



ANNUAL BUDGET & PROGRAM OF SERVICES

FISCAL YEAR 2016-2017



CITY OF SUGAR LAND



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Annual Budget for October 1, 2016 - September 30, 2017

Adopted by Ordinance No. 2069
September 20, 2016

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,498,885 or 4%, and of that amount, \$388,325 is tax revenue to be raised from new property added to the tax roll for this year.

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

For:	Joe R. Zimmerman	Himesh Gandhi
	Harish C. Jajoo	Mary Joyce
	Amy Mitchell	Steve R. Porter
	Bridget Yeung	
Against:	None	
Present and Not Voting:	None	
Absent:	None	

Property Tax Rate Comparison

Per \$100 Valuation	2015-16	2016-17
Adopted Tax Rate	\$ 0.31595	\$ 0.31595
Effective Tax Rate	0.29457	0.30454
Effective M&O Tax Rate	0.15240	0.16057
Rollback Tax Rate	0.31883	0.32748
Debt Tax Rate	0.14560	0.14560

Debt obligations for City of Sugar Land secured by property taxes:
\$17,864,530

Annual Budget for October 1, 2016 – September 30, 2017



List in order: (L to R)

Harish C. JajooCouncil Member, District Four

Amy L. MitchellCouncil Member, District Three

Himesh GandhiCouncil Member, At Large Position One

Joe R. Zimmerman Mayor

Bridget R. Yeung..... Council Member, District Two

Steve R. Porter Council Member, District One

Mary Joyce Council Member, At Large Position Two

Presented by:

Allen Bogard City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sugar Land
Texas**

For the Fiscal Year Beginning

October 1, 2015

Executive Director



CITY OF SUGAR LAND

City Manager's Office

October 1, 2016

Honorable Mayor and Members of City Council:

In accordance with Texas Statute and the City of Sugar Land Charter, Section 6.03, the approved budget for the fiscal year beginning October 1, 2016 is hereby presented. The budget for fiscal year 2017 follows the guidelines in the City Council adopted Financial Management Policy Statements (FMPS), maintains existing service levels, and implements City Council priorities. The budget continues to maintain outstanding City services for residents and visitors to Sugar Land, ensures continued financial strength by meeting all fund balance requirements, and is structurally balanced.

FY16 Accomplishments

In FY16 the City saw the impact of the regional economic downturn as a result of the oil & gas industry. The City is feeling impacts from the oil industry as well as due to an overall tightening of the economy. Sales tax, being a very elastic revenue source, is impacted by the economic downturn and we saw several months of lower than budgeted collections. We anticipate ending the year at budget due to some one-time payments.

FY16 has seen a number of City Council priorities nearing completion. The Smart Financial Centre at Sugar Land is about 70% complete and should be open in late 2016. Two significant projects from the 2013 GO bond election will be complete as well, and the City will have its own Festival Site with infrastructure designed and built to host large events. The Brazos River Park project will have expanded parking, trails and an overlook once complete. The Imperial Connector trail is the first trail to be completed from the bond funding.

Capital project funding has focused on drainage and street improvements. In the last two years the City has experienced numerous record rainfall events; despite these record rainfall amounts the City received minimal reports of structural flooding, and those areas are being addressed quickly.

Efforts continued to strengthen the City financially through revisions to the Council adopted Financial Management Policy Statements that provide for less dependence on sales tax to fund operations and increasing fund balance policies for funds that are supported by elastic revenue streams. The financial strength of the City continues to be recognized by outside rating agencies. The City's AAA bond rating was affirmed through multiple bond issues, with the rating agencies citing the City's financial stability and planning efforts as key components of the AAA rating. The City also received another clean audit opinion from its external auditors.

Accountability Initiatives are leading the way for FY16, with strategic projects involving departmental operational assessments, performance measurement, asset management and customer service initiatives making significant progress toward transparency and accountability to residents.

FY17 Budget Preparation and Priorities

To begin the annual budget process, a planning retreat was held in March to review initial assumptions related to preparation of the budget and receive input from City Council. The slowdown in the Houston economy is impacting growth in sales tax revenues, as Sugar Land attracts activity on a regional scale. Based on potential impact from the slowdown in the economy, assessed values were initially assumed to grow 3% over last year, plus additional value from new construction.

For property tax revenues, the Financial Management Policy Statements (FMPS) direct the City Manager to file a budget recommendation based on an effective tax rate plus 3%, which is used to meet current service levels and infrastructure needs. Based on certified tax rolls, value appears to be growing at a higher rate than anticipated. To manage growth in tax bills, the City Council approved an increase in the Homestead Exemption from 8% to 10%, effectively cutting residential tax bills by 2%.

The 2016 TML Tax & Debt survey shows that for 25 responding cities with a population of 65,000 to 150,000, Sugar Land has the second lowest tax rate at 31.6 cents. The average tax rate for these cities is just under 57 cents; a \$350,000 home in any of these cities would carry a tax bill nearly twice what Sugar Land residents pay, thanks to the homestead exemption and the voter approved sales tax for property tax reduction, which generated \$13 million in fiscal year 2016 revenue for the General Fund. The average cost of services in the General Fund is just over \$2,100 per household based on the approved budget. However, the cost to residents is bought down by revenues from commercial property and sales taxes, so that the average property tax and sales tax paid by a resident supports only 45% of the cost of services to residents. The rest is supplemented by revenue brought in from commercial property and non-residents. However, the Debt Service Fund has no supplemental revenue source such as sales tax; 100% of property tax revenues are utilized to pay debt payments for capital projects that the City has undertaken. About 46% of the tax rate goes to repay debt. Commercial development helps reduce the burden of these payments by growing the tax base; approximately 37% of the City's net taxable value comes from non-residential properties.

A recent analysis of the City's sales taxes conducted by Buxton showed that 34% of sales taxes in the retail and food & entertainment sectors come from City and ETJ residents, leaving 66% of the largest sales tax source coming from non-resident sources. When other sectors are factored in, the City's sales tax revenues are approximately 74% from non-resident or commercial transactions. This benefits our residents by enhancing non-property tax revenue streams. Overall, Sugar Land is the 44th largest city in Texas, but the 17th largest sales tax generator. Leveraging this revenue stream to reduce the property tax burden is a great tool; the elasticity of this revenue stream to support operations has risk, which the City recently addressed in the FMPS update reducing the maximum General Fund operating budget that is supported by sales tax to 50%. The FY17 approved budget is 46% supported by sales tax.

Continued efforts to diversify the City's economy and encourage tourism in the City are important as the City completes key projects including the City's first Visitor's Center adjacent to the Sugar Land Heritage Museum, located in the historic Imperial District, along with completion of significant capital projects such as the Smart Financial Centre at Sugar Land, the City's Festival Site and Brazos River Park, that will draw visitors to the City from the entire region and beyond. Attractions such as Constellation Field and the Smart Financial Centre at Sugar Land are developed utilizing economic development sales tax revenues to draw additional visitors to the City. Sustaining and growing our sales tax base are key to the City's successful utilization of the sales tax for property tax reduction that was implemented by voters back in 1993. It is the success of the sales tax tool that has allowed our City to have such a low property tax rate. However, our dependence on sales tax leaves us vulnerable to economic slowdowns due to regional dependence on the oil industry.

The approved additions for FY17 are focused on maintaining current service levels and implementing completed CIP projects. Other than implementing capital projects, there really are no new initiatives for FY17. The focus of the budget is maintaining our strengths as a city. The focus of funding is in areas that are our base service levels, supporting our championship workforce, and planning for future needs. Where new positions are requested, they are supported by a dedicated revenue source- park bond authorization, special event permit fees and rental revenue, hotel occupancy taxes or airport revenues.

The budget as presented does not include any funding for items related to the potential annexation of New Territory and Greatwood, which is anticipated to occur in December 2017, pending final direction from City Council later this year. Planning work for this annexation has been going on for several years, and a funding plan has been set up that allows this annexation to be a self-supporting initiative, meaning that there will be no burden on current taxpayers as the annexation has its own funding sources and is cost-neutral to current residents. The City has been setting aside revenue streams since 2007 targeting anticipated needs from annexation. A budget amendment will be presented for FY17 annexation related costs once the final direction is given by City Council.

Maintain Service Levels

The budget has been developed to serve an estimated population of 87,730 as of January 1, 2017. The budget maintains the City's existing service levels for operations and maintains existing infrastructure. Resources have been allocated to continue services at existing levels. In some cases, additional resources are being recommended to ensure service levels are maintained based on increased workload.

The General Fund operating budget, which accounts for a majority of the city's activity, is increasing 4% over FY16 levels. Drivers of the budget include a 3% pool for merit increases for existing employees effective January 1, full year implementation of 2016 merit increases, a 6.2% increase in health benefits costs, and contractual costs such as electricity, landscaping, and custodial services.

One new position is included in the General Fund budget to maintain current service levels, a Sanitarian to inspect the growing number of fixed and mobile food establishments. In the Airport Fund, a General Maintenance Worker will assist with increased mowing and maintenance needs with the pending acquisition of acreage formerly known as the Central Prison Unit along with a part-time Janitor to meet increasing customer service needs.

In February 2016, the City Council annexed Cullinan Park into the City, taking on responsibility for maintenance and operations for the 750 acre park. The park will be developed over the next several years through a partnership with the Cullinan Park Conservancy, which will raise \$5 million in donations over the next 5 years to support development of the park by the City. Another addition to the City's park system is the newly improved Settler's Way Park, funded in partnership from CDBG and Sugar Land 4B Corporation funding. The park boasts new amenities such as a restroom, parking, walking trails and exercise stations and is a welcome addition to the area.

Implement Capital Projects

Construction of the voter approved Brazos River Park and Festival Site will be completed in late 2016, and funding is necessary to operate and maintain these facilities, as authorized by the voters in 2013. The FY17 budget includes funding for the day-to-day maintenance of the park and Festival Site in the General Fund. The plaza adjacent to the Smart Financial Centre will also be maintained by the City. Four new positions (a Crew Chief and three General Maintenance Workers) were approved for the Parks and Recreation department to implement and maintain these new assets.

The event operations of the Festival Site will be managed through a Special Revenue Fund; fees and policies for use of the site are in development. Additional resources will be needed to manage the special events permit process and festival site events. An Event Manager position was approved in the Economic Development Department to manage this new function; revenues generated from the special event permits and rental fees from the Festival Site are anticipated to recover costs for this position.

The City's first visitors' center, anticipated to be complete by the end of the year, is located in the historic Imperial District, sharing space with the Sugar Land Heritage Museum. The facility is to be staffed with an existing employee plus 2 new part time positions, funded from the Tourism Fund which is supported by Hotel Occupancy Taxes paid by visitors to the City.

Capital Projects

The capital improvement program focuses on streets, sidewalks, drainage and utility infrastructure and includes resources that will maintain the longevity of these critical assets. With the slowdown in sales tax growth, there is a potential for reduced funding for capital projects. While we have budgeted for the full 10% of sales tax contribution to capital projects based on FMPS direction, this is the first place to see cutbacks when revenues decline. Out of the \$72.82 million in CIP projects, 68% is funded from the issuance of debt.

The capital project funds total \$73.02 million including issuance costs. Street and Drainage improvements continue to be priorities in FY17. A total of \$26.9 million is included for street improvements, including adjacent drainage and utility related work. Major projects include the reconstruction of Williams Trace from Austin Parkway to State Highway 6, University Boulevard North Extension from Nalco to Stadium Drive, widening of State Highway 6 from Brooks to Lexington, and continued rehabilitation efforts in pavement, sidewalks and trails. Investment in drainage projects continue totaling \$15.77 million and includes improvements in Covington Woods, Lexington Blvd and the Highlands, and localized drainage improvements; projects include adjacent street and utility work where necessary to minimize disturbance due to construction.

Funding for Utility projects continues to emphasize rehabilitation on lift stations, the collection system, and ground water storage tanks. Water and wastewater CIP projects included in the FY17 budget total \$6.58 million, while Surface Water projects total \$14.62 million and focus on surface water delivery to the Riverstone Water Plant. The approved 2017-2021 Capital Improvement Program total is \$175.49 million; consistent with the FY17 plan, the five year program is 69% funded from the issuance of debt.

Employee Compensation and Benefits

The FY17 approved budget includes a compensation and benefits package for employees that allows the City to attract and retain a highly skilled workforce. The City recognizes pay for performance as a compensation guiding principle. A 3% merit pool will allow staff to develop a merit matrix that rewards high and outstanding performance above the CPI for our area. The City does not give cost of living adjustments, so the merit program is the primary way for employees to receive salary increases, other than promoting into a new position.

Based on the economic and financial forecasts facing the City over the next 12 to 18 months, the Human Resources Department recommends the Public Safety and General/Management salary structures do not move for FY17. We will continue to monitor market and financial conditions throughout the year and as we plan for FY18. One minor change is necessary due to FLSA changes but other grades are not changing.

The City maintains a competitive health benefits offering for employees. Proposals for various benefits were solicited in April, and the proposals are under review. Current estimates show benefits cost should increase 6.2% for FY2017.

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 contributions based on an actuarial formula that looks at the City's pension liabilities compared to its pension assets. The City's funded ratio in TMRS increased from 85.9% in 2014 to 86.1% in 2015. The calculated contribution rate for 2016 will be 14.99%, which is a slight increase from the 2015 rate of 14.85%. Changes to the funding ratio and contribution rate are largely due to changes in the assumptions used by the actuaries in calculating the current and future liabilities of the City's plan. With the FY17 adjustments, the City will maintain a benefits burden of 30.96%, which is within the compensation philosophy guidelines.

Tax Rate and User Fees

The approved 2016 tax rate is \$0.31595 per \$100 valuation, the same as 2015. City Council's approval of a 10% residential homestead exemption in June, an increase of 2%, will apply to the 2016 tax roll, and residents will see the benefit of this as a cut in their 2016 tax bill.

In the Enterprise Funds there are no changes to water, wastewater, or surface water rates. This is consistent with the five-year forecast that has been shared with City Council for the last several years. In fact, the City has not adjusted water or wastewater rates since 2011, minimizing impact to customers while the surface water rates were being implemented. Solid Waste includes a 4.5% increase to residential rates based on the contract with Republic Services, a 2.5% CPI increase plus an additional 2% based on increased glass recycling costs. The new rate will be effective in January 2017 and will increase from \$17.23 to \$18.00 per month with no changes to service levels.

The FMPS contains guidance on evaluating user fees for an annual CPI adjustment and for calculation of new fees. Most new fees are related to the operation of the Festival Site and other special events and will be reviewed with City Council prior to finalization. In FY17, an increase of 1.3% is recommended to fees that accumulates CPI changes from 2015 and 2016. The full cost of fire service shows a small increase from the current fee, going from \$16.93 to \$17.09 per month. Fee adjustments are effective January 2017.

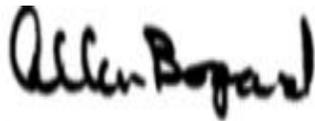
Financial Summary

Based on the priorities addressed identified and discussed above, the FY17 approved budget totals \$259.20 million. Of the total, \$186.18 million is for operations and \$73.02 million is for capital projects. The operating funds are a 4.8% increase over FY16 budget.

Fund	FY17 Budget
General Fund	\$ 78,462,063
Debt Service Funds	24,089,172
Utility & Surface Water Funds	37,035,338
Airport Fund	14,672,981
Solid Waste Fund	5,819,991
Corporations	11,072,475
Other Funds	15,026,668
Total Operating Funds	186,178,668
Capital Projects	73,025,100
Total Approved Budget	\$ 259,203,788

I encourage you to read further into the information describing the FY17 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 approved CIP and employee compensation plans.

Respectfully,

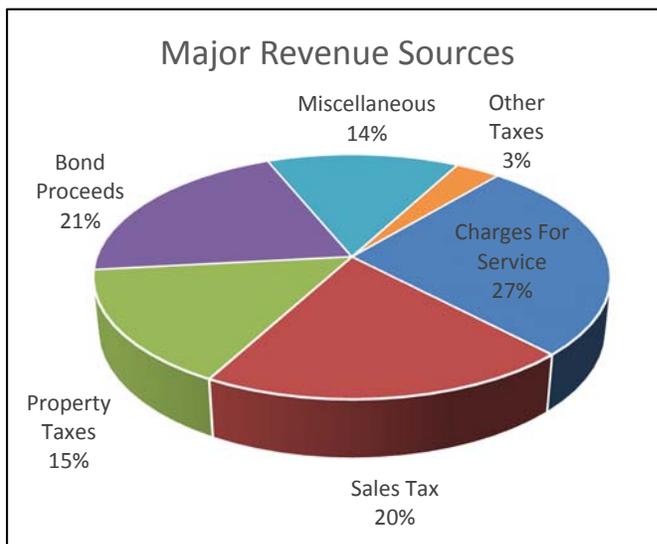


Allen Bogard
City Manager

Executive Summary

Major Revenue Sources

Major revenue sources for the City total \$253.91 million (excluding inter-fund transfers). The five primary revenue categories comprised of property taxes, sales tax, other taxes (franchise taxes and hotel occupancy taxes), charges for services, and bond proceeds represent 86% of total revenues for the City. Miscellaneous revenues include licenses and permits, fines and forfeitures, contributions, and developer fees make up the remaining 14%. The chart to the right illustrates the breakdown of the major revenue sources.



Property Tax

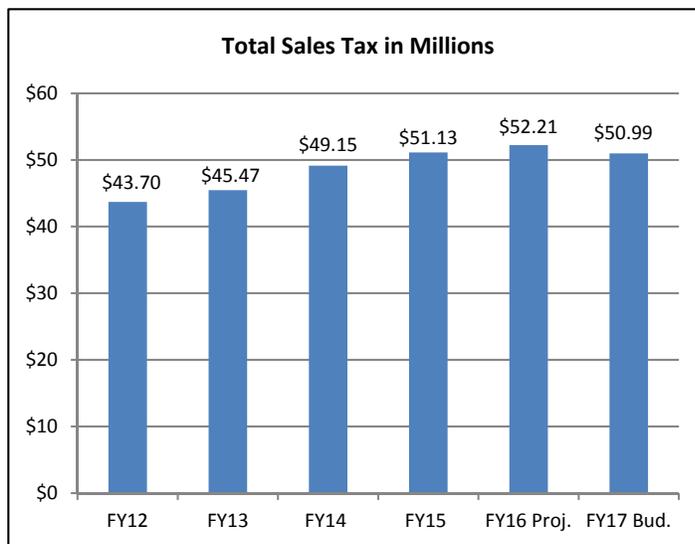
Revenues from ad valorem or property taxes represent 15% of overall revenues at \$38.71 million. Property tax revenues are based on a tax rate of \$0.31595 per \$100 of assessed valuation for the tax year 2016. Property tax collection is authorized by the State of Texas up to \$2.50 per \$100 of assessed valuation for maintenance and operations and debt service.

Sales Tax

Sales tax revenue, estimated at \$50.99 million, represents 20% of total revenues. The sales tax rate in Sugar Land is 8.25% for goods or services sold or delivered within the boundaries of the City. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, quarterly or annual basis. Of the 8.25% tax, the State retains 6.25% and distributes 2% to the City. Of the total 2% local share, 0.25% is allocated to the Sugar Land Development Corporation (SLDC) and 0.25% to the Sugar Land 4B Corporation (SL4B); the remaining 1.5% is deposited in the General Fund.

The sales tax budget includes base sales tax (\$50.45M) and collections from incentive agreements (\$536,013). The State allows cities to enter into incentive agreements with companies that locate within the City and report sales tax to the City for local collections. In turn, the City grants a portion of the collections to the company in the form of an incentive payment. The City currently has one active incentive agreement in place and is expected to payout \$528,463 in incentives in FY17.

Sales tax revenue estimates are prepared using forecasting financial techniques. FY16 collections are expected to fall within the budgeted revenue. The total budget for sales tax for FY17 is \$50.99 million, which is a 2.34% decrease over FY16 projections. The chart to the right illustrates the historical trend of sales tax collections in the City.



Other Taxes

Other Taxes represent 3% of City revenues at \$8.35 million and are comprised of franchise and hotel

occupancy taxes. Franchise taxes are anticipated to total \$5.87 million. Franchise revenues are derived from non-exclusive franchise agreements the City has with utilities and the solid waste providers that use the City's right-of-way to conduct business. Besides defining the responsibilities of the utilities maintaining their assets, the agreements contain a franchise fee clause that requires the utilities and solid waste companies to compensate the City for use of right-of-way and streets. Generally the fees are based on a percentage of gross receipts or a per-unit of usage charge (generated by customers located within the City's corporate limits) that range from 2% to 5%. Hotel occupancy taxes are anticipated to total \$2.48 million. Both franchise taxes and hotel occupancy taxes are estimated using trend analysis. Historic performance is analyzed and growth from new development is factored into the estimates when developing the budget.

Charges for Services

Charges for services represent 27% of total revenues at \$68.58 million and include fees for services in the General, Utilities, Airport, and Solid Waste Funds.

General Fund Charges for Services

Charges for services in the General Fund total \$5.31 million and are primarily derived from fees for services for fire protection in the City's extraterritorial jurisdiction, emergency medical services, parks and recreation activities and rentals, and administrative fees.

Fire protection fees total \$2,860,448 and represent 53.88% of charges for services. Fire protection fees are paid by Municipal Utility Districts (MUDs) within the City's extraterritorial jurisdiction (ETJ) and by Fort Bend County for areas outside the City but served by the Sugar Land Fire Department. Fire fees are adjusted each January based on an updated cost of fire service calculation as defined in the strategic partnership agreements between the City and the districts.

Park fees total \$637,650 and represent 12.01% of charges for services. Park fees are generated by facility usage cards, facility rentals, leisure classes, senior programs and camp programs.

EMS fees total \$1,171,546 and represent 22.07% of charges for services. EMS fees are paid by patients transported by City ambulance to a medical facility for emergency treatment. The City's billing provider will bill private insurance on behalf of the patient.

Other charges for services total \$639,469 and represent 12.04% of charges for services. This includes false alarm charges, hazardous materials responses, and sale of property. With the exception of administrative fees, charges for services are budgeted based on historic collections, with growth factors included where appropriate.

Utility Charges for Services

Utility charges for services are anticipated to generate \$36.91 million. The City charges fees for the provision of water and wastewater services to residents and businesses located within the City. Customers are charged a base rate for water and wastewater, depending on the size of the meter installed, and a volume fee based on metered consumption. Volumetric revenues are budgeted based on estimated water consumption of 5.40 billion gallons for water and surface water and 3.54 billion gallons for wastewater. There are no changes to water, surface water or wastewater rates for FY17.

Surface Water Charges for Service

Surface Water charges for service are anticipated to generate \$4.36 million from non-city participants. Groundwater Reduction Plan (GRP) pumpage fees are established by ordinance by City Council. The FY17 budget maintains the GRP pumpage of \$1.75 per 1,000 gallons of groundwater produced. The Utility Fund pays into the Surface Water Fund based on pumpage consistent with other GRP participants. There are no changes to the surface water rates for FY17.

Airport Charges for Services

Charges for services at the Airport are anticipated to total \$14.38 million. Budgeted fuel sales of \$13.02 million represent estimated fuel sales of 2.95 million 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 and increased traffic for Super Bowl LI. 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 \$6.21 million. The City contracts solid waste service and provides twice weekly automated trash collection and weekly automated recycling. Residents currently pay \$17.23 per month for this service. Effective January 1, 2017, the new rate will increase to \$18.00 per month, a 4.5% increase, based on the contract with Republic Services. The budget anticipates 26,315 households served during the fiscal year.

Bond Proceeds

Bond proceeds of \$51.94 million represent 21% of total revenues. The proceeds will be used to fund the FY17 capital improvement projects and will be from property tax backed bonds and utility revenue bonds.

Miscellaneous Revenues

Miscellaneous revenues represent the remaining 14% of total revenues at \$35.34 million. Miscellaneous revenues include licenses and permits, fines and forfeitures, developer fees, contributions toward insurance premiums, interest income and intergovernmental revenues such as grants.

Expenditures by Type

The FY17 budget totals \$259.20 million (excluding inter-fund transfers). The chart at the right illustrates expenditures by type.

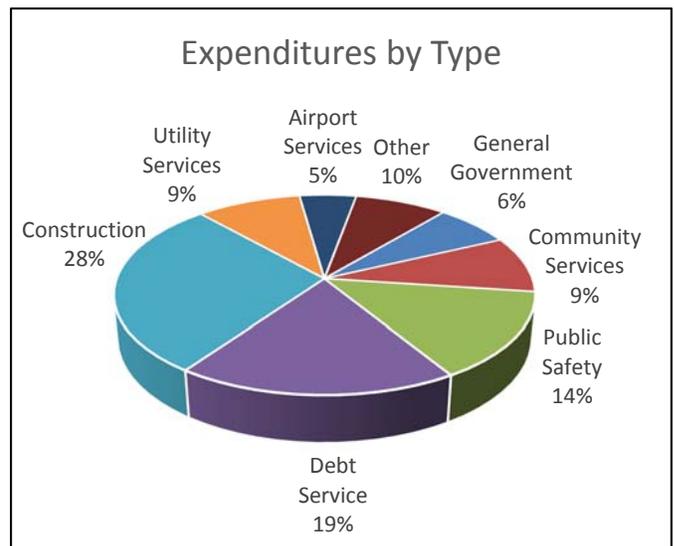
General Government expenditures represent 6% of overall expenditures at \$13.99 million. General Government expenditures are for administrative functions, including City Management, City Secretary, City Attorney, Human Resources, Information Technology, Communications, Strategic Initiatives, Economic Development, and Tourism.

Community Services expenditures represent 9% of total expenditures at \$23.63 million. Community Services

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

Public Safety expenditures represent 14% of total expenditures at \$36.85 million and include the Police and Fire/EMS departments and public safety dispatch.

Debt Service represents 19% of total expenditures at \$48.54 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 40 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. Surface Water debt is paid from GRP revenues. A separate fund accounts for Taxable Certificates of Obligation that are to be supported by lease revenues for the Smart Financial Centre.

Construction represents 28% of total expenditures at \$72.92 million. Construction expenditures are related to capital improvement projects within the City. Capital projects are funded with sales tax from the City and economic development corporations, system revenues from Utilities and Airport Funds, grants, inter-local funding and debt. Project types include parks, streets, drainage, traffic, municipal, airport, water, wastewater and surface water.

Utility Services represent 9% of total expenditures at \$24.46 million. Utility Services expenditures are related to the operations, maintenance, and repair of water and wastewater infrastructure, as well as sanitation and recycling services. Utility services also include expenses related to surface water conversion.

Airport Services represent 5% of total expenditures at \$13.23 million. The fixed based operator at the airport is Global Select, which provides fuel and aviation customer services.

Other expenditures represent 10% of expenditures at \$25.58 million and include expenditures for Finance, Municipal Court, insurance coverage, economic development incentives, capital replacement, sales tax rebates, and property tax rebates to in-City MUDs.

Expenditures by Fund

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

Debt Service Funds

The budget in the Debt Service Funds, excluding inter-fund transfers, totals \$24.09 million. Expenditures include \$22.22 million in debt service payments and fiscal fees. The budget also includes \$1.87 million in property tax rebates to in-city MUDs. The ending fund balance of \$5.04 million is above the policy requirement of 10% of debt service requirements.

General Fund

The General Fund budget, excluding inter-fund transfers, totals \$78.46 million. Expenditures include 5.0 new positions to assist with additional workload, and implementation of capital improvement projects. The budget also includes an average merit pool of 3% for employees effective in January 2017.

The General Fund budget draws down fund balance by \$1.93 million and analysis shows the budget is structurally balanced (recurring revenues cover recurring expenditures). The anticipated FY17 ending fund balance in the General Fund is \$18.42 million, which higher than the policy requirement of three months of recurring operating expenditures.

Capital Improvement Program

The 2017-2021 capital improvement program totals \$175.49 million. Of this total, \$72.83 million are funded in the FY17 budget. Municipal projects make up 4% of FY17 allocation, which include costs for Facility Renovations. Drainage projects represents 22% while Streets projects are 37%. Drainage projects encompasses localized drainage improvements and Streets projects include improvements and widening of streets as well as bridge rehabilitation; pavement rehabilitation; sidewalk rehabilitation; and pedestrian and bike master plan improvements. Parks, Traffic and Airport makes up 8% and include funds for the parks bond projects, traffic evaluation and safety improvements,

and construction of a new maintenance building at the Sugar Land Regional Airport. Water and Wastewater projects represent a combined 9%. Water projects include costs for rehabilitation of elevated storage tank, wells and ground storage tanks. Wastewater projects include ongoing work related to the wastewater collection system rehabilitation, collection System Infiltration/Inflow Study, an assessment of the north and south treatment plants, and lift station rehabilitation. Surface water projects represent 20%, and include water plant improvements and surface water transmission line.

Funding for the FY17 CIP consists of \$3.82 million in pay-as-you-go funding, \$23.70 million in certificates of obligation, \$16.22 million in certificates of obligation/enterprise funds, \$8.83 million in revenue bonds, \$800,000 in general obligation bonds, \$500,000 from the Sugar Land Development Corporation, \$1.45 million from the Sugar Land 4B Corporation, \$2.00 million in system revenues, and \$15.50 million from other funding sources. Other funding sources include donations, developer reimbursement, Solid Waste Fund, Tourism Fund, Keep Sugar Land Beautiful, and CIP fund balances. Interest income is budgeted for \$215,000.

Water Utility Fund

The Water Utility Fund budget totals \$22.17 million, excluding CIP projects and inter-fund transfers. One-time additions are included in the Utility Fund for unidirectional flushing program and an update to the water rate model. A drawdown in cash equivalents of \$845,363 is anticipated for the fiscal year. The FY17 budgeted ending cash equivalent totals \$5.74 million and exceeds the 25% cash operating reserve requirement.

Surface Water Fund

The Surface Water Fund budget, excluding CIP projects and inter-fund transfers, totals \$14.87 million. The Surface Water Fund is supported by pumpage fees paid by all participants in the City's groundwater reduction plan. The FY17 budgeted ending balance of \$8.82 million exceeds the 50% general purpose reserve.

Airport Fund

The Airport Fund budget totals \$14.67 million excluding CIP projects and inter-fund transfers. There is a part-time Janitor position and one full-time-equivalent General Maintenance Worker II included in the adopted budget in the Airport Fund. The fund anticipates a net loss in cash equivalents of \$59,480. The FY17 budgeted ending balance of \$3.80 million is above the policy requirement of 25% of operating expenditures.

Solid Waste Fund

The Solid Waste Fund operating budget totals \$5.82 million that includes contracted residential solid waste collection, excluding inter-fund transfers. Through contracted services, the City provides twice weekly automated trash collection and once weekly automated recycling. The ending balance in the fund is anticipated to be \$314,786. This fund has no minimum fund balance per policy.

Sugar Land Development Corporation

The FY17 budget for SLDC totals \$6.59 million, excluding inter-fund transfers. The budget includes operating expenditures for the Economic Development program, Economic Development incentives, contractual services with the City for support services and capital projects management. Debt service payments are budgeted at \$4.19 million for outstanding debt issues. The FY17 budgeted available ending balance of \$641,080 is over the policy requirement of 10% of budgeted sales tax collections.

Sugar Land 4B Corporation

The FY17 budget for SL4B totals \$4.48 million, excluding inter-fund transfers. The budget includes operating expenditures for the Economic Development program and staffing, contractual services with the City for support services, and capital projects management. Additionally, debt service payments are budgeted at \$3.35 million for

outstanding debt issues. The FY17 budgeted available ending balance of \$1.87 million is over the policy requirement of 10% of budgeted sales tax collections.

Tourism Fund

Expenditures in the Tourism Fund total \$1.06 million, excluding inter-fund transfers. The budget includes operating expenditures for Tourism and Destination Services staffing, which includes the addition of two part-time positions, and funding for the build out and operations of the Visitors Center. The fund has a projected ending fund balance of \$164,233. In FY16 a fund balance policy was established for The Tourism Fund, which is equal to 10% of the hotel occupancy tax. However, in FY17 the fund is not anticipated to meet the new fund balance policy. The 5 year forecast shows it will meet the fund balance policy in FY18.

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 14.85% in 2016 to 14.99% in 2017 (effective January 1, 2017).

In 2012, the City moved from a fully insured health insurance model to a self-funded model to help reduce costs and stabilize premiums. The anticipated increase in FY17 is 6.2% over the FY16 projections. Stability in TMRS and medical plan costs has allowed the City to plan for merit increases for qualified employees.

The budget includes funding for an average 3% merit increase for employees based on performance evaluations. The City does not provide cost of living increases, so the merit increases are the only time employees see an increase to their pay, except for internal promotions and salary structure maintenance. Merit increases are a key factor in staying competitive in the market and retaining quality employees. The merit increases will be effective in January 2017.

The compensation philosophy adopted by City Council addresses the benefits burden as it relates to total compensation. Based on the adopted policy, benefits should not exceed a percentage of total employee compensation comparable to private sector employees. In FY17, the benefit burden is within the limits established by the Council policy at 30.96% of total compensation.

CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
REVENUES AND EXPENDITURES

	FY15	FY16	FY16	FY17
	Actuals	Adjusted Budget	Projection	Budget
REVENUES:				
Property Taxes	\$ 34,073,016	\$ 37,354,082	\$ 37,536,693	\$ 38,707,400
Sales Tax	51,400,291	52,212,056	52,212,056	50,990,000
Other Taxes	8,398,820	8,534,126	8,204,783	8,348,526
Licenses & Permits	3,494,805	3,388,248	3,254,248	3,829,446
Charges For Service	60,750,526	67,952,676	63,492,363	68,584,014
Fines & Forfeitures	3,842,607	1,887,300	3,723,653	3,808,600
Interest Income	1,505,792	743,177	847,509	841,277
Intergovernmental	2,337,282	1,457,347	2,779,455	886,446
Miscellaneous	48,809,589	8,227,048	6,777,740	16,594,156
Bond Proceeds	120,179,875	93,102,896	94,533,765	51,935,782
Contributions	7,506,707	8,907,929	8,986,789	9,382,703
Total Revenues	342,299,310	283,766,885	282,349,054	253,908,350
Transfers from other funds	58,654,796	67,397,093	66,163,973	43,987,899
Total Available Resources	400,954,106	351,163,978	348,513,027	297,896,249
EXPENDITURES:				
General Government	12,215,127	14,463,256	14,475,834	13,985,531
Finance	3,499,303	3,949,855	3,814,909	4,132,923
Public Works	11,621,818	8,580,725	8,643,923	8,294,626
Parks & Recreation	3,787,125	4,382,627	4,335,892	4,898,932
Community Development	5,611,816	9,954,234	9,987,987	10,441,435
Police Department	19,559,040	21,273,264	21,188,693	21,854,723
Fire Department	17,440,259	13,953,347	14,605,303	14,970,345
Debt Service	65,943,445	116,121,314	114,875,681	48,540,717
Other	6,683,859	4,788,888	3,919,655	5,262,618
Construction	80,100,894	60,303,826	60,046,050	72,926,850
Utility Services	22,309,536	23,574,367	23,273,661	24,466,127
Airport Services	11,438,951	12,740,392	12,263,494	13,231,615
Insurance Coverage	8,051,884	8,369,555	8,431,983	8,958,177
Equipment Replacement	2,007,643	3,440,648	3,395,648	2,810,236
Rebates & Assignments	4,433,991	5,027,990	5,027,990	4,428,933
Total Expenditures	274,704,689	310,924,289	308,286,703	259,203,788
Transfers to other funds	58,654,796	67,397,093	66,163,973	43,987,899
Total Expenditures & Transfers	\$ 333,359,485	\$ 378,321,382	\$ 374,450,676	\$ 303,191,687

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2017 BUDGET**

REVENUES

Category Description	Governmental Funds			Enterprise	
	General Fund	Debt Service Fund	Capital Projects	Utility Fund & CIP	Airport Fund & CIP
Property Taxes	\$ 20,846,700	\$ 17,860,700			
Sales Tax	38,242,500				
Other Taxes	5,873,500				
Licenses & Permits	3,829,446				
Charges For Service	5,309,113			36,914,406	14,377,171
Fines & Forfeitures	1,888,600				
Interest Income	220,000	25,250	215,000	80,000	12,000
Intergovernmental	569,265				50,000
Miscellaneous	426,637	1,200,749	11,567,500	1,138,116	896,560
Bond Proceeds			26,700,000	9,010,782	2,200,000
Contributions					
Total Revenue	77,205,761	19,086,699	38,482,500	47,143,304	17,535,731
Transfers From Other Funds	5,996,302	4,616,779	6,280,250	11,415,207	2,454,680
Total Available Resources	83,202,063	23,703,478	44,762,750	58,558,511	19,990,411

EXPENDITURES

General Government	11,858,711				
Finance	4,001,390				
Public Works	8,294,626				
Parks & Recreation	4,898,932				
Community Development	10,276,004				
Police Department	21,075,991				
Fire Department	14,970,345				
Debt Service		22,220,892		9,023,353	1,211,143
Other	528,151		200,000	420,146	230,223
Construction			44,396,000	11,604,100	2,200,000
Utility Services				12,723,364	
Airport Services					13,231,615
Insurance Coverage					
Equipment Replacement					
Rebates & Assignments	2,557,913	1,868,280			
Total Expenditures	78,462,063	24,089,172	44,596,000	33,770,963	16,872,981
Transfers to other Funds	6,669,101	109,579	672,500	26,984,017	3,176,910
Total Expenditures & Transfers	85,131,164	24,198,751	45,268,500	60,754,980	20,049,891
Revenue over (under)					
Expenditures	(1,929,101)	(495,273)	(505,750)	(2,196,469)	(59,480)
BEGINNING BALANCE	\$ 27,214,809	\$ 5,532,918	\$ 7,322,610	\$ 14,532,035	\$ 4,518,596
Reserved for Debt Service				(6,069,587)	(659,766)
Reserved for Self Insurance					
Reserved for Transportation Fees			(2,089,570)		
GAAP Accruals	(6,865,773)				
END BUDGET BALANCE	\$ 18,419,935	\$ 5,037,645	\$ 4,727,290	\$ 6,265,979	\$ 3,799,350

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2017 BUDGET**

REVENUES

Category Description	Funds		Internal Service Funds		
	Surface Water Fund & CIP	Solid Waste	Fleet Replacement	Hi-Tech Replacement	Employee Benefits
Property Taxes					
Sales Tax					
Other Taxes					
Licenses & Permits					
Charges For Service	4,362,099	6,198,680			
Fines & Forfeitures					
Interest Income	70,000		16,000	12,739	300
Intergovernmental					
Miscellaneous		12,800	215,000	1,390	
Bond Proceeds	14,025,000				
Contributions					9,382,703
Total Revenue	18,457,099	6,211,480	231,000	14,129	9,383,003
Transfers From Other Funds	10,175,268		1,320,477	1,251,521	
Total Available Resources	28,632,367	6,211,480	1,551,477	1,265,650	9,383,003

EXPENDITURES

General Government					
Finance					
Public Works					
Parks & Recreation					
Community Development					
Police Department					
Fire Department					
Debt Service	8,553,520				
Other	392,183				361,626
Construction	14,625,000				
Utility Services	5,922,772	5,819,991			
Airport Services					
Insurance Coverage					8,958,177
Equipment Replacement			1,546,056	1,264,180	
Rebates & Assignments					
Total Expenditures	29,493,475	5,819,991	1,546,056	1,264,180	9,319,803
Transfers to other Funds	650,866	421,537			
Total Expenditures & Transfers	30,144,341	6,241,528	1,546,056	1,264,180	9,319,803
Revenue over (under)					
Expenditures	(1,511,974)	(30,048)	5,421	1,470	63,200
BEGINNING BALANCE	\$ 10,491,484	\$ 344,833	\$ 1,606,958	\$ 1,899,181	\$ 1,624,068

Reserved for Debt Service

Reserved for Self Insurance

(1,250,000)

Reserved for Transportation Fees

GAAP Accruals

END BUDGET BALANCE	\$ 8,979,511	\$ 314,785	\$ 1,612,379	\$ 1,900,651	\$ 437,268
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**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2017 BUDGET**

REVENUES

Category Description	Special Revenue Funds						
	Enclave at River Park	Brazos River Festival Site	Tourism	Court Security	Court Tech	CDBG	Law Enforcement
Property Taxes							
Sales Tax							
Other Taxes			2,475,026				
Licenses & Permits							
Charges For Service	128,808	93,162		49,500	66,000		
Fines & Forfeitures							
Interest Income	165		15,000	17	75		120
Intergovernmental						267,181	
Miscellaneous							
Bond Proceeds							
Contributions							
Total Revenue	128,973	93,162	2,490,026	49,517	66,075	267,181	120
Transfers From Other Funds	30,986						
Total Available Resources	159,959	93,162	2,490,026	49,517	66,075	267,181	120

EXPENDITURES

General Government		93,162	1,055,019				
Finance				44,505	87,028		
Public Works							
Parks & Recreation							
Community Development						165,431	
Police Department							
Fire Department							
Debt Service							
Other							
Construction						101,750	
Utility Services							
Airport Services							
Insurance Coverage							
Equipment Replacement							
Rebates & Assignments							
Total Expenditures		93,162	1,055,019	44,505	87,028	267,181	
Transfers to other Funds			1,508,697				109,000
Total Expenditures & Transfers		93,162	2,563,716	44,505	87,028	267,181	109,000
Revenue over (under)							
Expenditures	159,959	-	(73,690)	5,012	(20,953)	-	(108,880)
BEGINNING BALANCE	\$ 168,089	\$ -	\$ 832,193	\$ 6,250	\$ 40,897	\$ -	\$ 140,174

Reserved for Debt Service
 Reserved for Self Insurance
 Reserved for Transportation Fees
 GAAP Accruals

(594,269)

END BUDGET BALANCE	\$ 328,048	\$ -	\$ 164,234	\$ 11,262	\$ 19,944	\$ -	\$ 31,294
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**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2017 BUDGET**

REVENUES

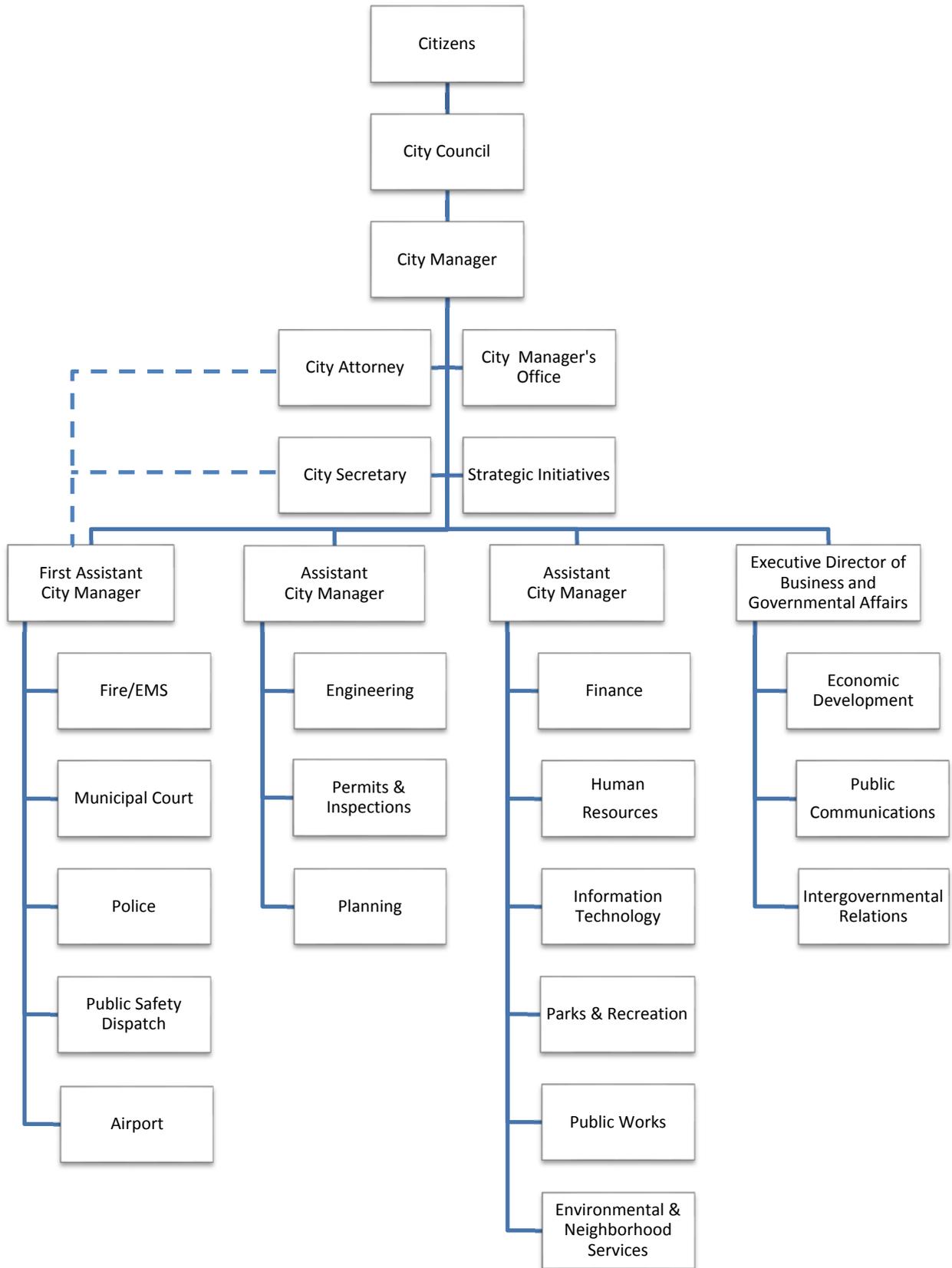
Category Description			Total City	Component Units		TOTAL
	Photo Traffic Enforcement	SPA Debt Reduction		SLDC	SL4B	
Property Taxes			\$ 38,707,400			\$ 38,707,400
Sales Tax			38,242,500	6,373,750	6,373,750	50,990,000
Other Taxes			8,348,526			8,348,526
Licenses & Permits			3,829,446			3,829,446
Charges For Service		1,085,075	68,584,014			68,584,014
Fines & Forfeitures	1,920,000		3,808,600			3,808,600
Interest Income	736	33,875	701,277	83,000	57,000	841,277
Intergovernmental			886,446			886,446
Miscellaneous			15,458,752	900,000	235,404	16,594,156
Bond Proceeds			51,935,782			51,935,782
Contributions			9,382,703			9,382,703
Total Revenue	1,920,736	1,118,950	239,885,446	7,356,750	6,666,154	253,908,350
Transfers From Other Funds		446,429	43,987,899			43,987,899
Total Available Resources	1,920,736	1,565,379	283,873,345	7,356,750	6,666,154	297,896,249

EXPENDITURES

General Government			13,006,892	417,018	561,621	13,985,531
Finance			4,132,923			4,132,923
Public Works			8,294,626			8,294,626
Parks & Recreation			4,898,932			4,898,932
Community Development			10,441,435			10,441,435
Police Department	778,732		21,854,723			21,854,723
Fire Department			14,970,345			14,970,345
Debt Service			41,008,908	4,185,890	3,345,919	48,540,717
Other	571,002		2,703,331	1,986,590	572,697	5,262,618
Construction			72,926,850			72,926,850
Utility Services			24,466,127			24,466,127
Airport Services			13,231,615			13,231,615
Insurance Coverage			8,958,177			8,958,177
Equipment Replacement			2,810,236			2,810,236
Rebates & Assignments			4,426,193	2,740		4,428,933
Total Expenditures	1,349,734		248,131,313	6,592,238	4,480,237	259,203,788
Transfers to other Funds	571,002		40,873,208	1,667,691	1,447,000	43,987,899
Total Expenditures & Transfers	1,920,736		289,004,521	8,259,929	5,927,237	303,191,687
Revenue over (under)						
Expenditures	-	1,565,379	(5,131,176)	(903,179)	738,917	(5,295,438)
BEGINNING BALANCE	\$ -	\$ 8,755,783	\$ 85,030,880	\$ 6,734,270	\$ 5,284,707	\$ 97,049,857
Reserved for Debt Service			(6,729,353)	(4,141,452)	(3,108,808)	(13,979,614)
Reserved for Self Insurance			(1,250,000)			(1,250,000)
Reserved for Transportation Fees			(2,089,570)			(2,089,570)
GAAP Accruals			(7,460,042)	(1,048,559)	(1,048,559)	(9,557,160)
END BUDGET BALANCE	\$ -	\$ 10,321,162	\$ 62,370,738	\$ 641,080	\$ 1,866,257	\$ 64,878,075

City of Sugar Land Organizational Chart

As of October 1, 2016



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 87,000 and is nationally recognized for its low crime and excellent opportunities afforded to residents.



City Management

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

ROLE OF CITY COUNCIL

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

ROLE OF CITY MANAGER

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

Local Economy

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

EMPLOYER

- Fluor Enterprises, Inc.*
- Schlumberger*
- Houston Methodist Sugar Land Hospital
- UnitedHealthcare/UnitedHealth Group*
- Tramontina USA, Inc.
- Nalco-Champion, an Ecolab Company*
- First Data Telecheck
- Memorial Hermann Sugar Land
- Noble Drilling Services, Inc.
- Baker Hughes*
- St. Luke's Hospital Sugar Land
- Sunoco Logistics Partners LP
- Texas Instruments*
- National Oilwell Varco*
- Yokogawa Corp of America
- *2016 Fortune 50 Company

TYPE OF BUSINESS

- Engineering / Procurement / Construction
- Oilfield Services / Technology
- Hospitals
- Health Benefits
- Manufacturing / Kitchen Wares
- Petrochemicals
- Payment Processing Company
- Hospitals
- Offshore Drilling
- Specialty Polymers
- Hospitals
- Petroleum / Gas Transportation
- Semiconductor Design & Manufacturing
- Oilfield Equipment
- Process Control Equipment

Economic Development Activity

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

As a regional employment center with more than 63,500 jobs, Sugar Land is home to high-profile regional and international corporations housed in more than 25 million square feet of commercial space, including more than 15 Fortune 500 companies with a significant presence.

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

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

Evidence of Sugar Land's thriving business community includes the announcement by Schlumberger of plans to consolidate the company's U.S. headquarters in Sugar Land as part of its long-term resource management and consolidation strategy – solidifying the long-term presence of the City's second-largest employers and one of the City's top tax payers. As part of this project, the Fortune Global 500 company will reposition more than 500 jobs to its Sugar Land campus and construct more than 250,000-square-feet of Class A office space and a new amenities building totaling approximately 100,000-square-feet. The company will also invest more than \$200 million in capital improvements at its existing 200-acre Sugar Land campus along U.S. Highway 90A to accommodate the move.

Further, Schlumberger's announcement comes after several other high-profile projects in Sugar Land, including hundreds of millions of dollars in hospital expansion projects by Memorial Hermann Sugar Land and Houston Methodist Sugar Land. For instance, First Data Corporation, a global technology leader in the financial services industry, relocated its TeleCheck divisional headquarters to approximately 90,000 square foot in the Sugar Creek on the Lake building. This project brought more than \$10 million in capital investment and will add 600 new jobs during a 10 year period. Nalco Champion, an Ecolab Company, recently completed its new 133,500 square foot headquarters office building, and the company is also reconfiguring existing buildings to maximize office space, accommodate supply chain needs and create additional space for the expansion of the company's research and development facilities. The project will result in more than \$45 million in capital investment, the retention of 342 jobs, the recapturing of 247 jobs previously in Sugar Land and the addition of 862 new jobs.

Applied Optoelectronics (AOI) – a leading, vertically integrated provider of fiber-optic networking products for cable television, fiber-to-the-home and internet data centers, just expanded its Sugar Land facility by building a new 102,000-square-foot, three-story building to be used primarily as its corporate headquarters and for research and development. In addition, a new 9,600 square foot, one-story building for manufacturing was added, resulting in a total of approximately \$39 million in capital investment and the creation of 530 new jobs and the retention of 235

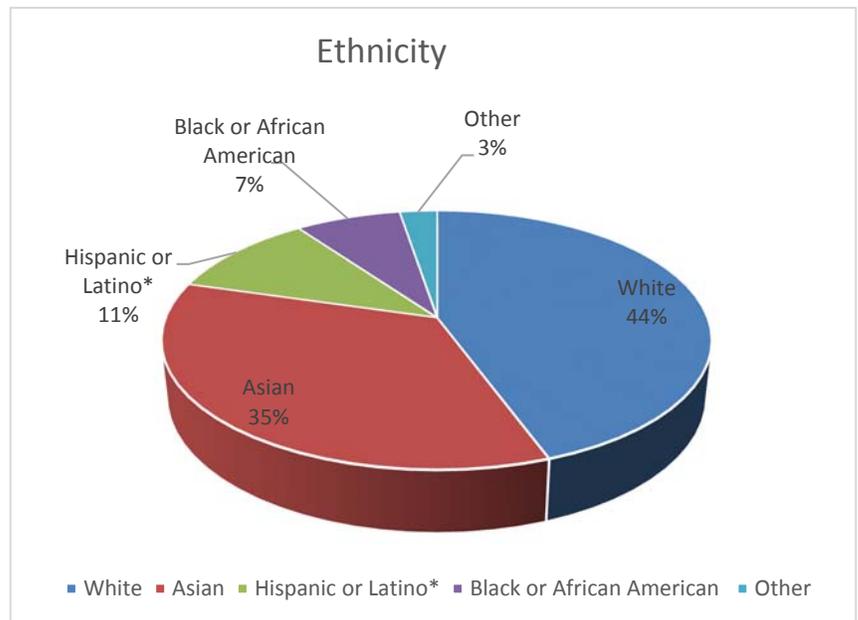
existing jobs over 10 years. AOI, which was formed in 1997 after its founders began developing lasers for military and space applications at the University of Houston, has been headquartered in Sugar Land since 2000.

Sugar Land also continues to establish itself as a destination city with the construction of the Smart Financial Centre at Sugar Land, the region's first state-of-the-art, indoor performance venue which will set a new standard for live performance venues. The facility – which is on schedule for substantial completion in fall 2016 with ACE planning a formal grand opening for January 2017 – will be equipped to host a wide array of programming including internationally renowned concert and comedy artists, children and family entertainment, theatrically-staged productions and cultural and performing arts attractions. It will also be open to the community for local graduations and community theatre performances.

Designed for flexibility, the 200,000 square foot venue incorporates innovative moveable walls that can expand and contract to create four different seating capacities that range from an intimate setting of 3,400 seats to a maximum of 6,400. It also features 14 luxury suites, corporate hospitality areas, and the latest sound, light and video technology – as well as an adjacent 2.88 acres public plaza that will be home to an interactive water fountain, tree covered grove, large lawn area for residents and visitors and a dedicated area for food truck connections. Based on voters' approval of financing tools in 2008, funding is provided through a unique package of special funding sources restricted for economic development and tourism purposes – as well as equity and rent payments by ACE, with no general fund tax dollars being spent on the plaza or the Smart Financial Centre.

Diversity

Sugar Land is a diverse community and was recognized as the nation's first Community of Respect® by the Anti-Defamation League in 2007. The Community of Respect® program is an initiative to help governments, non-profit organizations, faith institutions, businesses, and institutes of higher learning create an atmosphere that rejects prejudice and fosters respect and an appreciation for diversity. After being named the nation's first "Community of Respect," the Anti-Defamation League (ADL) has recognized Sugar Land multiple times for its ongoing commitment to foster an inclusive and respectful community.



* 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

	FY14	FY15	FY16	FY17
Population (January 1st estimate)	86,495	86,972	87,504	87,730
Square Miles	32.73	32.73	32.73	36.33
Acres	22,868	22,868	22,868	23,253
Budgeted Full Time Employees	676	694	711	722
Total Operating Budget	\$207.6 M	\$324.8 M	\$166.8 M	\$186.17 M

Fire Protection/ Emergency Medical Services

Number of Stations	7	7	7	7
Certified Firefighters	104	115	115	116
Calls for Service	7,328	8,118	7,176	7,328

Police Protection

Number of Stations	1	1	1	1
Certified Police Officers	149	151	151	151
Calls for Service	26,123	28,699	28,455	28,455

Parks & Recreation

Number of Parks	24	25	27	27
Park Acreage	807	1378	2,132	2,132
Swimming Pools	1	1	1	1
Community Centers	6	6	5	5
Recreation Centers	1	1	1	1
Special Events Offered	18	37	26	26

Public Works

Lane Miles of Streets	782	782	840	842
Linear Miles of Sidewalk	500	500	537	538
Miles of Storm Sewer/Open Ditch	338	338	338	338
Traffic Signals Maintained	85	85	85	85
City Facilities	61	61	61	61

Utilities

Equivalent Single Family Connections	43,663	44,666	45,666	45,478
Water Produced (Million Gallons)	6,800	6,343	6,781	6,678
Wastewater Treated (Million Gallons)	3,320	2,976	3,103	3,541

Community Development

Building Permits Issued	7,271	6,798	7,242	7,249
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Airport

Gallons of Fuel Sold	3,134,281	3,015,916	3,031,285	2,953,717
Aircraft Served	14,185	13,353	13,353	15,101

Budget Process & Calendar

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

Operating Budget

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

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

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

Capital Improvement Program

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

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

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

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

FY17 Budget Calendar

February	<ul style="list-style-type: none"> • CIP kick-off • Cost allocation plan updated • Key issues identified and prioritized by City Management
March	<ul style="list-style-type: none"> • CIP projects developed • Budget Office prepares preliminary five-year forecast • City Manager develops budget message for departments • Budget Office develops instructions and forms for budget preparation • City Council retreat – define priorities for FY17
April	<ul style="list-style-type: none"> • Budget kick-off meeting: Directors and Managers <ul style="list-style-type: none"> - Introduce and distribute budget instructions - Line item allocation of budgets by departments - Departments prepare requests for additional funds • Budget Office develops preliminary funding plan for five-year CIP
May	<ul style="list-style-type: none"> • Review list of CIP projects with Planning & Zoning • Budget Office reviews departmental budget submissions
June	<ul style="list-style-type: none"> • Review list of CIP projects with City Council • City Management reviews departmental budget submissions • City Manager balances the proposed budget • CIP project list finalized and fiscally constrained • Five-year financial forecast finalized
July	<ul style="list-style-type: none"> • Prepares proposed budget document, transmittal letter and budget presentations • July 19: Proposed budget filed with City Council • Certified tax roll due from Central Appraisal District
August	<ul style="list-style-type: none"> • Council budget workshops (Thursday mornings) • Public hearing on budget • Publish effective tax rate calculations
September	<ul style="list-style-type: none"> • Final FY16 Budget Amendment Ordinance • City Council adoption of FY17: <ul style="list-style-type: none"> ○ Annual budget, five-year CIP, compensation plan, tax rate, fee ordinance

Legal Requirements & Basis of Budgeting

Legal Requirements for the Budget

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

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

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

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

Financial Management Policy Statements

The Financial Management Policy Statements are approved through City Council Resolution. These statements give general guidelines for the development of fiscal policies to ensure that financial resources are available to meet present and future needs of citizens and aid in fulfilling the goal of a responsible city government. These policy statements are reviewed semi-annually and recommended revisions are discussed with City Council. The statements were last updated and approved by City Council Resolution 16-20 in June 2016. A copy of the current policy statements can be found at the end of this document.

Budget Basis of Presentation

Governmental and Fiduciary Funds

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

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

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

Proprietary and Internal Service Funds

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

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

Basis of Accounting

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

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

Financial Structure

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

Governmental Funds

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City has several special revenue funds such as: Court Security, Court Technology, Tourism, Community Development Block Grant, Photographic Traffic Signal Enforcement, four SPA Debt Reduction Funds, and Police Seizures, Festival Site, 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 four enterprise funds: Water Utility, Airport, Solid Waste and Surface Water. 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 used to account for sales tax revenues for economic development activities and expenditures associated with promoting, assisting, and enhancing economic and industrial development activities. Each component unit has a separate board of directors. The City accounts for five component units: Sugar Land Development Corporation (SLDC), Sugar Land 4B Corporation (SL4B), Sugar Land Town Square TIRZ#1, Imperial TIRZ#3, and TIRZ#4. The SLDC is a blended component unit and is included as a special revenue fund in the government-wide financial statements. The TIRZ's are not included in the City's adopted budget, although TIRZ#3 and TIRZ#4 budgets are approved by City Council.

Goals & Vision

City Council has identified and developed five priorities to direct the City's growth and define staff responsibilities. This "picture" identifies priorities and challenges that the City will face in the near future. Each year the City reviews these priorities and the progress being made. Underlying each priority are strategies for the City to strive for in the near future. The priorities and strategies were reviewed in November 2013 and updated to provide direction to staff in strategic planning efforts.

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

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

Safest City in America: Feeling Safe, Rapid Response

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

Strong Local Economy: Growing Business Investment

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

Responsible City Government: Financially Sound, Exceptional Service

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

- City of Sugar Land – a leader in customer service and superior service
- City and partners operating efficiently and as a service business

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

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

Building Community: Diverse Cultures, Leisure, Arts

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

Vision 2025 and Comprehensive Plan

Vision 2025 was developed through a process of community input and City Council guidance, and was formally adopted by the City Council through Resolution 09-34 in September 2009. Vision 2025 provides long-term goals for the ongoing development and improvement of the community.

In July 2012, the City Council adopted Ordinance No. 1851. This ordinance formally adopted an update to Chapters 1-5 of the City’s Comprehensive Plan, which incorporated Vision 2025 Goals and Objectives.

Sugar Land 2025 is a Safe, Beautiful, Inclusive, and Environmentally Responsible Community.

Sugar Land 2025 has Destination Activity Centers, Great Neighborhoods, Superior Mobility, Outstanding Cultural, Educational, and Recreational Opportunities, and is a Regional Business Center of Excellence.

Sugar Land 2025 has Balanced Development and Redevelopment.

The Community Takes Pride in Sugar Land.

Goals and Objectives

Goal A: Safe Community

1. Safest city in the United States
2. People feeling safe, secure and comfortable at home, in the neighborhood, at the parks, in commercial areas, and throughout the community
3. Informed citizens participating in and taking responsibility for community safety and emergency preparedness
4. Rapid, professional and coordinated response to an emergency call for service
5. City prepared for all hazards, disaster and post-disaster recovery including coordination with local, regional and state resources

6. Health and building codes promoting highest reasonable standards for safety
7. Adequate supply of safe drinking water meeting national and state standards

Goal B: Beautiful Community

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

Goal C: Inclusive Community

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

Goal D: Environmentally Responsible Community

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

Goal E: Destination Activity Centers

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

Goal F: Great Neighborhoods

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

Goal G: Superior Mobility

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

Goal H: Outstanding Cultural Arts, Educational and Recreational Opportunities

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

Goal I: Regional Business Center of Excellence

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

Goal J: Balanced Development and Redevelopment

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

Goal K: Community Pride in Sugar Land

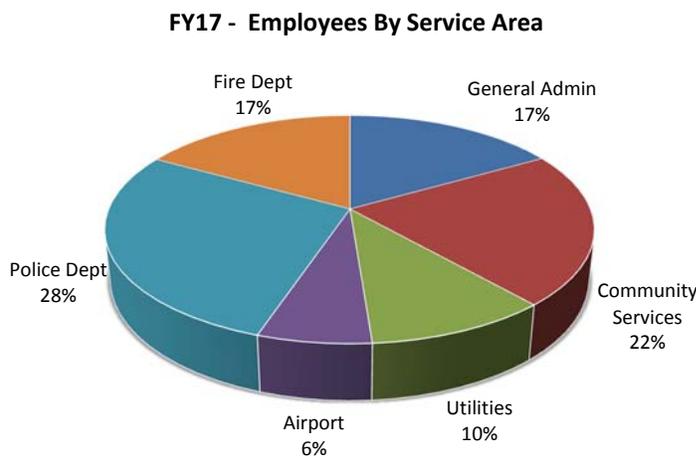
1. City working in partnership with residents, community organizations, businesses and other government entities
2. People want to live here, businesses want to invest here
3. Successful community events and celebrations bringing people together
4. Being “A Community of Excellence” and recognized as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

Staffing Levels

The number of budgeted Full Time Equivalent (FTE) positions in FY17 totals 722.49. A net increase of 8.5 positions is included for FY17: 5.0 in the General Fund, 1.0 in Special Revenue Fund, 1.0 in the Tourism Fund, and 1.5 in Airport Fund. The 5.0 new positions in the General Fund include 1.0 Crew Chief, 3.0 General Maintenance Workers (II), and 1.0 Sanitarian. One new Destination Event Manager (1.0) position is included in the Special Revenue Fund for the Festival Site. Changes in the Tourism Fund include 1.0 Tourism Coordinator reclassified to a Visitor Services Manager and the addition of two part-time Visitor Services Specialist which equates to 1.0 FTE position. The remaining 1.5 positions are in the Airport Fund and include a part-time Janitor and 1.0 General Maintenance Worker (II).

Employees by Service Areas

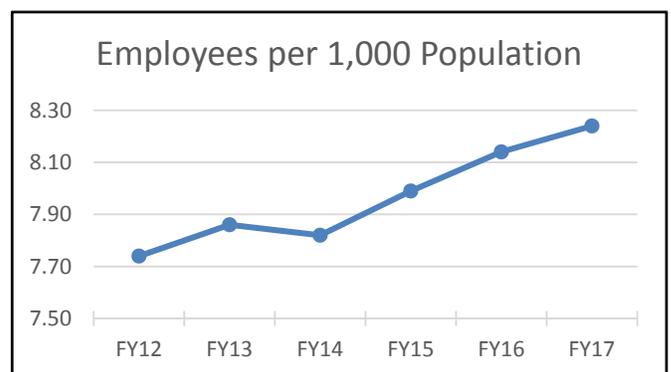
The chart below illustrates the 722.49 FTE count by Service Area. General Administration is comprised of General Government, Tourism and Finance. Community Services is comprised of Public Works, Parks & Recreation, Environmental & Neighborhood Services, and Community Development. Utilities includes Solid Waste, Surface Water, and Water Utility.



Employees per 1,000 Population

The table and graph below show the number of FTE positions per 1,000 residents. These figures exclude seasonal and temporary employees. FY12 saw a reduction of 18 positions through attrition due to the economic downturn.

Fiscal Year	FTE	Percent Change	Population	Employees Per 1,000 Population
FY12	642.00	-2.73%	82,999	7.74
FY13	658.95	2.64%	84,134	7.83
FY14	675.97	2.58%	86,495	7.82
FY15	695.49	2.89%	86,972	8.00
FY16	711.99	2.37%	87,504	8.14
FY17	722.49	1.47%	87,730	8.24



Historical Detail of Authorized Full-Time Equivalents

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
Administrative Coordinator	1.00	-	-	-	-	-
Administrative Manager	-	1.00	-	1.00	-	1.00
Assistant to City Manager	1.00	1.00	-	1.00	-	1.00
Assistant to City Manager in Training ¹	-	1.00	(1.00)	-	-	-
City Manager	1.00	1.00	-	1.00	-	1.00
Director of Public Affairs	1.00	-	-	-	-	-
Executive Assistant	2.00	2.00	-	2.00	-	2.00
Intergov'tl Relations Manager	0.50	-	-	-	-	-
City Manager	6.50	6.00	(1.00)	5.00	-	5.00
Administrative Coordinator	0.50	0.50	-	0.50	-	0.50
Assistant City Manager	2.00	2.00	-	2.00	-	2.00
Executive Assistant	2.00	2.00	-	2.00	-	2.00
First Assistant City Manager	1.00	1.00	-	1.00	-	1.00
Assistant City Managers	5.50	5.50	-	5.50	-	5.50
Administrative Specialist	1.00	1.00	-	1.00	-	1.00
City Secretary	1.00	1.00	-	1.00	-	1.00
Deputy City Secretary	1.00	1.00	-	1.00	-	1.00
Executive Secretary	2.00	2.00	-	2.00	-	2.00
Information Process Technician	1.00	1.00	-	1.00	-	1.00
Receptionist - PT	1.20	1.20	-	1.20	-	1.20
Records Manager	1.00	1.00	-	1.00	-	1.00
Records Specialist	1.00	1.00	-	1.00	-	1.00
City Secretary	9.20	9.20	-	9.20	-	9.20
Assistant Communications Director	-	-	1.00	1.00	-	1.00
Assistant Director of Communications	1.00	1.00	(1.00)	-	-	-
Communications Director	-	-	1.00	1.00	-	1.00
Communications Specialist	1.00	1.00	(1.00)	-	-	-
Communications Manager	-	-	1.00	1.00	-	1.00
Community Outreach Manager	1.00	-	-	-	-	-
Director of Communications	1.00	1.00	(1.00)	-	-	-
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Graphics Coordinator	1.00	1.00	-	1.00	-	1.00
Producer / Videographer	1.00	1.00	-	1.00	-	1.00
Publications Manager	1.00	1.00	-	1.00	-	1.00
Website Manager	1.00	1.00	-	1.00	-	1.00
Communications	9.00	8.00	-	8.00	-	8.00
Administrative Coordinator	-	1.00	-	1.00	-	1.00
Assistant Director of HR	-	1.00	-	1.00	-	1.00
Director of Human Resources	1.00	1.00	-	1.00	-	1.00
HR Business Partner	2.00	3.00	-	3.00	-	3.00
Human Resources Manager	2.00	1.00	-	1.00	-	1.00
HR Specialist	3.00	2.00	-	2.00	-	2.00
Recruit & Business Svcs. Adm	1.00	-	-	-	-	-
Risk Analyst ¹	1.00	-	-	-	-	-
Risk Manager	1.00	1.00	-	1.00	-	1.00
Safety Coordinator	1.00	1.00	-	1.00	-	1.00
Human Resources	12.00	11.00	-	11.00	-	11.00
Assistant City Attorney	1.00	2.00	1.00	3.00	-	3.00
City Attorney	1.00	1.00	-	1.00	-	1.00
Deputy City Attorney	1.00	1.00	(1.00)	-	-	-
Executive Assistant	1.00	1.00	-	1.00	-	1.00
First Assistant City Attorney	1.00	1.00	-	1.00	-	1.00
City Attorney	5.00	6.00	-	6.00	-	6.00
Director of Information Technology	1.00	1.00	-	1.00	-	1.00
End User Support Specialist	4.00	4.00	-	4.00	-	4.00
Executive Secretary	1.00	1.00	-	1.00	-	1.00
G.I.S. Specialist	2.00	3.00	-	3.00	-	3.00
IT Manager	2.00	2.00	-	2.00	-	2.00
IT Operations Manager	1.00	1.00	-	1.00	-	1.00

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
IT Project Manager	1.00	1.00	-	1.00	-	1.00
Lead Programmer Analyst	1.00	2.00	-	2.00	-	2.00
Programmer Analyst	1.00	-	-	-	-	-
Project Analyst	1.00	1.00	-	1.00	-	1.00
System Administrator	3.00	4.00	-	4.00	-	4.00
System Analyst	1.00	1.00	-	1.00	-	1.00
Telecommunications Specialist	1.00	1.00	-	1.00	-	1.00
User Services Supervisor	1.00	1.00	-	1.00	-	1.00
Information Technology	21.00	23.00	-	23.00	-	23.00
Performance Analyst ¹	-	1.00	(1.00)	-	-	-
Management Assistant I ¹	4.00	4.00	-	4.00	-	4.00
Management Assistant II ¹	-	1.00	-	1.00	-	1.00
Management Assistant II ¹	2.00	1.00	-	1.00	-	1.00
Strategic Initiatives Director	1.00	1.00	-	1.00	-	1.00
Strategic Initiatives Manager ¹	-	-	1.00	1.00	-	1.00
Office of Strategic Initiatives	7.00	8.00	-	8.00	-	8.00
Assistant Dir. Of Economic Dev.	1.00	1.00	1.00	2.00	-	2.00
Business Retention Manager	1.00	1.00	-	1.00	-	1.00
Compliance Manager	1.00	1.00	-	1.00	-	1.00
Cultural Arts Manager	-	-	1.00	1.00	-	1.00
Director of Economic Development	1.00	1.00	(1.00)	-	-	-
Economic Development Coordinator	1.00	-	-	-	-	-
Executive Assistant	1.00	1.00	-	1.00	-	1.00
Executive Director of Business and Governmental Affairs	-	-	1.00	1.00	-	1.00
Intergov'tl Relations Manager	-	0.50	-	0.50	-	0.50
Public/Private Partnership Coordinator	-	-	1.00	1.00	-	1.00
Public/Private Partnership Manager	-	1.00	-	1.00	-	1.00
Economic Development	6.00	6.50	3.00	9.50	-	9.50
Tourism & Destination Services Administrator	-	0.50	-	0.50	-	0.50
Tourism & Destination Events	-	0.50	-	0.50	-	0.50
General Government Total	81.20	83.70	2.00	85.70	-	85.70
Director of Finance	1.00	1.00	-	1.00	-	1.00
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Financial/Investment Analyst	-	1.00	-	1.00	-	1.00
Finance Administration	2.00	3.00	-	3.00	-	3.00
Budget Analyst	1.00	1.00	1.00	2.00	-	2.00
Budget Analyst ¹	1.00	1.00	-	1.00	-	1.00
Budget Officer	1.00	1.00	-	1.00	-	1.00
Financial Analyst	1.00	1.00	-	1.00	-	1.00
Sr. Budget Analyst	1.00	1.00	(1.00)	-	-	-
Budget Office	5.00	5.00	-	5.00	-	5.00
Accountant I & II	2.00	2.00	-	2.00	-	2.00
Accounting Supervisor	1.00	1.00	-	1.00	-	1.00
Accounts Payable Specialist	2.00	2.00	-	2.00	-	2.00
Accounts Payable Supervisor	1.00	1.00	-	1.00	-	1.00
Chief Accountant	1.00	1.00	-	1.00	-	1.00
Deputy Chief Accountant	1.00	1.00	-	1.00	-	1.00
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Principal Accountant	1.00	1.00	-	1.00	-	1.00
Sr. Accounts Payable Specialist	1.00	1.00	-	1.00	-	1.00
Accounting	11.00	11.00	-	11.00	-	11.00
Administrative Specialist	-	1.00	-	1.00	-	1.00
Buyer	-	-	1.00	1.00	-	1.00
Buyer I	1.00	1.00	(1.00)	-	-	-
Contracts Coordinator	1.00	1.00	-	1.00	-	1.00
Contracts Manager	1.00	1.00	-	1.00	-	1.00
Purchasing Manager	1.00	1.00	-	1.00	-	1.00
Purchasing Specialist ¹	1.00	2.00	-	2.00	-	2.00
Purchasing	5.00	7.00	-	7.00	-	7.00
Court Clerk	4.00	4.00	-	4.00	-	4.00
Court Docket Coordinator	1.00	1.00	-	1.00	-	1.00
Court Services Specialist	1.00	1.00	-	1.00	-	1.00
Deputy Court Administrator	1.00	1.00	-	1.00	-	1.00

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
Juvenile C.S.W. Coordinator - PT	0.50	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
Records Clerk - PT	0.50	0.50	-	0.50	-	0.50
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Warrant Coordinator	1.00	1.00	-	1.00	-	1.00
Municipal Court	12.00	12.00	-	12.00	-	12.00
Finance & Municipal Court Total	35.00	38.00	-	38.00	-	38.00
Administrative Manager	0.50	0.50	-	0.50	-	0.50
Assistant Director of Public Works	2.00	1.00	-	1.00	-	1.00
Director of Public Works	0.50	0.50	-	0.50	-	0.50
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Public Works Administration	5.00	4.00	-	4.00	-	4.00
Crew Chief	4.00	5.00	-	5.00	-	5.00
Field Supervisor	2.00	2.00	-	2.00	-	2.00
General Maintenance Worker (I & II)	8.00	8.00	-	8.00	-	8.00
Project Manager	1.00	1.00	-	1.00	-	1.00
Sr. Contract Inspector	1.00	1.00	-	1.00	-	1.00
Street/Drainage Superintendent	1.00	1.00	-	1.00	-	1.00
Temporary Help	0.40	-	-	-	-	-
Street & Drainage Maintenance	17.40	18.00	-	18.00	-	18.00
Contract Services Monitor	-	1.00	-	1.00	-	1.00
ROW Service Coordinator	-	1.00	-	1.00	-	1.00
ROW Service Manager	-	1.00	-	1.00	-	1.00
ROW Maintenance	-	3.00	-	3.00	-	3.00
Engineer (I)	1.00	1.00	-	1.00	-	1.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
Traffic Engr & Controls Manager	1.00	1.00	-	1.00	-	1.00
Traffic Operations Manager	1.00	1.00	-	1.00	-	1.00
Traffic Technician (I & II)	5.00	5.00	-	5.00	-	5.00
Traffic Operations	9.00	9.00	-	9.00	-	9.00
Public Works Total	31.40	34.00	-	34.00	-	34.00
Administrative Manager	1.00	1.00	-	1.00	-	1.00
Assistant Director of Parks & Recreation	2.00	2.00	-	2.00	-	2.00
Cultural Arts Manager	-	1.00	(1.00)	-	-	-
Director of Parks & Recreation	1.00	1.00	-	1.00	-	1.00
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Parks Administration	6.00	7.00	(1.00)	6.00	-	6.00
Contract Services Monitor	1.00	-	-	-	-	-
Crew Chief	3.00	3.00	-	3.00	1.00	4.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker (I & II)	7.00	6.00	-	6.00	3.00	9.00
Park Devel & Streetscape Coordinator	1.00	-	-	-	-	-
Parks Superintendent	1.00	1.00	-	1.00	-	1.00
Parks Development Manager	1.00	-	-	-	-	-
Temporary Help	-	-	0.50	0.50	-	0.50
Parks Development	15.00	11.00	0.50	11.50	4.00	15.50
Administrative Supervisor	1.00	1.00	-	1.00	-	1.00
Day Camp Counselor (seasonal)	1.78	1.78	-	1.78	-	1.78
Day Camp Lead Counselor (seasonal)	0.46	0.46	-	0.46	-	0.46
Day Camp Supervisor (seasonal)	0.24	0.24	-	0.24	-	0.24
Event Coordinator	1.00	-	1.00	1.00	-	1.00
Event Coordinator - PT	0.50	1.00	-	1.00	-	1.00
Event Production Manager	1.00	1.00	-	1.00	-	1.00
Parks Ambassador - PT	1.81	1.81	-	1.81	-	1.81
Parks Facility Technician	1.00	1.00	-	1.00	-	1.00
Recreation Center Manager	2.00	2.00	(2.00)	-	-	-
Recreation Manager	-	-	1.00	1.00	-	1.00
Recreation Coordinator	4.00	4.00	-	4.00	-	4.00
Recreation Specialist - PT	2.98	2.98	-	2.98	-	2.98
Recreation & Special Events	17.77	17.27	-	17.27	-	17.27
Parks & Recreation Total	38.77	35.27	(0.50)	34.77	4.00	38.77

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
Director of Planning	-	1.00	-	1.00	-	1.00
Transportation & Mobility Planner	-	1.00	-	1.00	-	1.00
Community Development Administration	-	2.00	-	2.00	-	2.00
Administrative Manager	-	-	1.00	1.00	-	1.00
Building Inspector	3.00	3.00	-	3.00	-	3.00
Building Official	1.00	1.00	-	1.00	-	1.00
Deputy Building Official	1.00	1.00	-	1.00	-	1.00
Permit Clerk Coordinator	1.00	1.00	(1.00)	-	-	-
Permit Clerk Supervisor	1.00	1.00	(1.00)	-	-	-
Permits Supervisor	-	-	1.00	1.00	-	1.00
Permits Technician	1.00	1.00	-	1.00	-	1.00
Plans Examiner	2.00	2.00	-	2.00	-	2.00
Sr. Building Inspector	3.00	3.00	-	3.00	-	3.00
Sr. Permit Technician	2.00	2.00	-	2.00	-	2.00
Temporary Help	0.08	0.08	-	0.08	-	0.08
Permits	15.08	15.08	-	15.08	-	15.08
City Planner - Development	1.00	1.00	-	1.00	-	1.00
Development Review Coordinator	2.00	2.00	-	2.00	-	2.00
Director of Planning	0.50	-	-	-	-	-
Planner II	2.00	2.00	(2.00)	-	-	-
Planner II	2.00	1.00	-	1.00	-	1.00
Principal Planner	1.00	1.00	(1.00)	-	-	-
Sr. Planner	-	-	2.00	2.00	-	2.00
Planning & Development	8.50	7.00	(1.00)	6.00	-	6.00
Director of Planning	0.50	-	-	-	-	-
City Planner - Long Range Plan	1.00	1.00	-	1.00	-	1.00
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Planner I ¹	-	-	1.00	1.00	-	1.00
Planner II	1.00	-	-	-	-	-
Principal Planner	1.00	1.00	(1.00)	-	-	-
Sr. Planner	-	-	1.00	1.00	-	1.00
Transportation & Long Range Planning	4.50	3.00	1.00	4.00	-	4.00
Administrative Coordinator	-	2.00	-	2.00	-	2.00
Assistant City Engineer	2.00	2.00	-	2.00	-	2.00
City Engineer	1.00	1.00	-	1.00	-	1.00
Construction Inspector	5.00	4.00	-	4.00	-	4.00
Construction Services Manager	1.00	1.00	-	1.00	-	1.00
Engineer (I, II, III, IV)	3.00	3.00	-	3.00	-	3.00
Engineering Specialist	1.00	-	-	-	-	-
Executive Secretary	1.00	-	-	-	-	-
Project Manager	3.00	4.00	-	4.00	-	4.00
Project Manager - Performing Arts Center ²	1.00	1.00	-	1.00	-	1.00
Real Property Manager	1.00	1.00	-	1.00	-	1.00
Sr. Construction Inspector	1.00	2.00	-	2.00	-	2.00
Sr. Engineer	2.00	2.00	-	2.00	-	2.00
Engineering	22.00	23.00	-	23.00	-	23.00
Assistant Director of E & N S	-	2.00	-	2.00	-	2.00
Community Development Administrator	1.00	-	-	-	-	-
Community Outreach Coordinator	-	1.00	-	1.00	-	1.00
Director of Environmental & Neighborhood Services	-	1.00	-	1.00	-	1.00
E & N S Administration	1.00	4.00	-	4.00	-	4.00
Automotive Technician (I & II)	3.00	4.00	-	4.00	-	4.00
Fleet Maintenance Manager	1.00	1.00	(1.00)	-	-	-
Fleet Services Supervisor	1.00	1.00	-	1.00	-	1.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Support Services Manager	-	-	1.00	1.00	-	1.00
Fleet Services	6.00	7.00	-	7.00	-	7.00
Courier	1.00	1.00	-	1.00	-	1.00
Facilities Coordinator	1.00	1.00	(1.00)	-	-	-
Facilities Project Manager	1.00	1.00	-	1.00	-	1.00
Facilities Services Supervisor	1.00	1.00	-	1.00	-	1.00
Facility Services Technician	2.00	2.00	-	2.00	-	2.00
Sr. Facility Services Tech	2.00	2.00	-	2.00	-	2.00
Support Services Coordinator	-	-	1.00	1.00	-	1.00
Facilities Management	8.00	8.00	-	8.00	-	8.00

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
Animal Services Manager	1.00	1.00	-	1.00	-	1.00
Animal Services Officer	3.00	3.00	-	3.00	-	3.00
Animal Services Supervisor	1.00	1.00	(1.00)	-	-	-
Animal Shelter Supervisor	-	-	1.00	1.00	-	1.00
Kennel Technician - P/T	0.50	0.50	0.50	1.00	-	1.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Temporary Help	1.48	1.48	(0.50)	0.98	-	0.98
Veterinary Technician	1.00	1.00	-	1.00	-	1.00
Animal Services	8.98	8.98	-	8.98	-	8.98
Sanitarian	2.00	2.00	-	2.00	1.00	3.00
Sr. Sanitarian	1.00	1.00	-	1.00	-	1.00
Food Inspection	3.00	3.00	-	3.00	1.00	4.00
Environmental Services Inspector	0.50	0.50	-	0.50	-	0.50
Storm Water Coordinator	1.00	1.00	-	1.00	-	1.00
Stormwater Management	1.50	1.50	-	1.50	-	1.50
Code Compliance Coordinator	1.00	1.00	-	1.00	-	1.00
Code Enforcement Inspector	3.00	3.00	-	3.00	-	3.00
Neighborhood Services Specialist	-	-	1.00	1.00	-	1.00
Sr. Secretary	1.00	1.00	(1.00)	-	-	-
Code Enforcement	5.00	5.00	-	5.00	-	5.00
Code Compliance Administrator	1.00	1.00	(1.00)	-	-	-
Code Compliance Manager	-	-	1.00	1.00	-	1.00
Code Enforcement Coordinator	1.00	-	-	-	-	-
Code Enforcement Inspector	1.00	2.00	(1.00)	1.00	-	1.00
Residential Rental Inspector	-	-	1.00	1.00	-	1.00
Rental Registration	3.00	3.00	-	3.00	-	3.00
Environmental and Neighborhood Services Total	36.48	40.48	-	40.48	1.00	41.48
Community Development Total	86.56	90.56	-	90.56	1.00	91.56
Administrative Manager	-	0.50	-	0.50	-	0.50
Assistant Police Chief	2.00	2.00	-	2.00	-	2.00
Crime Analyst	1.00	1.00	-	1.00	-	1.00
Department Analyst	1.00	1.00	-	1.00	-	1.00
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Police Chief	1.00	1.00	-	1.00	-	1.00
Police Sergeant	1.00	1.00	-	1.00	-	1.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Police Administration	8.00	8.50	-	8.50	-	8.50
Administrative Manager	-	0.50	-	0.50	-	0.50
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	1.00	1.00	-	1.00	-	1.00
Police Officer	3.00	3.00	-	3.00	-	3.00
Police Sergeant	2.00	2.00	-	2.00	-	2.00
Receptionist	1.00	1.00	-	1.00	-	1.00
Records Clerk	4.00	4.00	-	4.00	-	4.00
Records Supervisor	1.00	-	-	-	-	-
Sr. Secretary	2.00	2.00	-	2.00	-	2.00
Support Services Bureau	15.00	14.50	-	14.50	-	14.50
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	6.00	7.00	-	7.00	-	7.00
Police Officer	86.30	84.00	-	84.00	-	84.00
Police Sergeant	20.00	18.00	-	18.00	-	18.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Patrol	114.30	111.00	-	111.00	-	111.00
Asst. Victim Services Liaison	0.50	0.50	-	0.50	-	0.50
Crime Analyst	1.00	1.00	-	1.00	-	1.00
Crime Scene Technician	2.00	2.00	-	2.00	-	2.00
Police Captain	1.00	1.00	-	1.00	-	1.00
Police Lieutenant	1.00	1.00	-	1.00	-	1.00
Police Officer	19.00	21.30	0.20	21.50	-	21.50
Police Sergeant	4.00	5.00	-	5.00	-	5.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Warrant Clerk	1.00	1.00	-	1.00	-	1.00
Criminal Investigations	30.50	33.80	0.20	34.00	-	34.00

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
Detention Officer	5.00	5.00	-	5.00	-	5.00
Police Sergeant	1.00	1.00	-	1.00	-	1.00
Detention Facility	6.00	6.00	-	6.00	-	6.00
Administrative Specialist	-	1.00	(1.00)	-	-	-
Deputy PS Dispatch Manager	1.00	1.00	-	1.00	-	1.00
PS Dispatch Shift Supervisor	4.00	4.00	-	4.00	-	4.00
PS Dispatcher PT	-	-	1.00	1.00	-	1.00
PS Quality Assurance Supervisor	-	-	1.00	1.00	-	1.00
Public Safety Dispatch Director	-	-	1.00	1.00	-	1.00
Public Safety Dispatch Manager	1.00	1.00	(1.00)	-	-	-
Public Safety Dispatch Recruit	-	-	1.00	1.00	-	1.00
Public Safety Dispatcher (I &II)	20.00	20.00	(2.00)	18.00	-	18.00
Public Safety Communications	26.00	27.00	-	27.00	-	27.00
Police&Public Safety Dispatch Total	199.80	200.80	0.20	201.00	-	201.00
Administrative Coordinator	-	-	1.00	1.00	-	1.00
Administrative Manager	1.00	1.00	-	1.00	-	1.00
Executive Secretary	1.00	1.00	(1.00)	-	-	-
Fire Chief	1.00	1.00	-	1.00	-	1.00
Fire Administration	3.00	3.00	-	3.00	-	3.00
Assistant Fire Chief	1.00	1.00	-	1.00	-	1.00
Battalion Chief	3.00	3.00	-	3.00	-	3.00
Fire Captain	1.00	1.00	-	1.00	-	1.00
Fire Driver	21.00	21.00	-	21.00	-	21.00
Fire Lieutenant	22.00	22.00	-	22.00	-	22.00
Firefighter	42.00	42.00	-	42.00	-	42.00
Emergency Services	90.00	90.00	-	90.00	-	90.00
Battalion Chief EMS	1.00	1.00	-	1.00	-	1.00
Fire Captain	-	1.00	-	1.00	-	1.00
Firefighter	11.00	11.00	-	11.00	-	11.00
Emergency Medical Services	12.00	13.00	-	13.00	-	13.00
Assistant Fire Chief	1.00	1.00	-	1.00	-	1.00
Emergency Mgmt Specialist	1.00	1.00	-	1.00	-	1.00
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Emergency Management	3.00	3.00	-	3.00	-	3.00
Administrative Secretary	1.00	1.00	(1.00)	-	-	-
Asst. Fire Chief	1.00	1.00	-	1.00	-	1.00
Asst. Fire Marshall	1.00	1.00	-	1.00	-	1.00
Fire Captain	1.00	1.00	-	1.00	-	1.00
Fire Inspector/Investigator	2.00	2.00	-	2.00	-	2.00
Fire Lieutenant	2.00	2.00	-	2.00	-	2.00
Sr. Secretary	-	-	1.00	1.00	-	1.00
Prevention	8.00	8.00	-	8.00	-	8.00
Assistant Fire Chief	1.00	1.00	-	1.00	-	1.00
Battalion Chief	2.00	2.00	(1.00)	1.00	-	1.00
Battalion Chief/Training	-	-	1.00	1.00	-	1.00
Fire Captain	2.00	1.00	-	1.00	-	1.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Professional Development	6.00	5.00	-	5.00	-	5.00
Fire Total	122.00	122.00	-	122.00	-	122.00
GENERAL FUND	594.73	604.33	1.70	606.03	5.00	611.03
LESS PROGRAM EMPLOYEES	(9.00)	(9.00)	(1.00)	(10.00)	-	(10.00)
LESS TEMPORARY EMPLOYEES	(1.96)	(2.56)	1.00	(1.56)	-	(1.56)
GENERAL FUND NET	583.77	592.77	1.70	594.47	5.00	599.47
Police Officer	0.70	0.70	(0.20)	0.50	-	0.50
Court Security	0.70	0.70	(0.20)	0.50	-	0.50
COURT SECURITY FUND	0.70	0.70	(0.20)	0.50	-	0.50
Destination Event Manager	-	-	-	-	1.00	1.00
Brazos River Festival Site	-	-	-	-	1.00	1.00
SPECIAL REVENUE FUNDS	0.70	0.70	(0.20)	0.50	1.00	1.50
Tourism Coordinator	1.00	1.00	-	1.00	(1.00)	-
Visitor Services Manager	-	-	-	-	1.00	1.00
Visitor Services Specialist PT	-	-	-	-	1.00	1.00
Tourism & Destination Services Administrator	-	0.50	-	0.50	-	0.50
Tourism Manager	1.00	1.00	-	1.00	-	1.00
Tourism Program	2.00	2.50	-	2.50	1.00	3.50
TOURISM FUND	2.00	2.50	-	2.50	1.00	3.50

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
Administrative Manager	0.50	0.50	-	0.50	-	0.50
Assistant Director of Public Works	1.00	1.00	-	1.00	-	1.00
Contract Services Coordinator	1.00	1.00	-	1.00	-	1.00
Director of Public Works	0.50	0.50	-	0.50	-	0.50
Executive Secretary	1.00	1.00	-	1.00	-	1.00
Sr. Secretary	1.00	1.00	-	1.00	-	1.00
Utility Administration	5.00	5.00	-	5.00	-	5.00
Crew Chief	4.00	4.00	-	4.00	-	4.00
Facility Operations Manager	0.50	0.50	-	0.50	-	0.50
Field Operations Manager	1.00	1.00	-	1.00	-	1.00
Field Supervisor	0.50	0.50	-	0.50	-	0.50
General Maintenance Worker (I & II)	5.00	5.00	(1.00)	4.00	-	4.00
Water Distribution	11.00	11.00	(1.00)	10.00	-	10.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
I & C Technician	0.50	0.50	-	0.50	-	0.50
P&M Technician	-	1.00	(1.00)	-	-	-
Lead Operator	-	1.00	-	1.00	-	1.00
Utilities Operator	2.50	1.50	-	1.50	-	1.50
Water Services Supervisor	0.50	0.50	-	0.50	-	0.50
Water Production	4.50	5.50	(1.00)	4.50	-	4.50
Crew Chief	2.00	2.00	-	2.00	-	2.00
Electrician	-	-	0.50	0.50	-	0.50
Field Supervisor	0.50	0.50	-	0.50	-	0.50
General Maintenance Worker (I & II)	4.00	4.00	1.00	5.00	-	5.00
Wastewater Collection	6.50	6.50	1.50	8.00	-	8.00
Crew Chief	1.00	1.00	-	1.00	-	1.00
Electrician	0.50	0.50	(0.50)	-	-	-
Facility Support Specialist	-	-	1.00	1.00	-	1.00
P&M Technician	4.00	3.00	-	3.00	-	3.00
Utilities Operator	0.50	0.50	-	0.50	-	0.50
Water Services Supervisor	0.50	0.50	-	0.50	-	0.50
Wastewater Treatment	6.50	5.50	0.50	6.00	-	6.00
Crew Chief	1.00	2.00	-	2.00	-	2.00
Field Supervisor	1.00	1.00	-	1.00	-	1.00
General Maintenance Worker II	4.00	6.00	-	6.00	-	6.00
Customer Service	6.00	9.00	-	9.00	-	9.00
Lab Manager	-	-	1.00	1.00	-	1.00
Lab Technician	0.50	0.50	-	0.50	-	0.50
Pretreatment Coordinator	-	-	1.00	1.00	-	1.00
Water Quality Manager	1.00	1.00	(1.00)	-	-	-
Water Quality Supervisor	1.00	1.00	(1.00)	-	-	-
Water Quality Technician	2.00	2.00	-	2.00	-	2.00
Water Quality	4.50	4.50	-	4.50	-	4.50
Water Conservation Manager	1.00	1.00	-	1.00	-	1.00
Water Conservation	1.00	1.00	-	1.00	-	1.00
Billing/Collection Spec. (I & II)	3.00	3.00	-	3.00	-	3.00
Billing Supervisor	1.00	1.00	-	1.00	-	1.00
Customer Service Rep	4.00	4.00	-	4.00	-	4.00
Collections & Customer Ser Sup	1.00	1.00	-	1.00	-	1.00
Treasury Manager	1.00	1.00	-	1.00	-	1.00
Treasury Specialist	1.00	1.00	-	1.00	-	1.00
Treasury	11.00	11.00	-	11.00	-	11.00
UTILITY FUND	56.00	59.00	-	59.00	-	59.00
Electrician	0.50	0.50	-	0.50	-	0.50
I & C Technician	0.50	0.50	-	0.50	-	0.50
Lab Technician	0.50	0.50	-	0.50	-	0.50
Facility Operations Manager	0.50	0.50	-	0.50	-	0.50
Intergov'tl Relations Manager	0.50	0.50	-	0.50	-	0.50
General Maintenance Worker II	1.00	1.00	-	1.00	-	1.00
Lead Operator	2.00	2.00	-	2.00	-	2.00
Mechanic	1.00	1.00	-	1.00	-	1.00
Utility Operator	3.00	3.00	-	3.00	-	3.00
Surface Water Chief Operator	1.00	1.00	-	1.00	-	1.00
Surface Water Plant Manager	1.00	1.00	-	1.00	-	1.00

Position Title	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Additions	FY17 Budget
Water Resources Manager	-	1.00	-	1.00	-	1.00
Surface Water	11.50	12.50	-	12.50	-	12.50
SURFACE WATER FUND	11.50	12.50	-	12.50	-	12.50
Administrative Coordinator	1.00	-	-	-	-	-
Administrative Secretary	1.00	1.00	-	1.00	-	1.00
Administrative Specialist	-	1.00	-	1.00	-	1.00
Administrative Supervisor	-	-	1.00	1.00	-	1.00
Airport Business Manager	-	-	1.00	1.00	-	1.00
Airport Development Manager	-	-	1.00	1.00	-	1.00
Airport Operations Specialist	1.00	-	-	-	-	-
Airport Specialist	-	1.00	(1.00)	-	-	-
Assistant Director of Aviation	2.00	2.00	(1.00)	1.00	-	1.00
Director of Aviation	1.00	1.00	-	1.00	-	1.00
Airport Administration	6.00	6.00	1.00	7.00	-	7.00
Airport Operations Agent	-	1.00	-	1.00	-	1.00
Airport Operations Manager	-	-	1.00	1.00	-	1.00
Airport Operations Specialist	1.00	1.00	-	1.00	-	1.00
Airport Operations Supervisor	1.00	1.00	(1.00)	-	-	-
Airfield Operations	2.00	3.00	-	3.00	-	3.00
Airport Services Rep	5.00	5.00	(5.00)	-	-	-
Airport Services Rep - P/T	0.50	0.50	-	0.50	-	0.50
Airport Services Rep I	-	-	3.00	3.00	-	3.00
Airport Services Rep II	-	-	2.00	2.00	-	2.00
ASR Supervisor	1.00	1.00	-	1.00	-	1.00
Concierge Manager	1.00	1.00	(1.00)	-	-	-
Flight Line Crew	12.00	12.00	(12.00)	-	-	-
Field Supervisor	-	-	1.00	1.00	-	1.00
Line Crew I	-	-	9.00	9.00	-	9.00
Line Crew II	-	-	3.00	3.00	-	3.00
Line Services Manager	1.00	1.00	-	1.00	-	1.00
Line Supervisor	3.00	3.00	(1.00)	2.00	-	2.00
FBO Services	23.50	23.50	(1.00)	22.50	-	22.50
Café Attendant	2.50	1.50	(1.50)	-	-	-
Café Attendant I	-	-	2.00	2.00	-	2.00
Café Supervisor	-	1.00	-	1.00	-	1.00
Café Select	2.50	2.50	0.50	3.00	-	3.00
Airfield & Facilities Manager	1.00	1.00	-	1.00	-	1.00
Crew Chief	1.00	1.00	1.00	2.00	-	2.00
Janitor	1.00	1.00	-	1.00	0.50	1.50
General Maintenance Worker (I & II)	5.00	6.00	(1.00)	5.00	1.00	6.00
Maintenance & Operations	8.00	9.00	-	9.00	1.50	10.50
AIRPORT FUND	42.00	44.00	0.50	44.50	1.50	46.00
Environmental Manager	1.00	1.00	-	1.00	-	1.00
Environmental Services Inspector	0.50	0.50	1.00	1.50	-	1.50
Solid Waste Monitor	1.00	1.00	(1.00)	-	-	-
Solid Waste	2.50	2.50	-	2.50	-	2.50
SOLID WASTE FUND	2.50	2.50	-	2.50	-	2.50
Administrative Coordinator	0.50	0.50	-	0.50	-	0.50
Safe Light Sugar Land	0.50	0.50	-	0.50	-	0.50
RED LIGHT CAMERA FUND	0.50	0.50	-	0.50	-	0.50
TOTAL ALL FUNDS	698.97	714.47	2.00	716.47	8.50	724.97
Less Seasonal	(2.48)	(2.48)	-	(2.48)	-	(2.48)
TOTAL FULL TIME EQUIVALENT	696.49	711.99	2.00	713.99	8.50	722.49

Property Taxes

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

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

In 1998, TIRZ#1 was formed, which includes Sugar Land Town Square. Taxes assessed and collected by the participating entities (City, County, and LID #2) over and above the base value of the property upon creation of the TIRZ #1 (\$5.5 million) are deposited to the benefit of the TIRZ to support improvements within the TIRZ #1. For FY17 the City expects to contribute \$473,946 in property tax for TIRZ#1.

TIRZ #3 – Imperial was formed in 2007. The purpose of TIRZ #3 is to facilitate a program of public improvements to allow the development and redevelopment of property as a master-planned and mixed use community. Taxes assessed and collected by the participating entities (City and County) over and above the base value of the property upon creation of the TIRZ #3 (\$5.6 million) are deposited to the benefit of the TIRZ #3. 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 FY17 the City expects to contribute \$142,753 in property tax for TIRZ#3 at 50% participation.

TIRZ #4 – located at US59 and University Boulevard was formed in 2009. Taxes assessed and collected by the participating entities (City, County, Fort Bend MUD138, and Fort Bend MUD139) over and above the base value of the property upon creation of the TIRZ #4 (\$21.5 million) are deposited to the benefit of the TIRZ #4. 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 FY17 the City expects to contribute \$207,000 in property tax for TIRZ#4 at 50% participation.

The Enclave at RiverPark Public Improvement District (PID) was formed in 2014, approximately 54 acre single family residential development located along US59 adjacent to and accessed through the RiverPark subdivision. The PID will reimburse the developer up to \$2 million plus interest for infrastructure. The repayment of the developer reimbursement is done through annual assessments to each property (139 lots) in the development. The City contributes 50% of property taxes to the PID. For FY17 the City expects to allocate \$25,013 in property tax to the PID.

Fiscal Year 2016

The total property tax collections for FY16 are projected to be \$37,711,567 or 99.5% of the adjusted levy, including all three TIRZs and the PID. Revenues are distributed between operations and maintenance (\$19,956,285), debt service (\$17,056,854), TIRZ # 1 (\$430,386), TIRZ #3 (\$75,617), TIRZ #4 (\$186,845), and Enclave at RiverPark (\$5,579).

Fiscal Year 2017

The certified net assessed valuation of \$12,619,810,837 for tax year 2016 is \$577,265,071 or 4.8% greater than the 2016 adjusted tax roll, including values inside the TIRZs and the PID. Of the \$12.62 billion in taxable value, \$151.37 million is incremental value in TIRZ #1, \$45.59 million in TIRZ #3, \$66.11 million in TIRZ #4, and \$7.99 million in the PID. Taxes collected on the incremental value from each TIRZ and the PID will be allocated from the City. Net assessed residential value increased 4.74%, and net assessed commercial value increased by 3.92% over the 2015 adjusted tax roll, including new value. Based on the certified tax roll and the 2016 tax rate of \$0.31595 per \$100 of assessed value, the anticipated tax collections for FY17 are \$39,513,442 at a 99.5% collection rate or \$1,801,875 greater than FY16 projections including the three TIRZs and the PID. Based on the 99.5% collection rate, \$38,664,730 will remain with the City and \$848,712 will be conveyed to the three TIRZs and the PID.

In FY16 Council approved an increase of 2% to the homestead exemption for tax year 2016 from 8% to 10%, instead of adjusting the ad valorem tax rate to help offset the revaluation of properties. The optional exemption for over-65 and disable persons remains at \$70,000.

The overall adopted tax rate is for 2016 is \$0.31595, which is the same rate as 2015. The allocation for the 2015 and 2016 tax rate is as follows:

	2015	%	2016	%
M&O	\$ 0.17035	53.92%	\$ 0.17035	53.92%
Debt Service	0.14560	46.08%	0.14560	46.08%
Total	\$ 0.31595	100.00%	\$ 0.31595	100.00%

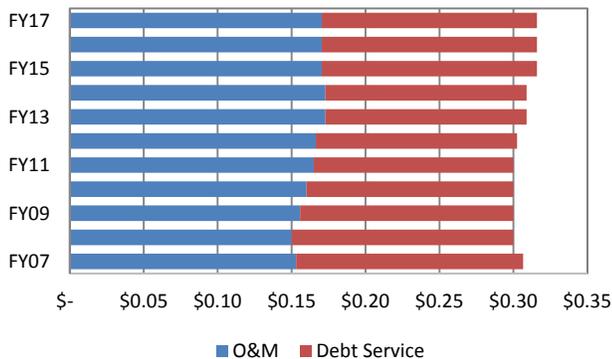
Texas truth-in-taxation laws require public notices, a public vote and public hearings for adoption of a tax rate that exceeds the effective tax rate. The effective tax rate is the tax rate that would generate the same tax revenues in tax year 2016 as the 2015 tax rate did in the prior year, based on the values of properties that are taxed in both years. The rollback rate allows for an 8% increase in the operations and maintenance rate after accounting for the impact of sales tax for property tax reduction. The results of the effective tax rate calculations are as follows:

Effective Tax Rate	\$0.304540
Rollback Rate	\$0.327484

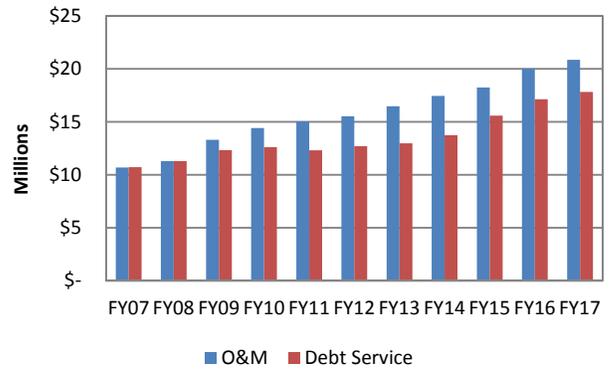
The property tax impact of the 2016 tax rate based on an average taxable value of \$334,551 after a 10% homestead is an increase of \$36.40 or 3.57% from the 2015 tax on an average taxable value of \$323,029 with a homestead exemption of 8%.

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

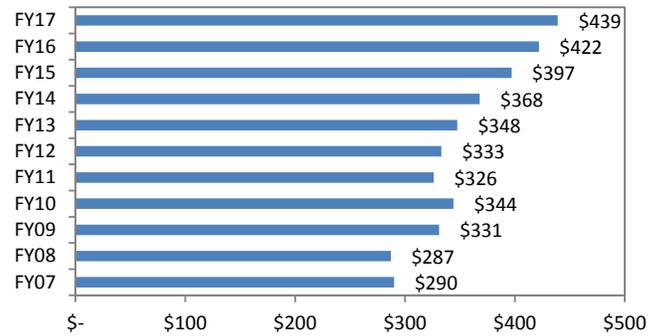
Tax Rate by Fiscal Year



Historical Tax Levy



Property Taxes per Capita*



In FY17, property taxes per capita, excluding TIRZ valuation, is approximately \$439. Taxes per capita increased in FY17 due an increase of 4.79% in total City value with a population of 87,730.

* Excludes TIRZ Valuation

CITY OF SUGAR LAND

TAX COLLECTIONS

	FY15 Adjusted Levy	FY16 Budget Certified Levy	FY16 Projections Adjusted Levy	FY17 Base Budget Preliminary Levy	FY17 Changes	FY17 Budget Preliminary Levy
REVENUES:						
City Levy	\$34,419,964	\$37,352,608	\$37,349,282	\$39,015,873		\$39,015,873
TIRZ #1	320,347	433,534	434,295	478,251		478,251
TIRZ #3	10,040	77,035	76,304	144,049		144,049
TIRZ #4	79,982	188,341	188,542	208,880		208,880
Enclave @ RiverPark PID		5,282	5,630	25,240		25,240
Total Tax Levy @ 100%	34,830,333	38,056,801	38,054,053	39,872,293		39,872,293
Collection Rate 99.1%	34,656,181	37,866,517	37,711,567	39,672,931		39,672,931
ALLOCATION:						
Maintenance	18,465,338	20,038,619	19,956,285	20,846,769		20,846,769
Debt	15,782,526	17,127,226	17,056,854	17,817,961		17,817,961
Total City Revenues	34,247,864	37,165,845	37,013,138	38,664,730		38,664,730
TIRZ #1	318,745	431,367	430,386	473,946		473,946
TIRZ #3	9,990	76,650	75,617	142,753		142,753
TIRZ #4	79,582	187,399	186,845	207,000		207,000
Enclave @ RiverPark PID		5,255	5,579	25,013		25,013
TOTAL TAX REVENUE	\$34,656,181	\$37,866,517	\$37,711,567	\$39,513,442		\$39,513,442

<u>Tax Year</u>	<u>2014</u>	<u>2015</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>	<u>2016</u>
Net Assessed Value	\$11,024,001,430	\$12,043,525,464	\$12,042,545,766	\$12,619,810,837		\$12,619,810,837
TIRZ #1 Value @ 100%	(101,391,562)	(137,216,122)	(137,456,908)	(151,369,076)		(151,369,076)
TIRZ #3 Value @ 50%	(3,177,644)	(24,382,067)	(24,150,714)	(45,592,471)		(45,592,471)
TIRZ #4 Value @ 50%	(25,314,747)	(59,611,076)	(59,674,662)	(66,111,647)		(66,111,647)
Enclave @ RiverPark PID		(1,671,737)	(1,781,906)	(7,988,632)		(7,988,632)
Taxable to City	10,894,117,477	11,822,316,198	11,821,263,482	12,348,749,012		12,348,749,012
Tax Rate Per \$100						
Maintenance	\$ 0.17035	\$ 0.17035	\$ 0.17035	\$ 0.17035		\$ 0.17035
Debt	0.14560	0.14560	0.14560	0.14560		0.14560
Total Tax Rate	\$ 0.31595	\$ 0.31595	\$ 0.31595	\$ 0.31595	\$ -	\$ 0.31595
Tax Rate Split:						
Maintenance	55.95%	53.92%	53.92%	53.92%		53.92%
Debt	44.05%	46.08%	46.08%	46.08%		46.08%
Total	100.00%	100.00%	100.00%	100.00%		100.00%
Certified Levy - 100%	\$34,419,964	\$37,352,608	\$37,349,282	\$39,015,873		\$39,015,873

CITY OF SUGAR LAND
ANALYSIS OF CERTIFIED TAX ROLL

Tax Year	Supplement #8	Certified	% Change
	2015 FY16	2016 FY17	
No. of Items	38,845	36,933	-4.92%
Residential Property:			
Land	\$ 1,967,613,370	\$ 1,981,368,190	0.70%
Improvements	7,187,264,089	7,530,253,320	4.77%
Total Residential Property	9,154,877,459	9,511,621,510	3.90%
Commercial Property:			
Land	1,057,355,184	1,060,199,152	0.27%
Improvements	2,641,570,192	3,015,577,702	14.16%
Personal Property	1,536,634,347	1,501,733,988	-2.27%
Total Commercial Property	5,235,559,723	5,577,510,842	6.53%
Agricultural Property	10,934,610	10,933,960	-0.01%
Automobiles	101,324,930	61,980,101	-38.83%
Total Market Value	14,502,696,722	15,162,046,413	4.55%
Productivity Loss	(10,701,090)	(10,701,390)	0.00%
Homestead CAP Adjustment	(357,972,361)	(154,869,958)	-56.74%
Exempt Properties	(879,917,885)	(1,042,307,434)	18.46%
Total Assessed Value	13,254,105,386	13,954,167,631	5.28%
Less:			
Homestead Exemptions	(585,906,236)	(774,395,997)	32.17%
Over 65 Exemptions	(381,285,306)	(382,925,189)	0.43%
Disabled Persons Exemptions	(15,428,451)	(14,508,461)	-5.96%
Disabled Veterans Exemptions	(1,562,750)	(1,551,900)	-0.69%
Disabled Veterans 100%	(15,069,577)	(15,724,173)	4.34%
Abatements	(125,311,669)	(138,891,650)	10.84%
Pollution	(5,569,330)	(5,269,330)	-5.39%
Personal Leased Vehicles	(81,179,710)	(284,260)	-99.65%
Prorated Exempt Property	(232,351)	(792,713)	241.17%
House Bill 366 Exemptions	(14,240)	(13,121)	-7.86%
Total Exemptions	(1,211,559,620)	(1,334,356,794)	10.14%
Net Assessed Valuation (NAV)	12,042,545,766	12,619,810,837	4.79%
Less: TIRZ #1 Value @ 100%	(137,456,908)	(151,369,076)	10.12%
Less: TIRZ #3 Value @ 50%	(24,150,714)	(45,592,471)	88.78%
Less: TIRZ #4 Value @ 50%	(59,674,662)	(66,111,647)	10.79%
Less: PID @ 50%	(1,781,906)	(7,988,632)	348.32%
Taxable Valuation to City	\$ 11,819,481,576	\$ 12,348,749,012	4.48%

**CITY OF SUGAR LAND
PRINCIPAL TAXPAYERS
2016 TOP TEN**

Taxpayer	Type of Business	2016 Taxable Assessed Valuation (A)	Percentage of Total Net Assessed Valuation
1 Tramontina USA Inc	Manufacturing	\$ 97,491,360	0.77%
2 Fairfield Industries	Office	95,818,640	0.76%
3 LCFRE Sugar Land Town Square LLC	Mixed-Use Development	82,378,560	0.65%
4 Amerisource Bergen Drug Corp.	Pharmacy/Medical	81,268,740	0.64%
5 First Colony Mall LLC	Shopping Center	81,007,090	0.64%
6 Schlumberger Tech Corp - SPC	Energy Technology	79,235,660	0.63%
7 Lakepointe Assets, LLC	Real Estate/Engineering	76,547,990	0.61%
8 Nalco Energy Service	Energy Services	62,539,380	0.50%
9 Sugar Creek/EPG LLC & Sugar Creek TIC Investors LLC	Real Estate	61,690,920	0.49%
10 Weingarten Realty Investors & WRI/Post Oak Inc	Shopping Center	59,205,300	0.47%
Other		12,199,584,497	96.67%
Total Net Assessed Valuation - Certified Roll		\$ 12,619,810,837	100.00%

(A) = Net of Tax Abatement

Debt Service Funds

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

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

The Debt Service Fund for the repayment of taxable debt receives a transfer from the Sugar Land Development Corporation through FY17 to support interest during construction. Beginning in FY17, the debt service payments will be fully covered by lease payments made to the City from the operator of the Smart Financial Centre at Sugar Land, ACE Sugar Land, LLC.

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

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

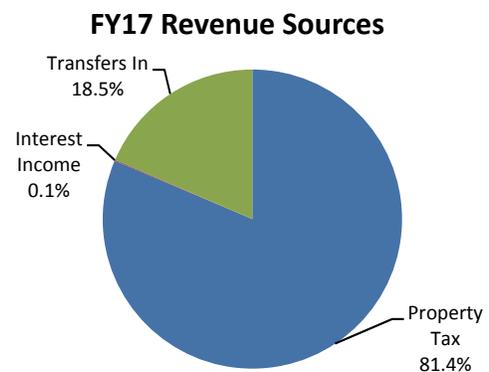
General Debt Service Fund

Fiscal Year 2016

Revenues total \$58,697,417, which includes \$17,347,793 in current and delinquent property taxes. A total of \$37,112,663 was received from the proceeds of the Series 2015 and Series 2016 Refunding Bonds. Other funding sources include transfers from other funds and interest income. Transfers from the Utility Fund and Tourism Fund support debt service related to activities supported by those funds. Transfers from CIP represent the funds needed from transportation fees to support debt issued for University Boulevard South. Expenditures are projected at \$57,804,406, which includes \$18,621,131 in debt service payment, \$395,961 for issuance costs, \$18,000 for fiscal fees, \$1,737,600 for rebates to in-City MUDs, \$90,770 transfer to the Airport Fund for taxes collected on Airport values, and \$5,157 to the Enclave at RiverPark Public Improvement District. Refunding payment to escrow for \$36,935,787 was used to refund partial debt on seven outstanding bond issues. The fund balance at 9/30/16 is projected to be \$5,473,410, which is \$3,611,297 over the fund balance policy requirement of 10% of annual debt service.

Fiscal Year 2017

Funding from property taxes in the amount of \$17,860,700 represents 81.4% of funding sources. Tax revenues are budgeted based on the certified tax roll and a debt tax rate of



\$0.14560 per \$100 valuation. An increase of 2% in the homestead exemption was approved in June, bringing the total homestead exemption rate to 10%. Other funding sources include transfers from the Water Utility and Tourism Funds, and interest income.

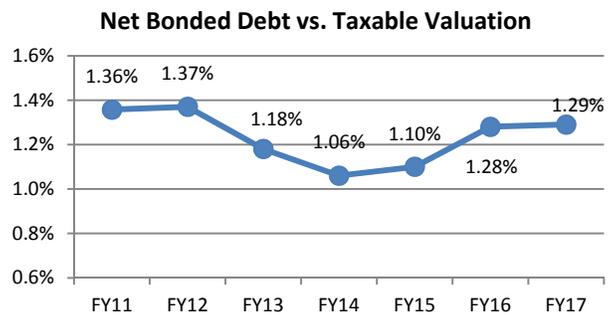
The budget includes 100% recovery on water/wastewater debt assumed from MUDs through an inter-fund transfer. The FY17 transfer from the water utility fund totals \$2,180,082.

In 2002, the City issued \$10.1 million in combination Tax and Hotel Occupancy Tax COs for a portion of the \$19.3 million total City contribution to construction of a conference center in the Sugar Land Marriott. The certificates are backed by a pledge of Hotel Occupancy Taxes. This issue was refunded in FY10 with the GO Refunding Bonds, Series 2010 with the savings being passed on to the Tourism Fund. For FY17, \$694,859 will be transferred to cover the debt service requirement for the conference center. In addition a total of \$713,838 will also be transferred from the Tourism Fund to cover the annual debt payment for debt issued in FY15 to fund a portion of the Smart Financial Centre at Sugar Land along with the adjacent plaza.

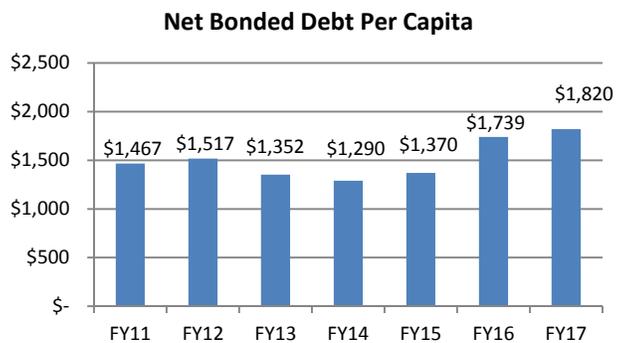
There is also a transfer in from CIP fund from transportation fees for \$472,500 to support the debt issued for University Boulevard South.

The debt service requirement on current outstanding debt is \$20,007,493. The budget incorporates \$1,084,400 for debt service on the anticipated issuances of \$33.8 million in new debt. Rebates to in-City MUDs and inter-fund transfers totals \$1,977,859. The budgeted ending fund balance at 9/30/17 is \$4,332,637, \$2,223,447 above the policy requirement of 10% of annual debt service requirements.

For FY17 the ratio of net bonded debt to taxable value is expected to increase from 1.28% to 1.29%, which is a healthy ratio. The ratio is utilized by bond rating agencies to compare the City's ability to repay debt. The increase is due to additional debt issued in FY17.



Net bonded debt per capita is expected to increase to \$1,820 as new CO's and GO's were issued in FY16 to fund capital projects.



Debt Service Fund – Taxable Debt

One of the sources of funding for the Smart Financial Centre at Sugar Land (ACSL) is taxable Certificates of Obligation in the amount of \$27 million. The taxable CO issue carries the City's AAA bond rating from Standard and Poor's and Fitch, but will not be repaid by property taxes. The debt service schedule is structured to pay interest only for the first two years. While the Smart Financial Centre at Sugar Land is under construction, the SLDC will transfer the amounts for 2015 and 2016 debt service payments. Once the lease begins in December 2016, lease payments from ACE will support the debt payments and will eventually fund a debt service reserve equal to the last three years debt payments.

Fiscal Year 2016

Transfer In from SLDC for \$1,110,999 will cover the annual debt service requirement payments. The ending fund balance at 9/30/16 is projected to be \$59,508.

Fiscal Year 2017

Lease revenue from ACE Sugar Land, LLC for the Smart Financial Centre at Sugar Land is budgeted at \$1,200,749 and interest income of \$250. A transfer in from SLDC for \$555,500 will cover the interest payment due in December.

Total debt service payments due in fiscal year 2017 is \$1,110,999. Payments are due in December and June of each year.

The ending fund balance at 9/30/17 is \$705,007.

Lease payments from ACE Sugar Land, LLC will begin upon completion of the facility, estimated for December 2016. Payments will be made monthly according to the terms of the 30 year lease.

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

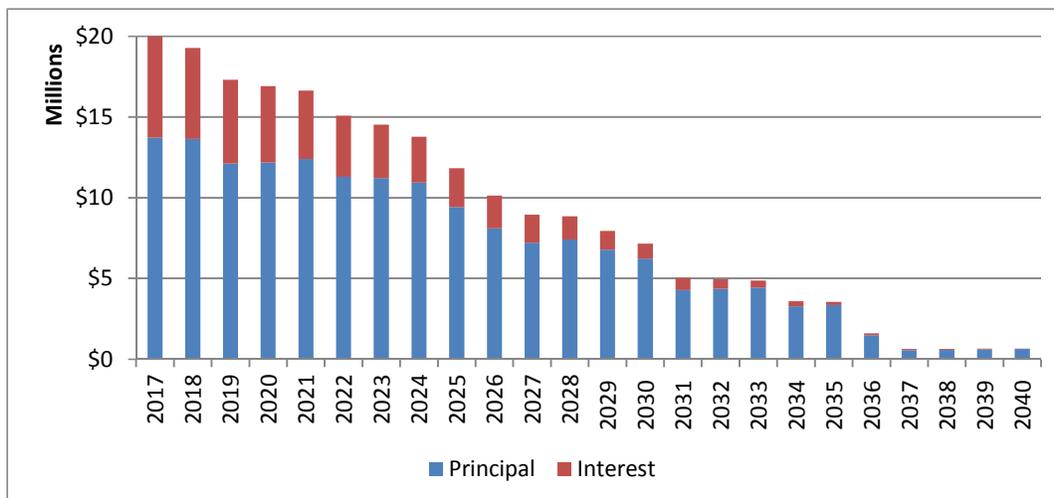
	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Current Property Tax	\$ 15,669,504	\$ 17,122,382	\$ 17,157,793	\$ 17,817,900	\$ -	\$ 17,817,900
Delinquent Property Taxes	(29,722)	42,800	190,000	42,800	-	42,800
Interest on Investments	26,333	20,000	25,444	25,000	-	25,000
Refunding Bond Proceeds	24,936,371	37,112,663	37,112,663	-	-	-
Total Operating Revenues	40,602,487	54,297,845	54,485,900	17,885,700	-	17,885,700
Total Transfers In	4,369,119	4,211,517	4,211,517	4,061,279	-	4,061,279
Total Revenues	44,971,606	58,509,362	58,697,417	21,946,979	-	21,946,979
EXPENDITURES						
Current Outstanding Debt	17,790,022	18,723,443	18,621,131	20,007,493	-	20,007,493
New Debt	-	387,987	-	1,084,400	-	1,084,400
Fiscal Fees/Other	-	18,000	18,000	18,000	-	18,000
Issuance Costs	236,978	395,212	395,961	-	-	-
Refunding Payment to Escrow	24,965,005	36,935,787	36,935,787	-	-	-
Total Debt Service	42,992,005	56,460,429	55,970,879	21,109,893	-	21,109,893
Rebates & Assignments	1,407,456	1,737,600	1,737,600	1,868,280	-	1,868,280
Transfers to Other Funds	96,756	90,770	95,927	109,579	-	109,579
Total Expenditures	44,496,217	58,288,799	57,804,406	23,087,752	-	23,087,752
CHANGE IN FUND BALANCE	475,389	220,563	893,010	(1,140,774)	-	(1,140,774)
FUND BALANCE - BEGINNING	4,105,011	4,580,400	4,580,400	5,473,410		5,473,410
FUND BALANCE - ENDING	\$ 4,580,400	\$ 4,800,962	\$ 5,473,410	\$ 4,332,637	\$ -	\$ 4,332,637
Policy Requirement	\$ 1,779,002	\$ 1,911,143	\$ 1,862,113	\$ 2,109,189		\$ 2,109,189
Over/(Under) Policy	\$ 2,801,398	\$ 2,889,819	3,611,297	2,223,447		2,223,447

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

	FY15 Actuals	FY16 Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Rent	\$ -	\$ -	\$ -	\$ 1,200,749	\$ -	\$ 1,200,749
Interest Income	93	-	225	250	-	250
Bond Proceeds	6,726	-	-	-	-	-
Total Operating Revenues	6,819	-	225	1,200,999	-	1,200,999
Transfer In from SLDC	598,705	1,110,999	1,110,999	555,500	-	555,500
Total Inter-Fund Transfer	598,705	1,110,999	1,110,999	555,500	-	555,500
TOTAL REVENUES	605,524	1,110,999	1,111,224	1,756,499	-	1,756,499
EXPENDITURES						
Debt Service	546,241	1,110,999	1,110,999	1,110,999	-	1,110,999
TOTAL EXPENDITURES	546,241	1,110,999	1,110,999	1,110,999	-	1,110,999
CHANGE IN FUND BALANCE	59,283	-	225	645,500	-	645,500
FUND BALANCE - BEGINNING	-	59,283	59,283	59,508	-	59,508
FUND BALANCE - ENDING	\$ 59,283	\$ 59,283	\$ 59,508	\$ 705,007	\$ -	\$ 705,007

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

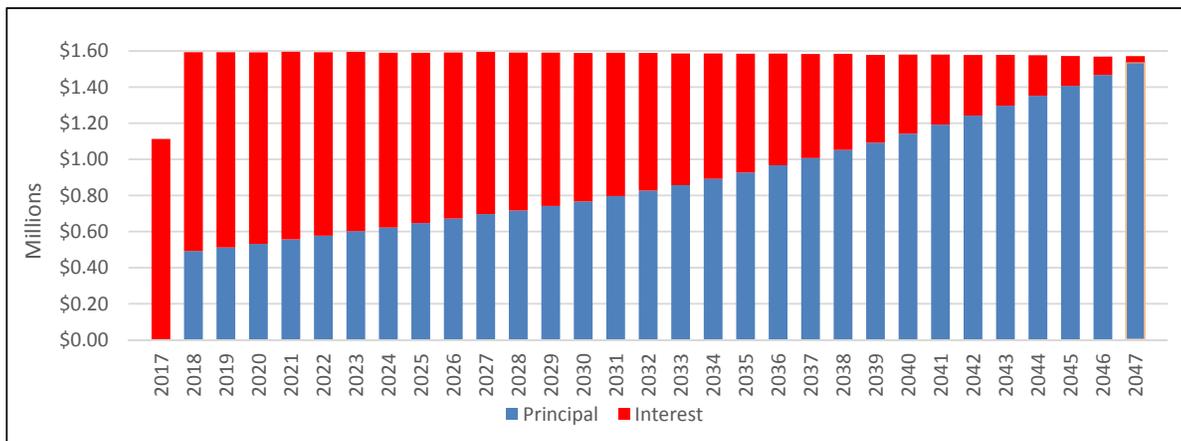
FY Ending	Principal	Interest	Total
September 30			
2017	\$ 13,724,153	\$ 6,283,340	\$ 20,007,493
2018	13,643,184	5,637,888	19,281,072
2019	12,131,024	5,169,333	17,300,357
2020	12,190,406	4,719,726	16,910,132
2021	12,400,996	4,233,903	16,634,899
2022	11,305,000	3,769,269	15,074,269
2023	11,215,000	3,322,432	14,537,432
2024	10,940,000	2,845,194	13,785,194
2025	9,425,000	2,410,125	11,835,125
2026	8,100,000	2,037,419	10,137,419
2027	7,220,000	1,721,503	8,941,503
2028	7,415,000	1,430,269	8,845,269
2029	6,785,000	1,160,891	7,945,891
2030	6,235,000	920,594	7,155,594
2031	4,290,000	733,382	5,023,382
2032	4,365,000	582,437	4,947,437
2033	4,435,000	432,003	4,867,003
2034	3,285,000	305,347	3,590,347
2035	3,345,000	198,684	3,543,684
2036	1,480,000	120,025	1,600,025
2037	550,000	84,200	634,200
2038	580,000	61,600	641,600
2039	610,000	37,800	647,800
2040	640,000	12,800	652,800
TOTAL	\$ 166,309,763	\$ 48,230,163	\$ 214,539,925



* Excludes anticipated new debt

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

FY Ending September 30	Principal	Interest	Total
2017	\$ -	\$ 1,110,999	\$ 1,110,999
2018	490,000	1,101,199	1,591,199
2019	510,000	1,081,199	1,591,199
2020	530,000	1,060,399	1,590,399
2021	555,000	1,038,699	1,593,699
2022	575,000	1,016,099	1,591,099
2023	600,000	992,599	1,592,599
2024	620,000	968,199	1,588,199
2025	645,000	942,899	1,587,899
2026	670,000	919,530	1,589,530
2027	695,000	897,768	1,592,768
2028	715,000	874,319	1,589,319
2029	740,000	849,029	1,589,029
2030	765,000	821,933	1,586,933
2031	795,000	793,065	1,588,065
2032	825,000	762,174	1,587,174
2033	855,000	729,090	1,584,090
2034	890,000	694,190	1,584,190
2035	925,000	657,890	1,582,890
2036	965,000	618,643	1,583,643
2037	1,005,000	576,288	1,581,288
2038	1,050,000	532,105	1,582,105
2039	1,090,000	486,095	1,576,095
2040	1,140,000	438,150	1,578,150
2041	1,190,000	388,055	1,578,055
2042	1,240,000	335,810	1,575,810
2043	1,295,000	281,308	1,576,308
2044	1,350,000	224,440	1,574,440
2045	1,405,000	165,208	1,570,208
2046	1,465,000	102,038	1,567,038
2047	1,535,000	34,538	1,569,538
	\$ 27,130,000	\$ 21,493,957	\$ 48,623,957



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

Issue	Description		Principal	Interest	Total
2008	Certificates of Obligation	New	\$ 410,000	\$ 16,600	\$ 426,600
2008	General Obligation	New	635,000	27,306	662,306
2009	Certificates of Obligation	New	2,114,882	72,699	2,187,581
2010	General Obligation	New	855,000	293,306	1,148,306
2010	Certificates of Obligation	New	9,285,000	2,901,063	12,186,063
2010	General Obligation	Refunding	11,105,000	2,139,600	13,244,600
2012	General Obligation	Refunding	3,450,000	165,100	3,615,100
2012A	General Obligation	Refunding	3,315,000	543,950	3,858,950
2013	Certificates of Obligation	New	21,890,000	6,253,478	28,143,478
2014	Tax Notes	New	4,804,881	227,787	5,032,668
2014	Certificates of Obligation	New	9,725,000	5,964,459	15,689,459
2014	General Obligation	Refunding	18,120,000	3,467,150	21,587,150
2015	Certificates of Obligation	New	14,500,000	5,301,247	19,801,247
2015	General Obligation	New	12,565,000	4,345,766	16,910,766
2015	General Obligation	Refunding	9,275,000	2,938,000	12,213,000
2016	General Obligation	Refunding	22,745,000	7,258,150	30,003,150
2016	Certificates of Obligation	New	19,190,000	6,150,452	25,340,452
	Sub Total		<u>163,984,763</u>	<u>48,066,113</u>	<u>212,050,875</u>
2008	FBC MUD21	Assumed Obligations	200,000	7,075	207,075
2012	FBC MUD21	Assumed Obligations	2,125,000	156,975	2,281,975
	Sub-Total		<u>2,325,000</u>	<u>164,050</u>	<u>2,489,050</u>
Total Debt Requirement			<u>\$ 166,309,763</u>	<u>\$ 48,230,163</u>	<u>\$ 214,539,925</u>

* Excludes anticipated new debt and taxable debt

**CITY OF SUGAR LAND
DEBT SERVICE SCHEDULE OF REQUIREMENTS*
FISCAL YEAR 2017 BY ISSUE**

Issue	Description		Principal	Interest	Total
2008	Certificates of Obligation	New	\$ 200,000	\$ 12,400	\$ 212,400
2008	General Obligation	New	310,000	20,400	330,400
2009	Certificates of Obligation	New	1,057,441	54,194	1,111,635
2010	General Obligation	New	100,000	32,438	132,438
2010	Certificates of Obligation	New	950,000	338,025	1,288,025
2010	General Obligation	Refunding	1,390,000	451,050	1,841,050
2012	General Obligation	Refunding	1,465,000	102,800	1,567,800
2012A	General Obligation	Refunding	390,000	115,050	505,050
2013	Certificates of Obligation	New	1,295,000	670,781	1,965,781
2014	Tax Notes	New	771,712	68,288	840,000
2014	Certificates of Obligation	New	260,000	453,838	713,838
2014	General Obligation	Refunding	3,045,000	825,075	3,870,075
2015	Certificates of Obligation	New	525,000	516,181	1,041,181
2015	General Obligation	New	465,000	427,119	892,119
2015	General Obligation	Refunding	0	392,000	392,000
2016	General Obligation	Refunding	0	980,600	980,600
2016	Certificates of Obligation	New	960,000	760,652	1,720,652
	Sub Total		<u>13,184,153</u>	<u>6,220,890</u>	<u>19,405,043</u>
2008	FBC MUD21	Assumed Obligations	100,000	5,300	105,300
2012	FBC MUD21	Assumed Obligations	440,000	57,150	497,150
	Sub-Total		<u>540,000</u>	<u>62,450</u>	<u>602,450</u>
Total Debt Requirement			<u>\$ 13,724,153</u>	<u>\$ 6,283,340</u>	<u>\$ 20,007,493</u>

* Excludes anticipated new debt and taxable debt

**CITY OF SUGAR LAND
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF OCTOBER 1, 2016**

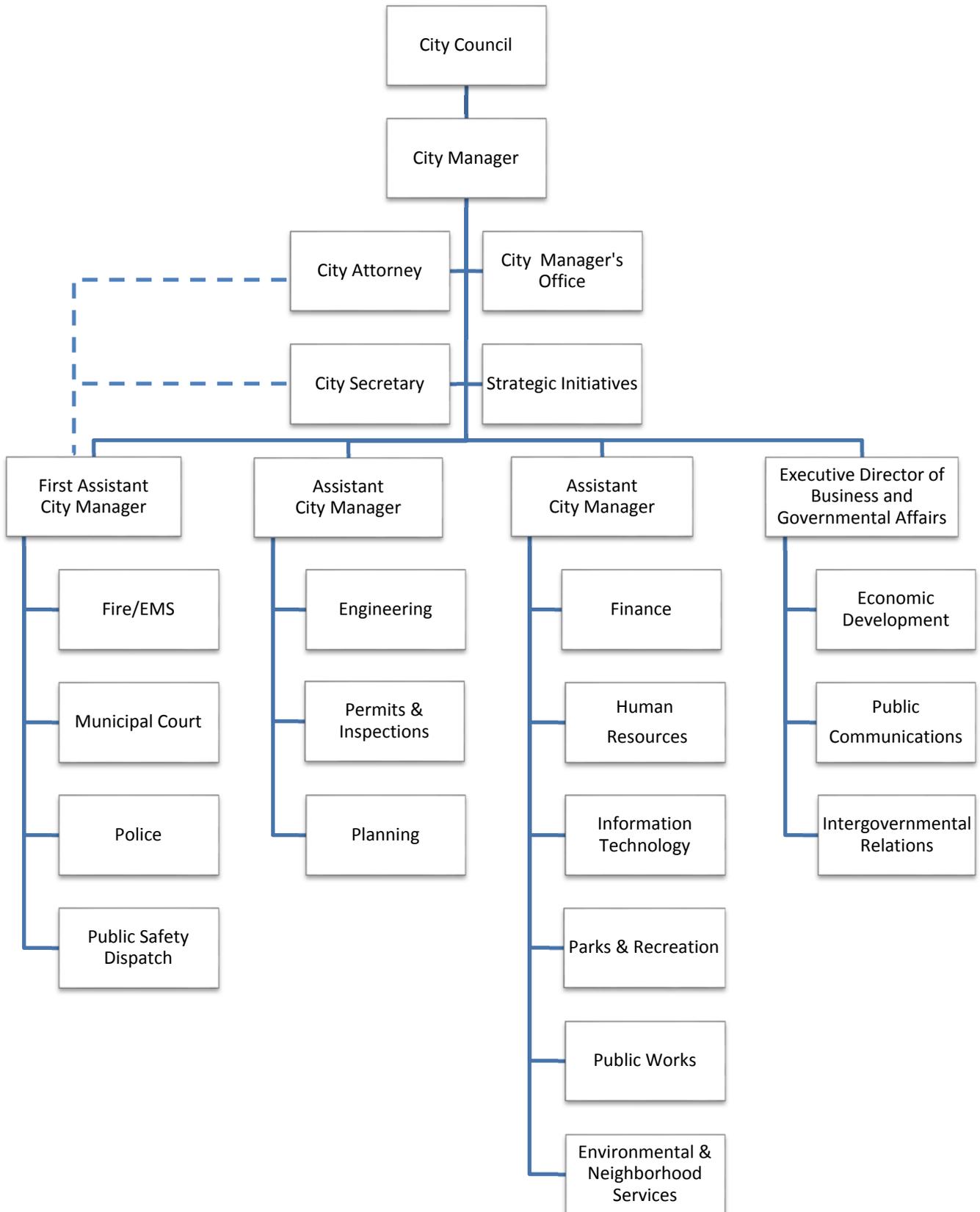
Taxing Jurisdiction	Total G.O. Debt as of October 1, 2016	Estimated % Applicable	Overlapping G.O. Debt as of October 1, 2016
City of Sugar Land	\$ 200,784,763 ⁽¹⁾	100.00%	\$ 200,784,763
Burney Road MUD	8,575,000	100.00%	8,575,000
First Colony LID No. 2	0	100.00%	0
First Colony MUD No. 10	13,905,000	100.00%	13,905,000
Fort Bend County ⁽²⁾	405,905,000	21.02%	85,321,231
Fort Bend County LID No. 2	12,875,000	100.00%	12,875,000
Fort Bend County LID No. 10	11,520,000	95.04%	10,948,608
Fort Bend County LID No. 14	3,465,000	100.00%	3,465,000
Fort Bend County LID No. 17	57,395,000	100.00%	57,395,000
Fort Bend County MUD No. 116	26,340,000	0.25%	65,850
Fort Bend County MUD No. 136	4,385,000	100.00%	4,385,000
Fort Bend County MUD No. 137	28,570,000	100.00%	28,570,000
Fort Bend County MUD No. 138	43,410,000	100.00%	43,410,000
Fort Bend County MUD No. 139	14,085,000	100.00%	14,085,000
Fort Bend County WC&ID No. 2	71,065,000	0.50%	355,325
Fort Bend ISD	841,418,767	40.70%	342,457,438
Total Direct and Overlapping Funded Debt			\$ 826,598,215
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation			6.7%
Per Capita Overlapping Funded Debt			\$ 9,422

(1) Includes the 2014A Taxable CO's
Includes the 2016 GO Bonds sold 10-18-16
Excludes Airport CO's and Surface Water CO's

(2) Does not include \$112,635,000 U/L Tax Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2012

General Fund Organizational Chart

As of October 1, 2016



General Fund

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

Fiscal Year 2016

Total revenues

Revenues are projected to come in at \$82,400,498 which is 0.33% less than the current budget. Variances from budget are in licenses and permits, charges for services, fines and forfeitures, other income, intergovernmental and interest income.

Sales tax is projected to come in at budget at \$39,159,056. Other taxes are estimated to generate 0.73% less than budgeted revenue. License and permits, which reflects building activity in the community are anticipated to be 3.95% less than budgeted. Charges for services are projected to come in 1.62% less than budgeted as a result of the City receiving less than budgeted for the billing of EMS services. Fines and forfeitures are projected at \$1,855,900 or 0.34% lower than budgeted. The number of traffic violations issued and budgeted in FY16 is lower than the prior fiscal year. Other income are projected at \$485,800 or 11.61% greater than budgeted, and includes donations received by the Parks & Recreation Department for brick paving at the Veterans Memorial at Sugar Land Memorial Park, and reimbursements from Exxon Mobile for landscape repairs and maintenance. Intergovernmental revenues are projected at \$610,145, which is a 7.05% increase compared with the current budget. Interest income of \$220,000 is anticipated to be slightly less than budget due to low interest rates.

Total expenditures

Expenditures for FY16 are projected to be \$83,980,218. Overall, General Fund expenditures are expected to end the year within budget. This is primarily a result of a reduction in transfers to the Capital Projects Fund.

Total fund balance

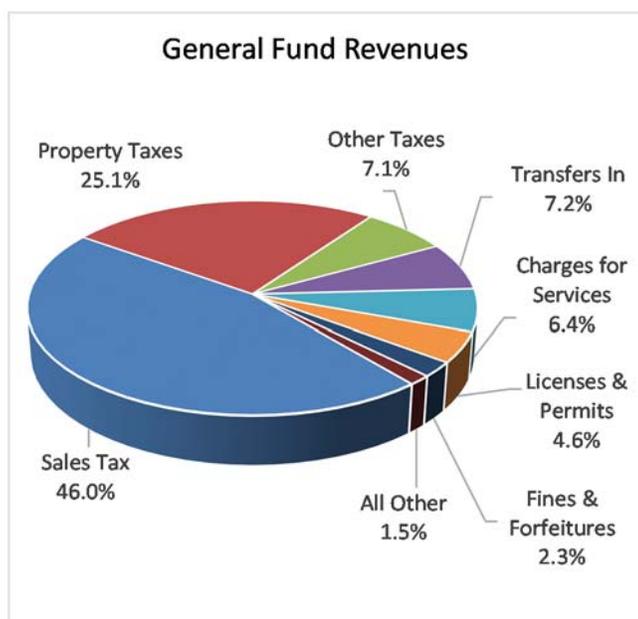
The fund balance is projected to be \$20,349,036 as of September 30, 2016. This fund balance is \$2,449,030 or 3% greater than the policy requirement of 25%. These funds are available to fund one-time expenditures in FY17.

Fiscal Year 2017

Budgeted revenues

Budgeted revenues total of \$83,202,063. The chart at right shows a breakdown of General Fund revenues by type.

Sales tax revenue of \$38,242,500 represents the largest portion of General Fund operating revenues at 46%. Sales tax is highly dependent on economic conditions and can fluctuate. Sales tax for FY17 is expected to decline by 2.3% from FY16, largely due to the end of an incentive agreement, and also due to a slowdown



in the Houston area economy, which is affected in the oil and gas industry.

The budget incorporates property tax revenues of \$20,846,700 and is based on an O&M tax rate of \$0.17035 and an estimated taxable value of \$12.6 billion after the increase to the homestead exemption.

A total of \$5,996,302 are transfers into to the General Fund. These transfers are from the Utility, Surface Water and Airport Funds as reimbursement for overhead costs as determined by a cost allocation model. A transfer from the Sugar Land Development and Sugar Land 4B Corporations reimburse cost for Economic Development staff and activity, as well as for managing capital projects funded by the corporations.

Other taxes total \$5,873,500 and are made up of franchise payments the city receives from electric, natural gas, cable, and telephone providers for use of the City's right-of-way. Licenses and Permits revenue is \$3,829,446 and include \$570,900 for major projects that is anticipated for FY17. Charges for services are budgeted at \$5,309,113 and include park facility fees, animal adoption fees, EMS billing, fire protection fees and other miscellaneous fees. ETJ Fire fees of \$2,860,448 accounts for 57.6% of charges for services. The remaining income totals \$3,104,502 and is made up of fines and forfeitures, interest income, and other miscellaneous revenues.

Budgeted expenditures

General Fund expenditures total \$85,131,164 for FY17. Of this total, \$75,375,999 is for departmental expenditures and \$9,755,165 is for non-departmental expenditures including transfers, rebates & assignments, and miscellaneous expenditures.

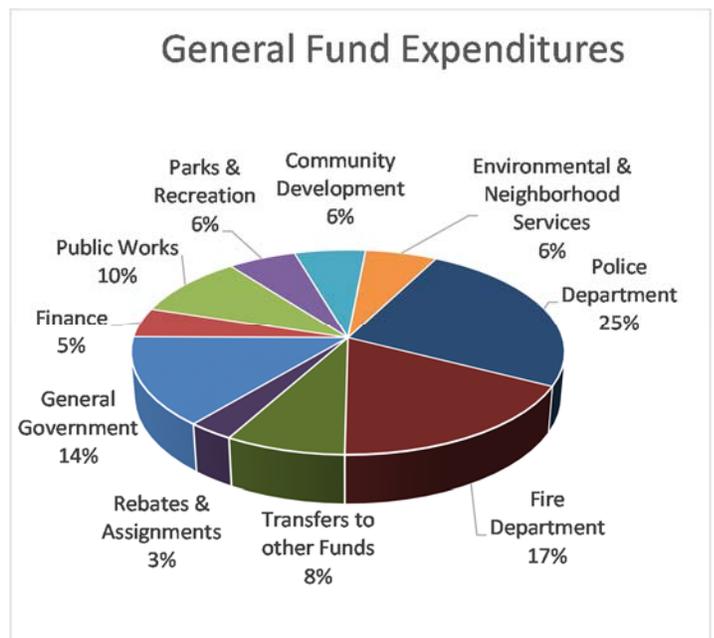
A total of \$604,085 in recurring additions is included in the FY17 budget. These include: maintenance for the City Wide License Plate Recognition program for public safety; one full-time-equivalent Sanitarian position for the Food Inspection Program in the Environmental & Neighborhood Services; and four full-time-equivalent positions (one Crew Chief and three General Maintenance Worker I & II) in the Parks and Recreation Department to maintain the current service levels with the implementation of capital improvement projects including the Brazos River Park, Festival Site, Settlers Way park enhancement, and the January 2016 annexation of 754 acres of Cullinan Park.

One-time funding totals \$814,023 included in the FY17 budget. These include: PEG funding in Public Communications, implementation of organization

assessment, fleet bay expansion, operation and maintenance for additional personnel, tasers and glock handgun replacement for police officer, and new software for the agenda management and the minutes process.

Budgeted fund balance

The fund balance ending of \$18,419,935 is \$101,121 greater than the reserve policy requirement of 25%. A drawdown in fund balance of \$1,929,101 is budgeted for one-time expenditures, including inter-fund transfers.



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

	FY15 Actual	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Property Taxes	\$ 18,433,234	\$ 20,188,900	\$ 20,188,900	\$ 20,846,700	\$ -	\$ 20,846,700
Sales Tax	38,549,980	39,159,056	39,159,056	38,242,500	-	38,242,500
Other Taxes	5,899,673	5,908,500	5,865,224	5,873,500	-	5,873,500
Licenses & Permits	3,494,805	3,388,248	3,254,248	3,258,546	570,900	3,829,446
Charges for Services	3,622,682	4,670,320	4,594,711	5,309,113	-	5,309,113
Fines & Forfeitures	1,874,656	1,862,300	1,855,900	1,888,600	-	1,888,600
Other	429,737	435,270	485,800	426,637	-	426,637
Intergovernmental	775,667	569,942	610,145	569,265	-	569,265
Interest Income	468,582	307,000	220,000	220,000	-	220,000
Operating Revenues	73,549,016	76,489,536	76,233,984	76,634,861	570,900	77,205,761
Transfers In	5,676,308	6,183,765	6,166,514	5,996,302	-	5,996,302
Lease Proceeds	3,510,000	-	-	-	-	-
Non-operating Revenues	9,186,308	6,183,765	6,166,514	5,996,302	-	5,996,302
Total Revenues	82,735,324	82,673,301	82,400,498	82,631,163	570,900	83,202,063
EXPENDITURES						
General Government	10,930,498	12,089,044	12,101,622	11,542,211	316,500	11,858,711
Finance	3,364,850	3,810,956	3,676,010	3,983,200	18,190	4,001,390
Public Works	8,084,795	8,580,725	8,643,923	8,294,626	-	8,294,626
Parks & Recreation	3,787,125	4,382,627	4,335,892	4,426,314	472,618	4,898,932
Community Development	4,555,116	5,016,606	5,006,442	5,111,522	-	5,111,522
Environmental & Neighborhood Services	4,410,456	4,764,206	4,808,123	5,041,331	123,151	5,164,482
Police Department	18,867,922	20,495,480	20,400,623	20,834,652	241,339	21,075,991
Fire Department	17,440,259	13,953,347	14,605,303	14,821,685	148,660	14,970,345
Departmental Expenditures	71,441,021	73,092,991	73,577,938	74,055,541	1,320,458	75,375,999
Transfers to other Funds	6,670,593	7,716,229	7,195,411	6,571,451	97,650	6,669,101
Miscellaneous	1,069,899	254,219	(80,781)	528,151	-	528,151
Rebates & Assignments	3,023,794	3,287,650	3,287,650	2,557,913	-	2,557,913
Debt Service	-	-	-	-	-	-
Non-departmental Expenditures	10,764,286	11,258,098	10,402,280	9,657,515	97,650	9,755,165
Total Expenditures	82,205,307	84,351,089	83,980,218	83,713,056	1,418,108	85,131,164
Revenues Over/(Under) Expenditures	530,017	(1,677,788)	(1,579,720)	(1,081,893)	(847,208)	(1,929,101)
Fund Balance - Beginning	28,264,512	28,794,529	28,794,529	27,214,809		27,214,809
Fund Balance - Ending	28,794,529	27,116,741	27,214,809	26,132,916	(847,208)	25,285,708
Accrued Sales/Franchise Taxes	(6,865,773)	(6,865,773)	(6,865,773)	(6,865,773)		(6,865,773)
Fund Balance - Available	\$ 21,928,756	\$ 20,250,968	\$ 20,349,036	\$ 19,267,143	\$ (847,208)	\$ 18,419,935
Ending Fund Balance- % of Oper Exp		28%	28%			25%
Fund Balance - Requirement		17,900,006	17,900,006			18,318,814
Over / (Under) Policy		\$ 2,350,962	\$ 2,449,030			\$ 101,121

GENERAL FUND

SCHEDULE OF REVENUES

Description	FY16		FY17		FY17 Changes	FY17 Budget
	FY15 Actual	Current Budget	FY16 Projection	Base Budget		
CURRENT TAXES	\$ 18,331,589	\$ 20,032,900	\$ 20,032,900	\$ 20,846,700	\$ -	\$ 20,846,700
DELINQUENT TAXES	(34,143)	14,000	14,000	-	-	-
PENALTY & INTEREST	116,295	142,000	142,000	-	-	-
SPECIAL INVENTORY/OVERAGE	19,492	-	-	-	-	-
Property Taxes	18,433,234	20,188,900	20,188,900	20,846,700	-	20,846,700
SALES TAXES	38,549,980	37,201,800	37,201,800	37,840,490	-	37,840,490
S. TAX INCENTIVE AGRMTS	-	1,957,256	1,957,256	402,010	-	402,010
SALES TAX ON AIRCRAFT	-	-	-	-	-	-
Sales Tax	38,549,980	39,159,056	39,159,056	38,242,500	-	38,242,500
MIXED DRINK TAX	600,035	610,000	565,000	573,000	-	573,000
ELECTRIC FRANCHISE	3,609,236	3,673,300	3,583,224	3,610,000	-	3,610,000
GAS FRANCHISE	313,542	308,900	315,000	327,500	-	327,500
FRANCHISE TELECOMM.	260,361	287,700	260,000	266,000	-	266,000
MISC. FRANCHISE FEES	204,737	246,000	232,000	217,000	-	217,000
CABLE TV FRANCHISE	911,762	782,600	910,000	880,000	-	880,000
Other Taxes	5,899,673	5,908,500	5,865,224	5,873,500	-	5,873,500
BUILDING PERMITS	1,705,414	1,619,600	1,600,000	1,632,196	570,900	2,203,096
INFRASTRUCTURE REVIEW	295,458	236,800	135,000	157,134	-	157,134
LAND DISTURBANCE FEE	-	1,500	-	-	-	-
RENTAL INSPECTION LICENSE	258,845	265,900	260,000	262,574	-	262,574
RENTAL REINSPECTION FEE	4,659	-	15,000	5,050	-	5,050
ELECTRICAL PERMITS	229,258	260,500	260,500	252,475	-	252,475
IRRIGATION PERMITS	47,272	49,900	49,900	40,396	-	40,396
HEALTH PERMITS	304,199	297,300	320,000	302,970	-	302,970
HVAC PERMITS	225,133	172,000	205,000	196,931	-	196,931
LIQUOR PERMITS	34,305	43,300	35,000	33,000	-	33,000
PLUMBING PERMITS	154,123	176,000	176,000	156,535	-	156,535
MOWING LIENS	4,993	648	648	1,000	-	1,000
PLAT FEES	70,801	97,300	50,000	65,644	-	65,644
DESIGN STANDARS VARIANCE	11,945	-	-	-	-	-
REINSPECTION FEES	10,305	11,500	18,000	11,109	-	11,109
PARKING PERMITS	662	-	200	202	-	202
SIGN PERMITS	25,128	25,400	25,400	25,248	-	25,248
FLOOD ZONE DEVEL PERMIT	1,500	1,300	1,300	1,515	-	1,515
CONTRACTOR REGISTRATION	40,365	52,100	45,000	40,396	-	40,396
R-O-W PERMIT	1,350	2,900	2,000	2,020	-	2,020
SOLICITOR PERMITS	4,135	8,000	2,300	8,022	-	8,022
SITE PLAN FEES	21,828	17,000	25,000	23,228	-	23,228
ZONING & CONDITIONAL USE	38,064	37,400	23,000	33,327	-	33,327
PERMIT PENALTIES	5,064	11,900	5,000	7,574	-	7,574
Licenses & Permits	3,494,805	3,388,248	3,254,248	3,258,546	570,900	3,829,446
REIMBURSEMENTS	33,018	34,400	62,000	237,234	-	237,234
REPRODUCTION COPIES	2,353	3,366	2,360	2,300	-	2,300
ROYALTIES	233	307	130	180	-	180
REIMBURSEMENTS	25,074	3,200	19,500	20,000	-	20,000
STREET LIGHT CHARGES	46,867	52,543	34,600	52,000	-	52,000
ANIMAL ADOPTION FEES	45,070	40,900	43,000	43,500	-	43,500
ANIMAL IMPOUNDMENT FEES	927	1,800	780	950	-	950

GENERAL FUND

SCHEDULE OF REVENUES

Description	FY16		FY17		FY17 Changes	FY17 Budget
	FY15 Actual	Current Budget	FY16 Projection	Base Budget		
POOL ADMISSIONS	8,129	7,200	7,200	7,500	-	7,500
SWIM LESSONS	2,491	1,300	1,300	1,700	-	1,700
FACILITY USAGE CARDS	96,749	83,000	97,000	98,000	-	98,000
POOL RENTAL	1,315	1,400	1,400	1,450	-	1,450
P&R BUILDING RENTALS	102,187	99,000	105,000	105,500	-	105,500
COMM. EVENTS-RECREATION	1,420	1,200	1,200	1,000	-	1,000
ATHLETIC LEAGUES	25,764	33,000	27,000	28,500	-	28,500
PAVILION RENTALS	46,186	41,200	48,000	50,000	-	50,000
CAMP PROGRAMS	161,951	154,500	160,000	160,000	-	160,000
LIGHT FEES	44,074	34,800	44,000	44,000	-	44,000
LEISURE CLASSES	103,139	103,000	95,000	100,000	-	100,000
ATHLETIC FIELD RENTAL	11,280	9,300	13,500	12,000	-	12,000
SENIOR PROGRAMS	23,839	21,500	28,000	28,000	-	28,000
PARKS VENDING MACHINE	4	-	-	-	-	-
REIMBURSEMENTS	-	100	-	-	-	-
ACCIDENT REPORTS	15,478	14,200	15,100	15,000	-	15,000
CASH OVER & SHORT	9	-	10	5	-	5
FALSE ALARM FEES	37,425	43,700	43,700	45,000	-	45,000
REIMBURSEMENTS	139,765	120,200	158,919	118,000	-	118,000
REPRODUCTION COPIES	1,092	100	1,100	1,000	-	1,000
FINGER PRINTING	6,574	8,000	7,500	7,300	-	7,300
DRIVING WHILE INTOXICATED	-	-	912	-	-	-
EMS BILLING	271,184	991,904	820,000	1,171,546	-	1,171,546
FIRE PROTECTION FEES	2,256,836	2,659,800	2,659,800	2,860,448	-	2,860,448
HAZ MAT RESPONSE	9,611	14,400	8,000	12,000	-	12,000
FIRE ALARM PERMITS	29,119	25,900	29,000	29,000	-	29,000
REIMBURSEMENTS	1,013	6,400	1,000	2,000	-	2,000
OTHER FIRE CODE PERMITS	71,661	58,700	58,700	54,000	-	54,000
TCLEOSE	849	-	-	-	-	-
Charges for Services	3,622,682	4,670,320	4,594,711	5,309,113	-	5,309,113
ADMINISTRATIVE COURT FEES	85,476	99,000	95,000	93,000	-	93,000
DPS FEES - CITY PORTION	10,244	10,500	9,000	9,500	-	9,500
CASH OVER & SHORT	37	700	-	100	-	100
CHILD SAFETY FINES	112,849	120,800	118,000	115,000	-	115,000
MUNICIPAL COURT FINES	1,485,535	1,466,400	1,466,400	1,503,000	-	1,503,000
JUDICIAL EFFICIENCY	14,083	15,000	14,000	14,500	-	14,500
COURT CLEARING ACCOUNT	-	-	-	-	-	-
WARRANT FEES	152,507	149,900	140,000	143,500	-	143,500
COURT CONVIENCE FEE	13,924	-	13,500	10,000	-	10,000
Fines & Forfeitures	1,874,656	1,862,300	1,855,900	1,888,600	-	1,888,600
DONATIONS	68,399	35,470	51,000	46,000	-	46,000
DONATIONS	7,847	-	-	-	-	-
MISCELLANEOUS	111,788	113,727	156,100	102,137	-	102,137
PROPERTY INS RECOVERY	189,793	225,000	225,000	225,000	-	225,000
REIMBURSEMENTS	164	7,373	-	-	-	-
SALE OF CAPITAL PROPERTY	28,641	25,000	25,000	25,000	-	25,000
UNCLAIMED & NON-CAPITAL	30,953	28,700	28,700	28,500	-	28,500
Other	429,737	435,270	485,800	426,637	-	426,637
LEOSE FUNDS	10,000	11,300	9,854	-	-	-

GENERAL FUND

SCHEDULE OF REVENUES

Description	FY15	FY16	FY16	FY17	FY17	FY17
	Actual	Current Budget	Projection	Base Budget	Changes	Budget
UASI	-	-	-	-	-	-
HOME LAND SEC.-PASS THRU	41,144	-	-	-	-	-
BULLETPROOF VEST	22,275	35,444	35,444	-	-	-
STEP WAVE GRANT	105,864	72,593	72,593	59,949	-	59,949
VICTIM ASSISTANCE GRANT	-	-	-	-	-	-
DWI TASK FORCE - HGAC	3,754	7,000	7,000	-	-	-
EMERGENCY MANAGEMENT GRANT	-	-	41,649	-	-	-
UASI GRANT	1,304	-	-	-	-	-
TIRZ FUND 111	7,373	134,278	134,278	53,659	-	53,659
ADMINISTRATIVE FEES	513,953	309,327	309,327	455,657	-	455,657
TRANSFER FROM TIRZ 1	70,000	-	-	-	-	-
Intergovernmental	775,667	569,942	610,145	569,265	-	569,265
INTEREST INCOME	394,760	307,000	220,000	220,000	-	220,000
UNREALIZ GAIN/LOSS-INVEST	73,822	-	-	-	-	-
Interest Income	468,582	307,000	220,000	220,000	-	220,000
AIRPORT ENTERPRISE	690,424	-	-	-	-	-
SLDC	451,013	-	-	-	-	-
ADMINISTRATIVE FEES	-	5,634,789	5,634,889	5,425,300	-	5,425,300
TRANSFER FROM CAPITAL PRO	202,000	-	-	-	-	-
ADMINISTRATIVE FEES	-	-	-	-	-	-
TRANSFER FROM FUND 53	576,840	-	-	-	-	-
TRANSFER FROM UTILITIES	2,729,842	-	-	-	-	-
TRANSFER FROM SOLID WASTE	371,132	-	-	-	-	-
TRF FR RED LIGHT FUND 073	655,057	548,976	531,625	571,002	-	571,002
Transfers In	5,676,308	6,183,765	6,166,514	5,996,302	-	5,996,302
CAPITAL LEASE PROCEEDS	3,510,000	-	-	-	-	-
Lease Proceeds	3,510,000	-	-	-	-	-
GRAND TOTAL	\$ 82,735,324	\$ 82,673,301	\$ 82,400,498	\$ 82,631,163	\$ 570,900	\$ 83,202,063

**GENERAL FUND
SUMMARY OF EXPENDITURES**

Description	FY15	FY16	FY16	FY17	FY17	FY17
	Actual	Current Budget	FY16 Projection	Base Budget	Changes	FY17 Budget
Mayor & City Council	\$ 220,375	\$ 245,071	\$ 245,071	\$ 250,320	\$ -	\$ 250,320
City Manager	949,967	781,144	781,144	897,115	35,000	932,115
Assistant City Managers	894,060	1,175,616	1,175,616	923,019	-	923,019
City Secretary	769,807	920,563	935,348	949,070	-	949,070
Public Communications	1,093,317	1,019,880	1,044,687	928,076	120,000	1,048,076
Human Resources	1,450,151	1,428,521	1,412,444	1,399,914	31,500	1,431,414
City Attorney	664,426	898,055	898,055	818,194	15,000	833,194
Information Technology	3,469,375	4,037,524	4,026,587	3,704,421	-	3,704,421
Strategic Initiatives	495,773	854,067	854,067	625,315	115,000	740,315
Economic Development	923,248	728,603	728,603	1,046,767	-	1,046,767
General Government - Total	10,930,498	12,089,044	12,101,622	11,542,211	316,500	11,858,711
Finance Administration	494,471	777,185	642,239	868,505	-	868,505
Budget & Research	432,377	435,563	435,563	463,503	-	463,503
Accounting	1,018,749	1,065,777	1,065,777	1,087,147	-	1,087,147
Purchasing	480,104	578,709	578,709	569,037	-	569,037
Municipal Court	939,149	953,722	953,722	995,008	18,190	1,013,198
Finance - Total	3,364,850	3,810,956	3,676,010	3,983,200	18,190	4,001,390
Public Works Admin	568,205	877,763	877,750	441,562	-	441,562
Street & Drainage Main.	2,164,270	2,489,135	2,480,909	2,454,924	-	2,454,924
ROW Maintenance	1,620,310	1,641,687	1,644,652	1,737,846	-	1,737,846
Traffic	3,732,011	3,572,140	3,640,612	3,660,294	-	3,660,294
Public Works - Total	8,084,795	8,580,725	8,643,923	8,294,626	-	8,294,626
Park Administration	673,729	714,577	714,009	657,616	-	657,616
Development & Maintenance	1,865,739	2,111,528	2,066,271	2,172,526	-	2,645,144
Recreation & Special Events	1,247,657	1,556,522	1,555,612	1,596,172	-	1,596,172
Parks & Recreation - Total	3,787,125	4,382,627	4,335,892	4,426,314	472,618	4,898,932
Community Development Admin	156,686	249,470	249,470	287,291	-	287,291
Permits & Inspections	1,165,736	1,208,767	1,203,620	1,246,584	-	1,246,584
Development Planning	465,212	510,984	510,981	522,565	-	522,565
Transp. & Long Range Plan	443,295	509,038	509,038	427,507	-	427,507
City Engineer	2,324,187	2,538,347	2,533,333	2,627,575	-	2,627,575
Community Development - Total	4,555,116	5,016,606	5,006,442	5,111,522	-	5,111,522
Environ/Neighborhood Administration	116,639	403,255	403,255	476,582	-	476,582
Community Outreach	-	-	-	38,800	-	38,800
Fleet Maintenance	585,726	668,817	690,876	642,987	40,000	682,987
Facilities Management	2,134,840	2,068,209	2,091,954	2,166,841	-	2,166,841
Animal Services	615,137	645,790	644,562	702,554	-	702,554
Stormwater Management	201,320	178,703	179,577	162,612	-	162,612
Food Inspection	248,578	254,225	253,956	267,422	83,151	350,573
Code Enforcement	302,760	319,112	317,794	332,967	-	332,967
Rental Registration	205,456	226,095	226,149	250,566	-	250,566
Environmental & Neighborhood Services - Total	4,410,456	4,764,206	4,808,123	5,041,331	123,151	5,164,482
Police Administration	959,010	1,024,281	1,007,720	1,055,252	60,500	1,115,752
Support Services	1,956,392	2,232,752	2,153,773	2,109,226	180,839	2,290,065
TCLEOSE Training	5,531	18,459	18,459	-	-	-
Patrol	10,324,846	11,047,333	11,050,016	11,289,033	-	11,289,033
Criminal Investigations	3,423,667	3,593,779	3,593,779	3,716,921	-	3,716,921
Detention Center	368,036	409,926	409,926	420,227	-	420,227
SWAT	23,996	25,000	25,000	25,000	-	25,000
Public Safety Dispatch	1,806,443	2,143,950	2,141,950	2,218,993	-	2,218,993
Police Department - Total	18,867,922	20,495,480	20,400,623	20,834,652	241,339	21,075,991
Fire Administration	362,665	382,774	381,515	397,371	-	397,371
Emergency Services	12,114,850	9,894,207	10,556,087	10,572,148	146,660	10,718,808
EMS Services	2,935,585	1,561,832	1,559,511	1,676,488	-	1,676,488
Haz Mat	14,635	40,543	40,361	40,543	-	40,543
Prevention/Investigation	945,989	991,925	988,240	1,024,756	-	1,024,756
Emergency Management	376,811	384,350	386,857	385,560	2,000	387,560
Professional Development	689,723	697,716	692,732	724,819	-	724,819
Fire Department - Total	17,440,259	13,953,347	14,605,303	14,821,685	148,660	14,970,345
Total Operating Expenditures	71,441,021	73,092,991	73,577,938	74,055,541	1,320,458	75,375,999
Transfers to other Funds	6,670,593	7,716,229	7,195,411	6,571,451	97,650	6,669,101

**GENERAL FUND
SUMMARY OF EXPENDITURES**

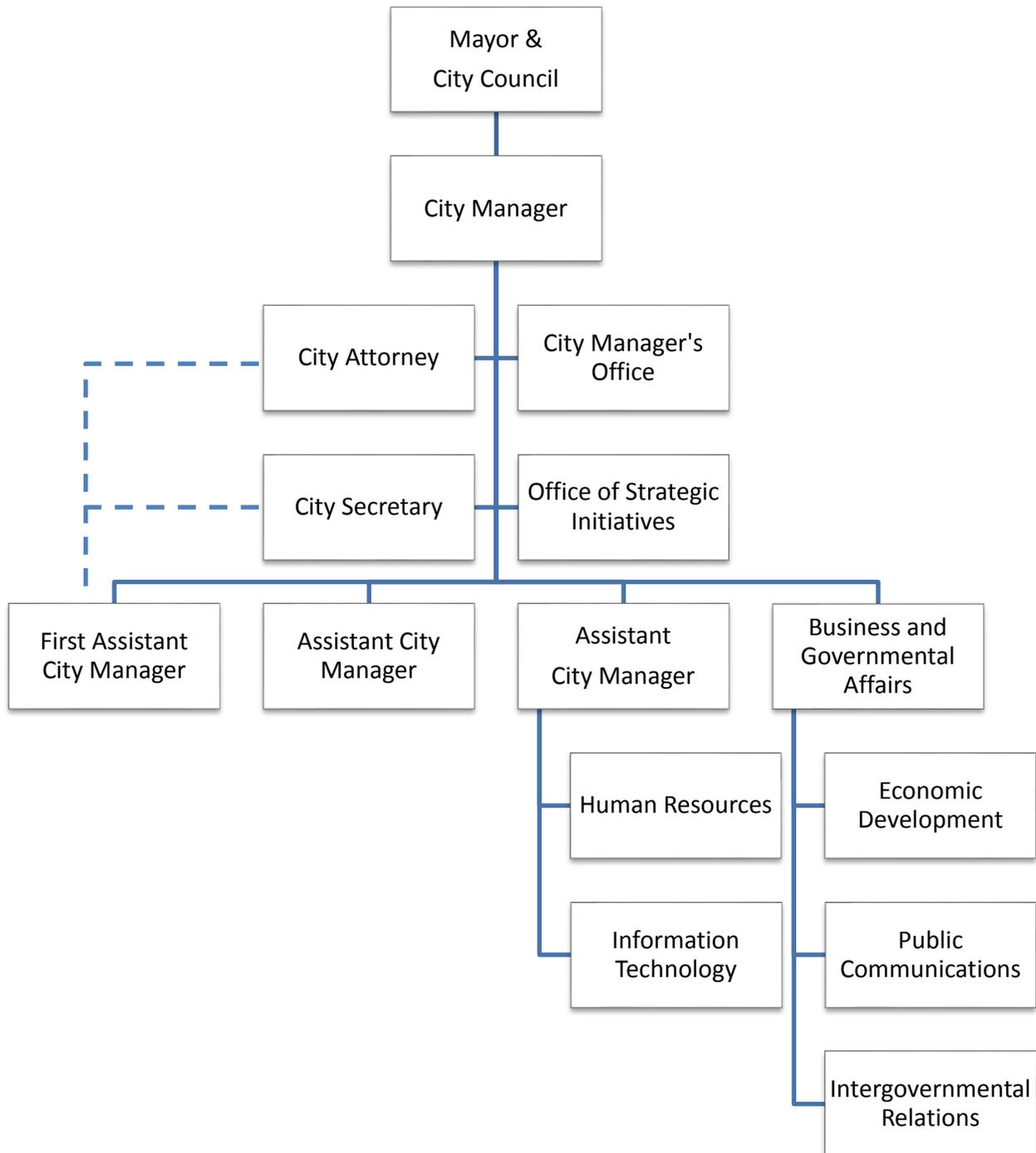
Description	FY15 Actual	FY16 Current Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
Rebates & Assignments	3,023,794	3,287,650	3,287,650	2,557,913	-	2,557,913
Debt Service	-	-	-	-	-	-
Miscellaneous	1,069,899	254,219	(80,781)	528,151	-	528,151
Total Non-Operating	10,764,286	11,258,098	10,402,280	9,657,515	97,650	9,755,165
Total Expenditures	\$ 82,205,307	\$ 84,351,089	\$ 83,980,218	\$ 83,713,056	\$ 1,418,108	\$ 85,131,164

Category Summary

Salary & Benefits	\$ 51,473,920	54,745,015	\$ 55,441,334	\$ 57,417,898	\$ 382,429	\$ 57,800,327
Supplies	2,659,430	2,711,222	2,567,042	2,616,535	200,939	2,817,474
Professional Services	6,650,599	7,560,654	7,504,908	6,687,579	263,060	6,950,639
Repairs & Maintenance	4,614,720	4,971,722	4,955,522	5,115,260	259,740	5,375,000
Purchased Services	2,207,996	2,394,516	2,391,199	2,154,017	54,290	2,208,307
Capital Items/Other	3,834,356	709,862	717,933	64,252	160,000	224,252
Total Category Expenditures	71,441,021	73,092,991	73,577,938	74,055,541	1,320,458	75,375,999
Total Non-Operating	10,764,286	11,258,098	10,402,280	9,657,515	97,650	9,755,165
Total Expenditures	\$ 82,205,307	\$ 84,351,089	\$ 83,980,218	\$ 83,713,056	\$ 1,418,108	\$ 85,131,164

General Government

As of October 1, 2016



Mayor and City Council

Services Provided

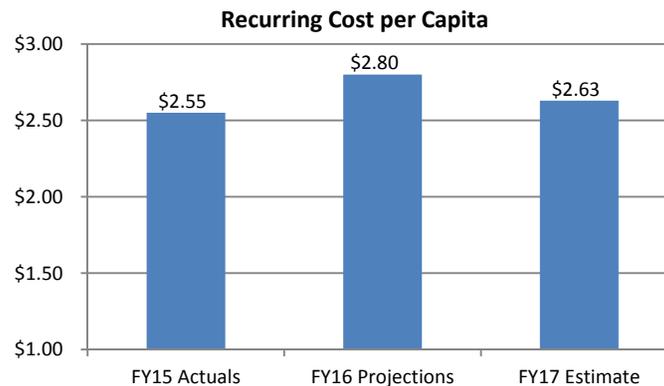
The **Mayor and City Council** provide direction to the City Manager and staff to achieve service level objectives. The long-range vision of the City is established by adopting goals, objectives, and strategies. Two regular City Council meetings are held each month on the first and third Tuesday, as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

FY17 Requests

There are no additions to the Mayor and City Council FY17 budget.

Performance Measures: Responsible City Government

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



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 150,778	\$ 167,066	\$ 167,066	\$ 172,315	\$ -	\$ 172,315
Supplies	11,419	15,274	15,274	15,274	-	15,274
Professional Services	18,659	23,200	23,200	23,200	-	23,200
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	39,518	39,531	39,531	39,531	-	39,531
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 220,375	\$ 245,071	\$ 245,071	\$ 250,320	\$ -	\$ 250,320

City Manager

Services Provided

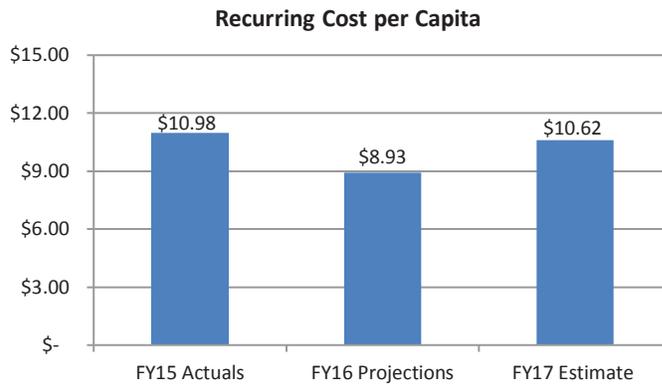
The **City Manager** is appointed by City Council and serves as Chief Executive Officer of the City. The City Manager is responsible for making recommendations to City Council, filing the annual budget, five-year CIP, and five-year financial forecast, and providing leadership and direction to City staff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

FY17 Requests

A total of \$35,000 in one-time funding to City Manager’s FY17 budget for a new comprehensive software for the agenda management and minutes process.

Performance Measures: Responsible City Government

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



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 832,823	\$ 638,052	\$ 638,052	\$ 750,523	\$ -	\$ 750,523
Supplies	35,250	43,503	43,503	34,503	-	34,503
Professional Services	56,735	62,475	62,475	77,510	-	77,510
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	23,583	37,114	37,114	34,579	35,000	69,579
Capital/Other	1,575	-	-	-	-	-
Category Totals	\$ 949,967	\$ 781,144	\$ 781,144	\$ 897,115	\$ 35,000	\$ 932,115

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
City Manager	6.50	6.00	(1.00)	5.00	-	5.00
FTE Count Totals	6.50	6.00	(1.00)	5.00	-	5.00

Assistant City Managers

Services Provided

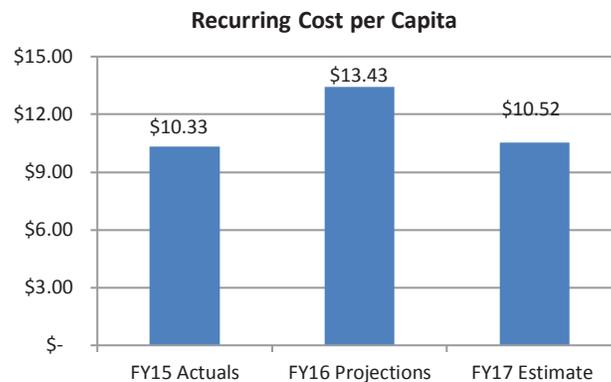
The **Assistant City Managers** provide executive oversight, guidance, and support to respective departments to ensure the priorities of the City are understood and achieved. The First Assistant City Manager and Assistant City Managers serve on behalf of the City Manager in managing projects, assignments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

FY17 Requests

There are no additions to the Assistant City Managers' FY17 budget.

Performance Measures: Responsible City Government

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



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 828,644	\$ 1,022,353	\$ 1,022,353	\$ 852,756	\$ -	\$ 852,756
Supplies	19,260	16,178	16,178	18,178	-	18,178
Professional Services	26,507	94,450	94,450	9,450	-	9,450
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	19,650	42,635	42,635	42,635	-	42,635
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 894,060	\$ 1,175,616	\$ 1,175,616	\$ 923,019	\$ -	\$ 923,019

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Assistant City Managers	5.50	5.50	-	5.50	-	5.50
FTE Count Totals	5.50	5.50	-	5.50	-	5.50

City Secretary

Mission Statement

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

Services Provided

The Office of the **City Secretary** is responsible for three primary functions: legislative service, records management, and public information services. Legislative services includes managing and coordinating all public meetings, elections, ordinance codification, contract execution, legal notice and proclamation publication, 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 disposal. Public information services provided by the department include receptionist and lobby services, response to open records requests and standardized guidelines for City Hall displays and meeting presentations.

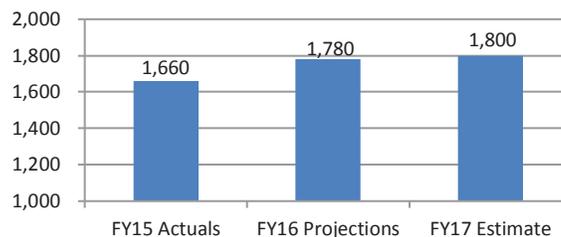
FY17 Requests

There are no additions to the City Secretary FY17 budget.

Performance Measures: Responsible City Government

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

Number of Open Records Requests Received



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 663,978	\$ 684,156	\$ 684,156	\$ 773,678	\$ -	\$ 773,678
Supplies	18,903	60,945	90,730	61,000	-	61,000
Professional Services	37,059	111,653	105,653	41,527	-	41,527
Repairs & Maintenance	3,745	6,532	6,532	6,532	-	6,532
Purchased Services	46,122	57,277	48,277	66,333	-	66,333
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 769,807	\$ 920,563	\$ 935,348	\$ 949,070	\$ -	\$ 949,070

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
City Secretary	9.20	9.20	-	9.20	-	9.20
Count Totals	9.20	9.20	-	9.20	-	9.20

Communications

Mission Statement

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

Services Provided

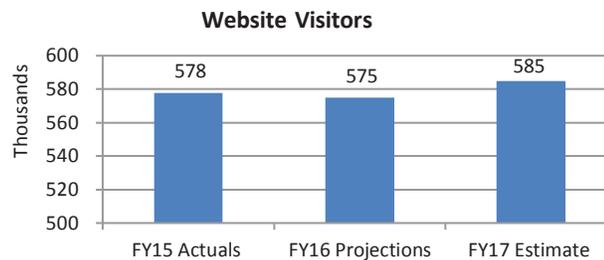
Communications is responsible for providing accurate, responsive and timely information to citizens and the public through a variety of communication tools including publications, website, SLTV16, social media, media relations, public safety and emergency communications; also facilitate and serve as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

FY17 Requests

A total of \$120,000 for Public, Educational, and Government (PEG) access television funding is included in the FY17 budget. The PEG funds come from a 1% fee on Comcast accounts within the City of Sugar Land and will be used for capital items to increase the quality of broadcasts on SLTV16.

Performance Measures: Responsible City Government

The City Council measures for “Easy access to city government” are citizen satisfaction with City publications, website and municipal television (SLTV16), and number of website visitors.



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 771,133	\$ 698,940	\$ 698,940	\$ 738,786	\$ -	\$ 738,786
Supplies	52,796	24,343	24,408	20,233	-	20,233
Professional Services	47,188	38,675	63,417	34,790	-	34,790
Repairs & Maintenance	175	150	150	230	-	230
Purchased Services	128,556	142,772	142,772	134,037	-	134,037
Capital/Other	93,469	115,000	115,000	-	120,000	120,000
Category Totals	\$ 1,093,317	\$ 1,019,880	\$ 1,044,687	\$ 928,076	\$ 120,000	\$ 1,048,076

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Communications	9.00	8.00	-	8.00	-	8.00
FTE Count Totals	9.00	8.00	-	8.00	-	8.00

Human Resources

Mission Statement

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

Services Provided

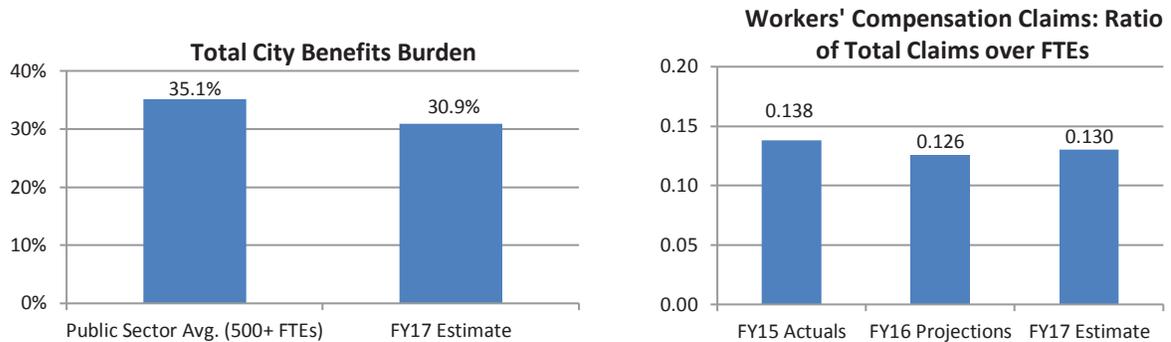
Human Resources Department is an internal service and offers a full range of human resource services for all City departments. **Risk Management** coordinates worker compensation, liability insurance claims, and oversees the work safety program.

FY17 Requests

A total of \$31,500 in one-time additions is included in the Human Resources’ FY17 budget to support the City’s Tuition Reimbursement Program.

Performance Measures: Responsible City Government

The “Benefits Burden” is the ratio of the cost of defined benefits to the base payroll of employees eligible to receive benefits. The City Council measure for “Workers’ Compensation Claims” is the ratio of total claims over number of employees.



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 1,163,357	\$ 1,097,150	\$ 1,097,150	\$ 1,068,543	\$ 31,500	\$ 1,100,043
Supplies	82,531	87,325	88,248	94,956	-	94,956
Professional Services	54,583	67,830	66,830	61,330	-	61,330
Repairs & Maintenance	269	600	600	600	-	600
Purchased Services	149,411	175,616	159,616	174,485	-	174,485
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,450,151	\$ 1,428,521	\$ 1,412,444	\$ 1,399,914	\$ 31,500	\$ 1,431,414

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Human Resources	12.00	11.00	-	11.00	-	11.00
FTE Count Totals	12.00	11.00	-	11.00	-	11.00

City Attorney

Mission Statement

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

Services Provided

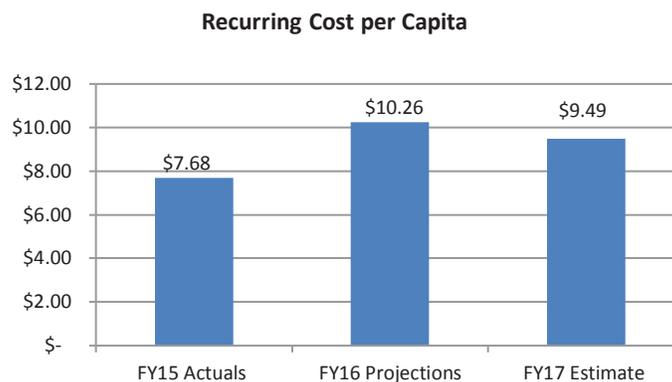
The **City Attorney’s Office** provides legal services to the City and the City’s development corporations. These services include contract review, ordinance preparation, policy review, and prosecution of violations of State law and City ordinances in Municipal Court.

FY17 Requests

A total of \$15,000 in one-time additions to City Attorney’s FY17 budget for outside legal assistance to resolve the backlog of court cases.

Performance Measures: Responsible City Government

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



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 570,874	\$ 714,766	\$ 714,766	\$ 740,836	\$ -	\$ 740,836
Supplies	12,654	13,651	13,651	12,085	-	12,085
Professional Services	56,173	145,731	145,731	41,366	15,000	56,366
Repairs & Maintenance	373	-	-	-	-	-
Purchased Services	18,045	6,599	6,599	6,599	-	6,599
Capital/Other	6,308	17,308	17,308	17,308	-	17,308
Category Totals	\$ 664,426	\$ 898,055	\$ 898,055	\$ 818,194	\$ 15,000	\$ 833,194

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
City Attorney	5.00	6.00	-	6.00	-	6.00
FTE Count Totals	5.00	6.00	-	6.00	-	6.00

Information Technology

Mission Statement

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

Services Provided

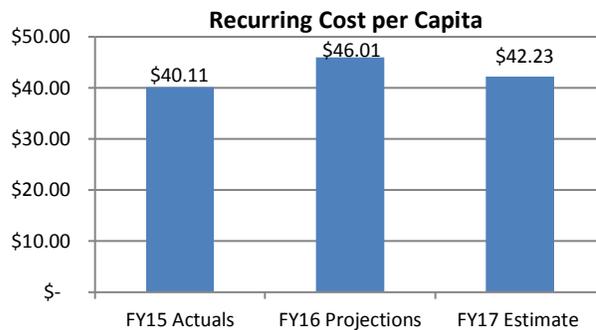
The **IT Department** provides City-wide support to all departments by maintaining the integrity of computer and communications infrastructure of the City. This includes City-wide coordination for advanced systems in Public Safety, Telecommunications, and Geographic Information System (GIS). A primary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

FY17 Requests

There are no additions to the Information Technology's FY17 budget.

Performance Measures: Responsible City Government

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



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 1,848,472	\$ 2,018,973	\$ 2,018,973	\$ 2,123,905	\$ -	\$ 2,123,905
Supplies	38,856	56,895	70,958	30,585	-	30,585
Professional Services	435,444	475,261	460,261	330,731	-	330,731
Repairs & Maintenance	902,914	1,029,050	1,019,050	1,115,155	-	1,115,155
Purchased Services	220,649	238,921	238,921	104,045	-	104,045
Capital/Other	23,040	218,424	218,424	-	-	-
Category Totals	\$ 3,469,375	\$ 4,037,524	\$ 4,026,587	\$ 3,704,421	\$ -	\$ 3,704,421

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Information Technology	21.00	23.00	-	23.00	-	23.00
FTE Count Totals	21.00	23.00	-	23.00	-	23.00

Strategic Initiatives

Mission Statement

The mission of the Office of Strategic Initiatives is to ensure the operations of the City are aligned with the vision and priorities established by the City Council and to promote accountability within the organization and foster continuous improvement.

Services Provided

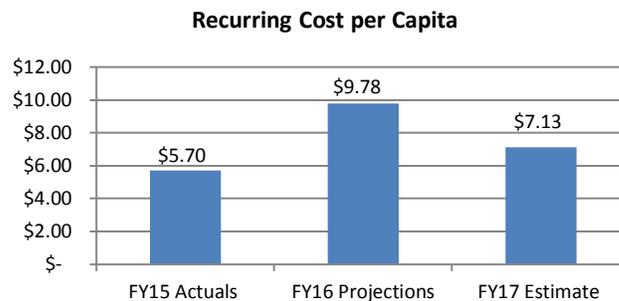
The **Office of Strategic Initiatives** is responsible for the leadership and coordination of City-wide strategic planning process – including quarterly reporting to the City Council – and for providing support to the City Manager’s Office by serving as the staff liaison to the City’s multi-cultural program and supporting the Mayor’s Youth Advisory Council. The Office of Strategic Initiatives manages the implementation of a cross-departmental performance measurement system and implementation of annual organizational assessments. The goal of these two programs is to increase accountability, efficiency and effectiveness with departments. This office is also responsible for managing the City-wide business plan process and any research/special projects.

FY17 Requests

A total of \$115,000 in one-time additions are included in the Strategic Initiatives’ FY17 budget for organizational assessment, and iFest Live international festival.

Performance Measures: Responsible City Government

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



Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 434,348	\$ 604,877	\$ 604,877	\$ 584,318	\$ -	\$ 584,318
Supplies	23,304	17,223	17,223	2,635	15,000	17,635
Professional Services	23,824	198,103	198,103	21,910	100,000	121,910
Repairs & Maintenance	601	-	-	-	-	-
Purchased Services	12,566	32,786	32,786	16,452	-	16,452
Capital/Other	1,130	1,078	1,078	-	-	-
Category Totals	\$ 495,773	\$ 854,067	\$ 854,067	\$ 625,315	\$ 115,000	\$ 740,315

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Office of Strategic Initiatives	7.00	8.00	-	8.00	-	8.00
FTE Count Totals	7.00	8.00	-	8.00	-	8.00

Economic Development

Mission Statement

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

Services Provided

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

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

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

FY17 Requests

There are no additions to the Economic Development's FY17 budget. However, the operating costs for Economic Development are funded by the Sugar Land Development Corporation and Sugar Land 4B Corporation budgets, which are approved by the board of directors for each corporation.

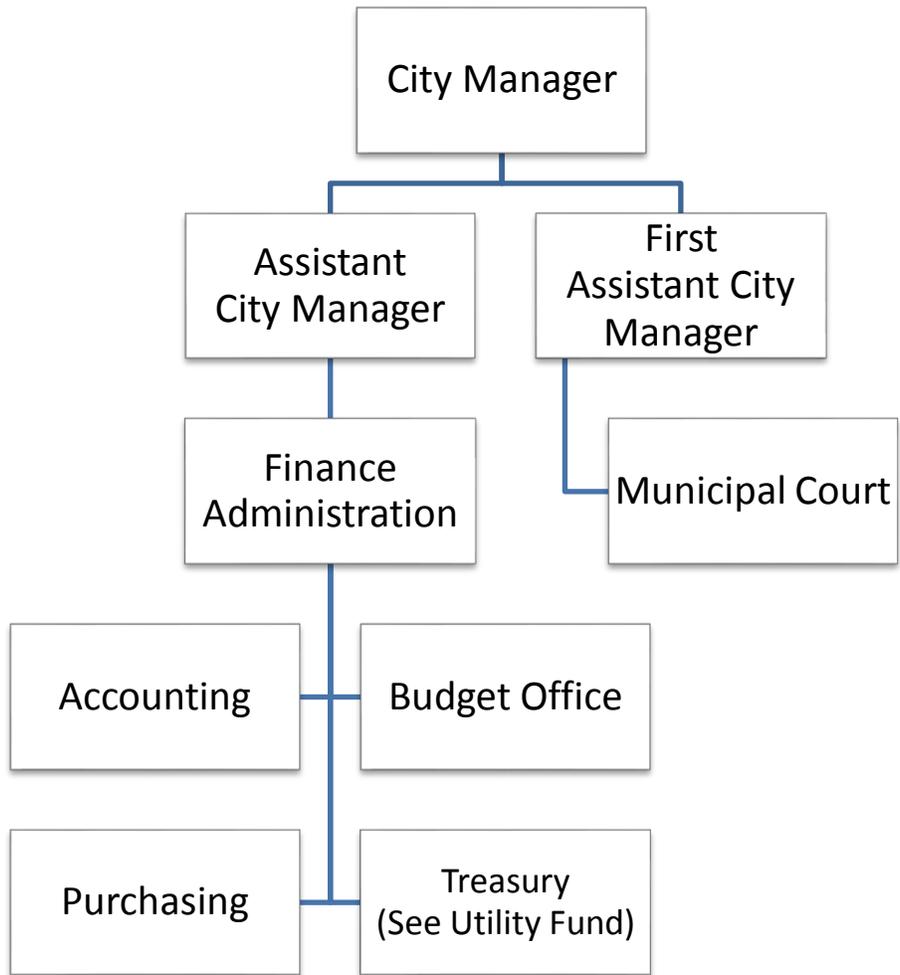
Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 677,146	\$ 728,603	\$ 728,603	\$ 1,046,767	\$ -	\$ 1,046,767
Supplies	2,259	-	-	-	-	-
Professional Services	26,798	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	217,045	-	-	-	-	-
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 923,248	\$ 728,603	\$ 728,603	\$ 1,046,767	\$ -	\$ 1,046,767

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Economic Development	593,903	676,845	676,845	928,381	-	928,381
Intergovernmental Relations	-	-	-	62,786	-	62,786
Tourism & Destination Events	329,345	51,758	51,758	55,600	-	55,600
Category Totals	\$ 923,248	\$ 728,603	\$ 728,603	\$ 1,046,767	\$ -	\$ 1,046,767

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Economic Development	6.00	6.00	3.00	9.00	-	9.00
Office of Intergovernmental Relations	-	0.50	-	0.50	-	0.50
Tourism & Destination Events	-	0.50	-	0.50	-	0.50
FTE Count Totals	6.00	7.00	3.00	10.00	-	10.00

Finance & Municipal Court

As of October 1, 2016



Finance

Mission Statement

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

Programs of Service

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

FY17 Requests

There are no additions to the Finance FY17 budget.

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 1,946,849	\$ 2,180,959	\$ 2,180,959	\$ 2,239,186	\$ -	\$ 2,239,186
Supplies	28,227	35,034	35,034	30,250	-	30,250
Professional Services	342,317	518,746	383,800	603,593	-	603,593
Repairs & Maintenance	831	1,358	1,358	750	-	750
Purchased Services	102,831	105,764	105,764	114,413	-	114,413
Capital/Other	4,645	15,373	15,373	-	-	-
Category Totals	\$ 2,425,700	\$ 2,857,234	\$ 2,722,288	\$ 2,988,192	\$ -	\$ 2,988,192

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Finance Administration	494,471	777,185	642,239	868,505	-	868,505
Budget Office	432,377	435,563	435,563	463,503	-	463,503
Accounting	1,018,749	1,065,777	1,065,777	1,087,147	-	1,087,147
Purchasing	480,104	578,709	578,709	569,037	-	569,037
Category Totals	\$ 2,425,700	\$ 2,857,234	\$ 2,722,288	\$ 2,988,192	\$ -	\$ 2,988,192

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Finance Administration	2.00	3.00	-	3.00	-	3.00
Budget Office	5.00	5.00	-	5.00	-	5.00
Accounting	11.00	11.00	-	11.00	-	11.00
Purchasing	5.00	7.00	-	7.00	-	7.00
FTE Count Totals	23.00	26.00	-	26.00	-	26.00

Municipal Court

Mission Statement

The mission of the Municipal Court is to maintain the City’s judicial integrity by ensuring all City resources are effectively managed in compliance with all legal and policy requirements and promoting mutual trust by operating in a safe and transparent environment and providing consistent, effective and efficient services.

Services Provided

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

FY17 Requests

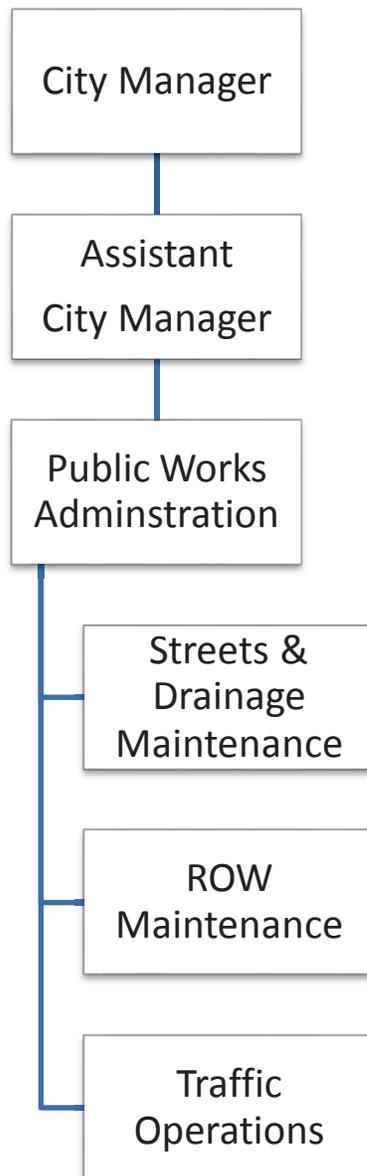
A total of \$18,190 in one-time additions from restricted revenue is included in the Municipal Court’s FY17 budget to support professional development.

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 764,992	\$ 802,959	\$ 802,959	\$ 864,888	\$ -	\$ 864,888
Supplies	13,119	19,671	19,671	16,490	-	16,490
Professional Services	39,094	42,046	42,046	51,834	-	51,834
Repairs & Maintenance	450	595	595	1,500	-	1,500
Purchased Services	69,721	79,003	79,003	60,296	18,190	78,486
Capital/Other	51,773	9,448	9,448	-	-	-
Category Totals	\$ 939,149	\$ 953,722	\$ 953,722	\$ 995,008	\$ 18,190	\$ 1,013,198

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Municipal Court	12.00	12.00	-	12.00	-	12.00
FTE Count Totals	12.00	12.00	-	12.00	-	12.00

Public Works

As of October 1, 2016



Public Works

Mission Statement

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

Services Provided

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

Programs of Service

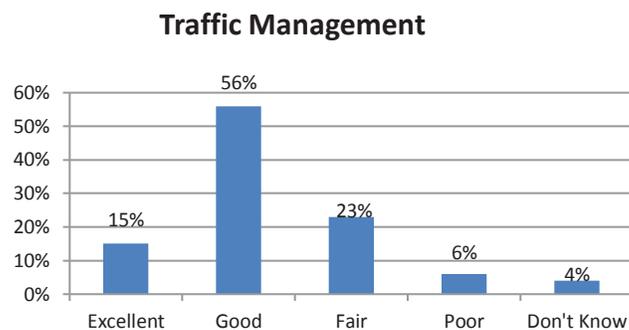
The **Administration** program manages components common to all divisions such as customer service, emergency management, the safety program, public education, personnel management, infrastructure data capture, asset management and event assistance. The **Street & Drainage** Maintenance program is responsible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

FY17 Requests

There are no additions to Public Works' FY17 budget.

Performance Measures: Mobility for People

The City Council measure for "Quick Response to Traffic Problems and Issues" are citizen responses to the bi-annual citizen satisfaction survey.



Public Works

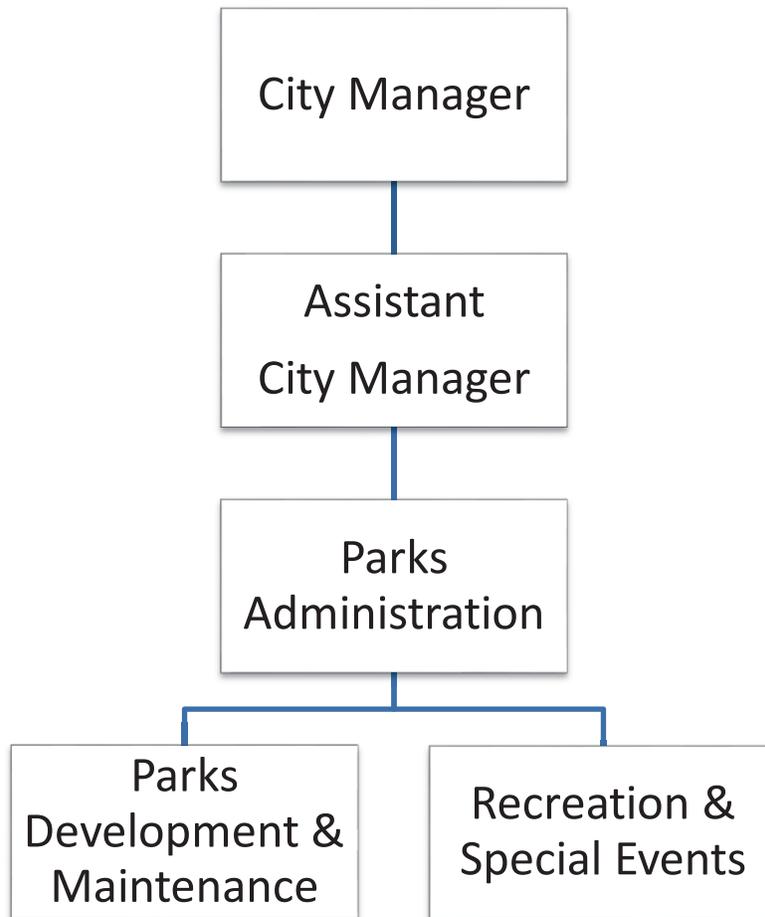
Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 2,542,547	\$ 2,541,300	\$ 2,541,300	\$ 2,620,625	\$ -	\$ 2,620,625
Supplies	310,207	340,387	314,446	352,259	-	352,259
Professional Services	3,125,969	3,494,019	3,573,358	3,146,040	-	3,146,040
Repairs & Maintenance	2,045,542	2,060,856	2,070,656	2,120,113	-	2,120,113
Purchased Services	44,676	57,097	57,097	55,589	-	55,589
Capital/Other	-	87,066	87,066	-	-	-
Category Totals	\$ 8,084,795	\$ 8,580,725	\$ 8,643,923	\$ 8,294,626	\$ -	\$ 8,294,626

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Public Works Administration	568,205	877,763	877,750	441,562	-	441,562
Street & Drainage Maintenance	2,164,270	2,489,135	2,480,909	2,454,924	-	2,454,924
ROW Maintenance	1,620,310	1,641,687	1,644,652	1,737,846	-	1,737,846
Traffic Operations	3,732,011	3,572,140	3,640,612	3,660,294	-	3,660,294
Category Totals	\$ 8,084,795	\$ 8,580,725	\$ 8,643,923	\$ 8,294,626	\$ -	\$ 8,294,626

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Public Works Administration	5.00	4.00	-	4.00	-	4.00
Street & Drainage Maintenance	17.40	18.00	-	18.00	-	18.00
ROW Maintenance	-	3.00	-	3.00	-	3.00
Traffic Operations	9.00	9.00	-	9.00	-	9.00
FTE Count Totals	31.40	34.00	-	34.00	-	34.00

Parks & Recreation

As of October 1, 2016



Parks & Recreation

Mission Statement

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

Services Provided

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

Programs of Service

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

FY17 Requests

A total of \$446,573 in recurring additions are included in the FY17 budget. These additions include four full-time-equivalent positions, contractual services, and supplies to support the maintenance of completed capital improvement projects including the Brazos River Park Phase II, Festival Site, Settlers Way Park expansion, TIRZ #4 Plaza, and Cullinan Park. A total of \$26,045 for one-time expenses were added to the budget for operations supplies for additional personnel, overtime and temporary help for the implementation new park maintenance.

Performance Measures: Well Planned Community & Great Place to Live

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



Parks & Recreation

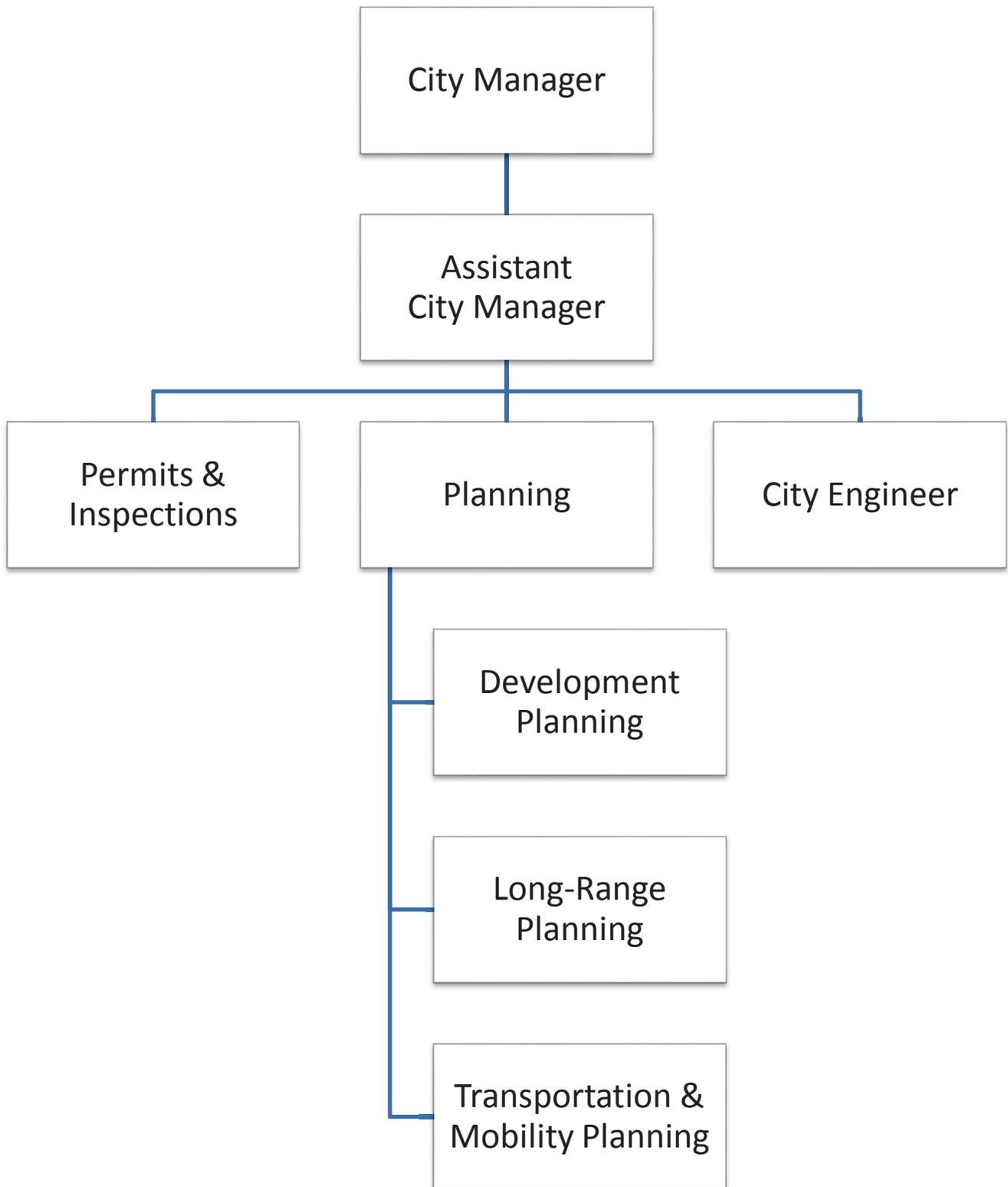
Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 2,021,609	\$ 2,246,709	\$ 2,246,709	\$ 2,247,274	\$ 272,278	\$ 2,519,552
Supplies	240,061	247,755	238,363	259,771	3,500	263,271
Professional Services	562,038	566,940	529,597	617,944	-	617,944
Repairs & Maintenance	592,059	759,662	759,662	733,220	196,840	930,060
Purchased Services	351,475	557,659	557,659	552,663	-	552,663
Capital/Other	19,883	3,902	3,902	15,442	-	15,442
Category Totals	\$ 3,787,125	\$ 4,382,627	\$ 4,335,892	\$ 4,426,314	\$ 472,618	\$ 4,898,932

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Administration	673,729	714,577	714,009	657,616	-	657,616
Development & Maintenance	1,865,739	2,111,528	2,066,271	2,172,526	472,618	2,645,144
Recreation & Special Events	1,247,657	1,556,522	1,555,612	1,596,172	-	1,596,172
Category Totals	\$ 3,787,125	\$ 4,382,627	\$ 4,335,892	\$ 4,426,314	\$ 472,618	\$ 4,898,932

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Administration	6.00	7.00	(1.00)	6.00	-	6.00
Development & Maintenance	15.00	11.00	0.50	11.50	4.00	15.50
Recreation & Special Events	17.77	17.27	-	17.27	-	17.27
FTE Count Totals	38.77	35.27	(0.50)	34.77	4.00	38.77

Community Development

As of October 1, 2016



Permits & Inspections

Mission Statement

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

Services Provided

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

Programs of Service

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

FY17 Requests

There were no additions to Permits & Inspections FY17 budget.

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 1,072,431	\$ 1,119,718	\$ 1,119,718	\$ 1,167,510	\$ -	\$ 1,167,510
Supplies	29,484	31,131	25,984	28,801	-	28,801
Professional Services	11,153	19,818	19,818	13,742	-	13,742
Repairs & Maintenance	3,938	3,714	3,714	3,564	-	3,564
Purchased Services	48,730	34,386	34,386	32,967	-	32,967
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 1,165,736	\$ 1,208,767	\$ 1,203,620	\$ 1,246,584	\$ -	\$ 1,246,584

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Permits	15.00	15.00	-	15.00	-	15.00
FTE Count Totals	15.00	15.00	-	15.00	-	15.00

Planning

Mission Statement

The Planning Department ensures a well-planned City that is safe, beautiful and livable. We do this by facilitating the development and implementation of long-range plans and policies such as the City’s Comprehensive Plan and master plans, shaping the city’s physical environment through reasonable enforcement of codes and standards and ensuring development quality for the City.

Services Provided

The Development Planning Program is responsible for administrating development review for applications such as subdivision plats, site plans, general plans, rezoning and conditional use permit cases, variances, special exceptions, and appeals. The Long-Range Planning program provides Comprehensive Plan and Master Plans development and maintenance, land use planning, regional land use activities, demographics and development agreements tracking and monitoring, annexations, mobility planning and comprehensive mobility plan implementation, and regional mobility activities participation.

Programs of Service

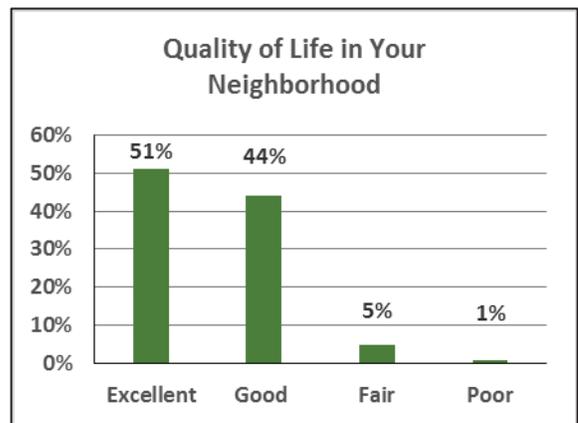
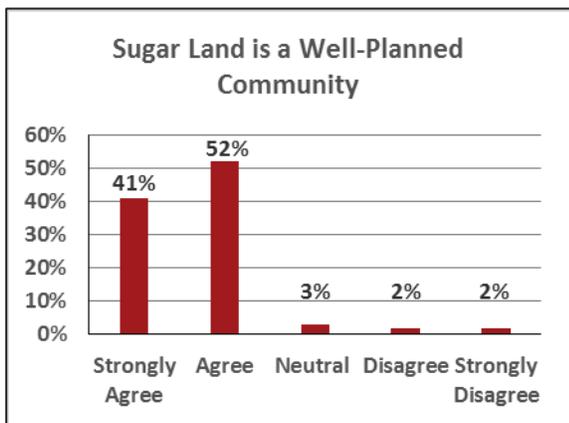
Development Planning reviews plats, site plans, and rezoning applications to ensure compliance with City development policies, codes and planning. **Long Range Planning** leads the City’s efforts to plan for the long range needs of the City including development and maintenance of the City’s Comprehensive Plan and master plans, annexation planning and implementation, and land use planning. **Transportation & Mobility Planning** is responsible for transportation planning, identification of related funding mechanisms and coordination with outside agencies. Strategic projects are completed to develop policy guidance and implementation as they relate to mobility.

FY17 Requests

There are no additions to Planning’s FY17 budget.

Performance Measures: Well Planned Community & Livable Neighborhoods

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



Planning

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 859,200	\$ 1,055,623	\$ 1,055,623	\$ 1,092,016	\$ -	\$ 1,092,016
Supplies	12,964	16,511	16,508	13,327	-	13,327
Professional Services	157,533	141,227	141,227	78,455	-	78,455
Repairs & Maintenance	3	3,570	3,570	3,000	-	3,000
Purchased Services	35,493	49,491	49,491	49,295	-	49,295
Capital/Other	-	3,070	3,070	1,270	-	1,270
Category Totals	\$ 1,065,193	\$ 1,269,492	\$ 1,269,489	\$ 1,237,363	\$ -	\$ 1,237,363

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Community Development Administration	156,686	249,470	249,470	287,291	-	287,291
Planning & Development	465,212	510,984	510,981	522,565	-	522,565
Transportation & Long Range Planning	443,295	509,038	509,038	427,507	-	427,507
Category Totals	\$ 1,065,193	\$ 1,269,492	\$ 1,269,489	\$ 1,237,363	\$ -	\$ 1,237,363

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Community Development Administration	-	2.00	-	2.00	-	2.00
Planning & Development	8.50	7.00	(1.00)	6.00	-	6.00
Transportation & Long Range Planning	4.50	3.00	1.00	4.00	-	4.00
FTE Count Totals	13.00	12.00	-	12.00	-	12.00

Engineering

Mission Statement

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

Services Provided

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

FY17 Requests

There are no additions to Engineering FY17 budget.

Performance Measures: Well Planned Community

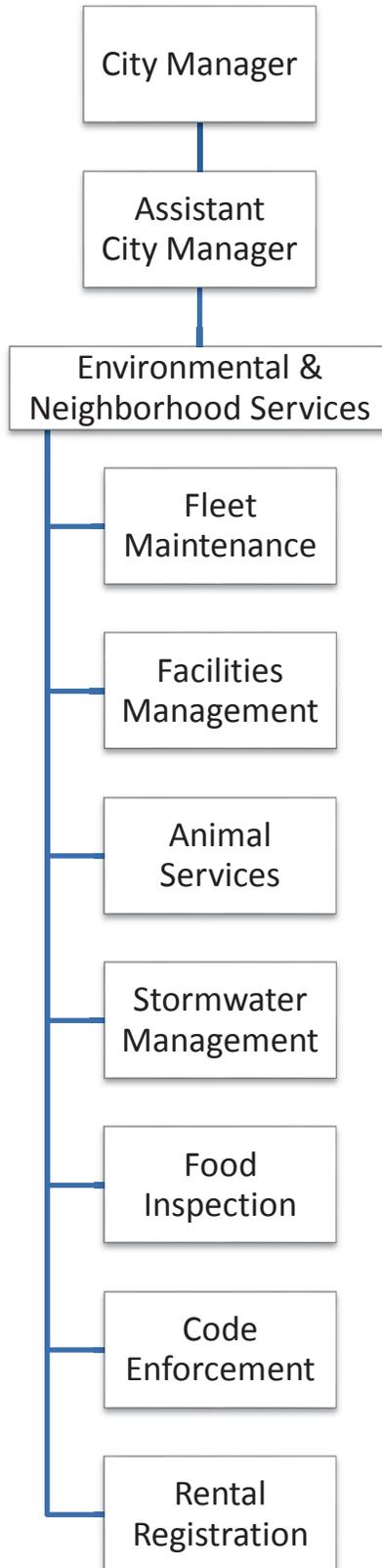
The department strives to meet the City Council’s goal of a “Well Planned Community.” According to the most recent Citizen Survey, “93% agree with the statement: ‘Sugar Land is a well-planned community that ensures compatible land use for residential, office, and retail purposes.’”

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 2,116,035	\$ 2,267,074	\$ 2,267,074	\$ 2,411,812	\$ -	\$ 2,411,812
Supplies	29,657	41,166	36,152	34,956	-	34,956
Professional Services	128,688	169,650	169,650	125,000	-	125,000
Repairs & Maintenance	5,011	10,599	10,599	9,337	-	9,337
Purchased Services	41,663	48,358	48,358	46,470	-	46,470
Capital/Other	3,133	1,500	1,500	-	-	-
Category Totals	\$ 2,324,187	\$ 2,538,347	\$ 2,533,333	\$ 2,627,575	\$ -	\$ 2,627,575

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Engineering	22.00	23.00	-	23.00	-	23.00
FTE Count Totals	22.00	23.00	-	23.00	-	23.00

Environmental & Neighborhood Services

As of October 1, 2016



Environmental & Neighborhood Services

Mission Statement

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

Services Provided

Environmental & Neighborhood Services is responsible for animal services, the community development block grant, code enforcement, community engagement, facilities, fleet, food inspections, the rental licensing program, and stormwater. The department administers a number of contracts with private sector firms for a range of goods and services that play an important role in effectively maintaining City facilities and providing essential services. Special projects and assignments on behalf of the City Manager and community are also carried out.

Programs of Service

Under Environmental and Neighborhood Services **Administration** is Community Engagement, which connects citizens with local government through volunteer opportunities and community education such as Serve Sugar Land, Sugar Land 101, ASK city and the Mayor's Youth Advisory Council. **Fleet Maintenance** maintains over 400 vehicles, fire apparatus, EMS vehicles and small pieces of machinery. **Facilities Management** manages a maintenance and improvement program, retirement of assets, immediate repairs, special projects, and new vertical construction projects. **Animal Services** operates the City's animal shelter and enforces animal-related City ordinances. **Storm Water Management** program is responsible for developing and implementing the City's Storm Water Management Program and providing water quality guidelines for storm water discharge as required by federal and state agencies. The **Food Inspection** program is responsible for the permitting and inspection of temporary, mobile and permanent food establishments in order to ensure they are safe, sanitary and in compliance with applicable codes and regulations. **Code Enforcement** program works to protect the health, safety and welfare of residents through enforcement of the City's Codes and Ordinances. The **Rental Licensing** program ensures that the approx. 2,900 active rental properties are conforming to property maintenance standards and are safe for occupancy.

FY17 Requests

A total of \$83,151 in recurring additions are included in Environmental & Neighborhood Services' FY17 budget. These additions include one additional Sanitarian and supplies to support the position in Food Inspection. A total of \$40,000 in one-time funding is included in Fleet Maintenance budget for the expansion of the fleet bay that includes a tire machine and diagnostic scanner to better serve the rapid expansion of the truck fleet.

Environmental & Neighborhood Services

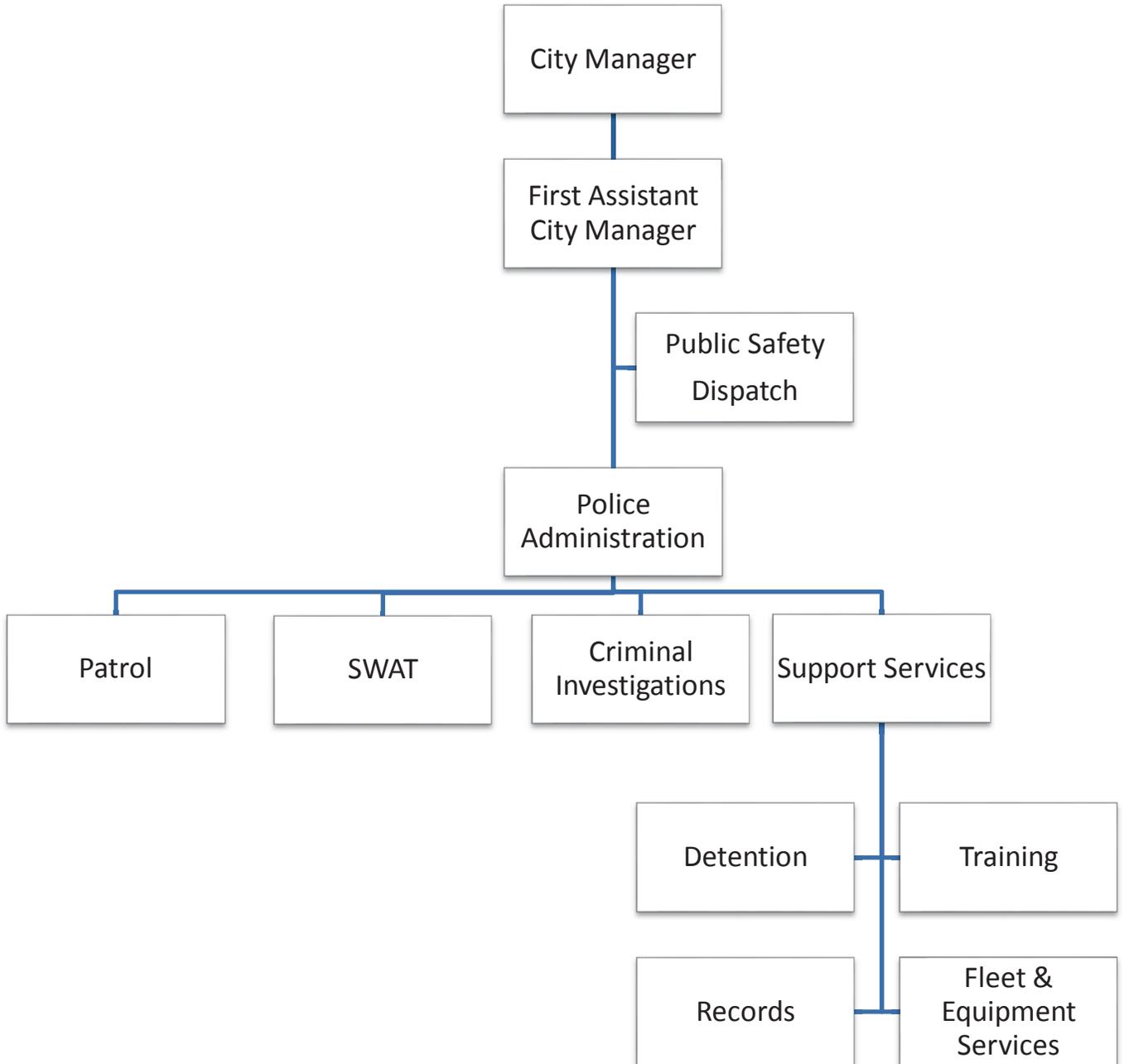
Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 2,290,309	\$ 2,765,967	\$ 2,765,967	\$ 2,961,948	\$ 78,651	\$ 3,040,599
Supplies	322,799	275,298	268,687	324,719	1,600	326,319
Professional Services	1,081,855	1,002,933	1,028,461	1,023,956	1,400	1,025,356
Repairs & Maintenance	564,462	525,642	528,730	551,700	400	552,100
Purchased Services	142,665	186,866	186,866	179,008	1,100	180,108
Capital/Other	8,366	7,500	29,412	-	40,000	40,000
Category Totals	\$ 4,410,456	\$ 4,764,206	\$ 4,808,123	\$ 5,041,331	\$ 123,151	\$ 5,164,482

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
E & N S Administration	116,639	403,255	403,255	515,382	-	515,382
Fleet Maintenance	585,726	668,817	690,876	642,987	40,000	682,987
Facilities Maintenance	2,134,840	2,068,209	2,091,954	2,166,841	-	2,166,841
Animal Services	615,137	645,790	644,562	702,554	-	702,554
Stormwater Management	201,320	178,703	179,577	162,612	-	162,612
Animal Services	248,578	254,225	253,956	267,422	83,151	350,573
Code Enforcement	302,760	319,112	317,794	332,967	-	332,967
Rental Registration	205,456	226,095	226,149	250,566	-	250,566
Category Totals	\$ 4,410,456	\$ 4,764,206	\$ 4,808,123	\$ 5,041,331	\$ 123,151	\$ 5,164,482

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
E & N S Administration	1.00	4.00	-	4.00	-	4.00
Fleet Maintenance	6.00	7.00	-	7.00	-	7.00
Facilities Maintenance	8.00	8.00	-	8.00	-	8.00
Animal Services	8.98	8.98	-	8.98	-	8.98
Stormwater Management	1.50	1.50	-	1.50	-	1.50
Food Inspection	3.00	3.00	-	3.00	1.00	4.00
Code Enforcement	5.00	5.00	-	5.00	-	5.00
Rental Registration	3.00	3.00	-	3.00	-	3.00
FTE Count Totals	36.48	40.48	-	40.48	1.00	41.48

Police Department & Public Safety Dispatch

As of October 1, 2016



Police Department

Mission Statement

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

Services Provided

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

Programs of Service

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

FY17 Requests

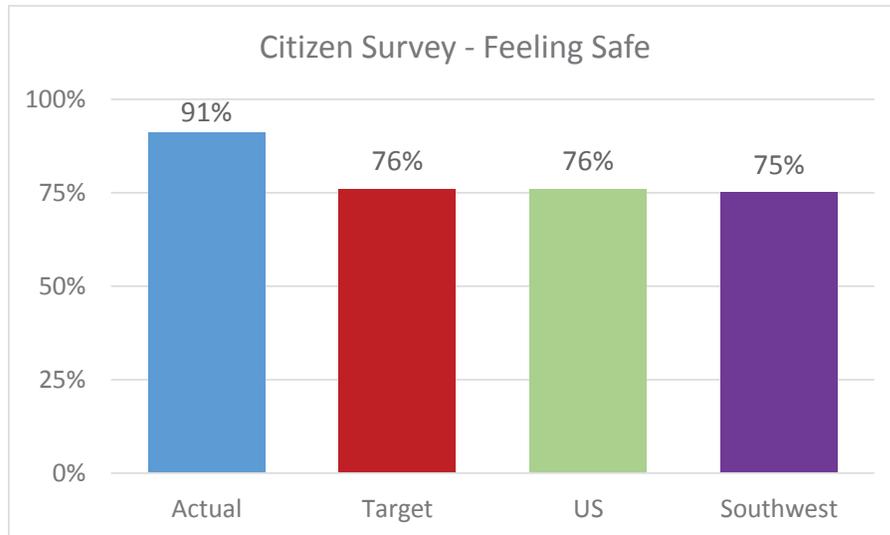
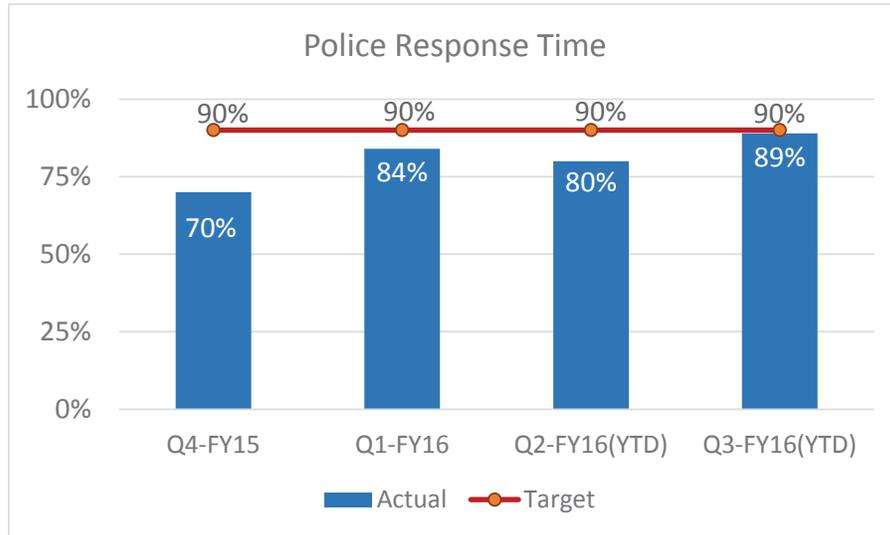
A total of \$72,361 in recurring additions are included in the Police Department's FY17 budget. These additions include an assurance plan for Tasers replacement, and maintenance of the City Wide License Plate Recognition Program. A total of \$168,978 in one-time additions are included for the replacement of Tasers and Glock handguns.

Police Department

Performance Measures: Safest City in America

The City Council measure for “Rapid, Effective, and Coordinated Response to an Emergency for Police” is response time to a Priority emergency. The target is 90% of responses within a target of 7 min.

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



Police Department

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 15,815,667	\$ 16,797,802	\$ 16,797,802	\$ 17,329,095	\$ -	\$ 17,329,095
Supplies	574,119	785,105	713,560	668,092	179,839	847,931
Professional Services	125,485	124,812	133,746	118,366	-	118,366
Repairs & Maintenance	150,095	233,182	216,182	230,039	61,500	291,539
Purchased Services	214,294	293,568	296,251	270,067	-	270,067
Capital/Other	181,819	117,061	101,132	-	-	-
Category Totals	\$ 17,061,479	\$ 18,351,530	\$ 18,258,673	\$ 18,615,659	\$ 241,339	\$ 18,856,998

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Police Administration	959,010	1,024,281	1,007,720	1,055,252	60,500	1,115,752
Support Services Bureau	1,956,392	2,232,752	2,153,773	2,109,226	180,839	2,290,065
TCLEOSE Training	5,531	18,459	18,459	-	-	-
Patrol	10,324,846	11,047,333	11,050,016	11,289,033	-	11,289,033
Criminal Investigations	3,423,667	3,593,779	3,593,779	3,716,921	-	3,716,921
Detention Facility	368,036	409,926	409,926	420,227	-	420,227
SWAT	23,996	25,000	25,000	25,000	-	25,000
Category Totals	\$ 17,061,479	\$ 18,351,530	\$ 18,258,673	\$ 18,615,659	\$ 241,339	\$ 18,856,998

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Police Administration	8.00	8.50	-	8.50	-	8.50
Support Services Bureau	15.00	14.50	-	14.50	-	14.50
Patrol	114.30	111.00	-	111.00	-	111.00
Criminal Investigations	30.50	33.80	0.20	34.00	-	34.00
Detention Facility	6.00	6.00	-	6.00	-	6.00
Count Totals	173.80	173.80	0.20	174.00	-	174.00

Public Safety Dispatch

Mission Statement

The Sugar Land Public Safety Dispatch provides support to the City’s Public Safety operations and the citizens of Sugar Land through a specialized communications network in the form of radio and computer transmissions, the use of specialized computer systems and the operations of emergency, as well as non-emergency telephone communications systems.

Services Provided

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

Programs of Service

Public Safety Dispatch answers calls routed through emergency and non-emergency phone systems for the purpose of providing assistance from Police, Fire/EMS, Animal Services, Public Works, Traffic, and other City departments. All Dispatchers/Call Takers are trained in Emergency Medical Dispatch protocols. The calls are transferred, if appropriate, and resources are dispatched to the site via radio, computer, or other electronic devices.

FY17 Requests

There are no additions to Public Safety Dispatch’s FY17 budget.

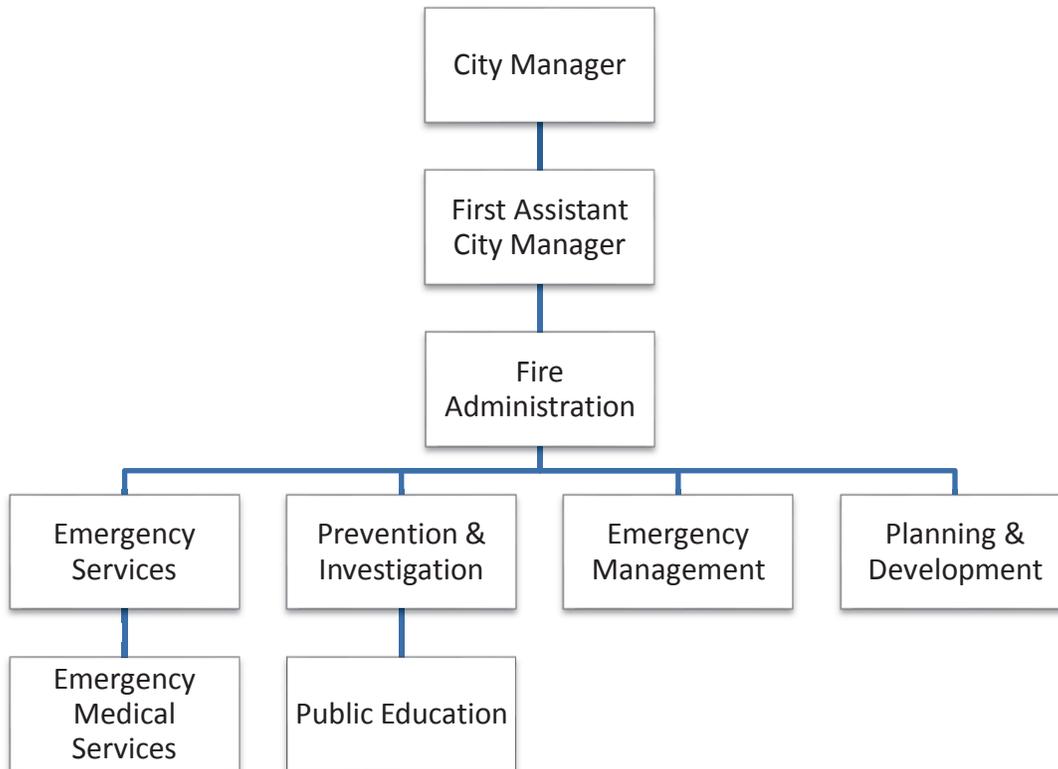
Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 1,622,204	\$ 1,871,004	\$ 1,871,004	\$ 2,057,312	\$ -	\$ 2,057,312
Supplies	14,052	14,300	12,300	16,200	-	16,200
Professional Services	60,864	60,195	60,195	60,195	-	60,195
Repairs & Maintenance	24,187	51,846	51,846	51,700	-	51,700
Purchased Services	85,136	33,473	33,473	33,586	-	33,586
Capital/Other	-	113,132	113,132	-	-	-
Category Totals	\$ 1,806,443	\$ 2,143,950	\$ 2,141,950	\$ 2,218,993	\$ -	\$ 2,218,993

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Public Safety Dispatch	1,806,443	2,143,950	2,141,950	2,218,993	-	2,218,993
	\$ 1,806,443	\$ 2,143,950	\$ 2,141,950	\$ 2,218,993	\$ -	\$ 2,218,993

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Public Safety Dispatch	26.00	27.00	-	27.00	-	27.00
	26.00	27.00	-	27.00	-	27.00

Fire/EMS

As of October 1, 2016



Fire/EMS

Mission Statement

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

Services Provided

Fire/EMS provides core emergency services, including fire and emergency medical services to the citizens of Sugar Land, ETJ population, daily business population, commuters, shoppers, and visitors. Fire/EMS operates out of seven fire stations, with six stations located within the city limits and one station in the ETJ. Ambulances are located at three stations to serve residents and businesses within the city limits, and in the ETJ through mutual aid agreements.

Programs of Service

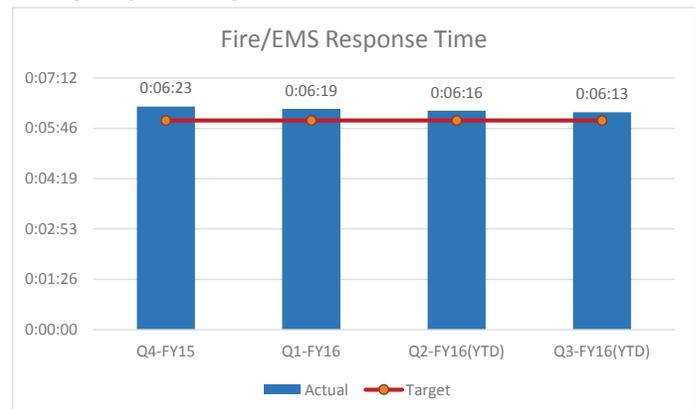
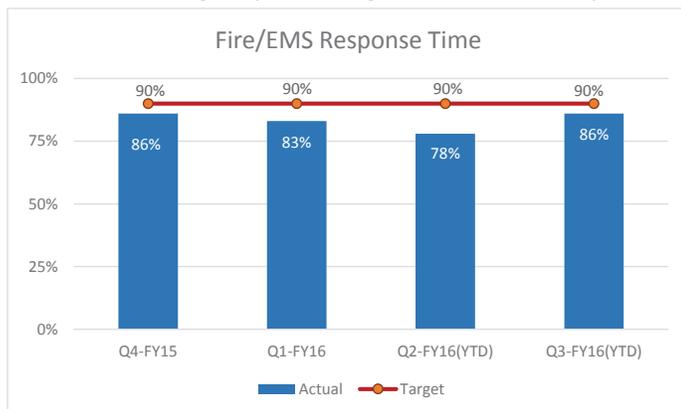
Administration is responsible for strategic planning, intergovernmental relations, human resources management, and overall administration of the department. **Emergency Services** provides fire suppression, technical rescue, aircraft rescue, firefighting, hazardous materials response, and aquatic rescues.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

FY17 Requests

A total of \$2,000 in recurring additions are included in the Fire/EMS' FY17 budget. This addition is for maintenance of the Incident Command Post vehicle to be purchased through the capital improvement program. A total of \$146,660 in one-time additions are included in FY17 budget for paramedic training classes with a goal to fully staff all firefighters/paramedics.

Performance Measures: Safest City in America

The City Council measure for "Rapid, effective, and coordinated response to an emergency for Fire and EMS" is response time to an emergency. The target is 90% of all responses to Emergency Building Fire Calls within 8 min.



Fire/EMS

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 12,480,525	\$ 12,720,964	\$ 13,417,283	\$ 13,573,805	\$ -	\$ 13,573,805
Supplies	787,508	569,527	506,164	582,221	1,000	583,221
Professional Services	232,633	202,890	202,890	206,640	146,660	353,300
Repairs & Maintenance	320,067	284,366	284,366	287,820	1,000	288,820
Purchased Services	196,168	175,600	194,600	140,967	-	140,967
Capital/Other	3,423,358	-	-	30,232	-	30,232
Category Totals	\$ 17,440,259	\$ 13,953,347	\$ 14,605,303	\$ 14,821,685	\$ 148,660	\$ 14,970,345

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Fire Administration	362,665	382,774	381,515	397,371	-	397,371
Emergency Services	12,114,850	9,894,207	10,556,087	10,572,148	146,660	10,718,808
Emergency Medical Services	2,935,585	1,561,832	1,559,511	1,676,488	-	1,676,488
Haz Mat	14,635	40,543	40,361	40,543	-	40,543
Prevention	945,989	991,925	988,240	1,024,756	-	1,024,756
Emergency Management	376,811	384,350	386,857	385,560	2,000	387,560
Professional Development	689,723	697,716	692,732	724,819	-	724,819
Category Totals	\$ 17,440,259	\$ 13,953,347	\$ 14,605,303	\$ 14,821,685	\$ 148,660	\$ 14,970,345

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Fire Administration	3.00	3.00	-	3.00	-	3.00
Emergency Services	90.00	90.00	-	90.00	-	90.00
Emergency Medical Services	12.00	13.00	-	13.00	-	13.00
Prevention	8.00	8.00	-	8.00	-	8.00
Emergency Management	3.00	3.00	-	3.00	-	3.00
Professional Development	6.00	5.00	-	5.00	-	5.00
FTE Count Totals	122.00	122.00	-	122.00	-	122.00

Non-Departmental

Services Provided

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

Transfers

Inter-fund transfers are budgeted in non-departmental. Transfers are made to the Fleet and High Tech replacement funds for replacement of vehicles and technology equipment, the CIP fund for pay-as-you-go CIP projects, the SPA debt reduction funds, and the Airport fund for property taxes paid on airport property as per policy. An additional \$95,700 is budgeted in transfers to the Fleet Replacement Fund for new vehicles and ATV for additional personnel in Parks and Recreation and Environmental and Neighborhood Services.

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. These incentives agreements are monitored for sales tax revenues, and grant payments are requested in accordance with each agreement. The City has one small agreement remaining in FY17, with the termination of a significant agreement in 2016.

Miscellaneous

Miscellaneous includes payments for property insurance premiums and deductibles, salary savings, contingency funds, and other miscellaneous expenditures.

Summary by Category	FY15 Actuals	FY16 Current budget	FY16 Projections	FY17 Base budget	FY17 Changes	FY17 Budget
Transfers to other Funds	6,670,593	7,716,229	7,195,411	6,571,451	97,650	6,669,101
Rebates & Assignments	3,023,794	3,287,650	3,287,650	2,557,913	-	2,557,913
Miscellaneous	1,069,899	254,219	(80,781)	528,151	-	528,151
Category Totals	\$ 10,764,286	\$ 11,258,098	\$ 10,402,280	\$ 9,657,515	\$ 97,650	\$ 9,755,165

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenues that are legally restricted to expenditures for specified purposes. The City has fourteen Special Revenue Funds budgeted for Fiscal Year 2017.

Court Security Fund

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

Fiscal Year 2016

Revenues are projected to be \$49,526, which includes security fees of \$49,500 and interest income of \$26. Operating expenditures total \$64,871, which represents 70% of personnel costs for the Court Bailiff salary and benefits. Fund balance at 9/30/16 is projected to be \$6,250.

Fiscal Year 2017

Revenues budgeted total \$49,517, which includes security fees of \$49,500 and \$17 in interest income. Operating expenditures of \$44,505 represent 50% of personnel costs for the Court Bailiff. The remaining 50% of the bailiff position is funded in the General Fund. Expenditures budgeted for FY17 total \$44,505. Ending fund balance at 9/30/17 is estimated to be \$11,262.

Court Technology Fund

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

Fiscal Year 2016

Revenues are projected to be \$63,922, which includes technology fees of \$63,828 and \$94 for interest income. Operating expenditures total \$74,028, and includes funds for annual maintenance contracts for the court software. Fund balance at 9/30/16 is estimated to be \$40,897.

Fiscal Year 2017

Revenues budgeted total \$66,075, which includes \$66,000 for technology fees and \$75 in interest income. Budgeted expenditures total \$87,028, which is for the annual maintenance contracts for court software. There is a one-time cost of \$13,000 included to acquire the Incode jury module to improve the jury management process. Fund balance at 9/30/17 is estimated to be \$19,944.

Community Development Block Grant

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

Fiscal Year 2016

Revenues projected total \$718,398, which represents funds received from the CDBG program. Operating expenditures total \$718,398, and include \$61,064 for professional services, \$112,359 for other contractual services, and \$544,975 for capital project funding used to improve facilities at Settler's Way Park and Lonnie Green Park. Fund balance at 9/30/16 is projected to be zero.

Fiscal Year 2017

Revenues total \$267,181, which represents funds to be received from the CDBG program. Operating expenditures total \$267,181 which include \$52,000 for professional services, \$113,431 for other contractual services, and \$101,750 for pavement and sidewalk repairs in Covington Woods, Pinecraft at Ravenscourt and Cherrywood at Greywood. Fund balance at 9/30/17 is estimated to be zero.

Tourism Fund

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

Sugar Land is home to eight hotels, with a total of 1,261 rooms. Hotel taxes from the Sugar Land Marriott are used to pay the debt service on the \$10 million Certificates of Obligation that were issued by the City to finance the Sugar Land Conference Center, which is leased and operated by the Sugar Land Town Square Marriott. The fund also supports the \$9.98 million in certificates of obligation issued in 2014 for the Smart Financial Centre at Sugar Land, and TIRZ #4 Plaza.

Fiscal Year 2016

Projected revenues total \$2,356,011 with \$2,339,559 in occupancy tax, and \$16,452 in interest income. Projected expenditures total \$5,057,532, which includes \$404,000 for marketing, \$626,254 for tourism and destination events, and \$70,000 for cultural arts implementation. The transfer to the Debt Service Fund will cover the debt for the Marriott conference center and the Smart Financial Centre at Sugar Land. Transfer out to CIP includes cash funding for the TIRZ #4 Plaza and the Visitor Center. Fund balance at 9/30/16 is estimated to be \$237,924.

Fiscal Year 2017

Budgeted revenues are \$2,490,026 with \$2,475,026 in hotel occupancy tax and \$15,000 in interest income. Expenditures total \$2,563,716 and include \$299,000 for marketing, \$627,519 for tourism and destination events, \$103,500 for the Visitor Center maintenance and operations, which will include an addition of two part-time Visitor Service Specialists, and \$25,000 for the build out of the Visitor Center. The transfer out to the Debt Service Fund for \$1,408,697 will cover the debt for the Sugar Land Conference Center and Smart Financial Centre at Sugar Land. Transfer of \$100,000 will partially fund the Public Art capital project. Fund balance at 9/30/17 is estimated to be \$164,233. In FY16, a fund balance policy target was established for the Tourism Fund, equal to 10% of the budgeted hotel occupancy tax. However, in FY17 the fund is not anticipated to meet the new fund balance policy. The 5 year forecast shows it will meet the fund balance policy in FY18.

State Seizures Fund

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

Fiscal Year 2016

Projected revenues are \$8,211. There are no projected expenditures. Fund balance at 9/30/16 is estimated to be \$125,667.

Fiscal Year 2017

Budgeted revenues are \$100 in interest income. Budgeted expenditures total of \$109,000, and are being transferred to the Capital Projects Fund as partial funding for a new mobile command vehicle. Fund balance at 9/30/17 is estimated to be \$16,767.

Federal Seizures Fund

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

Fiscal Year 2016

Projected revenues are \$2,116. Expenditures are projected to be zero. Fund balance at 9/30/16 is estimated to be \$9,977.

Fiscal Year 2017

Budgeted revenues are \$10. There are no expenditures budgeted for FY17. Fund balance at 9/30/17 is estimated to be \$9,987.

Law Enforcement Fund

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

Fiscal Year 2016

Revenues are projected to be \$6 for interest income. There are no projected expenditures. Fund balance at 9/30/16 is estimated to be \$4,530.

Fiscal Year 2017

There are budgeted revenues of \$10 in interest income, and there are no expenditures budgeted for FY17. Fund balance at 9/30/17 is estimated to be \$4,540.

Photographic Traffic Signal Enforcement

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

Fiscal Year 2016

Projected revenues total \$1,868,753 and include \$1,867,753 from civil fines from cameras currently located at the following intersections: Westbound and Eastbound West Airport and Eldridge, Southbound US 59 and Highway 6, Westbound Highway 6 and Lexington, Westbound Highway 6 and US 59, Northbound Dairy Ashford and US 90A , Westbound Dairy Ashford and US 90A including right hand turn.

Operating expenditures total \$788,069 including \$172,284 for administrative personnel cost and \$615,785 for operations and maintenance. Net revenue of \$1,063,250 is to be split 50/50 with the State. The City portion is being transferred to the General Fund in support of traffic programs. Fund balance at 9/30/16 is projected to be zero.

Fiscal Year 2017

Budgeted revenues total \$1,920,736, which include \$1,920,000 from civil fines. Operating expenditures budgeted total \$778,732, including \$163,217 for administrative personnel cost, and \$615,515 for operations and maintenance. Net revenues of \$1,142,004 are to be split 50/50 with the State. The City portion is transferred to the General Fund to support traffic programs in accordance with State Statute. Fund balance at 09/30/17 is projected to be zero.

Greatwood Debt Reduction Fund

According to the terms of the Strategic Partnership Agreement (SPA) with the Municipal Utility Districts (MUDs) in Greatwood, the MUDs will be subject to an out-of-city-service fee for services received from the City after the SPA effective date and prior to annexation into the City. All revenues deposited in the fund will be reserved for future retirement of debt that will be assumed by the City when the district is eventually annexed into the City and dissolved.

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

Fiscal Year 2016

Projected operating revenues total \$690,479, which include out-of-city service fees and interest income. Transfers in of \$296,429 are from the General Fund for \$150,000 in sales tax revenues from the River Park area and \$146,429 from the Greatwood limited purpose annexation area. There are no expenditures projected for FY16. Ending fund balance at 9/30/16 is projected at \$3,925,660.

Fiscal Year 2017

Revenues total \$744,869 and include \$434,940 for out-of-city service fees, and \$13,500 for interest income. Beginning in February 2016, Greatwood Districts will begin paying the full cost for fire fees plus 20% out-of-city service fees, which will be deposited into this fund per the SPA. Transfers in of \$296,429 are from the General Fund for \$150,000 in sales tax revenues from the River Park area and \$146,429 from the Greatwood limited purpose annexation area. There are no budgeted expenditures for FY17. Projected ending fund balance at 9/30/17 is \$4,670,529. This fund will continue to grow until the City annexes the Greatwood MUDs under the terms outlined in the SPA and these funds will be used to pay down the debt remaining when the area is annexed into the City or for other uses authorized under the SPA.

Tara Plantation Debt Reduction Fund

Tara Plantation is a participant in the Groundwater Reduction Plan (GRP). Tara Plantation and the City have not entered into a SPA but an agreement is expected sometime in the future. The GRP participation agreement imposed a 20% out-of-city service fee for services received from the City. In anticipation of approval of a SPA, these fees are being deposited into the Tara Plantation Debt Reduction Fund. These fees will be reserved for future retirement of debt that will be assumed by the City if the district is annexed into the City and dissolved.

Fiscal Year 2016

Operating revenues are projected at \$42,332, which includes out-of-city service fees and interest income. There are no budgeted expenditures in operations and maintenance. Fund balance at 9/30/16 is estimated to be \$225,200.

Fiscal Year 2017

Revenues budgeted total \$44,695 and include \$44,520 for out-of-city service fees and \$175 for interest income. Plantation MUD will begin paying the full cost fire fees plus 20% out-of-the city service fees in February 2016. There are no budgeted expenditures. Fund balance at 9/30/17 is estimated to be \$269,895. This fund balance will continue to grow until the City annexes the district in the future.

New Territory Debt Reduction Fund

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

Fiscal Year 2016

Projected operating revenues total \$671,437 which include out-of-city service fees of \$504,710 and interest income of \$16,727. Transfers in total \$150,000 from the General Fund for sales taxes collected in the River Park area. There are no projected expenditures for FY16. Ending fund balance at 9/30/16 is projected at \$4,409,380.

Fiscal Year 2017

Revenues budgeted total \$676,840 and include \$506,840 for out-of-city service fees, \$20,000 for interest income and \$150,000 for transfers in from the General Fund for sales taxes from River Park.

There are no budgeted expenditures for FY17. Budgeted ending fund balance at 9/30/17 is \$5,086,220. This fund balance will continue to grow until the City annexes the New Territory MUDs under the terms outlined in the SPA and these funds will be used to pay down any debt remaining when the districts are annexed by the City, or for other uses authorized under the SPA.

Riverstone Debt Reduction Fund

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

Fiscal Year 2016

Revenues projected total \$98,925 and include \$98,775 for out-of-city service fees and \$150 for interest income. There are no budgeted expenditures for FY16. Budgeted ending fund balance at 9/30/16 is \$195,543.

Fiscal Year 2017

Revenues projected total \$98,975 and include \$98,775 for out-of-city service fees and \$200 for interest income. There are no budgeted expenditures for FY17. Budgeted ending fund balance at 9/30/17 is \$294,519.

Enclave at River Park PID

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

Fiscal Year 2016

Revenues projected total \$168,089 and include \$156,823 for PID assessment fees \$75 for interest income and \$11,192 for transfers in from the General Fund and Debt Service Fund. There are no budgeted expenditures for FY16. Budgeted ending fund balance at 9/30/16 is \$168,090.

Fiscal Year 2017

Revenues projected total \$159,959 and include \$128,808 for PID assessment fees, \$165 for interest income and \$30,986 for transfers in from the General Fund and Debt Service Fund. There are no budgeted expenditures for FY17. Budgeted ending fund balance at 9/30/17 is \$328,049.

Festival Site Fund

The Festival Site was approved by Sugar Land voters in November 2013 as part of a general obligation bond proposition. The Festival Site has been designed to contain a 32 acre festival grounds that could accommodate large-scale events like the annual Fourth of July celebration, cultural offerings, and possibly commercial entertainment events that could benefit the local economy. The Festival Site will be open for events in the spring of 2017.

Fiscal Year 2017

Revenues projected total \$93,162 and includes rental fees from the festival site and special event permit fees. Expenditures total \$93,162, which includes \$89,212 for a Destination Event Manager and \$3,950 for operations and maintenance. Budgeted ending fund balance at 9/30/17 is zero.

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

	FY15 Actuals	FY16 Current Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Security Fees	\$ 48,980	\$ 51,003	\$ 49,500	\$ 49,500	\$ -	\$ 49,500
Interest Income	11	17	26	17	-	17
TOTAL REVENUES	48,991	51,020	49,526	49,517	-	49,517
EXPENDITURES						
Personnel	41,180	64,871	64,871	44,505	-	44,505
Capital	15,000	-	-	-	-	-
TOTAL EXPENDITURES	56,180	64,871	64,871	44,505	-	44,505
Net Income (Loss)	(7,189)	(13,851)	(15,345)	5,012	-	5,012
Fund Balance - Beginning	28,784	21,595	21,595	6,250	-	6,250
Fund Balance - Ending	\$ 21,595	\$ 7,744	\$ 6,250	\$ 11,262	\$ -	\$ 11,262

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Technology Fees	\$ 65,301	\$ 68,004	\$ 63,828	\$ 66,000	\$ -	\$ 66,000
Interest Income	265	75	94	75	-	75
TOTAL REVENUES	65,566	68,079	63,922	66,075	-	66,075
EXPENDITURES						
Operations & Maintenance	63,009	74,028	74,028	74,028	13,000	87,028
Capital	15,265	-	-	-	-	-
TOTAL EXPENDITURES	78,274	74,028	74,028	74,028	13,000	87,028
Net Income (Loss)	(12,708)	(5,949)	(10,106)	(7,953)	(13,000)	(20,953)
Fund Balance - Beginning	63,711	51,003	51,003	40,897	-	40,897
Fund Balance - Ending	\$ 51,003	\$ 45,054	\$ 40,897	\$ 32,944	(13,000)	\$ 19,944

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
CDBG	\$ 668,906	\$ 718,398	\$ 718,398	\$ 267,181	\$ -	\$ 267,181
Total Revenues	668,906	718,398	718,398	267,181	-	267,181
EXPENDITURES						
Professional Services	183,266	61,064	61,064	52,000	-	52,000
Other Contractual	485,640	112,359	112,359	113,431	-	113,431
Capital	-	544,975	544,975	101,750	-	101,750
Total Expenditures	668,906	718,398	718,398	267,181	-	267,181
Net Income (Loss)	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY15 Actuals	FY16 Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Hotel/Motel Occupancy Tax	\$ 2,499,147	\$ 2,625,626	\$ 2,339,559	\$ 2,475,026	\$ -	\$ 2,475,026
Interest Income	27,479	7,500	16,452	15,000	-	15,000
Total Revenues	2,526,626	2,633,126	2,356,011	2,490,026	-	2,490,026
EXPENDITURES						
Convention & Visitors Bureau	368,755	404,000	404,000	299,000	-	299,000
Tourism & Destination Services	483,274	626,254	626,254	627,519	-	627,519
Visitor Center FF&E / Final Build-Out	-	-	-	-	25,000	25,000
Visitors Center - Operations	-	-	-	-	103,500	103,500
Cultural Arts Implementation	-	70,000	70,000	-	-	-
Capital Projects	522,113	-	-	-	-	-
Total Operating Expenditures	1,374,142	1,100,254	1,100,254	926,519	128,500	1,055,019
Transfers Out	2,978,567	3,957,278	3,957,278	1,408,697	100,000	1,508,697
Total Expenditures	4,352,709	5,057,532	5,057,532	2,335,216	228,500	2,563,716
Net Income(Loss)	(1,826,083)	(2,424,407)	(2,701,521)	154,810	(228,500)	(73,691)
Fund Balance - Beginning	5,359,797	3,533,714	3,533,714	237,924		237,924
GAAP Adjustments		(594,269)	(594,269)	-		-
Beginning Budgetary Balance	5,359,797	2,939,444	2,939,444	237,924		237,924
Budgetary Fund Balance - Ending	\$ 3,533,714	\$ 515,038	\$ 237,924	\$ 392,733	\$ (228,500)	\$ 164,233
Fund Balance Policy (10% of Budgeted HOT)				\$ 247,503		\$ 247,503
Over/Under Policy				\$ 145,231		\$ (83,269)

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

	FY15 Actuals	FY16 Current Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Other Income	\$ 86,005	\$ -	\$ 8,111	\$ -	\$ -	\$ -
Interest Income	55	-	100	100	-	100
TOTAL REVENUES	86,061	-	8,211	100	-	100
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Capital	59,245	-	-	-	-	-
Transfers Out	-	-	-	-	109,000	109,000
TOTAL EXPENDITURES	59,245	-	-	-	109,000	109,000
Net income (Loss)	26,816	-	8,211	100	-	(108,900)
Fund balance - Beginning	90,640	117,456	117,456	125,667	-	125,667
Fund balance - Ending	\$ 117,456	\$ 117,456	\$ 125,667	\$ 125,767	\$ -	\$ 16,767

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

	FY15 Actuals	FY16 Current Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Other Income	\$ 2,233	\$ -	\$ 2,106	\$ -	\$ -	\$ -
Interest Income	9	-	10	10	-	10
TOTAL REVENUES	2,242	-	2,116	10	-	10
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
Capital	4,214	-	-	-	-	-
TOTAL EXPENDITURES	4,214	-	-	-	-	-
Net income (Loss)	(1,972)	-	2,116	10	-	10
Fund balance - Beginning	9,833	7,861	7,861	9,977	-	9,977
Fund balance - Ending	\$ 7,861	\$ 7,861	\$ 9,977	\$ 9,987	-	\$ 9,987

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

	FY15 Actuals	FY16 Current Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	6	-	6	10	-	10
Transfers In	-	-	-	-	-	-
TOTAL REVENUES	6	-	6	10	-	10
EXPENDITURES						
Maintenance and Operations	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-
Net Income (Loss)	6	-	6	10	-	10
Fund Balance - Beginning	4,518	4,524	4,524	4,530	-	4,530
Fund Balance - Ending	\$ 4,524	\$ 4,524	\$ 4,530	4,540	-	4,540

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Civil Fines	\$ 1,967,721	\$ 1,875,000	\$ 1,867,753	\$ 1,920,000	\$ -	\$ 1,920,000
Interest Income	1,134	736	1,000	736	-	736
Total Revenues	1,968,855	1,875,736	1,868,753	1,920,736	-	1,920,736
EXPENDITURES						
Personnel Costs	177,571	162,284	172,284	163,217	-	163,217
Operations & Maintenance	509,332	615,500	615,785	615,515	-	615,515
Total Operating Expenditures	686,904	777,784	788,069	778,732	-	778,732
Transfers Out	656,760	548,976	531,625	571,002	-	571,002
State Share	655,057	548,976	531,625	571,002	-	571,002
Total Expenditures	1,998,721	1,875,736	1,851,319	1,920,736	-	1,920,736
Net Income (Loss)	(29,866)	-	17,434	-	-	-
Fund Balance - Beginning	12,432	(17,434)	(17,434)	-	-	-
Fund Balance - Ending	\$ (17,434)	\$ (17,434)	-	-	-	-

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

	FY15 Actuals	FY16 Current Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Out of City Service Fees	\$ 241,951	\$ 294,895	\$ 378,562	\$ 433,638	1,302	\$ 434,940
Interest Income	12,828	9,000	15,489	13,500	-	13,500
Transfers In	293,977	345,282	296,429	296,429	-	296,429
Total Revenues	548,756	649,177	690,479	743,567	1,302	744,869
EXPENDITURES						
Operations & Maintenance	73,807	-	-	-	-	-
Total Expenditures	73,807	-	-	-	-	-
Net Income (Loss)	474,949	649,177	690,479	743,567	1,302	744,869
Fund Balance - Beginning	2,760,231	3,235,180	3,235,180	3,925,660	-	3,925,660
Fund Balance - Ending	\$ 3,235,180	\$ 3,884,357	\$ 3,925,660	\$ 4,669,226	\$ 1,302	\$ 4,670,529

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

	FY15 Actuals	FY16 Current Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Out of City Service Fees	\$ 44,851	\$ 49,707	\$ 42,128	\$ 44,520	\$ -	\$ 44,520
Interest Income	208	175	204	175	-	175
Transfers In	-	-	-	-	-	-
Total Revenues	45,059	49,882	42,332	44,695	-	44,695
EXPENDITURES						
Operations & Maintenance	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Net Income (Loss)	45,059	49,882	42,332	44,695	-	44,695
Fund Balance - Beginning	137,809	182,868	182,868	225,200	-	225,200
Fund Balance - Ending	\$ 182,868	\$ 232,750	\$ 225,200	\$ 269,895	\$ -	\$ 269,895

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Out of City Service Fees	\$ 480,439	\$ 596,427	\$ 504,710	\$ 505,312	\$ 1,528	\$ 506,840
Interest Income	19,901	10,000	16,727	20,000	-	20,000
Transfers In	150,000	150,000	150,000	150,000	-	150,000
Total Revenues	650,340	756,427	671,437	675,312	1,528	676,840
EXPENDITURES						
Operations & Maintenance	25,000	-	-	-	-	-
Total Expenditures	25,000	-	-	-	-	-
Net Income (Loss)	625,340	756,427	671,437	675,312	1,528	676,840
Fund Balance - Beginning	3,112,604	3,737,943	3,737,943	4,409,380	-	4,409,380
Fund Balance - Ending	\$ 3,737,943	\$ 4,494,370	\$ 4,409,380	\$ 5,084,693	\$ 1,528	\$ 5,086,220

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Out of City Service Fees	\$ 96,618	\$ 84,675	\$ 98,775	\$ 98,775	-	\$ 98,775
Interest Income	-	200	150	200	-	200
Transfers In	-	-	-	-	-	-
Total Revenues	96,618	84,875	98,925	98,975	-	98,975
EXPENDITURES						
Operations & Maintenance	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Net Income (Loss)	96,618	84,875	98,925	98,975	-	98,975
Fund Balance - Beginning	-	96,618	96,618	195,543	-	195,543
Fund Balance - Ending	\$ 96,618	\$ 181,493	\$ 195,543	\$ 294,519	\$ -	\$ 294,519

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
PID Assessment Fees	\$ -	\$ -	\$ 156,823	\$ 128,808	-	\$ 128,808
Interest Income	-	-	75	165	-	165
Transfers In	-	-	11,192	30,986	-	30,986
Total Revenues	-	-	168,090	159,959	-	159,959
EXPENDITURES						
Reimbursements	-	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Net Income (Loss)	-	-	168,090	159,959	-	159,959
Fund Balance - Beginning	-	-	-	168,090	-	168,090
Fund Balance - Ending	\$ -	\$ -	\$ 168,090	\$ 328,049	\$ -	\$ 328,049

**CITY SUGAR LAND
SPECIAL REVENUE FUND - FESTIVAL SITE
INCOME STATEMENT**

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Rental Fees	\$ -	\$ -	\$ -	\$ 93,162	-	\$ 93,162
Total Revenues	-	-	-	93,162	-	93,162
EXPENDITURES						
Personnel				89,212		89,212
Operations & Maintenance	-	-	-	3,950	-	3,950
Total Expenditures	-	-	-	93,162	-	93,162
Net Income (Loss)	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Projects Fund

Capital Project Funds account for the acquisition or construction of major capital activities. Funding is provided by debt issuance, sales tax revenues, developer fees, state and federal funding, user fees, and grants.

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 FY17-FY21 totals \$175.5 million. Cost estimates for years two through five of the five-year CIP are for planning purposes only and are used in conjunction with the long-range financial plan of the City to determine potential project funding sources or to adjust project timing based on affordability. Estimates are based on the best information available, and ultimate project budgets may vary from estimates.

Funding sources and levels are identified and developed through the Budget Office. The first draft of the five-year CIP is prepared without fiscal constraints. The CIP is reviewed by the departments, Planning and Zoning Commission, the Sugar Land Development Corporation (SLDC), Sugar Land 4B Corporation (SL4B), and the City Manager. The City Council reviews the list of proposed projects without respect to dollar amounts or timing. A final draft of the fiscally constrained five-year CIP is then prepared and filed with the annual budget for Council consideration and approval. Upon City Council adoption, the five-year CIP document is reproduced and distributed for implementation of the program.

Fiscal Year 2016

The FY16 capital project budget totaled \$59,758,850. Many projects included in FY16 are still in progress as most capital projects are multi-year projects.

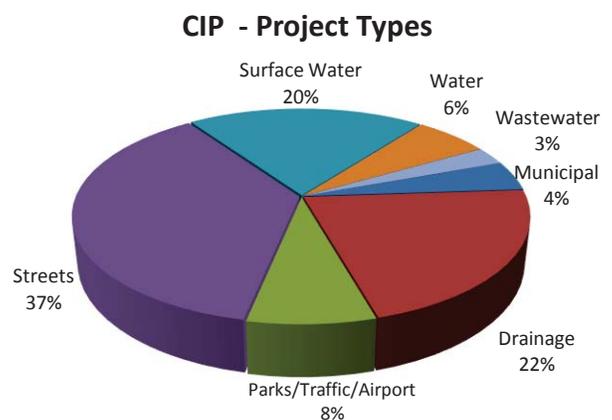
Fiscal Year 2017

FY17 capital projects total \$72,825,100. Streets projects make up the majority of the distribution at 37%, followed by Drainage projects with 22%. Surface Water projects represent 20% and Water/Wastewater projects 9%. Municipal projects are 4%, while Parks, Traffic, and Airport projects combine to represent 8% of the proposed project budgets for the FY17 CIP.

One **Airport** project for \$2,200,000 represents construction of a new maintenance building.

Drainage projects total \$15,773,000 and include: Localized drainage improvements; Lexington Blvd & Highlands Sec III Improvements; Covington Woods drainage improvements; Stormwater Flap Gates Assessment; Subdivisions drainage improvement study; and Major intersection drainage improvements.

Municipal projects total \$3,259,000 and include: Facility Renovations; Animal Shelter Interim Improvements; Hotel & Conference Center and Land Planning; Public Arts; Land Planning; and Public Safety Improvements.



Parks projects total \$1,775,000, of which \$800,000 is for Parks bond projects authorized by voters in November 2013. Two bond projects include: Design of Brazos River Park – Phase II (Mid-Lake) and Ditch H Trail. Other Parks projects include: ROW planting and irrigation rehabilitation; Park infrastructure rehabilitation; joint participation in CIP; and Cullinan Park Improvements.

Streets projects total \$26,988,100 and include: University Boulevard North Extension – phase II; State Highway 6 improvements; Dairy Ashford Widening; Williams Trace Phase I reconstruction; Industrial Boulevard reconstruction; US59 Landscape Beautification; bridge rehabilitation; pavement rehabilitation; sidewalk rehabilitation; and pedestrian and bike master plan improvements.

Traffic projects total \$1,620,000 and include: Traffic Evaluation and Safety Improvements; University Boulevard/Wenworth Avenue Traffic Signal; Wayfinding for Pedestrian and Bikes; and software for Traffic Signal Management/ITS.

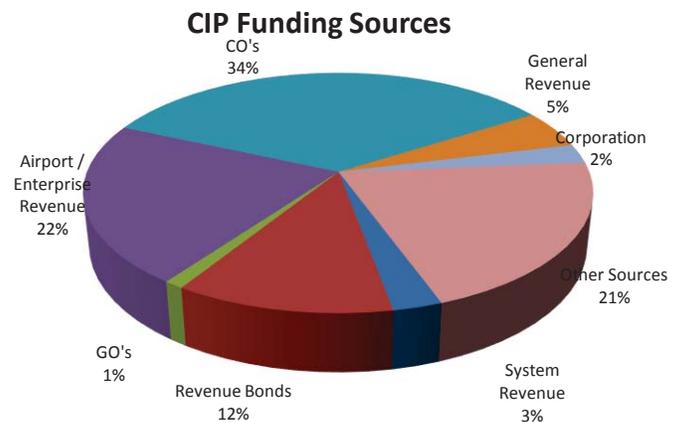
Surface Water project total \$14,625,000 and includes: Riverstone Water Plant Improvements; and construction of Surface Water Transmission Line to Riverstone Water Plant.

Wastewater projects total \$1,970,000 and includes: Wastewater collection system rehabilitation; Collection System Infiltration/Inflow Study; an assessment of the north and south treatment plants; and lift station rehabilitation.

Water projects total \$4,615,000 and includes: Lakeview and Sugar Creek Groundwater Plant Booster Pump Replacement; Water Utilities for Airport and Facilities at Prison Site; and rehabilitation of elevated storage tank, wells and ground storage tanks.

Funding for the FY17 CIP consists of \$3,824,250 in pay-as-you-go funding, \$25,900,000 in Certificates of Obligation, \$16,225,000 in Certificates of Obligation/enterprise funds, \$800,000 in General Obligation bonds, \$8,834,100 in Revenue Bonds, \$500,000 from the Sugar Land Development Corporation, \$1,447,000 from the Sugar Land 4B Corporation, \$2,000,000 in system revenues, and \$15,504,000 from other funding sources. Other funding sources include donations, developer reimbursement, Solid Waste Fund, Tourism Fund, Keep Sugar Land Beautiful, and CIP fund balances. Interest income is budgeted at \$215,000.

A number of projects undertaken will have ongoing operations and maintenance (O&M) costs when completed. Each project that has an O&M impact has been identified and the annual cost calculated. The amounts are included in the five-year forecast to measure the impact on the long-range financial capacity of each operating fund. A table identifying projects that have an O&M cost is included after the summary of all capital projects.



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

	General CIP	Grants and Other Sources	Development Corporations	Utility CIP	Airport CIP	Total Capital Projects
Revenues						
Bond Proceeds	\$ 26,700,000	\$ -	\$ -	\$ 22,859,100	\$ -	\$ 49,559,100
Transfers In	4,124,250	209,000	1,947,000	2,000,000	2,200,000	10,480,250
Transportation Fees	647,500	-	-	-	-	647,500
Reimbursements	-	10,650,000	-	-	-	10,650,000
Grants	-	270,000	-	-	-	270,000
Interest Income	215,000	-	-	-	-	215,000
Total Revenues	31,686,750	11,129,000	1,947,000	24,859,100	2,200,000	71,821,850
Expenditures						
Drainage	12,910,000	-	-	2,863,000	-	15,773,000
Municipal	2,050,000	109,000	1,050,000	50,000	-	3,259,000
Parks	1,575,000	-	200,000	-	-	1,775,000
Streets	13,380,000	10,920,000	582,000	2,106,100	-	26,988,100
Traffic	1,505,000	-	115,000	-	-	1,620,000
Surface Water	-	-	-	14,625,000	-	14,625,000
Water	-	-	-	4,615,000	-	4,615,000
Wastewater	-	-	-	1,970,000	-	1,970,000
Airport	-	-	-	-	2,200,000	2,200,000
Total CIP Expenditures	31,420,000	11,029,000	1,947,000	26,229,100	2,200,000	72,825,100
Issuance Costs	200,000	-	-	-	-	200,000
Other Non-operating	-	-	-	-	-	-
Transfers Out	672,500	-	-	-	-	672,500
Non-operating Expenditures	872,500	-	-	-	-	872,500
Total Expenditures	32,292,500	11,029,000	1,947,000	26,229,100	2,200,000	73,697,600
Revenues Over/(Under) Expenditures	(605,750)	100,000.00	-	(1,370,000)	-	(1,875,750)
Fund Balance - Beginning	7,322,610	-	-	2,635,321	-	10,882,448
Reserved Funds- Transportation Fees	(2,089,570)	-	-	-	-	(2,089,570)
Fund Balance - Ending	\$ 4,627,290	\$ 100,000	\$ -	\$ 1,265,321	\$ -	\$ 6,917,128

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2017**

Project #	Project Name	Project Description
Airport Projects		
AP1601	Airport Maintenance Building	This facility will replace the existing Maintenance Facility Building. The facility will require adequate areas for maintenance personnel and servicing of airport equipment. In addition, limited manager and supervisor offices will be needed, as well as a reception area, break room, restrooms, locker room, and showers. The facility will also require a covered parking area for city owned equipment to minimize weather exposure.
Airport Total		
Drainage Projects		
DR1506	Covington Woods Drainage Improvements - A22 Bournewood Trunk Line	Design and construction of a new efficient stormwater outfall and new trunk line to extend north from Ditch A-22 along Bournewood Dr. to Bramblebury Dr. to mitigate subdivision and street flooding impacts.
DR1601	Covington Woods Drainage Improvements - Ivymount Dr.	Addition of new inlets and upsizing storm sewer along Ivymount Dr., to alleviate street flooding.
DR1604	Lexington Blvd. and Highlands sec. III Drainage Project	Drainage Improvements along Lexington Blvd. within the limits of Coles Farm Drive and Oyster Creek, and outfalling to Oyster Creek. Drainage improvements in Highlands section III subdivision along Fort Settlement, Pecan Point, and Vincennes Bridge. Drainage improvements in Sugarwood sudv. along Deer Creek Drive.
DR1701	Covington Woods Drainage Improvements - Jess Pirtle Side Streets & Greywood Dr.	Design and construction of new reinforced concrete pipe along Sugarfield, Sugardale, and Sugar Mountain Courts to reduce stormwater ponding. Greywood Dr. include storm sewer improvements parallel to the existing storm system to provide additional conveyance.
DR1702	Business Park Pump Station Upgrades Design & Construction	Design and construction of Phase I improvements to rehabilitate the existing storm water pump station located in the Business Park. A study was completed in 2013 - Business Park Pump Station study (CIP DR1503), to assess and prioritize the rehabilitation needs subsequent to dissolution of MUD No. 21.
DR1703	Dam III Flood Control Improvements	Dam 3 is located across Oyster Creek, just North of Lexington Blvd. It is currently owned by the City, and serves both as a drainage/water storage reservoir function. Water impounded behind Dam 3 is used by Gulf Coast Water Authority to Supply water to its customers via the American Canal.
DR1704	Subdivisions Drainage Improvement Study	During Major Rain Events witnessed in the recent years, which includes the 2015 and 2016 Memorial Day Events, street ponding and structural flooding was documented in a few residential neighborhoods. These include; the Riverbend sub-division where-in a small number of houses reported minor flood damages. Street ponding was also reported within the William Grants Subdivision, and Crescents on the Green. This study will evaluate these areas in further details to identify any necessary drainage improvements.
DR1705	Localized Drainage Improvements	Annual funding to address drainage improvements or repairs to existing drainage infrastructure on an as needed basis as identified through inspections or as identified through customer complaints. These improvements include ditch re-grading and maintenance of City owned detention ponds.
DR1706	Highway 6 Stormwater Flap Gates Assessment	The flap gates across Hwy. 6 and Ditch H serves as a "backflow preventer" from Brazos River backwater along Ditch "H" from backing-up to Oyster Creek/Brooks Lake Channel during high water conditions. However, they do allow local flow from Oyster Creek/Brooks Lake Channel to outfall to Ditch H during local rain events. This was originally installed by FBC LID 2, and subsequently transferred to the City as part of City taking over ownership of AMIL gates.
DR1707	Major Road Intersection Drainage Improvements/PER	Based on Major Rain Events witnessed in the recent years, which includes the 2015 and 2016 Memorial Day Events, documented street ponding along Major Collectors was assessed thru a study. This study recommended drainage improvements to reduce the level of ponding. These improvements generally include upsizing the inlets and addition of a relief storm drain system. These intersections include; New Territory Blvd. at Chatham Avenue; Commonwealth at Brazos Pass, Williams Trace Blvd. at Planter's St., Settler's Way Blvd. at Winchester Way, and Elkins Rd. at Alcorn Oaks.
Drainage Total		

Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY17 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
				\$ 2,200,000			2,200,000
				2,200,000			2,200,000
				6,800,000	2,530,000		9,330,000
				1,024,000	156,000		1,180,000
				3,476,000	177,000		3,653,000
				130,000			130,000
						730,000	730,000
				100,000			100,000
100,000							100,000
300,000							300,000
50,000							50,000
200,000							200,000
650,000	-	-	-	11,530,000	2,863,000	730,000	15,773,000

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2017**

Project #	Project Name	Project Description
Municipal Projects		
MU1701	Facility Renovations	Annual funding for repairs to City facilities as identified by the 2012 Facility Condition Assessment Study. The projects include repairs and renovations that extend the usable life of the facilities. Project items include but are not limited to roof repairs, HVAC repairs, electrical, plumbing, modernization, etc.
MU1702	Facility Condition Assessment	Conduct a comprehensive facility condition assessment of City owned facilities. The assessment should evaluate the current condition of the facilities, create an inventory of facilities infrastructures, identify existing deficiencies and forecast capital funding requirements for a five year period.
MU1703	Animal Shelter Expansion Interim Improvement	Conduct improvements to the existing building and provide a potable building to provide additional space for animals and for storage.
MU1704	Hotel & Conference Center & City Land Planning	Programmatic-level studies are needed to begin clarifying the spaces within and general layout of the hotel / conference center, as well as the types of adjacent land uses and sharing of parking on the remainder of the City's property. Funding will also provide for legal and other miscellaneous services associated with the development of the site and the hotel / conference center.
MU1705	Public Arts Project	Funds dedicated to implementing the Public Art Plan, which includes installation of temporary and permanent public artwork at various locations.
MU1707	Land Planning - Prison Site	The City plans to purchase the 258-acre Central Unit by the end of FY16. The property will be acquired for the development of enhancements at the Sugar Land Regional Airport, the creation of a public safety training center, to address regional drainage opportunities and preserve land for a future business park consistent with the future land use map and Comprehensive Plan.
MU1708	Public Safety Improvements	Acquisition of fire & EMS related capital equipment, including but not limited to: self-contained breathing apparatus (SCBA), a mobile command center, improvements to fire stations to accommodate the City's EMS fleet, rehabilitation of a ladder truck to extend its useful life.
Municipal Total		
Parks Projects		
PK1604	ROW Planting and Irrigation Rehabilitation	ROW renovations and upgrades that meet the criteria for capital improvements.
PK1606	Brazos River Park - PH II (Mid-Lake)	Design and construction of Brazos River Park (Mid-Lake), which includes a boathouse, restrooms, shade structures, parking, lighting and trails.
PK1701	Park Infrastructure Rehabilitation	To address Park renovations. The Parks Facility Assessment was prepared as a component of the Infrastructure Management Plan.
PK1702	Ditch H Trail	Design and construction of Ditch H trail. Design addresses issues such as drainage, road crossings, and levee improvement district concerns. Trails will be the primary connection from Imperial Connector to US 59 (Ph. 1) and from US 59 to Sweetwater Blvd (Ph. 2 and 3).
PK1703	Joint Participation in CIP	Provide funds for joint participation in CIP projects between the City and Citizen based organizations that benefit the general public. Take advantage of partnership opportunities to enhance and preserve the quality of life for City residents.
PK1704	Cullinan Park Improvements	In accordance with the City Council approved interlocal agreement the Cullinan Park Conservancy will raise \$1 Million per year for park improvements. The improvement projects will be based on the Cullinan Park Master Plan.
Parks Total		

Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY17 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
							-
300,000							300,000
150,000							150,000
				150,000			150,000
			400,000				400,000
			150,000			100,000	250,000
			500,000		50,000		550,000
						1,459,000	1,459,000
450,000	-	-	1,050,000	150,000	50,000	1,559,000	3,259,000
							-
						75,000	75,000
				300,000			300,000
200,000							200,000
				500,000			500,000
			200,000				200,000
						500,000	500,000
200,000	-	-	200,000	800,000	-	575,000	1,775,000

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2017**

Project #	Project Name	Project Description
Streets Projects		
ST1404	State Highway 6 Improvements - Brooks Street to Lexington Blvd	Right-of-way acquisition to facilitate future expansion of SH 6 to eight lanes from Brooks Street to Lexington Boulevard.
ST1405	Dairy Ashford Widening Improvements	The PER recommends additional through and turn lanes at Dairy Ashford at US90A. This will require an increase of one through lane in each direction north and south from Parklane Blvd to beyond Julie Rivers Drive. Installation of a directional median along Dairy Ashford at Parklane Blvd to restrict traffic exiting to a right-turn only.
ST1408	Williams Trace PH 1 (Austin Pkwy-SH 6) Reconstruction	Reconstruction of Williams Trace Boulevard between Austin Parkway and SH6. The improvements will include upgrades to storm drainage, water mains, ornamental traffic signal at one intersection, and sidewalks.
ST1506	Industrial Blvd Reconstruction	Reconstruction of Industrial Boulevard between US 90A and Reed Road. The improvements will include the reconstruction of Industrial Blvd. from a 2-lane open ditch roadway with a center turn lane to a 4-lane divided concrete curb and gutter with storm drainage system. It will also include the replacement of an existing AC waterline, sanitary sewer, traffic signal at new intersection, and reconfiguration of the intersection of Reed Rd. and Industrial Blvd.
ST1605	US59 Landscape Beautification Phase IV	Continuation of landscape improvements along US 59 from University Blvd. to the Brazos River.
ST1606	Pedestrian and Bicycle Master Plan Improvements	Design and construction of projects identified in the 2013 Pedestrian and Bicycle Master Plan.
ST1701	University Blvd North Extension - Phase II	The construction of University Boulevard North Extension Phase II bridge connection. The bridge approach will begin from the termini point of Phase I roadway construction and tie into the existing Stadium Drive behind Constellation Field. The project includes a bridge over the Oyster Creek, roadway, a waterline connected underneath the bridge, and utility relocation
ST1702	University Blvd South Improvements	This project will incorporate roadway improvements along University Blvd from Commonwealth Blvd to the City Limits(1.7 miles) to address safety concerns with high speeds within the existing school zone. Phase 1 will incorporate striping improvements to reduce lane widths with the addition of shoulders. Phase 2 will add curb which will replace shoulders.
ST1703	State Highway 6 Beautification Planning	Landscaping improvements done after completion of the SH6 widening project from Brooks Street to Lexington Blvd.
ST1704	Highway 6 at First Colony Intersection Improvements - Design	Design of geometric and signal timing improvements to provide for concurrent left turn movements from the Brooks Street and First Colony Boulevard approaches.
ST1705	Bridge Rehabilitation	Administer bridge management within the City of Sugar Land. Construction improvements to eight bridges, which will include initial phase of preliminary costs and prioritization to determine the necessary repairs.
ST1706	Pavement Rehabilitation	Annual street pavement rehabilitation program as identified by the Pavement Management & Maintenance Program (PMMP). This project includes only slab replacement. Larger projects including PER for entire street replacement are included in separate project worksheets.
ST1707	Sidewalk & Trail Rehabilitation	With depreciating sidewalk in various areas around the City, this project will allow for the annual repairs to update the sidewalk and provide a more safe environment in neighborhoods and business areas for walkability. Full depth repairs made to several hundred linear feet of sidewalk.
Streets Total		
Surface Water Projects		
SW1601	Riverstone Ground Water Plant Improvements	Design and construction of one 1.5 MG ground storage tank and installation of two additional 2,500 GPM booster pumps and other necessary improvements to revive and mixing treated surface water at the plant. The project also includes other chemical feed system modifications at other groundwater plants
SW1602	Surface Water Transmission Line to Riverstone Ground Water Plant	Design and construction of a new 25,000 ft length of 30-inch and 16-inch pipe that conveys surface water to the Riverstone groundwater plant.
Surface Water Total		

Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY17 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
							-
				1,400,000	500,000		1,900,000
				500,000	475,000		975,000
				8,600,000	1,131,100		9,731,100
			405,000				405,000
				77,000		270,000	347,000
250,000							250,000
						10,650,000	10,650,000
				305,000			305,000
			100,000				100,000
				60,000			60,000
250,000							250,000
1,400,000							1,700,000
						300,000	
265,000						50,000	315,000
2,165,000	-	-	582,000	10,865,000	2,106,100	11,270,000	26,988,100
							-
					4,700,000	600,000	5,300,000
					9,325,000		9,325,000
-	-	-	-	-	14,025,000	600,000	14,625,000

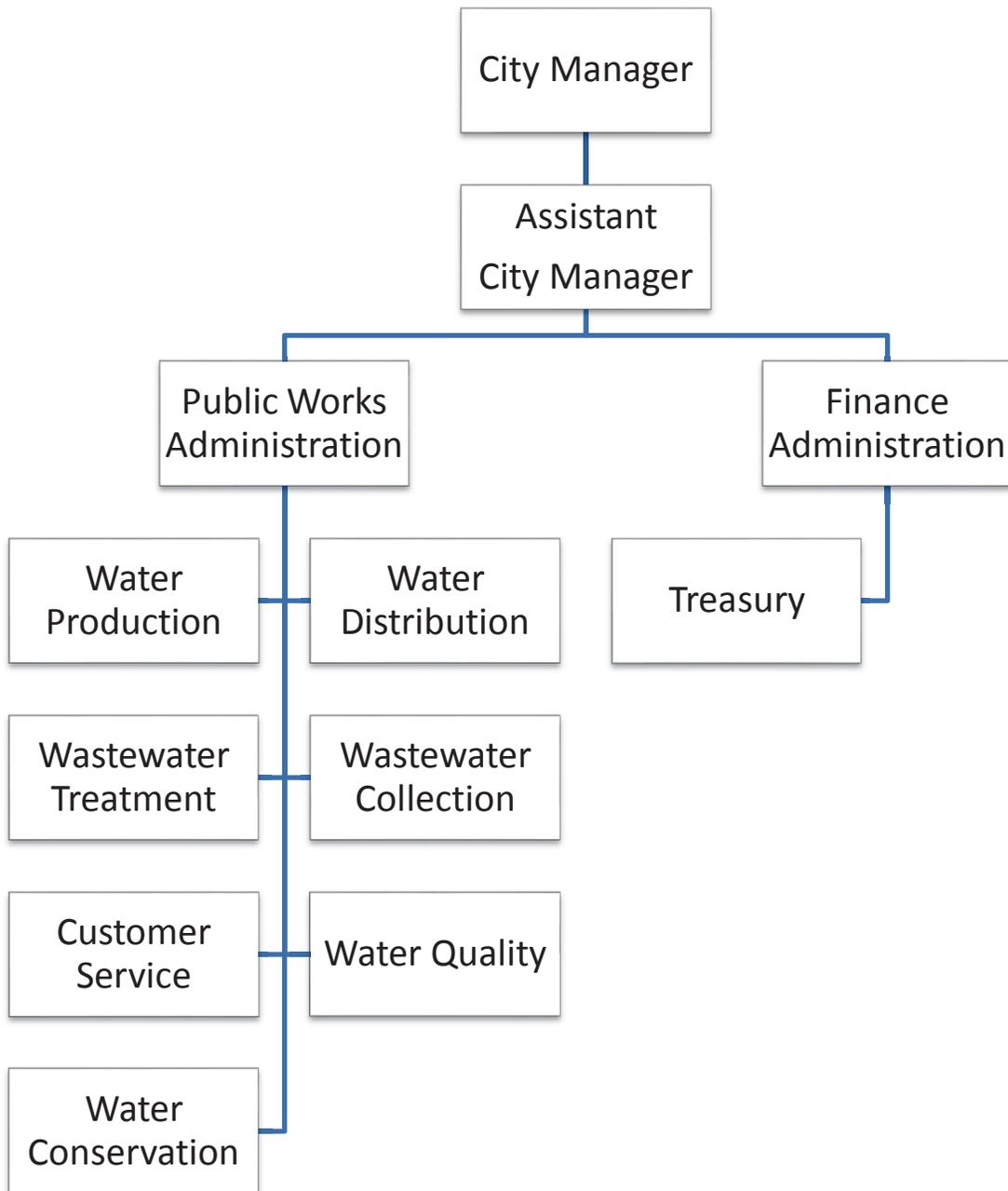
**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2017**

Project #	Project Name	Project Description
Traffic Projects		
TR1503	Traffic Signal Management/ITS	Program to fund the Intelligent Transportation System (ITS) Operations Plan, which was updated November 2014 and other projects to advance the City's ITS.
TR1701	Way finding for Pedestrian/ Bicycle (Local Routes)	Program created for targeted visitor oriented destinations in the City. Includes placement of strategic signs at select locations on local routes to better direct Pedestrian/ Bicycle Facilities users to these destinations. This is a continuation of the implementation of the Pedestrian/ Bike Master Plan.
TR1702	SH 6 at NB US 59 Triple Left Turn Design & TxDOT Permit	Design triple left turn on the northbound US 59 frontage road at SH 6. The project will include the in pavement lights and geometric improvements for the approach.
TR1703	University Boulevard and Wentworth Avenue Traffic Signal	Construct a traffic signal at University and Wentworth, and include vehicle pod detection and wireless communication to the Traffic Management Center.
TR1704	Traffic Evaluation and Safety Improvements	Program will analyze intersections for quick improvements with relatively low cost but high benefits. This analysis will provide measures of effectiveness that will allow uniform comparison of the expected benefits- average % reduction in intersection delay (Eldridge Road dual left turn widening at West Airport Boulevard).
Traffic Total		
Wastewater Projects		
WW1601	Collection System Rehabilitation Program (Project D and East Interceptor Phase III)	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. In addition, the East Interceptor Phase III will need to be evaluated as recommended in the I&I study.
WW1602	Lift Station Rehabilitation	Rehabilitation of the lift stations identified by staff routine inspection and annual assessments. FY16 Design - Fluor (9), Voss Rd (21), Executive (25), Paradise Point (32).
WW1701	Lift Station Rehabilitation	Rehabilitation of the lift stations identified by staff routine inspections and annual assessments. FY17 Design - Vista Lakes (106), Ferry Landing (125), Dulles (136), Dulles (137).
WW1702	Collection System I/I Study	A new I&I study needs to be conducted to identify additional repair locations for future projects.
WW1703	North and South Wastewater Treatment Plants	Complete an assessment of the north and south wastewater treatment plants for equipment and facility replacements and improvements. The design and construction of the improvements improvements would be funded in a future CIP.
Wastewater Total		
Water Projects		
WA1601	Distribution System Water Main Rehabilitation Program	A waterline replacement analysis was conducted based on maintenance records to prioritize the water line rehabilitation. The biennial projects include design and construction of distribution system water lines to replace aged and high maintenance existing waterlines. Design in one year, construction in the next; ongoing project.
WA1603	Ground Storage Tank Rehabilitation	Annual funding for refurbishment of existing ground storage water tanks at a site to be determined and prioritized by scheduled evaluation and assessment. Work includes structural repairs and modifications as needed, blasting and proper removal of old coatings and repainting.
WA1701	Elevated Storage Tank Rehabilitation	Rehabilitation work includes structural repairs and modifications as needed and blasting and coating of interior and exterior surfaces to the Mason Road EST.
WA1702	Well Rehabilitation	Design and construction of scheduled maintenance of water wells for one of the 17 City water wells. Maintenance of water wells includes pulling of pump from wells and cleaning well screens. Repairs required for the wells and pumps are determined when the wells are pulled.
WA1703	Lakeview & Sugar Creek Groundwater Plant Booster Pump Replacement	Replace existing booster pumps at the Lakeview and Sugar Creek groundwater plants with new pumps and associated electrical work.
WA1704	Land Planning - Prison Site	
Water Total		
Grand Total		

Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY17 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
							-
				750,000			750,000
			115,000				115,000
100,000							100,000
				405,000			405,000
250,000							250,000
350,000	-	-	115,000	1,155,000	-	-	1,620,000
							-
					250,000		250,000
					360,000	1,000,000	1,360,000
					160,000		160,000
					100,000		100,000
					100,000		100,000
					970,000	1,000,000	1,970,000
							-
					1,200,000	1,000,000	2,200,000
						770,000	770,000
					65,000		65,000
					880,000		880,000
					100,000		100,000
					600,000		600,000
					2,845,000	1,770,000	4,615,000
\$ 3,815,000	\$ -	\$ -	\$ 1,947,000	\$ 26,700,000	\$ 22,859,100	\$ 17,504,000	\$ 72,825,100

Water Utility Fund Organizational Chart

As of October 1, 2015



Water Utility Fund

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

Fiscal Year 2016

Total revenues for FY16 are estimated to be \$64,286,254. Surface water fees billed to residents are estimated at \$9,224,286. Water and wastewater revenues are projected at \$25,082,033. Interest income is projected at \$68,218. Bond proceeds are projected at \$27,746,531 for new and refunding debt. Transfers of \$657,584 from connection fees cover FY16 debt service requirements for connection fee projects. Miscellaneous revenues total \$1,294,540.

Operating expenses for FY16 are projected to be \$12,328,817, 2.5% less than budget.

Non-operating expenditures total \$53,187,740. Debt service payments total \$7,947,084 and payment to escrow agent is \$20,847,551. Operating transfers total \$24,233,105 and includes \$9,034,550 for CIP, \$9,799,888 to the Surface Water Fund for pumpage fees, \$2,898,988 to the General Fund for administrative overhead, \$137,364 to the Fleet Fund, and \$30,576 to the High Tech Fund. Also included in the transfer is \$2,331,739 to the Debt Service Fund. This transfer is based on policy direction from City Council to have utility rates support 100% of assumed water/wastewater debt from dissolved MUDs thereby supporting the assumed MUD debt through user fees instead of property taxes.

Ending cash equivalent balance at 9/30/16 is estimated to be \$6,973,353. The fund is projected to have a 58% operating reserve, well above the 25% established by policy. The fund has a required debt service reserve of \$5,683,744 at fiscal year-end.

Fiscal Year 2017

Total revenues for FY17 are estimated to be \$47,724,411. Total revenues for water and wastewater are budgeted at \$26,571,750. There are no rate increases for FY17. Surface water fees are budgeted at \$10,153,371 and tap fees at \$129,285. Miscellaneous revenues total \$1,198,116 and are made up of penalties, connection fees and other charges. Transfers of \$581,107 from connection fees cover FY17 debt service requirements for connection fee projects.

Operating expenditures total \$12,723,364 and includes one-time costs of \$150,000 for unidirectional flushing program and \$35,000 for an update on the water/wastewater rate model. A total of \$131,321 in recurring expenditures are included for chemicals, merchant/credit card fees, repairs and maintenance, and building and grounds.

Non-operating expenditures total \$35,846,410. Debt service payments are budgeted at \$9,023,353 for existing debt, and new debt on the planned debt issuance of \$8.8 million. Transfers-out total \$26,402,911 and includes transfers to the Fleet and High-Tech Replacement Funds, General Fund and Debt Service Fund. Transfer out to the Surface Water Fund for \$10,175,268 is based on a pumpage fee of \$1.75 per 1,000 gallons for anticipated water use including City parks and right-of-ways. Also included in the transfers out is \$2,000,000 for pay-as-you-go capital project funding for the construction of water and wastewater projects. Miscellaneous expenditures include contingency and property and liability premiums.

The Utility Fund has a debt service reserve of \$6,069,587. The cash equivalents balance on 9/30/17 is estimated at \$5,742,147, which is a 46% operating reserve.

Water Utility Fund

Financial Analysis

Financial ratios are used to analyze the financial position and operating results of the fund. A comparison based on FY16 projections and the FY17 budget is shown below:

	FY16 Projections	FY17 Budget
Cash Reserve Ratio	58%	46%
Direct Bond Coverage	1.66	1.71

The targeted minimum cash reserve ratio is 25% of operating expenses. The bond coverage minimum is 1.71 times the average annual debt service requirements. The FY17 cash reserve ratio is budgeted at 46%. Rates will be adjusted annually as necessary to ensure cash reserves and bond coverage requirements are maintained.

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

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

	FY15	FY16	FY16	FY17	FY17	FY17
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Charges for Services	\$23,854,466	\$26,687,747	\$25,082,033	\$ 26,571,750	\$ -	\$ 26,571,750
Surface Water Fees	8,503,031	10,473,536	9,224,286	10,153,371	-	10,153,371
Tap Fees	211,965	211,500	213,062	129,285	-	129,285
Interest Income	81,975	50,000	68,218	80,000	-	80,000
Miscellaneous	1,038,431	765,392	1,294,540	1,198,116	-	1,198,116
Total Operating Revenues	33,689,867	38,188,175	35,882,139	38,132,522	-	38,132,522
Bond Proceeds	16,951,883	27,743,064	27,746,531	9,010,782	-	9,010,782
Transfers In - Connection Fees	653,703	657,584	657,584	581,107	-	581,107
Total Non-Operating Revenues	17,605,586	28,400,648	28,404,115	9,591,889	-	9,591,889
Total Revenues	51,295,453	66,588,823	64,286,254	47,724,411	-	47,724,411
EXPENDITURES						
Utility Administration	693,981	895,080	911,240	667,557	185,000	852,557
Water Distribution	1,476,877	1,635,437	1,528,786	1,607,236	-	1,607,236
Water Production	1,691,639	2,189,737	1,999,112	2,017,202	101,920	2,119,122
Wastewater Collection	668,734	805,707	779,985	872,300	-	872,300
Wastewater Treatment	4,169,922	4,489,108	4,485,830	4,463,551	29,401	4,492,952
Customer Service	632,372	730,532	747,017	726,916	-	726,916
Water Quality	344,121	422,431	418,914	454,797	-	454,797
Water Conservation	124,507	209,940	180,312	293,163	-	293,163
Treasury	1,634,616	1,268,030	1,277,621	1,304,321	-	1,304,321
Total Operating Expenditures	11,436,769	12,646,002	12,328,817	12,407,043	316,321	12,723,364
Debt Service	11,602,980	8,479,323	7,947,084	9,023,353	-	9,023,353
Payment to Escrow Agent	-	20,847,551	20,847,551	-	-	-
Miscellaneous	171,777	335,368	160,000	420,146	-	420,146
Transfers Out	5,994,039	5,398,667	5,398,667	5,393,543	-	5,393,543
Transfers Out - Surface Water	9,346,424	10,502,417	9,799,888	10,175,268	-	10,175,268
CIP Transfers:						
-Bond Projects	13,010,000	7,034,550	7,034,550	8,834,100	-	8,834,100
-PAYG Water	1,000,000	1,000,000	1,000,000	1,000,000	-	1,000,000
-PAYG Wastewater	1,000,000	1,000,000	1,000,000	1,000,000	-	1,000,000
Total Non-Operating Expenditures	42,125,220	54,597,876	53,187,740	35,846,410	-	35,846,410
Total Expenditures	53,561,989	67,243,878	65,516,557	48,253,453	316,321	48,569,774
Net Income/(Loss)	(2,266,537)	(655,055)	(1,230,303)	(529,042)	(316,321)	(845,363)
Reserve - Debt Service	(5,640,967)	(5,683,744)	(5,683,744)	(6,069,587)	-	(6,069,587)
Cash Equivalent - Beginning	16,153,937	13,887,400	13,887,400	12,657,097	-	12,657,097
Cash Equivalent - Ending	\$ 8,246,433	\$ 7,548,601	\$ 6,973,353	\$ 6,058,468	\$ (316,321)	\$ 5,742,147
CASH OPERATING RESERVE	72%	61%	58%	49%		46%
BOND COVERAGE DIRECT DEBT	1.70	2.01	1.66	1.71		1.68

**CITY OF SUGAR LAND
ENTERPRISE FUND - WATER UTILITY SYSTEM
SUMMARY SCHEDULE OF REVENUES**

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
OPERATING REVENUES						
Water Sales	\$ 9,652,022	\$ 11,373,177	\$ 10,650,138	\$ 10,699,400	\$ -	\$ 10,699,400
Wastewater Charges	14,202,444	15,314,570	14,431,895	15,872,350	-	15,872,350
Charges for Services Total	23,854,466	26,687,747	25,082,033	26,571,750	-	26,571,750
Surface Water Fees	8,503,031	10,473,536	9,224,286	10,153,371	-	10,153,371
Water Taps	177,965	172,125	181,262	110,160	-	110,160
Sewer Taps	34,000	39,375	31,800	19,125	-	19,125
Tap Fees Total	211,965	211,500	213,062	129,285	-	129,285
Interest Income	81,975	50,000	68,218	80,000	-	80,000
Penalties	327,793	305,000	312,365	305,000	-	305,000
Collection Charges	5,490	7,200	4,710	7,200	-	7,200
Delinquent Processing Fee	47,767	23,000	68,001	45,000	-	45,000
Misc. Charges	7,975	7,000	11,535	7,000	-	7,000
Connection Charges - Water	288,819	200,000	392,553	375,000	-	375,000
Connection Charges - Wastewater	262,262	175,000	370,190	350,000	-	350,000
Wastewater Surcharge	62,985	-	59,000	60,000	-	60,000
Reclaimed Water Sales	-	-	1,339	-	-	-
Property Insurance Recovery	-	20,000	17,091	20,000	-	20,000
Miscellaneous	11,185	-	-	-	-	-
Reimbursements	-	1,000	32,990	1,000	-	1,000
Sale of Property	669	3,000	575	3,000	-	3,000
Leased Premises	23,486	24,192	24,191	24,916	-	24,916
Miscellaneous Total	1,038,431	765,392	1,294,540	1,198,116	-	1,198,116
Total Operating Revenues	\$ 33,689,867	\$ 38,188,175	\$ 35,882,139	\$ 38,132,522	\$ -	\$ 38,132,522

Water Utilities

Mission Statement

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

Services Provided

The Utilities Department is responsible for the long range planning, administration and operation of the City's water and wastewater systems including regulatory compliance for all mandated EPA and TCEQ programs.

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 insuring 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.

FY17 Budget Requests

A total of \$131,321 in recurring expenditures are included for chemicals, merchant/credit card fees, and building and grounds. One-time costs includes \$150,000 for unidirectional flushing program and \$35,000 for an update to the water rate model.

Performance Measures: Well Planned Community

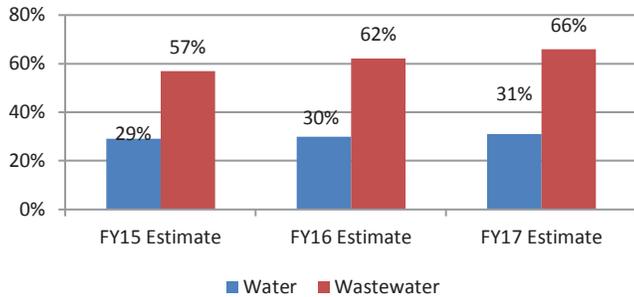
The City Council measure for “Adequate infrastructure and services to support growth and to sustain our existing community” is recommendations from Utilities master plans included and funded in the five-year CIP.



Water Utilities

Performance Measures: Well Planned Community

Capacity to Permitted Capacity Comparison



The ratios of average daily supply capacity and flow capacity are also measures of adequate infrastructure.

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 3,597,460	\$ 3,969,129	\$ 3,994,885	\$ 4,079,591	\$ -	\$ 4,079,591
Supplies	753,351	785,775	716,736	823,945	44,000	867,945
Professional Services	3,340,212	3,598,568	3,462,425	3,301,633	185,000	3,486,633
Repairs & Maintenance	3,227,028	3,751,520	3,615,524	3,677,081	87,321	3,764,402
Purchased Services	475,330	521,355	519,592	524,793	-	524,793
Capital/Other	43,389	19,655	19,655	-	-	-
Category Totals	\$ 11,436,769	\$ 12,646,002	\$ 12,328,817	\$ 12,407,043	\$ 316,321	\$ 12,723,364

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Utility Administration	693,981	915,080	911,240	667,557	185,000	852,557
Water Distribution	1,476,877	1,635,437	1,528,786	1,607,236	-	1,607,236
Water Production	1,691,639	2,189,737	1,999,112	2,017,202	101,920	2,119,122
Wastewater Collection	668,734	795,707	779,985	872,300	-	872,300
Wastewater Treatment	4,169,922	4,489,108	4,485,830	4,463,551	29,401	4,492,952
Customer Service	632,372	724,532	747,017	726,916	-	726,916
Water Quality	344,121	422,431	418,914	454,797	-	454,797
Water Conservation	124,507	205,940	180,312	293,163	-	293,163
Treasury	1,634,616	1,268,030	1,277,621	1,304,321	-	1,304,321
Category Totals	\$ 11,436,769	\$ 12,646,002	\$ 12,328,817	\$ 12,407,043	\$ 316,321	\$ 12,723,364

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Utility Administration	5.00	5.00	-	5.00	-	5.00
Water Distribution	11.00	11.00	(1.00)	10.00	-	10.00
Water Production	4.50	5.50	(1.00)	4.50	-	4.50
Wastewater Collection	6.50	6.50	1.50	8.00	-	8.00
Wastewater Treatment	6.50	5.50	0.50	6.00	-	6.00
Customer Service	6.00	9.00	-	9.00	-	9.00
Water Quality	4.50	4.50	-	4.50	-	4.50
Water Conservation	1.00	1.00	-	1.00	-	1.00
Treasury	11.00	11.00	-	11.00	-	11.00
FTE Count Totals	56.00	59.00	-	59.00	-	59.00

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

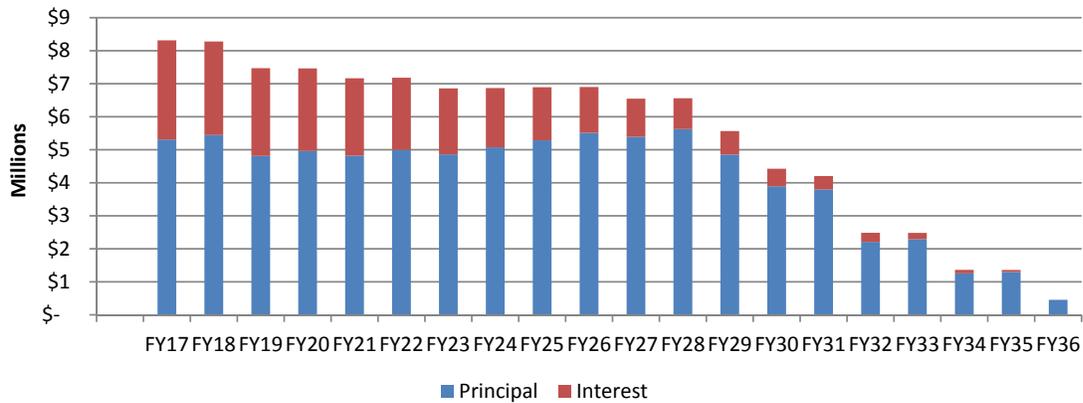
Due During FY Ending September 30	Principal	Interest	Total
FY17	\$ 5,311,036	\$ 3,003,481	\$ 8,314,517
FY18	5,445,154	2,833,424	8,278,578
FY19	4,811,963	2,658,833	7,470,796
FY20	4,963,032	2,501,455	7,464,487
FY21	4,818,344	2,346,733	7,165,077
FY22	4,998,221	2,182,499	7,180,720
FY23	4,859,577	1,998,221	6,857,798
FY24	5,072,537	1,795,991	6,868,528
FY25	5,284,580	1,609,090	6,893,670
FY26	5,512,421	1,387,873	6,900,294
FY27	5,393,288	1,154,828	6,548,116
FY28	5,625,986	935,089	6,561,075
FY29	4,851,640	714,026	5,565,666
FY30	3,895,000	530,294	4,425,294
FY31	3,800,000	403,844	4,203,844
FY32	2,210,000	274,738	2,484,738
FY33	2,290,000	192,763	2,482,763
FY34	1,255,000	107,563	1,362,563
FY35	1,295,000	63,588	1,358,588
FY36	455,000	18,200	473,200
TOTAL	\$ 82,147,779	\$ 26,712,526	\$ 108,860,305

Total principal outstanding is comprised of eight issues and all current debt matures by FY36.

Series	Amount Outstanding	Maturity
Series 2008	1,171,644	FY18
Series 2009	1,544,546	FY18
Refunding 2009	1,320,000	FY18
Series 2012	18,695,000	FY31
Series 2012A	6,675,000	FY30
Series 2013	13,930,000	FY33
Series 2015	15,080,000	FY35
Refunding 2016	23,731,589	FY36
Total	\$ 82,147,779	

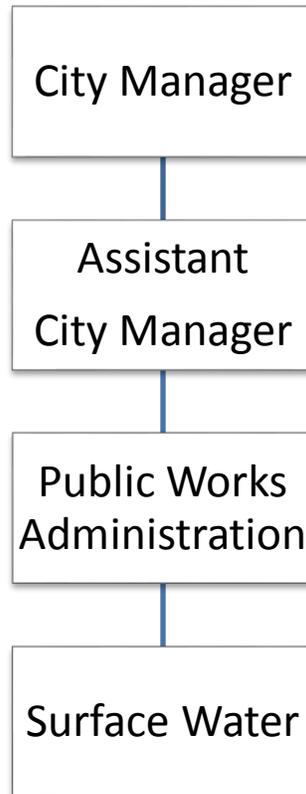
* Does not include anticipated issuance of new debt.

Debt Service Schedule



Surface Water Fund Organizational Chart

As of October 1, 2016



Surface Water Fund

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

Fiscal Year 2016

Total surface water revenues are estimated at \$24,941,692. The GRP fee remained at \$1.75 per 1,000 gallons of water. GRP participants who are not City water customers are anticipated to contribute \$3,834,737. The out-of-city service charge of \$31,657 is a 20% premium on the GRP for participants outside the city limits. GRP fees from City customers are based on production of 6.0 billion gallons of water; GRP fees from non-City customers are based on 2.7 billion gallons of water. Interest income is estimated at \$59,274. The transfers in for \$9,799,888 represent pumpage fees for City customers, which are collected in the Water Utility Fund and transferred to the Surface Water Fund monthly. Bond proceeds for \$11.2 million for new CIP projects and for refunding of Series 2008 and 2009.

Total operating expenses are \$5,382,242 and include \$1,003,133 for personnel expenses, \$3,068,346 for operations and maintenance, and \$1,310,763 for raw water cost.

Debt service payments of \$7,008,566 are for the 2008, 2009, and 2011 Certificates of Obligation. Transfers Out for \$2,308,800 includes \$1,700,000 for CIP, \$594,145 being transferred to the General Fund for administrative overhead reimbursements, \$7,907 to the Fleet Fund, and \$6,748 to the Hi-Tech Fund. There is a planned inter-fund loan for \$3 million to the Airport, which will be repaid with interest in FY18 and FY19 with grant funds from TxDOT Aviation. Ending cash equivalents at 9/30/16 is estimated to be \$9,731,101, which is above the 50% general purpose reserve requirement of \$8,260,797.

Fiscal Year 2017

Total surface water revenues are estimated at \$14,607,367. The GRP fee will remain at \$1.75 per 1,000 gallons of water. GRP participants who are not City water customers are anticipated to contribute \$4,312,113. The out-of-city service charge of \$49,986 is a 20% premium on the GRP for participants outside the city limits. GRP fees from City customers are based on production of 6.2 billion gallons of water; GRP fees from non-City customers are based on 2.5 billion gallons of water. The transfers in for \$10,175,268 represent pumpage fees for City customers, which are collected in the Water Utility Fund and transferred to the Surface Water Fund monthly. Interest income is estimated at \$70,000.

Total operating expenses are \$5,922,772 and include \$1,058,249 for personnel expenses, \$3,502,749 for operations and maintenance, and \$1,361,774 for raw water cost.

Debt service payments of \$8,553,520 for current and new debt for CIP projects. The fund has budgeted transfers of \$650,866. This includes \$633,837 being transferred to the General Fund for administrative overhead reimbursements, \$6,202 to the Fleet Fund, and \$10,827 to the Hi-Tech Fund. Ending cash equivalents at 9/30/17 is estimated to be \$8,819,127, which is above the 50% general purpose reserve requirement of \$7,759,670.

**CITY OF SUGAR LAND
ENTERPRISE FUND - SURFACE WATER
INCOME STATEMENT**

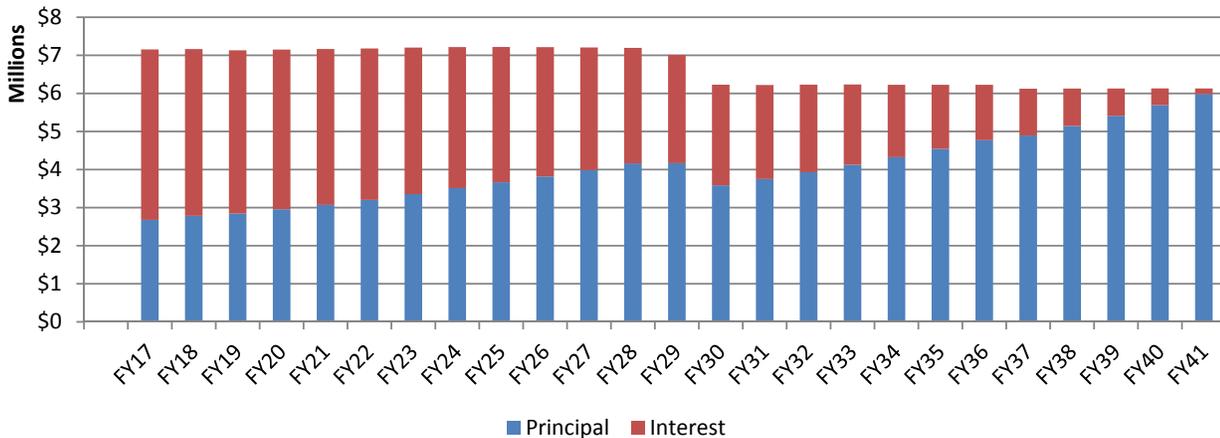
	FY15	FY16	FY16	FY17	FY17	FY17
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
GRP Fees	\$ 3,811,470	\$ 4,798,198	\$ 3,834,737	\$ 4,312,113	\$ -	\$ 4,312,113
Out of City Service Charge	34,899	53,923	31,657	49,986	-	49,986
Interest Income	66,296	35,000	59,274	70,000	-	70,000
Miscellaneous	74,389	-	2,062	-	-	-
Operating Revenues	3,987,055	4,887,121	3,927,730	4,432,099	-	4,432,099
Transfer In - Water Utility Fund	9,346,424	10,502,417	9,799,888	10,175,268	-	10,175,268
Bond Proceeds	-	11,214,044	11,214,074	-	-	-
Non Operating Revenues	9,346,424	21,716,461	21,013,962	10,175,268	-	10,175,268
Total Revenues	13,333,479	26,603,582	24,941,692	14,607,367	-	14,607,367
EXPENSES						
Personnel Services	938,149	1,013,022	1,003,133	1,058,249	-	1,058,249
Operations & Maintenance	2,568,427	3,406,798	3,068,346	3,502,749	-	3,502,749
Raw Water	1,090,027	1,045,763	1,310,763	1,361,774	-	1,361,774
Capital	1,575	-	-	-	-	-
Operating Expenses	4,598,178	5,465,583	5,382,242	5,922,772	-	5,922,772
Capital Projects	1,804,600	1,635,400	1,635,400	-	-	-
Debt Service Payment	7,032,930	7,196,623	7,008,566	8,553,520	-	8,553,520
Paid to Escrow Account	-	9,578,734	9,578,734	-	-	-
Membranes/Capital Repairs	-	116,133	116,133	119,617	-	119,617
Miscellaneous	61,200	94,314	70,452	72,566	-	72,566
Transfers Out	603,470	2,308,800	2,308,800	650,866	-	650,866
Contingency	-	200,000	-	200,000	-	200,000
Non Operating Expenses	9,502,200	21,130,004	20,718,085	9,596,569	-	9,596,569
Total Expenses	14,100,378	26,595,587	26,100,327	15,519,341	-	15,519,341
Net Income (Loss)	(766,900)	7,995	(1,158,635)	(911,974)	-	(911,974)
Inter-Fund Loan to Airport	-	(3,000,000)	(3,000,000)	-	-	-
Cash Equivalents - Beginning	14,656,636	13,889,736	13,889,736	9,731,101	-	9,731,101
Cash Equivalents - Ending	\$13,889,736	\$ 10,897,731	\$ 9,731,101	\$ 8,819,127	\$ -	\$ 8,819,127
GRP Fee per 1,000 Gallons	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ -	\$ 1.75
Reserve Requirement (50%)	7,050,189	8,508,427	8,260,797	7,759,670	-	7,759,670
Over/Under Policy	6,839,547	2,389,305	1,470,305	1,059,457	-	1,059,457

**ENTERPRISE - SURFACE WATER FUND
WATERWORKS AND SEWER SYSTEM
TOTAL DEBT SERVICE OUTSTANDING**

Due During FY Ending September 30	Principal	Interest	Total
FY17	\$ 2,678,964	\$ 4,475,650	\$ 7,154,614
FY18	2,784,846	4,379,708	7,164,554
FY19	2,843,037	4,287,024	7,130,061
FY20	2,956,968	4,193,827	7,150,795
FY21	3,071,656	4,093,992	7,165,648
FY22	3,201,779	3,977,895	7,179,674
FY23	3,355,423	3,847,323	7,202,746
FY24	3,512,463	3,703,653	7,216,116
FY25	3,665,420	3,553,579	7,218,999
FY26	3,817,579	3,397,009	7,214,588
FY27	3,986,712	3,219,229	7,205,941
FY28	4,164,014	3,031,049	7,195,063
FY29	4,168,360	2,843,768	7,012,128
FY30	3,585,000	2,643,538	6,228,538
FY31	3,750,000	2,471,150	6,221,150
FY32	3,930,000	2,299,775	6,229,775
FY33	4,125,000	2,109,938	6,234,938
FY34	4,325,000	1,900,688	6,225,688
FY35	4,545,000	1,680,988	6,225,988
FY36	4,770,000	1,456,088	6,226,088
FY37	4,895,000	1,227,506	6,122,506
FY38	5,145,000	982,625	6,127,625
FY39	5,410,000	718,750	6,128,750
FY40	5,690,000	441,250	6,131,250
FY41	5,980,000	149,500	6,129,500
TOTAL	\$ 100,357,220	\$ 67,085,502	\$ 167,442,722

Series	Outstanding	Maturity
Series 2008	\$ 183,356	FY18
Series 2009	1,045,454	FY18
Series 2011	89,530,000	FY41
Series 2016 Refunding	7,978,411	FY29
Series 2016	1,620,000	FY36
Total	\$ 100,357,220	

Debt Service Schedule



Surface Water

Mission Statement

The **Utilities Department** takes pride in providing a safe, dependable and effective public utility infrastructure, rendering a diverse group of services to the citizenry in a responsive, efficient and cost effective manner with a customer oriented approach that reflects the City’s tradition of excellence.

Services Provided

Surface Water is responsible for all operating and capital improvement activities related to the City’s required conversion to surface water, which is funded through a fee per 1,000 gallons of water produced. Those outside the City limits pay an out-of-City service charge over the monthly fees; service charges from New Territory, Greatwood and Tara Plantation are credited to the debt reduction funds based on Strategic Partnership Agreements (SPAs).

Programs of Service

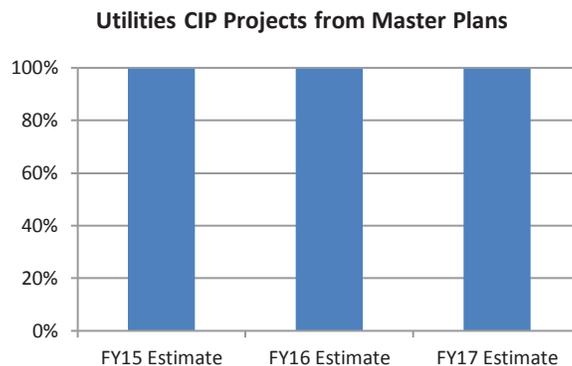
Surface Water is responsible for all planning and implementation of the City’s reduction in ground water use. Based on the mandated surface water conversion, the program is also responsible for coordinating the identification, pursuit, acquisition and implementation of alternatives to groundwater sources,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

FY17 Budget Requests

There were no budget requests for FY17.

Performance Measures: Well Planned Community

The City Council measure for “Adequate infrastructure and services to support growth and to sustain our existing community” is recommendations from Utilities master plans included and funded in the five-year CIP.



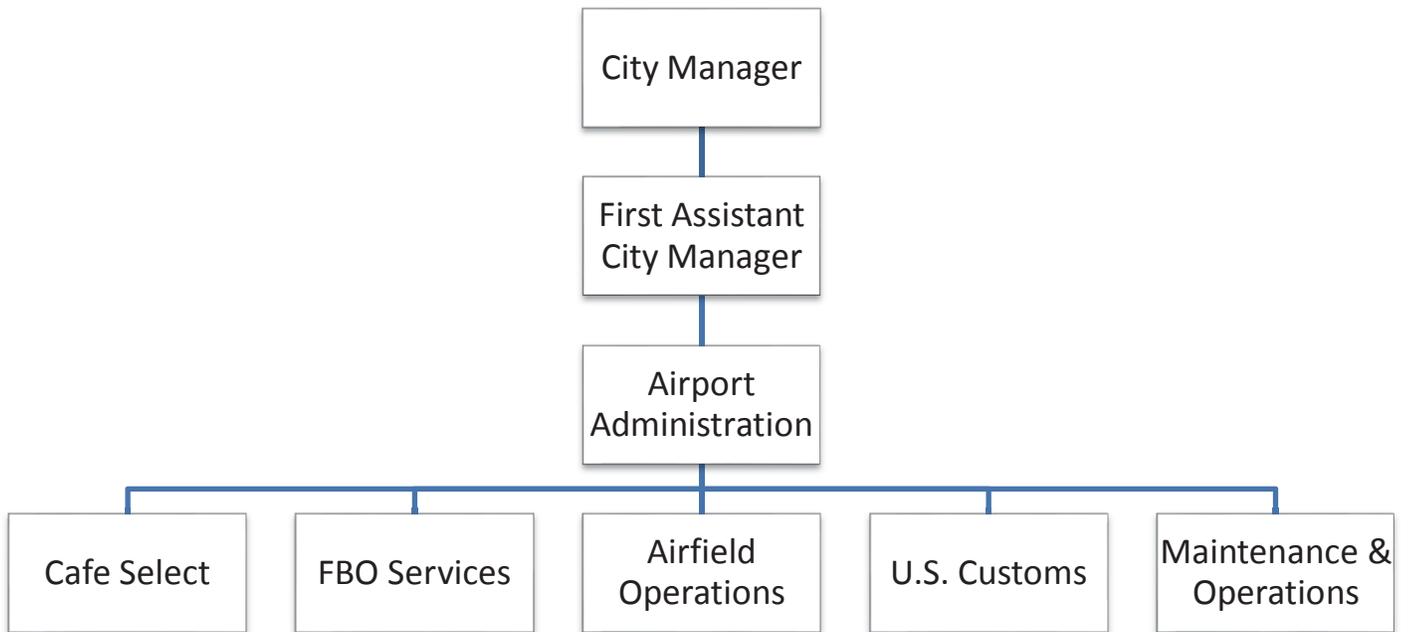
Surface Water

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 938,149	\$ 1,013,022	\$ 1,003,133	\$ 1,058,249	\$ -	\$ 1,058,249
Supplies	1,229,271	1,597,341	1,422,587	1,587,611	-	1,587,611
Professional Services	1,922,798	2,167,433	2,353,185	2,576,373	-	2,576,373
Repairs & Maintenance	378,875	413,988	413,988	421,988	-	421,988
Purchased Services	127,510	273,799	189,349	278,551	-	278,551
Capital/Other	1,575	-	-	-	-	-
Category Totals	\$ 4,598,178	\$ 5,465,583	\$ 5,382,242	\$ 5,922,772	\$ -	\$ 5,922,772

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Surface Water	11.50	12.50	-	12.50	-	12.50
FTE Count Totals	11.50	12.50	-	12.50	-	12.50

Airport Fund Organizational Chart

As of October 1, 2016



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 246,143 gallons of fuel per month during FY17. The City serves as a fixed based operator by providing fuel and general aviation customer services.

Fiscal Year 2016

Total revenues for FY16 are projected to be \$19,716,262. Projected operating revenues total \$14,074,878, which includes \$11,905,118 in fuel sales, \$1,335,200 in hangar leases, \$12,000 in interest income and \$822,560 in miscellaneous revenues from rental cars, ramp fees and other fees. Non-operating revenues are projected to total \$5,641,384 and consist of transfers in, bond proceeds and grants.

Total expenses for FY16 are projected to be \$21,546,117. Operating expenses, which include Administration, FBO Services, Airfield Operations, Café Select, US Customs and Maintenance programs, are projected to be \$12,263,494. Non-operating expenses are projected to total \$9,282,623 and include transfers for capital projects, administrative overhead, and debt service payments. Transfer to the Airport CIP includes \$3,280,753 for acquisition of former Central Prison Unit property. Ending cash equivalent balance at 9/30/16 is projected to be \$3,816,050; which is \$246,487 lower than the budgeted ending balance of \$4,062,537.

Fiscal Year 2017

Total operating revenues for FY17 are budgeted at \$15,285,731. Revenues from fuel sales are budgeted at \$13,014,971, a 9.3% increase over FY16 projections due to an increase in fuel prices. Gallons sold are estimated to increase 3.5% over FY16 projections. Non-operating revenues in FY17 are budgeted at \$2,504,680, which includes grant proceeds of \$50,000, bond proceeds of \$2,200,000 and operating transfers in of \$254,680. The transfers from the General Fund and Debt Service Fund are equal to the estimated property taxes collected on taxable value at the airport. The transfer from the Sugar Land Development Corporation is for international marketing efforts.

Total operating expenses are budgeted at \$13,231,615, which include the Administrative, Airfield Operations, FBO Services, Café Select, US Customs and Maintenance programs. Expenses are increasing by \$493,318 over the base budget largely due to capital items and recurring additions. The FY17 budget includes one and a half additional positions for a General Maintenance Worker and a Part-Time Custodian, which totals \$68,318. Other recurring additions for \$35,500 include fuel farm maintenance, wildlife dispersal equipment & training, and emergency generator repair. One-time additions for \$389,500 include funds for new tractor, tug, ground power unit, operations vehicle, air traffic control tower internal renovation, crew suite and patio upgrades, fuel farm shed with spill equipment, and expenses in order to prepare for the expected increase in aviation services for Super Bowl LI.

Total non-operating expenses are estimated at \$4,618,276, which includes the transfer of funds to the Airport CIP, overhead reimbursement to the General Fund, and debt service payments on outstanding Airport bonds. The transfer to the Airport CIP includes \$2,200,000 for the construction of an Airport Maintenance Building project. Ending cash equivalent balance at 9/30/17 is expected to be \$3,799,350.

Financial Analysis

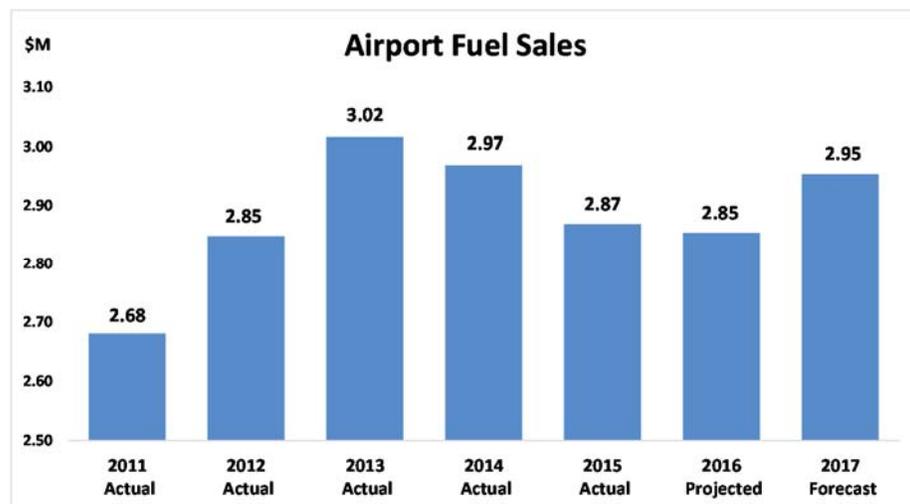
As the Airport is intended to be financially independent and self-supporting, financial ratios are used to analyze financial position and operating results. A comparison based on FY16 projections and FY17 budget amounts is shown below.

Airport Fund

	Projections FY16	Budget FY17
Cash Reserve Ratio	80%	74%
Direct Bond Coverage	1.61	1.67

Cash reserve ratios for both FY16 projections and FY17 are above the targeted minimum of 25% of expenses net of fuel for resale. The bond coverage ratio is above the target of 1.25 for both FY16 projections and FY17.

The graph below shows gallons of fuel sold. FY16 projections and the FY17 budget both show conservative fuel sales due to current trends. The aviation community has recognized Sugar Land as a great place to land and base their aircraft, not only for the convenience as a gateway to the greater Houston area, but also for the highest level of customer service.



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

	FY15	FY16	FY16	FY17	FY17	FY17
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Fuel Sales	\$ 11,551,592	\$ 12,645,893	\$ 11,905,118	\$ 13,014,971	\$ -	\$ 13,014,971
Hangar Leases	1,393,579	1,398,571	1,335,200	1,362,200	-	1,362,200
Miscellaneous Revenues	802,943	796,165	822,560	896,560	-	896,560
Interest Income	23,266	7,000	12,000	12,000	-	12,000
Total Operating Revenues	13,771,381	14,847,629	14,074,878	15,285,731	-	15,285,731
Operating Transfers In	259,973	2,245,960	2,245,960	254,680	-	254,680
Grant Proceeds	90,599	50,000	50,000	50,000	-	50,000
Bond Proceeds	1,784,569	3,345,424	3,345,424	2,200,000	-	2,200,000
Total Non-Operating Revenues	2,135,141	5,641,384	5,641,384	2,504,680	-	2,504,680
Total Revenues	15,906,523	20,489,013	19,716,262	17,790,411	-	17,790,411
EXPENSES						
Airport Administration	994,358	1,159,877	1,159,877	1,037,637	33,000	1,070,637
Airfield Operations	149,212	279,530	279,530	299,936	100,500	400,436
FBO Services	8,645,844	9,913,292	9,436,394	10,005,390	168,500	10,173,890
Café Select	196,639	265,046	265,046	268,875	-	268,875
Customs	212,991	204,898	204,898	209,898	-	209,898
Maintenance and Operations	681,055	917,749	917,749	916,561	191,318	1,107,879
Total Operating Expenses	10,880,099	12,740,392	12,263,494	12,738,297	493,318	13,231,615
Other Requirements	1,086,841	1,164,506	1,128,719	1,211,143	-	1,211,143
Miscellaneous	79,323	254,959	238,959	230,223	-	230,223
Payment to Escrow Account	-	3,340,665	3,340,665	-	-	-
Inter-Fund Loan & Reimbursement	-	-	-	-	-	-
Operating Transfers Out	2,800,692	4,571,859	4,574,280	3,176,910	-	3,176,910
Total Non-Operating Expenses	3,966,856	9,331,989	9,282,623	4,618,276	-	4,618,276
Total Expenses	14,846,954	22,072,381	21,546,117	17,356,573	493,318	17,849,891
NET INCOME (LOSS)	1,059,568	(1,583,368)	(1,829,855)	433,838	(493,318)	(59,480)
CASH EQUIVALENTS BEGINNING	5,288,883	6,348,451	6,348,451	4,518,596	3,799,350	4,518,596
Debt Service Reserve	(733,383)	(702,546)	(702,546)	(659,766)		(659,766)
CASH EQUIVALENTS ENDING	\$ 5,615,068	\$ 4,062,537	\$ 3,816,050	\$ 4,292,668	\$ 3,306,032	\$ 3,799,350
CASH EQ. RESERVE RATIO (25% min)		85%	80%	90%		74%
BOND COVERAGE (1.25x min)		2.00	1.61	2.06		1.67
FUEL GALLONS SOLD	2,868,057	3,031,285	2,853,717	2,953,717		2,953,717

**CITY OF SUGAR LAND
AIRPORT
SUMMARY OF REVENUES**

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES:						
Fuel Sales	11,551,592	12,645,893	11,905,118	13,014,971		13,014,971
Lease/Rental						
Short Term Land Lease	67,580	85,080	43,000	44,000	-	44,000
Long Term Land Lease	120,380	124,884	120,000	122,000	-	122,000
Corporate Hangar (I) Lease	172,688	175,407	168,000	171,000	-	171,000
Corporate Hangar (II) Lease	85,957	86,000	86,000	88,000	-	88,000
Northwest (I) Hangar Lease	42,924	50,000	43,000	44,000	-	44,000
Northwest (II) Hangar Lease	60,000	60,000	40,000	41,000	-	41,000
Leased Premises	48,925	60,000	46,000	47,000	-	47,000
Tie Downs	7,200	7,200	7,200	7,200	-	7,200
T - Hangar Rental	787,926	750,000	782,000	798,000	-	798,000
Total Lease/Rental	1,393,579	1,398,571	1,335,200	1,362,200		1,362,200
TOTAL FUEL/RENTAL REVENUE	12,945,172	14,044,464	13,240,318	14,377,171	-	14,377,171
OTHER REVENUES:						
Café Revenue	75,070	70,000	84,000	88,000	-	88,000
Parking Revenues (from expansion)	2,175	-	1,000	1,000	-	1,000
Rental Cars	359,958	347,000	400,000	440,000	-	440,000
Ramp Fees	209,855	212,000	201,000	230,000	-	230,000
Gift Shop	640	1,300	360	360	-	360
Jet Fuel Additive - Prist	25,968	25,500	25,000	26,000	-	26,000
Catering Commission	8,310	8,000	4,800	4,800	-	4,800
Royalties - Mineral	323	350	-	-	-	-
Call Out Fees	4,750	3,000	5,000	5,000	-	5,000
Aircraft Maintenance	1,707	2,000	1,400	1,400	-	1,400
Miscellaneous	114,188	127,015	100,000	100,000	-	100,000
Total Miscellaneous	802,943	796,165	822,560	896,560	-	896,560
Interest Income	23,266	7,000	12,000	12,000		12,000
Total Operating Revenues	13,771,381	14,847,629	14,074,878	15,285,731		15,285,731
Transfers In from General Fund	113,218	105,190	105,190	109,380	-	109,380
Transfers In from SLDC	50,000	50,000	50,000	50,000	-	50,000
Transfers In from Debt&ervice Fun	96,756	90,770	90,770	95,300	-	95,300
Transfers In from Surface Water Fund		2,000,000	2,000,000			
Total Transfers In	259,973	2,245,960	2,245,960	254,680	-	254,680
Other Financing Sources:						
Grant Proceeds	90,599	50,000	50,000	50,000		50,000
Bond Proceeds	1,784,569	3,345,424	3,345,424	2,200,000		2,200,000
Total Non-Operating Revenues	2,135,141	5,641,384	5,641,384	2,504,680		2,504,680
TOTAL REVENUES	\$ 15,906,523	\$ 20,489,013	\$ 19,716,262	\$ 17,790,411	\$ -	\$ 17,790,411

**CITY OF SUGAR LAND
AIRPORT
SUMMARY OF REVENUES**

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES:						
Fuel Sales	11,551,592	12,645,893	11,905,118	13,014,971		13,014,971
Lease/Rental						
Short Term Land Lease	67,580	85,080	43,000	44,000	-	44,000
Long Term Land Lease	120,380	124,884	120,000	122,000	-	122,000
Corporate Hangar (I) Lease	172,688	175,407	168,000	171,000	-	171,000
Corporate Hangar (II) Lease	85,957	86,000	86,000	88,000	-	88,000
Northwest (I) Hangar Lease	42,924	50,000	43,000	44,000	-	44,000
Northwest (II) Hangar Lease	60,000	60,000	40,000	41,000	-	41,000
Leased Premises	48,925	60,000	46,000	47,000	-	47,000
Tie Downs	7,200	7,200	7,200	7,200	-	7,200
T - Hangar Rental	787,926	750,000	782,000	798,000	-	798,000
Total Lease/Rental	1,393,579	1,398,571	1,335,200	1,362,200		1,362,200
TOTAL FUEL/RENTAL REVENUE	12,945,172	14,044,464	13,240,318	14,377,171	-	14,377,171
OTHER REVENUES:						
Café Revenue	75,070	70,000	84,000	88,000	-	88,000
Parking Revenues (from expansion)	2,175	-	1,000	1,000	-	1,000
Rental Cars	359,958	347,000	400,000	440,000	-	440,000
Ramp Fees	209,855	212,000	201,000	230,000	-	230,000
Gift Shop	640	1,300	360	360	-	360
Jet Fuel Additive - Prist	25,968	25,500	25,000	26,000	-	26,000
Catering Commission	8,310	8,000	4,800	4,800	-	4,800
Royalties - Mineral	323	350	-	-	-	-
Call Out Fees	4,750	3,000	5,000	5,000	-	5,000
Aircraft Maintenance	1,707	2,000	1,400	1,400	-	1,400
Miscellaneous	114,188	127,015	100,000	100,000	-	100,000
Total Miscellaneous	802,943	796,165	822,560	896,560	-	896,560
Interest Income	23,266	7,000	12,000	12,000		12,000
Total Operating Revenues	13,771,381	14,847,629	14,074,878	15,285,731		15,285,731
Transfers In from General Fund	113,218	105,190	105,190	109,380	-	109,380
Transfers In from SLDC	50,000	50,000	50,000	50,000	-	50,000
Transfers In from Debt Service Fund	96,756	90,770	90,770	95,300	-	95,300
Transfers In from Surface Water Fund		2,000,000	2,000,000			
Total Transfers In	259,973	2,245,960	2,245,960	254,680	-	254,680
Other Financing Sources:						
Grant Proceeds	90,599	50,000	50,000	50,000		50,000
Bond Proceeds	1,784,569	3,345,424	3,345,424	2,200,000		2,200,000
Total Non-Operating Revenues	2,135,141	5,641,384	5,641,384	2,504,680		2,504,680
TOTAL REVENUES	\$ 15,906,523	\$ 20,489,013	\$ 19,716,262	\$ 17,790,411	\$ -	\$ 17,790,411

Airport

Mission Statement

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

Services Provided

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

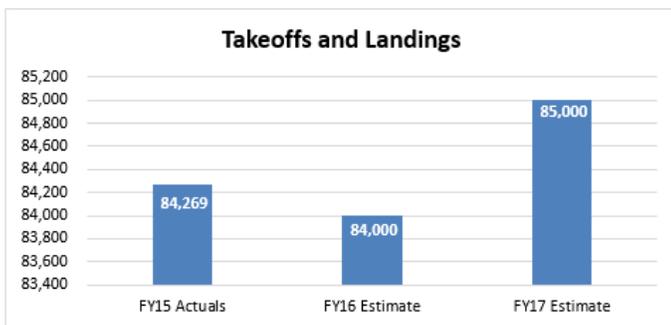
Programs of Service

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

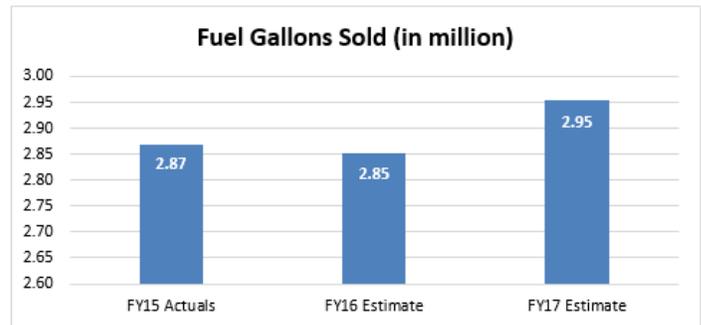
FY17 Requests

Total expenses are increasing by \$493,318 over the base budget. The FY17 budget includes one and a half additional positions. These positions include a GM worker to mow additional land acquired from the Central Prison Unit, a part-time custodian to maintain service levels, other recurring additions are for fuel farm maintenance, wildlife dispersal equipment & training, and emergency generator repair. One-time additions include funds for new tractor, tug, ground power unit, operations vehicle, air traffic control tower internal renovations, crew suite and patio upgrades and fuel farm shed with spill equipment, and expenses for the expected increase in aviation traffic for Super Bowl LI. The additions are in an effort to continue to deliver the same level of excellent customer service as the airport continues to grow in size.

Performance Measures: Strong Local Economy



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



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

Airport

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 2,357,929	\$ 2,681,149	\$ 2,681,149	\$ 2,926,768	\$ 68,318	\$ 2,995,086
Supplies	7,081,129	8,224,208	7,764,376	8,350,006	18,500	8,368,506
Professional Services	682,927	968,889	968,889	757,210	-	757,210
Repairs & Maintenance	135,107	246,482	245,182	270,729	153,500	424,229
Purchased Services	366,985	391,765	377,579	371,584	12,000	383,584
Capital/Other	256,022	227,899	226,319	62,000	241,000	303,000
Category Totals	\$ 10,880,099	\$ 12,740,392	\$ 12,263,494	\$ 12,738,297	\$ 493,318	\$ 13,231,615

Summary by Type	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Airport Administration	994,358	1,159,877	1,159,877	1,037,637	33,000	1,070,637
Airfield Operations	149,212	279,530	279,530	299,936	100,500	400,436
FBO Services	8,645,844	9,913,292	9,436,394	10,005,390	168,500	10,173,890
Café Select	196,639	265,046	265,046	268,875	-	268,875
U.S. Customs	212,991	204,898	204,898	209,898	-	209,898
Maintenance & Operations	681,055	917,749	917,749	916,561	191,318	1,107,879
Category Totals	\$ 10,880,099	\$ 12,740,392	\$ 12,263,494	\$ 12,738,297	\$ 493,318	\$ 13,231,615

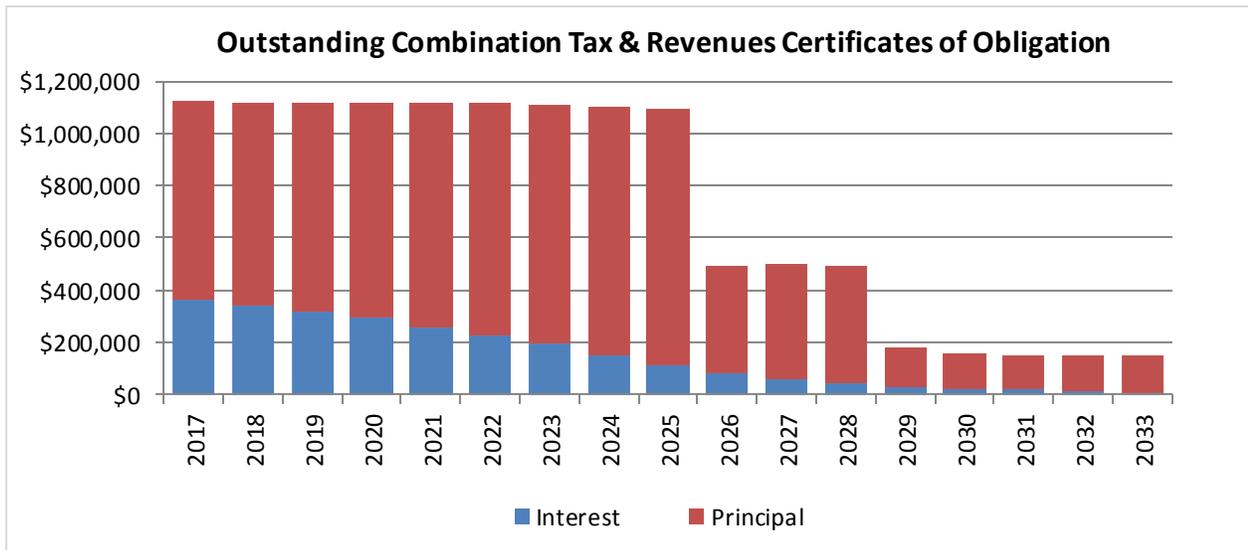
FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Airport Administration	6.00	6.00	1.00	7.00	-	7.00
Airfield Operations	2.00	3.00	-	3.00	-	3.00
FBO Services	23.50	23.50	(1.00)	22.50	-	22.50
Café Select	2.50	2.50	0.50	3.00	-	3.00
Maintenance & Operations	8.00	9.00	-	9.00	1.50	10.50
FTE Count Totals	42.00	44.00	0.50	44.50	1.50	46.00

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

Fiscal Year	Principal	Interest	Total
2017	\$ 757,559	\$ 365,604	\$ 1,123,163
2018	772,559	343,974	1,116,533
2019	795,000	320,892	1,115,892
2020	820,000	293,679	1,113,679
2021	860,000	260,548	1,120,548
2022	890,000	227,361	1,117,361
2023	920,000	192,817	1,112,817
2024	950,000	153,342	1,103,342
2025	985,000	112,392	1,097,392
2026	415,000	81,870	496,870
2027	435,000	62,082	497,082
2028	455,000	41,354	496,354
2029	150,000	27,857	177,857
2030	135,000	22,767	157,767
2031	135,000	18,437	153,437
2032	140,000	13,988	153,988
2033	140,000	9,372	149,372
2034	110,000	5,313	115,313
2035	115,000	1,797	116,797
TOTAL	\$ 9,980,118	\$ 2,555,445	\$ 12,535,563

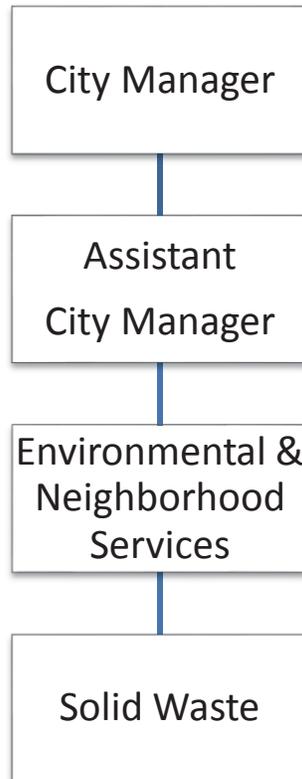
Series	Outstanding	Maturity
2012A	\$ 4,640,000	2025
2013	650,000	2033
2015	1,615,000	2035
2015	2,795,000	2028
2016	55,118	2018
2016	225,000	2029
TOTAL	\$ 9,980,118	

* Does not include anticipated issuance of new debt



Solid Waste Fund Organizational Chart

As of October 1, 2016



Solid Waste Fund

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

Republic Services is the sole provider of solid waste services in the City at a cost to residents of \$17.23 per household per month. Beginning January 1, 2017, a 4.5% proposed contractual increase in cost for resident rates will result in a new monthly rate of \$18.00.

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

Fiscal Year 2016

Total revenues for FY16 are projected to be \$5,934,603 and include \$5,339,671 from collection and recycling fees, \$584,136 from franchise fees, \$7,400 in commercial license fees, \$1,700 in miscellaneous revenues, \$1,500 from recycling programs and \$196 in interest income. There were no anticipated grant revenues received for recycling programs.

Total expenses are projected to be \$5,999,857, which includes personnel, contracted services, and general operating costs. Personnel expenses total \$176,097 for contract monitoring and program administration. The estimated annual cost for solid waste and curbside recycling programs contracted with Republic Services is \$5,234,376. General operations & maintenance costs are projected to be \$152,129 which includes an additional \$100,000 needed to remediate environmental issues that occurred during the year. The Solid Waste Fund transfer of \$429,834 is to the Fleet Replacement Fund, and the General fund for Capital Project funding.

The estimated ending cash equivalents balance at 9/30/2016 is projected to be \$344,833.

Fiscal Year 2017

Total revenues for FY17 are budgeted at \$6,211,480. Total budgeted revenue from residential collection and recycling fees is \$5,604,032. The City does not bill for Commercial Services; businesses contract and pay Republic directly. Other revenues include \$596,648 from franchise fees, \$7,400 in commercial license fees, \$1,700 in miscellaneous revenues, \$1,500 from recycling programs, and \$200 in interest income.

Total expenses are \$6,241,528 and include \$210,775 in personnel expenses for contract monitoring and program administration, \$5,482,087 for the solid waste contract, and \$77,129 in operation and maintenance costs, and \$50,000 in contingency. Transfers out total \$421,537 and include transfers to the Fleet Replacement Fund and the CIP Fund. The transfer to the CIP Fund includes \$300,000 to support increased pavement rehabilitation efforts in Public Works.

The estimated ending cash equivalents balance as of 9/30/2017 is estimated to be \$314,786.

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Solid Waste Collections	\$ 5,183,695	\$ 5,450,429	\$ 5,339,671	\$ 5,523,712	\$ 80,320	\$ 5,604,032
Franchise Fees	583,676	538,855	584,136	592,632	4,016	596,648
Commercial SW License	3,000	-	7,400	7,400	-	7,400
Miscellaneous	2,126	-	1,700	1,700	-	1,700
Recycling Programs	494	-	1,500	1,500	-	1,500
Interest Income	194	-	196	200	-	200
Grants - Solid Waste Education	26,036	-	-	-	-	-
Total Revenues	5,799,221	5,989,284	5,934,603	6,127,144	84,336	6,211,480
EXPENDITURES						
Contractual Services	5,060,006	5,234,376	5,234,376	5,401,767	80,320	5,482,087
Salary & Benefits	158,757	176,097	176,097	210,775	-	210,775
Education Programs	225	-	-	-	-	-
Operations & Maintenance	35,131	52,129	152,129	77,129	-	77,129
Operating Expenses	5,254,119	5,462,602	5,562,602	5,689,671	80,320	5,769,991
Transfers Out	416,464	429,834	429,834	421,537	-	421,537
Miscellaneous	-	7,421	7,421	50,000	-	50,000
Total Expenses	5,670,583	5,899,857	5,999,857	6,161,208	80,320	6,241,528
Net Income (Loss)	128,637	89,427	(65,254)	(34,064)	4,016	(30,048)
Cash Equivalents - Beginning	281,450	410,087	410,087	344,833	-	344,833
Cash Equivalents - Ending	\$ 410,087	\$ 499,514	\$ 344,833	\$ 310,770	\$ 4,016	\$ 314,786

Solid Waste

Services Provided

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

Programs of Service

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

FY17 Requests

There were no budget requests added to the Solid Waste budget in FY17. Contractual services increase of \$80,320 have been incorporated into the FY17 budget related to the increasing costs associated with recycling.

Performance Measures: Responsible City Government Services

The key measure for the Solid Waste Fund is the number of households serviced as the City outsources residential solid waste collection. As the number of households increases, additional demands are placed on the contractor. At the end of FY17, it is estimated 26,315 households will be served.

Summary by Category	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Salary & Benefits	\$ 158,757	\$ 176,097	\$ 176,097	\$ 210,775	\$ -	\$ 210,775
Supplies	3,954	4,971	3,917	4,874	-	4,874
Professional Services	5,062,711	5,251,569	5,301,569	5,406,572	80,320	5,486,892
Repairs & Maintenance	1,032	1,300	1,300	1,300	-	1,300
Purchased Services	26,375	28,665	28,665	41,150	-	41,150
Capital/Other	1,291	-	-	25,000	-	25,000
Category Totals	\$ 5,254,119	\$ 5,462,602	\$ 5,511,548	\$ 5,689,671	\$ 80,320	\$ 5,769,991

FTE Count	FY15 Budget	FY16 Budget	FY16 Adjustments	FY17 Base Budget	FY17 Changes	FY17 Budget
Solid Waste	2.50	2.50	-	2.50	-	2.50
FTE Count Totals	2.50	2.50	-	2.50	-	2.50

Internal Service Funds

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

Employee Benefits Fund

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

Fiscal Year 2016

FY16 contributions from the City, employees, and retirees are projected to total \$8,986,788 with an interest income of \$651. The total projected revenues for FY16 is \$8,987,439.

Projected expenses total \$8,749,030 and include insurance premiums, claim payments, administrative fees, and unemployment compensation. The projected cash equivalents balance at 9/30/16 is \$374,068.

Fiscal Year 2017

FY17 total revenues are budgeted at \$9,383,003 which are contributions from the City, employees, and interest income. The budget anticipates an increase of 6.2% in health benefits costs in FY17.

FY17 total expenses are budgeted at \$9,319,803. This includes claims payment and other premiums of \$8,958,177 as well as other expenses of \$361,626. The budgeted ending cash equivalents balance at 9/30/17 is \$437,268. The \$1,250,000 reserve for self-insurance the City established upon implementing the self-funded model is still fully intact.

Fleet Replacement Fund

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

Fiscal Year 2016

The projected contributions, auction proceeds, and other revenues total \$1,071,668. Expenses for purchase of vehicles, and related equipment total \$1,962,906, which includes a carryover of \$477,454, leaving a projected ending cash equivalent balance of \$1,606,958.

Fiscal Year 2017

Total revenues are budgeted at \$1,551,477. Contributions from participating funds total \$1,320,477 including one-time funds of \$91,500 to purchase new vehicles. Insurance reimbursement, sale of property and interest income total \$231,000. This includes insurance proceeds for vehicles that are totaled and replaced prior to their planned replacement date.

Total expenditures are budgeted at \$1,546,056, for the replacement of 30 vehicles and includes the purchase of 2 new vehicles. Also included are funds to place vehicles in operation, such as decal work, the installation of electronic equipment, and a contingency of 10% to ensure adequate funds are available in the event prices increase. The budget also includes funds for unexpected replacements due to insurance totaling. The budgeted ending cash equivalents balance at 9/30/17 is 1,612,379.

High-Technology Replacement Fund

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

Fiscal Year 2016

Projected revenues for FY16 total \$1,376,152 and expenditures are projected at \$1,432,742. Expenditures include computers, printers, servers, routers, installations, and public safety radios. The projected ending cash equivalent balance is \$1,899,181.

Fiscal Year 2017

Budgeted revenues total \$1,265,650 and include transfers from other funds. Contributions to the fund include payments for equipment replacement according to the schedule identified in the High Tech Replacement policy. Total expenditures are budgeted at \$1,264,180 and includes \$532,037 for replacement of IT managed items and \$732,143 for replacement of Public Safety technology such as radios, in-car video systems and radars. The budgeted ending cash equivalent balance at 9/30/17 is \$1,900,651.

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Contributions	\$ 7,506,707	\$ 8,907,929	\$ 8,986,788	\$ 9,382,703	-	\$ 9,382,703
Miscellaneous	-	-	-	-	-	-
Interest Income	255	2,000	651	300	-	300
Operating Revenues	7,506,962	8,909,929	8,987,439	9,383,003	-	9,383,003
Transfers In	950,000	-	-	-	-	-
Total Revenues	8,456,962	8,909,929	8,987,439	9,383,003	-	9,383,003
EXPENDITURES						
Premiums & Claims	7,800,093	8,408,055	8,464,865	8,958,177	-	8,958,177
Other	601,234	371,121	284,165	361,626	-	361,626
Total Expenditures	8,401,327	8,779,176	8,749,030	9,319,803	-	9,319,803
Net Income (Loss)	55,635	130,753	238,409	63,200	-	63,200
Cash Equivalents- Beginning	1,330,025	1,385,659	1,385,659	1,624,068	-	1,624,068
Reserve for Self Insurance		(1,250,000)	(1,250,000)	(1,250,000)	-	(1,250,000)
Cash Equivalents - Ending	1,385,659	266,412	374,068	437,268	-	437,268

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

	FY15	FY16	FY16	FY17	FY17	FY17
	Actuals	Current Budget	Projections	Base Budget	Changes	FY17 Budget
REVENUES						
Sale of Property	\$ 51,182	\$ 97,500	\$ 90,000	\$ 75,000	\$ -	\$ 75,000
Insurance Reimbursement	1,000	140,000	40,000	140,000	-	140,000
Interest Income	13,288	9,000	19,000	16,000	-	16,000
Transfers From Other Funds	979,962	922,668	922,668	1,228,977	91,500	1,320,477
Miscellaneous	67	-	-	-	-	-
Total Revenues	1,045,499	1,169,168	1,071,668	1,459,977	91,500	1,551,477
EXPENDITURES						
Vehicles & Contractual Service	797,186	2,062,906	1,962,906	1,454,556	91,500	1,546,056
Total Expenditures	797,186	2,062,906	1,962,906	1,454,556	91,500	1,546,056
Net Income (Loss)	248,313	(893,738)	(891,238)	5,421	-	5,421
Cash Equivalents- Beginning	2,249,883	2,498,196	2,498,196	1,606,958	-	1,606,958
Cash Equivalents- Ending	\$ 2,498,196	\$ 1,604,458	\$ 1,606,958	\$ 1,612,379	-	\$ 1,612,379
Minimum Balance per FMPS		\$ 757,798	\$ 757,798	1,071,018		785,494
Over (Under) Policy		846,660	849,160	541,361		826,885

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Sale of Capital Property	\$ 1,388	\$ -	\$ -	\$ 1,390	\$ -	\$ 1,390
Interest Income	12,727	-	15,000	12,739	-	12,739
Transfers	1,293,521	1,361,152	1,361,152	1,245,371	6,150	1,251,521
Total Revenues	1,307,635	1,361,152	1,376,152	1,259,500	6,150	1,265,650
EXPENDITURES						
Equipment & Contractual Services	1,196,128	1,377,742	1,432,742	1,258,030	6,150	1,264,180
Total Expenditures	1,196,128	1,377,742	1,432,742	1,258,030	6,150	1,264,180
Revenues Over/Under Expenditures	111,507	(16,590)	(56,590)	1,470	-	1,470
Cash Equivalents- Beginning	1,844,264	1,955,771	1,955,771	1,899,181	-	1,899,181
Cash Equivalents- Ending	\$ 1,955,771	\$ 1,939,181	\$ 1,899,181	\$ 1,900,651	\$ -	\$ 1,900,651

Total Inventory Value (IT Only)	\$ 4,436,019	\$ 4,436,019	\$ 4,791,063	\$ 4,791,063
Min Fund Balance per FMPS	443,602	443,602	479,106	479,106
Requirement over/(under)	1,495,579	1,455,579	1,421,545	1,421,545

Component Units

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

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

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

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

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

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

Sugar Land Development Corporation

Fiscal Year 2016

Total revenues are projected to be \$7,464,043, which includes sales tax of \$6,526,500, interest income of \$87,543, and an assignment from TIRZ#1 for \$850,000.

Expenditures are projected at \$16,722,400 and include Economic Development Program costs of \$575,704. These expenditures 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 \$1,963,148. Capital Projects Reimbursement is estimated to be \$8,053,540. Projects funded by the corporation include Smart Financial Centre, Land Acquisition, Industrial Widening, and TIRZ#4 Parking/Infrastructure/Marquee. The Corporation projects to pay \$92,140 for a sales tax incentive grant and \$4,226,346 for debt service. Contractual services are estimated at \$12,590. Transfer to other funds for \$1,798,932 includes \$1,110,999 to the Taxable CO Debt Service Fund, \$50,000 to the Airport Fund for international marketing, and \$637,933 to the General Fund for cost allocation overhead, reimbursement of staff salaries, and CIP management fees.

Projected available funding at 9/30/16 is \$1,544,259. The fund balance is \$891,609 higher than the policy requirement of \$652,650.

Fiscal Year 2017

Revenues are budgeted at \$7,356,750. Sales tax is estimated at \$6,373,750 based on a 2.4% decrease of FY16 projections. Budgeted interest income is \$83,000. An estimated assignment of \$900,000 from TIRZ#1 supports the debt service requirement on the sales tax revenue bonds issued for Town Square infrastructure.

Budgeted expenditures total \$8,259,929. Economic Development Program expenditures total \$597,018, and include items such as business recruitment, travel and training, dues and memberships, professional services for marketing efforts, research and advertising. The budget includes \$1,700,000 for economic development incentives. Capital Projects Reimbursements total \$500,000 for Land Planning. The Corporation has a sales tax incentive grant of \$96,740 budgeted and debt service of \$4,185,890 for outstanding issues. Contractual services are budgeted at \$12,590. Transfers to other funds include \$50,000 to the Sugar Land Regional Airport for international marketing, \$562,191 to the General Fund for Economic Development staff, support services and CIP management fee. Also included in the transfers is \$555,500, which will cover December payment on the \$27 million taxable CO's for the Smart Financial Centre at Sugar Land. This amount will be transferred to the Taxable Debt Service Fund. Upon completion, the lease payments from ACE Sugar Land, LLC will support this bond issue.

Estimated available funding at 9/30/17 is \$641,080. The Corporation has a bond coverage ratio of 1.56, which is above the 1.25 minimum. Ending fund balance is \$3,705 over the policy requirements, which is 10% of the budgeted sales tax. The policy requirement was changed in FY16 by Council policy from 10% to 15% effective from FY18.

Sugar Land 4B Corporation

Fiscal Year 2016

Total revenues are projected to be \$6,825,797. This includes sales tax for \$6,526,500, interest income of \$65,000, TIRZ#1 assignment of \$154,297 and miscellaneous revenue of \$80,000 from the Sugar Land Skeeters.

Total expenditures are projected to be \$11,557,286. Economic Development program costs are projected to be \$760,284. Transfers to Capital Projects are projected to be \$7,011,657. These projects include the Festival Site, Universally Accessible Playground at First Colony Park, Settlers Way Park, Gannoway Lake Park, Town Center Pedestrian and Bicycle, Industrial Widening, Plaza, and Joint Participation in CIP, and Mayfield Park. Debt Service payments are estimated at \$3,366,138 and contractual services at \$327,067, which includes reimbursement to the City for staff support and project management.

Projected available funding at 9/30/16 is \$1,075,221. The fund balance is projected to be \$422,571 higher than policy requirements of \$652,650, which constitutes 10% of budgeted sales tax.

Fiscal Year 2017

Total revenues are projected to be \$6,666,154. This includes sales tax for \$6,373,750, interest income of \$57,000, TIRZ#1 assignment of \$155,404 and miscellaneous revenue of \$80,000, which is lease payment for off-site parking at Constellation Field.

Expenditures total \$5,927,237. Economic Development Program expenditures total \$561,621. Capital projects funding is budgeted at \$1,447,000, which includes Joint Participation in CIP, Wayfinding for Pedestrian and Bicycle, SH6 Beautification Planning, US 59 Landscape Beautification, Public Arts Project, Hotel and Conference Center and Land Planning, and Industrial Widening. Debt Service is budgeted at \$3,345,919 and contractual services are at \$475,957, which includes reimbursement for support staff.

Estimated available funding at 9/30/17 is \$1,866,257. Ending fund balance is \$1,288,882 over the policy requirements, which is 10% of the budgeted sales tax. The policy requirement was changed in FY16 by Council policy from 10% to 15% effective from FY18.

Tax Increment Reinvestment Zone #1

Fiscal Year 2016

Revenues for FY16 are projected to be \$1,274,020, \$10 less than budget of \$1,274,030. The budget for incremental taxes was based on the 2015 certified tax roll of \$137 million. Property taxes allocated from the City, Fort Bend County and LID#2 total \$1,273,245 and interest income is projected at \$450. Income from underground conduit leases is projected at \$325.

Expenditures are projected to be \$1,335,013 and include \$250,000 for marketing events in Town Square put on by the Town Square Property Owners Association. Assignments totaling \$1,004,297 were made to Sugar Land Development Corporation and Sugar Land 4B Corporation toward repayment of debt issued in December 2005 for developer reimbursements in Town Square. The projected ending fund balance at 9/30/16 is \$13,554.

Fiscal Year 2017

Revenues are budgeted to be \$1,391,902, which includes property taxes for \$1,391,512, interest income for \$250 and underground conduit for \$140. Property taxes is based on the added value from the 2016 certified tax roll for the TIRZ#1 of \$151 million and 2016 tax rates for each participating entity at a 99.5% collection rate.

Operating expenditures are estimated to be \$255,909, which includes \$250,000 for marketing events in Town Square, and \$5,909 for insurance, banking fees, auditing services, and administrative services from City staff. Non-operating expenditures include \$70,000 for Town Square Plaza events and anticipated assignment of revenues to the SLDC for \$900,000 and SL4B for \$155,403. The assignments will support a portion of the debt service requirements on sales tax revenue bonds issued in December 2005 to reimburse the developer for Town Square infrastructure and expansion of the Texas Garage. Estimated ending fund balance at 9/30/17 is \$24,144. TIRZ#1 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #3

Fiscal Year 2016

Revenues for FY16 are projected to be \$177,685. The budget for incremental taxes was based on the 2015 certified tax roll of \$112 million. Property taxes allocated from the City and County total \$177,486 and interest income is projected at \$200.

Expenditures are projected to be \$215,300 for administrative support, legal services, and an assignment to Imperial Redevelopment District. The projected ending fund balance at 9/30/16 is \$6,030.

Fiscal Year 2017

Revenues are budgeted to be \$324,798, which includes City and County property taxes for \$324,748 and interest income for \$50. Property taxes is based on the added value from the 2016 certified tax roll for the TIRZ#3 of \$266 million and 2016 tax rates for each participating entity at a 99.5% collection rate.

Operating expenditures are estimated to be \$376,293 for administrative support, legal and an assignment to Imperial Redevelopment District. Estimated ending fund balance at 9/30/17 is \$39. TIRZ#3 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #4

Fiscal Year 2016

Revenues for FY16 are projected to be \$499,768. Property taxes allocated from the City, County, and MUDs total \$498,977 and interest income is projected at \$791. Expenditures are projected to be \$80,000 for administrative support and legal services. The projected ending fund balance at 9/30/16 is \$979,248.

Fiscal Year 2017

Revenues are budgeted to be \$559,368, which includes City, County, and MUDs property taxes for \$558,618 and interest income for \$750. Operating expenditures are estimated to be \$80,000 for administrative support and legal services. Estimated ending fund balance at 9/30/17 is \$1,458,616. TIRZ#4 has no minimum fund policy balance requirement.

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

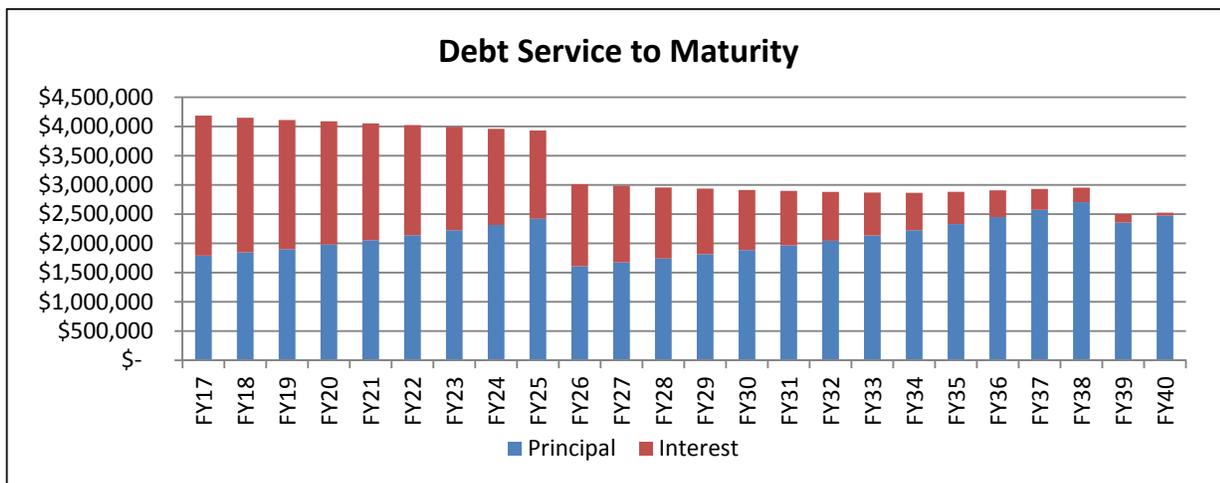
	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
Revenues						
Sales Tax	\$ 6,425,156	\$ 6,526,500	\$ 6,526,500	\$ 6,373,750	\$ -	\$ 6,373,750
Interest Income	100,631	55,452	87,543	83,000	-	83,000
TIRZ Assignments	850,000	890,384	850,000	900,000	-	900,000
Total Operating Revenues	7,875,787	7,472,336	7,464,043	7,356,750	-	7,356,750
Bond Proceeds	10,571,339	-	-	-	-	-
Total Revenues	18,447,127	7,472,336	7,464,043	7,356,750	-	7,356,750
Expenditures						
Economic Development Program	251,278	575,704	575,704	597,018	-	597,018
Economic Development Incentives	520,725	1,963,148	1,963,148	1,700,000	-	1,700,000
Capital Projects Reimbursement	1,547,633	8,053,540	8,053,540	500,000	-	500,000
Sales Tax Incentive Grant	81,550	96,740	92,140	96,740	-	96,740
Debt Service	10,826,602	4,226,346	4,226,346	4,185,890	-	4,185,890
Contractual Services	11,790	12,590	12,590	12,590	-	12,590
Transfers to Other Funds	1,099,718	1,798,932	1,798,932	1,167,691	-	1,167,691
Total Expenditures	14,339,296	16,727,000	16,722,400	8,259,929	-	8,259,929
Revenues Over/(Under) Expenditures	4,107,831	(9,254,664)	(9,258,357)	(903,179)	-	(903,179)
Fund Balance-Beginning	11,884,796	15,992,627	15,992,627	6,734,270	-	6,734,270
Fund Balance-Ending	15,992,627	6,737,963	6,734,270	5,831,091	-	5,831,091
Accrued Sales Tax	(1,060,915)	(1,048,559)	(1,048,559)	(1,048,559)	-	(1,048,559)
Debt Service Reserve	(4,025,198)	(4,187,081)	(4,141,452)	(4,141,452)	-	(4,141,452)
Fund Balance-Available	\$ 10,906,514	\$ 1,502,323	\$ 1,544,259	\$ 641,080	-	\$ 641,080
Minimum Fund Balance	\$ 642,516	\$ 652,650	\$ 652,650	\$ 637,375	-	\$ 637,375
Over/Under Policy	\$ 10,263,998	\$ 849,673	891,609	3,705	-	3,705
Bond Coverage Ratio (>1.25x)		1.52	1.52	1.56	-	1.56

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

	Principal	Interest	Total
FY17	\$ 1,790,000	\$ 2,395,290	\$ 4,185,290
FY18	1,845,000	2,304,296	4,149,296
FY19	1,900,000	2,210,621	4,110,621
FY20	1,980,000	2,108,984	4,088,984
FY21	2,055,000	1,998,721	4,053,721
FY22	2,140,000	1,884,090	4,024,090
FY23	2,225,000	1,768,821	3,993,821
FY24	2,315,000	1,644,571	3,959,571
FY25	2,420,000	1,512,268	3,932,268
FY26	1,610,000	1,402,659	3,012,659
FY27	1,675,000	1,311,318	2,986,318
FY28	1,740,000	1,216,346	2,956,346
FY29	1,815,000	1,122,215	2,937,215
FY30	1,885,000	1,028,807	2,913,807
FY31	1,965,000	933,457	2,898,457
FY32	2,045,000	835,944	2,880,944
FY33	2,135,000	734,110	2,869,110
FY34	2,225,000	639,431	2,864,431
FY35	2,330,000	552,075	2,882,075
FY36	2,450,000	457,600	2,907,600
FY37	2,575,000	355,478	2,930,478
FY38	2,705,000	248,172	2,953,172
FY39	2,355,000	146,100	2,501,100
FY40	2,475,000	49,500	2,524,500
	<u>\$ 50,655,000</u>	<u>\$ 28,860,873</u>	<u>\$ 79,515,873</u>

Outstanding Debt Issues

Series	Principal	Matures
2013	6,615,000	FY38
2014R	6,710,000	FY25
2014	37,330,000	FY40
Total	<u>\$ 50,655,000</u>	



**SUGAR LAND DEVELOPMENT CORPORATION
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2017**

CIP			
Project #	Project Name	Project Description	Amount
MU1707	Land Planning	The City plans to purchase the 258-acre Central Unit by the end of FY16. The property will be acquired for the development of enhancements at the Sugar Land Regional Airport, the creation of a public safety training center, to address regional drainage opportunities and preserve land for a future business park consistent with the future land use map and Comprehensive Plan.	\$ 500,000
TOTAL SLDC FUNDING			\$ 500,000

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

	FY15 Actuals	FY16 Current Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Sales Tax	\$ 6,425,156	\$ 6,526,500	\$ 6,526,500	\$ 6,373,750	\$ -	\$ 6,373,750
Interest Income	56,385	30,850	65,000	57,000	-	57,000
TIRZ#1 Assignment	152,911	154,297	154,297	155,404	-	155,404
TIRZ#3	-	82,992	-	-	-	-
Miscellaneous	196,391	80,000	80,000	80,000	-	80,000
Total Revenues	6,830,843	6,874,639	6,825,797	6,666,154	-	6,666,154
EXPENDITURES						
Economic Development Program	195,414	760,284	760,284	561,621	-	561,621
Transfer to Capital Projects	1,191,013	7,011,657	7,011,657	1,447,000	-	1,447,000
Sales Tax Incentive Grant	81,550	96,740	92,140	96,740	-	96,740
Debt Service	3,366,094	3,366,138	3,366,138	3,345,919	-	3,345,919
Contractual Services	526,092	327,127	327,067	475,957	-	475,957
Total Expenditures	5,360,162	11,561,946	11,557,286	5,927,237	-	5,927,237
Revenues Over/(Under) Exp's	1,470,681	(4,687,307)	(4,731,489)	738,917	-	738,917
Fund Balance-Beginning	8,545,515	10,016,196	10,016,196	5,284,707	-	5,284,707
Fund Balance-Ending	10,016,196	5,328,889	5,284,707	6,023,624	-	6,023,624
Accrued Sales Tax	(1,060,915)	(1,048,559)	(1,048,559)	(1,048,559)	-	(1,048,559)
Debt Service Reserve	(3,386,450)	(3,160,927)	(3,160,927)	(3,108,808)	-	(3,108,808)
Fund Balance-Available	\$ 5,568,831	\$ 1,119,403	\$ 1,075,221	\$ 1,866,257	\$ -	\$ 1,866,257
Minimum Fund Balance	\$ 642,516	\$ 652,650	\$ 652,650	\$ 637,375	\$ -	\$ 637,375
Over/Under Policy	\$ 4,926,315	\$ 466,753	422,571	1,228,882	-	1,228,882
Bond Coverage Ratio (>1.25x)		1.91	1.91	1.94	-	1.94

SUGAR LAND 4B CORPORATION
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2017

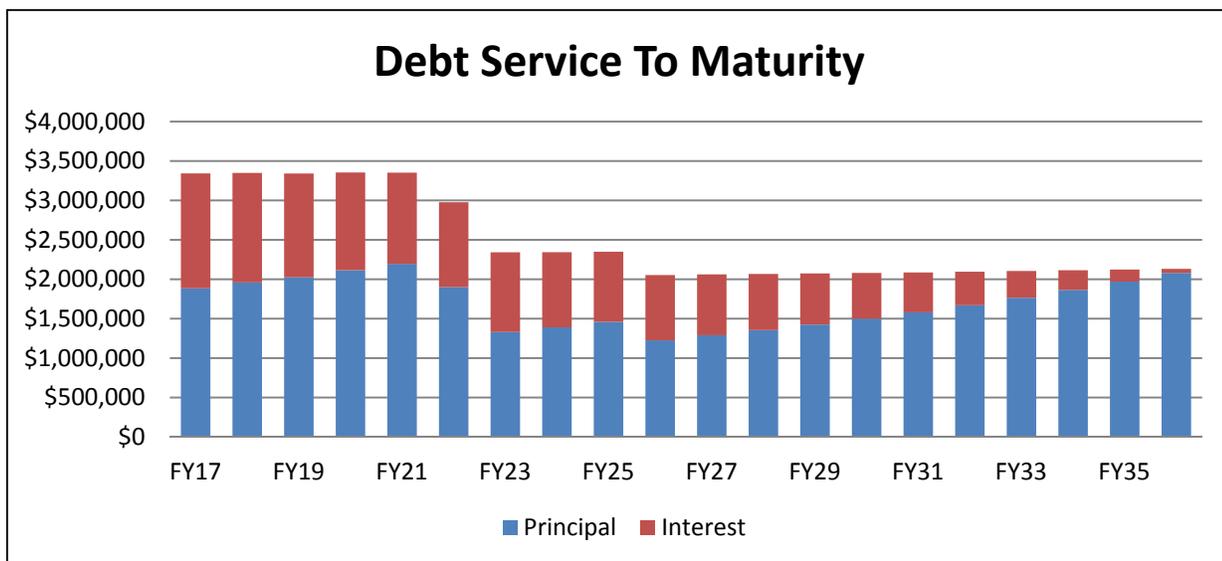
CIP			
Project #	Project Name	Project Description	Amount
MU1704	Hotel/Conference Center and Land Planning	Programmatic-level studies are needed to begin clarifying the spaces within and general layout of the hotel / conference center, as well as the types of adjacent land uses and sharing of parking on the remainder of the City's property. Funding will also provide for legal and other miscellaneous services associated with the development of the site and the hotel / conference center.	\$ 400,000
MU1705	Public Arts	Funds dedicated to implementing the Public Art Plan, which includes installation of temporary and permanent public artwork at various locations.	150,000
PK1703	Joint Participation in CIP	Provide funds for joint participation in CIP projects between the City and Citizen based organizations that benefit the general public. Take advantage of partnership opportunities to enhance and preserve the quality of life for City residents.	200,000
ST1506	Industrial Blvd. Reconstruction	Reconstruction of Industrial Boulevard between US 90A and Reed Road. The improvements will include the reconstruction of Industrial Blvd. from a two-lane open ditch roadway with a center turn lane to a four-lane divided concrete curb and gutter with storm drainage system. It will also include the relocation of existing waterline, sanitary sewer, traffic signal at new intersection, and reconfiguration of the intersection of Reed Rd. and Industrial Blvd.	405,000
ST1605	US59 Landscape Beautification	Continuation of landscape improvements along US 59 from University Blvd. to the Brazos River.	77,000
ST1703	SH6 Beautification Planning	Landscaping improvements done after completion of the SH6 widening project from Brooks Street to Lexington Blvd.	100,000
TR1701	Wayfinding for Pedestrian and Bikes Local Routes	Program created for targeted visitor oriented destinations in the City. Includes placement of strategic signs at select locations on local routes to better direct Pedestrian/ Bicycle Facilities users to these destinations. This is a continuation of the implementation of the Pedestrian/ Bike Master Plan.	115,000
TOTAL SL4B FUNDING			\$ 1,447,000

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

	Principal	Interest	Total
FY17	\$ 1,885,000	\$ 1,457,419	\$ 3,342,419
FY18	1,960,000	1,388,781	3,348,781
FY19	2,025,000	1,316,344	3,341,344
FY20	2,115,000	1,239,175	3,354,175
FY21	2,195,000	1,156,850	3,351,850
FY22	1,900,000	1,076,631	2,976,631
FY23	1,330,000	1,011,694	2,341,694
FY24	1,390,000	953,169	2,343,169
FY25	1,460,000	888,863	2,348,863
FY26	1,225,000	828,269	2,053,269
FY27	1,290,000	771,681	2,061,681
FY28	1,355,000	712,169	2,067,169
FY29	1,425,000	648,728	2,073,728
FY30	1,500,000	580,150	2,080,150
FY31	1,580,000	506,013	2,086,013
FY32	1,670,000	425,750	2,095,750
FY33	1,765,000	339,875	2,104,875
FY34	1,865,000	249,125	2,114,125
FY35	1,970,000	153,250	2,123,250
FY36	2,080,000	52,000	2,132,000
	<u>\$ 33,985,000</u>	<u>\$ 15,755,935</u>	<u>\$ 49,740,935</u>

Outstanding Debt Issues

Series	Principal	Matures
2005	\$ 2,170,000	FY25
2010	5,170,000	FY22
2011	26,645,000	FY36
	<u>\$ 33,985,000</u>	



**CITY OF SUGAR LAND
TAX INCREMENT REINVESTMENT ZONE #1
INCOME STATEMENT**

	FY15 Actuals	FY16 Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Property Taxes	\$ 1,261,020	\$ 1,273,330	\$ 1,273,245	\$ 1,391,512	\$ -	\$ 1,391,512
Interest Income	409	400	450	250	-	250
Underground Conduit	309	300	325	140	-	140
Total Revenues	1,261,738	1,274,030	1,274,020	1,391,902	-	1,391,902
EXPENDITURES						
Insurance	1,804	1,822	1,822	1,840	-	1,840
Town Square POA Events	250,000	250,000	250,000	250,000	-	250,000
Contractual Services	1,057	1,300	1,300	1,453	-	1,453
Support Services Reimb	7,373	7,594	7,594	2,616	-	2,616
Other Contractual						
Operating Expenditures	260,234	260,716	260,716	255,909	-	255,909
Plaza Events- Trsf to General Fund	70,000	70,000	70,000	70,000	-	70,000
Assignment to SL4B	152,911	154,297	154,297	155,403	-	155,403
Assignment to SLDC	850,000	850,000	850,000	900,000	-	900,000
Non-Operating Expenditures	1,072,911	1,074,297	1,074,297	1,125,403	-	1,125,403
Total Expenditures	1,333,145	1,335,013	1,335,013	1,381,312	-	1,381,312
NET INCOME (LOSS)	(71,408)	(60,983)	(60,993)	10,590	-	10,590
FUND BALANCE - BEGINNING	145,954	74,546	74,546	13,554	-	13,554
FUND BALANCE - ENDING	\$ 74,546	\$ 13,563	\$ 13,554	\$ 24,144	\$ -	\$ 24,144

**CITY OF SUGAR LAND
TAX INCREMENT REINVESTMENT ZONE #3
INCOME STATEMENT**

	FY15 Actual	FY16 Revised Budget	FY16 Projection	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Incremental Property Taxes - City	\$ 33,684	76,650	\$ 76,164	\$ 141,643	\$ -	\$ 141,643
Incremental Property Taxes - County	41,424	103,022	101,322	183,105	-	183,105
Interest Income	101	100	200	50	-	50
Total Revenues	75,208	179,772	177,685	324,798	-	324,798
EXPENDITURES						
Admin Services (from 2% of Revenue)	-	22,000	22,000	6,496	-	6,496
Legal Services	-	95,000	95,000	-	-	-
Operating Expenditures	-	117,000	117,000	6,496	-	6,496
Assignment to IRD- TIRZ Revenue Fund	-	-	98,300	324,293	-	324,293
Admin Services (from Reserve)	-	-	-	45,504	-	45,504
Transfer to SLDC	-	40,384	-	-	-	-
Transfer to SL4B	-	2,992	-	-	-	-
Non-Operating Expenditures	-	43,376	98,300	369,797	-	369,797
Total Expenditures	-	160,376	215,300	376,293	-	376,293
NET INCOME (LOSS)	75,208	19,396	(37,615)	(51,496)	-	(51,496)
FUND BALANCE - BEGINNING	51,437	126,645	126,645	89,030		89,030
Reserve for Admin Services			(83,000)	(37,496)		(37,496)
Reserve for University Blvd. N	(8,538)	(26,505)				
FUND BALANCE - AVAILABLE	\$ 118,107	\$ 119,536	\$ 6,030	\$ 39	\$ -	\$ 39

**CITY OF SUGAR LAND
TAX INCREMENT REINVESTMENT ZONE #4
INCOME STATEMENT**

	FY15 Actuals	FY16 Budget	FY16 Projections	FY17 Base Budget	FY17 Changes	FY17 Budget
REVENUES						
Incremental Property Taxes- City	\$ 149,620	\$ 187,399	\$ 173,116	\$ 207,835	\$ -	\$ 207,835
Incremental Property Taxes- FB County	158,507	121,828	143,119	148,745	-	148,745
Incremental Property Taxes- FB MUD 138	55,574	104,381	104,579	123,235	-	123,235
Incremental Property Taxes- FB MUD 139	71,016	77,773	78,163	78,802	-	78,802
Interest Income	329	750	791	750	-	750
Total Revenues	435,046	492,131	499,768	559,368	-	559,368
EXPENDITURES						
Support Services- Legal Services	-	50,000	50,000	50,000	-	50,000
Support Services- Admin Support	-	30,000	30,000	30,000	-	30,000
Total Expenditures	-	80,000	80,000	80,000	-	80,000
NET INCOME (LOSS)	435,046	412,131	419,768	479,368	-	479,368
FUND BALANCE - BEGINNING	124,434	559,480	559,480	979,248	-	979,248
FUND BALANCE - ENDING	\$ 559,480	\$ 971,611	\$ 979,248	\$ 1,458,616	\$ -	\$ 1,458,616

Five-Year Forecast

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

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

- Maintain approximately 3% growth from tax revenues over the forecast period
- Fund existing services at current service levels in all funds
- Support the surface water treatment plant and debt repayment
- Maintain sales tax to fund operations below 50%
- Meet current and future debt service needs
- Implement the 2013 GO Bond Projects with minimal impact to the tax rate
- Fund the recommended Five-Year CIP and resulting operating expenditures
- Continued Economic Development and Tourism efforts through reserves for opportunities

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

Forecast Assumptions

The calculations in this forecast and the analysis of results obtained are based on the following data. The forecast does not include anticipated impacts from future annexation of developed areas. Once that decision is formally made, the forecast will be updated to incorporate the impact of the annexation, which is anticipated for FY18.

Revenues

Valuation & Tax Rate

General Fund and Debt Service revenues are dependent on the net assessed property valuation assumptions, which are derived from anticipated residential and commercial development, revaluation of existing property, and the scheduled roll-off of tax abatements.

The forecast assumes property tax revenues grow at an average rate of 4.34% per year based on a combination of an increase in revaluation and growth in new value. In FY17 a 5% revaluation was used for residential and an 8% for commercial with an increase of 2% in homestead. The rest of the forecast uses 3% for both residential and commercial revaluation. The forecast shows only 1 cent increase in FY19 in the tax rate will be needed to fund the rest of the Parks Bonds projects instead of two cents rate as originally forecasted.

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

	FY17	FY18	FY19	FY20	FY21
O & M	53.92%	53.92%	52.26%	52.26%	52.26%
Debt	46.08%	46.08%	47.74%	47.74%	47.74%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Sales Tax

Sales tax growth is assumed to grow an average of 3.0% annually, after an initial 2.3% decline in FY17.

Interest Earnings

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

Hotel Occupancy Transfer for Debt Service

Hotel occupancy tax is pledged toward repayment of existing debt issued for the Conference Center at Town Square. Hotel occupancy tax will also be utilized toward repayment of new debt issued in FY15 for the performing arts center and related infrastructure. The forecast assumes a transfer to the Debt Service Fund in an amount equal to each year's debt service requirement.

Hotel Occupancy Tax Transfer	
FY17	\$ 1,508,697
FY18	1,506,064
FY19	1,500,151
FY20	1,495,251
FY21	1,486,732

Utility Transfer for Annexed & Dissolved MUD Debt

Based on the FMPS the Utility fund makes a transfer to the Debt Service Fund in an amount equal to 100% of the annual debt service requirement for water/wastewater debt assumed from annexed and dissolved municipal utility districts. Drainage debt from MUDs is supported by property taxes.

Utility Transfer for MUD Debt	
FY17	\$ 2,180,082
FY18	2,055,220
FY19	2,088,650
FY20	1,997,554
FY21	1,994,761

Issuance of New Debt

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

\$1,000s						
	Tax Backed Debt	Airport CO's	Surface Water CO's	Utility Revenue Bonds	GO's for Parks Bond Projects	GO's for Parks Bond Projects
FY17	\$ 25,700	\$ 2,200	\$ 14,025	\$ 8,834	\$ 7,650	\$ -
FY18	14,290	-	-	6,384	-	7,650
FY19	11,140	-	-	2,528	10,300	-
FY20	9,260	-	-	684	-	10,300
FY21	9,890	-	-	6,764	-	-
Total	\$ 70,280	\$ 2,200	\$ 14,025	\$ 25,194	\$ 17,950	\$ 17,950

Water Consumption

Revenues in the Utility Fund are based on the following billed consumption estimates, based on average annual rainfall.

Consumption (1,000 gallons)		
	Water	Wastewater
FY17	5,398,035	3,541,661
FY18	5,808,976	3,592,911
FY19	5,887,843	3,704,566
FY20	5,958,636	3,854,820
FY21	6,028,499	3,817,234

Revenues in the Surface Water Fund are calculated based on the following pumpage estimates from all GRP participants.

Pumpage (1,000 gallons)		
	Water	Wastewater
FY17	6,175,639	2,453,904
FY18	6,616,776	2,527,521
FY19	6,698,915	2,603,347
FY20	6,772,324	2,681,447
FY21	6,844,729	2,698,237

Airport Fuel Sales

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

Aviation Fuel Sales (Gallons)		
	Gallons	% Growth
FY17	2,953,717	3.5%
FY18	2,968,486	0.0%
FY19	2,983,328	0.5%
FY20	3,013,162	1.0%
FY21	3,065,892	1.8%

Expenditures

Operating Expenditures

Throughout the forecast, personnel costs increase by an average of 3.5%. Operations and maintenance costs grow by an average of 2% per year for the Utility Fund and Surface Water Fund, and 1% per year for the General Fund and Airport Fund.

Property Tax Rebates

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

Property Tax Rebates		
Fund	Debt Service	General
FY17	\$ 1,977,859	\$ 2,222,930
FY18	2,037,197	2,289,620
FY19	2,103,039	2,363,830
FY20	2,167,883	2,436,830
FY21	2,401,921	2,528,240

Sales Tax Grants

Sales tax grants are built in to the forecast based on estimated sales tax collections and the percentage subject to the grant calculation. There is one Section 380 agreements and two infrastructure grants that are reimbursed from sales tax. The Lifestyle Center and Lake Pointe agreement ends in 2017.

Companies	Lifestyle Center	Etail Direct	Lake Pointe
% as per Agreement	37.50%	37.50%	30.00%

Forecast Analysis

General Fund

The General Fund encompasses the majority of the City’s services. Resources to the fund are generated through property and sales taxes, franchise fees, fines, charges for services and miscellaneous income. Expenditures from the fund support municipal services such as Public Safety, Parks, Finance, Community Development, Environmental & Neighborhood Services and Public Works operations. The General Fund continues to fund all current services throughout the forecast. The forecast includes additions to operating expenditures as identified in the Five Year CIP for FY17-FY21. Recurring operating expenditures increase by an average of 1.4% from FY17 to FY21 due to additions to the budget for the operating impact of capital projects and growth in personnel costs and operations and maintenance.

Sales tax receipts are the largest source of revenue for the City and have historically accounted for about 50% of operating General Fund revenues. Based on the current growth in sales tax collections, there is an average annual growth of 3% for each year in the forecast. Sales tax revenues make up 45.93% of the total revenues in the General Fund while property taxes represent 25.69%.

The FMPS set a target of 10% of base sales tax to be set aside for CIP funding when it is economically feasible. This strategy provides the City a cushion if sales tax collections fall short of estimates, as the first 90% of base sales tax is

used to fund operations. The forecast shows additional transfer from property tax revenues due to higher than anticipated revaluation.

Overall, the General Fund is in a stable financial position throughout the forecast. Between FY17 through FY21 the fund is expected to meet or exceed the fund balance requirement.

Debt Service Funds

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

Debt Service Fund

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

Property taxes make up an average of 83.51% of the revenues for the Debt Service Fund. The growth in property tax revenue is due to a planned 1 cent tax increase in FY19 with an average commercial growth of 4.0% and residential revaluation of 3.4% plus new value. The fund includes a transfer from CIP non-bond fund, which is the developer fee reimbursement from the Riverstone development agreement. The developer pays \$1,750 per lot at the time of platting. These fees are used to fund debt service requirements for the issuance of 2010 Certificates of Obligation for the extension of University Boulevard. Transfers in from the Utility Fund support water and wastewater debt assumed through annexation and dissolution of MUDs at 100% recovery for the duration of the forecast. Transfers in from the Tourism Fund cover the existing debt issued for the Sugar Land Conference Center in Town Square and Smart Financial Centre at Sugar Land and adjacent plaza.

The Debt Service Fund maintains the policy requirement throughout the 5-year forecast. The fund balance continues to grow through the forecast and is able to support nearly \$89.55 million in new debt for projects in the five-year CIP.

Debt Service Fund – Taxable Debt

The Debt Service Fund – Taxable Debt will receive a transfer from the Sugar Land Development Corporation to cover the first debt payment for FY17. After this payment the rent revenues will be able to cover 100% of the debt service payments. The rent revenue budgeted for FY17 and FY 18 is equal to the debt service payment. Beginning in FY19 the anticipated rent revenues is 1.25 times the annual debt service payment. There is a 12 year allowance to build a debt service reserve, which is equal to the last three payments of the debt service schedule.

Water Utility Fund

The Water/Wastewater Utility Fund is an enterprise fund providing for the administration, billing and collection activities, and operation and maintenance of the City's water and wastewater system. Services are financed primarily through utility customer user fees. Strategies used in the generation of the Utility financial plan are aimed to ensure the fund is self-supporting and that capital improvement funding is adequate to maintain or expand the City's infrastructure. Based on the forecast, the fund meets all reserve and bond coverage requirements.

The forecast shows that the monthly service charges for water will recover an average of 38.02% of revenue requirements. The forecast also shows that the monthly service charges for wastewater will recover an average of 48.48% of revenue requirements. The base recovery percentages are based on current rates and anticipated future rate adjustments.

The utility system users generate the revenues that support the system. These revenues fund the basic operations of the fund, current debt service, and operating transfers. The revenues also support pay-as-you-go capital improvements over the forecast period. Revenues are dependent on the number of users in the system as well as weather experienced during the year. The forecast assumes average rainfall for each year; however, variation from the average can have a significant impact on water demand and subsequent revenues.

Operating expenses shows an increase of \$732,555 or 5.8% during the forecast, which is due to growth in personnel and operating cost.

Revenue bonds in the amount of \$25.19 million will be issued over the forecast period for capital improvement projects. The required debt service reserve averages \$5.81 million from FY17 to FY21. The fund contributes \$10 million toward pay-as-you-go CIP during the forecast. The forecast shows that the base rates for water and wastewater meters will need to be increased by \$0.75 each in FY20 to maintain service levels and utility infrastructure.

Surface Water Fund

The Surface Water Fund is an Enterprise Fund and is supported by user fees. The purpose of the fund is to provide a financial mechanism for implementing the City's groundwater reduction plan for conversion from groundwater to surface water sources. The Surface Water Fund showed that the City was able to provide funding for the 30% conversion to surface water required in 2013 and 60% by 2025.

All participants pay a GRP fee per thousand gallons of groundwater pumped. GRP participants in the City's ETJ include New Territory, Greatwood, and Tara Plantation. GRP fees are also being charged to Royal Lake Estates, private well owners, homeowners 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. City customers see a surface water charge on their utility bill; these funds are transferred to the surface water fund based on pumpage.

Operating revenues of \$23.4 million are comprised of \$22.7 million from GRP fees, \$263,771 from Out of City Services charges, and interest income of \$386,794. Other revenues, which include transfers-in from the Utility Fund for surface water fees and the repayment of an inter-fund loan total \$57.8 million.

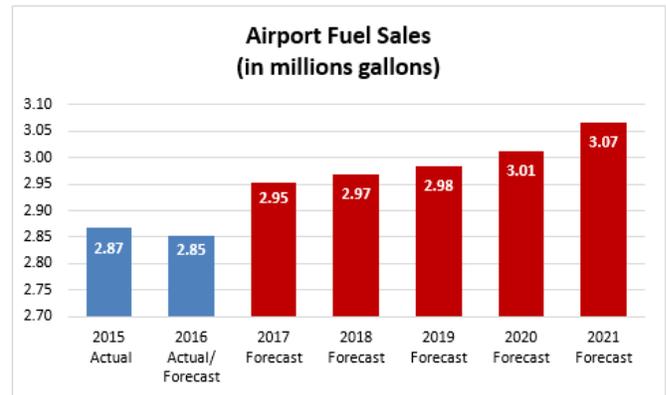
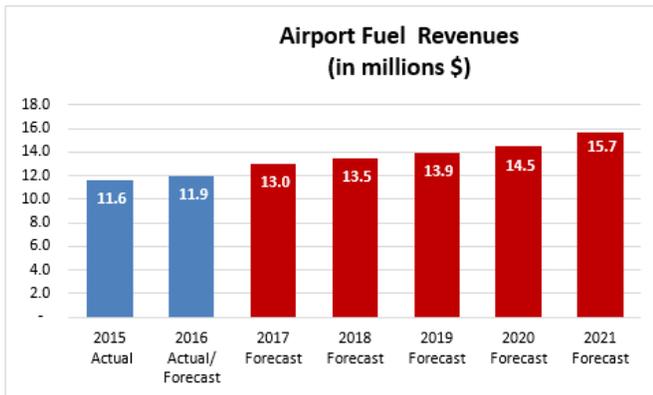
Total expenses for the fund are approximately \$75.9 million for the forecast. Total operating expenses for the forecast are \$28.83 million, which include chemicals, electricity, other contractual, water right options, and permit fees. Debt service payments totaling \$41.64 million support the existing debt issued for transmission lines, the surface water plant, and new debt for \$14.02 million for Riverstone ground water plant improvements and Riverstone ground water plant connections planned for FY17. The fund has 50% general purpose reserve that is met throughout the forecast.

Airport Fund

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

Total Revenues for the airport are expected to increase over the next five years based on increasing fuel sales, customer distribution's changes, hangar lease fees and markup increase.

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

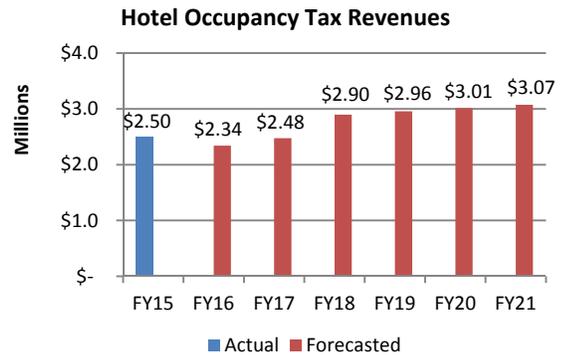


Airport operating expenses are projected to increase in the forecast at an average of 3.8% in the five-year forecast excluding fuel expenditures and credit card fees, which have offsetting revenues.

Tourism Fund

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

For FY17, the Tourism Fund will support the debt service for the Smart Financial Centre at Sugar Land and adjacent plaza. In addition for FY17 the Tourism Fund will contribute \$100,000 to the Public Art CIP project.



Hotel occupancy tax revenues are projected to increase 24.2% from FY17 to FY21 based on anticipated growth from existing hotels and two new hotels with revenues anticipated beginning in FY18. The City has pledged hotel tax revenues from the Marriott as a transfer to the Debt Service Fund to pay for the City's debt service requirements for the Conference Center. This arrangement confirms the City's commitment to the principle that hotel taxes should pay for the debt and not property taxes.

Expenditures in the fund are used to finance marketing and destination development for the City, according to limits imposed by state statutes. Over the forecast period, an estimated \$1.6 million will be spent on marketing and \$2.7 million on destination development if expenditures continue based on current levels.

The fund will transfer \$7.0 million to the Debt Service Fund to support existing debt service payments for the conference center and Smart Financial Centre at Sugar Land. A reserve of \$950,000 is available in the five-year forecast for opportunities. At the end of FY21, the projected ending fund balance is \$828,334. There is a new fund balance policy of 10% of HOT revenues, adopted in FY16. The fund is anticipated not to meet the policy in FY17 but will in FY18 and beyond.

Five-Year Capital Improvement Program

The City’s Five-Year CIP totals \$175.49 million for FY17-FY21. Funding sources were identified as capacity was determined in the various financial plans and the timing of projects was adjusted to meet affordability. All projects included in the CIP have identified funding sources.

Funding for CIP projects are derived from various sources including utility revenue bonds, general obligation bonds, certificates of obligation, utility revenues, general sales tax, economic development sales taxes, airport revenues, developer reimbursement, and fund balance. Major projects in the Five-Year CIP include surface water, streets, municipal, and drainage.

A summary by project type and the funding totals appears in the table above.

Project Type	Funding	% of Funds
Airport	\$ 2,575,500	1%
Drainage	45,074,000	26%
Municipal	6,159,000	4%
Parks	17,935,000	10%
Streets	55,048,100	31%
Surface Water	14,625,000	8%
Traffic	4,200,000	2%
Wastewater	15,470,000	9%
Water	14,405,000	8%
Total Projects	\$ 175,491,600	100%

Some of the CIP projects have an operations and maintenance impact that has to be considered along with the project cost. The anticipated O&M cost includes projects that are anticipated in future fiscal years that may be delayed or canceled based on available funding. However, these costs are built into the respective operating funds five-year forecast to give policy makers an idea of the financial impact completed CIP projects will have on the operating funds of the City.

Sugar Land Development Corporation (SLDC)

The SLDC is financed through a quarter cent sales tax approved by the voters in 1993, and its primary goal is to promote economic development of the City. Sales tax and interest income are the primary revenue sources for the Corporation, along with an assignment from TIRZ #1 toward repayment of debt issued for Town Square infrastructure. There is also a reimbursement from TIRZ#3 for parking and infrastructure.

Expenditures over the forecast total \$45.72 million and includes \$555,500, which is the final transfer to the taxable debt service fund to help cover the annual debt service requirements. In FY17 the taxable debt service fund will be able to start funding the debt service payments with lease payments from ACE Sugar Land, LLC. Expenditures also include staffing reimbursement to the City, support services contract, and the economic development program for marketing and business recruitment. The Corporation has annual debt service of approximately \$4.2 million each year. The forecast allocates \$8.50 million over the five years toward Economic Development direct incentives. A total of \$7.20 million is reserve for opportunities in the five-year forecast.

The fund is able to maintain a fund balance in excess of the 15% of budgeted sales tax policy requirement for the duration of the forecast with a budgeted fund balance amount of \$1,141,003 in FY21.

Sugar Land 4B Corporation (SL4B)

The SL4B is financed by a quarter cent sales tax authorized by voters in 1995. Uses of 4B funds are restricted by law, but are less restricted than the use of SLDC funds. Sales tax is the primary revenue source for the Corporation, along with an assignment of revenues from TIRZ #1 toward repayment of debt issued for the Texas Garage in Sugar Land Town Square. The TIRZ#1 supports 53% of debt service on the garage spaces, which is the prorated balance after the 2009 payment from Planned Community Developers is applied to outstanding principal. Reimbursement from TIRZ#3 is for the TIRZ infrastructure and parking.

In the forecast the SL4B contributes \$3.37 million for capital improvements, including joint participation in CIP, Wayfinding for Pedestrian and Bikes, University Boulevard North Landscape, and Public Art Project. The Corporation has three outstanding debt issues that mature in 2036. The annual debt service payment is \$3.3 million in FY17 and

remains at that level for the rest of the forecast. A total of \$17.5 million is available as reserve for opportunities in the five-year forecast.

SL4B meets its reserve and bond coverage requirements and is able to maintain a fund balance in excess of the 15% of budgeted sales tax receipts policy requirement during the forecast and with an ending fund balance of \$1,567,504 in FY21.

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
REVENUES						
Property Taxes	\$ 20,188,900	\$ 20,846,700	\$ 22,044,100	\$ 22,756,800	\$ 23,451,000	\$ 24,152,700
Sales Tax	39,159,056	38,242,500	39,389,775	40,571,468	41,788,612	43,042,271
Other Taxes	5,865,224	5,873,500	5,964,400	6,056,800	6,150,700	6,246,000
Licenses & Permits	3,254,248	3,829,446	3,878,300	3,936,400	3,424,400	3,475,800
Charges for Services	4,594,711	5,309,113	5,588,014	5,685,931	5,792,562	5,902,012
Fines & Forfeitures	1,855,900	1,888,600	1,912,300	1,931,500	1,950,900	1,970,500
Other	485,800	426,637	439,436	452,619	466,198	480,184
Intergovernmental	610,145	569,265	-	-	-	-
Interest Income	220,000	220,000	276,299	317,978	393,071	418,523
Operating Revenues	76,233,984	77,205,761	79,492,624	81,709,496	83,417,442	85,687,989
Transfers In	6,166,514	5,996,302	6,576,052	6,749,470	6,979,266	7,098,950
Lease Proceeds	-	-	840,000	-	-	-
Non-operating Revenues	6,166,514	5,996,302	7,416,052	6,749,470	6,979,266	7,098,950
Total Revenues	82,400,498	83,202,063	86,908,676	88,458,966	90,396,708	92,786,939
EXPENDITURES						
General Government	12,101,622	11,858,711	11,768,288	11,999,116	12,234,798	12,475,440
Finance	3,676,010	4,001,390	4,061,833	4,142,125	4,224,113	4,307,834
Public Works	8,643,923	8,294,626	8,410,330	8,527,928	8,647,456	8,768,950
Parks & Recreation	4,335,892	4,898,932	4,952,785	5,034,183	5,117,112	5,201,603
Community Development	5,006,442	5,111,522	5,221,029	5,332,945	5,447,323	5,564,219
Environmental & Neighborhood Services	4,808,123	5,164,482	5,213,734	5,304,734	5,397,519	5,492,125
Police Department	20,400,623	21,075,991	21,358,413	21,819,780	22,291,335	22,773,307
Fire Department	14,605,303	14,970,345	15,981,594	15,474,901	15,807,043	16,146,499
Departmental Expenditures	73,577,938	75,375,999	76,968,007	77,635,712	79,166,700	80,729,976
Transfers to other Funds	7,195,411	6,669,101	6,716,171	6,864,709	7,017,174	7,173,683
Miscellaneous	(80,781)	528,151	474,026	479,051	484,415	490,134
Rebates & Assignments	3,287,650	2,557,913	2,465,812	2,530,562	2,455,810	2,547,810
Debt Service	-	-	-	-	-	-
Non-departmental Expenditures	10,402,280	9,755,165	9,656,009	9,874,322	9,957,399	10,211,626
Total Expenditures	83,980,218	85,131,164	86,624,016	87,510,034	89,124,099	90,941,603
Revenues Over/(Under) Expenditures	(1,579,720)	(1,929,101)	284,660	948,932	1,272,609	1,845,336
Fund Balance - Beginning	28,794,529	27,214,809	25,285,708	25,570,369	26,519,301	27,791,910
Fund Balance - Ending	27,214,809	25,285,708	25,570,369	26,519,301	27,791,910	29,637,246
Accrued Sales/Franchise Taxes	(6,865,773)	(6,865,773)	(6,865,773)	(6,865,773)	(6,865,773)	(6,865,773)
Fund Balance - Available	\$ 20,349,036	\$ 18,419,935	\$ 18,704,596	\$ 19,653,528	\$ 20,926,137	\$ 22,771,473
Ending Fund Balance- % of Oper Exp	28%	25%	25%	26%	27%	29%
Fund Balance - Requirement	17,900,006	18,318,814	18,672,565	19,037,339	19,375,332	19,758,389
Over / (Under) Policy	\$ 2,449,030	\$ 101,121	\$ 32,030	\$ 616,189	\$ 1,550,805	\$ 3,013,084

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
REVENUES						
Current Property Tax	\$ 17,157,793	\$ 17,817,900	\$ 18,645,700	\$ 20,570,400	\$ 21,197,900	\$ 21,832,300
Delinquent Property Taxes	190,000	42,800	80,200	46,600	51,400	53,000
Interest on Investments	25,444	25,000	25,000	27,000	29,000	31,000
Refunding Bond Proceeds	37,112,663	-	-	-	-	-
Total Operating Revenues	54,485,900	17,885,700	18,750,900	20,644,000	21,278,300	21,916,300
Transfer In from Tourism Fund	1,407,278	1,408,697	1,406,064	1,400,151	1,395,251	1,386,732
Transfer In from CIP - Non Bond	472,500	472,500	472,500	472,500	472,500	472,500
Transfer In from Utility Fund	2,331,739	2,180,082	2,055,221	2,088,650	1,997,553	1,994,761
Total Transfers In	4,211,517	4,061,279	3,933,785	3,961,301	3,865,304	3,853,993
Total Revenues	58,697,417	21,946,979	22,684,685	24,605,301	25,143,604	25,770,293
EXPENDITURES						
Current Outstanding Debt	18,621,131	20,007,493	19,281,072	17,300,357	16,910,132	16,634,899
New Debt	-	1,084,400	2,523,720	4,320,980	5,109,698	6,352,490
Fiscal Fees/Other	18,000	18,000	18,200	18,400	18,600	18,800
Issuance Costs	395,961	-	-	-	-	-
Refunding Payment to Escrow	36,935,787	-	-	-	-	-
Total Debt Service	55,970,879	21,109,893	21,822,992	21,639,737	22,038,429	23,006,189
Rebates & Assignments	1,737,600	1,868,280	1,924,330	1,986,780	2,048,140	2,271,220
Transfers to Other Funds	95,927	109,579	112,867	116,259	119,743	130,701
Total Expenditures	57,804,406	23,087,752	23,860,189	23,742,775	24,206,312	25,408,110
CHANGE IN FUND BALANCE	893,010	(1,140,774)	(1,175,504)	862,526	937,292	362,183
FUND BALANCE - BEGINNING	4,580,400	5,473,410	4,332,637	3,157,132	4,019,658	4,956,950
FUND BALANCE - ENDING	\$ 5,473,410	\$ 4,332,637	\$ 3,157,132	\$ 4,019,658	\$ 4,956,950	\$ 5,319,133
Policy Requirement	\$ 1,862,113	\$ 2,109,189	\$ 2,180,479	\$ 2,162,134	\$ 2,201,983	\$ 2,298,739
Over/(Under) Policy	3,611,297	2,223,447	976,653	1,857,524	2,754,967	3,020,394

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
REVENUES						
Rent	\$ -	\$ 1,200,749	\$ 1,601,299	\$ 1,901,286	\$ 2,004,811	\$ 2,003,936
Interest Income	225	250	275	400	450	475
Bond Proceeds	-	-	-	-	-	-
Total Operating Revenues	225	1,200,999	1,601,574	1,901,686	2,005,261	2,004,411
Transfer In from SLDC	1,110,999	555,500	-	-	-	-
Total Inter-Fund Transfer	1,110,999	555,500	-	-	-	-
TOTAL REVENUES	1,111,224	1,756,499	1,601,574	1,901,686	2,005,261	2,004,411
EXPENDITURES						
Debt Service	1,110,999	1,110,999	1,591,199	1,591,199	1,590,399	1,593,699
TOTAL EXPENDITURES	1,110,999	1,110,999	1,591,199	1,591,199	1,590,399	1,593,699
CHANGE IN FUND BALANCE	225	645,500	10,375	310,487	414,862	410,712
FUND BALANCE - BEGINNING	59,283	59,508	705,007	715,382	1,025,869	1,440,731
Debt Service Reserve	-	-	-	(299,887)	(703,699)	(1,102,837)
FUND BALANCE - ENDING	\$ 59,508	\$ 705,007	\$ 715,382	\$ 725,982	\$ 737,032	\$ 748,607

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
REVENUES						
Charges for Services	\$ 25,082,033	\$ 26,571,750	\$ 27,158,404	\$ 27,604,424	\$ 28,742,879	\$ 28,948,951
Surface Water Fees	9,224,286	10,153,371	10,928,136	11,076,505	11,209,684	11,341,113
Tap Fees	213,062	129,285	248,040	111,015	92,745	92,745
Interest Income	68,218	80,000	90,000	100,000	110,000	120,000
Miscellaneous	1,294,540	1,198,116	1,138,864	1,139,634	1,140,427	1,141,243
TOTAL OPERATING REVENUES	35,882,139	38,132,522	39,563,443	40,031,577	41,295,735	41,644,053
Bond Proceeds	27,746,531	9,010,782	6,511,680	2,578,560	697,884	6,899,372
Transfers In - Connection Fees	657,584	581,107	581,947	869,015	868,819	1,029,000
TOTAL OPERATING REVENUES	28,404,115	9,591,889	7,093,627	3,447,575	1,566,703	7,928,371
TOTAL REVENUES	64,286,254	47,724,411	46,657,070	43,479,153	42,862,439	49,572,424
OPERATING EXPENDITURES						
Utility Administration	911,240	852,557	736,157	753,896	772,123	790,854
Water Distribution	1,528,786	1,607,236	1,637,863	1,669,233	1,701,367	1,734,285
Water Production	1,999,112	2,119,122	2,157,770	2,187,027	2,216,808	2,247,124
Wastewater Collection	779,985	872,300	889,842	908,647	927,938	947,728
Wastewater Treatment	4,485,830	4,492,952	4,545,042	4,597,868	4,651,444	4,705,783
Customer Service	747,017	726,916	744,967	764,192	783,962	804,294
Water Quality	418,914	454,797	465,913	477,337	489,078	501,145
Water Conservation	180,312	293,163	297,745	302,423	307,198	312,073
Treasury	1,277,621	1,304,321	1,330,424	1,357,135	1,384,562	1,412,633
TOTAL OPERATING EXPENDITURES	12,328,817	12,723,364	12,805,724	13,017,758	13,234,480	13,455,919
NON-OPERATING EXPENDITURES						
Debt Service	7,947,084	9,023,353	9,363,884	8,834,318	8,919,246	9,037,648
Payment to Escrow Agent	20,847,551	-	-	-	-	-
Transfers Out	5,398,667	5,393,543	5,240,816	5,306,102	5,247,180	5,276,883
Transfers Out - Surface Water	9,799,888	10,175,268	10,947,258	11,091,001	11,219,468	11,346,175
Miscellaneous	160,000	420,146	325,000	325,000	325,000	325,000
CIP Transfers:						
Bond Projects	7,034,550	8,834,100	6,384,000	2,528,000	684,200	6,764,090
PAYG Water	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
PAYG Wastewater	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL NON-OPERATING EXPENDITURES	53,187,740	35,846,410	34,260,958	30,084,421	28,395,094	34,749,796
TOTAL EXPENDITURES	65,516,557	48,569,774	47,066,681	43,102,179	41,629,574	48,205,715
Net Income/(Loss)	(1,230,303)	(845,363)	(409,612)	376,973	1,232,865	1,366,709
Reserve - Debt Service	(5,683,744)	(6,069,587)	(6,124,805)	(5,859,369)	(5,475,348)	(5,565,425)
Cash Equivalent - Beginning	13,887,400	12,657,097	11,811,735	11,402,123	11,779,097	13,011,962
Cash Equivalent - Ending	\$ 6,973,353	\$ 5,742,147	\$ 5,277,318	\$ 5,919,727	\$ 7,536,613	\$ 8,813,246
CASH OPERATING RESERVE	58%	46%	41%	45%	57%	65%
BOND COVERAGE DIRECT DEBT	1.69	1.71	1.86	1.88	1.96	1.85

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

	FY16	FY17	FY18	FY19	FY20	FY21
	Projections	Budget	Forecast	Forecast	Forecast	Forecast
OPERATING REVENUES						
GRP Fees	\$ 3,834,737	\$ 4,312,113	\$ 4,441,477	\$ 4,574,721	\$ 4,711,962	\$ 4,741,413
Out of City Service Charge	31,657	49,986	51,485	53,030	54,621	54,649
Interest Income	59,274	70,000	73,500	77,175	81,034	85,085
Miscellaneous	2,062	-	-	-	-	-
TOTAL OPERATING REVENUES	3,927,731	4,432,099	4,566,462	4,704,926	4,847,617	4,881,147
Transfer In - Utilities	9,799,888	10,175,268	10,947,258	11,091,001	11,219,468	11,346,175
Bond Proceeds	11,214,074	-	-	-	-	-
Inter-Fund Loan Repayment	-	-	1,560,000	1,530,000	-	-
TOTAL REVENUES	\$ 24,941,692	\$ 14,607,367	\$ 17,073,720	\$ 17,325,927	\$ 16,067,085	\$ 16,227,322
EXPENSES						
Personnel Services	1,003,133	1,058,249	1,089,996	1,122,900	1,154,594	1,189,232
Operations & Maintenance	3,068,346	3,502,749	3,548,766	3,596,254	3,632,217	3,668,539
Raw Water	1,310,763	1,361,774	941,570	965,109	989,237	1,013,968
TOTAL OPERATING EXPENSES	5,382,242	5,922,772	5,580,333	5,684,264	5,776,048	5,871,739
Capital Projects - PAYG	1,635,400	-	-	-	-	-
Debt Service Payment	7,008,566	8,553,520	8,282,960	8,248,467	8,269,201	8,284,055
Paid to Escrow Agent	9,578,734	-	-	-	-	-
Membranes/Capital Repairs	116,133	119,617	122,607	125,673	128,814	132,035
Miscellaneous	70,452	72,566	74,743	76,985	79,294	81,673
Transfers Out	2,308,800	650,866	670,392	690,504	711,219	732,555
Contingency	-	200,000	200,000	200,000	200,000	200,000
TOTAL NON-OPERATING EXPENSES	20,718,085	9,596,569	9,350,702	9,341,628	9,388,528	9,430,318
TOTAL EXPENSES	\$ 26,100,327	\$ 15,519,341	\$ 14,931,035	\$ 15,025,892	\$ 15,164,576	\$ 15,302,057
Net Income/(Loss)	(1,158,635)	(911,973)	2,142,686	2,300,035	902,509	925,265
Inter-Fund Transfer To Airport/CIP	(3,000,000)	-	-	-	-	-
CASH EQUIVALENTS - BEGINNING	13,889,736	9,731,101	8,819,128	10,961,813	13,261,849	14,164,358
CASH EQUIVALENTS - ENDING	\$ 9,731,101	\$ 8,819,128	\$ 10,961,813	\$ 13,261,849	\$ 14,164,358	\$ 15,089,623
FB Rec'd - 50% of Total Exp	\$ 8,260,797	\$ 7,759,670	\$ 7,465,517	\$ 7,512,946	\$ 7,582,288	\$ 7,651,028
Over/Under Policy	1,470,304	1,059,457	3,496,296	5,748,903	6,582,069	7,438,594
Membrane Replacement Reserve	394,572	514,189	636,797	762,469	891,284	1,023,319

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
REVENUES						
Fuel Sales	\$ 11,905,118	\$ 13,014,971	\$ 13,491,627	\$ 13,945,383	\$ 14,494,505	\$ 15,700,825
Hangar Leases	1,335,200	1,362,200	1,495,200	1,496,200	1,497,200	1,630,200
Miscellaneous Revenues	822,560	896,560	925,560	946,560	963,560	980,560
Interest Income	12,000	12,000	12,300	12,600	12,900	13,200
Total Operating Revenues	14,074,878	15,285,731	15,924,687	16,400,743	16,968,165	18,324,785
Operating Transfers In	2,245,960	254,680	258,950	265,220	271,680	285,560
Grant Proceeds	50,000	50,000	50,000	50,000	50,000	50,000
Bond Proceeds	3,345,424	2,200,000	-	-	-	-
Total Non-Operating Revenues	5,641,384	2,504,680	1,785,289	1,791,559	321,680	335,560
Total Revenues	19,716,262	17,790,411	17,709,976	18,192,302	17,289,845	18,660,345
EXPENSES						
Airport Administration	1,159,877	1,070,637	1,061,010	1,085,007	1,109,646	1,134,944
Airfield Operations	279,530	400,436	310,231	318,248	326,492	334,970
FBO Services	9,436,394	10,173,890	10,496,170	10,979,899	11,536,756	12,682,306
Café Select	265,046	268,875	274,952	281,192	287,599	294,178
Customs	204,898	209,898	211,997	214,117	216,258	218,421
Maintenance and Operations	917,749	1,107,879	1,010,218	1,033,155	1,056,706	1,080,889
Total Operating Expenses	12,263,494	13,231,615	13,364,579	13,911,618	14,533,457	15,745,708
Other Requirements	1,128,719	1,211,143	1,258,633	1,255,968	1,262,731	1,300,136
Miscellaneous	238,959	230,223	232,525	234,850	237,199	239,571
Payment to Escrow Account	3,340,665	-	-	-	-	-
Inter-Fund Loan & Reimbursement	-	-	1,043,397	1,010,000	-	-
Operating Transfers Out	4,574,280	3,176,910	1,104,855	1,309,151	1,063,255	1,093,765
Total Non-Operating Expenses	9,282,623	4,618,276	3,639,410	3,809,970	2,563,185	2,633,472
Total Expenses	21,546,117	17,849,891	17,003,989	17,721,588	17,096,641	18,379,180
NET INCOME (LOSS)	(1,829,855)	(59,480)	705,987	470,714	193,203	281,165
CASH EQUIVALENTS BEGINNING	6,348,451	4,518,596	4,459,116	5,165,103	5,635,817	5,829,020
Debt Service Reserve	(702,546)	(659,766)	(634,022)	(605,639)	(573,748)	(537,753)
CASH EQUIVALENTS ENDING	\$ 3,816,050	\$ 3,799,350	\$ 4,531,081	\$ 5,030,178	\$ 5,255,272	\$ 5,572,432
CASH EQ. RESERVE RATIO (25% min)	80%	74%	91%	99%	101%	104%
BOND COVERAGE (1.25x min)	1.61	1.67	2.00	1.93	1.83	1.95
FUEL GALLONS SOLD	2,853,717	2,953,717	2,968,486	2,983,328	3,013,162	3,065,892

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
REVENUES						
Hotel/Motel Occupancy Tax	\$ 2,339,559	\$ 2,475,026	\$ 2,896,987	\$ 2,955,100	\$ 3,014,300	\$ 3,074,500
Interest Income	16,452	15,000	10,000	10,000	10,000	10,000
Total Revenues	2,356,011	2,490,026	2,906,987	2,965,100	3,024,300	3,084,500
EXPENDITURES						
Convention & Visitors Bureau	404,000	299,000	304,980	311,080	317,301	323,647
Tourism & Destination Services	626,254	627,519	640,069	652,871	665,928	679,247
Visitor Center FF&E / Final Build-Out	-	25,000	-	-	-	-
Visitors Center - Operations	-	103,500	117,300	119,646	122,039	124,480
Cultural Arts Implementation	70,000	-	-	-	-	-
Reserve for Opportunities	-	-	200,000	250,000	250,000	250,000
Total Operating Expenditures	1,100,254	1,055,019	1,262,349	1,333,596	1,355,268	1,377,374
Transfers Out	3,957,278	1,508,697	1,506,064	1,500,151	1,495,251	1,486,732
Total Expenditures	5,057,532	2,563,716	2,768,413	2,833,747	2,850,519	2,864,106
Net Income(Loss)	(2,701,521)	(73,691)	138,573	131,353	173,781	220,394
Fund Balance - Beginning	3,533,714	237,924	164,233	302,806	434,159	607,940
GAAP Adjustments	(594,269)	-	-	-	-	-
Beginning Budgetary Balance	2,939,444	237,924	164,233	302,806	434,159	607,940
Budgetary Fund Balance - Ending	\$ 237,924	\$ 164,233	\$ 302,806	\$ 434,159	\$ 607,940	\$ 828,334
Fund Balance Policy (10% of Budgeted HOT)		\$ 247,503	\$ 289,699	\$ 295,510	\$ 301,430	\$ 307,450
Over/Under Policy		\$ (83,269)	\$ 13,108	\$ 138,649	\$ 306,510	\$ 520,884

**CITY OF SUGAR LAND
2017 - 2021 CAPITAL IMPROVEMENT PROGRAM
TOTAL SUMMARY**

PROJECT TYPE	2017 ESTIMATE	2018 ESTIMATE	2019 ESTIMATE	2020 ESTIMATE	2021 ESTIMATE	2017-2021 TOTAL
AIRPORT	\$ 2,200,000	\$ 100,000	\$ 275,500	\$ -	\$ -	\$ 2,575,500
DRAINAGE	15,773,000	12,711,000	9,290,000	7,000,000	300,000	45,074,000
MUNICIPAL	3,259,000	700,000	650,000	900,000	650,000	6,159,000
PARKS	1,775,000	8,735,000	4,475,000	1,475,000	1,475,000	17,935,000
STREETS	26,988,100	4,165,000	5,265,000	5,640,000	12,990,000	55,048,100
SURFACE WATER	14,625,000	-	-	-	-	14,625,000
TRAFFIC	1,620,000	1,210,000	455,000	465,000	450,000	4,200,000
WASTEWATER	1,970,000	5,600,000	1,350,000	1,350,000	5,200,000	15,470,000
WATER	4,615,000	2,515,000	3,080,000	1,115,000	3,080,000	14,405,000
TOTAL	\$ 72,825,100	\$ 35,736,000	\$ 24,840,500	\$ 17,945,000	\$ 24,145,000	\$ 175,491,600

PROJECT TYPE BY FUNDING TYPE	2017 ESTIMATE	2018 ESTIMATE	2019 ESTIMATE	2020 ESTIMATE	2021 ESTIMATE	2017-2021 TOTAL
GENERAL REVENUES	\$ 3,815,000	\$ 3,750,000	\$ 4,040,000	\$ 4,140,000	\$ 3,640,000	\$ 19,385,000
CERTIFICATES OF OBLIGATIONS	23,700,000	14,292,000	11,142,000	9,255,800	9,890,910	68,280,710
CERTIFICATES OF OBLIGATIONS/ENTERPRISE FUNDS	16,225,000	-	-	-	-	16,225,000
GENERAL OBLIGATION BONDS	800,000	7,260,000	3,000,000	-	-	11,060,000
REVENUE BONDS	8,834,100	6,384,000	2,528,000	684,200	6,764,090	25,194,390
SUGAR LAND DEVELOPMENT CORPORATION	500,000	-	-	-	-	500,000
SUGAR LAND 4B CORPORATION	1,447,000	550,000	455,000	465,000	450,000	3,367,000
AIRPORT REVENUES	-	100,000	275,500	-	-	375,500
SYSTEM REVENUES	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
OTHER FUNDING SOURCES	15,504,000	1,400,000	1,400,000	1,400,000	1,400,000	21,104,000
TOTAL	\$ 72,825,100	\$ 35,736,000	\$ 24,840,500	\$ 17,945,000	\$ 24,145,000	\$ 175,491,600

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
Revenues						
Sales Tax	\$ 6,526,500	\$ 6,373,750	\$ 6,564,963	\$ 6,761,911	\$ 6,964,769	\$ 7,173,712
Interest Income	87,543	83,000	86,000	62,000	70,000	70,000
TIRZ Assignments	850,000	900,000	1,160,000	1,315,000	6,143,527	1,385,000
Total Operating Revenues	7,464,043	7,356,750	7,810,963	8,138,911	13,178,296	8,628,712
Bond Proceeds	-	-	-	-	-	-
Total Revenues	7,464,043	7,356,750	7,810,963	8,138,911	13,178,296	8,628,712
Expenditures						
Economic Development Program	575,704	597,018	602,900	609,000	615,200	621,400
Economic Development Incentives	1,963,148	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Capital Projects Reimbursement	8,053,540	500,000	-	-	-	-
Reserve for Opportunities	-	-	-	700,000	4,500,000	2,000,000
Sales Tax Incentive Grant	92,140	96,740	-	-	-	-
Debt Service	4,226,346	4,185,890	4,149,896	4,111,221	4,089,584	4,054,321
Contractual Services	12,590	12,590	12,590	12,590	12,590	12,590
Transfers to Other Funds	1,798,932	1,167,691	1,028,772	1,028,849	1,941,251	559,302
Total Expenditures	16,722,400	8,259,929	7,494,158	8,161,660	12,858,625	8,947,613
Revenues Over/(Under) Expenditures	(9,258,357)	(903,179)	316,805	(22,749)	319,671	(318,901)
Fund Balance-Beginning	15,992,627	6,734,270	5,831,091	6,147,896	6,125,147	6,444,818
Fund Balance-Ending	6,734,270	5,831,091	6,147,896	6,125,147	6,444,818	6,125,917
Accrued Sales Tax	(1,048,559)	(1,048,559)	(1,048,559)	(1,048,559)	(1,048,559)	(1,048,559)
Debt Service Reserve	(4,141,452)	(4,141,452)	(4,094,053)	(4,044,391)	(3,992,302)	(3,936,355)
Fund Balance-Available	\$ 1,544,259	\$ 641,080	\$ 1,005,283	\$ 1,032,196	\$ 1,403,957	\$ 1,141,003
Minimum Fund Balance (15% by FY18)	\$ 652,650	\$ 637,375	\$ 984,744	\$ 1,014,287	\$ 1,044,715	\$ 1,076,057
Over/Under Policy	891,609	3,705	20,539	17,910	359,242	64,946
Bond Coverage Ratio (>1.25x)	1.52	1.56	1.54	1.60	1.65	1.72

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

	FY16 Projections	FY17 Budget	FY18 Forecast	FY19 Forecast	FY20 Forecast	FY21 Forecast
REVENUES						
Sales Tax	\$ 6,526,500	\$ 6,373,750	\$ 6,564,963	\$ 6,761,911	\$ 6,964,769	\$ 7,173,712
Interest Income	65,000	57,000	68,000	64,000	89,000	87,000
TIRZ#1 Assignment	154,297	155,404	156,157	154,007	156,886	156,736
TIRZ#3	-	-	-	-	7,821,017	-
Miscellaneous	80,000	80,000	80,000	80,000	80,000	80,000
Total Revenues	6,825,797	6,666,154	6,869,120	7,059,918	15,111,672	7,497,448
EXPENDITURES						
Economic Development Program	760,284	561,621	564,230	568,570	572,970	577,400
Transfer to Capital Projects	7,011,657	1,447,000	550,000	455,000	465,000	450,000
Reserve for Opportunities		-	2,500,000	2,000,000	10,000,000	3,000,000
Sales Tax Incentive Grant	92,140	96,740	-	-	-	-
Debt Service	3,366,138	3,345,919	3,352,281	3,344,844	3,357,675	3,355,350
Contractual Services	327,067	475,957	475,993	487,871	505,615	522,748
Total Expenditures	11,557,286	5,927,237	7,442,504	6,856,285	14,901,260	7,905,498
Revenues Over/(Under) Exp's	(4,731,489)	738,917	(573,384)	203,633	210,412	(408,050)
Fund Balance-Beginning	10,016,196	5,284,707	6,023,624	5,450,240	5,653,873	5,864,286
Fund Balance-Ending	5,284,707	6,023,624	5,450,240	5,653,873	5,864,286	5,456,236
Accrued Sales Tax	(1,048,559)	(1,048,559)	(1,048,559)	(1,048,559)	(1,048,559)	(1,048,559)
Debt Service Reserve	(3,160,927)	(3,108,808)	(3,052,534)	(2,989,565)	(2,919,735)	(2,840,173)
Fund Balance-Available	\$ 1,075,221	\$ 1,866,257	\$ 1,349,147	\$ 1,615,750	\$ 1,895,992	\$ 1,567,504
Minimum Fund Balance (15% by FY18)	\$ 652,650	\$ 637,375	\$ 984,744	\$ 1,014,287	\$ 1,044,715	\$ 1,076,057
Over/Under Policy	422,571	1,228,882	364,403	601,463	851,277	491,447
Bond Coverage Ratio (>1.25x)	1.91	1.94	1.90	1.96	2.02	2.08

City of Sugar Land

Financial Management Policy Statements

Introduction

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

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

Accounting, Auditing & Financial Reporting

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

Accounting Practices and Principles

The City will maintain accounting practices that conform to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB), the authoritative standard setting body for units of local government. All city financial documents, except monthly interim financial reports, including official statements accompanying debt issues, Comprehensive Annual Financial Reports and continuing disclosure statements will meet 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. (CIP reporting is reported separately under Capital Improvements) These reports will be reviewed monthly with the City Manager and provided to City Council by the end of each month for the prior month. These reports will be prepared on a cash basis. Quarterly reports on the status of the City's Strategic Projects will be provided through the City Manager's office and made available to the City Council. The reports will include project scope and work plan as well as comment on noteworthy activity.

Quarterly, departments will report on service level measures and/or indicators as compared to target and prior years through the Office of Strategic Initiatives. Reporting to City Management will be on an exception basis.

Annual Audit

Pursuant to State Statute, the City shall have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The audit shall be performed by a certified public accounting (CPA) firm, licensed to practice in the State of Texas. Although the Texas Local Government Code, Section 103.003 Filing: Public Record requires the annual financial statement including the auditor's opinion on the statement to be filed with the City Secretary within 180 days after the last day of the fiscal year, it is the City's goal to file the audit at the second City Council meeting in February. The audit firm shall provide a management letter to the City prior to the filing of the audit. The audit firm shall also provide a Single Audit of Federal and State grants, when necessary. An official Comprehensive Annual Financial Report (CAFR) shall be issued no later than six (6) months following the end

of the fiscal year. The Chief Accountant (or equivalent) shall be responsible for establishing a process to ensure timely resolution of audit recommendations.

Finance/Audit Committee

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

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

Annual Financial Disclosure

As required by the Securities and Exchange Commission (SEC) Rule 15c2-12, the City, with support of the City's financial advisor and bond counsel, will provide certain annual financial information to various information repositories through disclosure documents or set of documents that include the necessary information. This will include any material event notices to be filed within 10 days of occurrence of the event as required by the 2010 amendments.

Signature of Checks

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

FINANCIAL CONSULTANTS

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

Selection of Auditors

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

- It is the City's preference to rotate auditor firms every five years to ensure that the City's financial statements are reviewed and audited with an objective, impartial, and unbiased point of view. The rotation of the audit firm will be based upon the submissions received, the qualifications of the firm, and the firm's ability to perform a quality audit.

- However, if through the review process, the current audit firm is recommended, then, it is the City's preference that the lead audit partner 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

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

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

Delinquent Tax Collection Attorney

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 year.
- There is not a requirement for rotation.

Bond Counsel

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

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

1. Prepares and oversees bond proceedings;
2. Gets required government approval;

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

Disclosure Counsel

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

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

Municipal Advisor Services

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 independent registered municipal advisor (IRMA), 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 a Municipal Advisor and that the City will rely on the advice of the Municipal Advisor in the issuance of municipal securities.
- The Municipal Advisor must be registered with the Securities & Exchange Commission and Municipal Securities Rulemaking Board as a Municipal Advisor
- As municipal advisors to governmental entities have developed the necessary expertise in a broad range of services, the City will use a consultant for these services, until such time that the City wishes to bring these services in-house.

- Due to the complexity of the City’s financial structure and the benefits that come with the history and knowledge of the City, the contract with the Municipal Advisor shall be considered evergreen, however with a termination clause.
- In order to ensure that the City is still receiving services for fair market value, staff will conduct a survey every five years of Municipal Advisory fees and present a comparison and analysis to the City Manager and Finance/Audit Committee.
- While a municipal advisor plays a key role on the financing team, it is important to note that the City remains in control of the decision making process necessary for the issuance and sale of the bonds or implementing the financing.
- The selected Municipal Advisor shall not be permitted to serve as underwriter on any bond transactions while serving in the Municipal Advisor role. Upon termination of the Municipal Advisor contract, a period of one year should pass before the firm may be engaged as an underwriter on any bond transaction for the City.

Depository Bank

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

BUDGET AND LONG RANGE FINANCIAL PLANNING

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

Balanced Budget

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

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

Current Funding Basis (Recurring Revenues)

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

Use of Non-Recurring Revenues

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

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

1. Sales Tax Incentive Grant Payment
2. Transfers to Replacement Funds (Fleet and High Technology)
3. Capital Expenditures
4. Contingency Funds

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

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

Property Taxes

Tax Rate

By law, the City must levy a tax rate sufficient to generate revenues that will meet outstanding debt obligations, net of outside funding sources (transfers from Other Funds). The City Manager will recommend a tax rate that the City finances require in order to operate efficiently, yet effectively, and meets the City Council's expectations of services provided and service levels. As economic conditions permit, the City Manager will recommend a tax rate not greater than the effective tax rate plus 3%. The goal is not to exceed an average annual increase in the residential tax bill of 3% unless the voters approve a general obligation bond referendum. The following shall be taken into account in managing growth in the average tax bill: property revaluation, tax rate adjustments and/or changes to the residential homestead exemption.

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

Homestead Exemption

Annually the City Manager shall review the homestead exemption. When the financial health of the City's finances and the economic and market conditions of the local economy justify, the City Manager shall recommend an increase to the homestead exemption to minimize the impact of revaluation on homeowners. In accordance with state statute, a recommended change in the homestead exemption shall be presented to Council for approval prior to July 1.

The total exemption percentage granted shall not 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 be capped at 50%. As sales tax revenue fluctuates due to changes in economic conditions, the City shall endeavor through long-term strategies to reduce its reliance on sales tax revenues for funding recurring operating expenditures. The goal is to maintain sales tax for operations well under 50%, and use the sales tax transfer for PAYG CIP to manage this dependence.

Sales Tax from Incentive Grant Agreements

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

Sales Tax Transfer for Pay-As-You-Go Capital Projects

As discussed under Capital Expenditures, to ensure that the City does not become overly reliant on sales tax revenues for operating needs, a transfer from General Fund sales tax to fund pay-as-you-go capital projects will be budgeted with a target of 10% of the annual General Fund budgeted sales tax, when it is financially feasible. The long-term goal is to adequately fund rehabilitation through ongoing maintenance.

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 \$2,000,000, when financially feasible. It will be based on the financial health of the Utility Fund with the long-term goal of adequately funding rehabilitation.

Revenue Estimating for Budgeting

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

The Utility Fund water and wastewater revenues will be budgeted based on an average year's rainfall/consumption. The City will anticipate neither drought nor wet conditions. Adjustments to utility rates shall be made based on revenue requirements over the five year forecast for the utility fund.

Employee Compensation

When funding is available, the proposed budget shall include an amount adequate to cover an overall average performance and merit increase as determined annually by the City Manager. This amount will be calculated for each department, based on budgeted salaries for the year, and will be placed in the appropriate budget accounts.

The City does not give cost of living increases. Other than adjustments due to changes in the compensation plan, salary increases are to be earned through merit and/or promotion increases.

The City's compensation plan shall be approved by City Council and administered by the City Manager as identified in the City Charter and the Council adopted Compensation Philosophy (Resolution 13-21). All employees shall be paid within the approved budget and established salary ranges.

Budget Management

The budget is adopted by City Council through one reading of an ordinance. Upon approval, the budget can be either amended or adjusted based on the level of changes needed.

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

Operating Budget Adjustments

The City Manager is responsible for managing the operating budget after it is formally adopted by City Council, including the transfer of funds within program, between programs, between departments, and expenditure of contingency funds as long as there is no change in service levels as a result of the adjustments. The City Manager may further delegate levels of authority for the daily operation of the budget.

Operating Budget Amendments

In order to preserve projected fund balances/ ending balances based on projected revenues and expenditures for the current fiscal year, City Council will amend the annual operating budget for all funds, excluding capital improvements funds, as set forth in the projections. City Council will amend the current fiscal year budget to projections annually through adoption of an ordinance amending the budget.

Contracts or purchases presented for City Council approval shall identify the budgeted amount for the item within the current approved budget. A budget amendment by City Council is only necessary if the total appropriation for the fund is increased. This could occur under, but is not limited to, the following situations:

1. The budgeted appropriation will be exceeded at the fund level prior to year end.
2. Acceptance of a grant that was not included in the annual budget.
3. Appropriation from fund balances for items that were not budgeted.
4. A donation or sponsorship that exceeds estimated revenues and cannot be absorbed in contingency funding.

To streamline the process, budget amendments are to be considered by City Council on an as-needed basis and then formally adopted by ordinance periodically. Each budget ordinance shall summarize and include all budget amendments approved by City Council for affected funds since the last ordinance was approved.

At year end, the annual operating budget will be amended by ordinance through projections and will reflect adjustments that were approved by the City Manager.

Capital Projects Budget Amendments

As capital projects are budgeted on a project length basis and not a fiscal year basis, a project budget needs approval of a budget amendment when one of the following applies:

1. Increase to project funding with a corresponding increase in revenues
 - a. Inter-local Agreements

- b. Award of a grant to enhance or expand the project
2. Reallocation of funding from one capital project to another, except:
 - a. When splitting funding for a project into multiple projects for tracking purposes when the total amount budgeted for the overall project does not change, or
 - b. When allocating additional funds from CIP fund balance to a project to accommodate a change order, as long as the additional funding needed does not exceed the lesser of 5% of the original project budget or \$50,000, and the change order does not need approval from City Council nor materially change the scope of the project.
3. Increase to project funding from the Capital Projects Fund Balance
4. Reduction to project budgets as discussed below

Capital Project budgets shall be amended (reduced) when construction bids come in significantly under estimates, project estimates shall be adjusted to reflect the construction bid plus a sufficient contingency and other project needs, and the remaining budget shall be reduced as necessary to reflect savings. When a project is funded from the issuance of debt, if the debt has not been sold at the time of the budget reduction, the revenue budget for bond proceeds shall be reduced accordingly.

Operating Deficits

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 in order of precedence are:

1. Reduce transfers to the Capital Improvement Fund for pay-as-you-go CIP.
2. Manage Vacant Positions
3. Deferral of capital purchases
4. Expenditure reductions
5. Hiring freezes
6. Freeze merit increases
7. Use of fund balance, including Replacement Fund balances.
8. Increase fees
9. 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 subsequent approval of a plan to replenish the fund balance 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 Fund
- Tourism Fund
- Water/Wastewater Utility Fund
- Surface Water Fund
- Airport Fund
- Economic Development Corporations

- Five-Year Capital Improvement Program

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

REVENUES AND OTHER RESOURCES

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

Property Taxes

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

Sales Tax Revenue

- a. Monthly, the Economic Development Corporations will be allocated their percentage of the actual monthly sales tax remittances.
- b. Of the remaining monthly amount available to the City, funds will be allocated first to General Fund operations, based upon the budgeted sales tax for operations, to ensure operating expenditures are funded. Transfers of Sales Tax to the Capital Projects Fund shall be made upon funds availability.
- c. Each month the City will ensure that the cumulative sales tax for operations is met and will appropriately adjust the transfer to the Capital Improvement Fund as necessary.
- d. Actual sales tax revenue received above the amount budgeted on an annual basis and over the fund balance policy will only be used to fund non-recurring expenses or be transferred to the Capital Improvement Fund for pay-as-you-go capital improvement projects.
- e. Sales Tax from Sale of Aircraft
 1. Sales/Use tax remitted to the City that is determined to be from the sale/purchase of aircraft at the City's Airport will be transferred to the Airport Fund, excluding the percent allocated to the Economic Development Corporations.
 2. The proceeds that are allocated to the Economic Development Corporations will be identified as potential funding for Airport projects that legally meet the requirements of the Corporations.

Administrative Services Charges

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

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

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

- a. The goal is to have water/wastewater debt funded by water/wastewater revenues as much as possible within the financial resources of the Utility Fund.
- 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.

Surface Water Revenues

The City will maintain a Surface Water Fund to account for revenues and expenses associated with the mandated reduction in groundwater usage.

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

Water/Wastewater Billings

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

Revenue Collections

The City shall maintain high collection rates for all revenues by monitoring monthly receivables. The City shall follow an aggressive, consistent, yet reasonable approach to collecting revenues to the fullest extent allowed by law for all delinquent taxpayers and others overdue in payments to the City.

- a. The City shall contract for billing and collection services when it makes financial sense to do so. For example, Emergency Medical Transport billing requires a high level of knowledge relating to medical billing that the City does not currently possess; in this case, outsourcing the billing & collection of EMS transport fees is the most prudent thing to do.
- b. The City shall contract for collection of delinquent receivables when it makes economic sense for the City to do so. The City currently contracts directly for the following delinquent receivables:
 - a. Court Fines & Warrants
 - b. Photographic Traffic Signal Fines
 - c. Emergency Medical Services
 - d. Miscellaneous Receivables, including Alarm Response Fees
- c. Write-off of Un-collectible Receivables (excludes court fines and warrants)

- a. Receivables shall be considered for write-off as follows:
 - i. Undeliverable mail – accounts that remain outstanding for 6 months and all steps have been exhausted
 - ii. State Statute authorizing the release or extinguishment, in whole or in part, of any indebtedness, liability, or obligation, if applicable
 - iii. Accounts outstanding for 3 years, identified as uncollectible, and all attempts to collect have been taken
 - iv. The write-off of uncollected accounts is a bookkeeping entry only and does not release the debtor from any debt owed to the City.
 - v. The City shall estimate uncollectible accounts through an allowance for doubtful accounts in each fund with receivables.

User Fees

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

General Fund

- a. For services that benefit specific users the City shall establish and collect fees to recover the costs of those services.
- b. Where services provide a general public benefit, the City shall finance those services through property and sales taxes.
- c. For services that provide both specific benefits and a general public benefit, it may be appropriate to subsidize from property and sales tax revenues.
- d. Costs of Services are defined as full-cost; direct, indirect, and overhead.
- e. Factors in setting of fees shall include but not be limited to: market and competitive pricing, effect on demand for services, and impact on users, which may result in recovering something less than full cost.

Enterprise Funds

- a. Utility rates and other fund user fees shall be set at levels sufficient to cover operating expenditures (direct and indirect), meet debt obligations and debt service coverage, provide pay-as-you-go funding for capital improvements, and provide adequate levels of working capital.
- b. The City shall seek to eliminate all forms of subsidization between the General Fund and Enterprise Funds
- c. The Five-Year Financial Plan shall serve as the basis for rate change considerations.
- d. If rate increases are necessary, the Five-Year Financial Plan shall be built around smaller rate increases annually versus higher rate increases periodically.

User Fee Creation and Revision

Working with the department or office, the Budget Office will determine the cost for each service and determine a full-cost price. Once a fee has been proposed for a particular service, the fee will be compared to market, evaluated for potential effects on users such as low-income households, market demands of service, etc. A fee will then be recommended to the City Manager and City Council based on all information gathered through the fee evaluation.

User fees shall be adjusted by the Houston- Sugar Land- Baytown MSA CPI annually as part of the budget process, and a fee ordinance shall be adopted at the beginning of each fiscal year to reflect the fee revisions. Fee changes will be reflected for all activity billed or generated after the effective date of the fee revision.

Non-Resident Surcharges

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

EXPENDITURES AND SERVICES

Operating Expenditures

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

Purchasing and Vendor Selection

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

It is the policy of the city that, when lowest qualified bid is not the sole determining factor for a contract award, the contract shall be awarded to the highest ranked vendor based on merit as determined by a thorough evaluation by a team of at least 3 qualified staff evaluators, as identified in the City's inter-departmental policy PU109 . Merit factors that can be taken into consideration include: qualifications, past experience, quality of team, equipment, scheduling, and proven performance. In accordance with state law, City Council approval is required on purchases that will expend more \$50,000 of City funds. After Purchasing verification that all applicable state laws, purchasing policies, and procedures have been followed, a recommendation for award is made to City Council by staff.

Departmental & Office Business Plans

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

- a. The business plan should provide a link between the budget and the services provided; there should be no gaps or holes in accountability, either in accounting for resources provided or in defining services delivered.
- b. The business plan shall include an organizational chart, service description and service levels, and measures that indicate how well the service is being delivered.
- c. The business plan shall include an explanation of how services are delivered (by city staff or contracted) and expected results of the service delivery.

Annual Program of Services

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

Maintenance of Capital Assets

Within the resources available each fiscal year, the City shall maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to maintain service levels.

Periodic Program/Service Reviews

The City Manager and staff shall undertake periodic reviews of City programs and services for both efficiency and effectiveness. Outsourcing and contracting with other governmental agencies and/or the private sector will be

evaluated as alternative approaches to service delivery. Programs or services determined to be inefficient and/or ineffective shall be recommended through the annual budget process to be reduced in scope or eliminated.

Outsourcing of City Services

The City provides many municipal services to its citizens covering a wide variety of disciplines. Attempting to perform all of these services in-house could dilute the City's efficiency and not be cost effective. Two of the management tools utilized by the City to maximize efficiency and cost effectiveness are outsourcing and managed competition processes, the mere consideration of which provides economic benefits that flow from competition. The economic benefits of competition include lower costs and improved quality of performance irrespective of whether a given service is ultimately performed in-house or outsourced.

FUND BALANCE/WORKING CAPITAL

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

Governmental Fund Balances

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

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

General Fund Unassigned Fund Balance

The City shall maintain the General Fund unassigned fund balance equivalent to three months of normal recurring operating costs, based on current year budgeted expenditures. If the fund balance exceeds this amount, the amount in excess of policy requirements may be utilized to fund one-time expenditures in the next fiscal year's budget.

Other governmental operating funds that do not have a policy minimum defined shall adhere to the general fund balance policy.

The City will typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Working Capital of Enterprise Operating Funds

In enterprise operating funds, the City shall maintain working capital sufficient to provide for reserves for emergencies and revenue shortfalls, specifically in the Utility and Airport Funds. Enterprise funds without major infrastructure or assets will have no minimum balance requirement. A cash equivalent operating reserve will be established and maintained as follows:

1. Utility Fund - 25% of the current year's budget appropriation for recurring operations and maintenance.
2. Airport Fund - 25% of the current year's budget appropriation for recurring operations and maintenance, excluding fuel for resale.
3. Surface Water Fund – 50% of the current year's budgeted expenses. Funds in the reserve may be utilized as a general purpose reserve without limitation to type (debt, capital expense, etc).

The cash equivalent operating reserve is derived by dividing the total cash equivalents balance by recurring operating expenses. (Cash equivalents = Cash + Investments + Accounts Receivable – Accounts Payable)

Use of Fund Balance/Working Capital

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

Inter Fund Loans

Through the long range financial planning process, the City may identify a short term capital financing need that does not qualify for debt financing, and funds are available in special revenue or enterprise funds balances. An Inter Fund Loan is a loan from one fund to another that specifies repayment terms, and requires approval by City Council Resolution. Inter Fund Loans may not be used to support operating needs, but are allowable for cash flow needs related to capital projects involving third party financial transactions, such as grants or reimbursements.

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

The Inter Fund Loan shall be documented by City Council Resolution and shall define the following:

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

The proposed inter fund loan shall be identified during the annual budget and CIP process as a funding source, and discussed with the Council Finance/Audit Committee prior to the Resolution being considered by City Council.

Debt Service Funds

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

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

Internal Service Funds

1. Fleet Replacement Fund-The Fleet Replacement Fund reserve will be maintained based upon a lifecycle or useful life replacement plan to ensure adequate fund balance required for systematic replacement of fleet vehicles. Fund Balance shall not be less than 10% of the total inventory asset value.
2. Technology Replacement Fund- The High Technology Replacement Fund reserve will be maintained based upon a lifecycle or useful life replacement plan to ensure adequate fund balance required for systematic replacement of technology. Fund Balance shall not be less than 10% of the total technology asset value.
3. Employee Benefits Fund- The Employee Benefits Fund is funded through City and employee contributions. Estimated costs shall be determined during each budget year and the contributions adjusted accordingly. There is no minimum balance for this fund.

Special Revenue Funds

Tourism Fund is supported by a 7% City tax on hotel occupancy within the City, which can fluctuate based on changes in the economy. A fund balance no less than 10% of budgeted occupancy tax collections shall be maintained in the fund.

Economic Development Corporations

As sales taxes fluctuate due to changes in the economy, the SLDC and SL4B Corporations shall maintain an unreserved fund balance of no less than 10% of budgeted sales tax collections. By fiscal year 2018 each corporation shall maintain a minimum fund balance of 15% of budgeted annual sales tax revenues.

CAPITAL EXPENDITURES AND IMPROVEMENTS

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

Capitalization Threshold for Tangible Capital Assets

Tangible capital items should be capitalized only if they have an estimated useful life of at least two years following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and has a cost of not less than \$5,000 for any individual item.

The capitalization threshold of \$5,000 will be applied to individual items rather than to a group of similar items, (i.e.: desks, chairs, etc.) unless doing so would have a material impact on financial reporting. The capitalization threshold for infrastructure will be \$50,000 or more.

GASB requires software to be capitalized if criteria described in GASB Statement 51 (Accounting & Financial Reporting for Intangible Assets) is met. Internally developed or contracted development of or off-the-shelf and then modified software should be capitalized given cost & useful life threshold is met. Other licensed software implemented without modification or minimal modification is not capitalized.

To maintain adequate control over non-capitalized tangible items, items costing \$1,000 to \$4,999 will be monitored and tracked through the City's financial software system.

Five-Year Capital Improvement Plan (CIP)

The City shall annually prepare a five-year capital improvement plan based on the needs for capital improvements and equipment, the status of the City's infrastructure, replacement and renovation needs, and potential new projects. Capital projects are improvements or additions to the City's physical plant/facilities and become part of the City's asset inventory. Capital projects can be further categorized into land, buildings, improvements other than buildings, and infrastructure, which includes roads, sidewalks, bridges, utility lines, etc. Capital costs typically consist of preliminary design, final design, and construction, and may involve the acquisition of land or easements. For every project identified in the plan, a project scope and project justification will be provided. Also, project costs shall be estimated, funding sources identified and annual operation and maintenance costs computed.

Citizens, Parks Board and the Planning and Zoning Commission will be provided opportunities to review the list of CIP projects for the Five-Year Capital Improvement Plan and may suggest additions and/or changes to the plan as appropriate. Pursuant to the City Charter, the Planning & Zoning Commission makes recommendations to the City Manager and the City Council on the City's Five-Year Capital Improvement Plan.

The City Manager is charged with recommending a Capital Improvement Plan to City Council. Projects submitted, either by staff, through a neighborhood or citizen request, or through joint participation, will be reviewed in conjunction with the entire capital improvement program and submitted to City Council for final consideration. The Five-Year Capital Improvement Plan shall be filed and year one funding approved with the annual budget. Years two through five are for planning purposes only, and may move up, back, or be phased as the project becomes more refined based on preliminary engineering and design work gets completed.

The Five-Year CIP shall be limited to the affordability limits identified in the long-range financial plans of the City, taking into consideration pay-as-you go funding debt capacity, operating costs, etc.

Projects that cannot be funded in the Five Year CIP will be included in the CIP for future reference as an appendix of unfunded requests.

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 sales tax transfers, corporation reimbursements, grants and other funding sources. Includes rehabilitation of infrastructure to extend its useful life.
- General Capital Projects (tax-exempt bond funds)- supported by proceeds of tax exempt bonds that are to be repaid from property taxes and interest earned thereon; projects funded from this source must be consistent with the uses identified in the bond documents.
- Taxable Bonds Capital Projects- supported by proceeds of taxable bonds that are to be repaid from sources other than property taxes.
- Utility Enterprise CIP (non-bond) - includes projects funded from revenues of the utility system. Includes rehabilitation of infrastructure to extend its useful life. Revenues are budgeted as a transfer from the Utility System Operating fund.

- Utility Enterprise CIP (bond funds) - supported by proceeds of tax-exempt bonds that are to be repaid from enterprise utility revenue sources. Bonds payable are recognized in the Utility Enterprise Fund as long term liabilities.
- Surface Water CIP (non-bond)- includes projects funded from revenues of the surface water fund. Includes projects that facilitate the objectives of the Groundwater Reduction Plan. Revenues are budgeted as a transfer from the Surface Water Operating fund.
- Surface Water CIP (Bond Funds)- supported by proceeds of tax-exempt bonds that are to be repaid from the Surface Water Enterprise Fund. Bonds payable are recognized in the Surface Water Enterprise Fund as long term liabilities.
- Airport Enterprise CIP (non-bond) - includes projects funded from revenues of Sugar Land Regional Airport and outside funding sources. Revenues are budgeted as a transfer from the Airport Operating fund or as grants from third parties (FAA/TxDOT).
- Airport Enterprise CIP (bond funds) - supported by proceeds of tax-exempt bonds that are to be repaid from enterprise airport revenues. Bonds payable are recognized in the Airport Enterprise Fund as long term liabilities.

Annually, through the budget process and at year-end, projects are to be reviewed and if identified as complete will be closed according to the Project Close out Procedure by Budget & Research and any remaining funds closed to the CIP fund balance, which can then be re-appropriated during the next fiscal year capital budget. Funds remaining from bond proceeds will only be used in accordance with the legal use of those funds.

Appropriations for capital projects are for the life of the project; therefore re-appropriation of capital funding for budgeted projects will not be necessary.

1. Infrastructure Evaluation and Replacement/Rehabilitation

Water, wastewater, drainage, street lighting, streets and sidewalks, municipal facilities, and other infrastructure are fundamental and essential functions for public health and safety, environmental protections and the economic well-being of the City. As a result, the City's CIP should be focused on ensuring that infrastructure is replaced or rehabilitated as necessary to protect the City's investment, to minimize future replacement and maintenance costs, extend the useful life of the asset, and to maintain existing levels of service and accommodate growth.

Infrastructure will be replaced or rehabilitated at the end of its useable service life if it is financially feasible to do so.

2. If upgrades are warranted to meet current design standards, a cost/benefit analysis will be performed. (See Infrastructure Evaluation Policy)

Community Redevelopment Projects

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

Joint Capital Improvement Projects

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

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

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

The City shall annually prepare a schedule for the replacement of its fleet and high technology capital assets. Funding for the replacement of these assets will be accomplished through the use of an annual depreciation structure charged to each participating fund at 100% of annual depreciation based on lifecycle or useful life of the asset. Within the resources available each fiscal year, the City shall replace these assets according to the Fleet and High Technology Replacement Policies.

Capital Expenditure Financing

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

Pay-As-You-Go Capital Improvements

1. The City will pay cash for capital improvements within the financial affordability of each fund versus issuing debt when funding capital improvements and capital purchases. This will reduce/minimize the property tax and utility rate impacts on Sugar Land citizens.
2. Pay-as-you-go projects shall be budgeted based on funding available in the section on Revenues
3. Unless CIP balances are sufficient to pre-fund pay-as-you-go projects, scheduling of pay-as-you-go capital improvement projects shall coincide with the collection and accumulation of sales tax and system revenues. CIP projects shall be initially scheduled based on the budgeted accumulation of funding. CIP projects funded by pay-as-you-go funding must receive approval from the Budget Office before they begin, to ensure funding is available.

Capital Projects Management

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

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

- c. Annual rehabilitation projects- unused funds budgeted for annual rehabilitation and repairs will close out at the end of each fiscal year if not encumbered.

DEBT

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

Use of Debt Financing

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligations, certificates of participation, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets that cannot be prudently acquired from either current revenues or fund balance/working capital and to fund infrastructure improvements and additions. Debt will not be used to fund current operating expenditures.

The City will pay cash when possible for capital improvements within the financial affordability of each fund versus issuing debt when funding capital expenditures and capital improvements. Projects that are rehabilitative in nature shall be earmarked for funding from cash instead of debt when possible. (This is not intended to include reconstruction projects that significantly extend the useful life of an asset.) Cash sources include, but are not limited to general fund sales tax, 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 in regards to the City's financial condition. Ratings reflect the assessment of the following factors, and these should be evaluated to determine the impact of potential bond issues:

- Local economic activity
- Strong financial policies as evaluated under the Financial Management Assessment methodology
- Budgetary performance & flexibility
- Total liquidity and reserve balances
- Debt and contingent liability- evaluation of debt carrying costs as a percent of expenditures
 - With adjustments for self-supporting debt
- Impact of future debt issuance on bond ratings/debt profile and outlook

Affordability

The City shall use an objective analytical approach to determine whether it can afford to issue new general-purpose debt, both General Obligation bonds and Certificates of Obligation. This process shall compare City accepted standards of affordability to the current values for the City. These standards may include debt per capita, debt as a percent of taxable value, taxable value per capita, and tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures. In addition, the analysis will evaluate the capacity within the General Fund to take on the operating expenditures associated with the completion of the proposed capital improvements. When a project will have a significant impact on the operating budget, the tax rate shall be shifted from debt service to maintenance & operations to support the increased expenditures. Further debt capacity shall be evaluated based on the remaining debt service tax capacity. The decision on whether or not to issue new debt shall be based on these costs and benefits, current conditions of the municipal bond market, and City's ability to "afford" new debt as determined by the aforementioned standards.

Debt Capacity

The City shall complete an annual debt capacity assessment to ensure that proposed debt is affordable and contributes to the financial strength of the City. The debt capacity is the upper limit on the dollar amount of capital improvements that the City can afford to fund from debt.

Debt capacity calculations for long-term planning shall assume market rates for the average annual interest costs at the time the capacity is determined. The analysis shall not assume future refunding of any outstanding bonds and shall consider both debt service requirements on current and proposed debt.

For property tax supported debt, maximum capacity shall be determined by an amount of annual debt service that the City can absorb within the proposed tax rate allocation for debt based on assumed growth in assessed valuation.

For revenue debt, maximum capacity shall be determined by the amount of annual debt service that the City can absorb within a proposed rate structure that has been reviewed with City Council and which can support the proposed debt within the additional bonds test as defined in the revenue bond covenants. The City shall not exceed debt capacity as defined through bond covenants or fall below bond coverage ratios for additional revenue bonds.

Factors that will be included in the annual debt capacity determination shall include:

- Existing debt obligations
- Evaluation of revenue and expenditure trends
- Various measures of debt burden on the community
- Debt per capita
- Debt to assessed value ratio
- Taxable value per capita
- Statutory or constitutional requirements
- Market factors such as interest rates, credit ratings or market status

Certificates of Obligation

Certificates of Obligation may be issued without voter approval to finance any public works project or capital improvement, as permitted by State law. However, it is the policy of the City to utilize Certificates of Obligation to finance public improvements in certain circumstances and only after determining the City's ability to assume additional debt based on the standards identified above.

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

- The City may issue CO's when there is insufficient funding on a general obligation bond-financed capital improvement;
- The City may issue CO's when conditions require a capital improvement to be funded rapidly rather than waiting for a GO bond election;
- The City may issue CO's for projects when the City can leverage dollars from others to reduce the City's capital cost for a community improvement;
- The City may issue CO's for projects when there is no other funding source available and the project is determined to be in the best interest of the City.
- The City may issue CO's if it would be more economical to issue Certificates of Obligation rather than issuing revenue bonds; and
- The City may issue CO's for projects for which the City will be reimbursed by Developer (principal plus interest)

General Obligation Bonds (GO)

General Obligation bonds require voter approval. When the list of unfunded projects contains projects that the City Council wishes to fund but cannot afford, then the City will consider taking a GO Bond Proposition(s) to the voters.

1. Bond Elections-

- a. Timing of general obligation bond elections shall be determined by the inventory of current authorized, unissued bonds remaining to be sold and the Five-Year Capital Improvement Program
 - b. The total dollar amount of bond election propositions recommended to the voters may not exceed the City's estimated ability to issue the bonds within a seven year period after the election passes.
 - c. An analysis showing how the new debt combined with current debt impacts the City's tax rate and debt capacity will accompany every bond issue proposal. The analysis will also include the estimated impact on the operations and maintenance portion of the tax rate.
2. General Obligation bonds must be issued to accomplish projects identified in the bond referendum and associated material.
 3. General Obligation bonds must be issued for projects that are consistent with the wording in the bond propositions.

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 without overly burdening rates and user fees.

General purpose reserves in the Surface Water Fund shall be maintained at levels high enough to meet debt service payments should pledged revenues fall short of projections in addition to serving as a normal operating reserve.

Debt Structures

- The City shall normally issue bonds with a life not to exceed 25 years for general obligation bonds and 25 years for revenue bonds, but in no case longer than the useful life of the asset.
- The City shall seek level or declining debt repayment schedules and shall seek to retire 50% of the total principal outstanding within 10 years of the year of issuance.
- There should be no debt structures that include increasing debt service levels in subsequent years, with the first and second year of a bond payout schedule the exception or as special situations may warrant.
- There shall be no "balloon" bond repayment schedules, which consist of low annual payments and one large payment of the balance due at the end of the term.
- There shall always be at least interest paid in the first fiscal year after a bond sale and principal payments starting generally no later than the second fiscal year after the bond issue.
- Normally, there shall be no capitalized interest included in the debt structure except for debt issuances reimbursing developers for infrastructure, which shall not exceed 2 years of capitalized interest.

Debt Refunding

The City's financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the net present value savings of a particular refunding should exceed

3.0% of the refunded maturities unless (1) a debt restructuring is necessary or (2) bond covenant revisions are necessary to facilitate the ability to provide services or to issue additional debt.

Interest Earnings and Remaining Bond Proceeds

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

Sale Process

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale. The City will utilize a negotiated process when the issue is, or contains, a refinancing that is dependent on market/interest rate timing. The City shall award the bonds based on a true interest cost (TIC) basis. However, the City may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

Underwriting Syndicates

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

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

Rating Agency Presentations

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

Bond Ratings

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

Lease/Purchase Agreements

The City will use lease/purchase agreements for capital items (such as fire trucks) when it is cost-efficient and provides for more attractive terms than issuance of bonds.

CASH MANAGEMENT AND INVESTMENTS

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

Investment Management

Investment Policy

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

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

Investment Strategy

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

Interest Income

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

Arbitrage Investments and Reporting

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

Depository

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

Collateralization of Deposits

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

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

Substitutions of collateral shall meet the requirements of the collateral agreement and have prior written approval. Collateral shall not be released until the replacement collateral has been received.

The pledge of collateral shall comply with the City's Investment Policy.

GRANTS

The City will seek, apply for, and effectively administer federal, state and local grants, which support the City's current priorities and policy objectives.

Grant Guidelines

The City shall apply and facilitate the application for only those grants that are consistent with the objectives and high priority needs identified by Council and City Management.

Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs.

The potential for incurring ongoing costs, to include assumptions of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

Grant Review and Acceptance

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

All grants over \$50,000 awarded to the City of Sugar Land must be submitted to City Council for consideration and approval. All grants must be reflected in the budget. Grants may be officially accepted by action of the City Council during budget adoption or with a budget adjustment. If the funding is not already included in the annual budget, the budget shall be amended to reflect revenues and expenditures associated with the grant.

Grant Termination and/or Reduced Grant Funding

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

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

ORDINANCE NO. 2069

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE CITY OF SUGAR LAND, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016 AND ENDING SEPTEMBER 30, 2017; APPROPRIATING THE SUMS AS SET FORTH THEREIN; ADOPTING THE CAPITAL IMPROVEMENTS PROGRAM 2017 – 2021; AND ADOPTING A COMPENSATION PLAN.

WHEREAS, section 6.03 of the City Charter requires that the:

- (1) City manager prepare an annual budget for the ensuing fiscal year;
- (2) City manager submit to the city council for its review, consideration and revision, both a letter describing the proposed budget as well as a balanced budget for the forthcoming fiscal year, not later than sixty days prior to the end of the City's fiscal year;
- (3) Budget, as adopted, set forth the funding for services, programs, and activities of the various city departments and meet all fund requirements provided by law and required by bond covenants;
- (4) Budget include a multi-year capital improvement program and a current year capital budget;
- (5) Budget not be adopted or appropriations made unless the total of estimated revenues, income and funds available are equal to or in excess of the budget or appropriations, except as otherwise provided by the Charter; and
- (6) Budget be adopted by ordinance by one reading not later than the 25th day of the last month of the fiscal year; and

WHEREAS, Chapter 102 of the Texas Local Government Code requires that the:

- (1) City manager file the proposed budget with the city secretary before the 30th day before the date the city council makes its tax levy for the fiscal year; and
- (2) City council hold a public hearing on the proposed budget at least fifteen days after the date the budget is filed with the city secretary but before the date the city council makes its tax levy, notice of which hearing is to be published as required by law; and

WHEREAS, all the requirements of the City's Charter and State law have or will be met upon passage of this ordinance; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

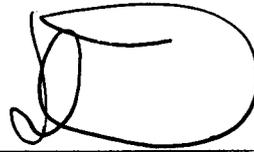
Section 1. That the budget of the City of Sugar Land, Texas, for the fiscal year beginning October 1, 2016, and ending September 30, 2017, as shown in attached Exhibit A, is adopted and the amounts specified therein for the programs, services, and activities of the City's various departments are appropriated as shown therein.

Section 2. That the Capital Improvements Program 2017 - 2021, as set forth in Exhibit B, is adopted.

Section 3. That the Compensation Plan, as set forth in Exhibit C, is adopted.

Section 4. That the budget as approved be filed with the City Secretary who in turn is authorized and directed to comply with all filing, publication and other requirements set forth in Chapter 102, Texas Local Government Code, including filing copies of this ordinance and the budget with the County Clerk of Fort Bend County, Texas, and including posting the cover page, record vote, property tax rates and such other information on the City's website as may be legally required.

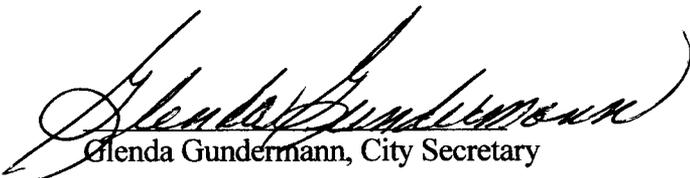
APPROVED on one reading on September 20, 2016, in compliance with section 6.03 (b) of the City's Charter.



Joe R. Zimmerman, Mayor

ATTEST:

APPROVED AS TO FORM:



Glenda Gundermann, City Secretary



Attachments: Exhibit A – 2016-2017 Budget
Exhibit B – 2017 - 2021 Capital Improvements Program
Exhibit C – Compensation Plan

ORDINANCE NO. 2070

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, LEVYING A PROPERTY TAX RATE FOR THE YEAR 2016; AND DIRECTING THE TAX ASSESSOR-COLLECTOR TO ASSESS, ACCOUNT FOR, AND DISTRIBUTE THE PROPERTY TAXES AS HEREIN LEVIED.

WHEREAS, Section 26.05 (a) of the Tax Code requires taxing authorities to adopt a property tax rate before the later of September 30 of each year or the 60th day after the date of receipt of the certified appraisal roll; and

WHEREAS, Section 26.05 (a) of the Tax Code requires the property tax rate be approved separately in two components: (1) Maintenance and Operations; and (2) Debt Service; and

WHEREAS, Section 26.05 (b) of the Tax Code requires that the vote on the ordinance setting a tax rate that exceeds the effective tax rate must be a record vote; and

WHEREAS, Section 26.05 (b) of the Tax Code additionally requires that a motion to adopt an ordinance setting a tax rate that exceeds the effective tax rate must be made in the following form:

“I move that the property tax rate stay the same with the adoption of a tax rate of \$0.31595, which is effectively a 3.75 percent increase in the tax rate”; and

WHEREAS, Section 26.05 (b) of the Tax Code further requires that if the ordinance sets a tax rate that, if applied to the total taxable value, will impose an amount of taxes to fund maintenance and operation expenditures of the taxing unit that exceeds the amount of taxes imposed for that purpose in the preceding year, the taxing unit must include in the ordinance in type larger than the type used in any other portion of the ordinance the following statement: "THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE" and if the tax rate exceeds the effective maintenance and operations rate, the following statement: “THE TAX RATE WILL EFFECTIVELY BE RAISED BY 6.09 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0”.

WHEREAS, Section 26.05 (b) of the Tax Code requires that certain statements be included in the ordinance adopting the tax rate and that those statements to be in type larger than the type used in any other portion of the document; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That the property tax rate per \$100.00 valuation for the City of Sugar Land for tax year 2016 is adopted as follows:

Maintenance and Operations	\$0.17035
Debt Service	\$0.14560
Tax Rate	\$0.31595

Section 2. THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 6.09 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.

Section 3. That the record vote of the City Council adopting this ordinance is:

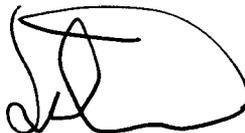
Council Members voting FOR adoption:

Council Members voting AGAINST adoption:

Council Members absent:

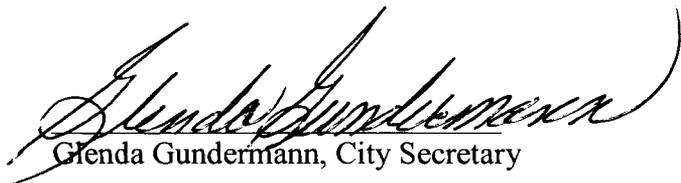
Section 4. That this ordinance is adopted upon one reading in compliance with Section 6.03 of the City Charter.

APPROVED on September 20, 2016.



Joe R. Zimmerman, Mayor

ATTEST:



Glenda Gundermann, City Secretary

APPROVED AS TO FORM



**CITY OF SUGAR LAND
SALARY STRUCTURE
FOR NON-EXEMPT POSITIONS
FY17**

Range	Position Title	Minimum	Midpoint	Maximum
N-01	COURIER	\$ 12.16	\$ 15.45	\$ 18.73
	CUSTODIAN	\$ 25,293	\$ 32,136	\$ 38,958
	RECEPTIONIST			
N-02	COURT CLERK	\$ 12.77	\$ 16.22	\$ 19.65
	CUSTOMER SERVICE REP	\$ 26,562	\$ 33,738	\$ 40,872
	GENERAL MAINTENANCE WORKER I			
	RECORDS CLERK			
	WARRANT CLERK			
N-03	ADMINISTRATIVE SECRETARY	\$ 13.42	\$ 17.03	\$ 20.66
	BILLING/COLLECTION SPEC. I	\$ 27,914	\$ 35,422	\$ 42,973
	CAFÉ ATTENDANT I			
	PERMIT TECHNICIAN			
	TRAFFIC TECHNICIAN I			
N-04	AIRPORT SERVICES REP I	\$ 14.09	\$ 18.03	\$ 21.97
	BILLING SPECIALIST II	\$ 29,307	\$ 37,502	\$ 45,698
	CAFÉ ATTENDANT II			
	COURT SERVICES SPECIALIST			
N-05	ADMINISTRATIVE SPECIALIST	\$ 14.92	\$ 19.10	\$ 23.28
	ANIMAL SERVICES OFFICER	\$ 31,034	\$ 39,728	\$ 48,422
	GENERAL MAINTENANCE WORKER II			
	LINE CREW I			
	PARKS FACILITIES TECHNICIAN			
	SR. PERMIT TECHNICIAN			
	SR. SECRETARY			
	VETERINARY TECHNICIAN			
N-06	AIRPORT SERVICES REP II	\$ 15.82	\$ 20.25	\$ 24.68
	AIRPORT SPECIALIST	\$ 32,906	\$ 42,120	\$ 51,334
	CONTRACT SERVICES MONITOR			
	FACILITIES SERVICES TECHNICIAN			
	FACILITY SUPPORT SPECIALIST			
	HR SPECIALIST			
	LINE CREW II			
	NEIGHBORHOOD SERVICES SPECIALIST			
	PUMP & MOTOR TECHNICIAN I			
	TREASURY SPECIALIST			
	WARRANT COORDINATOR			
WATER QUALITY TECHNICIAN				
N-07	ACCOUNTS PAYABLE SPECIALIST	\$ 16.77	\$ 21.63	\$ 26.50
	AUTOMOTIVE TECHNICIAN I	\$ 34,882	\$ 44,990	\$ 55,120
	CAFE SUPERVISOR			
	COURT DOCKET COORDINATOR			
	DEVELOPMENT REVIEW COORDINATOR			
	LINE CREW III			
	PUMP & MOTOR TECHNICIAN II			
	PURCHASING SPECIALIST			
RECORDS SPECIALIST				

Range	Position Title	Minimum	Midpoint	Maximum
N-08	ACCOUNTANT I	\$ 18.04	\$ 23.27	\$ 28.50
	ADMINISTRATIVE SUPERVISOR	\$ 37,523	\$ 48,402	\$ 59,280
	AIRPORT OPERATIONS AGENT			
	ANIMAL SHELTER SUPERVISOR			
	BUYER			
	CODE ENFORCEMENT INSPECTOR			
	CREW CHIEF			
	DEPARTMENT ANALYST			
	ENVIRONMENTAL SERVICES INSPECTOR			
	EXECUTIVE SECRETARY			
	LABORATORY TECHNICIAN			
	PERMITS SUPERVISOR			
	SR. ACCOUNTS PAYABLE SPECIALIST			
	SR. FACILITY SERVICES TECH			
	SUPPORT SERVICES COORDINATOR			
TRAFFIC TECHNICIAN II, SIGNALS				
UTILITIES OPERATOR				
N-09	CONTRACT SERVICES COORDINATOR	\$ 19.30	\$ 24.89	\$ 30.50
	ELECTRICIAN	\$ 40,144	\$ 51,771	\$ 63,440
	EMERGENCY MANAGEMENT SPECIALIST			
	EXECUTIVE ASSISTANT			
	LEAD UTILITIES OPERATOR			
	MECHANIC			
	RESIDENTIAL RENTAL INSPECTOR			
SANITARIAN				
N-10	ACCOUNTANT II	\$ 20.85	\$ 27.09	\$ 33.35
	ADMINISTRATIVE COORDINATOR	\$ 43,368	\$ 56,347	\$ 69,368
	AUTOMOTIVE TECHNICIAN II			
	BUILDING INSPECTOR			
	CONSTRUCTION INSPECTOR			
	CRIME SCENE TECHNICIAN			
	INFORMATION PROCESS TECHNICIAN			
	LINE SUPERVISOR			
	PROJECT ANALYST			
	TELECOMMUNICATIONS SPECIALIST			
WATER SERVICES SUPERVISOR				
N-11	CRIME ANALYST	\$ 23.96	\$ 31.14	\$ 38.33
	END USER SUPPORT SPECIALIST	\$ 49,837	\$ 64,771	\$ 79,726
	FIELD SUPERVISOR			
	FLEET SERVICES SUPERVISOR			
	G.I.S. SPECIALIST			
	INSTRUMENTATION & CONTROL TECHNICIAN			
	PLANS EXAMINER			
	SR. BUILDING INSPECTOR			
	SR. CONSTRUCTION INSPECTOR			
	<i>SR. CONTRACT INSPECTOR</i>			
SYSTEM ANALYST				
N-12	SYSTEM ADMINISTRATOR	\$ 26.36	\$ 34.25	\$ 42.16
		\$ 54,821	\$ 71,248	\$ 87,699

Effective: October 1, 2016

**CITY OF SUGAR LAND
SALARY STRUCTURE
FOR EXEMPT POSITIONS
FY17**

Range	Position Title	Minimum	Midpoint	Maximum
E-01	BUDGET ANALYST	\$ 22.83	\$ 28.25	\$ 33.66
	CONTRACTS COORDINATOR	\$ 47,486	\$ 58,760	\$ 70,013
	EVENT COORDINATOR			
	GRAPHICS COORDINATOR			
	MANAGEMENT ASSISTANT I PLANNER I			
	RECREATION COORDINATOR			
	RIGHT OF WAY SERVICES COORDINATOR			
	SAFETY COORDINATOR			
	TOURISM COORDINATOR			
	E-02	AIRPORT OPERATIONS SPECIALIST	\$ 23.59	\$ 29.97
AIRPORT SERVICES REPRESENTATIVE SUPERVISOR		\$ 49,067	\$ 62,338	\$ 75,587
BILLING SUPERVISOR				
CODE COMPLIANCE COORDINATOR				
COLLECTIONS & CUSTOMER SERVICE SUPERVISOR				
COMMUNITY OUTREACH COORDINATOR				
FACILITIES SERVICES SUPERVISOR				
HR BUSINESS PARTNER				
MANAGEMENT ASSISTANT II PLANNER II				
PRETREATMENT COORDINATOR				
PRODUCER / VIDEOGRAPHER				
PUBLIC/PRIVATE PARTNERSHIP COORDINATOR				
SR. BUDGET ANALYST				
E-03	ACCOUNTS PAYABLE SUPERVISOR	\$ 25.49	\$ 32.37	\$ 39.25
	ADMINISTRATIVE MANAGER	\$ 53,019	\$ 67,330	\$ 81,640
	COMMUNICATIONS MANAGER			
	CONTRACTS MANAGER			
	DEPUTY COURT ADMINISTRATOR			
	ENGINEER I			
	FINANCIAL ANALYST			
	LINE SERVICES SUPERINTENDENT			
	PRINCIPAL ACCOUNTANT			
	PUBLICATIONS MANAGER			
	RECORDS MANAGER			
	SR. PLANNER			
	USER SERVICES SUPERVISOR			
	WATER CONSERVATION MANAGER			
WEBSITE MANAGER				
E-04	ACCOUNTING SUPERVISOR	\$ 27.53	\$ 34.97	\$ 42.39
	AIRPORT BUSINESS MANAGER	\$ 57,262	\$ 72,738	\$ 88,171
	ANIMAL SERVICES MANAGER			
	BUSINESS RETENTION MANAGER			
	COMPLIANCE MANAGER			
	ENGINEER II			
	EVENT PRODUCTION MANAGER			
	FACILITIES PROJECT MANAGER			
	FINANCIAL/INVESTMENT ANALYST			
	FLEET SERVICES MANAGER			
	HUMAN RESOURCES MANAGER			
	IT PROJECT MANAGER			
	LAB MANAGER			
	LEAD PROGRAMMER ANALYST			

Range	Position Title	Minimum	Midpoint	Maximum
E-04	LINE SERVICES MANAGER			
	PROJECT MANAGER			
	REAL PROPERTY MANAGER			
	RECREATION MANAGER			
	RISK MANAGER			
	SR. SANITARIAN			
	STRATEGIC INITIATIVES MANAGER			
	SURFACE WATER CHIEF OPERATOR			
	TOURISM & MARKETING MANAGER			
	TRAFFIC OPERATIONS MANAGER			
WATER RESOURCES MANAGER				
E-05	AIRFIELD & FACILITIES MANAGER	\$ 29.72	\$ 37.76	\$ 45.78
	AIRPORT DEVELOPMENT MANAGER	\$ 61,818	\$ 78,541	\$ 95,222
	AIRPORT OPERATIONS MANAGER			
	CODE COMPLIANCE MANAGER			
	CONSTRUCTION SERVICES MANAGER			
	CULTURAL ARTS MANAGER			
	DEPUTY BUILDING OFFICIAL			
	ENGINEER III			
	ENVIRONMENTAL MANAGER			
	FIELD OPERATIONS MANAGER			
	PARKS DEVELOPMENT MANAGER			
	PRINCIPAL PLANNER			
	RIGHT OF WAY SERVICES MANAGER			
STREET/DRAINAGE SUPERINTENDENT				
E-06	ASSISTANT CITY ATTORNEY	\$ 32.40	\$ 41.16	\$ 49.90
	ASSISTANT TO THE CITY MANAGER	\$ 67,392	\$ 85,613	\$ 103,792
	COMMUNITY COMPLIANCE ADMINISTRATOR			
	DEPUTY CHIEF ACCOUNTANT			
	FACILITY OPERATIONS MANAGER			
	INTERGOV'L RELATIONS MANAGER			
	IT OPERATIONS MANAGER			
	PUBLIC/PRIVATE PARTNERSHIP MANAGER			
	SR. ENGINEER			
	SURFACE WATER PLANT MANAGER			
TRAFFIC ENGINEERING & CONTROLS MANAGER				
E-07	ASSISTANT CITY SECRETARY	\$ 35.32	\$ 44.86	\$ 54.39
	ASSISTANT COMMUNICATIONS DIRECTOR	\$ 73,466	\$ 93,309	\$ 113,131
	IT MANAGER			
	MUNICIPAL COURT ADMINISTRATOR			
	PURCHASING MANAGER			
	TOURISM & DESTINATION SERVICES ADMINISTRATOR			
	TRANSPORTATION & MOBILITY PLANNING MGR			
TREASURY MANAGER				
E-08	ASSISTANT CITY ENGINEER	\$ 38.15	\$ 48.45	\$ 58.74
	ASSISTANT DIRECTOR OF AVIATION	\$ 79,352	\$ 100,776	\$ 122,179
	ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT			
	ASSISTANT DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS			
	ASSISTANT DIRECTOR OF HUMAN RESOURCES			
	ASSISTANT DIRECTOR OF PARKS & RECREATION			
	ASSISTANT DIRECTOR OF PUBLIC WORKS			
	BUDGET OFFICER			
	CHIEF ACCOUNTANT			
	CITY PLANNER - DEVELOPMENT PLANNING			
	CITY PLANNER - LONG RANGE PLAN			
FIRST ASSISTANT CITY ATTORNEY				

Effective: October 1, 2016

CITY OF SUGAR LAND
SALARY STRUCTURE
FOR MANAGEMENT & ELECTED OFFICIAL POSITIONS
FY17

Range	Position Title	Minimum	Midpoint	Maximum
M-01	BUILDING OFFICIAL	\$ 38.49	\$ 48.90	\$ 59.29
	CITY SECRETARY	\$ 80,059	\$ 101,712	\$ 123,323
	COMMUNICATIONS DIRECTOR			
	PUBLIC SAFETY DISPATCH DIRECTOR			
	STRATEGIC INITIATIVES DIRECTOR			
M-02	CITY ENGINEER	\$ 47.25	\$ 59.06	\$ 70.88
	DIRECTOR OF AVIATION	\$ 98,280	\$ 122,845	\$ 147,430
	DIRECTOR OF ECONOMIC DEVELOPMENT			
	DIRECTOR OF ENVIRON & NEIGHBORHOOD SVS			
	DIRECTOR OF FINANCE			
	DIRECTOR OF HUMAN RESOURCES			
	DIRECTOR OF INFORMATION TECHNOLOGY			
	DIRECTOR OF PARKS & RECREATION			
	DIRECTOR OF PLANNING			
	DIRECTOR OF PUBLIC WORKS			
M-03	CITY MANAGER		UNGRADED	
	FIRST ASSISTANT CITY MANAGER			
	ASSISTANT CITY MANAGER			
	CITY ATTORNEY			
	EXECUTIVE DIRECTOR			
	FIRE CHIEF			
	POLICE CHIEF			
	MUNICIPAL COURT JUDGE			
EO-1	COUNCIL MEMBER		\$ 712.24 (Monthly)	
			\$ 8,547 (Annually)	
EO-2	MAYOR		\$ 1,424.48 (Monthly)	
			\$ 17,094 (Annually)	

Effective: October 1, 2016

**CITY OF SUGAR LAND
SALARY STRUCTURE
POLICE, DETENTION & DISPATCH**

FY17

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
PUBLIC SAFETY DISPATCHER - RECRUIT	PTR	\$16.91		
		\$35,173		
PUBLIC SAFETY DISPATCHER I (CERTIFIED)	PT1	\$17.63	\$21.61	\$25.59
		\$36,670	\$44,949	\$53,227
PUBLIC SAFETY DISPATCHER II (CERTIFIED)	PT2	\$19.83	\$24.47	\$29.10
		\$41,246	\$50,898	\$60,528
PS DISPATCH SHIFT SUPERVISOR PS QUALITY ASSURANCE SUPERVISOR	PT3	\$23.36	\$27.96	\$32.56
		\$48,589	\$58,157	\$67,725
DEPUTY PS DISPATCH MANAGER	PT4	\$28.62	\$33.63	\$38.64
		\$59,530	\$69,950	\$80,371
DETENTION OFFICER - RECRUIT	PDR	\$16.87		
		\$35,090		
DETENTION OFFICER (CERTIFIED)	PD1	\$17.77	\$21.32	\$24.87
		\$36,962	\$44,346	\$51,730
POLICE OFFICER - RECRUIT	P-1	\$21.83		
		\$45,406		
POLICE OFFICER	P-2	\$25.41	\$29.85	\$34.29
		\$52,853	\$62,088	\$71,323
POLICE SERGEANTS	P-3	\$33.97	\$37.37	\$40.77
		\$70,658	\$77,730	\$84,802
POLICE LIEUTENANT	P-4	\$39.29	\$43.10	\$46.92
		\$81,723	\$89,648	\$97,594
POLICE CAPTAIN	P-5	\$43.59	\$47.94	\$52.30
		\$90,667	\$99,715	\$108,784
ASSISTANT POLICE CHIEF	P-6	\$48.42	\$54.47	\$60.52
		\$100,714	\$113,298	\$125,882

Effective October 1, 2016

CITY OF SUGAR LAND
SALARY STRUCTURE
FIRE
FY17

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
FIREFIGHTER	F-1	\$16.80	\$19.74	\$22.68
<i>(2912 Hours Annually)</i>		\$48,922	\$57,483	\$66,044
FIRE DRIVER	F2F	\$20.56	\$23.77	\$27.00
<i>(2912 Hours Annually)</i>		\$59,871	\$69,218	\$78,624
FIRE LIEUTENANT (SHIFT)	F3F	\$24.46	\$26.91	\$29.36
<i>(2912 Hours Annually)</i>		\$71,228	\$78,362	\$85,496
FIRE INSPECTOR/INVESTIGATOR	F3G	\$34.24	\$37.67	\$41.10
FIRE LIEUTENANT (NON-SHIFT)				
<i>(2080 Hours Annually)</i>		\$71,219	\$78,354	\$85,488
FIRE CAPTAIN (SHIFT)	F4F	\$26.69	\$29.37	\$32.03
<i>(2912 Hours Annually)</i>		\$77,721	\$85,525	\$93,271
FIRE CAPTAIN (NON-SHIFT)	F4G	\$37.37	\$41.12	\$44.84
<i>(2080 Hours Annually)</i>		\$77,730	\$85,530	\$93,267
BATTALION CHIEF (SHIFT)	F5F	\$28.81	\$31.80	\$34.79
<i>(2912 Hours Annually)</i>		\$83,895	\$92,602	\$101,308
BATTALION CHIEF (NON-SHIFT)	F5G	\$40.33	\$44.52	\$48.71
ASSISTANT FIRE MARSHAL				
<i>(2080 Hours Annually)</i>		\$83,886	\$92,602	\$101,317
ASSISTANT FIRE CHIEF	F6G	\$45.32	\$51.14	\$56.96
<i>(2080 Hours Annually)</i>		\$94,266	\$106,371	\$118,477

Effective for October 1, 2016

**Schedule of Depreciation - FY15
For FY17 Fire Fee Calculation**

Fleet

2005 PUMPER UNIT#117	19,923
PIERCE 75'AERIAL UNIT#128 L2	67,203
FIRE TRUCK 2008 CRIMSON PUMPER UNIT #131	62,330
2009 EXPLORER UNIT#122	1,555
2010 EXPLORER UNIT#111	3,097
2010 FIRE TRUCK UNIT#137	66,350
GOLF CART-UNIT#168	736
INFLATABLE DIVE TEAM BOAT	1,338
FIRELIGHT SKID UNIT-UNIT#140	1,117
2012 GATOR UNIT# 139	1,747
2013 SPARTAN FIRE TRUCK UNIT#132	138,000
2014 TAHOE UNIT#112	5,678
2014 TAHOE UNIT#170	5,678
2015 TAHOE UNIT#118	2,899
FIRE TRUCK 2014 SPARTEN PUMPER UNIT#155	34,951
FIRE TRUCK 2014 SPARTEN PUMPER UNIT#156	34,951
2015 SPARTAN PUMPER UNIT#153	35,001
Total Fleet Depreciation	482,553

Capital

GENERATOR (GAS)- FIRE ST #5	1,029
AIR PACK #42	190
AIR PACK #45	190
AIR PACK #43	190
AIR PACK #44	190
AUX, GENERATOR FOR ALT. EOC	723
STORAGE CONTAINER 40' PORTABLE	77
GAS LINE AT EOC- FOR EOC GENERATOR	65
GENERATOR ELECTRICITY(BACK-UP)	1,000
PRECOR TREADMILL C956	239
AUTOMATIC DEFIBRILLATOR	829
BREATHING AIR COMPRESSOR	935
IN CAR VIDEO	427
IN CAR VIDEO	384
THERMAL IMAGING CAMERA CAMFD08	1,428
IN CAR VIDEO SYSTEMS(4)	833
BUNKER GEAR WASHER/EXTRACTOR	1,214
THERMAL IMAGING CAMERA	1,500
FIRE STATION #2 GENERATOR	2,736
FLAG POLES FIRE #1	250
SCBA SYSTEM BREATHING COMPRESSOR	3,000
INDOOR SPRINKLER SYSTEM FIRE #1	2,933
COMPACT DUO PUMP	993
COMPACT DUO PUMP	993
SPREADERS 4242	856
GEAR WASHER/EXTRACTOR	2,353
THERMAL IMAGER CAMERA	1,487

**Schedule of Depreciation - FY15
For FY17 Fire Fee Calculation**

THERMAL IMAGER CAMERA	958
AUDIO/VISUAL SYSTEM AT FIRE ADMIN	5,843
HVAC-FIRE #7	34,384
APPLIANCES-FIRE #7	5,224
DSX ACCESS CONTROL SYSTEM @FS#2	1,681
DSX ACCESS CONTROL SYSTEM @ FS#3	1,145
DSX ACCESS CONTROL SYSTEM @ FS#4	1,184
DSX ACCESS CONTROL SYSTEM @ FS#5	1,244
DSX ACCESS CONTROL SYSTEM @ FS#6	1,187
Total Capital Depreciation	85,697

Building

FIRE STATION #2 BLDG	3,556
FIRE STATION #4 BLDG	4,356
FIRE STATION #3 BLDG	5,356
2 BASIN S/S SINK	-
A/C UNIT AT FIRE STATION #1	231
FIRE STATION #5 BLDG	22,071
FIRE STATION # 5	2,654
FS#6 ADMIN BLDG	15,404
FS#6 BLDG INTERIOR:CARPET	505
FS#6 BLDG INTERIOR:TILE	168
FS#6 BLDG INTERIOR:ELECTRICAL	4,500
FS#6 BLDG INTERIOR:COOLING/HEATING SYSTEM AIR CIRC	3,307
FS#6 BLDG :ROOF	-
FS#6 BLDG INTERIOR:SPRINKLER SYSTEM	2,425
FS#6 BLDG INTERIOR:WATER SYSTEM	5,350
FIRE STATION #5 BLDG -IMPROVEMENT	703
BUILDING RENOVATIONS	10,905
BUILDING CARPET REPLACEMENT	1,948
BUILDING FIRE#1 @ MATLAGE WAY	65,656
HVAC UNIT W/ ELECTRONIC CONTROLS FIRESTATION#2	5,896
HVAC CONTROL SYS @ FIRE ADMIN/ANNEX	4,255
FIRE ADMIN BLDG RENOVATIONS	2,143
FIRE #7 BUILDING-1301 CHATHAM AVE	58,762
Total Building	220,147

Dispatch

COMMUNICATION EQUIPMENT	-
Total Dispatch Depreciation	-

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 refers to a budget in which revenues are equal to expenditures.

BASE BUDGET: Funding required meeting current service levels.

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

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

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

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

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

C

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

CAPITAL OUTLAYS: Expenditures that result in the acquisition of or addition to fixed assets that are individually priced more than \$5,000, per the City's capitalization policy.

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

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

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

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

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

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

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

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

D

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

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

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

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

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

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

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

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

E

EFFECTIVE TAX RATE: When compared to the same property, the tax rate that produces the same effect in terms of the total amount of taxes as compared to the prior year, based on the value of properties taxed in both years.

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

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

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

EXECUTIVE DIRECTOR: An upper management employee charged with oversight of one or more departments. Executive Directors participate in high-level policy and strategic decision-making and report either to an Assistant City Manager or the City Manager.

EXEMPT: Personnel not eligible to receive overtime pay and who are expected to put in whatever hours are necessary to complete job assignments. The respective Department Head, as partial compensation for overtime hours worked, may allow compensatory time off.

EXPENDITURES: Decreases in net financial resources. Expenditures include current operating expenses, which require the current or future use of net current assets, debt service, and capital outlays.

EXTRATERRITORIAL JURISDICTION (ETJ): The land bordering a City's limits that the City has limited control over but does not furnish City services to nor collect ad valorem taxes from. This is an area outside of City limits that is subject to annexation.

F

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The City of Sugar Land's fiscal year begins each October 1 and ends the following September 30. The term fiscal year 2014 connotes the fiscal year beginning October 1, 2013 and ending September 30, 2014.

FIXED ASSETS: Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, improvements other than buildings, and machinery and equipment.

FIXED BASE OPERATOR (FBO): An operating company providing customer services including fuel and line service personnel at an airport.

FRANCHISE: A special privilege granted by a government permitting the continuing use of public property such as, City rights-of-way.

FULL-TIME EQUIVALENT (FTE): One full-time equivalent works 2,080 hours a year; a person working 1,040 hours per years is equivalent to 0.5 FTE.

FUND: A fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: The difference between governmental fund assets and liabilities. Also referred to as fund equity.

FUND BALANCE POLICY: A minimum fund balance that is required to be kept in reserve as defined in the Financial Management Policy Statements. Fund balances over the policy requirement may be appropriated in the budget.

G

GENERAL FUND: Is used to account for all transactions not properly includable in other funds.

GENERAL LEDGER: A book, file, or other device, which contains the accounts needed to reflect the financial position and the results of operations of an entity. In double entry bookkeeping, the debits and credits in the general ledger are equal; therefore, the debit balances equal the credit balances.

GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP): Uniform minimum standards and guidelines used for financial accounting and reporting as set forth by the Governmental Accounting Standards Board (GASB).

GENERAL OBLIGATION (GO) BONDS: Bonds for the payment of which the full faith and credit of the issuing government are pledged. In issuing its general obligation bonds, the City of Sugar Land pledges to levy whatever property tax is needed to repay the bonds for any particular year. Bonds cannot be issued without voter approval and are usually issued with maturities between 15 and 30 years.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): A governing board set up to establish and improve standards of state and local governmental accounting and financial reporting that will result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

GOVERNMENTAL FUNDS: Those funds through which most governmental functions typically are financed. The acquisition, use, and financial resources and the related current liabilities are accounted for through governmental funds (General, Special Revenue, Capital Projects, and Debt Service Funds).

GROUNDWATER: Water obtained by drilling a well and pumping water from below the surface, typically at depths of thousands of feet. Pumping of groundwater is a contributing factor to subsidence.

H

HOMEOWNERS' ASSOCIATION (HOA): A group of property owners in a residential area, in which membership may be mandatory by deed restriction.

HOUSTON-GALVESTON AREA COUNCIL (HGAC): A voluntary association of counties, cities, independent school districts, and soil and water conservation districts in the Gulf Coast State Planning Region of Texas. H-GAC serves almost 150 local governments, and its region includes about 4 million people in an area of about 12,500 sq. miles.

I

ISO RATING: The Insurance Service Office (ISO) performs surveys to assist insurance organizations with setting up the insurance ratings for the communities. The ISO will perform a survey to assign a public protection grade to each fire department, which is used in the development of insurance rates for all properties within the protected area. Grading starts at 1, which is the best possible score and ends at 10 which is considered unacceptable.

INTERGOVERNMENTAL REVENUE: Grants, entitlements and cost reimbursements from another governmental entity.

INVESTMENT: Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

K

KEY PERFORMANCE INDICATORS (KPI): Specific quantitative and qualitative measures of work performed as a productivity indicator of the program.

L

LANDSCAPE COST SHARE PROGRAM: A program that credits private funds that are used to irrigate public areas, specifically right-of-ways along arterials and state roads. Secondary goals of the program include helping to reduce peak water demand by limiting the times participants in the program can irrigate and promoting water conservation by means of rain sensors and well managed timers and management of irrigation systems.

LEASE/PURCHASE: A financing tool utilized to fund large capital outlays where the City may not have cash available immediately for purchase. The arrangement allows the City use of the item while payments are being made. A lien is placed on the item purchased and upon completion of lease payments, typically 5-7 years, the City gains ownership of the assets.

LEVEE IMPROVEMENT DISTRICT (LID): A special district with authority to levy ad valorem taxes that is used to improve flood control within its boundaries through the use of levies.

LEVY: The City Council has authority to impose or collect taxes, special assessments, or service charges.

LOCAL LAW ENFORCEMENT BLOCK GRANT: A grant program of the Department of Justice in which a local law enforcement agency is given a specified amount of funding to accomplish a goal.

LONG TERM DEBT: Debt with a maturity of more than one year after the date of issuance.

M

MAINTENANCE: The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

MAJOR FUND: Governmental or Enterprise Funds reported as a separate column in the basic fund financial statements and subject to a separate opinion by the independent auditor.

MODIFIED ACCRUAL ACCOUNTING: The basis of accounting in which revenues are recognized when they become measurable and available to finance expenditures of the current period. Expenditures are recognized when the goods are services are received.

MUNICIPAL UTILITY DISTRICT (MUD): A special district whose purpose is to provide water and sewer services to the residences and businesses within its boundaries. The district has ad valorem taxing power and can issue bonds to pay for construction and improvements to the district's system. Districts are typically established in unincorporated areas, but can also lie within the boundaries of one or more cities.

N

NON-CAPITAL ASSETS: Expenditures that result in the acquisition of or addition to assets that are individually priced \$2,500 to \$5,000, per the City's capitalization policy. These items are not added to the fixed assets, but are tracked for inventory purposes.

NON-EXEMPT: Personnel eligible to receive overtime pay when overtime work has been authorized or requested.

O

OPERATING BUDGET: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and services delivery activities of the City are controlled, and are required by state law.

ORDINANCE: A formal legislative enactment by the governing board of a municipality that has the full force and effect of law within the boundaries of the municipality to which it applies so long as it is not in conflict with any higher form of law. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

P

PART I CRIMES: Crimes such as homicide, sexual assault, robbery, aggravated assault, burglary, larceny, auto theft and arson.

PERSONNEL SERVICES: The costs associated with compensating employees for their labor (salaries, wages, insurance, payroll taxes, and retirement contributions).

PROGRAM: A subset of a Department in which expenditures are focused on a primary function of work to be performed.

PROJECTION: Anticipated total for the current fiscal year. During the budget process, the City projects expected revenues and expenditures through the remainder of the fiscal year to gain a better picture of the City's finances. These projections are adopted as the revised budget during the budget adoption process.

PROPERTY TAX: Taxes levied on all real and personal according to the property's valuation and the tax rate, in compliance with State Property Tax Code.

PROPRIETARY FUND: In governmental accounting is a business-like fund. Examples of proprietary funds include enterprise funds and internal service funds.

PUBLIC FUNDS INVESTMENT ACT: A law that governs the investment of government funds in Texas. Under this law, specific parameters are set for Texas cities, requiring them to adopt an investment policy and to designate an investment officer who is required to attend an approved training course. The act, first adopted in 1995 and most recently amended in 2003, also limits the types of investments that can be made and requires quarterly reporting of investment activity to the governing body.

PURCHASE ORDER: A document that authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

R

RATING: The credit worthiness of an entity as evaluated by independent agencies.

REPLACEMENT COST: The cost as of certain date of a property that can render similar service (but which need not be of the same structural form) as the property to be replaced.

RESERVE: An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose and is, therefore, not available for general appropriation.

RETAINED EARNINGS: Is a form of equity resulting from earning activities.

REVENUE BONDS: Legal debt instruments which finance public projects for such services as water or sewer. Revenues from the public project are pledged to pay principal and interest of the bonds. In Texas, revenue bonds may or may not be authorized by public referenda.

REVENUES: Increases in governmental fund types, net current assets from other than expenditure refunds and residual equity transfers.

RIGHT-OF-WAY: The area immediately adjacent to a City's roadway or drainage channel.

S

SALES TAX: A state tax of 6.25% is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. Texas cities and counties have the option of imposing additional local sales taxes for a combined total of state and local taxes of 8.25%.

SERVICE LEVEL STANDARD: The expected outcome for a service that is provided. Can include minimum staffing, hours of operation, or outcome goals.

SPECIAL ASSESSMENT: A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL REVENUE FUND: A fund used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds for specific revenue sources" establishes that one or more restricted or committed revenues should be the foundation for a special revenue fund.

STRUCTURAL BALANCE: A term used to define a budget that includes recurring revenues greater than or equal to recurring expenditures.

SUBSIDENCE: A gradual settling or sudden sinking of the Earth's surface owing to subsurface movement of earth materials. Land subsidence occurs when there is a loss of support below ground such as when water is taken out of the soil and the soil collapses. This situation occurs throughout the United States, but has had more impact in California, Texas, and Arizona.

SUGAR LAND 101: A municipal government course sponsored by the City, educating future City leaders in the workings of the Sugar Land Municipal Government.

SUGAR LAND DEVELOPMENT CORPORATIONS: Corporations that are financed by additional sales taxes approved by the voters. State law allows the City to collect this sales tax to assist in the promotion, enhancement, and development on behalf of the City.

SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY: A local government corporation created by the City for the sole purpose of carrying out the necessary tasks to accomplish the Town Square project.

SUPPLIES: A cost category for minor items (individually priced at less than \$500) required by departments to conduct their operations.

SURFACE WATER: Drinking water can come from either ground water sources (via wells) or surface water sources (such as rivers, lakes, and streams). Nationally, most water systems use a ground water source (80%), but most people (66%) are served by a water system that uses surface water. Large metropolitan areas tend to rely on surface water, whereas small and rural areas tend to rely on ground water.

T

TAX LEVY: The total amount to be raised by general property taxes for purpose specified in the Tax Levy Ordinance.

TAX RATE: The amount of tax levied for each \$100 of taxable valuation. The tax rate multiplied by the taxable valuation equals the tax levy.

TAXES: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges.

TEXAS COMMISSION ON LAW ENFORCEMENT OFFICERS STANDARDS AND EDUCATION (TCLEOSE): A commission that allocates funds each year to public safety agencies in Texas earmarked for peace officer training based on the number of peace officers on staff for each agency.

TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT): A state agency that provides funding, with a local match, for improvement of state highways within the City limits.

U

USER FEES: The payment of a fee for direct receipt of a public service by the party benefiting from the service.

W

WATER CONTROL IMPROVEMENT DISTRICT (WCID): A special purpose district established to provide water and sewer facilities and services within the district. The District has taxing authority separate from any other taxing

authority, and maybe, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds.

WORKING CAPITAL: Is the current assets less current liabilities.

Y

YIELD: rate earned on an investment based on the cost of the investment, the par value of the investment, plus interest to be earned to maturity, and less any accrued interest.

A

AED: Automated External Defibrillator
ADA: Americans with Disability Act
AFIS: Automated Fingerprint Identification System

C

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

D

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

E

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

F

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

G

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

H

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

K

KSLB: Keep Sugar Land Beautiful

L

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

M

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

O

O&M: Operations and Maintenance

P

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

R

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

S

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

T

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

V

VOIP: Voice over Internet Protocol

W

WCID: Water Control Improvement District