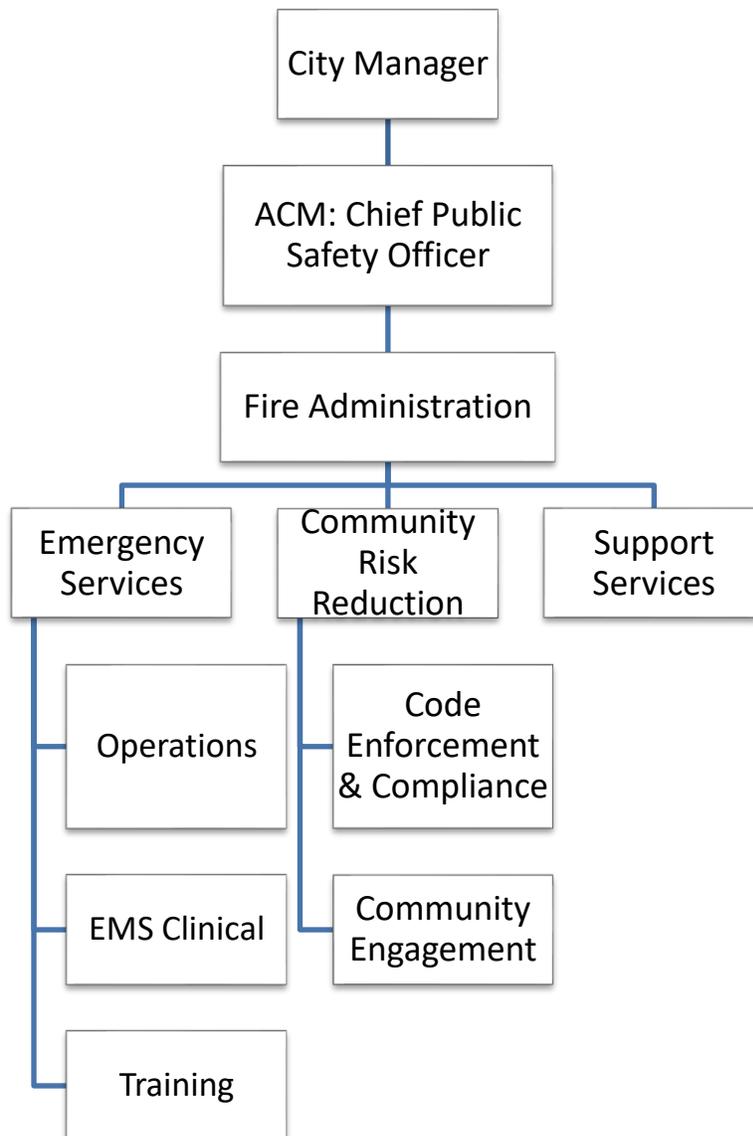
Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Percent of 9-1-1 calls answered within 10 seconds	99%	99%	99.7%	99%	99%
2 Percent of Priority 1 Calls Dispatched within 60 Seconds	New	68%	64%	75%	80%
3 Percent of EMS & Fire Department Calls Dispatched for Service	New	New	87%	79%	80%
4 Percent of Priority P Calls Dispatched within 60 seconds	New	92%	89%	95%	95%

Public Safety Dispatch

- 1) **Percent of 9-1-1 Calls Answered within 10 Seconds** measures the speed at which 911 calls are answered. Minimizing answer times is critical to ensuring immediate access to emergency assistance and reducing delays during life-threatening situations.
- 2) **Percent of Priority 1 Calls Dispatched within 60 Seconds** evaluates the percentage of Priority 1 calls dispatched within 60 seconds. These high-priority emergencies require rapid action to protect life and safety, making timely dispatch essential.
- 3) **Percent of EMS & Fire Department Calls Dispatched for Service** captures the quarterly volume of calls related to fire and emergency medical services. It supports understanding of emergency service demand and helps evaluate staffing and resource allocation.
- 4) **Percent of Priority P Calls Dispatched within 60 Seconds** measures how often Priority P calls—critical incidents requiring immediate attention—are dispatched within 60 seconds. Quick dispatching improves response times and supports effective emergency intervention.

Fire-EMS

As of October 1, 2025



Fire

Mission, Vision and Objectives

The mission of the Fire Department is to protect lives, property, and the community through innovative emergency response, risk reduction, high-quality medical care, and proactive public safety initiatives. The Vision of the Department is to be a trailblazing public safety organization that leverages data, technology, and community partnerships to create a safer, healthier, and more resilient Sugar Land.

The Sugar Land Fire Department (SLFD) is a full-service, all-hazards public safety organization committed to protecting the lives and property of more than 111,000 residents. With 142 highly trained professionals, SLFD delivers fire suppression, advanced emergency medical services, hazardous materials response, technical rescue, high-water response, fire and safety code enforcement, and fire investigations.

SLFD is equally committed to community engagement and risk reduction through programs such as the Citizen's Fire Academy, fire extinguisher training, and free smoke alarm installations. Every SLFD employee—uniformed and civilian—is dedicated to excellence, operational readiness, and serving the community with integrity, professionalism, and innovation.

Programs of Service

Administration is responsible for strategic planning, intergovernmental relations, human resources management, forming committees, establishing scopes, researching, developing, disseminating, proposing and if necessary, implementing, and budgeting final results and overall administration of the department.

Operations include Emergency Services that provides fire suppression, emergency medical treatment and ambulance transport, technical rescue, aircraft rescue, hazardous materials response, and aquatic rescues within the city limits or through mutual aid agreements. Also included is the Clinical and Training Division that provides staff education, development, and continuous quality improvement to provide the best care possible. Support Services provides equipment, supplies, training, community engagement to a variety of public outreach programs including home safety surveys, smoke alarm programs, and a citizens' fire academy to promote fire safety awareness in homes and businesses in Sugar Land.

Community Risk Reduction includes Prevention/Investigation, which provides fire protection engineering, fire code enforcement, and fire investigations to determine the cause and origin of fires. Code Compliance ensures the department and City operates under all required laws, mandates and ensures licenses, fees, certifications are maintained for a myriad of agencies the department operates under. The division assists with community engagement to a variety of public outreach programs including home safety surveys, smoke alarm programs, and a citizens' fire academy to promote fire safety awareness in homes and businesses in Sugar Land.

FY26 Changes

The Fire Department budget includes an additional \$441,403 for firefighter paramedic training, comprising \$221,403 in one-time expenditure and \$220,000 in recurring costs for FY26 budget.

Fire

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 19,666,285	\$ 22,757,569	\$ 22,757,569	\$ 22,824,047	\$ 365,323	\$ 23,189,370
Supplies	1,929,030	991,375	969,104	1,016,340	76,080	1,092,420
Professional Services	207,818	238,900	238,641	252,390	-	252,390
Repairs & Maintenance	634,897	641,793	659,547	741,466	-	741,466
Purchased Services	45,748	260,256	265,032	291,786	-	291,786
Capital/Other	308,202	175,357	175,357	-	-	-
Category Totals	\$ 22,791,979	\$ 25,065,250	\$ 25,065,250	\$ 25,126,029	\$ 441,403	\$ 25,567,432

Summary by Division	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Fire Administration	978,918	1,017,801	1,017,801	1,230,726	-	1,230,726
Emergency Services	20,727,971	22,769,765	22,773,002	22,349,852	441,403	22,791,255
Prevention & Investigation	1,085,091	1,235,922	1,237,685	1,450,817	-	1,450,817
Fire - Training Facility	-	41,762	36,762	94,634	-	94,634
Fire LEOSE Training	-	-	-	-	-	-
Category Totals	\$ 22,791,979	\$ 25,065,250	\$ 25,065,250	\$ 25,126,029	\$ 441,403	\$ 25,567,432

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Fire Administration	8.00	8.00	-	8.00	-	8.00
Emergency Services	125.00	128.00	(1.00)	127.00	-	127.00
Prevention & Investigation	7.00	6.00	1.00	7.00	-	7.00
Category Totals	140.00	142.00	-	142.00	-	142.00

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Administration	Community: Safe & Secure	1-4
Operations	Community: Safe & Secure	1-4
Community Risk Reduction	Infrastructure: Sustainable & Resilient	3

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Percent of Incidents with the Effective Response Force on Scene within 12 Minutes	New	New	85%	88%	95%
2 Number of Routine Inspections Completed	New	New	New	1078	840
3 Average Days to Review Plans	5.78	5.66	5.47	5.17	5.10
4 Percent of Structure Fires to Confined to Room of Origin	New	New	70%	71%	75%

Fire

- 1) **Percent of Incidents with the Effective Response Force on Scene within 12 Minutes**: The Effective Response Force (ERF) represents the minimum number of firefighters and equipment required to effectively manage an emergency based on incident type, risk, and location. This KPI measures whether SLFD meets critical response benchmarks essential for saving lives, reducing property loss, and maintaining operational efficiency.
- 2) **Number of Routine Inspections Completed** measures the completion of routine fire inspections to ensure compliance with fire codes, reduce risk, and promote a safe business environment across the city.
- 3) **Average Days to Review Plans** tracks the timely review of development plans to ensure compliance with fire and life-safety codes. Timely reviews support public safety while facilitating economic development.
- 4) **Percent of Structure Fires Confined to Room of Origin** measures how frequently structure fires are kept from spreading beyond the room of origin. Successful fire confinement reflects strong fire suppression practices, effective fire and building codes, and community education efforts.

Non-Departmental

Services Provided

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

FY26 Change

There was an one-time cost of \$2.65M for the Lake Pointe Project in the FY26 Budget

Transfers

Inter-fund transfers are budgeted in non-departmental. Transfers are made to the Fleet and High Tech replacement funds for the replacement of vehicles and technology equipment, and the Airport fund for property taxes paid on airport property per Federal Aviation Administration assurance requirement.

Rebates and Assignments

The City has seven in-City MUDs eligible for a rebate of a percentage of the City taxes collected from property within the district. Rebates total \$4.07M based on anticipated MUD values for Tax Year 2024.

Miscellaneous

Miscellaneous includes payments for property insurance premiums and deductibles, salary savings, contingency funds totaling 1.19M. In addition, an one-time cost of \$2.65M is for the Lake Pointe incentive to support redevelopment efforts.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Transfers to Other Funds	\$ 3,806,218	\$ 3,272,377	\$ 3,272,377	\$ 3,258,641	\$ 12,649	\$ 3,271,290
Miscellaneous	\$ 1,708,375	1,317,736	1,317,736	996,086	2,841,497	3,837,583
Rebates & Assignments	\$ 2,907,677	3,541,356	3,541,356	4,152,757	(86,037)	4,066,720
Category Totals	\$ 8,422,269	\$ 8,131,469	\$ 8,131,469	\$ 8,407,484	\$ 2,768,109	\$ 11,175,593

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenues that are legally restricted to expenditures for specified purposes. The City has 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. 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. The Fund balance is expected to grow in anticipation of upcoming renovations to assist with security measures expenditure. 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 \$2,200, from \$32,500 in FY25 to \$34,700 in FY26. The increase is primarily driven by growth in the Technology Fee. 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 \$17,250 in FY25 to \$19,700 in FY26. This increase in operating and maintenance costs reflects the purchase of licenses required to support the new e-citation system, along with technology upgrades in the courtroom and jury deliberation room. As a result, the fund balance is projected to reach \$85,282 by 9/30/26.

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 \$153,999 in FY25 to \$151,688 in FY26, a reduction of \$2,311. This decrease in fund balance reflects the increased expenses associated with the Juvenile Case Coordinator position, with the fund covering a portion of the salary and benefits.

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 \$4,463 in FY25 to \$5,393 in FY26, reflecting growth of \$930. No expenditure is anticipated in 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 \$3,071,845 in FY25 to \$3,150,000 in FY26 due to an increase in hotel rates. Interest income is expected to grow from \$97,632 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 \$2,623,213 in FY25 to \$2,624,163 in FY26.

Tourism Program: Expenses are expected to increase from \$1,480,374 in FY25 to \$1,659,211 in FY26 due mostly to the Hotel Occupancy Tax (HOT) Grant Program Incentive, budgeted at \$400,000.

Imperial Historic District: The cost for the visitor center expenses has increased \$155,388 in FY26 to \$512,502 total. Expenses include \$150,000, which is focused on the operation and maintenance of the recent purchase of Imperial.

Sponsorships: \$100,000 has been allocated towards the Sponsorship of FIFA that will commence in the summer of 2026.

Transfers out to Debt Service: Expenses are projected to decline from \$685,175 in FY25 to \$351,900 in FY26. The FY26 allocation of \$351,900 to the debt service fund will cover the final payment on the Certificates of Obligation.

Fund balance at 9/30/26 is estimated to be \$4,470,632, which is \$4,155,632 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 \$801,842 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, the proceeds are deposited in the Federal Seizure Fund. Federal rules do not require the City to tie these funds to the exact violation that produced the forfeiture. Instead, the funds may be used for a broad range of law enforcement investigations and other eligible law enforcement activities.

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, which increase from \$30,295 in FY25 to \$34,000 in FY26 due to 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 higher interest income rising 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 that were previously recorded for public safety support at events are now included in the General Fund to better align with related costs, such as overtime. Due to this accounting change and increased event activity, FY26 revenues are projected at \$80,000.
- **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 \$400,00 in FY25 to \$1,136,948 in FY26, a net increase of \$736,948.

- **Personnel Costs:** Starting in FY26, this account will fund a part-time Event Specialist at a cost of \$36,948. Previously, no personnel expenses were charged to this fund, as it was originally supported by the General Fund..
- **Operating & Maintenance:** Expenditures are projected to increase from \$400,000 in FY25 to \$1,136,948 in FY26, primarily due to two one-time costs: \$1 million for FIFA-related activities and \$70,000 for Town Square Center event operations.

Public, Education, & Government Fund (PEG)

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) introduced an exemption for customers who do not use the City's rights-of-way, effective September 1, 2025; however, this change is expected to have minimal impact on total revenues, which are projected to increase slightly from \$141,500 in FY25 to \$144,000 in FY26. This modest growth is primarily driven by PEG fees, with revenues from Comcast and DirecTV anticipated to rise from \$138,000 to \$140,000 due to stable subscriber bases and rate adjustments, and by interest income, which is projected to increase from \$3,500 to \$4,000 as a result of 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. As a result, the fund balance is projected to reach \$45,346 by 9/30/26.

Animal Shelter Donations

The Animal Shelter 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.

Revenues are projected to decrease from \$32,442 in FY to \$30,000 in FY26, due to fewer anticipated donations. Expenditure is projected to increase from \$18,150 in FY25 to \$56,000 in FY26. These expenses will be utilized for Veterinary Contract services and Pharmaceutical Supplies, resulting in a projected ending fund balance of \$178,487 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.

The projected revenue total for FY25 is \$558,259, coming from Interest and Insurance Income. Expenditures are projected to be \$4,290,024 in FY25. No revenues or expenditures are budgeted for FY26. Any remaining project balances at the end of FY25 will be carried forward into FY26 through a mid-year budget amendment. The projected fund balance as of September 30, 2026, is \$637,307. 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 \$903,697 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 FY26, estimated at approximately \$4000 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.

Total revenues are projected to decline from \$304,000 in FY25 to \$295,000 in FY26. Transfer-in revenues remain steady at \$35,000 from the General Fund and \$250,000 from SL4B, while interest income is expected to fall from \$19,000 to \$10,000 due to a lower beginning fund balance in FY26.

Expenditures are projected to rise to \$719,000 in FY26, including \$293,000 for the Public Art Plan, \$150,000 for Mental Health & Public Art installations and \$40,000 for the Hybocozo art display. The fund balance on September 30, 2026, is expected 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.

FY25 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 \$82,351, 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
REVENUES						
Security Fees	\$ 38,417	\$ 36,500	\$ 36,500	\$ 40,000	\$ -	\$ 40,000
Interest Income	3,826	3,900	3,900	4,500	-	4,500
Total Revenues	42,243	40,400	40,400	44,500	-	44,500
EXPENDITURES						
Operations & Maintenance	10,388	37,500	37,500	22,000	-	22,000
Total Expenditures	10,388	37,500	37,500	22,000	-	22,000
Fund Balance - Beginning	56,633	88,487	88,487	91,387	-	91,387
Revenues Over/(Under) Expenditures	31,855	2,900	2,900	22,500	-	22,500
Fund Balance - Ending	\$ 88,487	\$ 91,387	\$ 91,387	\$ 113,887	\$ -	\$ 113,887

**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
REVENUES						
Technology Fees	\$ 31,996	\$ 30,000	\$ 30,000	\$ 32,000	\$ -	\$ 32,000
Interest Income	2,543	2,500	2,500	2,700	-	2,700
Total Revenues	34,538	32,500	32,500	34,700	-	34,700
EXPENDITURES						
Operations & Maintenance	25,556	17,250	17,250	19,700	-	19,700
Total Expenditures	25,556	17,250	17,250	19,700	-	19,700
Fund Balance - Beginning	46,050	55,032	55,032	70,282	-	70,282
Revenues Over/(Under) Expenditures	8,982	15,250	15,250	15,000	-	15,000
Fund Balance - Ending	\$ 55,032	\$ 70,282	\$ 70,282	\$ 85,282	\$ -	\$ 85,282

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Fines	\$ 37,947	\$ 36,000	\$ 36,000	\$ 38,000	\$ -	\$ 38,000
Interest Income	7,770	6,500	6,500	7,000	-	7,000
Total Revenues	45,717	42,500	42,500	45,000	-	45,000
EXPENDITURES						
Personnel Costs	19,127	46,296	46,296	47,311	-	47,311
Total Expenditures	19,127	46,296	46,296	47,311	-	47,311
Fund Balance - Beginning	131,205	157,795	157,795	153,999	-	153,999
Revenues Over/(Under) Expenditures	26,590	(3,796)	(3,796)	(2,311)	-	(2,311)
Fund Balance - Ending	\$ 157,795	\$ 153,999	\$ 153,999	\$ 151,688	\$ -	\$ 151,688

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Fines	\$ 759	\$ 740	\$ 740	\$ 750	\$ -	\$ 750
Interest Income	160	160	160	180	-	180
Total Revenues	919	900	900	930	-	930
EXPENDITURES						
Total Expenditures	-	-	-	-	-	-
Fund Balance - Beginning	2,644	3,563	3,563	4,463	-	4,463
Revenues Over/(Under) Expenditures	919	900	900	930	-	930
Fund Balance - Ending	\$ 3,563	\$ 4,463	\$ 4,463	\$ 5,393	\$ -	\$ 5,393

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Hotel/Motel Occupancy Tax	\$ 2,988,608	\$ 3,071,845	\$ 3,071,845	3,150,000	\$ -	\$ 3,150,000
Interest Income	151,296	97,632	97,632	100,000	-	100,000
Miscellaneous	34,690	22,231	22,231	21,000	-	21,000
Total Revenues	3,174,593	3,191,708	3,191,708	3,271,000	-	3,271,000
EXPENDITURES						
Tourism Program	776,186	1,480,374	1,480,374	1,259,211	400,000	1,659,211
Imperial Historic District	265,451	357,114	357,114	362,502	150,000	512,502
Sponsorships	-	100,000	100,000	-	100,000	100,000
Total Operating Expenditures	1,041,637	1,937,488	1,937,488	1,621,713	650,000	2,271,713
Transfer Out - Debt Service Fund	1,338,225	685,175	685,175	351,900	-	351,900
Transfer Out - Others	550	550	550	550	-	550
Total Non-Operating Expenditures	1,338,775	685,725	685,725	352,450	-	352,450
Total Expenditures	2,380,412	2,623,213	2,623,213	1,974,163	650,000	2,624,163
Fund Balance - Beginning	2,461,118	3,255,299	3,255,299	3,823,794	-	3,823,794
Revenues Over/(Under) Expenditures	794,181	568,495	568,495	1,296,837	(650,000)	646,837
Fund Balance - Ending	\$ 3,255,299	\$ 3,823,794	\$ 3,823,794	\$ 5,120,632	\$ (650,000)	\$ 4,470,632
Accrued Tax	(673,335)	(775,847)	(775,847)	(775,847)	-	(775,847)
Available Fund Balance	\$ 2,581,964	\$ 3,047,948	\$ 3,047,948	\$ 4,344,785	\$ (650,000)	\$ 3,694,785
Fund Balance Policy (10% of Budgeted HOT)	\$ 298,861	\$ 307,185	\$ 307,185	\$ 315,000		\$ 315,000
Over/Under Policy	2,956,438	3,516,610	3,516,610	4,805,632		4,155,632

**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
REVENUES						
Seized Funds	\$ 401,574	\$ 300,489	\$ 300,489	\$ -	\$ -	\$ -
Interest Income	39,992	44,630	44,630	33,000	-	33,000
Total Revenues	441,566	345,119	345,119	33,000	-	33,000
EXPENDITURES						
Maintenance and Operations	3,129	31,000	31,000	330,000	-	330,000
Capital	23,680	-	-	-	-	-
Total Expenditures	26,809	31,000	31,000	330,000	-	330,000
Fund Balance - Beginning	369,967	784,724	784,724	1,098,842	-	1,098,842
Revenues Over/(Under) Expenditures	414,757	314,119	314,119	(297,000)	-	(297,000)
Fund Balance - Ending	\$ 784,724	\$ 1,098,842	\$ 1,098,842	\$ 801,842	\$ -	\$ 801,842

**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
REVENUES						
Other Income	\$ -	\$ 4,964	\$ 4,964	\$ -	\$ -	\$ -
Interest Income	2,126	2,007	2,007	2,000	-	2,000
Total Revenues	2,126	6,971	6,971	2,000	-	2,000
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Fund Balance - Beginning	40,244	42,370	42,370	49,341	-	49,341
Revenues Over/(Under) Expenditures	2,126	6,971	6,971	2,000	-	2,000
Fund Balance - Ending	\$ 42,370	\$ 49,341	\$ 49,341	\$ 51,341	\$ -	\$ 51,341

**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
REVENUES						
Other Income	\$ 4,088	\$ 4,211	\$ 4,211	\$ -	\$ -	\$ -
Interest Income	1,688	881	881	1,000	-	1,000
Total Revenues	5,776	5,092	5,092	1,000	-	1,000
EXPENDITURES						
Maintenance and Operations	29,700	-	-	-	-	-
Total Expenditures	29,700	-	-	-	-	-
Fund Balance - Beginning	43,378	19,454	19,454	24,546	-	24,546
Revenues Over/(Under) Expenditures	(23,924)	5,092	5,092	1,000	-	1,000
Fund Balance - Ending	\$ 19,454	\$ 24,546	\$ 24,546	\$ 25,546	\$ -	\$ 25,546

**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
REVENUES						
Out of City Service Fees	\$ 67,233	\$ 68,800	\$ 68,800	\$ 69,000	\$ -	\$ 69,000
Interest Income	37,190	30,295	30,295	34,000	-	34,000
Total Revenues	104,424	99,095	99,095	103,000	-	103,000
Fund Balance - Beginning	650,505	754,929	754,929	854,024	-	854,024
Revenues Over/(Under) Expenditures	104,424	99,095	99,095	103,000	-	103,000
Fund Balance - Ending	\$ 754,929	\$ 854,024	\$ 854,024	\$ 957,024	\$ -	\$ 957,024

**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
REVENUES						
Out of City Service Fees	\$ 486,258	\$ 567,811	\$ 567,811	\$ 553,990	\$ -	\$ 553,990
Interest Income	126,844	108,588	108,588	140,000	-	140,000
Total Revenues	613,102	676,399	676,399	693,990	-	693,990
Fund Balance - Beginning	2,264,345	2,877,447	2,877,447	3,553,846	-	3,553,846
Revenues Over/(Under) Expenditures	613,102	676,399	676,399	693,990	-	693,990
Fund Balance - Ending	\$ 2,877,447	\$ 3,553,846	\$ 3,553,846	\$ 4,247,836	\$ -	\$ 4,247,836

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

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

**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
REVENUES						
PID Assessment Fees	\$ -	\$ 83,232	\$ 83,232	\$ 83,215	\$ -	\$ 83,215
Interest Income	-	2,427	2,427	7,140	-	7,140
Transfers In	-	-	-	-	12,649	12,649
Total Revenues	-	85,659	85,659	90,355	12,649	103,004
EXPENDITURES						
Miscellaneous	-	100	100	50	-	50
Total Expenditures	-	100	100	50	-	50
Fund Balance - Beginning	-	-	-	85,559	-	85,559
Revenues Over/(Under) Expenditures	-	85,559	85,559	90,305	12,649	102,954
Fund Balance - Ending	\$ -	\$ 85,559	\$ 85,559	\$ 175,864	\$ 12,649	\$ 188,513

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		Budget
REVENUES						
Rental Fees	\$ 194,632	\$ 60,000	\$ 60,000	\$ 80,000	\$ -	\$ 80,000
Interest Income	39,858	34,000	34,000	40,000	-	40,000
Miscellaneous	442,755	427,627	427,627	400,000	-	400,000
Total Revenues	677,245	521,627	521,627	520,000	-	520,000
EXPENDITURES						
Personnel Costs	511	-	-	36,948	-	36,948
Operations & Maintenance	400,000	400,000	400,000	30,000	1,070,000	1,100,000
Total Expenditures	400,511	400,000	400,000	66,948	1,070,000	1,136,948
Fund Balance - Beginning	675,999	952,732	952,732	1,074,359	-	1,074,359
Revenues Over/(Under) Expenditures	276,734	121,627	121,627	453,052	(1,070,000)	(616,948)
Fund Balance - Ending	\$ 952,732	\$ 1,074,359	\$ 1,074,359	\$ 1,527,412	\$ (1,070,000)	\$ 457,412

**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
REVENUES						
PEG Funds	\$ 135,052	\$ 138,000	\$ 138,000	\$ 140,000	\$ -	\$ 140,000
Interest Income	15,695	3,500	3,500	4,000	-	4,000
Total Revenues	150,747	141,500	141,500	144,000	-	144,000
EXPENDITURES						
Maintenance and Operations	256,016	233,360	233,360	116,100	-	116,100
Capital	143,407	25,000	25,000	-	-	-
Total Expenditures	399,422	258,360	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)	(116,860)	(116,860)	27,900	-	27,900
Fund Balance - Ending	\$ 134,306	\$ 17,446	\$ 17,446	\$ 45,346	\$ -	\$ 45,346

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Donations	\$ 25,665	\$ 20,000	\$ 23,687	\$ 20,000	\$ -	\$ 20,000
Interest Income	9,444	8,755	8,755	10,000	-	10,000
Grants	11,000	3,687	-	-	-	-
Total Revenues	46,109	32,442	32,442	30,000	-	30,000
EXPENDITURES						
Maintenance and Operations	29,903	18,150	18,150	56,000	-	56,000
Total Expenditures	29,903	18,150	18,150	56,000	-	56,000
Fund Balance - Beginning	173,989	190,195	190,195	204,487	-	204,487
Revenues Over/(Under) Expenditures	16,206	14,292	14,292	(26,000)	-	(26,000)
Fund Balance - Ending	\$ 190,195	\$ 204,487	\$ 204,487	\$ 178,487	\$ -	\$ 178,487

**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
REVENUES						
Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	363,564	143,076	143,076	-	-	-
Insurance Income	-	415,183	415,183	-	-	-
Total Revenues	363,564	558,259	558,259	-	-	-
EXPENDITURES						
General Government	868,022	247,388	247,388	-	-	-
Finance	-	-	-	-	-	-
Public Works	1,656,646	434,050	434,050	-	-	-
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	-	-	-
Total Expenditures	3,438,072	4,290,024	4,290,024	-	-	-
Fund Balance - Beginning	7,443,580	4,369,072	4,369,072	637,307	-	637,307
Revenues Over/(Under) Expenditures	(3,074,508)	(3,731,765)	(3,731,765)	-	-	-
Fund Balance - Ending	\$ 4,369,072	\$ 637,308	\$ 637,307	\$ 637,307	\$ -	\$ 637,307

**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
REVENUES						
Contracted Services	\$ 810,318	\$ 751,154	\$ 751,154	\$ 899,697	\$ -	\$ 899,697
Interest Income	744	10,489	10,489	4,000	-	4,000
Transfers In	176,071	39,534	39,534	-	-	-
Total Revenues	987,133	801,177	801,177	903,697	-	903,697
EXPENDITURES						
Personnel Costs	619,003	657,699	657,699	778,949	-	778,949
Operations & Maintenance	-	132,990	132,990	465,100	-	465,100
Total Expenditures	619,003	790,689	790,689	1,244,049	-	1,244,049
Fund Balance - Beginning	49,175	417,305	417,305	427,792	-	427,792
Revenues Over/(Under) Expenditures	368,130	10,488	10,488	(340,352)	-	(340,352)
Fund Balance - Ending	\$ 417,305	\$ 427,792	\$ 427,792	\$ 87,440	\$ -	\$ 87,440

**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
REVENUES						
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
Total Revenues	1,275,641	304,000	304,000	295,000	-	295,000
EXPENDITURES						
Operations & Maintenance	331,294	300,250	300,250	116,000	-	116,000
Capital Costs	94,900	300,000	300,000	603,000	-	603,000
Total Expenditures	426,194	600,250	600,250	719,000	-	719,000
Fund Balance - Beginning	250,485	1,099,932	1,099,932	803,682	-	803,682
Revenues Over/(Under) Expenditures	849,447	(296,250)	(296,250)	(424,000)	-	(424,000)
Fund Balance - Ending	\$ 1,099,932	\$ 803,682	\$ 803,682	\$ 379,682	\$ -	\$ 379,682

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

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

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.

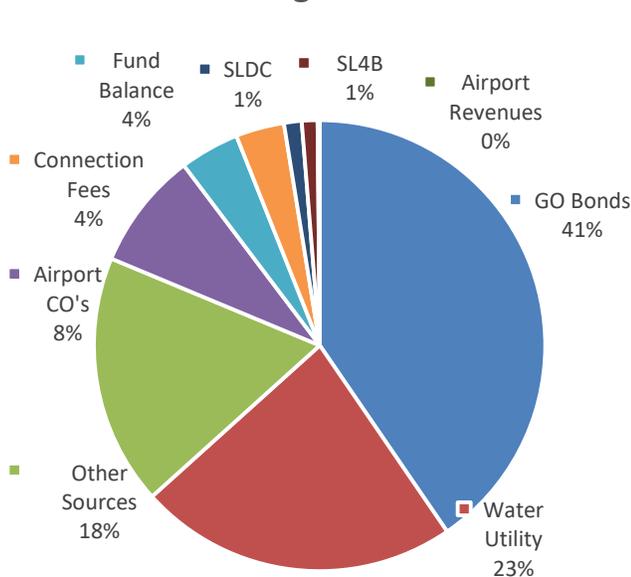
Capital Improvement Process

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.

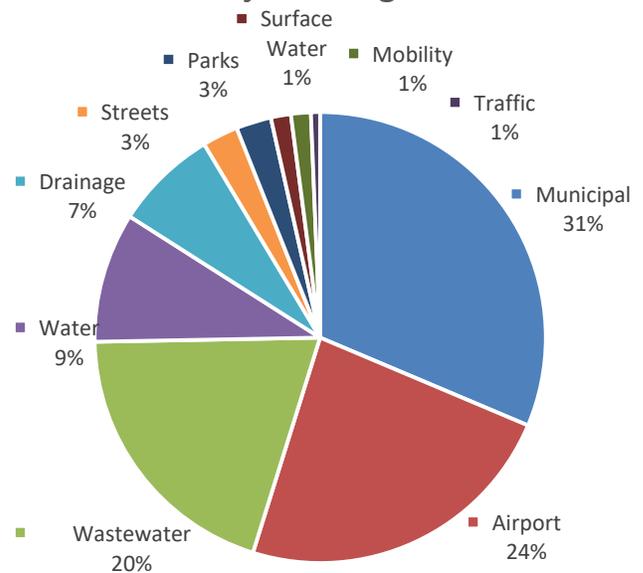
The five-year Capital Improvement Program (CIP) for FY26-FY30 totals \$766 million including \$183.9 million in projects scheduled for FY26. Cost estimates for years two through five of the five-year CIP are for planning purposes only and are used in conjunction with the long-range financial plan of 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.

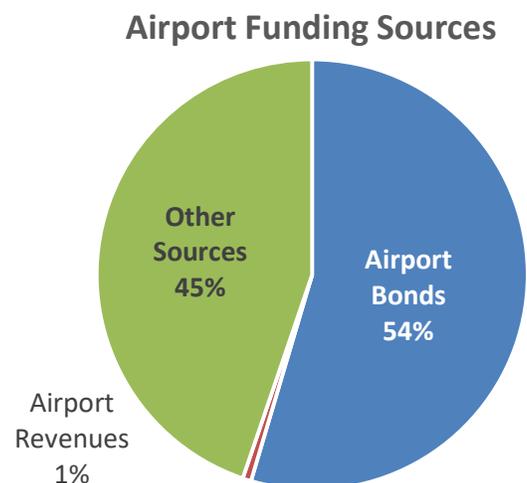
Airport

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

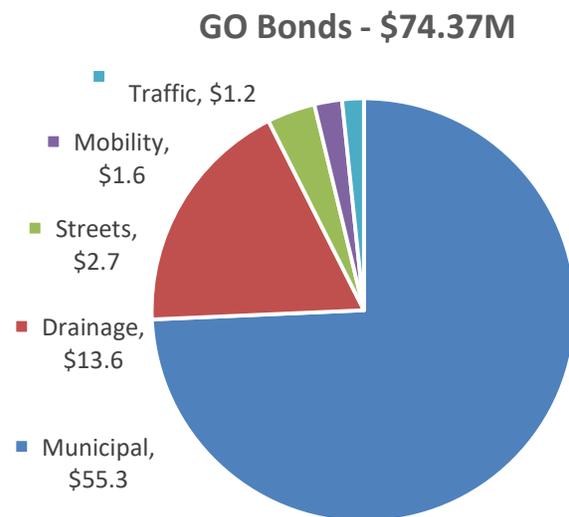
Ongoing investment in the City's pavement management program includes \$2M in major street rehabilitation and \$2.2M for sidewalk replacement and enhancement. The Residential Street Reconstruction project will refresh deteriorating roadway panels and update the citywide pavement condition assessment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



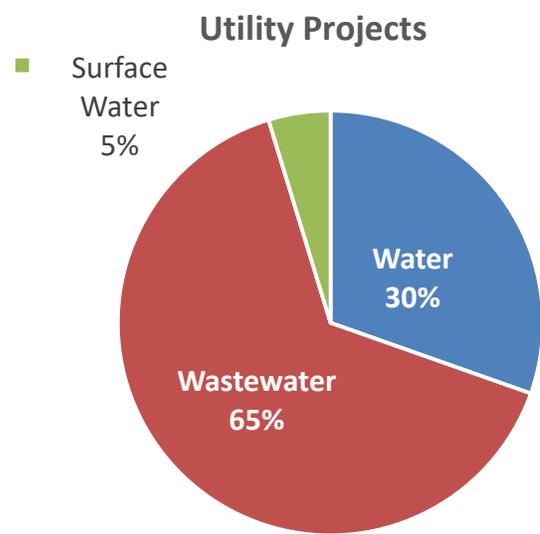
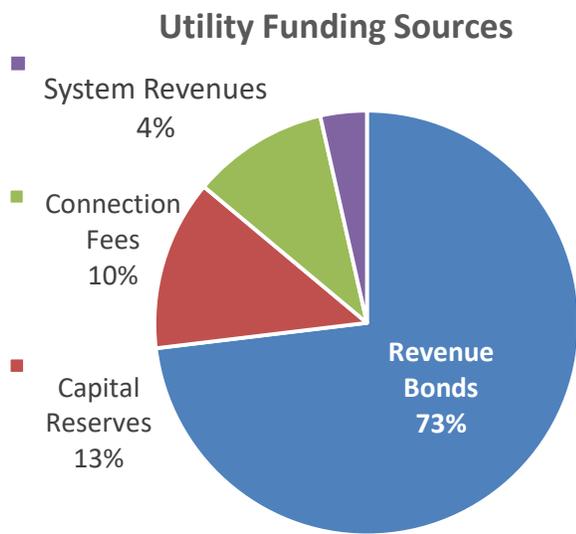
southern Sugar Land. Systemwide improvements include well rehabilitation, elevated storage tank upgrades, and SCADA system enhancements, all critical to maintaining consistent service.

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
Revenues						
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
TOTAL Project Funding	80,000,000	43,186,116	43,147,000	2,300,000	2,100,000	170,733,116
Expenditures						
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
TOTAL CIP Expenditures	\$ 80,000,000	\$ 56,341,750	\$ 43,147,000	\$ 2,300,000	\$ 2,100,000	\$ 183,888,750
Use of Fund Balance	\$ -	\$ (13,155,634)	\$ -	\$ -	\$ -	\$ (13,155,634)

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

Project #	Project Name	Project Description	FY26 Budget
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
Airport CO's			\$ 15,500,000
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.	250,000
Airport Revenues			\$ 250,000
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
General Obligation Bonds			\$ 74,375,000
CWA2408	Elevated Storage Tank Rehabilitation	Design and construction of improvements to the elevated storage tanks.	2,200,000
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.	221,578
CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	3,425,291
Connection Fees - Fund Balance			\$ 5,846,869

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

Project #	Project Name	Project Description	FY26 Budget
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
Other Sources			\$ 28,122,000
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
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
Donations			\$ 4,900,000
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
Sugar Land 4B Corporation			\$ 2,100,000
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
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
Sugar Land Development Corporation			\$ 2,300,000
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.	291,250
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
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
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.	19,541
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

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

Project #	Project Name	Project Description	FY26 Budget
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.	2,300,000
CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	4,365,327
Utility Revenue Bonds			\$ 41,186,118
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
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.	500,000
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
Utility System Revenues			\$ 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 mixing skid replacements. Additionally, replacement of the membrane filters.	137,750
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
CWA2601	Groundwater Plant Generator and RAD Replacement	Replacement of existing generators and right angle drives at the groundwater plants.	2,800,000
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.	574,381
CWW2503	South of Brazos Wastewater Treatment Plant	Engineering and construction of a 2 million gallon per day wastewater treatment plant.	2,209,382
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
Utility CIP Fund Balance			\$ 7,308,763
TOTAL			183,888,750

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
	Airport Total			
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
Drainage Total				13,575,000
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
	Mobility Total			
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
	Municipal Total			
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
Parks Total				4,600,000
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
Streets Total				4,725,000
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
	Surface Water Total			
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
Traffic Total				1,225,000

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 force main 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	
	Wastewater Total				36,565,000
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 includes 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	
	Water Total				17,125,500
	Grand Total				183,888,750

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

Source of Funds	2026	2027	2028	2029	2030	TOTAL
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
TOTAL	\$ 183,888,750	\$ 132,794,350	\$ 219,302,980	\$ 124,524,977	\$ 105,513,271	\$ 766,024,328

Project Type	2026	2027	2028	2029	2030	Total
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
Total	\$ 183,888,750	\$ 132,794,350	\$ 219,302,980	\$ 124,524,977	\$ 105,513,271	\$ 766,024,328

CITY OF SUGAR LAND - 2026-2030 CAPITAL IMPROVEMENT PROGRAM - OPERATING IMPACTS

PROJECT NO. **PROJECT TITLE**
 CMU1908 Animal Shelter

IMPACT ON OPERATING BUDGET					
Expenditures	2026	2027	2028	2029	2030
Personnel	-	-	-	-	-
Operating	-	-	88,000	88,000	88,000
Capital	-	-	-	-	-
GRAND TOTAL	\$ -	\$ -	\$ 88,000	\$ 88,000	\$ 88,000

PROJECT NO. **PROJECT TITLE**
 CMU2504 Public Safety Training Facility Ph. III

IMPACT ON OPERATING BUDGET					
Expenditures	2026	2027	2028	2029	2030
Personnel	-	-	-	-	-
Operating	-	-	-	50,000	50,000
Capital	-	-	-	-	-
GRAND TOTAL	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000

PROJECT NO. **PROJECT TITLE**
 CMU2507 Renovation of Existing PD & Court Building + New PD Headquarters

IMPACT ON OPERATING BUDGET					
Expenditures	2026	2027	2028	2029	2030
Personnel	-	-	-	-	-
Operating	-	-	-	165,000	165,000
Capital	-	-	-	-	-
GRAND TOTAL	\$ -	\$ -	\$ -	\$ 165,000	\$ 165,000

PROJECT NO. **PROJECT TITLE**
 CSW2001 Surface Water Treatment Plant Expansion

IMPACT ON OPERATING BUDGET					
Expenditures	2026	2027	2028	2029	2030
Personnel	-	-	-	-	-
Operating	-	-	-	-	1,450,589
Capital	-	-	-	-	-
GRAND TOTAL	\$ -	\$ -	\$ -	\$ -	\$ 1,450,589

PROJECT NO. **PROJECT TITLE**
 CSW2101 Groundwater Plant Surface Water Conversion

IMPACT ON OPERATING BUDGET					
Expenditures	2026	2027	2028	2029	2030
Personnel	-	-	-	-	-
Operating	-	-	-	600,000	600,000
Capital	-	-	-	-	-
GRAND TOTAL	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000

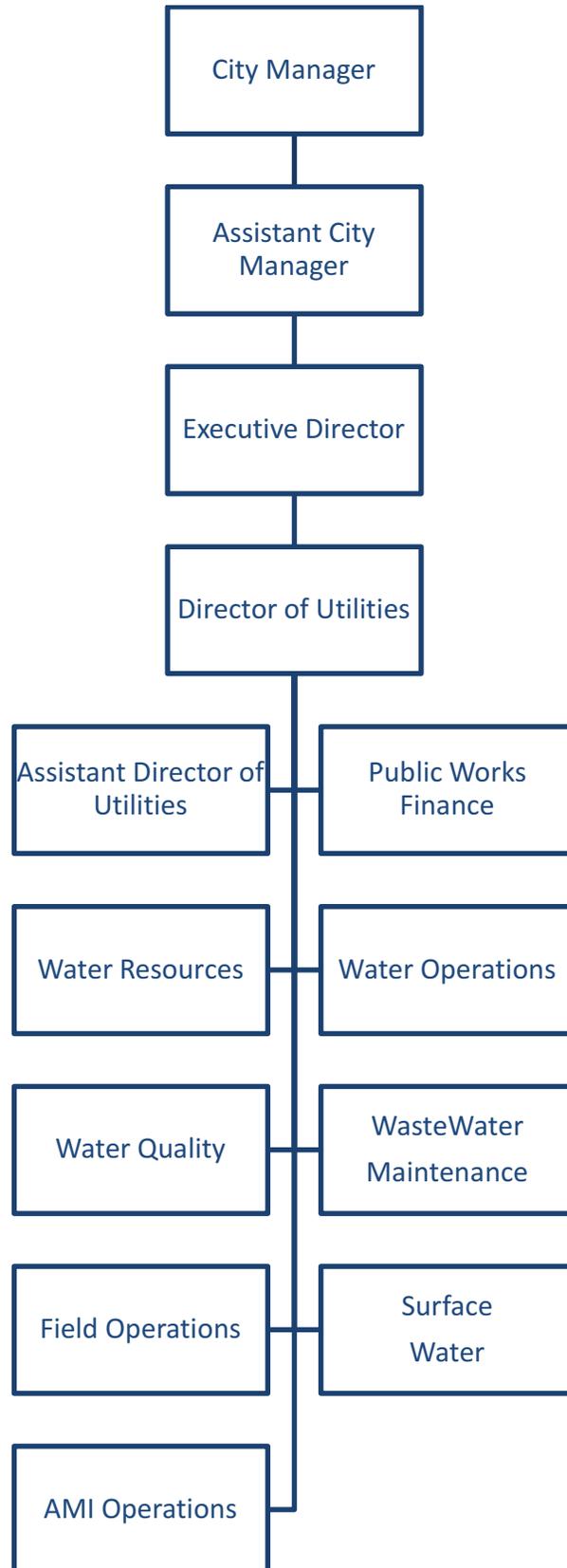
CITY OF SUGAR LAND - 2026-2030 CAPITAL IMPROVEMENT PROGRAM - OPERATING IMPACTS

PROJECT NO. **PROJECT TITLE**
 CWW2003 Wastewater Treatment Plants Improvements - North WWTP

IMPACT ON OPERATING BUDGET					
Expenditures	2026	2027	2028	2029	2030
Personnel	-	-	-	-	-
Operating	26,160	26,160	26,160	26,160	26,160
Capital	-	-	-	-	-
GRAND TOTAL	\$ 26,160				

Utility System Fund Organizational Chart

As of October 1, 2025



Utility System Fund

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 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 \$33,531 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 \$5,957,182 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 amount to \$35,846,094. Budgeted operating expenses for the Utility Fund decreased from FY25 to FY26. In FY25, the budget included \$2.1 million in one-time funding requests and a \$3.4 million increase in Surface Water expenses. In contrast, FY26 reflects minimal changes, with only \$12,500 in adjustments to the base budget. This amount represents 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 \$43,186,118, 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 \$32,170,085, which leads to a 90% 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	74%	90%
Direct Bond Coverage	1.19	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 FY26 cash reserve ratio is budgeted at 90%, significantly exceeding the 25% minimum, as the fund has intentionally accumulated reserves over multiple years to fund a major future capital contribution toward the expansion of the regional surface water treatment plant. This planned contribution is essential to meeting long-term groundwater reduction mandates under the Fort Bend Subsidence District regulations, while minimizing future debt issuance and rate impacts. Rates will continue to be adjusted annually as necessary to ensure both cash reserve and bond coverage requirements are maintained and to support these critical long-term compliance and infrastructure objectives.

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.

Water Utilities Department

Mission Statement

The Water Utilities Department takes pride in maintaining a tradition of producing ample superior quality water, recognized as the best tasting water in the US by the American Water Works Association in 2019, vigilantly maintaining water and wastewater infrastructure, and providing responsive and efficient customer-oriented service in a cost-effective and innovative manner emphasizing responsible environmental stewardship and compliance with all regulatory requirements.

Programs of Service

Utilities Administration sets departmental goals and strategies, provides organizational direction and control to accomplish those goals and manages long range planning to ensure there is adequate system capacity for growth.

The **Water Distribution** program is responsible for ensuring that water produced is delivered to meet customer expectations including maintaining and repairing water lines, meters and fire hydrants.

Water Production is responsible for producing, treating and supplying quality water that complies with all federal and state water quality standards and with sufficient water pressure to meet customer needs and fire flow requirements in an emergency.

Wastewater Collection operates, maintains, and repairs sanitary sewer collection lines and manholes to meet or exceed all state and federal guidelines.

The **Wastewater Treatment** program is responsible for transporting and treating wastewater to a quality that meets federal and state water quality standards, and operating, maintaining and repairing sanitary sewer lift stations and wastewater treatment plants.

The **Customer Service** program responds to all requests for service 24 hours a day 7 days a week and reads all water meters monthly.

The **Water Quality** program monitors the safety and quality of drinking water through water testing and compliance monitoring and handles backflow prevention, grease trap inspections, and the mandated wastewater industrial pretreatment programs.

The **Water Conservation** program is responsible for water education, conservation and communication and is managed through the Public Works Department Environmental Services Division.

The **Treasury** program, managed through the Finance Department, provides centralized collection of City funds for utility and other billings, as well as daily receipts from other operating departments and receipts from outside payments including property tax payments received from Fort Bend County. Treasury also bills for utilities, alarms, airport rentals, and other miscellaneous receivables for all city departments.

Surface Water is responsible for all planning and implementation of the City's Groundwater Reduction Plan. Based on the mandated groundwater reduction, the program is also responsible for coordinating the identification, pursuit, acquisition and implementation of alternatives to groundwater sources, including but not limited to surface water, effluent reuse, conservation, and direct reuse projects.

Water Utilities Department

FY26 Changes

In FY26, the total modifications to the base budget amount to only \$12,500. This sum of \$12,500 is allocated for a one-time request aimed at financing fiber optic infrastructure for utility assets.

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Summary by Category						
Salary & Benefits	\$ 9,052,468	\$ 11,019,981	\$ 11,019,981	\$ 10,952,273	\$ -	\$ 10,952,273
Supplies	8,362,636	10,728,553	10,451,226	8,553,797	-	8,553,797
Professional Services	5,549,909	10,458,527	10,449,242	9,760,625	12,500	9,773,125
Repairs & Maintenance	8,889,613	7,154,128	7,452,401	5,417,055	-	5,417,055
Purchased Services	673,138	897,591	877,681	764,373	-	764,373
Capital/Other	1,106,873	2,044,209	2,044,209	385,471	-	385,471
Category Totals	\$ 33,634,638	\$ 42,302,989	\$ 42,294,739	\$ 35,833,594	\$ 12,500	\$ 35,846,094

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Summary by Type						
Utility Administration	\$ 1,165,574	\$ 1,636,718	\$ 1,628,468	\$ 1,282,084	\$ 12,500	\$ 1,294,584
Water Distribution	3,182,544	3,269,144	3,269,144	3,022,265	-	3,022,265
Water Production	3,894,262	5,715,823	5,715,823	4,468,584	-	4,468,584
Wastewater Collection	1,607,420	1,595,825	1,595,825	1,660,136	-	1,660,136
Wastewater Treatment	8,743,608	9,911,421	9,911,421	8,969,236	-	8,969,236
Customer Service	1,348,420	2,391,871	2,391,871	2,054,041	-	2,054,041
Water Quality	1,011,355	1,205,361	1,205,361	1,113,199	-	1,113,199
Water Conservation	422,572	426,839	426,839	392,386	-	392,386
Treasury	2,119,065	2,402,568	2,402,568	2,452,627	-	2,452,627
AMI Operations	320,105	858,915	858,915	889,506	-	889,506
Surface Water	9,819,711	12,888,504	12,888,504	9,529,530	-	9,529,530
Category Totals	\$ 33,634,638	\$ 42,302,989	\$ 42,294,739	\$ 35,833,594	\$ 12,500	\$ 35,846,094

	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
FTE Count						
Utility Administration	6.00	8.50	(0.50)	8.00	(0.25)	7.75
Water Distribution	14.50	14.50	-	14.50	-	14.50
Water Production	7.50	7.50	3.00	10.50	-	10.50
Wastewater Collection	10.50	10.00	(1.00)	9.00	-	9.00
Wastewater Treatment	7.00	10.50	(1.50)	9.00	-	9.00
Customer Service	12.00	12.00	1.00	13.00	-	13.00
Water Quality	7.50	8.50	-	8.50	-	8.50
Water Conservation	1.00	1.00	-	1.00	-	1.00
Treasury	12.00	12.00	-	12.00	-	12.00
AMI Operations	-	3.00	-	3.00	-	3.00
Surface Water	16.00	16.00	(0.50)	15.50	-	15.50
FTE Count Totals	94.00	103.50	0.50	104.00	(0.25)	103.75

Water Utilities Department

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Surface Water	Finance: Strong & Viable	1,2
Water Distribution	Infrastructure: Sustainable & Resilient	1,2

Performance Measures

	Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1	Percent of Total Water Demand Met with Non-Groundwater Supplies	38%	34%	35%	37%	30%
2	Infrastructure Leakage Index (ILI)	3.7	3.5	4.9	4.0	3.0 or less

- 1) Percent of Total Water Demand Met with Non-Groundwater Supplies:** shows the percentage on groundwater pumping to land subsidence. Regulations from the Fort Bend Subsidence District require limiting groundwater use, and Sugar Land meets these requirements by incorporating non-groundwater supplies into the system. Non-groundwater supplies consist of surface water from Oyster Creek and the Brazos River, as well as reclaimed water produced at wastewater treatment facilities. Diversifying water sources reduces subsidence risk, strengthens long-term resilience, and supports sustainable growth.
- 2) Infrastructure Leakage Index (ILI):** is an internationally recognized measure used to assess water accountability within a utility system. It evaluates the efficiency of the water distribution network by comparing the system’s actual water losses—primarily from leaks—to the minimum level of leakage expected in a well-managed system. A lower IL reflects stronger performance, indicating that water produced is effectively delivered to customers with minimal loss, reduced operating costs, and improved resource stewardship.

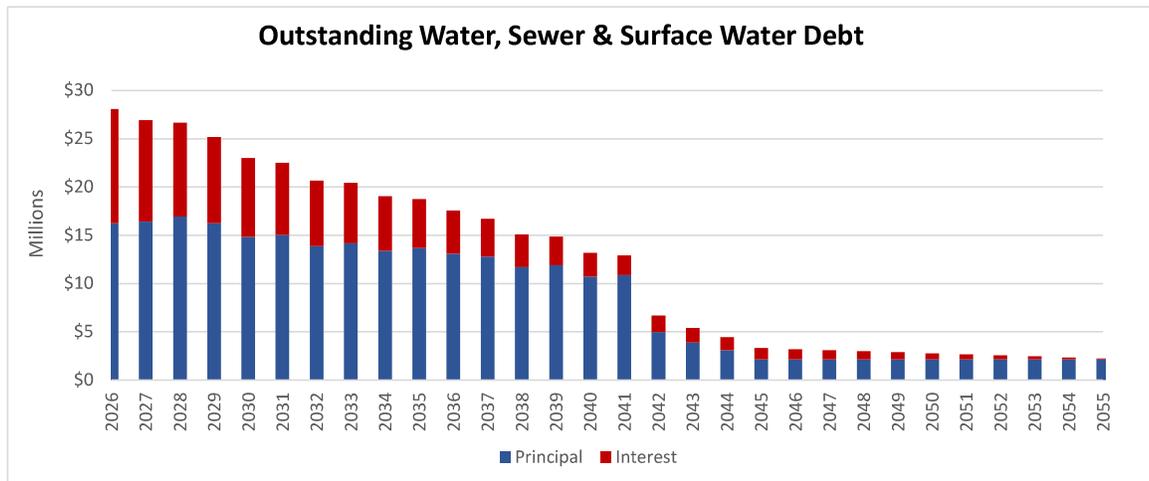
**CITY OF SUGAR LAND
ENTERPRISE FUND - UTILITY SYSTEM
INCOME STATEMENT**

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Charges for Services	\$ 44,377,584	\$ 46,856,643	\$ 45,962,504	\$ 48,840,092	\$ -	\$ 48,840,092
Surface Water Fees	24,230,724	25,600,141	25,025,742	26,453,263	-	26,453,263
Tap Fees	174,755	337,984	85,225	732,534	-	732,534
Interest Income	2,866,089	1,019,387	2,088,841	1,073,467	-	1,073,467
Miscellaneous	3,582,466	1,726,350	2,618,271	451,950	-	451,950
Operating Revenues	75,231,618	75,540,505	75,780,583	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	145,199,214	125,596,156	-	125,596,156
EXPENDITURES						
Utility Administration	1,165,574	1,662,318	1,628,468	1,282,084	12,500	1,294,584
Water Distribution	3,182,544	3,268,744	3,269,144	3,022,265	-	3,022,265
Water Production	3,894,262	5,758,653	5,715,823	4,468,584	-	4,468,584
Wastewater Collection	1,607,420	1,585,025	1,595,825	1,660,136	-	1,660,136
Wastewater Treatment	8,743,608	9,881,014	9,911,421	8,969,236	-	8,969,236
Customer Service	1,348,420	2,367,171	2,391,871	2,054,041	-	2,054,041
Water Quality	1,011,355	1,207,801	1,205,361	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	2,402,568	2,452,627	-	2,452,627
AMI Operations	320,105	861,415	858,915	889,506	-	889,506
Surface Water	9,819,711	12,868,754	12,888,504	9,529,530	-	9,529,530
Total Operating Expenditures	33,634,638	42,363,475	42,294,739	35,833,594	12,500	35,846,094
Debt Service	8,437,062	28,204,362	28,128,484	31,793,137	-	31,793,137
Issuance Costs	275,401	1,076,068	428,521	726,722	-	726,722
Transfers Out	9,278,518	8,928,685	8,928,685	7,117,975	-	7,117,975
Miscellaneous	507,404	(553,680)	79,133	332,337	-	332,337
Contingency	-	-	-	500,000	-	500,000
CIP Transfers	27,859,983	69,744,743	70,173,263	43,186,118	-	43,186,118
Inter Fund Loan - Solid Waste	6,300,000	-	-	-	-	-
Total Non-Operating Expenditures	52,658,368	107,400,176	107,738,086	83,656,289	-	83,656,289
Total Expenditures	86,293,005	149,763,651	150,032,825	119,489,883	12,500	119,502,383
Cash Equivalent - Beginning	48,456,165	45,044,676	45,044,676	40,211,065	-	40,211,065
Revenues Over/(Under) Expenditures	(10,158,087)	(5,256,623)	(4,833,611)	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	\$ 30,677,407	\$ 31,100,419	\$ 32,182,585	\$ (12,500)	\$ 32,170,085
Bond Coverage	4.93	1.18	1.19	1.31		1.31
Target	1.25	1.25	1.25	1.25		1.25
Operating Reserves	89%	72%	74%	90%		90%
Target	25%	25%	25%	25%		25%

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

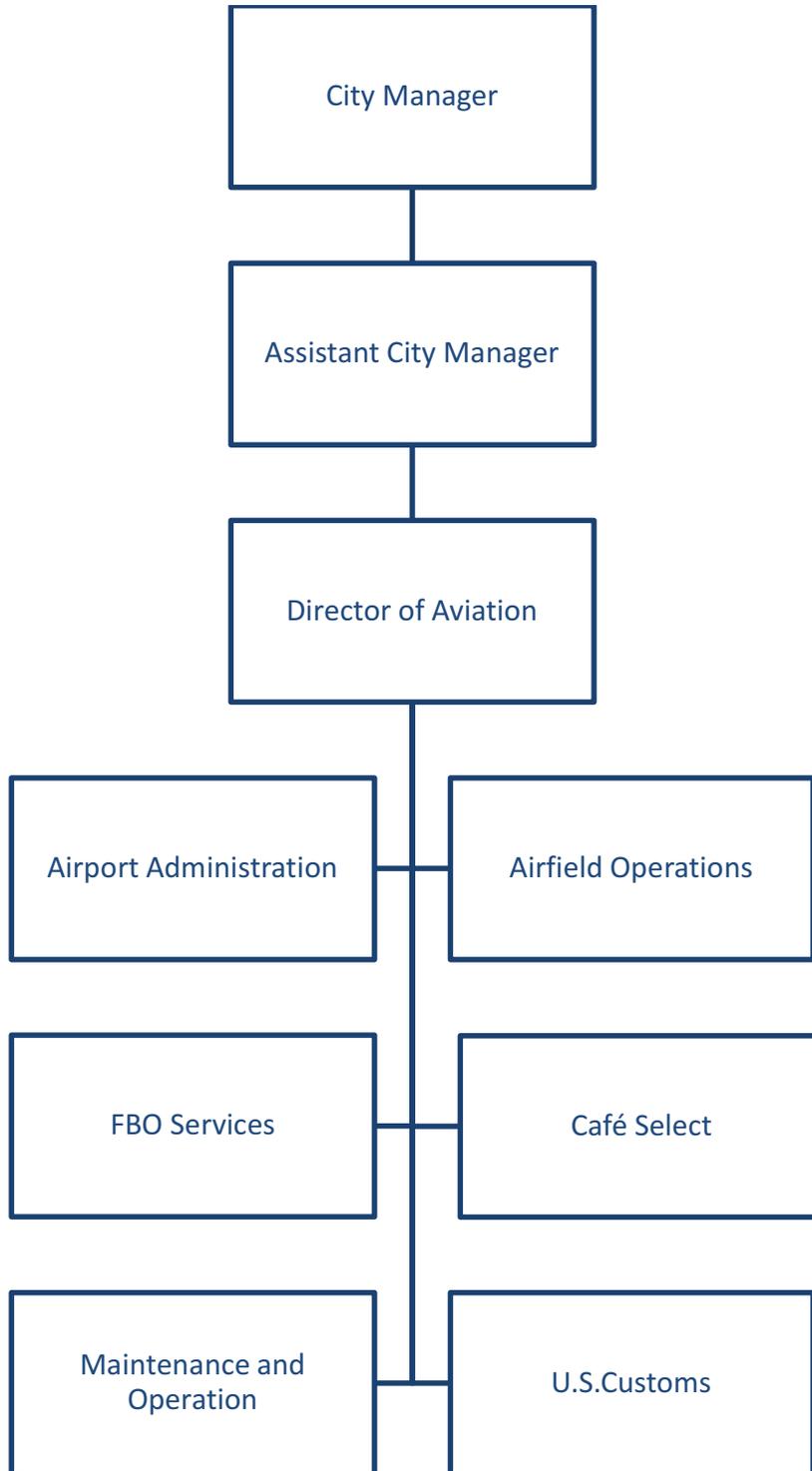
Fiscal Year	Principal	Interest	Total
2026	16,265,000	11,826,125	28,091,125
2027	16,425,000	10,505,469	26,930,469
2028	16,930,000	9,714,619	26,644,619
2029	16,275,000	8,904,656	25,179,656
2030	14,835,000	8,149,306	22,984,306
2031	15,030,000	7,475,231	22,505,231
2032	13,870,000	6,809,581	20,679,581
2033	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
TOTAL	\$ 257,595,000	\$ 111,263,785	\$ 368,858,785

* Does not include anticipated issuance of new debt.



Airport Fund Organizational Chart

As of October 1, 2025



Airport Fund

Sugar Land Regional Airport, which is owned and operated by the City, is a self-supporting enterprise funded by user charges. The Airport is home to several aircraft and expects to sell an average of 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 2026

Total revenues for FY26 are budgeted at \$45,930,690. Revenues from fuel sales are anticipated at \$25,907,858, a 23% 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. 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 \$580,906 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 \$23,924,776 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 \$19,555,411 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 of a turbo chef oven for Café Select for \$20,000.

Total non-operating expenses are budgeted at \$18,915,000 and are \$14.76 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 \$1,431,119, 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 \$70,940 in FY25 primarily due to bond issuance and disclosure payments. Ending cash equivalent balance at 9/30/26 is expected to be \$13,838,713.

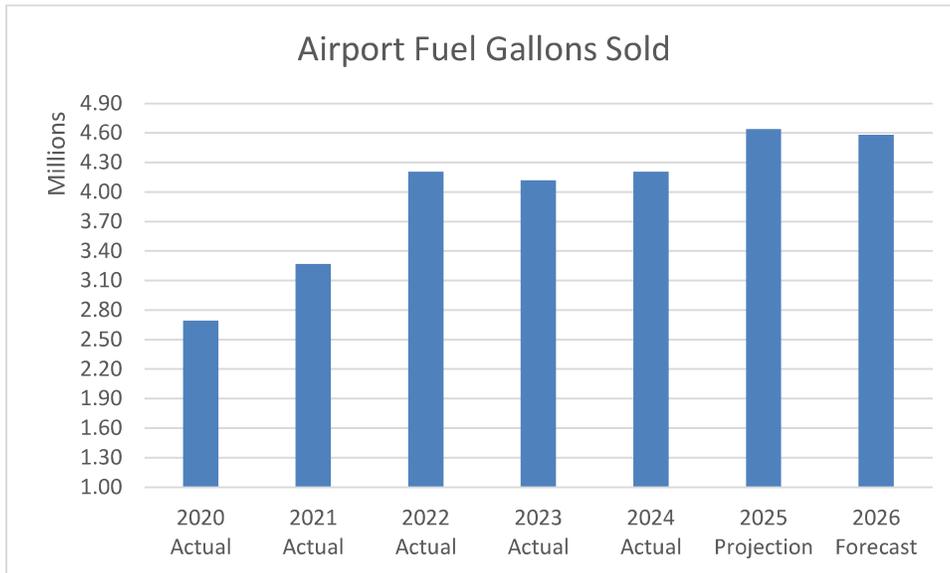
Financial Analysis

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	193%	182%
Direct Bond Coverage	4.73	2.24

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 FY25 projections and FY26 budget.

The graph below shows gallons of fuel sold. Projected total gallons of fuel sold in FY25 are 4.64 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.



Airport

Mission Statement

Our mission is to operate a safe and profitable national asset while positively impacting the local economy. We will accomplish this by balancing purposeful planning and development with deliberate maintenance of current infrastructure. Additionally, we will provide a meaningful and lasting impression through superior services and upscale facilities. We will be relentless in our pursuit to be trailblazers in the industry.

Programs of Service

Airport Administration is responsible for the overall management, planning, marketing and outreach efforts of the airport along with contract administration and CIP project completion. Lease management of airport property is also fulfilled by this program.

Airfield Operations is responsible for assessing and coordinating all airport activities to ensure Sugar Land Regional Airport is in compliance with all federal, state, and local regulations.

Acting as the **Fixed Base Operator** (FBO) under the name “GlobalSelect,” staff provides line services including aircraft refueling and marshalling services. Customer service is provided to handle customer invoices and customer requests for hotel reservations, food, rental car requests, and catering orders.

US Customs provides passenger and luggage inspection for international arrivals and oversees the FBO in handling and the disposal of international garbage to maintain federal compliance.

Maintenance & Operations oversees buildings, ground, and custodial maintenance of airport facilities.

Café Select provides first-class customer service and amenities to the airport’s customers by providing food and beverages.

FY26 Changes

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 of a turbo chef oven for Café Select for \$20,000.

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Summary by Category						
Salary & Benefits	\$ 4,232,118	\$ 4,835,618	\$ 4,835,618	\$ 5,175,544	\$ -	\$ 5,175,544
Supplies	13,128,478	12,247,321	12,247,321	16,651,568	-	16,651,568
Professional Services	1,132,607	1,511,502	1,511,502	1,213,237	-	1,213,237
Repairs & Maintenance	374,853	429,367	429,367	573,029	-	573,029
Purchased Services	45,857	113,727	113,727	74,735	-	74,735
Capital/Other	10,000	495,153	495,153	-	236,663	236,663
Category Totals	\$ 18,923,913	\$ 19,632,689	\$ 19,632,689	\$ 23,688,113	\$ 236,663	\$ 23,924,776

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Summary by Category						
Salary & Benefits	\$ 4,232,118	\$ 4,835,618	\$ 4,835,618	\$ 5,175,544	\$ -	\$ 5,175,544
Supplies	13,128,478	12,247,321	12,247,321	16,651,568	-	16,651,568
Professional Services	1,132,607	1,511,502	1,511,502	1,213,237	-	1,213,237
Repairs & Maintenance	374,853	429,367	429,367	573,029	-	573,029
Purchased Services	45,857	113,727	113,727	74,735	-	74,735
Capital/Other	10,000	495,153	495,153	-	236,663	236,663
Category Totals	\$ 18,923,913	\$ 19,632,689	\$ 19,632,689	\$ 23,688,113	\$ 236,663	\$ 23,924,776

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Summary by Category						
Salary & Benefits	\$ 4,232,118	\$ 4,835,618	\$ 4,835,618	\$ 5,175,544	\$ -	\$ 5,175,544
Supplies	13,128,478	12,247,321	12,247,321	16,651,568	-	16,651,568
Professional Services	1,132,607	1,511,502	1,511,502	1,213,237	-	1,213,237
Repairs & Maintenance	374,853	429,367	429,367	573,029	-	573,029
Purchased Services	45,857	113,727	113,727	74,735	-	74,735
Capital/Other	10,000	495,153	495,153	-	236,663	236,663
Category Totals	\$ 18,923,913	\$ 19,632,689	\$ 19,632,689	\$ 23,688,113	\$ 236,663	\$ 23,924,776

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Summary by Type						
Airport Administration	\$ 1,447,332	\$ 1,582,274	\$ 1,582,274	\$ 1,488,333	\$ 150,000	\$ 1,638,333
Airfield Operations	408,803	487,189	487,189	533,201	-	533,201
FBO Services	15,267,786	14,963,937	14,963,937	19,488,748	66,663	19,555,411
Café Select	293,528	355,587	355,587	344,392	20,000	364,392
Maintenance and Operations	1,092,354	1,528,505	1,528,505	1,386,540	-	1,386,540
U.S. Customs	414,110	715,198	715,198	446,900	-	446,900
Category Totals	\$ 18,923,913	\$ 19,632,689	\$ 19,632,689	\$ 23,688,113	\$ 236,663	\$ 23,924,776

	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
FTE Count						
Airport Administration	7.00	7.00	1.00	8.00	-	8.00
Airfield Operations	3.00	4.00	(1.00)	3.00	-	3.00
FBO Services	29.00	28.00	1.00	29.00	1.00	30.00
Café Select	3.00	3.25	(0.25)	3.00	-	3.00
Maintenance and Operations	9.50	9.50	-	9.50	-	9.50
Category Totals	51.50	51.75	0.75	52.50	1.00	53.50

Strategy

Department	Strategic Outcome Area	Corresponding Performance Measure
Airport	Finance: Strong & Viable	1, 2
	Infrastructure: Sustainable & Resilient	2
	People: Welcoming & Engaged	3

Performance Measures

	Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1	Fuel Sales Volume	4,206,527	4,119,902	4,207,866	4,640,714	4,581,343
2	Air Traffic Operations	78,864	87,485	79,392	79,775	85,745
3	Customer Satisfaction	0.0	0.0	0.0	4.8	4.9

- 1) **Fuel Sales Volume:** is the primary indicator of growth and activity at the airport. Since the recovery from COVID-19, the airport has continued to see strong increases in fuel demand. In FY22, the airport achieved a record 4.21 million gallons sold, followed by another record of 4.23 million gallons in FY24. In FY25, the airport surpassed both milestones with 4.64 million gallons sold, and this upward trend is continuing into FY26.

- 2) A key airport measure of activity is take-offs and landings, or **air traffic operations**. As the number of operations increases, additional demands are placed on airfield infrastructure and can impact FBO staff providing service to customers. The actual operations reflected in the table are based on the counts provided to the Federal Aviation Administration (FAA) by Air Traffic Control Tower personnel. This does not include operations after hours.

- 3) **Customer Satisfaction:** is a metric derived from a CSAT survey completed by all airport visitors. This is important because it provides valuable insight into customer experiences to help us identify areas of strength and improvement.

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
REVENUES						
Fuel Sales	\$ 19,909,375	\$ 21,006,639	\$ 21,006,639	\$ 25,907,858	\$ -	\$ 25,907,858
Hangar Leases	1,575,192	1,672,206	1,672,206	1,589,200	-	1,589,200
Charges for Services	1,053,215	1,179,935	1,179,935	1,097,700	-	1,097,700
Interest Income	581,305	492,683	492,683	505,026	-	505,026
Other Revenues	400,488	351,339	351,339	350,000	-	350,000
Miscellaneous	329,601	410,028	410,028	300,000	-	300,000
Operating Revenues	23,849,176	25,112,830	25,112,830	29,749,784	-	29,749,784
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	565,443	565,443	580,906	-	580,906
Non-Operating Revenues	688,489	1,459,443	1,459,443	16,180,906	-	16,180,906
Total Revenues	24,537,665	26,572,273	26,572,273	45,930,690	-	45,930,690
EXPENDITURES						
Airport Administration	1,447,332	1,582,274	1,582,274	1,488,333	150,000	1,638,333
Airfield Operations	408,803	487,189	487,189	533,201	-	533,201
FBO Services	15,267,786	14,963,937	14,963,937	19,488,748	66,663	19,555,411
Café Select	293,528	355,587	355,587	344,392	20,000	364,392
Maintenance and Operations	1,092,354	1,528,505	1,528,505	1,386,540	-	1,386,540
U.S. Customs	414,110	715,198	715,198	446,900	-	446,900
Total Operating Expenditures	18,923,913	19,632,689	19,632,689	23,688,113	236,663	23,924,776
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	1,431,119	-	1,431,119
Payment to Escrow Account	-	-	-	-	-	-
Miscellaneous	203,666	70,940	70,940	533,024	-	533,024
Total Non-Operating Expenditures	2,072,408	4,148,979	4,148,979	18,915,000	-	18,915,000
Total Expenditures	20,996,321	23,781,667	23,781,667	42,603,113	236,663	42,839,776
Cash & Equivalents - Beginning	8,835,020	11,117,572	11,117,572	13,908,177	-	13,908,177
Revenues Over/(Under) Expenditures	3,541,343	2,790,605	2,790,605	3,327,577	(236,663)	3,090,914
Debt Service Reserve	(805,001)	(860,041)	(860,041)	(3,160,378)	-	(3,160,378)
Cash & Equivalents - Ending	\$ 11,571,362	\$ 13,048,137	13,048,136	14,075,376	\$ (236,663)	\$ 13,838,713
CASH EQ. RESERVE RATIO (25% min)	775%	172%	193%	191%		182%
BOND COVERAGE (1.25x min)	5.02	4.13	4.73	2.33		2.24
FUEL GALLONS SOLD	4,227,593	4,265,384	4,552,433	4,581,343		4,581,343

ENTERPRISE FUND - AIRPORT

SCHEDULE OF REVENUES

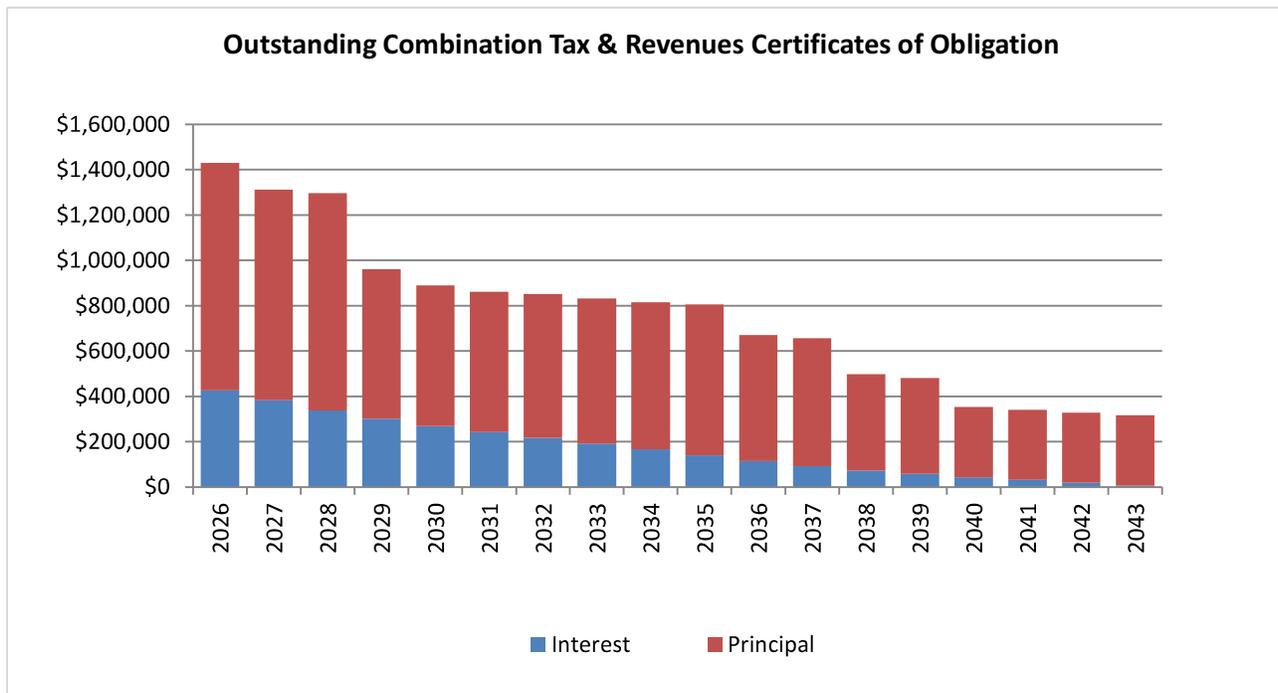
Description	FY24		FY25		FY26	
	Actuals	Current Budget	FY25 Projections	Base Budget	FY26 Changes	FY26 Budget
Aviation Fuel	\$ 19,909,375	\$ 21,006,639	\$ 21,006,639	\$ 25,907,858	\$ -	\$ 25,907,858
Fuel Sales	19,909,375	21,006,639	21,006,639	25,907,858	-	25,907,858
Lease Tie Down	7,200	7,200	7,200	7,200	-	7,200
Lease Northwest II	22,934	30,607	30,607	25,000	-	25,000
Leased Facilities Premises	65,473	34,423	34,423	37,000	-	37,000
Lease Short Term Hanger	2,950	-	-	10,000	-	10,000
Lease Northwest I	9,040	-	-	20,000	-	20,000
Lease ST Corporate II	94,178	89,554	89,554	90,000	-	90,000
Lease Longterm Land	389,970	575,352	575,352	500,000	-	500,000
Lease ST Corporate I	132,081	102,944	102,944	100,000	-	100,000
Lease T-Hanger	851,367	832,126	832,126	800,000	-	800,000
Hangar Leases	1,575,192	1,672,206	1,672,206	1,589,200	-	1,589,200
Gift Shop	793	676	676	600	-	600
Catering	2,334	1,630	1,630	2,000	-	2,000
Aircraft Maintenance	116	99	99	100	-	100
Airport Café	96,890	89,629	89,629	90,000	-	90,000
Parking Fees	1,268	3,753	3,753	3,000	-	3,000
Call Out Fees	8,650	13,100	13,100	10,000	-	10,000
Ramp Fees	584,280	609,219	609,219	575,000	-	575,000
US Customs Fees	341,045	443,053	443,053	400,000	-	400,000
Oil Sales	17,840	18,560	18,560	17,000	-	17,000
Charges for Services	1,053,215	1,179,935	1,179,935	1,097,700	-	1,097,700
Interest Earnings	429,468	492,683	492,683	505,026	-	505,026
Unrealized Gain/Loss Invest	151,836	-	-	-	-	-
Interest Income	581,305	492,683	492,683	505,026	-	505,026
Car Rental	400,488	351,339	351,339	350,000	-	350,000
Other Revenues	400,488	351,339	351,339	350,000	-	350,000
Cash OverShort	(25,412)	-	-	-	-	-
Misc. Operating Revenue	355,013	346,340	346,340	300,000	-	300,000
Miscellaneous	329,601	410,028	410,028	300,000	-	300,000
OFS Bond Proceeds Par	-	-	-	15,500,000	-	15,500,000
OFS Bond Proceeds Premium	-	-	-	-	-	-
Bond Proceeds	-	-	-	15,500,000	-	15,500,000
Operating Contribution O. Gov	100,000	894,000	894,000	100,000	-	100,000
Grant Proceeds	100,000	894,000	894,000	100,000	-	100,000
Trf in General Fund	313,804	297,585	297,585	309,231	-	309,231
Trf in SLA	50,000	50,000	50,000	50,000	-	50,000
Trf in Debt Service	224,685	217,857	217,857	221,675	-	221,675
Transfer from Other Funds	588,489	565,443	565,443	580,906	-	580,906
Total Revenues	\$ 24,537,665	\$ 26,572,273	\$ 26,572,273	\$ 45,930,690	\$ -	\$ 45,930,690

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

Fiscal Year	Principal	Interest	Total
2026	1,005,000	426,119	1,431,119
2027	930,000	382,607	1,312,607
2028	960,000	338,229	1,298,229
2029	660,000	301,282	961,282
2030	620,000	269,038	889,038
2031	620,000	242,563	862,563
2032	635,000	216,938	851,938
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
TOTAL	\$ 10,595,000	\$ 3,110,243	\$ 13,705,243

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
TOTAL	\$ 10,595,000	

*Does not include anticipated issuance of new debt



Solid Waste Fund Organizational Chart

As of October 1, 2025



Solid Waste Fund

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

Republic Services 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 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 are \$100,000.

The estimated cash equivalent ending fund balance as of 9/30/2026 is estimated to be \$2,904,460.

Solid Waste

Services Provided

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

Programs of Service

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

FY26 Changes

Changes total \$100,000 in recurring expenses for the Household Hazardous Waste (HHW) Program, which is a new initiative that will enable citizens to eliminate hazardous waste in a more efficient and timely manner.

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 One-Time	FY26 Changes	FY26 Budget
Summary by Category							
Salary & Benefits	\$ 479,658	359,834	\$ 359,834	\$ 378,448	\$ -	\$ -	\$ 378,448
Supplies	14,030,480	9,133,354	9,133,354	9,565,920	-	-	9,565,920
Professional Services	179,904	46,578	46,578	55,078	-	100,000	155,078
Repairs & Maintenance	9,975	11,538	11,538	11,538	-	-	11,538
Purchased Services	152,784	8,461	8,461	9,461	-	-	9,461
Capital/Other	-	-	-	-	-	-	-
Category Totals	\$ 14,852,801	\$ 9,559,765	\$ 9,559,765	\$ 10,020,445	\$ -	\$ 100,000	\$ 10,120,445

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Summary by Type						
Contractual Services	\$ 14,426,335	\$ 9,126,194	\$ 9,126,194	\$ 9,568,260	\$ -	\$ 9,568,260
Salary & Benefits	343,948	359,834	359,834	378,448	-	378,448
Education Programs	-	-	-	-	-	-
Operations & Maintenance	82,518	73,737	73,737	73,737	100,000	173,737
Category Totals	\$ 14,852,801	\$ 9,559,765	\$ 9,559,765	\$ 10,020,445	\$ 100,000	\$ 10,120,445

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
FTE Count						
Solid Waste	4.00	3.50	-	3.50	-	3.50
Category Totals	4.00	3.50	0.00	3.50	0.00	3.50

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Solid Waste	Government: Respected & Influential	1

Solid Waste

Performance Measures

Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1 Social Media Impression Rate	35,125	35,125	35,125	35,140	35,140

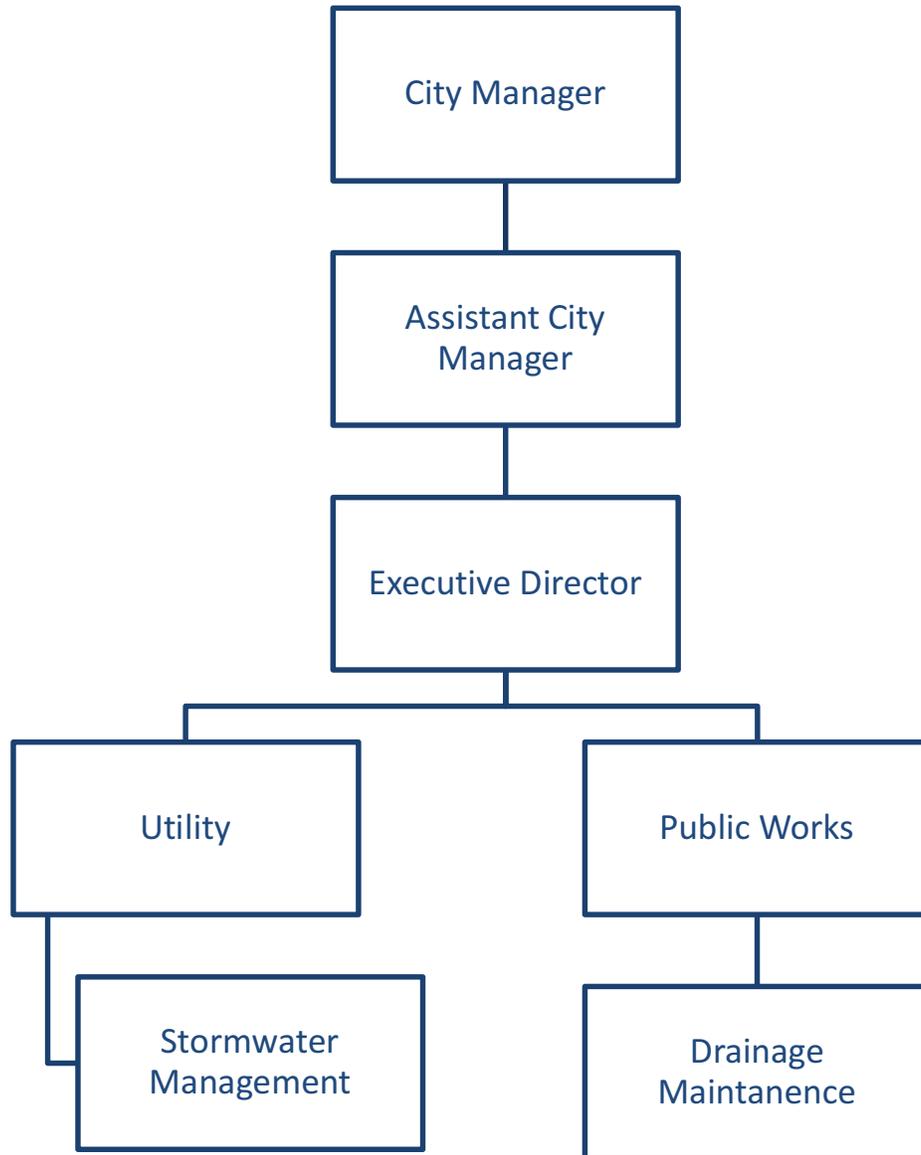
- 1) **Number of Households Serviced:** is the key measure for the Solid Waste, as the City outsources residential solid waste collection. As the number of households increases, additional demands are placed on the contractor. At the end of FY26, it is estimated that 35,140 households will be served.

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
REVENUES						
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	1,550,000	1,469,800	-	1,469,800
Commercial SW License	24,749	29,000	25,000	32,000	-	32,000
Miscellaneous	(7,801)	4,000	49,500	3,500	-	3,500
Federal Reimbursements	-	-	7,500	5,957,182	-	5,957,182
Emergency Fee	-	-	-	319,500	-	319,500
Interest Income	34,445	-	75,000	62,000	-	62,000
Operating Revenues	10,115,626	10,533,730	10,833,194	17,412,243	-	17,412,243
Inter-Fund Loan From Utility	6,300,000	-	-	-	-	-
Total Revenues	16,415,626	10,533,730	10,833,194	17,412,243	-	17,412,243
EXPENDITURES						
Contractual Services	8,711,109	9,112,830	9,126,194	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	73,737	73,737	73,737	100,000	173,737
Total Operating Expenditures	14,852,801	9,546,401	9,559,765	10,020,445	100,000	10,120,445
Miscellaneous	-	70,000	70,000	70,000	-	70,000
Transfers Out	521,407	840,637	864,225	6,757,603	-	6,757,603
Total Non-Operating Expenditures	521,407	910,637	934,225	6,827,603	-	6,827,603
Total Expenditures	15,374,208	10,457,038	10,493,990	16,848,048	100,000	16,948,048
Fund Balance - Beginning	1,057,859	2,101,061	2,101,061	2,440,265		2,440,265
Revenues Over/(Under) Expenditures	1,041,418	76,692	339,204	564,195	(100,000)	464,195
Fund Balance - Ending	\$ 2,099,277	\$ 2,177,753	\$ 2,440,265	\$ 3,004,460	\$ (100,000)	\$ 2,904,460
Minimum Fund Balance Requirement		\$ 522,852	\$ 524,699			\$ 847,402
Over/(Under) Requirement		1,654,901	1,915,566			2,057,058

Storm Water Compliance Organizational Chart

As of October 1, 2025



Storm Water Compliance Fee Fund

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 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 \$918,792.

Storm Water Compliance

Services Provided

Stormwater fees primarily support stormwater compliance programs. To remain in compliance with these mandates, the Stormwater Compliance Fee will fund pollution prevention measures, community education, drainage system operations and maintenance, and other activities to control the quality of water discharged to the City's storm drains and waterways.

Programs of Service

Storm Water Management includes operations that address minimum control measures such as Community Outreach and education, TCEQ Storm Water Management Plan Compliance, and illicit discharge monitoring.

Drainage Maintenance involves upkeep and oversight of the City's water runoff infrastructure consisting of pipes, inlets, culverts, street gutters, ditches, channels, creeks, lakes, ponds, dams, tunnels, and floodwalls.

Summary by Category	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 One-Time	FY26 Changes	FY26 Budget
Salary & Benefits	\$ 484,472	\$ 664,023	\$ 664,023	\$ 690,076	\$ -	\$ -	\$ 690,076
Supplies	135,511	154,402	208,265	179,037	-	-	179,037
Professional Services	231,981	290,907	268,341	291,463	-	-	291,463
Repairs & Maintenance	637,582	875,025	871,209	878,539	-	-	878,539
Purchased Services	27,059	43,317	38,669	50,569	-	-	50,569
Capital/Other	-	175,096	152,263	100	-	-	100
Category Totals	\$ 1,516,604.92	\$ 2,202,770	\$ 2,202,770	\$ 2,089,784	\$ -	\$ -	\$ 2,089,784

Summary by Type	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
Stormwater Management	\$ 272,046	\$ 455,646	\$ 455,646	\$ 424,277	\$ -	\$ 424,277
Drainage Maintenance	\$ 1,244,559	1,747,124	1,747,123	1,665,507	-	1,665,507
Category Totals	\$ 1,516,604.92	\$ 2,202,770	\$ 2,202,770	\$ 2,089,784	\$ -	\$ 2,089,784

FTE Count	FY24 Budget	FY25 Current Budget	FY25 Adjustments	FY26 Base Budget	FY26 Adjustment	FY26 Budget
Stormwater Management	3.00	3.50	-	3.50	-	3.50
Drainage Maintenance	4.00	4.00	-	4.00	-	4.00
Category Totals	7.00	7.50	0.00	7.50	-	7.50

Strategy

Division	Strategic Outcome Area	Corresponding Performance Measure
Storm Water Management	Government: Respected & Influential	1, 2
Drainage Maintenance	People: Welcoming & Engaged	3

Storm Water Compliance

Performance Measures

	Performance Measure	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Target
1	Construction inspection issues resolved within 1 month	New	New	80%	90%	95%
2	Percentage of illicit discharge complaints responded to within 2 hours	100%	100%	100%	100%	100%
3	Percentage of industrial stormwater violations resolved within 1 month	100%	100%	100%	100%	100%

- 1) **Construction inspection issues resolved within 1 month:** measures the percentage of construction inspection issues that are addressed and closed within one month of being identified, reflecting responsiveness and efficiency in issue resolution.
- 2) **Percentage of illicit discharge complaints responded to within 2 hours:** tracks the proportion of illicit discharge complaints that receive an initial response within 2 hours, indicating the promptness and effectiveness of the response system.
- 3) **Percentage of industrial stormwater violations resolved within 1 month:** Measures the proportion of identified industrial stormwater violations that are corrected within one month, reflecting efficiency in compliance enforcement.

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Stormwater Fees	\$ 2,066,738	\$ 2,112,934	\$ 2,112,934	\$ 2,011,877	\$ -	\$ 2,011,877
Interest Income	34,634	37,000	37,000	42,000	-	42,000
Total Revenues	2,101,335	2,149,934	2,149,934	2,053,877	-	2,053,877
EXPENDITURES						
Stormwater Management	272,046	455,646	455,646	424,277	-	424,277
Drainage Maintenance	1,244,559	1,747,124	1,747,123	1,665,507	-	1,665,507
Total Expenditures	1,516,605	2,202,770	2,202,770	2,089,784	-	2,089,784
Fund Balance - Beginning	398,638	1,007,534	1,007,534	954,699	-	954,699
Revenues Over/(Under) Expenditures	584,730	(52,836)	(52,836)	(35,907)	-	(35,907)
Fund Balance - Ending	\$ 584,730	\$ 954,698	\$ 954,699	\$ 918,792	\$ -	\$ 918,792

Internal Service Funds

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

Employee Benefits Fund

This fund accounts for all financial resources associated with employee benefits, excluding workers' compensation and retirement. The City provides health and dental benefits for full-time employees. Part-time employees are not eligible for coverage. Employees choosing dependent coverage reimburse the City for premiums through payroll deductions. Additional coverage includes, but is not limited to; short-term disability, voluntary life, dependent life insurance, and vision. Prepaid legal services and cancer insurance are also available to purchase. Revenues and expenditures for optional coverage are pass-through only and, therefore, are not included in the City contribution. The City also pays 100% of long-term disability, accidental death and dismemberment. In addition, the city provides a life insurance benefit equal to one year of the employee's annual salary, with a minimum coverage amount of \$50,000 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 keys to supporting the fund balance are:

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 to continue 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 FY26 due to high reimbursements.

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

To prevent unexpected spikes in claim costs, the city maintains a cash reserve equal to 20% of potential claims in FY26. After accounting for the self-insurance reserve of \$2.7 million, the available fund balance is projected at \$1.7 million as of September 30, 2026.

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.

FY26 budgeted revenues include contributions from participating funds totaling \$2,088,231 and miscellaneous, sale of property, and interest income totaling \$255,000. Miscellaneous includes insurance proceeds for vehicles that are totaled and replaced prior to their planned replacement date.

The fund balance is projected to be \$92,749 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 \$1,749,990 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 (transfers from other funds) are determined based on the purchase cost of the equipment and the departments or users that benefit from those items. Transfers are made from the General Fund, Tourism Fund, Airport Fund, Solid Waste Fund, and Utility Fund.

Expenditures will decrease by \$102,228 in FY26 from FY25 due to fewer asset replacements. The projected FY26 fund balance of \$2,058,541 will support preparation for future high-cost asset replacements

**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
REVENUES						
Contributions	\$ 14,055,105	\$ 14,810,613	\$ 14,810,613	\$ 15,408,763	\$ -	\$ 15,408,763
Miscellaneous	1,479,307	1,902,096	1,902,096	1,942,572	-	1,942,572
Interest Income	170,413	143,891	143,891	143,891	-	143,891
Total Revenues	15,704,826	16,856,600	16,856,600	17,495,226	-	17,495,226
EXPENDITURES						
Premiums & Claims	14,223,996	15,351,525	15,351,525	16,495,867	-	16,495,867
Other	1,032,937	1,028,328	1,028,328	1,028,328	-	1,028,328
Total Expenditures	15,256,933	16,379,853	16,379,853	17,524,195	-	17,524,195
Fund Balance - Beginning	3,493,954	3,941,846	3,941,846	4,418,593	-	4,418,593
Revenues Over/(Under) Exp	447,893	476,747	476,747	(28,969)	-	(28,969)
Fund Balance - Ending	\$ 3,941,846	\$ 4,418,593	\$ 4,418,593	\$ 4,389,624	\$ -	\$ 4,389,624
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	1,934,590	1,934,590	1,677,449	-	1,677,449

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Sale of Property	\$ 270,023	\$ 166,968	\$ 166,968	\$ 160,000	\$ -	\$ 160,000
Interest Income	85,833	36,000	36,000	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	61,000	61,000	50,000	-	50,000
Total Revenues	1,789,910	2,357,036	2,357,036	2,343,231	-	2,343,231
EXPENDITURES						
Vehicles & Contractual Service	2,943,060	2,997,100	2,997,100	585,990	-	585,990
Contingency	-	-	-	100,000	-	100,000
Total Expenditures	2,943,060	2,997,100	2,997,100	685,990	-	685,990
Fund Balance - Beginning	1,885,963	732,813	732,813	92,749		92,749
Revenues Over/(Under) Expenditures	(1,153,150)	(640,064)	(640,064)	1,657,241		1,657,241
Fund Balance - Ending	\$ 732,813	\$ 92,749	\$ 92,749	\$ 1,749,990	\$ -	\$ 1,749,990

**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
REVENUES						
Sale of Capital Property	\$ 610	\$ 500	\$ 500	\$ 500	\$ -	\$ 500
Interest Income	107,140	76,500	76,500	80,000	-	80,000
Transfers in	1,059,980	1,193,980	1,193,980	1,193,980	-	1,193,980
Total Revenues	1,167,730	1,270,980	1,270,980	1,274,480	-	1,274,480
EXPENDITURES						
Equipment & Contractual Services	1,009,601	1,342,226	1,342,226	1,239,998	-	1,239,998
Total Expenditures	1,009,601	1,342,226	1,342,226	1,239,998	-	1,239,998
Fund Balance - Beginning	1,937,177	2,095,306	2,095,306	2,024,060	-	2,024,060
Revenues Over/(Under) Expenditures	158,129	(71,246)	(71,246)	34,482	-	34,482
Fund Balance - Ending	\$ 2,095,306	\$ 2,024,060	\$ 2,024,060	\$ 2,058,541	\$ -	\$ 2,058,541

Component Units

The City of Sugar Land has five entities that are considered component units of the City and that are included in the City's Annual Comprehensive Financial Report (ACFR). A component unit is defined as a legally separate organization for which the elected officials of the primary government (the City) are financially accountable. 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 the City Council.

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 Corporations. The Boards of Directors are appointed by and serve at the discretion of the City Council. In the event of dissolution, net assets of the Corporations shall be conveyed to the City.

The Tax Increment Reinvestment Zone #1 (TIRZ#1) represents the property improvements on 32 acres located at the Sugar Land Town Square development at the southeast corner of U.S. Highway 59 and State Highway 6. The City of Sugar Land, Fort Bend County, and Levee Improvement District (LID)#2 are the entities participating in TIRZ#1.

The Tax Increment Reinvestment Zone #3 (TIRZ#3) represents the property improvements on approximately 839 acres, including the former Imperial Sugar property north of U.S. Highway 90A and the former prison property north of U.S. Highway 90A and east of State Highway 6, with the exclusion of the parcel retained by TxDOT. The City of Sugar Land and Fort Bend County are the entities participating in TIRZ#3. The purpose of TIRZ#3 is to generate revenues for the costs of public infrastructure, recreational facilities, historic preservation, re-use of Imperial property, museums, and other eligible expenses.

The Tax Increment Reinvestment Zone #4 (TIRZ#4) represents the property improvements on approximately 700 acres located at the intersection of U.S. Highway 59 and University Boulevard. The City of Sugar Land, Fort Bend County, Fort Bend MUD 138, and Fort Bend MUD 139 are the entities participating in TIRZ#4. The purpose of TIRZ#4 is to fund certain infrastructure costs for entertainment, office, and higher-density retail development proposed within its boundaries.

Sugar Land Development Corporation

Total revenues are projected to be \$11,568,455 which includes sales tax of \$9,401,576, interest income of \$1,100,000, and an assignment from TIRZ#1 of \$1,036,879. 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 \$3,700,000. 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 \$3,300,000 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 \$19,423,237. The fund balance is \$18,013,001 higher than the policy requirement of \$1,410,236, 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. Operating 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 large portion 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.

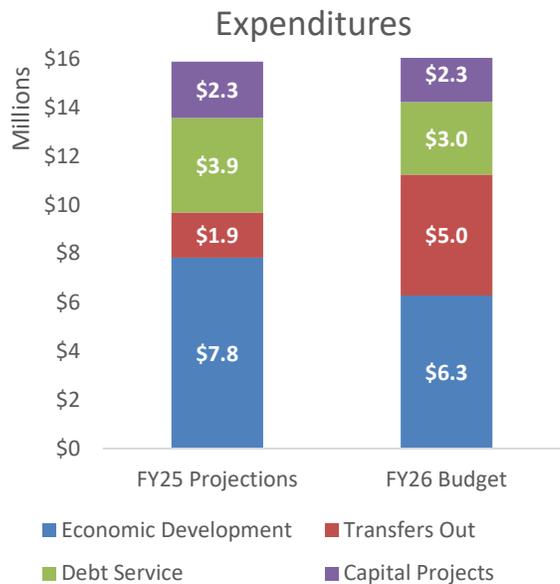
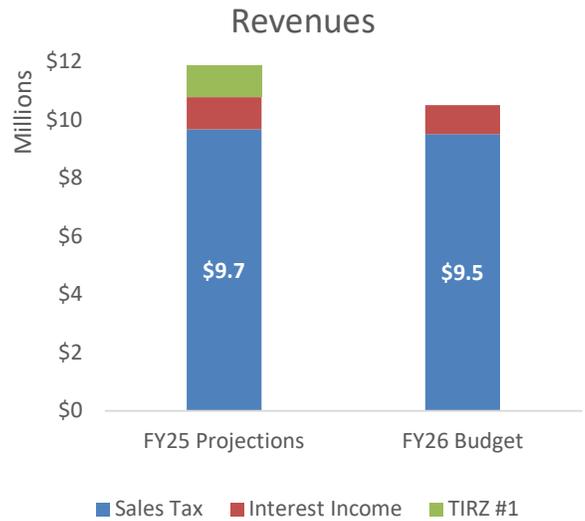
In FY26, the Corporation’s total debt service payments are \$6,259,926. This includes \$2,967,219 in direct payments for outstanding sales tax revenue bonds issued by the Corporation and \$3,292,707 in transfers to the Debt Service Fund. These transfers cover payments on newly issued bonds for the Imperial 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.

The estimated ending fund balance for FY26 is \$14,679,481, which is \$13,252,322 over the policy requirement of \$1,427,159, calculated as 15% of budgeted sales tax revenue. The Corporation also maintains a bond coverage ratio of 3.58, which is above the 1.25 minimum.



Sugar Land 4B Corporation

Total projected revenues for FY25 are \$10,428,254. This includes \$9,401,576 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.

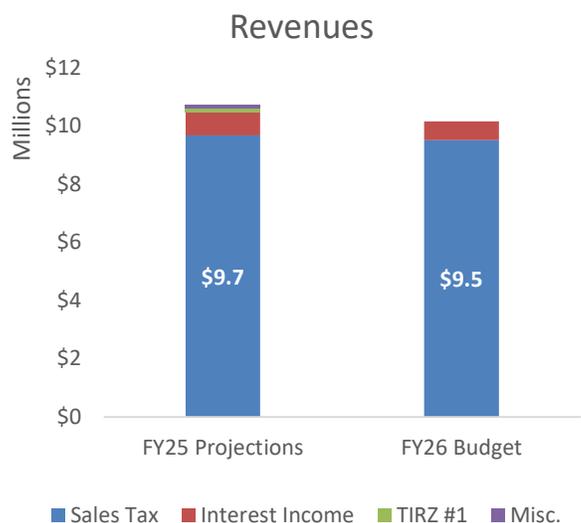
Transfers to Capital Projects are projected to be \$1,423,988. This funding includes \$331,163 for approved FUN Grant projects, \$200,000 for Eldridge Park improvements and \$892,825 for the splash pad at Memorial Park.

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 \$12,092,007. The fund balance is projected to be \$10,681,771 higher than policy requirements of \$1,410,236, 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. Operating 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 Retail Refresh 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.

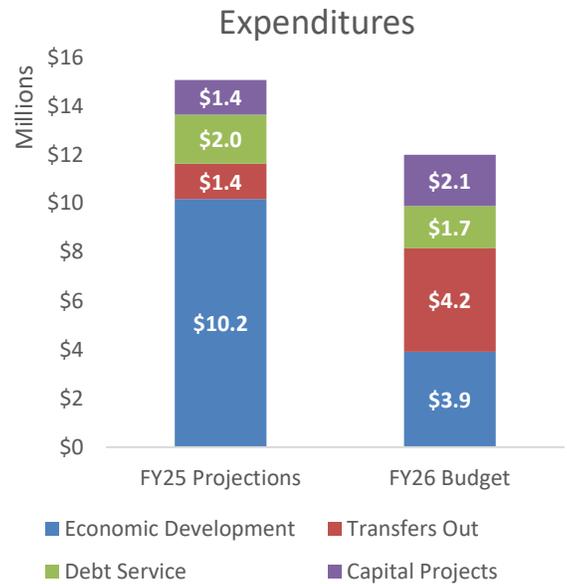
Transfers to other funds totaling \$1,604,045 include the reimbursement to the General Fund for Economic Development staff and overhead cost allocation of \$1,354,045, and a transfer of \$250,000 to the Public Arts Fund.

The estimated ending fund balance for FY26 is \$12,148,305, which is \$10,721,146 over the policy requirement of \$1,427,159, calculated as 15% of budgeted sales tax revenue. The Corporation also maintains a bond coverage ratio of 5.82, which is above the 1.25 minimum.

Tax Increment Reinvestment Zone #1

Revenues are budgeted to be \$2,277,850, which includes property taxes for \$2,267,850 and interest income for \$10,000. Property taxes are based on the added value from 2025 certified tax roll for the TIRZ#1, proposed 2025 City, County, and LID #2 tax rates at a 99.5% collection rate for each participating entity.

Operating expenditures for FY26 are estimated at \$18,908, primarily covering insurance, banking fees, annual audit costs, and administrative support provided by City staff. As TIRZ#1 is scheduled to be dissolved at the end of calendar year 2025, no additional expenditures or new project allocations are anticipated. Any unspent fund balance or revenue received after that point will revert back to the participating entities.



Tax Increment Reinvestment Zone #3

Revenues are budgeted to be \$2,104,990, which includes City and County property taxes for \$2,103,490 and interest income for \$1,500. Property taxes are based on the added value from 2025 certified tax roll for the TIRZ#3, 2026 adopted City and proposed County tax rates are budgeted at a 99.5% collection rate for each participating entity.

Operating expenditures are estimated to be \$2,104,990 for administrative support, legal and an assignment of \$2,062,890 to Imperial Redevelopment District. The fund balance at 9/30/26 is estimated to be \$11,155. TIRZ#3 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #4

Revenues are budgeted to be \$2,219,185, which includes City, County, and MUDs property taxes for \$1,869,185 and interest income for \$350,000. Property taxes are based on the added value from 2025 certified tax roll for the TIRZ#4, 2026 adopted City and proposed County tax rates are budgeted at a 99.5% collection rate for each participating entity.

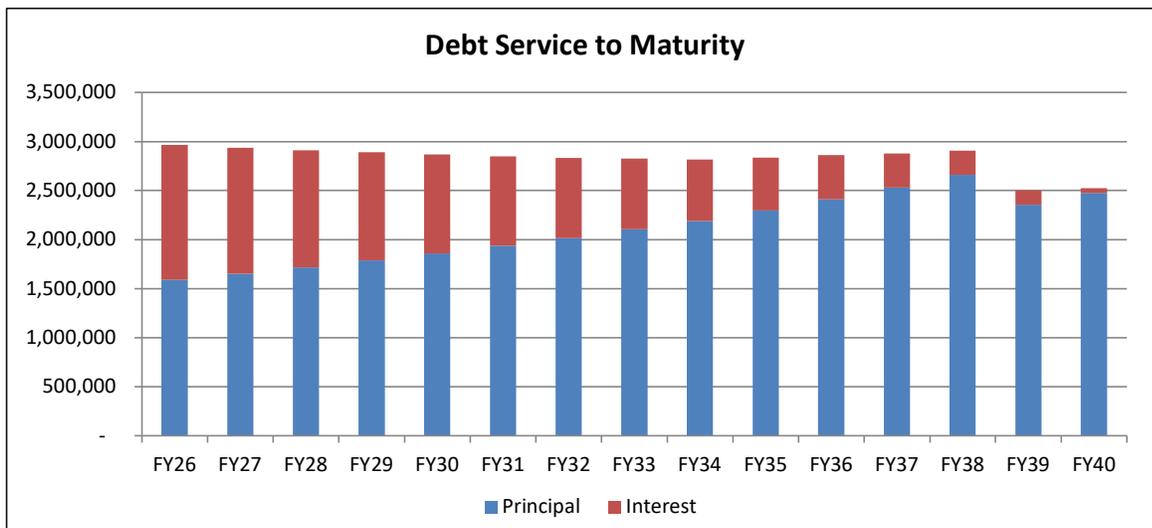
Operating expenditures are estimated to be \$51,367 for administrative support and legal services. The estimated ending fund balance at 9/30/26 is \$13,500,409. TIRZ#4 has no minimum fund policy balance requirement.

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Sales Tax	\$ 8,829,607	\$ 9,401,576	\$ 9,401,576	\$ 9,514,394	\$ -	\$ 9,514,394
Interest Income	1,283,089	1,100,000	1,100,000	1,000,000	-	1,000,000
Miscellaneous	47,209	30,000	30,000	-	-	-
TIRZ#1	1,793,000	1,036,879	1,036,879	-	-	-
Total Revenues	11,952,904	11,568,455	11,568,455	10,514,394	-	10,514,394
EXPENDITURES						
Economic Development Program	671,233	1,185,037	635,047	635,047	-	635,047
Sponsorships	-	-	-	-	550,000	550,000
Total Operating Expenditures	671,233	1,185,037	635,047	635,047	550,000	1,185,047
Debt Service	3,912,531	3,886,038	3,886,028	2,967,219	-	2,967,219
Reserve for Opportunities	-	1,950,000	2,500,000	1,000,000	-	1,000,000
Incentives	1,576,192	3,700,000	3,700,000	4,100,000	-	4,100,000
Transfers to Capital Projects	-	3,300,000	3,300,000	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
Total Non-Operating Expenditures	6,546,928	14,686,849	15,236,839	15,330,389	-	15,330,389
Total Expenditures	7,218,161	15,871,886	15,871,886	15,965,436	550,000	16,515,436
Fund Balance - Beginning	23,872,555	28,607,298	28,607,298	24,303,867	-	24,303,867
Revenues Over/(Under) Expenditures	4,734,743	(4,303,431)	(4,303,431)	(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)
Fund Balance - Ending	24,980,298	20,945,805	20,945,805	15,229,481	(550,000)	14,679,481
Accrued Sales Tax	(1,447,473)	(1,522,568)	(1,522,568)	(1,522,568)	-	(1,522,568)
Fund Balance - Available	\$ 23,532,825	\$ 19,423,237	\$ 19,423,237	\$ 13,706,913	\$ (550,000)	\$ 13,156,913
Minimum Fund Balance (15%)	\$ 1,324,441	\$ 1,410,236	\$ 1,410,236	\$ 1,427,159	-	\$ 1,427,159
Over/Under Policy	23,655,857	19,535,569	19,535,569	13,802,322	-	13,252,322
Bond Coverage Ratio (>1.25x)	2.60	3.54	3.54	3.58	-	3.58

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

	Principal	Interest	Total	Outstanding Debt Issues		
				Series	Principal	Matures
FY26	1,590,000	1,377,219	2,967,219	2014A	27,375,000	FY40
FY27	1,650,000	1,286,778	2,936,778	2021R	4,200,000	FY38
FY28	1,715,000	1,192,806	2,907,806	Total	<u>\$ 31,575,000</u>	
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>			

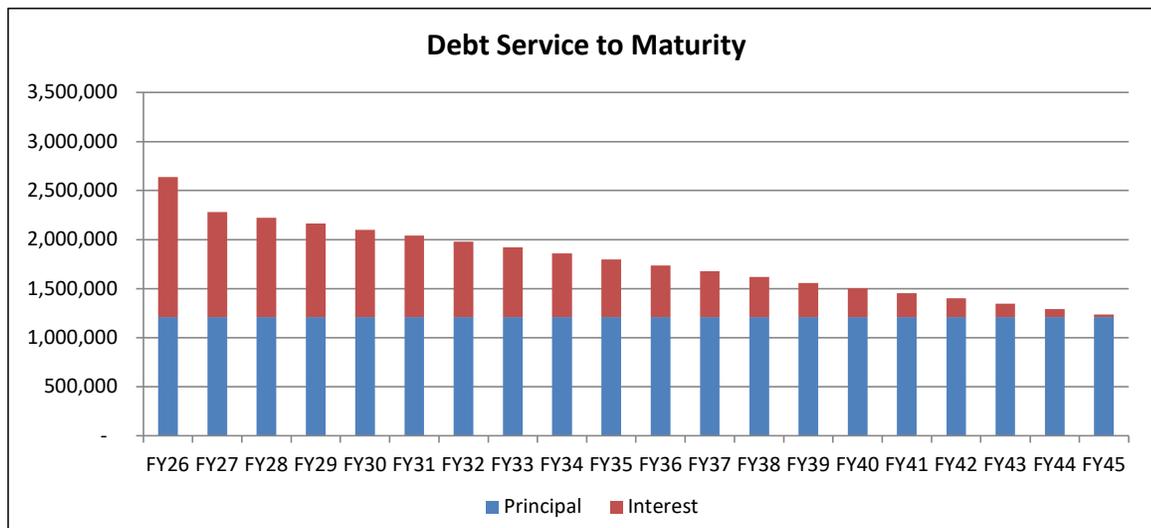


**COMPONENT UNIT
SUGAR LAND DEVELOPMENT CORPORATION
CERTIFICATES OF OBLIGATION - TRANSFER FOR IMPERIAL PURCHASE**

	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
\$ 24,195,000	\$ 11,620,451	\$ 35,815,451	

Outstanding Debt Issues

Series	Principal	Matures
2025	24,195,000	FY45
Total	\$ 24,195,000	

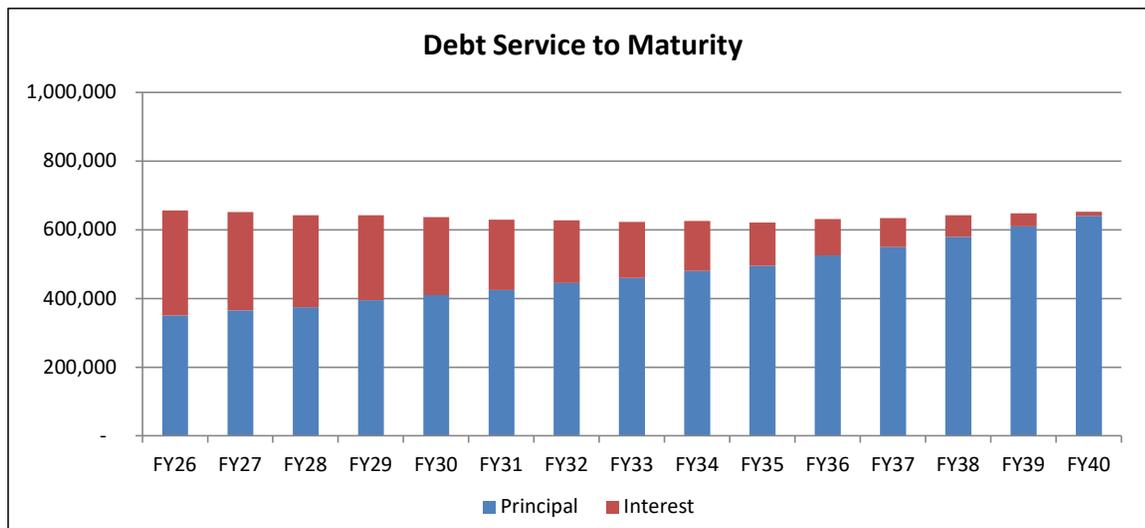


**COMPONENT UNIT
SUGAR LAND DEVELOPMENT CORPORATION
CERTIFICATES OF OBLIGATION - TRANSFER FOR PRIOR HOT FUNDED**

	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
\$	7,105,000	\$ 2,458,694	\$ 9,563,694

Outstanding Debt Issues

Series	Principal	Matures
2014	7,105,000	FY40
Total	\$ 7,105,000	



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

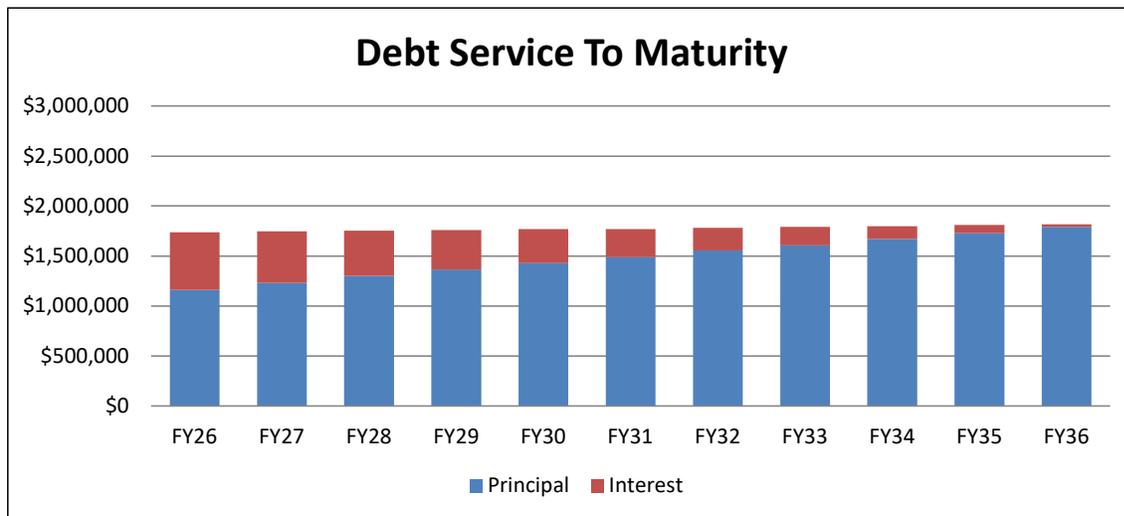
	Project #	Project Title	FY26	Description
Streets	CST2502	Major Street Rehabilitation	2,000,000	Reconstruction of major roadways identified as part of the Pavement Management and Maintenance Program; including portions of Industrial Blvd, Commerce Green Blvd and Greatwood Parkway.
Traffic	CTR2501	Landscape 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.
		Total	\$ 2,300,000	

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

	FY24	FY25	FY25	FY26	FY26	FY26
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
REVENUES						
Sales Tax	\$ 8,829,607	\$ 9,401,576	\$ 9,401,576	\$ 9,514,394	\$ -	\$ 9,514,394
Interest Income	1,095,704	800,000	800,000	650,000	-	650,000
TIRZ#1	145,008	146,678	146,678	-	-	-
Miscellaneous	113,256	80,000	80,000	-	-	-
Total Revenues	10,183,575	10,428,254	10,428,254	10,164,394	-	10,164,394
EXPENDITURES						
Economic Development Program	437,594	825,744	575,744	527,170	-	527,170
Sponsorships	-	-	-	-	500,000	500,000
Total Operating Expenditures	437,594	825,744	575,744	527,170	500,000	1,027,170
Debt Service	2,011,500	2,015,925	2,015,925	1,737,550	-	1,737,550
Reserve for Opportunities	-	326,012	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
Total Non-Operating Expenditures	6,696,604	14,248,951	14,498,951	10,902,177	70,000	10,972,177
Total Expenditures	7,134,198	15,074,695	15,074,695	11,429,347	570,000	11,999,347
Fund Balance - Beginning	17,213,322	20,262,699	20,262,699	15,616,258	-	15,616,258
Revenues Over/(Under) Expenditures	3,049,377	(4,646,441)	(4,646,441)	(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	13,611,832	13,611,832	12,718,305	(570,000)	12,148,305
Accrued Sales Tax	(1,447,473)	(1,519,824)	(1,519,824)	(1,519,824)	-	(1,519,824)
Fund Balance - Available	\$ 16,913,726	\$ 12,092,007	\$ 12,092,007	\$ 11,198,481	\$ (570,000)	\$ 10,628,481
Minimum Fund Balance (15%)	\$ 1,324,441	\$ 1,410,236	\$ 1,410,236	\$ 1,427,159		\$ 1,427,159
Over/Under Policy	17,036,758	12,201,595	12,201,595	11,291,146		10,721,146
Bond Coverage Ratio (>1.25x)	4.92	5.87	5.87	5.82		5.82

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

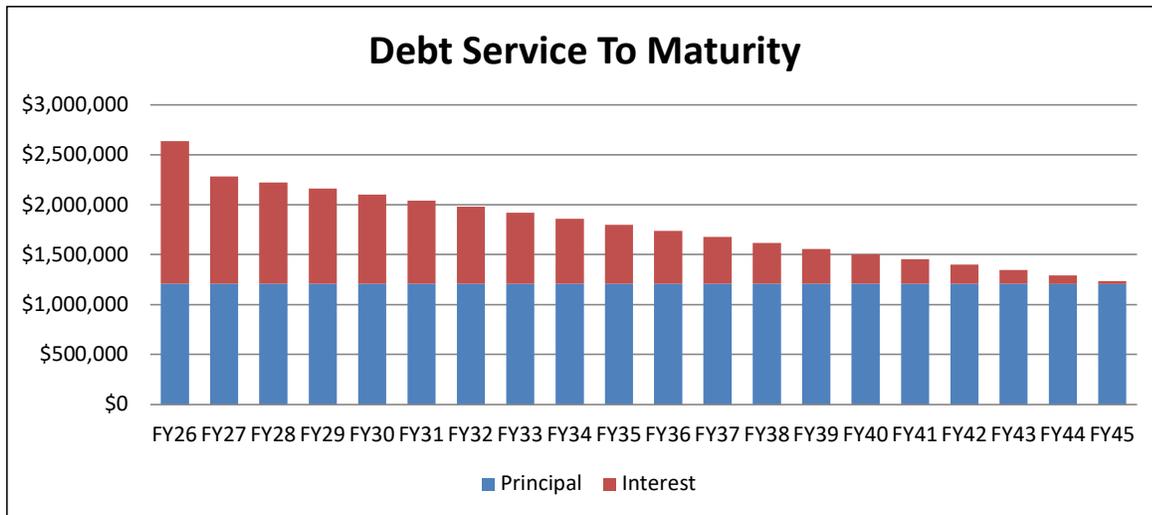
				Outstanding Debt Issues		
	Principal	Interest	Total	Series	Principal	Matures
FY26	1,160,000	577,550	1,737,550	2019	16,330,000	FY36
FY27	1,230,000	517,800	1,747,800		<u>\$ 16,330,000</u>	
FY28	1,300,000	454,550	1,754,550			
FY29	1,365,000	394,750	1,759,750			
FY30	1,430,000	338,850	1,768,850			
FY31	1,490,000	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
\$	24,195,000	\$ 11,620,451	\$ 35,815,451

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**

	Project #	Project Title	FY26	Description
Parks	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.
Parks	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.
		Total	\$ 2,100,000	

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Incremental Property Taxes - County	\$ 987,339	\$ 744,910	\$ 744,910	\$ 1,056,167	\$ -	\$ 1,056,167
Incremental Property Taxes - LID #2	344,602	210,172	210,172	297,123	-	297,123
Incremental Property Taxes - City	810,283	629,109	629,109	914,560	-	914,560
Interest Income	20,145	16,500	16,500	10,000	-	10,000
Total Revenues	2,162,368	1,600,691	1,600,691	2,277,850	-	2,277,850
EXPENDITURES						
Insurance	1,930	2,000	2,000	2,000	-	2,000
Town Square POA Events	312,950	344,245	344,245	-	-	-
Contractual Services	122	130	130	130	-	130
Support Services Reimb	10,443	3,751	3,751	16,778	-	16,778
Operating Expenditures	325,446	350,126	350,126	18,908	-	18,908
Plaza Events - Transfer to General Fund	70,000	70,000	70,000	-	-	-
Assignment to SLDC/SL4B	1,938,008	1,183,557	1,183,557	-	-	-
Non-Operating Expenditures	2,008,008	1,253,557	1,253,557	-	-	-
Total Expenditures	2,333,454	1,603,683	1,603,683	18,908	-	18,908
Revenues Over/(Under) Expenditures	(171,086)	(2,992)	(2,992)	2,258,942	-	2,258,942
Fund Balance - Beginning	174,078	2,992	2,992	-	-	-
Fund Balance - Ending	\$ 2,992	\$ (0)	\$ -	\$ 2,258,942	\$ -	\$ 2,258,942

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Incremental Property Taxes - County	\$ 924,163	\$ 1,020,066	\$ 1,015,014	\$ 1,094,566	\$ -	\$ 1,094,566
Incremental Property Taxes - City	807,290	925,827	922,356	1,008,924	-	1,008,924
Interest Income	1,964	750	6,000	1,500	-	1,500
Total Revenues	1,733,417	1,946,643	1,943,370	2,104,990	-	2,104,990
EXPENDITURES						
Legal Services	17,704	29,472	15,000	41,294	-	41,294
Admin Services	13,988	9,461	14,000	806	-	806
Assignment to IRD- TIRZ Revenue Fund	1,699,154	1,907,710	1,904,503	2,062,890	-	2,062,890
Total Expenditures	1,730,846	1,946,643	1,933,503	2,104,990	-	2,104,990
Revenues Over/(Under) Expenditures	2,571	-	9,867	-	-	-
Fund Balance - Beginning	(1,283)	1,288	1,288	11,155	-	11,155
Fund Balance - Ending	\$ 1,288	\$ 1,288	\$ 11,155	\$ 11,155	\$ -	\$ 11,155

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

	FY24 Actuals	FY25 Current Budget	FY25 Projections	FY26 Base Budget	FY26 Changes	FY26 Budget
REVENUES						
Incremental Property Taxes- City	\$ 552,335	\$ 605,427	\$ 563,928	\$ 688,654	\$ -	\$ 688,654
Incremental Property Taxes- FB County	579,267	606,182	556,600	703,600	-	703,600
Incremental Property Taxes- FB MUD 138	327,442	354,659	320,784	361,510	-	361,510
Incremental Property Taxes- FB MUD 139	71,662	108,301	108,301	115,421	-	115,421
Interest Income	435,798	250,000	350,000	350,000	-	350,000
Total Revenues	1,966,503	1,924,569	1,899,613	2,219,185	-	2,219,185
EXPENDITURES						
Support Services	-	50,000	-	50,000	-	50,000
Support Services- Admin Support	39,307	16,433	16,433	1,367	-	1,367
Total Expenditures	39,307	66,433	16,433	51,367	-	51,367
Revenues Over/(Under) Expenditures	1,927,196	1,858,136	1,883,180	2,167,818	-	2,167,818
Fund Balance - Beginning	7,522,215	9,449,411	9,449,411	11,332,591	-	11,332,591
Fund Balance - Ending	\$ 9,449,411	\$ 11,307,547	\$ 11,332,591	\$ 13,500,409	\$ -	\$ 13,500,409

Five-Year Forecast

The City's Financial Management Policy Statements (FMPS) specify that a long-range forecast is to be prepared annually for the City's major operating funds. These forecasts are guided by the stipulations provided in the City's FMPS. Reasonable assumptions can be made regarding future actions based on these statements, which provide a more meaningful forecast to elected officials as they provide direction to City management. The forecast provides management with 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 from FY27-FY30 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.
- 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 \$75.2 million with \$43.6 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

Sales tax revenues have consistently outperformed initial budget estimates in recent fiscal years. In accordance with the City’s Financial Management Policy for budgeting and forecasting sales tax revenues, the FY26 budget is based on FY25 recurring actual revenues with an estimated growth rate of 1.2%, which reflects the April 2025 publication of the consumer price 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 \$351,900.

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
SLDC	\$ 3,292,707	\$ 2,934,488	\$ 2,864,563	\$ 2,803,851	\$ 2,737,220
SL4B	2,636,582	2,282,131	2,221,631	2,161,131	2,100,631
Tourism Fund	351,900	-	-	-	-
Utility Fund- MUD Debt	1,244,739	-	-	-	-
Enclave at River Park PID	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
2019 GO Bonds	\$4,550,000	\$ -	\$ -	\$ -	\$ -
2024 GO Bonds Election	69,825,000	72,000,000	62,262,500	61,900,000	59,350,000
Airport CO's	15,500,000	850,000	16,298,880	-	750,000
Utility Revenue Bonds	41,186,113	24,832,231	105,481,980	27,047,059	30,080,880
Total by Year	\$131,061,113	\$97,682,231	\$184,043,360	\$88,947,059	\$90,180,880

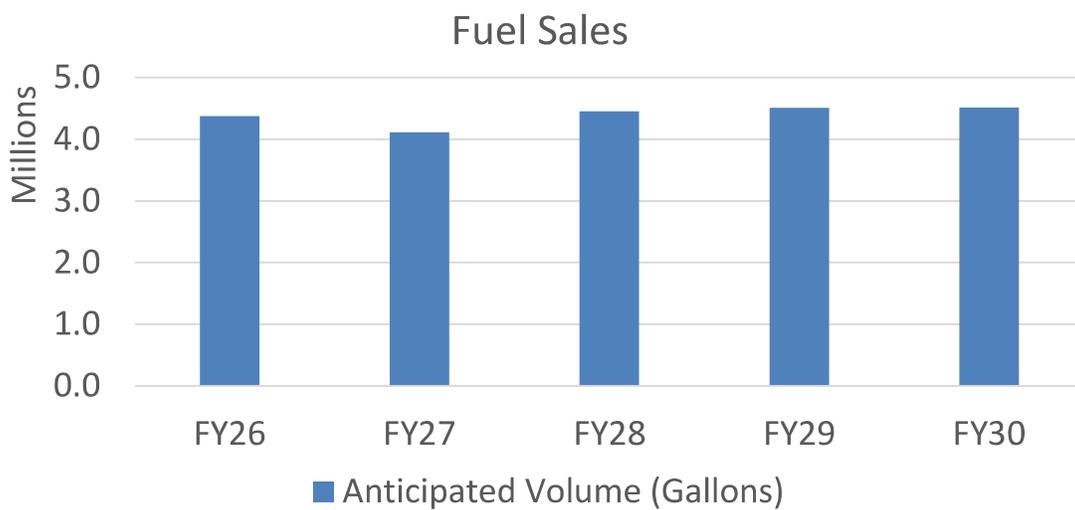
Utility Charges for Services

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 Groundwater Reduction Program (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 2027, 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 assessed valuation 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.

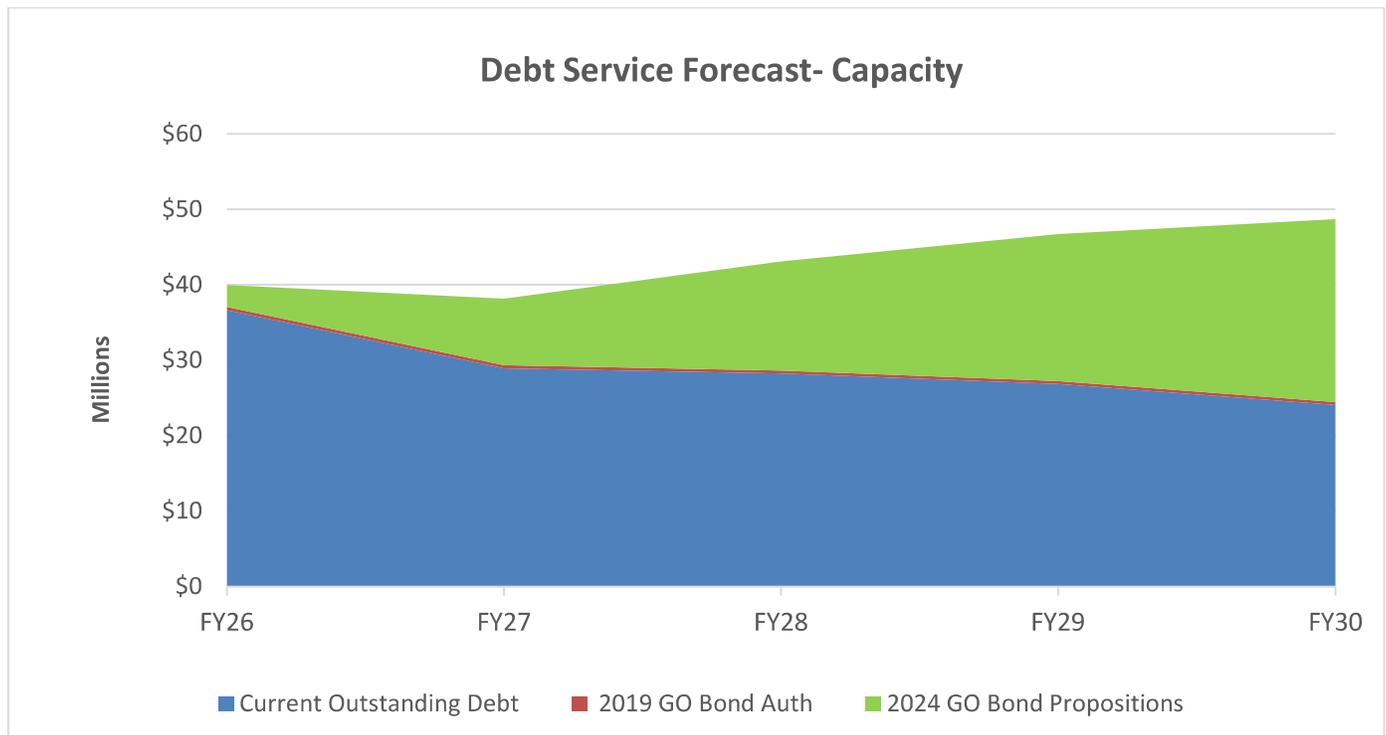
Debt Service Funds

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

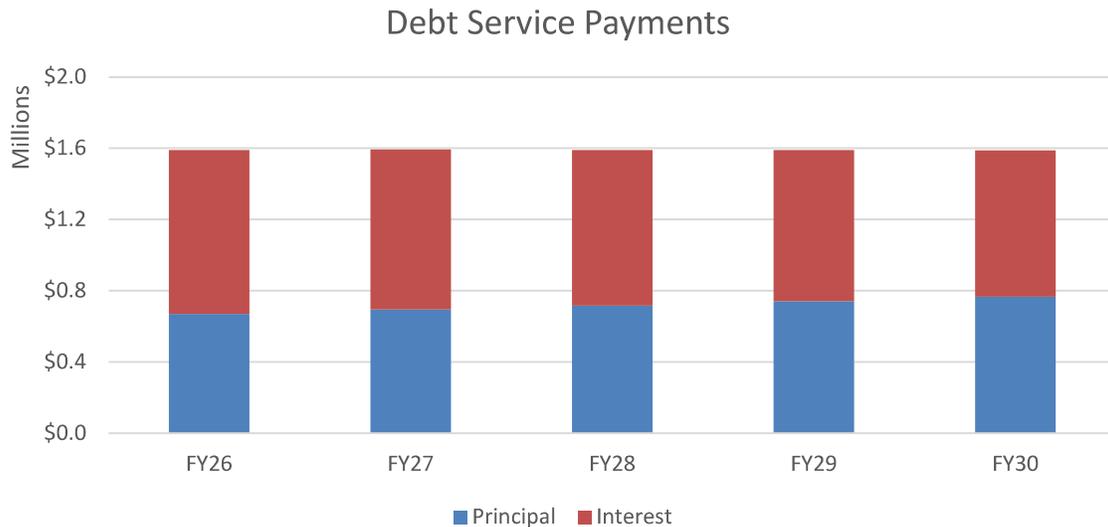
The Debt Service Fund maintains policy compliance throughout the five-year forecast period. Transfers from other funds align with the scheduled debt payments supported by their respective revenue streams. Based on the stated assumptions, the fund can support debt service payments for all outstanding 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. Groundwater 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, 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 which 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 \$14.1 million in FY26 to \$20.5 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, 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 FY25 levels and are estimated to grow conservatively over the forecast. Additionally, hangar leases and other revenues will continue to grow throughout the forecast.

Expenditure on fuel resale is expected to align with the volume of fuel sales. Operating expenses, excluding fuel costs and credit card fees, which are offset by corresponding revenues, are projected to decrease by an average of 3% annually over the five-year forecast period. Airport capital projects scheduled for FY26 through FY28 are expected to be financed with Certificates of Obligation, supported by the Airport Fund. One FY26 project will be partially funded from Airport Revenues, while projects in FY29 and FY30 will be fully financed through Airport Revenues.

Tourism Fund

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

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 \$8.4 million will be spent on tourism programs and marketing, and \$2.8 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 will be paid 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 is 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.

PROJECT TYPE	2026-2030 TOTAL	SOURCES OF FUNDS	2026-2030 TOTAL
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
TOTAL	\$ 766,024,328	TOTAL	\$ 766,024,328

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 \$62.4M 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 \$14.6M 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 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 Adopted Budget	FY26 Amendment	FY26 Final Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
REVENUES								
Property Taxes	\$ 42,748,820	\$ 44,561,211	\$ (921,206)	\$ 43,640,005	\$ 45,832,455	\$ 47,558,604	\$ 49,347,299	\$ 51,200,765
Sales Tax	58,282,574	57,086,367	-	57,086,367	59,203,130	60,979,224	62,808,600	64,692,858
Other Taxes	6,397,593	6,850,477	-	6,850,477	7,044,000	7,244,000	7,448,000	7,659,000
Licenses & Permits	5,472,915	4,495,453	-	4,495,453	4,628,000	4,765,000	4,906,000	5,051,000
Charges for Services	6,314,400	7,583,353	-	7,583,353	7,672,000	7,899,000	8,132,000	8,373,000
Fines & Forfeitures	1,090,500	1,210,000	-	1,210,000	1,246,000	1,283,000	1,322,000	1,362,000
Other	2,676,240	1,430,075	-	1,430,075	1,520,000	1,565,000	1,612,000	1,661,000
Intergovernmental	784,097	1,404,290	-	1,404,290	19,520	2,305	2,374	2,446
Interest Income	2,359,000	1,944,000	-	1,944,000	1,712,036	1,718,410	1,738,119	1,776,962
Operating Revenues	126,126,139	126,565,226	(921,206)	125,644,020	128,877,141	133,014,543	137,316,392	141,779,031
Transfers In	8,865,016	10,407,228	-	10,407,228	10,699,743	11,000,656	11,309,325	11,627,835
Non-operating Revenues	8,865,016	10,407,228	-	10,407,228	10,699,743	11,000,656	11,309,325	11,627,835
Total Revenues	134,991,155	136,972,454	(921,206)	136,051,248	139,576,884	144,015,199	148,625,717	153,406,866
EXPENDITURES								
General Government	28,055,864	27,094,893	(423,851)	26,671,042	26,942,000	27,687,000	28,453,000	29,242,000
Finance	6,388,133	6,250,509	-	6,250,509	6,422,000	6,600,000	6,783,000	6,972,000
Public Works	12,312,084	11,171,186	(50,000)	11,121,186	11,428,000	11,746,000	12,072,000	12,408,000
Parks & Recreation	7,639,488	7,190,802	(111,109)	7,079,693	7,263,000	7,464,000	7,670,000	7,881,000
Community Development	8,228,393	7,523,826	(111,109)	7,412,717	7,617,000	7,827,000	8,043,000	8,266,000
Environmental & Neighborhood SVC	10,036,351	9,480,112	(204,715)	9,275,397	9,532,000	9,796,000	10,067,000	10,346,000
Police Department	31,693,927	31,565,718	(98,497)	31,467,220	32,343,000	33,246,000	34,173,000	35,126,000
Public Safety Dispatch	4,080,985	4,303,399	-	4,303,399	4,423,000	4,546,000	4,673,000	4,803,000
Fire Department	25,065,250	25,567,432	-	25,567,432	26,038,000	26,766,000	27,514,000	28,284,000
Departmental Expenditures	133,500,475	130,147,876	(999,281)	129,148,596	132,008,000	135,678,000	139,448,000	143,328,000
Transfers to Other Funds	3,272,377	3,271,290	-	3,271,290	3,065,820	3,359,101	3,251,822	2,896,151
Miscellaneous	1,317,736	3,837,583	-	3,837,583	155,000	171,000	511,000	894,000
Rebates & Assignments	3,541,356	4,152,757	(86,037)	4,066,720	4,188,721	4,314,383	4,443,815	4,577,129
Non-departmental Expenditures	8,131,469	11,261,630	(86,037)	11,175,592	7,409,541	7,844,484	8,206,636	8,367,280
Total Expenditures	141,631,943	141,409,506	(1,085,318)	140,324,188	139,417,541	143,522,484	147,654,636	151,695,280
Fund Balance - Beginning	53,714,637	47,073,849	-	47,073,849	42,800,909	42,960,252	43,452,966	44,424,048
Revenues Over/(Under) Expenditures	(6,640,788)	(4,437,052)	-	(4,272,940)	159,343	492,715	971,081	1,711,586
Fund Balance - Ending	\$ 47,073,849	\$ 42,636,797	-	\$ 42,800,909	\$ 42,960,252	\$ 43,452,966	\$ 44,424,048	\$ 46,135,634
Accrued Sales/Franchise Taxes	(9,483,653)	(9,483,653)	-	(9,483,653)	(9,867,188)	(10,163,204)	(10,468,100)	(10,782,143)
Fund Balance - Available	\$ 37,590,196	\$ 33,153,145	-	\$ 33,317,256	\$ 33,093,063	\$ 33,289,762	\$ 33,955,947	\$ 35,353,491
Ending Fund Balance- % of Oper Exp	35%	32%	-	32%	32%	31%	31%	31%
Fund Balance - Requirement	\$ 33,848,358	\$ 33,639,448	-	33,368,119	\$ 34,095,020	\$ 35,048,846	\$ 36,109,225	\$ 37,208,877
Over / (Under) Policy	13,225,491	8,997,349	-	9,432,791	8,865,232	8,404,120	8,314,823	8,926,756

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
RFVFNIIFS						
Current Property Tax	\$ 29,638,008	\$ 31,763,250	\$ 36,521,796	\$ 40,180,464	\$ 44,060,771	\$ 48,173,821
Delinquent Property Taxes	(220,791)	57,157	65,015	72,033	79,428	87,402
Interest on Investments	680,000	298,100	427,000	533,800	509,200	475,300
Bond Proceeds	-	-	-	-	-	-
Miscellaneous	521,963	521,550	521,550	521,550	521,550	521,550
Total Operating Revenues	30,619,180	32,640,057	37,535,361	41,307,847	45,170,949	49,258,073
From Utility Fund	3,567,094	1,244,739	-	-	-	-
From Tourism Fund	685,175	351,900	-	-	-	-
From PID	98,788	95,288	91,788	104,721	102,863	101,431
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
Total Transfers In	5,010,163	7,621,216	5,308,407	5,190,915	5,067,845	4,939,282
Total Revenues	35,629,342	40,261,273	42,843,767	46,498,762	50,238,793	54,197,355
EXPENDITURES						
Current Outstanding & New Debt	30,750,699	39,955,267	38,142,635	43,088,938	46,701,460	48,710,042
Issuance Costs/Fiscal Fees/Other	69,650	689,993	50,000	50,000	50,000	50,000
Refunding Payment to Escrow	-	-	-	-	-	-
Total Debt Service	30,820,349	40,645,260	38,192,635	43,138,938	46,751,460	48,760,042
Rebates & Assignments	2,375,578	2,976,939	3,220,576	3,629,570	3,952,956	4,292,478
Transfers to Other Funds	257,634	274,221	243,281	276,378	287,433	298,930
Total Non-Operating Expenditures	2,633,212	3,251,160	3,463,857	3,905,947	4,240,388	4,591,408
Total Expenditures	33,453,561	43,896,420	41,656,492	47,044,885	50,991,849	53,351,450
FUND BALANCE - BEGINNING	12,133,353	14,309,134	10,673,987	11,861,262	11,315,139	10,562,083
CHANGE IN FUND BALANCE	2,175,781	(3,635,147)	1,187,275	(546,124)	(753,055)	845,905
FUND BALANCE - ENDING	\$ 14,309,134	\$ 10,673,987	\$ 11,861,262	\$ 11,315,139	\$ 10,562,083	\$ 11,407,988
Policy Requirement	\$ 3,075,070	\$ 3,995,527	\$ 3,814,263	\$ 4,308,894	\$ 4,670,146	\$ 4,871,004
Over/(Under) Policy	11,234,065	6,678,460	8,046,999	7,006,245	5,891,937	6,536,984
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
REVENUES						
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
Total Revenues	2,096,066	2,123,384	2,135,920	2,157,417	2,178,646	2,202,516
EXPENDITURES						
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
Total Expenditures	1,588,724	1,590,355	1,593,593	1,590,144	1,589,854	1,587,758
Fund Balance - Beginning	2,297,277	2,804,620	3,337,648	3,879,976	4,447,250	5,036,042
Change in Fund Balance	507,342	533,029	542,328	567,273	588,793	614,758
Fund Balance - Ending	\$ 2,804,620	\$ 3,337,648	\$ 3,879,976	\$ 4,447,250	\$ 5,036,042	\$ 5,650,801

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
REVENUES						
Charges for Services	\$ 45,962,504	\$ 48,840,092	\$ 51,833,054	\$ 55,060,063	\$ 58,454,726	\$ 61,932,015
Surface Water Fees	25,025,742	26,453,263	27,485,965	28,598,072	29,746,116	30,935,758
Tap Fees	85,225	732,534	895,809	1,004,659	1,004,659	841,384
Interest Income	2,088,841	1,073,467	1,105,671	1,138,841	1,173,006	1,208,197
Miscellaneous	2,618,271	451,950	451,950	451,950	451,950	451,950
Operating Revenues	75,780,583	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	342,818	5,957,182	-	-	-	-
Non-operating Revenues	69,418,631	48,044,850	25,732,531	106,381,030	27,944,859	30,977,930
Total Revenues	145,199,214	125,596,156	107,504,980	192,634,615	118,775,316	126,347,234
EXPENDITURES						
Utility Administration	1,628,468	1,294,584	1,315,295	1,349,447	1,384,573	1,420,697
Water Distribution	3,269,144	3,022,265	3,083,720	3,146,850	3,211,580	3,277,939
Water Production	5,715,823	4,468,584	4,534,996	4,602,724	4,671,802	4,742,262
Wastewater Collection	1,595,825	1,660,136	1,696,404	1,733,625	1,771,825	1,811,034
Wastewater Treatment	9,911,421	8,969,236	9,079,981	9,192,464	9,306,723	9,422,794
Customer Service	2,391,871	2,054,041	2,098,136	2,143,378	2,189,801	2,237,438
Water Quality	1,205,361	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	2,402,568	2,452,627	2,499,926	2,548,381	2,598,024	2,648,888
AMI Operations	858,915	889,506	905,206	921,268	937,700	954,514
Surface Water	12,888,504	9,529,530	9,659,362	9,791,527	9,926,083	10,063,083
Total Operating Expenditures	42,294,739	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	8,928,685	7,117,975	6,107,679	6,345,573	6,586,973	6,831,937
Miscellaneous	79,133	332,337	325,714	318,892	311,865	304,627
Contingency	-	500,000	500,000	500,000	500,000	500,000
CIP Transfers	70,173,263	43,186,118	26,832,231	127,931,980	29,047,059	32,080,880
Total Non-Operating Expenditures	107,738,086	83,656,289	68,621,354	178,100,386	80,616,092	84,305,186
Total Expenditures	150,032,825	119,502,383	105,034,511	215,105,657	118,226,243	122,533,292
Cash Equivalent - Beginning	45,044,676	40,211,065	46,304,838	48,775,308	26,304,266	26,853,339
Revenues Over/(Under) Expenditures	(4,833,611)	6,093,773	2,470,470	(22,471,042)	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	\$ 31,100,419	\$ 32,170,085	\$ 34,228,305	\$ 6,830,399	\$ 6,734,395	\$ 9,715,387
Bond Coverage	1.19	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	74%	90%	94%	18%	18%	25%
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
REVENUES						
Fuel Sales	\$ 21,006,639	\$ 25,907,858	\$ 22,451,896	\$ 21,499,539	\$ 24,708,557	\$ 24,746,440
Hangar Leases	1,672,206	1,589,200	1,606,092	1,623,173	1,640,445	1,657,911
Charges for Services	1,179,935	1,097,700	1,108,677	1,119,764	1,130,961	1,142,271
Interest Income	492,683	505,026	520,177	535,782	551,856	568,411
Other Revenues	351,339	350,000	354,000	358,000	362,000	366,000
Miscellaneous	410,028	300,000	300,000	300,000	300,000	300,000
Operating Revenues	25,112,830	29,749,784	26,340,842	25,436,258	28,693,819	28,781,033
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	565,443	580,906	596,833	613,238	630,135	647,539
Non-Operating Revenues	1,459,443	16,180,906	1,546,833	17,012,118	730,135	1,497,539
Total Revenues	26,572,273	45,930,690	27,887,675	42,448,376	29,423,954	30,278,572
EXPENDITURES						
Airport Administration	1,582,274	1,638,333	1,503,216	1,518,248	1,533,431	1,548,765
Airfield Operations	487,189	533,201	538,533	543,918	549,357	554,851
FBO Services	14,963,937	19,555,411	17,378,284	16,821,762	18,837,906	18,906,566
Café Select	355,587	364,392	347,836	351,315	354,828	358,376
Maintenance and Operations	1,528,505	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	19,632,689	23,924,776	21,619,643	21,105,534	23,164,516	23,276,443
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	1,431,119	2,703,887	2,734,185	3,826,871	3,688,023
Miscellaneous	70,940	533,024	239,004	546,952	219,934	233,883
Total Non-Operating Expenditures	4,148,979	18,915,000	5,137,646	21,070,330	5,759,360	6,533,406
Total Expenditures	23,781,667	42,839,776	26,757,289	42,175,864	28,923,876	29,809,849
Fund Balance - Beginning	11,117,572	13,908,177	16,999,091	18,129,477	18,401,989	18,902,067
Revenues Over/(Under) Expenditures	2,790,605	3,090,914	1,130,386	272,512	500,078	468,723
Debt Service Reserve	(860,041)	(3,160,378)	(3,220,007)	(3,212,742)	(3,202,980)	(3,123,950)
Fund Balance - Ending	\$ 13,048,136	\$ 13,838,713	\$ 14,909,470	\$ 15,189,247	\$ 15,699,087	\$ 16,246,841
CASH EQ. RESERVE RATIO (25% min)	193%	182%	194%	196%	200%	205%
BOND COVERAGE (1.25x min)	4.73	2.24	1.73	1.13	1.50	1.50
FUEL GALLONS SOLD	4,547,167	4,581,343	3,970,218	3,801,811	4,369,268	4,375,967

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
REVENUES						
Hotel/Motel Occupancy Tax	\$ 3,071,845	\$ 3,150,000	\$ 2,894,762	\$ 2,897,657	\$ 2,900,554	\$ 2,903,455
Interest Income	97,632	100,000	95,000	95,000	95,000	95,000
Miscellaneous	22,231	21,000	21,000	21,000	21,000	21,000
Total Revenues	3,191,708	3,271,000	3,010,762	3,013,657	3,016,554	3,019,455
EXPENDITURES						
Tourism Program	1,480,374	1,628,110	1,660,673	1,693,886	1,727,764	1,762,319
Imperial Historic District	357,114	543,603	554,475	565,565	576,876	588,413
Sponsorships	100,000	100,000	100,000	-	-	-
Total Operating Expenditures	1,937,488	2,271,713	2,315,148	2,259,451	2,304,640	2,350,732
Transfer Out - Debt Service Fund	685,175	351,900	-	-	-	-
Transfer Out - Others	550	550	550	550	550	550
Total Non-Operating Expenditures	685,725	352,450	550	550	550	550
Total Expenditures	2,623,213	2,624,163	2,315,698	2,260,001	2,305,190	2,351,282
Fund Balance - Beginning	3,255,299	3,823,794	5,246,478	6,717,389	8,246,891	9,734,103
Revenues Over/(Under) Expenditures	568,495	646,837	695,064	753,656	711,365	668,173
Fund Balance - Ending	3,823,794	4,470,631	5,941,542	7,471,045	8,958,256	10,402,275
Accrued Sales Tax	(775,847)	(775,847)	(775,847)	(775,847)	(775,847)	(775,847)
Fund Balance - Available	\$ 3,047,948	\$ 3,694,784	\$ 5,165,696	\$ 6,695,198	\$ 8,182,409	\$ 9,626,429
Minimum Fund Balance (15%)	\$ 307,185	\$ 315,000	\$ 289,476	\$ 289,766	\$ 290,055	\$ 290,345
Over/Under Policy	2,740,763	3,379,784	4,876,219	6,405,432	7,892,354	9,336,083

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
REVENUES						
Sales Tax	\$ 9,401,576	\$ 9,514,394	\$ 9,867,188	\$ 10,163,224	\$ 10,468,100	\$ 10,782,143
Interest Income	1,100,000	1,000,000	780,000	510,000	390,000	320,000
Miscellaneous	30,000	-	-	-	-	-
TIRZ#1	1,036,879	-	-	-	-	-
Total Revenues	11,568,455	10,514,394	10,647,188	10,673,224	10,858,100	11,102,143
EXPENDITURES						
Economic Development Program	635,047	635,047	641,367	647,750	654,197	660,709
Sponsorships	550,000	550,000	300,000			
Total Operating Expenditures	1,185,047	1,185,047	941,367	647,750	654,197	660,709
Debt Service	3,886,028	2,967,219	2,936,778	2,907,806	2,889,675	2,867,425
Reserve for Opportunities	1,950,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Incentives	3,700,000	4,100,000	5,575,000	4,130,000	3,085,426	2,200,000
Transfers to Capital Projects	3,300,000	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
Total Non-Operating Expenditures	14,686,839	15,330,389	15,965,343	12,971,518	11,899,675	10,978,489
Total Expenditures	15,871,886	16,515,436	16,906,710	13,619,268	12,553,872	11,639,198
Fund Balance - Beginning	28,607,298	24,303,867	18,302,825	12,043,303	9,097,258	7,401,486
Revenues Over/(Under) Expenditures	(4,303,431)	(6,001,042)	(6,259,522)	(2,946,044)	(1,695,772)	(537,055)
Debt Service Reserve	(3,358,062)	(2,967,219)	(2,936,778)	(2,833,500)	(2,662,000)	(2,483,000)
Fund Balance - Ending	20,945,805	15,335,606	9,106,525	6,263,758	4,739,486	4,381,431
Accrued Sales Tax	(1,522,568)	(1,522,568)	(1,522,568)	(1,522,568)	(1,522,568)	(1,522,568)
Fund Balance - Available	\$ 19,423,237	\$ 13,813,038	\$ 7,583,957	\$ 4,741,191	\$ 3,216,919	\$ 2,858,864
Minimum Fund Balance (15%)	\$ 1,410,236	\$ 1,427,159	\$ 1,480,078	\$ 1,524,484	\$ 1,570,215	\$ 1,617,321
Over/Under Policy	18,013,001	12,385,879	6,103,879	3,216,707	1,646,704	1,241,542
Bond Coverage Ratio (>1.25x)	3.54	3.58	3.66	3.69	3.79	3.90

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

	FY25 Projections	FY26 Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
REVENUES						
Sales Tax	\$ 9,401,576	\$ 9,514,394	\$ 9,867,188	\$ 10,163,204	\$ 10,468,100	\$ 10,782,143
Interest Income	800,000	650,000	588,462	506,412	430,579	367,810
TIRZ#1	146,678	-	-	-	-	-
Miscellaneous	80,000	-	-	-	-	-
Total Revenues	10,428,254	10,164,394	10,455,650	10,669,616	10,898,679	11,149,953
EXPENDITURES						
Economic Development Program	575,744	527,170	531,594	536,871	542,200	547,582
Sponsorships		500,000	300,000	-	-	-
Total Operating Expenditures	575,744	1,027,170	831,594	536,871	542,200	547,582
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
Total Non-Operating Expenditures	14,498,951	10,972,177	11,545,598	11,908,688	11,826,483	10,194,471
Total Expenditures	15,074,695	11,999,347	12,377,192	12,445,558	12,368,683	10,742,053
Fund Balance - Beginning	20,262,699	15,616,258	13,781,305	11,859,763	10,083,821	8,613,817
Revenues Over/(Under) Expenditures	(4,646,441)	(1,834,953)	(1,921,542)	(1,775,942)	(1,470,003)	407,900
Debt Service Reserve	(2,004,426)	(1,633,000)	(1,517,000)	(1,394,000)	(1,264,000)	(1,127,500)
Fund Balance - Ending	13,611,832	12,148,305	10,342,763	8,689,821	7,349,817	7,894,217
Accrued Sales Tax	(1,519,824)	(1,519,824)	(1,519,824)	(1,519,824)	(1,519,824)	(1,519,824)
Fund Balance - Available	\$ 12,092,007	\$ 10,628,481	\$ 8,822,939	\$ 7,169,996	\$ 5,829,993	\$ 6,374,392
Minimum Fund Balance (15%)	\$ 1,410,236	\$ 1,427,159	\$ 1,480,078	\$ 1,524,481	\$ 1,570,215	\$ 1,617,321
Over/Under Policy	12,201,595	10,721,146	8,862,685	7,165,340	5,779,602	6,276,895
Bond Coverage Ratio (>1.25x)	5.87	5.82	5.96	6.06	6.16	6.30

City of Sugar Land Financial Management Policy Statements

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City of Sugar Land

Financial Management Policy Statements

Introduction

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

In some 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

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

Accounting Practices and Principles

The City will maintain accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All city financial documents, except monthly interim financial reports and the budget, including official statements accompanying debt issues, 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

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.

Annual Audit

Pursuant to State Statute, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be performed by a certified public accounting (CPA) firm, licensed to practice in the State of Texas. Although the Texas Local Government Code, Section 103.003 Filing: Public Record requires the annual financial statement including the auditor's opinion on the statement to be filed with the City Secretary within 180 days after the last day of the fiscal year, it is the City's goal to file the audit no later than the second City Council meeting in February. The audit firm shall provide a management letter to the City prior to the filing of the audit. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary.

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

An official 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

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

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

Signature of Checks

All checks shall have two signatures. 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

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

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

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

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

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

Bond Counsel

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

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

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

Disclosure Counsel

Disclosure Counsel is an independent firm, separate from bond counsel, retained by the City to provide a legal opinion concerning accuracy of the information presented in disclosure and bond documents. With scrutiny of municipal disclosure increasing by the SEC and Municipal Securities Rulemaking Board, the engagement of disclosure counsel provides an added layer of assurance that the City's financial position is accurately presented in bond documents. The City may choose to engage Disclosure Counsel on certain transactions, but it is not required.

Municipal Advisor

The Government Finance Officers Association (GFOA) recommends that issuers hire a municipal advisor (MA) prior to the undertaking of a debt financing unless the issuer has sufficient in-house expertise and access to current bond market information. The City issues various types of securities to finance its capital improvement program. Debt structuring and issuance requires a comprehensive list of services associated with municipal transactions, including but not limited to: method of sale; analysis of market conditions; size and structure of the issue;

preparation of disclosure documents; coordinating rating agency relations; evaluation of and advice on the pricing of securities; assisting with closing and debt management; calculating debt service schedules; and providing recommendations on management of the City's finances, including evaluation of debt structures and refinancing opportunities.

- While retaining the services of an MA, the City shall post an IRMA Exemption Certificate on the City's website and on EMMA (Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board). The IRMA Exemption Certificate states that the City has retained an independent registered municipal advisor (IRMA), and that the City will rely on the advice of the Municipal Advisor in the issuance of municipal securities.
- The Municipal Advisor must be registered with the Securities & Exchange Commission and Municipal Securities Rulemaking Board as a Municipal Advisor
- As municipal advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services, until such time that the City wishes to bring these services in-house.
- Due to the complexity of the City's financial structure and the benefits that come with the history and knowledge of the City, the contract with the Municipal Advisor shall be considered evergreen, however with a termination clause.
- 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

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.

BUDGET AND LONG-RANGE FINANCIAL PLANNING

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

Balanced Budget

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

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

Current Funding Basis (Recurring Revenues)

The City shall budget and operate on a current funding basis. Revenues and expenditures shall be budgeted on a cash basis. Expenditures shall be budgeted and controlled so as not to exceed current revenues. Recurring expenses will be funded exclusively with recurring revenue sources to facilitate operations on a current funding basis. Recurring revenues are defined as revenues which are reasonably expected to occur each year and can be planned for with a level of certainty, such as property taxes, sales taxes and other revenues based on historical averages. One-time remittances due to audit adjustments or large payments, permit revenues from large construction projects, grants and other unpredictable sources are classified as non-recurring revenues.

Use of Non-Recurring Revenues

Non-recurring revenue sources, such as a one-time revenue remittance or fund balance 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

Tax Rate

The no-new-revenue tax rate is defined by the State of Texas as the tax rate that raises the same amount of total tax revenue in the current year as the prior year's tax rate for properties taxed in both years. The no-new-revenue tax rate is calculated based on a formula established under Section 26.04 of the 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

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

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

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

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

Sales Tax

Sales tax used to fund recurring operations shall have a target of 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

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

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

Sales Tax

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

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

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

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

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

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

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

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

During the fiscal year, the City may find or anticipate revenues falling short of budgeted levels. If so, the City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit is projected at year end. Corrective actions are to be implemented by the City Manager with a report to advise the City Council of the actions taken. Corrective actions in order of precedence are:

1. Manage Vacant Positions.
2. Deferral of capital purchases.

3. Expenditure reductions.
4. Hiring freezes.
5. Freeze or reduce planned merit increases.
6. Use of fund balance, including Replacement Fund balances.
7. Adjustment of fees.
8. Lay-off employees.

Short-term loans shall be avoided to balance the budget.

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a plan prepared as part of the annual budget to replenish the fund balance within two years if it is brought down below policy level.

Five-year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures shall be prepared in conjunction with the annual budget process for the following funds:

- General Fund
- Debt Service Funds
- Tourism Fund
- Utility System Fund
- Airport Fund
- Economic Development Corporations
- Five-Year Capital Improvement Program

The forecast assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve the City's goals. The forecast will provide an understanding of available funding; evaluate financial risk; assess the likelihood that services can be sustained; assess the level at which capital investment can be made; identify future commitments and resource demands; and identify the key variables that may cause change in the level of revenue. The forecast will be used to identify anticipated financial issues so that a plan can be developed to correct anticipated issues before they become reality. The assumptions used to prepare the five-year forecast shall be consistent with those used to prepare the annual operating budget, unless specifically directed by the City Council.

REVENUES AND OTHER RESOURCES

The City shall strive to maintain a balanced and diversified revenue system to protect the City from fluctuations in any one source due to changes in local economic conditions, which may adversely impact that source. The Budget Department shall maintain a revenue manual documenting the various revenue sources of the City and how those revenues are derived and estimated.

Property Taxes

- a. Taxes on Airport Value- Property taxes collected on taxable property at the Airport will be transferred to the Airport Fund to use for operations and development. This will ensure that users paying the property tax will see a direct benefit to the Airport.
- b. Rebates to Municipal Utility Districts (MUDs) – As stipulated in the individual utility agreements, the City has agreed to rebate a portion of City taxes collected on properties within in-city MUDs back to the districts through various utility agreements. Rebate payments shall be calculated based on the taxes collected by the City on properties within the district since the point of the last rebate calculation (quarterly or semi-annually depending on the MUD), less any refunds given on those properties during that period.
- c. Payments to Tax Increment Reinvestment Zones (TIRZ)- The City has several TIRZ established within the City. Taxes paid to the City on properties in each zone are paid to each TIRZ annually; payments due shall be adjusted for any refunds given on those properties since the last TIRZ payment was made.

Sales Tax Revenue

- a. Monthly, the Economic Development Corporations will be allocated their percentage of the actual monthly sales tax remittances.
- b. The City's portion will be deposited into the General Fund. Revenues over the budgeted recurring sales tax will be identified and set aside as one-time revenues for allocation as a one-time funding source during the next year's budget process.
- c. Sales Tax from Sale of Aircraft
 1. Sales/Use tax remitted to the City that is determined to be from the sale/purchase of aircraft at the City's Airport will be transferred to the Airport Fund, excluding the percent allocated to the Economic Development Corporations.
 2. The proceeds that are allocated to the Economic Development Corporations will be identified as potential funding for Airport projects that legally meet the requirements of the Corporations.

Administrative Services Charges

The City shall determine annually the administrative services charges due to the General Fund from the enterprise funds for overhead and staff support using a cost allocation model.

Utility System Transfer to the Debt Service Fund for Assumed Water/Wastewater Debt

The Utility System Fund shall transfer to the Debt Service fund an amount/percent calculated annually for water/wastewater infrastructure debt assumed by the City due to annexation and dissolution of municipal utility districts.

- a. The goal is to have water/wastewater debt funded by water/wastewater revenues as much as possible within the financial resources of the Utility Fund, without negatively impacting the utility fund.
- b. The City's intent is to fund a transfer amount that equates to 100% of the annual debt service requirements for water/wastewater debt in the Debt Service Fund.
- c. If the City should assume additional debt from municipal utility districts in the Debt Service Fund, the annual transfer for water/wastewater infrastructure debt will be reviewed and recalculated, if necessary. The overall percentage covered may need to be adjusted based on affordability.
- d. If the City refunds outstanding bonds assumed from municipal utility districts, the transfer to the debt service fund will be adjusted in the following year's budget to reflect the updated debt service schedule.

Surface Water Revenues

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

- a. All participants in the City's Groundwater Reduction Plan will pay into the fund an amount based on water supplied at a rate established per 1,000 gallons (GRP fee). This rate is set by Ordinance.
- b. The GRP fee shall be paid monthly based on metered water pumped from groundwater sources.
- c. City customers will be billed a surface water fee based on billed water consumption.

Water/Wastewater Billings

Water, wastewater, and surface water charges are billed in arrears, as customer meters are read monthly for the previous month's water usage. At year end, revenues are accrued to adjust revenues to full accrual basis but during the year, revenues are recorded on a modified accrual basis (when billed).

Revenue Collections

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City. Where possible, the City will implement collection improvement programs to improve payment of amounts owed to the City. These programs can include, but are not limited to, inter-local cooperation between government entities and prohibiting receipt of optional services when outstanding balances are due.

- a. The City shall contract for billing and collection services when it makes financial sense to do so.
 - a. Emergency Medical Services transport billing requires a high level of knowledge relating to medical billing; in this case, outsourcing the billing & collection of EMS transport fees is the most prudent thing to do.
 - b. Property tax billing & collection requires certification of a tax assessor/collector and significant staff time; contracting this service to Fort Bend County makes financial sense and the City will continue to do so 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

The City shall design, maintain, and administer a revenue system that will assure a reliable, equitable, diversified, and sufficient revenue stream to support desired City services.

General Fund

- a. For services that benefit specific users the City shall establish and collect fees to recover the costs of those services.
- b. Where services provide a 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

- a. Utility rates and other fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.
- b. The City shall seek to eliminate all forms of subsidization between the General Fund and Enterprise Funds
- c. The Five-Year Financial Plan shall serve as the basis for rate change considerations. Rate adjustments are to be recommended based on the revenue requirements identified in the utility rate model based on the five-year capital improvement program, consumption data and other factors that influence the utility system demands for services and capacity.
- d. If rate adjustments are necessary, the Five-Year Financial Plan shall be built around smaller rate adjustments annually versus higher rate adjustments periodically. Rates shall be set to ensure that the revenues exceed coverage requirements established in bond covenants based on anticipated system demands.

User Fee Creation and Revision

Working with the department or office, the Budget 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

For services provided to municipal utility districts, facilities located outside the City limits or individuals who reside outside the city limits, the City may assess an out-of-city service fee or non-resident user fee. The surcharges shall be set either as an additional percentage fee or a separate fee for non-residents and can be established by ordinance or by contract.

EXPENDITURES AND SERVICES

Operating Expenditures

Identify services, establish appropriate service levels, and administer the expenditure of available resources to ensure fiscal stability and the effective and efficient delivery of those services within the service delivery plan.

Purchasing and Vendor Selection

The City Manager shall maintain policies and procedures to ensure compliance with state laws relating to procurement of goods and services.

It is the policy of the City that, when lowest qualified bid is not the sole determining factor for a contract award, the contract shall be awarded to the highest ranked vendor based on merit as determined by a thorough evaluation by a team of staff evaluators. Merit factors that can be taken into consideration include qualifications, 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

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

Annually, as part the budget document, a program of services for each department will be established for the ensuing year. The program of services will include a high-level summary of services from the service delivery plan, as well as key service level expectations and staffing levels.

Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels. Maintenance and repairs must be documented at an appropriate level to allow a third party to understand what was performed and when. This will ensure that if an asset is damaged in an emergency that the City will 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

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

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

Maintain the fund balance and working capital of the various operating funds at levels sufficient to protect the City's creditworthiness as well as its financial position during emergencies or economic fluctuations. Should the budgeted fund balance drop below the minimum identified by the policy below, the City will establish a plan to replenish the balances within two years.

Governmental Fund Balances

There are five categories of Fund Balance in all governmental funds, not all will always be present. The categories are defined below:

1. Non-spendable- cannot be spent due to being non-spendable in form or the city being legally or contractually required to maintain this amount intact.
2. Restricted- balances are subject to external restrictions from creditors, grantors, contributors, or laws of other governments.
3. Committed- use of funds is only for specific purposes as determined by City Council. City Council will approve obligations of funds such as multi-year contracts prior to the end of the fiscal year.
4. Assigned- intended use of balances for specific purposes is established by the City Council or delegated to the City Manager that is neither restricted or committed and includes the remaining positive balance of all governmental funds except the General Fund. Balances for encumbrances, other than those committed by City Council, fall into this category.
5. Unassigned- balances are available for any purpose; excess fund balances after above categories have been deducted. This type of balance is reported in the General Fund and negative fund balances in other than General Fund.

General Fund Unassigned Fund Balance

The City must maintain a General Fund unassigned fund balance equivalent to at least three months of normal recurring operating costs, based on current year budgeted expenditures. If the fund balance exceeds this amount, the amount 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

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

Fund Balance/Working Capital shall be used only for emergencies, non-recurring expenditures/ expenses, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce balances below the level established as the minimum for that fund, the request/decision to utilize said balances will include a plan to replenish funds within two years.

Inter Fund Loans

Through the long-range financial planning process, the City may identify a short-term capital financing need that does not qualify for debt financing, and funds are available in special revenue or enterprise funds balances. An

inter fund loan is a loan from one fund to another that specifies repayment terms and requires approval by City Council Resolution. Inter fund loans may not be used to support operating needs but are allowable for cash flow needs related to capital projects involving third party financial transactions, such as grants or reimbursements.

Inter fund loans may be considered in cases where a short-term loan is needed to cash-flow a project that does not qualify for tax-exempt bond financing. An example of this situation, but not limiting to this case, is a future reimbursement by a grant or developer for project funding that needs to move forward prior to funds being available. This is similar to how the IRS allows the City to reimburse itself from future bond proceeds, except the funds are coming from a source other than tax exempt bonds. Inter fund loans may be considered when one fund has excess reserves (over policy requirements) that are not anticipated to be needed prior to repayment.

The inter fund loan shall be documented by City Council Resolution and shall define the following:

1. Source of the Funding.
2. Use of the Funds (project).
3. Maximum Amount.
4. Repayment Schedule.
5. Interest accrual, consistent with City investment rates of return at the time of the loan.

The proposed inter fund loan shall be identified during the annual budget and CIP process as a funding source and discussed with the Council Finance/Audit Committee prior to the Resolution being considered by City Council. Any changes to repayment terms shall be approved by City Council via Resolution and clearly identified in the budget document. Completion of payments will be reported to City Council through a memorandum which will also document the status and terms of any other inter-fund loans. If any circumstances arise that could prevent payment of the loans as scheduled, the City Council will be notified in writing as soon as possible.

Debt Service Funds

The City shall maintain the debt service fund balance at 10% of annual debt service requirements OR a fund balance reserve as required by bond ordinances, whichever is greater.

The City shall maintain a separate Debt Service Fund for any taxable bonds. This debt service fund shall have a reserve requirement separate from the tax –exempt debt service fund to be defined in the bond documents as bonds are issued.

Other Funds (Internal Service & Special Revenue)

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

City staff will review and monitor the state of the City's capital equipment and infrastructure annually, setting priorities for its replacement and renovation based on needs, funding alternatives, and availability of resources.

Capitalization Threshold for Tangible Capital Assets

Tangible capital items should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and has a cost of not less than \$10,000 for any individual item.

The capitalization threshold of \$10,000 will be applied to individual items rather than to a group of similar items, (i.e.: desks, chairs, etc.) unless doing so would have a material impact on financial reporting. The capitalization threshold for infrastructure will be \$50,000 or more.

GASB requires software to be capitalized if criteria described in GASB Statement 51 (Accounting & Financial Reporting for Intangible Assets) is met. Internally developed or contracted development of or off-the-shelf and

then modified software should be capitalized given cost & useful life threshold is met. Other licensed software implemented without modification or minimal modification is not capitalized.

Five-Year Capital Improvement Plan (CIP)

The City shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the City's infrastructure, replacement and renovation needs, and potential new projects. Capital projects are improvements or additions to the City's physical 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:

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

A Community Redevelopment Project is a capital project approved, funded, and implemented within an identified neighborhood for the purpose of upgrading public infrastructure to an established standard without regard to the remaining serviceable life of the infrastructure. Requests will be reviewed and prioritized in conjunction with the entire capital improvement program and within the City's financial ability for pay-as-you-go funding, not to exceed ½ of one percent of the total City operating budget. There will be a dollar-for-dollar match to City funds from non-City third-party sources. (See Capital Improvement Projects for Community Redevelopment Policy)

Joint Capital Improvement Projects

The City will establish guidelines for City participation in Joint Capital Improvement Projects with community-based organizations that would either add to or enhance the City's Five-Year Capital Improvement Plan (See Resolution 14-27, Policy No. 5000-09 Joint Capital Improvement Projects with Community Based Organizations using Sugar Land 4B Funds).

The projects must benefit the public and be located in the public right of way. In the proposed budget, \$200,000 will be set aside annually for the City's participation in these type projects, funded through the Sugar Land 4B Corporation, pending funds availability and subject to approval by the City Council. A maximum of \$75,000 will be contributed to any one project, and in no case will the Corporation contribute over 50% of project funding. The request will be reviewed, verified to ensure the request meets the criteria set forth in the policy, and prioritized within the financial ability of the Sugar Land 4B Corporation.

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

Replacement of Capital Assets on a Regular Schedule (Fleet and Technology)

The City shall annually prepare a schedule for the replacement of its fleet and high technology capital assets. Funding for the replacement of these assets will be accomplished 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

The City recognizes that there are three basic methods of financing its capital requirements: Funding from current revenues; funding from fund balance/working capital as allowed by the Fund Balance/Working Capital Policy; or funding through the issuance of debt. Types of debt and guidelines for issuing debt are set forth in the Debt Policy Statements.

Pay-As-You-Go Capital Improvements

1. The City 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

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

Capital project status reports shall be completed by project managers monthly, and project status and issues shall be reported to the City Council quarterly.

- a. Project Close Out- A project will be closed once the original scope of the stated project has been completed as determined by Engineering and the project manager.
- b. Remaining Funds- Funds left in a project after completion shall be closed out and fall to the CIP fund balance. Engineering, Accounting and Budget will identify and close out projects on a quarterly basis to facilitate identification of funds that can be used for other projects.

DEBT

Establish guidelines for debt financing that will provide needed facilities, land, capital equipment and infrastructure improvements while minimizing the impact of debt payments on current and future revenues.

Use of Debt Financing

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets that cannot be prudently acquired from either current revenues or fund balance/working capital and to fund infrastructure improvements and additions. Debt financing is utilized to better ensure inter-generational equity by spreading payments of assets and infrastructure over their useful lives. Debt will not be used to fund operating expenditures.

The City 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

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

The City shall use an objective analytical approach to quantify the impact of new general-purpose debt, both General Obligation Bonds and Certificates of Obligation. This process shall compare City accepted standards of affordability to the current values for the City. These standards may include debt per capita, debt as a percent of taxable value, taxable value per capita, and overall tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures.

The analysis will evaluate the capacity within the General Fund to take on the operating expenditures associated with the completion of the proposed capital improvements. When a project will have a significant impact on the operating budget, the M&O tax rate could be pushed over the voter-approval tax rate, which is 3.5% over the no-new-revenue tax rate. This would cause the tax rate to need further approval by voters once the project is completed and placed into service. If additional capacity within the 3.5% voter-approval rate is available, this capacity can be reserved for future implementation of voter approved bond projects to support the O&M impacts of the projects.

Debt Capacity

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

Debt capacity calculations for long-term planning shall assume market rates for the average annual interest costs at the time the capacity is determined. The analysis shall assume a debt structure that meets the policy requirement to pay 50% of principal within the first 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)

Certificates of Obligation may be issued without voter approval to finance any public works project or capital improvement, as permitted by State law. It is the policy of the City to utilize Certificates of Obligation to finance public improvements in limited circumstances and only after determining the City's ability to assume additional debt based on the standards identified above. CO's may not be issued to fund projects that have failed to be approved by voters in a General Obligation bond proposition for the same purpose within the preceding three years (Local Government Code 271.047 (d)- HB 1378 84th legislature).

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

Notices must include the following information:

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

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

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

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 87th 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

For the City to issue new revenue bonds, revenues, as defined in the ordinance authorizing the revenue bonds in question, shall be a minimum of 125% of the average annual debt service and 110% of the debt service for the year in which debt requirements are scheduled to be the greatest. Annual adjustments to the City's rate structures for enterprise funds will be made as necessary to maintain the coverage factor.

When the City issues CO's for enterprise fund projects, the City shall prepare a five-year financial plan to ensure that the enterprise fund maintains appropriate reserves and coverage requirements.

Debt Structures

- The City shall normally issue bonds with a life not to exceed 25 years for general obligation bonds and 25 years for revenue bonds, but in no case longer than the useful life of the asset. The normal maturity structure is 20 years.
- The City shall seek level 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

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

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

Interest earnings on bond proceeds will be limited to funding changes to the bond financed Capital Improvement Plan in compliance with the voted propositions, cost overruns on bond projects, or be applied to debt service payments on the bonds issued. Issued but unspent bond proceeds may be appropriated for projects consistent with the ballot language after completion of projects identified in the approved bond propositions.

Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing, 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

In response to the MSRB Rule G-17, which recognizes that the motivations of an underwriter may not be consistent with the best interest of the City, the City shall refer underwriters to its Municipal Advisor to review potential refunding opportunities. The City's municipal advisor is prohibited from underwriting the City's bonds while under contract with the City for municipal advisory services, and for a period of one year after termination of the municipal advisory contract.

The City will consider past participation and results of competitive City of Sugar Land and component unit bond sales when engaging one or more firm to underwrite a negotiated bond transaction.

Rating Agency Presentations

Full disclosure of operations and open lines of communications shall be maintained with the rating agencies. City staff, with the assistance of financial advisors, shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, currently Standard & Poor's and Fitch Ratings Inc., as recommended by the City's municipal advisor.

Bond Ratings

The City will prudently manage the General, Economic Development Corporations, and Enterprise Funds and attempt to issue and structure debt to help maintain or increase the current bond ratings.

Direct Borrowings

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

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

CASH MANAGEMENT AND INVESTMENTS

To maintain the City's cash in such a manner to ensure the absolute safety of principal, to meet the liquidity needs of the City, and to achieve the highest possible yield in compliance with the Public Funds Investment Act (Chapter 2256 of the Local Government Code) and the City's Investment Policy & Strategy, as adopted annually by City Council.

Investment Policy

All aspects of cash/investment management shall be designed to ensure safety and integrity of the City's financial assets. Cash/Investment management activities shall be conducted in full compliance with prevailing local, state, and federal regulations. Please reference the City's Investment Policy as adopted annually by City Council.

The City shall design and establish policies relating to a variety of cash/investment management issues, such as the eligibility and selection of various broker/dealers, safekeeping requirements, collateral requirements, delivery versus payment requirements, weighted average maturity requirements and such other aspects of the program, which necessitate standard setting in pursuit of appropriate prudence and enhanced protection of assets.

Investment Strategy

The City of Sugar Land maintains a consolidated portfolio in which it pools its funds for investment purposes. The City's investment program seeks to achieve safety of principal, adequate liquidity to meet cash needs, and reasonable yield commensurate with the preservation of principal and liquidity. Refer to the City's Investment Strategy as adopted by City Council annually for detail.

Interest Income

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

Arbitrage Investments and Reporting

The City's investment position as it relates to arbitrage is as follows: Investments on bond proceeds will be made with safety of principal and liquidity in mind, but with a competitive rate of return. Investment of bond proceeds will be clearly tracked, and investment earnings recorded for arbitrage purposes.

Depository Bank

The City of Sugar Land will select its official bank depository through a formal bidding process to provide the City with the most comprehensive, flexible, and cost-effective banking services available. The City will at a minimum, bid depository services every five years. Only officials authorized by the City Council through the depository contract may open accounts in the name of the City or its component units.

Collateralization of Deposits

The City of Sugar Land shall have pledged collateral held at an independent third-party institution and evidenced by a written receipt.

The value of the pledged collateral should be marked to market monthly and shall be at least 102 percent of par or market value of the investments, whichever is greater. The City's depository bank monitors the required collateral and makes necessary 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

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

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

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

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

All grants must be reflected in the budget. Grants must be officially accepted by action of the City Council, with funding appropriated during budget adoption or with a budget adjustment. If the funding is not already included in the annual budget, the budget shall be amended to reflect revenues and expenditures associated with the grant.

Grant Termination and/or Reduced Grant Funding

In the event of reduced grant funding, City resources will be substituted only after all program priorities and alternatives are considered during the budget process, unless the City is obligated through the terms of the grant to maintain the positions.

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, and it is determined that the program no longer supports City goals and/or is no longer in the best interest of the City, unless the City has obligated itself through the terms of the grant to maintain the positions after the grant period ends.

City of Sugar Land

Non-Exempt Salary Structure – FY26

NE14

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Minimum:	\$60.52	Midpoint:	\$77.14	Maximum:	\$93.81
	\$125,882		\$160,451		\$195,125

Chief of Staff
City Clerk

Municipal Court Administrator
Public Safety Dispatch Director

CL34

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

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

UNGRADED

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

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

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
PD1	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
P-1	Police Officer Recruit	\$ 30.92									
P-2	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
P-3	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
P-4	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		
P-5	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				
P-6	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				

Effective TBD FY26

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
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PTR	PS Dispatch Recruit	\$ 26.77
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PT1	Dispatcher I (Certified)	\$27.38	\$28.91	\$30.45	\$31.98	\$33.51	\$34.76	\$35.99	\$37.23	\$38.46	\$39.70
		\$56,950	\$60,133	\$63,336	\$66,518	\$69,701	\$72,301	\$74,859	\$77,438	\$79,997	\$82,576

PT2	Dispatcher II (Certified)	\$30.77	\$32.56	\$34.35	\$36.14	\$37.93	\$39.37	\$40.81	\$42.25	\$43.69	\$45.13
		\$64,002	\$67,725	\$71,448	\$75,171	\$78,894	\$81,890	\$84,885	\$87,880	\$90,875	\$93,870

PT3	Dispatch Supervisor	\$46.03	\$46.66	\$47.30	\$47.94	\$48.58	\$49.22	\$49.86	\$50.50
		\$95,742	\$97,053	\$98,384	\$99,715	\$101,046	\$102,378	\$103,709	\$105,040

PT4	Dispatch Manager	\$51.51	\$53.91	\$56.30	\$58.69	\$61.10	\$63.50
		\$107,141	\$112,133	\$117,104	\$122,075	\$127,088	\$132,080

Effective TBD FY26

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
FR	Paramedic/Fire Recruit (Shift 2080 Hours)	\$ 21.74									
F1F	Firefighter (Shift 2912 Hours)	\$25.41 \$73.994	\$26.52 \$77.226	\$27.62 \$80.429	\$28.73 \$83.662	\$29.84 \$86.894	\$30.73 \$89.486	\$31.62 \$92.077	\$32.51 \$94.669	\$33.40 \$97.261	\$34.29 \$99.852
F1P	Firefighter/Paramedic (Shift 2912 Hours)	\$27.95 \$81.390	\$29.17 \$84.943	\$30.39 \$88.496	\$31.61 \$92.048	\$32.83 \$95.601	\$33.81 \$98.455	\$34.80 \$101.338	\$35.78 \$104.191	\$36.76 \$107.045	\$37.75 \$109.928
F2F	Fire Engineer / Operator (Shift 2912 Hours)	\$29.78 \$86.719	\$31.07 \$90.476	\$32.36 \$94.232	\$33.66 \$98.018	\$34.96 \$101.804	\$36.01 \$104.861	\$37.05 \$107.890	\$38.10 \$110.947		
F3F	Fire Lieutenant (Shift 2912 Hours)	\$38.45 \$111.966	\$39.23 \$114.238	\$40.01 \$116.509	\$40.61 \$118.256	\$41.22 \$120.033	\$41.64 \$121.256	\$42.01 \$122.333	\$42.39 \$123.440		
F3G	Fire Lieutenant (Non Shift 2080 Hours)	\$56.53 \$117.582	\$57.66 \$119.933	\$58.81 \$122.325	\$59.69 \$124.155	\$60.59 \$126.027	\$61.20 \$127.296	\$61.75 \$128.440	\$62.31 \$129.605		
F4F	Fire Captain (Shift 2912 Hours)	\$43.02 \$125.274	\$43.98 \$128.070	\$44.90 \$130.749	\$45.80 \$133.370	\$46.67 \$135.903	\$47.56 \$138.495				
F4G	Fire Captain (Non Shift 2080 Hours)	\$63.25 \$131,560	\$64.65 \$134,472	\$66.00 \$137,280	\$67.33 \$140,046	\$68.61 \$142,709	\$69.91 \$145,413				
F5F	Battalion Chief (Shift 2912 Hours)	\$48.27 \$140,562	\$49.79 \$144,988	\$51.28 \$149,327	\$52.74 \$153,579	\$54.17 \$157,743	\$55.58 \$161,849				
F5G	Assistant Fire Marshal Battalion Chief (Non Shift 2080 Hours)	\$70.29 \$146,203	\$72.50 \$150,800	\$74.68 \$155,334	\$76.81 \$159,765	\$78.89 \$164,091	\$80.94 \$168,355				
F6G	Assistant Chief of Fire-EMS (Non Shift 2080 Hours)	\$81.95 \$170,456	\$83.80 \$174,304	\$85.60 \$178,048	\$87.35 \$181,688	\$89.05 \$185,224	\$90.69 \$188,635				

Effective TBD FY26

Glossary

A

ACCOUNT: An accounting unit established to record expenditures or revenues by detailed categories.

ACCOUNTS PAYABLE: A liability account reflecting amounts on an open account owing to private persons or organizations for goods and services received by a government (but not including amounts due to other funds of the same government or to other governments).

ACCOUNTS RECEIVABLE: An asset account reflecting amounts owing to open accounts from private persons or organizations for goods and services furnished by a government.

ACCRUAL ACCOUNTING: A basis of accounting in which debits and credits are recorded at the time they are incurred as opposed to when cash is actually received or spent.

AD VALOREM: Refers to the tax assessed against real (land and buildings) and personal (equipment and furniture) property.

AGENDA: A formal listing of items to be discussed during a public meeting. Agendas for public meetings are posted 72 hours in advance, in compliance with the open meetings act.

AGENDA REQUEST: A formal summary of a topic to be discussed during an open meeting. Included in the request are the proceeding, clearances, appropriation and action required, and an executive summary and attachments to explain the topic.

ANNEX: Refers to a portion of the City's Emergency Operations Plan.

APPROPRIATION: A legal authorization granted by City Council to make expenditures and incur obligations for designated purposes.

ARBITRAGE: The interest earnings derived from invested bond proceeds or debt service fund balances.

ARCIMS: The Internet map server allowing users to interact with maps on the City's web page.

ASSESSED VALUATION: A valuation set upon real estate of other property by a government as a basis for levying taxes.

ASSETS: Property with monetary value owned by the City.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to accomplish the following:

- Ascertain whether financial statements fairly represent financial position and results of operations
- Ascertain whether transactions have been recorded accurately and consistently, and
- Identify areas for possible improvements in accounting practices and procedures.

B

BALANCE SHEET: The basic financial statement that discloses the assets, liabilities, and equities of an entity at a specified date in conformity with GAAP.

BALANCED BUDGET: A budget in which revenues are equal to expenditures.

BASE BUDGET: Funding required meeting current service levels.

BENEFIT BURDEN: The ratio of the cost of defined benefits to the base payroll of employees eligible to receive benefits.

BOND: A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified date.

BOND REFERENDUM: A proposal to be voted on by registered voters within the City regarding the sale of bonds for which ad valorem taxes are pledged for repayment.

BRAZOS RIVER AUTHORITY: An agency of the State of Texas whose mission is to develop and maintain the resources of the Brazos River basin. The BRA has operated a wastewater treatment plant that serves the City since 1975.

BUDGET: A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. For a local government, a budget is a legal restriction on expenditures.

C

CAPITAL IMPROVEMENT PROGRAM / PROJECT (CIP): Projects that purchase or construct capital assets. Typically, a capital project encompasses a purchase of land and/or the construction of a building or facility.

CAPITAL OUTLAYS: Expenditures that result in the acquisition of or addition to fixed assets that are individually priced more than \$10,000, per the City's capitalization policy.

CARRYOVER: Expenditures budgeted in one year for materials, equipment, programs, etc. but not spent until the following fiscal year. Funding for non-recurring expenditures can carry over to the following fiscal year if approved by the City Manager and City Council. City Council formally amends the budget to approve carryover funding. Revenues can also carryover if they were anticipated in one fiscal year but not received until the following year.

CERTIFICATE OF OBLIGATION (CO): A debt instrument that is issued by the City and has the same legal status as a general obligation bond. Proceeds from the issuance of the certificates may be used for construction of public works; purchase of materials, supplies, equipment, machinery, builds, land, and right-of-ways for authorized needs and purposes; or payment of contractual obligations for professional services. However, certificates of obligation are not authorized by the voters.

CONSUMER PRICE INDEX (CPI): The monthly data on the changes in the prices paid by urban consumers for a representative basket of goods and services.

CONTINGENCY: An amount of money set aside for unforeseen incidents.

CONTRACTUAL SERVICES: The costs related to services performed for the City by individuals, businesses, or utilities.

COST: The amount of money or other consideration exchanged for property or services. Costs may be incurred even before money is paid; that is, as soon as a liability is incurred. Ultimately, however, money or other consideration must be given in exchange.

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

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

CURRENT ASSETS: Assets which are available or can be made readily available to finance current operations or to pay current liabilities. Current assets also include those which will be used up or converted into cash within one year. Some examples are cash, temporary investments, and taxes receivable which will be collected within one year.

CURRENT LIABILITIES: Debt or other legal obligation arising out of transactions in the past which must be liquidated, renewed, or refunded within one year.

D
DEBT SERVICE: A cost category that typically reflects the repayment of short-term (less than five years) debt associated with the acquisition of capital equipment.

DEFICIT: The excess of expenditures over revenues during an accounting period; or, in the case of Enterprise and Intra- Governmental Service Funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES: Taxes remaining unpaid on or after the date on which a penalty for nonpayment is attached.

DEPARTMENT: A section of the total organization that is comprised of Divisions and is under the oversight of an Executive Director, Assistant City Manager or City Manager.

DIRECTOR: A mid-management employee charged with oversight of one or more programs. Directors may report to an Executive Director, Assistant City Manager or the City Manager.

DEPRECIATION: Is the process by which the City allocates an asset's cost over the duration of its useful life. Depreciation results in depreciation expense.

DEVELOPER REIMBURSEMENT: Payment to a private developer for installation of public infrastructure. The developer typically installs infrastructure such as water and sewer utilities, traffic signals and streets & sidewalks. The City or MUD can reimburse the developer through issuance of debt.

DIVISION: A subsection of a Department that carries out a specific line of work assigned to the Department. A Division may have more than one Program.

E
ENCUMBRANCES: Commitments related to unperformed contracts for goods or services used in budgeting. Encumbrances are not expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

ENHANCEMENTS: Funds that the City has earmarked for a new service not provided in the past, or allowing an increase in the level of service already provided.

ENTERPRISE FUND: A fund established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services the general public on a continuing basis can be financed or recovered primarily through user charges.

ETJ: See Extraterritorial Jurisdiction.

EXECUTIVE DIRECTOR: An upper management employee charged with oversight of one or more departments. Executive Directors participate in high-level policy and strategic decision-making and report either to an Assistant City Manager or the City Manager.

EXEMPT: Personnel not eligible to receive overtime pay and who are expected to put in whatever hours are necessary to complete job assignments. The respective Department Head, as partial compensation for overtime hours worked, may allow compensatory time off.

EXPENDITURES: Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, debt service, and capital outlays.

EXTRATERRITORIAL JURISDICTION (ETJ): The land bordering a City's limits that the City has limited control over but does not furnish City services to nor collect ad valorem taxes from. This is an area outside of City limits that is subject to annexation.

F

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City of Sugar Land's fiscal year begins each October 1 and ends the following September 30. The term fiscal year 2021 connotes the fiscal year beginning October 1, 2020 and ending September 30, 2021.

FIXED ASSETS: Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, and machinery and equipment.

FIXED BASE OPERATOR (FBO): An operating company providing customer services including fuel and line service personnel at an airport.

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

FRANCHISE: A special privilege granted by a government permitting the continuing use of public property such as, City rights-of-way.

FULL-TIME EQUIVALENT (FTE): One full-time equivalent works 2,080 hours a year; a person working 1,040 hours per years is equivalent to 0.5 FTE.

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: The difference between governmental fund assets and liabilities. Also referred to as fund equity.

FUND BALANCE POLICY: A minimum fund balance that is required to be kept in reserve as defined in the Financial Management Policy Statements. Fund balances over the policy requirement may be appropriated in the budget.

G

GENERAL FUND: Is used to account for all transactions not properly includable in other funds.

GENERAL LEDGER: A book, file, or other device, which contains the accounts needed to reflect the financial position and the results of operations of an entity. In double entry bookkeeping, the debits and credits in the general ledger are equal; therefore, the debit balances equal the credit balances.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP): Uniform minimum standards and guidelines used for financial accounting and reporting as set forth by the Governmental Accounting Standards Board (GASB).

GENERAL OBLIGATION (GO) BONDS: Bonds for the payment of which the full faith and credit of the issuing government are pledged. In issuing its general obligation bonds, the City of Sugar Land pledges to levy whatever property tax is needed to repay the bonds for any particular year. GO Bonds cannot be issued without voter approval, must be spent in accordance with the voter authorized use and are issued with maturities between 15 and 30 years.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): A governing board set up to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

GOVERNMENTAL FUNDS: Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

GROUNDWATER: Water obtained by drilling a well and pumping water from below the surface, typically at depths of thousands of feet. Pumping of groundwater is a contributing factor to subsidence.

H
HOMEOWNERS' ASSOCIATION (HOA): A group of property owners in a residential area, in which membership may be mandatory by deed restriction.

HOUSTON-GALVESTON AREA COUNCIL (HGAC): A voluntary association of counties, cities, independent school districts, and soil and water conservation districts in the Gulf Coast State Planning Region of Texas. H-GAC serves almost 150 local governments, and its region includes about 4 million people in an area of about 12,500 sq. miles.

I
ISO RATING: The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10 which is considered unacceptable.

INTERGOVERNMENTAL REVENUE: Grants, entitlements and cost reimbursements from another governmental entity.

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

K
KEY PERFORMANCE INDICATORS (KPI): Specific quantitative and qualitative measures of work performed as a productivity indicator of the program.

L
LANDSCAPE COST SHARE PROGRAM: A program that credits private funds that are used to irrigate public areas, specifically right-of-ways along arterials and state roads. Secondary goals of the program include helping to reduce

peak water demand by limiting the times participants in the program can irrigate and promoting water conservation by means of rain sensors and well managed timers and management of irrigation systems.

LEVEE IMPROVEMENT DISTRICT (LID): A special district with authority to levy ad valorem taxes that is used to improve flood control within its boundaries through the use of levies.

LEVY: The City Council has authority to impose or collect taxes, special assessments, or service charges.

LOCAL LAW ENFORCEMENT BLOCK GRANT: A grant program of the Department of Justice in which a local law enforcement agency is given a specified amount of funding to accomplish a goal.

LONG TERM DEBT: Debt with a maturity of more than one year after the date of issuance.

M

MAINTENANCE: The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

MAJOR FUND: Governmental or Enterprise Funds reported as a separate column in the basic fund financial statements and subject to a separate opinion by the independent auditor.

MODIFIED ACCRUAL ACCOUNTING: The basis of accounting in which revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the goods or services are received.

MUNICIPAL UTILITY DISTRICT (MUD): A special district whose purpose is to provide water and sewer services to the residences and businesses within its boundaries. The district has ad valorem taxing power and can issue bonds to pay for construction and improvements to the district's system. Districts are typically established in unincorporated areas, but can also lie within the boundaries of one or more cities.

N

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

NON-CAPITAL ASSETS: Expenditures that result in the acquisition of or addition to assets that are individually priced \$2,500 to \$10,000, per the City's capitalization policy. These items are not added to the fixed assets, but are tracked for inventory purposes.

NON-EXEMPT: Personnel eligible to receive overtime pay when overtime work has been authorized or requested.

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

O

OPERATING BUDGET: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and services delivery activities of the City are controlled, and are required by state law.

ORDINANCE: A formal legislative enactment by the governing board of a municipality that has the full force and effect of law within the boundaries of the municipality to which it applies so long as it is not in conflict with any higher form

of law. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

P

PART I CRIMES: Crimes such as homicide, sexual assault, robbery, aggravated assault, burglary, larceny, auto theft and arson.

PERSONNEL SERVICES: The costs associated with compensating employees for their labor (salaries, wages, insurance, payroll taxes, and retirement contributions).

PROGRAM: A subset of a Department in which expenditures are focused on a primary function of work to be performed.

PROJECTION: Anticipated total for the current fiscal year. During the budget process, the City projects expected revenues and expenditures through the remainder of the fiscal year to gain a better picture of the City's finances. These projections are adopted as the revised budget during the budget adoption process.

PROPERTY TAX: Taxes levied on all real and personal according to the property's valuation and the tax rate, in compliance with State Property Tax Code.

PROPRIETARY FUND: In governmental accounting is a business-like fund. Examples of proprietary funds include enterprise funds and internal service funds.

PUBLIC FUNDS INVESTMENT ACT: A law that governs the investment of government funds in Texas. Under this law, specific parameters are set for Texas cities, requiring them to adopt an investment policy and to designate an investment officer who is required to attend an approved training course. The act, first adopted in 1995 and most recently amended in 2003, also limits the types of investments that can be made and requires quarterly reporting of investment activity to the governing body.

PURCHASE ORDER: A document that authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

R

RATING: The credit worthiness of an entity as evaluated by independent agencies.

REPLACEMENT COST: The cost as of certain date of a property that can render similar service (but which need not be of the same structural form) as the property to be replaced.

RESERVE: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

RETAINED EARNINGS: Is a form of equity resulting from earning activities.

REVENUE BONDS: Legal debt instruments which finance public projects for such services as water or sewer. Revenues from the public project are pledged to pay principal and interest of the bonds. In Texas, revenue bonds may or may not be authorized by public referenda.

REVENUES: Increases in governmental fund types, net current assets from other than expenditure refunds and residual equity transfers.

RIGHT-OF-WAY: The area immediately adjacent to a City's roadway or drainage channel.

S

SALES TAX: A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SERVICE LEVEL STANDARD: The expected outcome for a service that is provided. Can include minimum staffing, hours of operation, or outcome goals.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL REVENUE FUND: A fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds for specific revenue sources” establishes that one or more restricted or committed revenues should be the foundation for a special revenue fund.

STRUCTURAL BALANCE: A term used to define a budget that includes recurring revenues greater than or equal to recurring expenditures.

SUBSIDENCE: A gradual settling or sudden sinking of the Earth’s surface owing to subsurface movement of earth materials. Land subsidence occurs when there is a loss of support below ground such as when water is taken out of the soil and the soil collapses. This situation occurs throughout the United States, but has had more impact in California, Texas, and Arizona.

SUGAR LAND 101: A municipal government course sponsored by the City, educating future City leaders in the workings of the Sugar Land Municipal Government.

SUGAR LAND DEVELOPMENT CORPORATIONS: Corporations that are financed by additional sales taxes approved by the voters. State law allows the City to collect this sales tax to assist in the promotion, enhancement, and development on behalf of the City.

SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY: A local government corporation created by the City for the sole purpose of carrying out the necessary tasks to accomplish the Town Square project.

SUPPLIES: A cost category for minor items (individually priced at less than \$500) required by departments to conduct their operations.

SURFACE WATER: Drinking water can come from either ground water sources (via wells) or surface water sources (such as rivers, lakes, and streams). Nationally, most water systems use a ground water source (80%), but most people (66%) are served by a water system that uses surface water. Large metropolitan areas tend to rely on surface water, whereas small and rural areas tend to rely on ground water.

T

TAX LEVY: The total amount to be raised by general property taxes for purpose specified in the Tax Levy Ordinance.

TAX RATE: The amount of tax levied for each \$100 of taxable valuation. The tax rate multiplied by the taxable valuation equals the tax levy.

TAXES: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or

permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

TEXAS COMMISSION ON LAW ENFORCEMENT OFFICERS STANDARDS AND EDUCATION (TCLEOSE): A commission that allocates funds each year to public safety agencies in Texas earmarked for peace officer training based on the number of peace officers on staff for each agency.

TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT): A state agency that provides funding, with a local match, for improvement of state highways within the City limits.

TML: See Texas Municipal League.

TEXAS MUNICIPAL LEAGUE: An organization that exists to provide services to Texas cities.

U

USER FEES: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

V

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

W

WATER CONTROL IMPROVEMENT DISTRICT (WCID): A special purpose district established to provide water and sewer facilities and services within the district. The District has taxing authority separate from any other taxing authority, and maybe, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds.

WORKING CAPITAL: Is the current assets less current liabilities.

Y

YIELD: rate earned on an investment based on the cost of the investment, the par value of the investment, plus interest to be earned to maturity, and less any accrued interest.

Acronyms

A

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

C

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

D

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

E

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

F

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

G

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

H

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

K

KSLB: Keep Sugar Land Beautiful

L

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

M

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

O

O&M: Operations and Maintenance

P

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

R

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

S

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

T

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

V

VOIP: Voice over Internet Protocol

W

WCID: Water Control Improvement District

City Resources

Goal Measures

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>

SugarStat Performance

Our commitment to transparency and excellence drives us to continually assess and improve the services we provide to our community. This dashboard offers a comprehensive look at how we measure success across various departments, from 311 to Public Works. Here, you'll find metrics and targets that reflect our progress toward strategic goals, ensuring accountability and enabling data-driven decisions. Explore our performance data and see how we're working to make our resident's live better than they can possibly imagine.

Link: [Sugar Land Performance](#)