



ANNUAL BUDGET & PROGRAM OF SERVICES



CITY OF SUGAR LAND



Annual Budget for October 1, 2014 - September 30, 2015

Adopted by Ordinance No. 1975
September 16, 2014

This budget will raise more revenue from property taxes than last year's budget by an amount of \$2,070,796, which is a 6.47% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$422,164.

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

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

Property Tax Rate Comparison

Per \$100 Valuation	2013-14	2014-15
Adopted Tax Rate	\$ 0.30895	\$ 0.31595
Effective Tax Rate	0.29808	0.29551
Effective M&O Tax Rate	0.16543	0.15593
Rollback Tax Rate	0.32316	0.32282
Debt Tax Rate	0.13610	0.14560

Debt obligations for City of Sugar Land secured by property taxes:
\$17,015,980.

Table of Contents

Transmittal Letter	7
Financial Summary	13
Three Year Summary of All Funds	13
Executive Summary	14
Detailed Summary by Fund	20
City Overview	23
City Organizational Chart	23
City Overview	24
City Profile	26
Budget Process & Calendar	27
Legal Requirements & Basis of Budgeting	29
Goals & Vision	32
Staffing Levels & Historical FTE Count	37
Property Taxes	47
Summary	47
Tax Collections	49
Analysis of Certified Tax Roll	50
Principal Taxpayers (Top Ten)	51
Debt Service Funds	53
Summary	53
Income Statement	56
Overlapping Debt & Debt Service Schedules	58
General Fund	63
Summary	64
Income Statement	66
General Government	72
Mayor & City Council	73
City Manager	74
Assistant City Managers	75
City Secretary	76
Public Communications	77
Human Resources	78
City Attorney	79
Information Technology	80
Strategic Initiatives	81
Economic Development	82
Fiscal Services & Municipal Court	83
Public Works	86
Parks & Recreation	89
Community Development & Engineering	92
Police Department & Public Safety Dispatch	95
Fire Department	99
Non-Departmental	102
Special Revenue Funds	103
Summary	103
Court Security Fund	108

Court Technology Fund	109
Community Block Grant Fund	110
Tourism Fund	111
Law Enforcement Funds	114
Photographic Traffic Signal Enforcement Fund	116
Debt Reduction Funds	117
Capital Projects Fund	121
Summary	121
Summary Schedule of Revenues & Expenditures	123
Summary of Capital Projects	124
Operations & Maintenance Impact	132
Enterprise Funds	133
Water Utility Fund	133
Surface Water Fund	141
Airport Fund	147
Solid Waste Fund	155
Internal Service Funds	159
Summary	159
Employee Benefits Funds	161
Fleet Replacement Fund	162
High-Tech Replacement Fund	163
Component Units	165
Summary	165
Sugar Land Development Corporation	169
Sugar Land 4B Corporation	172
TIRZ #1	175
TIRZ #3	176
TIRZ #4	177
Five-Year Forecast	179
Summary & Assumptions	179
Income Statements	187
Appendices	197
Financial Management Policy Statements	197
Budget & Tax Rate Ordinances	221
Salary Structures	225
Schedule of Depreciation	232
Glossary	235
Acronyms	244

Annual Budget for October 1, 2014 – September 30, 2015



List in order: (L to R)

- Himesh Gandhi.....Council Member, At Large Position One
- Amy L. MitchellCouncil Member, District Three
- James A. Thompson Mayor
- Joe R. Zimmerman Council Member, At Large Position Two
- Bridget R. Yeung..... Council Member, District Two
- Harish C. Jajoo.....Council Member, District Four
- Steve R. Porter Council Member, District One

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, 2013

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Sugar Land for its annual budget for the fiscal year beginning October 1, 2013.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan and a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine eligibility for another award.



CITY OF SUGAR LAND
City Manager's Office

October 1, 2014

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, 2014 is hereby presented. The budget for fiscal year 2015 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 high quality City services for residents and visitors to Sugar Land, ensures continued financial strength by meeting all fund balance requirements, and is structurally balanced.

FY14 Economic Activity & Significant Accomplishments

The Houston-area economy has seen strong growth over the last eighteen months, and planning work done by City Council and City staff during and after the recession has allowed Sugar Land to enjoy the economic rebound. Growth in sales tax receipts has returned to levels seen prior to the recession, and the year-end projection for sales tax is trending over budget by 10%. This growth is expected to continue into FY15, although at more moderate levels, and provides funding capacity to meet new and existing needs.

The City has also seen considerable building permit activity, particularly in commercial development. Although the residential development in Telfair is substantially completed, commercial areas are starting to develop. The City has also started to see development in the Imperial tract, which should continue over the next several years. The growth in Imperial and Telfair will generate new economic activity within the City and increase the property tax base.

As the City continues to develop, having a reliable and available water supply is important. In November the City's surface water treatment plant (SWTP) began operating. The \$69 million plant is the largest capital project the City has undertaken to date and will help meet the Fort Bend Subsidence District's state mandate that 30 percent of the City's water supply come from a non-groundwater source. The plant can convert over 9 million gallons of surface water per day and can be expanded to 22 million gallons per day in the future. The extensive planning done by City Council and City staff on surface water conversion will ensure Sugar Land residents have a reliable water supply for years to come.

Sugar Land residents showed support for quality of life projects in the City by voting to authorize a bond package totaling \$31.5 million in November. The 2013 bond election was the first held since 1999 and will result in the development of 128 acres of new parkland along the Brazos River, an adjacent festival site, and a connecting network of nearly ten miles of hike and bike trails. The FY15 budget includes funding for the first phase of these voter authorized projects.

The City continues to have one of the lowest crime rates in the state and country, as recognized by *CQ Press* in their annual City Crime Rankings list. City Council took action in December to further address crime prevention in Sugar Land by expanding the Police impact team, adding two new Police Officers. The Police impact team focuses on targeted responses to specific crimes and conducts surveillance in hot spots, such as fitness clubs, parks, and retail parking lots. City Council's commitment to maintaining a low crime rate will continue to make Sugar Land attractive to new residents and companies desiring to locate or expand in the City.

There have been a number of announcements this year regarding business expansions or relocations to Sugar Land. Both Memorial Hermann and Methodist hospitals announced multimillion dollar expansions to patient and office space in Sugar Land that are currently under construction. In July, Nalco Champion announced plans to expand their presence in the City by relocating their corporate headquarters to Sugar Land. The relocation will result in more than \$45 million in investments and over 860 new jobs. Finally, Texas Instruments completed their move into the new corporate campus constructed in Telfair. The 155,000 square foot facility will bring 375 new jobs to Sugar Land. These successes illustrate the benefits of planning efforts that City Council and City staff put into economic development activity in Sugar Land. Additionally, the City is in final negotiations on economic development agreements to retain and expand another world-wide firm headquartered in Sugar Land. These agreements will be the basis for a major expansion by the firm – a leading provider of fiber-optic networking products – and will result in \$39M in capital investment and over 500 new jobs in the City once completed.

To ensure the City is prepared to deal with future growth and the financial impact of such growth, City Council and City staff has maintained a focus on internal processes that contribute to the success of the City. Beginning in January, the Planning department hosted a six-part series of land use forums highlighting land use topics such as housing choices, development of activity centers and redevelopment of aging commercial areas in Sugar Land. The forums allowed for citizen participation and feedback on future land use as the City works to update its land use plan. In February, the City received a clean audit from its external auditors, signifying the strong financial standing of the City, and in June, City Council updated the Financial Management Policy Statements. The FMPS have been identified by bond rating agencies as an important component of the City's AAA bond rating. City Council's continued leadership in the areas of sound development and strong financial policies position the City to be prepared for the challenges and benefits of future growth within the City.

City Council Priorities

The FY15 operating budget and CIP includes funding for a number of high priority projects outlined by City Council. The capital improvement program (CIP) includes funding for the construction of a performing arts center, the first year of the citizen approved parks bond projects, and a continued emphasis on pavement and drainage rehabilitation. Operating priorities include the personnel and equipment for implementation of Fire-based emergency medical services (EMS) and implementation of the Public Safety compensation study.

Performing Arts Center

In November 2008, Sugar Land voters approved the funding tools for the construction of a minor league baseball stadium and performing arts center. With the completion of Constellation Field in 2012, City Council and staff have turned their focus to the construction of a performing arts center. In 2011 the City entered into a public-private partnership with ACE SL, LLC to develop the facility. Design and construction documents are underway, and the FY15 CIP includes \$79 million for construction. It is anticipated that the 6,500 seat venue will be completed in fall 2016 and will promote capital investment, create new jobs, enhance educational opportunities, and create unique destination activities attracting local and regional visitors. Funding for the project comes from Economic Development Sales Tax, facility rent payments, participation from ACE SL, and hotel occupancy taxes; there are no general tax dollars being spent on the project.

Bond Election Projects

In November 2013, Sugar Land voters authorized \$31.5 million in general obligation bonds to be issued for parkland improvements at Brazos River Park, an adjacent festival site, and nearly ten miles of hike and bike trails and bridges throughout the City. The FY15 budget includes \$13.55 million for the first year of funding for the voter authorized projects, including work on the next phase of Brazos River Park, grading and site work on the Festival Site, and the Imperial and First Colony trails. The remaining projects have been programmed over the course of the five-year CIP, with all projects anticipated to be underway by FY19.

Capital Improvement Priorities

The FY15 CIP continues to place a high level of emphasis on pavement and drainage improvements, which remain a City Council priority. The Streets CIP budget totals \$19.6 million and includes funding of rehabilitation and reconstruction for Dairy Ashford Widening; reconstruction of Lakefield, Williams Trace (from Lexington to Highway 6), and Austin Parkway (from Highway 6 to the First Colony LID ditch); reconstruction in the Highlands and Settlers Park; and various street and sidewalk rehabilitation projects from the pavement assessment. The FY15 CIP includes funding to begin addressing drainage issues in Sugar Creek and Covington Woods. Significant utility projects also include an emphasis on rehabilitation and include collection system and lift station rehabilitation projects for wastewater, and distribution system and ground storage tank rehabilitation projects for water.

Operating Priorities

In FY14, City Council approved one-time funding to purchase equipment for the establishment of Fire-based EMS transport in Sugar Land. The transition of EMS transport to the City will result in better utilization of Fire Department staff and resources and will increase service levels and the number of ambulances operating within the City limits from two to four, which will decrease response times to emergency medical calls made by residents and visitors in Sugar Land. The FY15 budget continues the implementation of EMS transport with the addition of \$2.5 million for personnel and additional equipment needs. Included in the budget are eleven new firefighter/paramedics and two new public safety dispatchers; this is consistent with the funding plan shared with City Council during budget preparation discussions and prior year workshops. With these new additions, the City will be on schedule to meet the implementation of Fire-based EMS transport beginning in January 2015.

Changes are also being made to public safety compensation based on the results of a compensation study conducted in FY14. The public safety compensation study was conducted to determine if the salary structure and professional certification pays for public safety positions was competitive within the market. Adjustments to public safety compensation include: adjusting the pay structure for rank positions (sergeants, drivers, lieutenants, and assistant chiefs); addressing compression issues within pay grades; increasing professional certification pay and education pay for bachelors and masters degrees; and adding certification pay for both EMS and SCBA certifications. The budget includes funding to implement the public safety compensation study results, which should ensure public safety compensation for the City remains competitive with other local and regional jurisdictions.

As City Council continues to place an emphasis on desirable and safe neighborhoods, resources are included for two additional code enforcement inspectors in the Code Enforcement program. The new additions will allow Code Enforcement staff to actively inspect neighborhoods throughout the City rather than relying on citizen complaints. This will allow the City to respond more quickly to code violations or unsafe conditions that may exist on properties and address the issues before they become nuisance issues.

Other Items

Also included in the FY15 budget is funding to replace aging equipment, improve efficiencies and accountability, meet new state inspection mandates, allow staff to better respond to routine maintenance requests that are made by citizens, and meet existing workload demands. Examples of such items include replacement of a fire engine and firefighter bunker gear, software for handling routine food safety inspections, training for performing mandated inspections, the addition of a work order system for tracking public requests for service, funding for the storm water management program, and one additional customer service representative in Treasury to assist with payments and customer service calls.

Additionally, there are a number of economic development opportunities that are currently in the planning stages with unknown costs. In some cases the City may enter into agreements with private developers to facilitate these projects. Examples of the projects include acquisition of the central prison unit property for development into a business park, and a study that is underway to evaluate the feasibility of a convention center in the City. To ensure the City has the financial flexibility to participate in these opportunities, capacity has been reserved within the Corporations and Tourism Fund so that the City is in position to move quickly as these projects move from planning phases into development. This financial flexibility is indicated in the five year forecast for the Corporations and Tourism Fund as "Reserve for Opportunities."

Employee Compensation and Benefits

As the economy in the Houston region has continued to boom, the job market in the region has become increasingly competitive. The FY15 budget includes a compensation and benefits package for employees that will allow the City to retain and attract a highly skilled workforce. An average 4% merit pool is included in the budget, effective January 1, based on annual performance evaluations. 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.

The City's self-funded medical insurance fund continues to perform well and allow the City to avoid double digit increases in healthcare costs. Based on estimates, medical costs for FY15 are anticipated to increase by 8%. The increase will be shared proportionally between City and employee contributions.

The City participates in the Texas Municipal Retirement System (TMRS) for full-time employees but does not participate in Social Security. TMRS conducts an annual actuarial study to determine contributions rates. The contribution for FY15 will be decreasing from 15.56% to 15.26%. Workers' compensation rates are also declining, which along with the TMRS decrease partially offsets the increases from the merit pool, public safety compensation adjustments, and health benefits. With the adjustments, the City will maintain a benefits burden within the compensation philosophy limits.

Tax Rate and Fee Adjustments

The budget is based on an approved 2014 tax rate of \$0.31595 per hundred dollars valuation, an increase of \$0.007 cent above the 2013 tax rate. As discussed with City Council in March, the increase will support the general obligation debt that will be issued in FY15 to fund parks bond projects authorized by voters in November 2013.

In the enterprise funds, there are no rate increases to water, wastewater, and surface water rates, which is consistent with the five-year forecast that has been shared with City Council in prior years. The Solid Waste Fund includes a contractual increase of 2.5% (\$0.41) to residential solid waste rates effective in January; the current rate of \$16.40 will be increasing to \$16.81. The airport enterprise fund includes the final step of a three-year phased increase to the fuel markup beginning in FY13. Since Sugar Land Regional Airport is a self-sustaining operation, this increase to the fuel markup supports the services provided to airport customers. The six-cent increase to the markup can be implemented while keeping the airport's fuel prices competitive within the market.

The City Council adopted FMPS contain guidance on the annual evaluation of user fees. The FMPS indicate staff should evaluate all user fees and determine if a CPI adjustment should be applied. In FY14 the CPI was 0.7% and no change was recommended. For FY15, the budget includes a total 3.6% CPI adjustment to certain user fees based on FMPS policy direction to ensure the revenues collected on services delivered keep pace with the rate of inflation. In addition to the CPI adjustment, several new user fees are being added so that the City can recover the cost associated with services that are currently provided but for which there is no fee. The new fees include a court convenience fee to offset credit card charges for defendants who pay citations at Municipal Court via telephone or the internet, and a fire annual inspection fee for facilities that are mandated by the state to have annual inspections such as nursing homes and day care facilities. In conjunction with the CPI adjustments and new user fees, fire alarm and fixed fire extinguishing system fees are being restructured so that the fees are more streamlined and better recover the cost associated with the inspections and plan reviews conducted by the Fire Department.

Financial Summary

Based on the priorities and needs addressed above, the budget totals \$324.75 million. Of the total, \$167.30 million is for city operations, \$13.11 million is for economic development, and \$144.35 million is for capital

projects. The budget includes the addition of 16 full-time equivalent positions, with 11 firefighter/paramedics and 2 public safety dispatchers for Fire-based EMS services, 2 code enforcement officers, and 1 customer service representative. As directed in the FMPS, a long-range forecast has been prepared for each of the major operating funds. The forecast shows that the budget can be sustained into the next five years with conservative annual growth in revenues.

While the total budget is a significant increase over prior years, it is due to the size of the capital projects budgeted in FY15. The City's operating budget is increasing just 4.4% and the General Fund is only increasing 4.8%, which is a significant accomplishment as the FY15 budget includes funding for City Council priorities including EMS transport services and implementation of the public safety compensation study. The financial summary for the FY15 budget is below:

(\$ in Millions)	FY14	FY15	Dollar	Percent
	<u>Adopted</u>	<u>Approved</u>	<u>Change</u>	<u>Change</u>
General Fund	\$ 69.06	\$ 72.36	\$ 3.31	4.8%
Debt Service Funds	18.73	20.83	2.10	11.2%
Utility Enterprise Funds	36.11	35.27	(0.84)	(2.3%)
Airport Fund	19.24	18.44	(0.80)	(4.2%)
Solid Waste Fund	5.22	5.29	0.07	1.4%
Other Funds	<u>11.91</u>	<u>15.09</u>	<u>3.19</u>	<u>26.8%</u>
Total City Operating Funds	\$ 160.26	\$ 167.30	\$ 7.04	4.4%
Corporations	9.45	13.11	3.66	38.7%
Capital Projects	<u>37.85</u>	<u>144.35</u>	<u>106.49</u>	<u>281.3%</u>
Totals	<u>\$ 207.57</u>	<u>\$ 324.75</u>	<u>\$ 117.19</u>	<u>56.5%</u>

I encourage you to read further into the information describing the FY15 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 CIP and employee compensation plans. Within each fund summary are overviews of the services for the departments that will support Sugar Land at the current service levels.

Respectfully,



Allen Bogard
City Manager

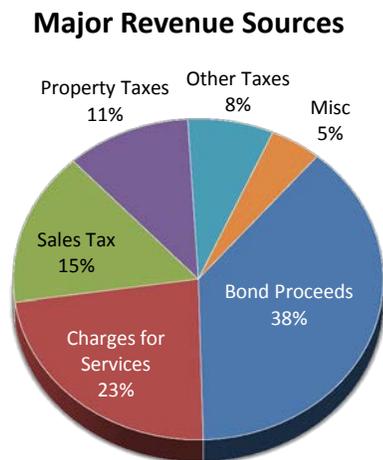
**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
REVENUES AND EXPENDITURES**

	FY13	FY14	FY14	FY15
	Actuals	Adjusted Budget	Projections	Budget
REVENUES:				
Property Taxes	\$ 29,874,616	\$ 31,439,800	\$ 31,566,800	\$ 34,071,800
Sales Tax	44,965,164	44,852,318	47,438,082	48,310,000
Other Taxes	8,019,978	7,752,054	8,372,712	8,182,926
Licenses & Permits	2,724,435	2,637,851	2,827,100	3,016,350
Charges For Service	63,975,033	68,831,281	66,214,740	72,255,773
Fines & Forfeitures	1,746,289	3,217,182	3,924,590	4,047,300
Interest Income	1,101,594	266,130	263,296	394,772
Intergovernmental	360,088	1,210,712	1,202,212	480,087
Miscellaneous	18,488,962	5,700,604	6,831,941	13,978,905
Bond Proceeds	20,870,823	38,897,825	39,446,624	120,152,143
Contributions	6,325,896	7,002,095	6,551,655	7,476,212
Total Revenues	198,452,876	211,807,852	214,639,752	312,366,268
Transfers from other funds	32,011,683	54,529,470	54,784,989	91,912,670
Total Available Resources	230,464,559	266,337,322	269,424,741	404,278,938
EXPENDITURES:				
General Government	11,954,059	14,617,983	12,843,697	12,689,158
Finance	2,785,237	5,235,686	5,236,430	3,487,136
Public Works	8,587,538	7,102,380	7,102,380	9,595,251
Parks & Recreation	5,440,838	5,773,613	5,773,613	5,890,416
Community Development	4,778,623	5,545,285	5,545,285	5,828,506
Police Department	17,346,497	18,906,947	19,007,109	20,013,980
Fire Department	10,214,184	13,699,818	13,897,488	14,925,771
Debt Service	28,653,493	39,677,037	38,560,644	42,753,173
Other	7,245,792	6,893,949	6,035,685	9,074,266
Construction	84,050,621	45,721,616	45,721,616	144,347,750
Utility Services	18,303,056	25,132,540	24,127,694	23,877,345
Airport Services	14,090,671	18,093,753	14,679,391	17,093,528
Insurance Coverage	6,477,560	6,545,077	6,977,591	7,378,478
Equipment Replacement	1,579,282	3,054,961	3,054,961	2,996,200
Rebates & Assignments	4,215,798	5,057,519	5,188,481	4,803,796
Total Expenditures	225,723,248	221,058,164	213,752,065	324,754,754
Transfers to other funds	32,011,683	54,529,470	54,784,989	91,912,670
Total Expenditures & Transfers	\$ 257,734,930	\$ 275,587,634	\$ 268,537,054	\$ 416,667,424

Executive Summary

Major Revenue Sources

Major revenue sources for the City total \$312.4 million (excluding interfund 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 95% of total revenues for the City. Miscellaneous revenues include licenses and permits, fines and forfeitures, contributions, and developer fees and make up the remaining 5%. The chart to the right illustrates the breakdown of the major revenue sources.



Property Tax

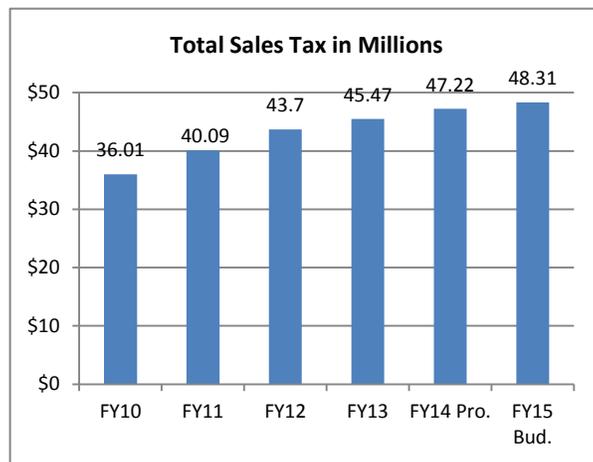
Revenues from ad valorem or property taxes represent 11% of overall revenues for the City at \$34.07 million. Property tax revenues are based on a tax rate of \$0.31595 per \$100 of assessed valuation. Property tax collection is authorized by the State of Texas up to \$2.50 per \$100 of assessed valuation for maintenance and operations and debt service.

Sales Tax

Sales tax revenue, collected at \$48.31 million, represents 15% 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 (\$44.2M) and collections from incentive agreements (\$4.1M). 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 four active incentive agreements in place. The gross collections estimated from companies under these agreements totals \$4.1 million, of which \$1.5 million will be paid out in incentives in FY15.

Sales tax revenue estimates are prepared using regression analysis coupled and other financial techniques. As of FY13, the City sales tax collections have fully normalized following the recession. FY14 collections are expected to exceed budget by 3.1%. The total budget for sales tax for FY15 is \$48.31 million. The chart to the right illustrates the historical trend of sales tax collections in the City.



Other Taxes

Other Taxes represent 8% of City revenues at \$8.18 million and are comprised of franchise and hotel occupancy taxes. Franchise taxes are anticipated to total \$5.71 million in FY15. Franchise revenues are derived from non-exclusive franchise agreements the City has with utilities 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 to compensate the City for use of right-of-way. Generally the fees are based on a percentage of a utility's 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 total \$2.47 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 23% of total City revenues at \$72.26 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 \$4.45 million and are primarily derived from user fees for services for fire protection in the City's extraterritorial jurisdiction, parks and recreation activities and rentals, and administrative fees. For FY15, a 3.6% CPI adjustment to select user fees was made based on guidance provided in the FMPS.

Administrative fees are paid by the Sugar Land 4B Corporation for support services and the management of capital projects that total \$534,327 and makeup 12.0% of the revenue budgeted in this category. The administrative fee is a reimbursement to the City for staffing and resources utilized for economic development efforts and are identified in the Corporation's budget development. The Corporation also reimburses the City for project management expenses related to capital projects funded by the Corporation. Administrative charges from the Sugar Land Development Corporation are budgeted as a transfer to the General Fund.

Fire protection fees total \$2.24 million and represent 50.3% of charges for service. 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 September by the CPI index as outlined in the fire protection agreement between the City and the districts.

Park fees total \$513,000 and represent 11.6% of charges for services. Park fees are generated by facility usage cards, facility rentals, leisure classes, senior programs and camp programs.

EMS fees total \$775,883 and represent 17.5% of charges for services.

Other charges for services include false alarm charges, hazardous materials responses, and sale of property. With the exception of administrative fees, charges for service are budgeted based on historic collections, with growth factors included where appropriate.

Utility Charges for Service

Utility charges for services are anticipated to generate \$38.63 million in FY15. 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 6.10 billion gallons for water and 3.09 billion gallons for wastewater. There are no changes to water and wastewater rates for FY15.

Surface Water Charges for Service

Surface Water charges for service are anticipated to generate \$4.22 million in FY15. Groundwater Reduction Plan (GRP) pumpage fees are established by ordinance by City Council. The FY15 budget does not include an increase to the GRP pumpage of \$1.75 per 1,000 gallons of groundwater produced. The Utility Fund transfers the surface water fees to the Surface Water Fund. City customers pay the full GRP rate of \$1.75, plus an additional \$0.27 that accounts for water loss in the system, for a total of \$1.88 per 1,000 gallons billed. There are no changes to the surface water rates for FY15.

Airport Charges for Service

Charges for service at the Airport are anticipated to total \$18.38 million. Budgeted fuel sales of \$17.09 million represent estimated fuel sales of 2.95 million gallons. Aviation fuel is sold at cost plus markup. The markup on fuel is the Airport's primary source of income other than lease revenues, an increase to the fuel markup of 6 cents in FY15. The remaining charges for service 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 expanded international marketing of the airport. Other fees are budgeted based on historic collections.

Solid Waste Charges for Service

Charges for service in the Solid Waste Fund are anticipated to total \$5.63 million. The City contracts solid waste service and provides twice weekly automated trash collection and weekly automated recycling. Residents currently pay \$16.40 per month for this service. Effective January 1, 2015, the rate will increase to \$16.81 per month. The budget anticipates 25,863 households served during the fiscal year.

Bond Proceeds

Bond proceeds for \$120.15 million represent 38% of total revenues. The proceeds will be used for funding the FY15 capital improvement projects, including \$38.87 million issued by the SLDC for the performing arts center.

Miscellaneous Revenues

Miscellaneous revenues represent the remaining 5% of total revenues at \$14.1 million. Miscellaneous revenues include licenses and permits, fines and forfeitures, developer fees, contributions toward insurance premiums, interest income and intergovernmental revenues such as grants.

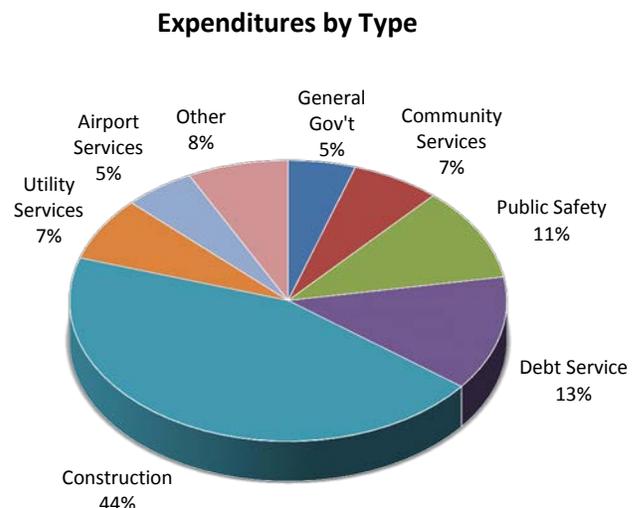
Expenditures by Type

The FY15 budget totals \$324.75 million (excluding inter-fund transfers). The chart below illustrates expenditures by type.

General Government expenditures represent 5% of overall expenditures at \$16.18 million. General Government expenditures are for administrative functions, including City Management, City Secretary, City Attorney, Human Resources, Information Technology, Communication, Strategic Initiatives, Finance, Municipal Court, Economic Development, and Tourism.

Community Services expenditures represent 7% of total expenditures at \$21.31 million. Community

Services expenditures include Parks, Public Works and Community Development. Services provided include: park



and recreation activities and facilities, right of way maintenance, streetlights, streets, sidewalks, traffic signals, and drainage maintenance, code enforcement, engineering, planning, permits & inspections and animal services, among others.

Public Safety expenditures represent 11% of total expenditures at \$34.94 million and include the Police and Fire Departments and public safety dispatch.

Debt Service represents 13% of total expenditures at \$42.75 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 39 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 pumpage fees.

Construction represents 44% of total expenditures at \$144.35 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 7% of total expenditures at \$23.88 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 \$17.09 million. The fixed based operator at the airport is Global Select, which provides fuel and aviation customer services.

Other expenditures represent 8% of expenditures at \$24.25 million and include 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 Fund

The budget in the Debt Service Fund, excluding inter-fund transfers and taxable COs, totals \$20.83 million. Expenditures include \$19.32 million in debt service payments and fiscal fees. The budget also includes \$1.51 million in property tax rebates to in-city MUDs. Ending fund balance of \$3.92 million is above the policy requirement of 10% of debt service requirements.

General Fund

The General Fund budget, excluding inter-fund transfers, totals \$72.36 million. Expenditures include the implementation of Fire-based Emergency Medical Service Transport, replacement of Fire Engine 3, funds to conduct departmental assessments to enhance operational efficiencies, and funding for street rehabilitation and maintenance. The budget also includes a 4% merit pool for employees effective in January 2015. Fifteen new full-time equivalent positions are included in the budget including two full time Public Safety Dispatchers and eleven Firefighter/Paramedics related to the implementation of EMS. Also included are two full-time Code Enforcement Officers in Community Development.

The General Fund budget draws down fund balance by \$1.11 million and analysis shows the budget is structurally balanced (recurring revenues cover recurring expenditures). Anticipated FY15 ending fund balance in the General Fund is \$16.92 million, which higher than the policy requirement of three months of recurring operating expenditures.

Capital Improvement Program

The 2015-2019 capital improvement program totals \$324.11 million. Of this total, \$144.35 million in projects are funded in the FY15 budget. Municipal projects make up the majority of the FY15 allocation at 60.9% and include construction costs for the performing arts center. Streets projects represent at 13.6% of the total, with Parks projects representing 10.7%, including funds for the parks bond projects. Water projects represent 5.5%, with Drainage, Traffic, Surface Water, Wastewater and Airport projects representing the remaining 9.3% of the FY15 CIP.

Funding for the FY15 CIP consists of \$3.22 million in pay-as-you-go funding, \$14.39 million in certificates of obligation, \$13.01 million in revenue bonds, \$1.75 million in certificates of obligation for the Airport, \$13.55 million in general obligation bonds, a \$9.12 million contribution for the PAC from Ace Sugar Land, LLC, \$40.06 million from SLDC, and \$25 million in taxable CO's, which will be repaid with rent from the Performing Arts Center. Other funding includes \$4.1 million in fund balance from the dissolution of MUD21, \$850,000 from Fort Bend County, \$35,000 from CDBG, \$705,519 from the Red Light Camera Fund for Traffic projects, and \$1.64 million from the SL4B. A total of \$3.99 million in system revenues will also fund projects for the Airport and Utilities Funds.

Water Utility Fund

The Water Utility Fund budget totals \$22.61 million, excluding CIP projects and inter-fund transfers. Funding includes an additional Customer Service Representative in Treasury to assist with increasing workloads. A drawdown in cash equivalents of \$1.93 million is anticipated for the fiscal year. The FY15 budgeted ending cash equivalent totals \$7.37 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 \$12.66 million. The Surface Water Fund is supported by pumpage fees paid by all participants in the City's groundwater reduction plan. The FY15 budgeted ending balance of \$12.84 million exceeds the 50% general purpose reserve.

Airport Fund

The Airport Fund budget totals \$18.44 million excluding CIP projects and inter-fund transfers. The fund anticipates a drawdown in cash equivalents of \$105,160. The FY15 budgeted ending balance of \$2.78 million is above the policy requirement of 25% of operating expenditures.

Solid Waste Fund

The Solid Waste Fund operating budget totals \$5.29 million, excluding inter-fund transfers, and includes contracted residential solid waste collection and 2.5 FTEs to provide services and monitor the contract. 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 \$66,460. The fund has no minimum fund balance per policy.

Sugar Land Development Corporation

The FY15 budget for SLDC totals \$8.01 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 \$3.13 million for outstanding debt issues and the new debt for the FY15 bond proceeds of \$38.8 million. The FY15 budgeted available ending balance of \$1.10 million is over the policy requirement of 10% of budgeted sales tax collections.

Sugar Land 4B Corporation

The FY15 budget for SL4B totals \$5.10 million. 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 \$3.37 million for outstanding debt issues. The FY15 budgeted available ending balance of \$726,185 is over the policy requirement of 10% of budgeted sales tax collections.

Tourism Fund

Expenditures in the Tourism Fund total \$2.89 million, excluding inter-fund transfers. This includes funding for marketing, destination product initiatives, and TIRZ#4 Parking and Infrastructure. The fund supports \$1.6 million in debt service payments for the Sugar Land Conference Center, the Performing Arts Center and TIRZ#4 Parking and Infrastructure. The fund has a projected ending fund balance of \$504,195 and no minimum fund balance requirement.

Employee Compensation

The City offers a competitive benefit package to employees, including medical and dental coverage and contributions toward dependent coverage. The City participates in the Texas Municipal Retirement System (TMRS); employees contribute 7% of their gross pay and the City matches employee contributions 2 to 1, and employees are vested after five years of service. Because the City does not participate in Social Security, the City has chosen the highest level plan offered by TMRS. The contribution rate to TMRS for the City changes each year and is based on actuarial analysis of funding needs in the City's plan. The City's contribution rate to TMRS is decreasing from 15.56% in 2014 to 15.25% in 2015 (effective January 1, 2015).

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 FY15 is 8%. The increase will be effective January, 1, 2015. 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 4% 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 2015.

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 FY15, the benefit burden is within the limits established by the Council policy at 31.40% of total compensation.

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2015 BUDGET**

Description	Governmental Funds			Enterprise Funds			
	General Fund	Debt Service Funds	Capital Projects	Utility Fund & CIP	Airport Fund & CIP	Surface Water Fund & CIP	Solid Waste Fund
REVENUES:							
Property Taxes	\$ 18,433,100	\$ 15,638,700		\$ -	\$ -	\$ -	
Sales Tax	36,232,500	-		-	-	-	
Other Taxes	5,711,100	-		-	-	-	
Licenses & Permits	3,016,350	-		-	-	-	
Charges For Service	4,448,257	-		38,627,690	18,383,280	4,215,653	5,631,141
Fines & Forfeitures	2,187,600	-		-	-	-	
Interest Income	120,000	13,511	90,000	53,500	7,000	27,000	
Intergovernmental	128,446	-		-	50,000	-	
Miscellaneous	1,480,773	-	9,970,000	639,686	585,465	-	37,570
Bond Proceeds	-	-	66,204,500	13,270,200	1,800,000	-	
Contributions	-	-		-	-	-	
Total Revenues	71,758,126	15,652,211	76,264,500	52,591,076	20,825,745	4,242,653	5,668,711
Transfers From Other Funds	5,546,629	5,203,381	46,932,785	15,663,703	2,125,640	13,431,434	
Total Available Resources	77,304,755	20,855,592	123,197,285	68,254,779	22,951,385	17,674,087	5,668,711
EXPENDITURES:							
General Government	\$ 10,557,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Support Services	-	-	-	-	-	-	-
Finance	3,369,112	-	-	-	-	-	-
Public Works	9,595,251	-	-	-	-	-	-
Parks & Recreation	5,890,416	-	-	-	-	-	-
Community Development	5,561,865	-	-	-	-	-	-
Police Department	19,283,162	-	-	-	-	-	-
Fire Department	14,925,771	-	-	-	-	-	-
Debt Service	-	19,323,603	-	8,766,488	1,121,140	7,042,101	-
Other	(111,722)	-	268,850	567,300	225,630	312,750	-
Construction	-	-	125,556,500	15,010,000	1,941,650	1,804,600	-
Utility Services	-	-	-	13,274,148	-	5,309,810	5,293,387
Airport Services	-	-	-	-	17,093,528	-	-
Insurance Coverage	-	-	-	-	-	-	-
Equipment Replacement	-	-	-	-	-	-	-
Rebates & Assignments	3,293,166	1,510,630	-	-	-	-	-
Total Expenditures	72,364,811	20,834,233	125,825,350	37,617,936	20,381,948	14,469,261	5,293,387
Transfers to other Funds	6,051,658	61,260	674,500	33,195,146	2,674,597	2,390,477	373,507
Total Expenditures & Transfer:	78,416,469	20,895,493	126,499,850	70,813,082	23,056,545	16,859,738	5,666,894
Revenues over (under) Expenditure	(1,111,714)	(39,901)	(3,302,565)	(2,558,303)	(105,160)	814,349	1,817
BEGINNING BUDGET BALANCE	18,034,302	3,960,949	4,874,893	15,593,515	3,807,351	12,024,685	64,644
Reserved for Debt Service		-		(5,640,967)	(921,345)		
Accrued Sales Tax							
END BUDGET BALANCE	\$ 16,922,588	\$ 3,921,048	\$ 1,572,328	\$ 7,394,245	\$ 2,780,846	\$ 12,839,034	\$ 66,461

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2015 BUDGET**

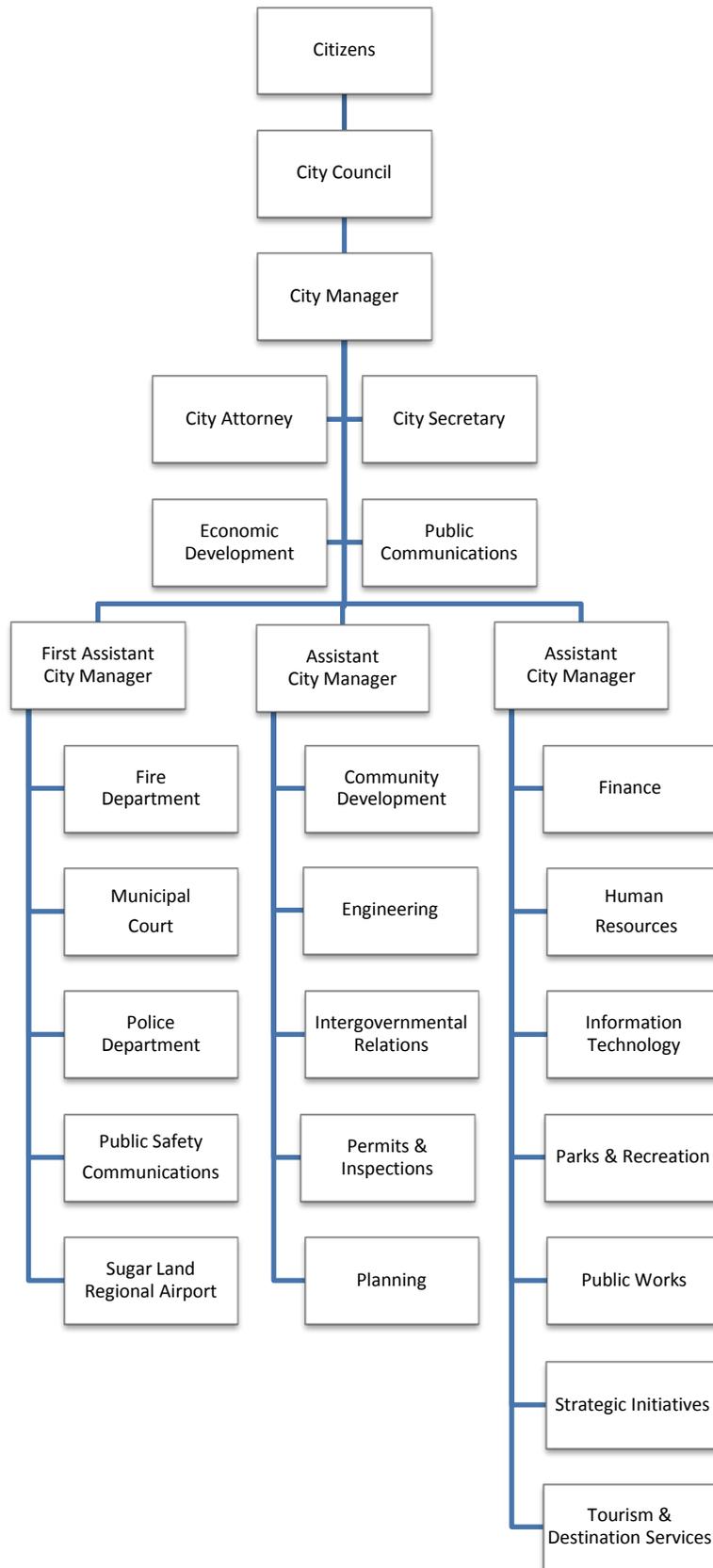
Description	Internal Service Funds			Special Revenue Funds			
	Fleet Replacement	Hi-Tech Replacement	Employee Benefits	Tourism Fund	Court Security Fund	Court Tech Fund	CDBG
REVENUES:							
Property Taxes							
Sales Tax							
Other Taxes				2,471,826			
Licenses & Permits							
Charges For Service							
Fines & Forfeitures					51,300	68,400	
Interest Income	3,700			5,000	100	75	
Intergovernmental							301,641
Miscellaneous	207,500						
Bond Proceeds							
Contributions			7,476,212				
Total Revenues	211,200	-	7,476,212	2,476,826	51,400	68,475	301,641
Transfers From Other Funds	979,962	1,561,181	-				
Total Available Resources	1,191,162	1,561,181	7,476,212	2,476,826	51,400	68,475	301,641
EXPENDITURES:							
General Government	\$ -	\$ -	\$ -	\$ 972,729	\$ -	\$ -	\$ -
Support Services	-	-	-	-	-	-	-
Finance	-	-	-	-	43,996	74,028	-
Public Works	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	266,641
Police Department	-	-	-	-	-	-	-
Fire Department	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Other	-	-	113,000	1,600,000	-	-	-
Construction	-	-	-	-	-	-	35,000
Utility Services	-	-	-	-	-	-	-
Airport Services	-	-	-	-	-	-	-
Insurance Coverage	-	-	7,378,478	-	-	-	-
Equipment Replacement	1,279,824	1,716,376	-	-	-	-	-
Rebates & Assignments	-	-	-	-	-	-	-
Total Expenditures	1,279,824	1,716,376	7,491,478	2,572,729	43,996	74,028	301,641
Transfers to other Funds	-	-	-	2,908,826	-	-	-
Total Expenditures & Transfer:	1,279,824	1,716,376	7,491,478	5,481,555	43,996	74,028	301,641
Revenues over (under) Expenditures	(88,662)	(155,195)	(15,266)	(3,004,729)	7,404	(5,553)	-
BEGINNING BUDGET BALANCE	1,530,594	974,565	285,458	3,508,924	18,781	20,855	-
Reserved for Debt Service							
Accrued Sales Tax							
END BUDGET BALANCE	\$ 1,441,932	\$ 819,370	\$ 270,192	\$ 504,195	\$ 26,185	\$ 15,302	\$ -

**CITY OF SUGAR LAND
SUMMARY OF ALL FUNDS
FISCAL YEAR 2015 BUDGET**

Description	Special Revenue Funds			Total City	Component Units		Total FY15 Budget
	Law Enforcement	Photo Traffic Enforcement	SPA Debt Reduction		SLDC	SL4B	
REVENUES:							
Property Taxes				\$ 34,071,800			\$ 34,071,800
Sales Tax				36,232,500	6,038,750	6,038,750	48,310,000
Other Taxes				8,182,926			8,182,926
Licenses & Permits				3,016,350			3,016,350
Charges For Service			949,752	72,255,773			72,255,773
Fines & Forfeitures		1,740,000		4,047,300			4,047,300
Interest Income		736	11,675	332,297	46,625	15,850	394,772
Intergovernmental				480,087			480,087
Miscellaneous	-			12,920,994	825,000	232,911	13,978,905
Bond Proceeds				81,274,700	38,877,443		120,152,143
Contributions				7,476,212			7,476,212
Total Revenues	-	1,740,736	961,427	260,290,939	45,787,818	6,287,511	312,366,268
Transfers From Other Funds			467,955	91,912,670			91,912,670
Total Available Resources	-	1,740,736	1,429,382	352,203,609	45,787,818	6,287,511	404,278,938
EXPENDITURES:							
General Government	\$ -	\$ -	\$ -	\$ 11,530,519	\$ 597,018	\$ 561,621	\$ 12,689,158
Support Services	-	-	-	-	-	-	-
Finance	-	-	-	3,487,136	-	-	3,487,136
Public Works	-	-	-	9,595,251	-	-	9,595,251
Parks & Recreation	-	-	-	5,890,416	-	-	5,890,416
Community Development	-	-	-	5,828,506	-	-	5,828,506
Police Department	-	730,818	-	20,013,980	-	-	20,013,980
Fire Department	-	-	-	14,925,771	-	-	14,925,771
Debt Service	-	-	-	36,253,332	3,132,497	3,367,344	42,753,173
Other	-	504,841	143,000	3,623,649	4,282,490	1,168,127	9,074,266
Construction	-	-	-	144,347,750	-	-	144,347,750
Utility Services	-	-	-	23,877,345	-	-	23,877,345
Airport Services	-	-	-	17,093,528	-	-	17,093,528
Insurance Coverage	-	-	-	7,378,478	-	-	7,378,478
Equipment Replacement	-	-	-	2,996,200	-	-	2,996,200
Rebates & Assignments	-	-	-	4,803,796	-	-	4,803,796
Total Expenditures	-	1,235,659	143,000	311,645,657	8,012,005	5,097,092	324,754,754
Transfers to other Funds	-	505,077	-	48,835,048	41,437,622	1,640,000	91,912,670
Total Expenditures & Transfer:	-	1,740,736	143,000	360,480,705	49,449,627	6,737,092	416,667,424
Revenues over (under) Expenditure	-	-	1,286,382	(8,277,096)	(3,661,809)	(449,581)	(12,388,486)
BEGINNING BUDGET BALANCE	29,498	11,933	6,068,562	106,196,009	9,822,217	5,595,349	121,613,575
Reserved for Debt Service				(13,124,624)	(4,025,198)	(3,386,450)	(20,536,272)
Accrued Sales Tax				-	(1,033,132)	(1,033,133)	(2,066,265)
END BUDGET BALANCE	\$ 29,498	\$ 11,933	\$ 7,354,944	\$ 84,794,289	\$ 1,102,078	\$ 726,185	\$ 86,622,552

City of Sugar Land Organizational Chart

As of October 1, 2014



City Overview

Location and Background

Located 20 miles southwest of 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 85,000 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*
- Methodist Sugar Land Hospital
- UnitedHealthcare/UnitedHealth Group*
- Nalco-Champion, an Ecolab Company*
- Tramontina USA, Inc.
- Noble Drilling Services, Inc.
- Memorial Hermann Sugar Land
- Baker Hughes*
- St. Luke's Hospital Sugar Land
- Yokogawa Corp Of America
- National Oilwell Varco*
- Fairfield Nodal
- Sunoco Logistics Partners LP
- Accredo Packaging, Inc.
- *2013 Fortune 500 Company*

TYPE OF BUSINESS

- Engineering / Procurement / Construction
- Oilfield Services / Technology
- Hospitals
- Health Benefits
- Petrochemicals
- Manufacturing / Kitchen Wares
- Offshore Drilling
- Hospitals
- Specialty Polymers
- Hospitals
- Process Control Equipment
- Oilfield Equipment (Wholesale)
- Seismic Data Systems
- Petroleum / Gas Transportation
- Manufacturing / Packaging

Economic Development Activity

Business Development in Sugar Land is thriving. Last November, UnitedHealth Group moved into Sugar Creek on the Lake office building, bringing 800 jobs from several divisions under UnitedHealthcare and OptumHealth. In June, Texas Instruments Incorporated moved into their 7-acre office campus in Telfair, bringing a capital investment of \$35 million and over 375 jobs. Up next is Nalco Champion, an Ecolab company, which has announced consolidation of its Houston-area offices to centralize its headquarters in Sugar Land, a move that will bring in more than \$45 million in investments and over 860 new jobs. Nalco Champion will build a new approximately 133,500-square-foot facility with 1,000 parking spaces. The new building and parking lot will be located partially on the 18.5 acres Nalco Champion purchased from Johnson Development in 2013. Construction is expected to be completed by early 2016.

There are two major health expansions that will impact the City over the next year. Memorial Hermann Health System has announced a \$93 million expansion to its Sugar Land facilities, which will be completed in phases and will include a 100,000 square-foot professional office building and a 120,000 square-foot patient tower. Methodist Sugar Land Hospital has also announced a \$131 million expansion that will include a six-story patient tower that will add 104 beds, bringing the number of beds up to 339. In addition to the tower, the expansion will include a new two-story, 60,000-square-foot orthopedic building.

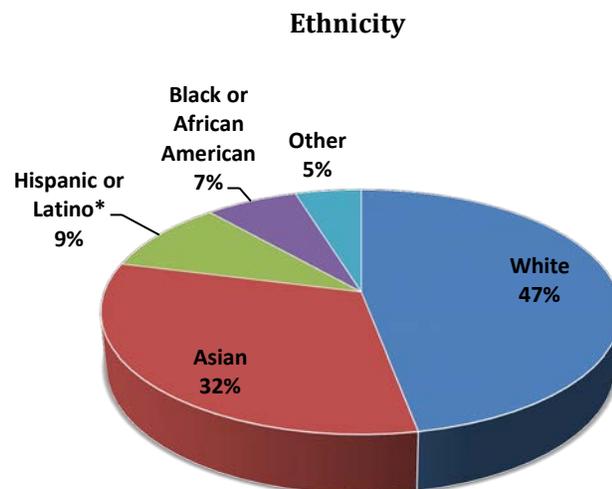
Sugar Land is also working to establish itself as a destination city with the design of a 6,500-seat concert and performing arts facility that is currently underway. Construction is expected to begin before the end of 2014. The future public/private partnership will be located on a 38-acre site near the intersection of U.S. Highway 59 and University Boulevard, an area that will include a larger mixed-use development within an area of Telfair identified for commercial, office, and entertainment purposes.

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.

The City's racial breakdown as reported by the 2010 census is shown at right. Actual data reported shows White 52%, Asian 35.5% and Black or African American 7.4%.

*According to the US Census, persons who identify themselves as Hispanic or Latino can be of any race; reported figures show 10.6% Hispanic or Latino, the figures shown in the chart have been adjusted accordingly to ensure totals add to 100%.



City Profile

	FY12	FY13	FY14	FY15
Population (January 1st estimate)	84,511	84,511	84,618	86,495
Square Miles	32.73	32.73	32.73	32.73
Acres	22,868	22,868	22,868	22,868

Budgeted Full Time Employees	642	656	676	694
Total Operating Budget	\$182.1 M	\$181.6 M	\$207.6 M	\$324.8 M

Fire Protection

Number of Stations	7	7	7	7
Certified Firefighters	103	103	104	104
Calls for Service	6,671	7,250	7,670	7,313

Police Protection

Number of Stations	1	1	1	1
Certified Police Officers	149	149	149	151
Calls for Service	24,162	25,611	26,123	28,699

Parks & Recreation

Number of Parks	23	24	24	25
Park Acreage	695	807	807	1,378
Swimming Pools	1	1	1	1
Community Centers	6	6	6	6
Recreation Centers	1	1	1	1
Special Events Offered	18	18	18	37

Public Works

Lane Miles of Streets*	912	782	782	782
Linear Miles of Sidewalk	432	500	500	500
Miles of Storm Sewer/Open Ditch*	246	338	338	338
Traffic Signals Maintained	78	81	85	85
City Facilities	60	61	61	61

*For FY10-12, amount includes ETJ, FY13-14 does not

Utilities

Equivalent Single Family Connections	42,350	42,913	43,663	44,433
Water Produced (Million Gallons)	6,208	7,201	6,800	6,343
Wastewater Treated (Million Gallons)	3,304	3,014	3,320	2,976

Community Development

Building Permits Issued	8,000	7,300	7,300	7,394
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Airport

Gallons of Fuel Sold	2,406,576	3,063,813	3,134,281	3,015,916
Aircraft Served	13,502	13,772	14,185	13,353

Budget Process & Calendar

The fiscal year begins October 1 of each year and ends on the following September 30. Each 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 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.

FY15 Budget Calendar

February	<ul style="list-style-type: none"> • CIP kick-off • Cost allocation plan updated
March	<ul style="list-style-type: none"> • CIP projects developed • Budget Office prepares preliminary five-year forecast • City Council retreat – define priorities for upcoming fiscal year • City Manager develops budget message for departments • Budget Office develops instructions and forms for budget preparation
April	<ul style="list-style-type: none"> • Budget kick-off meeting: Department Heads <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 • Review list of CIP projects with City Council
June	<ul style="list-style-type: none"> • City Management reviews departmental budget submissions • City Manager balances the budget that will be recommended to City Council • 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 • 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 Budget Amendment Ordinance for current fiscal year • City Council adoption of <ul style="list-style-type: none"> ○ Upcoming fiscal year 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 any increase to the project budget requires 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 in June 2014. 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 fund balance 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.
- 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 eleven special revenue funds: Court Security, Court Technology, Tourism, Community Development Block Grant, State Seizures Fund, Photographic Traffic Signal Enforcement, Law Enforcement Fund, three SPA Debt Reduction Funds, and Local Law Enforcement Block Grant Fund.

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.

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 three component units: Sugar Land Development Corporation (SLDC), Sugar Land 4B Corporation (SL4B), and Sugar Land Town Square TIRZ. The SLDC is a blended component unit and is included as a special revenue fund in the government-wide financial statements. The TIRZ is not included in the City's adopted budget but is included in the final document for reference.

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

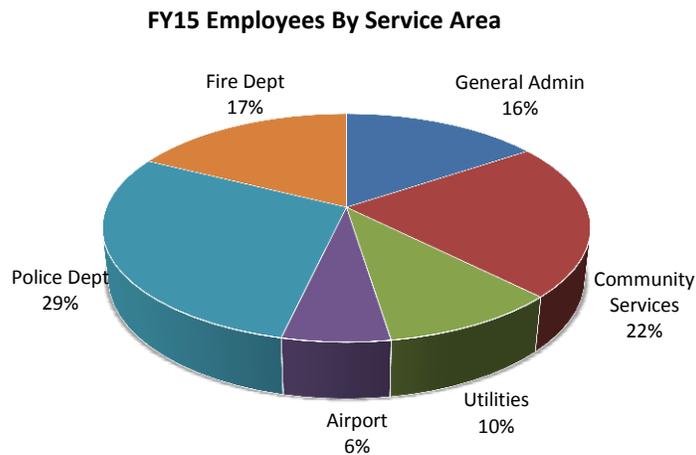
1. City working in partnership with residents, community organizations, businesses and other government entities
2. People want to live here, businesses want to invest here
3. Successful community events and celebrations bringing people together
4. Being “A Community of Excellence” and recognized as 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 FY15 totals 695. A net increase of 16.0 positions is included for FY15: 15.0 in the General Fund, and 1.0 in Utilities. The 16.0 new positions in the General Fund include 11.0 Firefighter/Paramedics and 2.0 Public Safety Dispatchers for implementation of Fire-based EMS transport. The remaining 2.0 positions in the General Fund are Code Enforcement Officers. The position being added in the Utility Fund is a Customer Service Representative to assist with incoming calls and walk-in customers.

Employees by Service Area

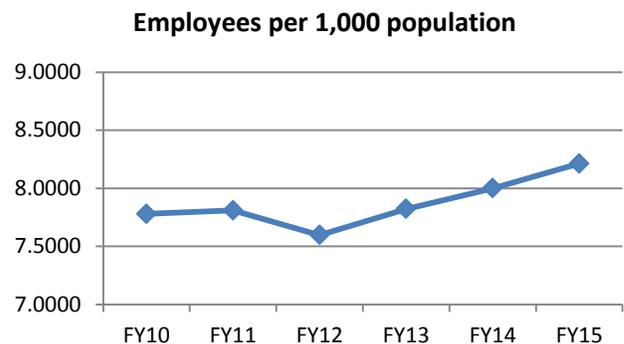
The chart below illustrates the 695 FTE count by Service Area. General Administration is comprised of General Government, Tourism and Finance. Community Services is comprised of Public Works, Parks & Recreation, and Community Development. Utilities consist of Solid Waste, Surface Water, and Water Utility.



Employees per 1,000 Population

The table and graph below show the number of FTE positions per 1,000 residents. This figure excludes seasonal and temporary employees.

Fiscal Year	FTE	Percent Change	Population	Employees per 1,000 Population
FY10	652	1.1%	83,819	7.78
FY11	660	1.2%	84,511	7.81
FY12	642	-2.7%	84,511	7.60
FY13	661	3.0%	84,511	7.82
FY14	676	2.3%	84,511	8.00
FY15	695	2.7%	84,511	8.21



Historical Detail of Authorized Full-Time Equivalents

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
Administrative Coordinator	1.00	1.00		1.00	-	1.00
Assistant to City Manager	-	-	1.00	1.00	-	1.00
CAC Representative	-	-		-	-	-
City Manager	1.00	1.00		1.00	-	1.00
Director of Public Affairs	1.00	1.00		1.00	-	1.00
Executive Assistant	3.00	2.00		2.00	-	2.00
Intergov'tl Relations Manager		-	0.50	0.50		0.50
Volunteer Coordinator	1.00	-		-	-	-
City Manager	7.00	5.00	1.50	6.50	-	6.50
Administrative Coordinator	-	-	0.50	0.50	-	0.50
Assistant City Manager	3.00	2.00	-	2.00	-	2.00
Executive Assistant	2.00	2.00		2.00	-	2.00
Executive Director	-	2.00	(2.00)	-	-	-
First Assistant City Manager	-	-	1.00	1.00	-	1.00
Assistant City Managers	5.00	6.00	(0.50)	5.50	-	5.50
Administrative Secretary	1.00	-		-	-	-
Administrative Specialist	-	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 Assistant	1.00	-		-	-	-
Executive Secretary	1.00	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 Director of Communications	1.00	1.00		1.00	-	1.00
Communications Specialist	1.00	1.00		1.00	-	1.00
Community Outreach Manager	-	1.00		1.00	-	1.00
Director of Communications	1.00	1.00		1.00	-	1.00
Executive Secretary	-	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
Public Communications	7.00	9.00	-	9.00	-	9.00
Administrative Manager	1.00	-		-	-	-
Assistant Director of HR	1.00	-		-	-	-
Executive Secretary	1.00	-		-	-	-
Director of Human Resources	1.00	1.00		1.00	-	1.00
HR Business Partner	3.00	2.00		2.00	-	2.00
Human Resources Manager	-	2.00		2.00	-	2.00
HR Specialist	-	3.00		3.00	-	3.00
Program Coordinator	2.00	-		-	-	-
Recruit & Business Svs. Adm	-	1.00		1.00	-	1.00
Risk Analyst ¹	-	1.00		1.00	-	1.00
Risk Manager	1.00	1.00		1.00	-	1.00
Safety Coordinator	1.00	1.00		1.00	-	1.00
Human Resources	11.00	12.00	-	12.00	-	12.00
Assistant City Attorney	2.00	1.00		1.00	-	1.00
City Attorney	1.00	1.00		1.00	-	1.00
Deputy City Attorney	1.00	1.00		1.00	-	1.00
Executive Assistant	1.00	1.00		1.00	-	1.00
First Assistant City Attorney	-	1.00		1.00	-	1.00
City Attorney	5.00	5.00	-	5.00	-	5.00

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
Director of Information Technology	1.00	1.00		1.00	-	1.00
End User Support Admin	1.00	-		-	-	-
End User Support Mgr	1.00	-		-	-	-
End User Support Specialist	3.00	4.00		4.00	-	4.00
Enterprise Applications Manager	1.00	-		-	-	-
Executive Secretary	1.00	1.00		1.00	-	1.00
G.I.S. Manager	1.00	-		-	-	-
G.I.S. Specialist	2.00	2.00		2.00	-	2.00
IT Manager	-	2.00		2.00	-	2.00
IT Operations Manager	-	1.00		1.00	-	1.00
IT Project Manager	1.00	1.00		1.00	-	1.00
Lead Programmer Analyst	1.00	1.00		1.00	-	1.00
Programmer Analyst	1.00	1.00		1.00	-	1.00
Project Analyst	1.00	1.00		1.00	-	1.00
System Administrator	3.00	3.00		3.00	-	3.00
System Analyst	1.00	1.00		1.00	-	1.00
System Manager	1.00	-		-	-	-
Telecommunications Specialist	1.00	1.00		1.00	-	1.00
User Services Supervisor		1.00		1.00	-	1.00
Information Technology	21.00	21.00	-	21.00	-	21.00
Assistant to City Manager	1.00	1.00	(1.00)	-	-	-
Budget and Management Analyst	1.00	-		-	-	-
Intergov't'l Relations Director	-	-		-	-	-
Intergov't'l Relations Manager				-	-	-
Strategic Initiatives Director	-	-	1.00	1.00	-	1.00
Management Assistant I ¹	1.00	2.00	2.00	4.00	-	4.00
Management Assistant II		-	2.00	2.00	-	2.00
Strategic Planning	3.00	3.00	4.00	7.00	-	7.00
Assistant Dir. Of Economic Dev.	1.00	1.00		1.00	-	1.00
Business Development Manager	1.00	-		-	-	-
Business Retention Manager	-	1.00		1.00	-	1.00
Compliance Manager	-	1.00		1.00	-	1.00
Director of Economic Development	1.00	1.00		1.00	-	1.00
Economic Development Coordinator	1.00	1.00		1.00	-	1.00
Executive Assistant	1.00	1.00		1.00	-	1.00
Economic Development	5.00	6.00	-	6.00	-	6.00
General Government Total	73.20	76.20	5.00	81.20	-	81.20
Director of Finance	-	-	1.00	1.00	-	1.00
Executive Secretary	-	-	1.00	1.00	-	1.00
Finance Administration	-	-	2.00	2.00	-	2.00
Budget Analyst	1.00	2.00	(1.00)	1.00	-	1.00
Budget Analyst ¹		-	1.00	1.00	-	1.00
Budget Officer	-	1.00		1.00	-	1.00
Director of Budget & Research	1.00	1.00	(1.00)	-	-	-
Financial Analyst	-	-	1.00	1.00	-	1.00
Sr. Budget Analyst	1.00	1.00		1.00	-	1.00
Budget	3.00	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	3.00		3.00	-	3.00
Accounts Payable Supervisor	1.00	1.00		1.00	-	1.00
Chief Accountant	1.00	1.00		1.00	-	1.00
Clerk - Part Time	0.50	-		-	-	-
Executive Secretary	1.00	1.00		1.00	-	1.00
Deputy Chief Accountant	1.00	1.00		1.00	-	1.00
Principal Accountant	1.00	1.00		1.00	-	1.00
Accounting	10.50	11.00	-	11.00	-	11.00
Buyer I	1.00	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 Coordinator	1.00	-		-	-	-
Purchasing Manager	1.00	1.00		1.00	-	1.00
Purchasing Specialist	-	1.00		1.00	-	1.00
Purchasing	5.00	5.00	-	5.00	-	5.00

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
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
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	30.50	33.00	2.00	35.00	-	35.00
Administrative Manager	0.50	0.50		0.50	-	0.50
Assistant Director of Public Works	2.00	2.00		2.00	-	2.00
Director of Public Works	1.00	1.00	(0.50)	0.50	-	0.50
Executive Secretary	1.00	1.00		1.00	-	1.00
Sr. Secretary	2.00	2.00	(1.00)	1.00	-	1.00
Public Works Administration	6.50	6.50	(1.50)	5.00	-	5.00
Crew Chief	4.00	4.00		4.00	-	4.00
Field Supervisor	1.00	2.00		2.00	-	2.00
General Maintenance Worker (I & II)	7.00	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 O/M Supt	1.00	1.00		1.00	-	1.00
Temporary Help	0.40	0.40		0.40	-	0.40
Streets	15.40	17.40	-	17.40	-	17.40
Engineer (I)	-	1.00		1.00	-	1.00
Engineer (II & III)	2.00	-		-	-	-
Field Supervisor	-	1.00		1.00	-	1.00
General Maintenance Worker II	1.00	-		-	-	-
Signs & Marking Supervisor	1.00	-		-	-	-
Traffic Engr & Controls Manager	-	1.00		1.00	-	1.00
Traffic Operations Manager	1.00	1.00		1.00	-	1.00
Traffic Technician (I & II)	6.00	5.00		5.00	-	5.00
Traffic Operations	11.00	9.00	-	9.00	-	9.00
Environmental Services Inspector		0.50		0.50	-	0.50
Storm Water Coordinator	1.00	1.00		1.00	-	1.00
Stormwater Management	1.00	1.50	-	1.50	-	1.50
Automotive Technician (I & II)	2.00	3.00		3.00	-	3.00
Fleet Maintenance Manager	1.00	1.00		1.00	-	1.00
Fleet Services Supervisor	-	1.00		1.00	-	1.00
Mechanic	2.00	-		-	-	-
Sr. Secretary			1.00	1.00	-	1.00
Fleet Maintenance	5.00	5.00	1.00	6.00	-	6.00
Building Services Technician	2.00	2.00	(2.00)	-	-	-
Courier	-	1.00		1.00	-	1.00
Director of Support Services	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	1.00	-	2.00	2.00	-	2.00
Program Coordinator	1.00	-		-	-	-
Sr. Facility Services Tech	2.00	2.00		2.00	-	2.00
Facilities Maintenance	9.00	9.00	(1.00)	8.00	-	8.00
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 Coordinator	1.00	-		-	-	-
Kennel Technician - P/T	0.50	0.50		0.50	-	0.50
Sr. Secretary	1.00	1.00		1.00	-	1.00
Veterinary Technician - P/T	0.50	-		-	-	-
Veterinary Technician	-	1.00		1.00	-	1.00
Animal Services	7.00	7.50	-	7.50	-	7.50
Public Works Total	54.90	55.90	(1.50)	54.40	-	54.40

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
Administrative Manager	1.00	1.00		1.00	-	1.00
Assistant Parks & Rec Director	2.00	2.00		2.00	-	2.00
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	6.00	-	6.00	-	6.00
Contract Services Inspector	1.00	-		-	-	-
Contract Services Monitor		1.00		1.00	-	1.00
Crew Chief	3.00	3.00		3.00	-	3.00
Field Supervisor	1.00	1.00		1.00	-	1.00
General Maintenance Worker (I & II)	7.00	7.00		7.00	-	7.00
Park Devel & Streetscape Coordinator	1.00	1.00		1.00	-	1.00
Parks Development Manager	1.00	1.00		1.00	-	1.00
Parks Superintendent	1.00	1.00		1.00	-	1.00
Parks Development	15.00	15.00	-	15.00	-	15.00
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	0.50		0.50	-	0.50
Event Production Manager	1.00	1.00		1.00	-	1.00
General Maintenance Worker II	1.00	-		-	-	-
Parks Ambassador - PT	1.81	1.81		1.81	-	1.81
Parks Facility Technician	-	1.00		1.00	-	1.00
Recreation Center Manager	-	2.00		2.00	-	2.00
Recreation Coordinator	3.00	3.00	1.00	4.00	-	4.00
Recreation Manager	2.00	-		-	-	-
Recreation Specialist	0.50	1.00	(1.00)	-	-	-
Recreation Specialist - PT	2.48	2.98		2.98	-	2.98
Recreation & Athletic Pg.	16.77	17.77	-	17.77	-	17.77
Parks & Recreation Total	37.77	38.77	-	38.77	-	38.77
Executive Director	1.00	-		-	-	-
Community Development	1.00	-	-	-	-	-
Building Inspector	4.00	4.00	(1.00)	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	3.00	3.00	(2.00)	1.00	-	1.00
Permit Clerk Coordinator	-	-	1.00	1.00	-	1.00
Permit Clerk Supervisor	1.00	1.00		1.00	-	1.00
Plans Examiner	2.00	2.00		2.00	-	2.00
Sr. Building Inspector	2.00	2.00	1.00	3.00	-	3.00
Sr. Permit Clerk	1.00	1.00	1.00	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	0.50	-	0.50
Planner II	1.00	2.00		2.00	-	2.00
Planner II	-	-	1.00	1.00	-	1.00
Principal Planner	1.00	1.00		1.00	-	1.00
Planning & Development	5.00	6.00	1.50	7.50	-	7.50
Director of Planning	-	-	0.50	0.50	-	0.50
City Planner - Long Range	-	-	1.00	1.00	-	1.00
Director of Transportation & Long Range Planning	1.00	1.00	(1.00)	-	-	-
Executive Secretary	1.00	1.00		1.00	-	1.00
Planner II	-	-	1.00	1.00	-	1.00
Principal Planner	1.00	1.00		1.00	-	1.00
Sr. Planner	1.00	1.00	(1.00)	-	-	-
Transportation & Long Range Planning	4.00	4.00	0.50	4.50	-	4.50
Community Development Administrator	1.00	1.00		1.00	-	1.00
Community & Environmental Services	1.00	1.00	-	1.00	-	1.00

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
Sanitarian	2.00	2.00		2.00	-	2.00
Sr. Sanitarian	1.00	1.00		1.00	-	1.00
Food Inspection	3.00	3.00	-	3.00	-	3.00
Code Compliance Coordinator	1.00	1.00		1.00	-	1.00
Code Enforcement Inspector	2.00	2.00		2.00	1.00	3.00
Sr. Secretary	1.00	1.00		1.00	-	1.00
Code Enforcement	4.00	4.00	-	4.00	1.00	5.00
Code Compliance Administrator		1.00		1.00	-	1.00
Code Enforcement Coordinator	1.00	1.00		1.00	-	1.00
Code Enforcement Inspector	1.00	-		-	1.00	1.00
Rental Registration	2.00	2.00	-	2.00	1.00	3.00
Assistant City Engineer	1.00	2.00		2.00	-	2.00
City Engineer	1.00	1.00		1.00	-	1.00
Construction Inspector	5.00	5.00		5.00	-	5.00
Construction Services Manager	1.00	1.00		1.00	-	1.00
Contract Services/CIP Manager	1.00	-		-	-	-
Engineer (I, II, III, IV)	4.00	3.00		3.00	-	3.00
Engineering Specialist		1.00		1.00	-	1.00
Executive Secretary	1.00	1.00		1.00	-	1.00
Program Coordinator	1.00	-		-	-	-
Project Manager	1.00	3.00		3.00	-	3.00
Project Manager - Performing Arts Center ²		-	1.00	1.00	-	1.00
Real Property Manager		1.00		1.00	-	1.00
Real Property Services Manager	1.00	-		-	-	-
Sr. Construction Inspector		1.00		1.00	-	1.00
Sr. Contract Inspector	1.00	-		-	-	-
Sr. Engineer	1.00	2.00		2.00	-	2.00
Sr. Project Manager	1.00	-		-	-	-
Engineering	20.00	21.00	1.00	22.00	-	22.00
Community Development Total	55.08	56.08	3.00	59.08	2.00	61.08
Assistant Chief of Police	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	8.00	-	8.00	-	8.00
Administrative Secretary	1.00	-		-	-	-
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 Manager	1.00	-		-	-	-
Records Supervisor		1.00		1.00	-	1.00
Sr. Secretary	1.00	2.00		2.00	-	2.00
Staff Services	15.00	15.00	-	15.00	-	15.00
Police Captain	1.00	1.00		1.00	-	1.00
Police Lieutenant	6.00	6.00		6.00	-	6.00
Police Officer	84.30	84.30	2.00	86.30	-	86.30
Police Sergeant	19.00	19.00	1.00	20.00	-	20.00
Sr. Secretary	1.00	1.00		1.00	-	1.00
Patrol	111.30	111.30	3.00	114.30	-	114.30

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
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	19.00		19.00	-	19.00
Police Sergeant	5.00	5.00	(1.00)	4.00	-	4.00
Sr. Secretary	1.00	1.00		1.00	-	1.00
Warrant Clerk	1.00	1.00		1.00	-	1.00
Criminal Investigations	31.50	31.50	(1.00)	30.50	-	30.50
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
Deputy PS Dispatch Manager	1.00	1.00		1.00	-	1.00
PS Dispatch Shift Supervisor	4.00	4.00		4.00	-	4.00
Public Safety Dispatch Manager	1.00	1.00		1.00	-	1.00
Public Safety Dispatcher	16.00	18.00		18.00	2.00	20.00
Public Safety Communications	22.00	24.00	-	24.00	2.00	26.00
Police Total	193.80	195.80	2.00	197.80	2.00	199.80
Administrative Manager	1.00	1.00		1.00	-	1.00
Executive Secretary	1.00	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	4.00	(1.00)	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	21.00	1.00	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	-	-	1.00	1.00		1.00
Firefighter					11.00	11.00
Emergency Medical Services	-	-	1.00	1.00	11.00	12.00
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
Assistant Fire Chief		1.00		1.00	-	1.00
Assistant 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
Fire Marshal	1.00	-		-	-	-
Sr. Secretary	1.00	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		2.00	-	2.00
Fire Captain	2.00	2.00		2.00	-	2.00
Fire Lieutenant		1.00	(1.00)	-	-	-
Sr. Secretary	1.00	1.00		1.00	-	1.00
Professional Development	6.00	7.00	(1.00)	6.00	-	6.00
Fire Total	110.00	111.00	-	111.00	11.00	122.00
GENERAL FUND	555.25	566.75	10.50	577.25	15.00	592.25
LESS PROGRAM EMPLOYEES	-	(3.00)	(8.00)	(11.00)	-	(11.00)
GENERAL FUND NET	555.25	563.75	2.50	566.25	15.00	581.25
Police Officer	0.70	0.70		0.70	-	0.70
Court Security	0.70	0.70	-	0.70	-	0.70
COURT SECURITY FUND	0.70	0.70	-	0.70	-	0.70
Tourism Coordinator		1.00		1.00	-	1.00
Tourism Manager	1.00	1.00		1.00	-	1.00
Tourism Program	1.00	2.00	-	2.00	-	2.00
TOURISM FUND	1.00	2.00	-	2.00	-	2.00

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
Administrative Manager	0.50	0.50		0.50	-	0.50
Assistant Director of Public Works		1.00		1.00	-	1.00
Assistant Utilities Director	1.00	-		-	-	-
Contract Services Coordinator		1.00		1.00	-	1.00
Contract Services Inspector	1.00	-		-	-	-
Director of Public Works	1.00	1.00	(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	5.50	5.50	(0.50)	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	0.45	0.45	0.55	1.00	-	1.00
Field Supervisor	0.50	0.50		0.50	-	0.50
General Maintenance Worker (I & II)	5.00	5.00		5.00	-	5.00
Water Distribution	10.45	10.45	0.55	11.00	-	11.00
Crew Chief	0.50	-		-	-	-
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	(1.00)	-	-	-
Utilities Operator	2.50	2.50		2.50	-	2.50
Water Services Supervisor	-	0.50		0.50	-	0.50
Water Production	5.50	5.50	(1.00)	4.50	-	4.50
Crew Chief	1.00	1.00	1.00	2.00	-	2.00
Field Operations Manager	0.20	0.20	(0.20)	-	-	-
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
Wastewater Collection	6.70	6.70	(0.20)	6.50	-	6.50
Crew Chief	1.50	1.00		1.00	-	1.00
Electrician		0.50		0.50	-	0.50
P&M Technician	3.00	3.00	1.00	4.00	-	4.00
Utilities Operator	0.50	0.50		0.50	-	0.50
Water Services Supervisor		0.50		0.50	-	0.50
Wastewater Treatment	5.00	5.50	1.00	6.50	-	6.50
Crew Chief	1.00	1.00		1.00	-	1.00
Field Operations Manager	0.35	0.35	(0.35)	-	-	-
Field Supervisor	1.00	1.00		1.00	-	1.00
General Maintenance Worker II	4.00	4.00		4.00	-	4.00
Water Conservation Manager	1.00	-		-	-	-
Customer Service	7.35	6.35	(0.35)	6.00	-	6.00
Lab Technician	0.50	0.50		0.50	-	0.50
Water Quality Coordinator	1.00	-		-	-	-
Water Quality Manager	1.00	1.00		1.00	-	1.00
Water Quality Supervisor		1.00		1.00	-	1.00
Water Quality Technician	1.00	2.00		2.00	-	2.00
Water Quality	3.50	4.50	-	4.50	-	4.50
Water Conservation Manager		1.00		1.00	-	1.00
Water Conservation	-	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
Deputy Treasury Manager	1.00	1.00	(1.00)	-	-	-
Collection Teller	2.00	-		-	-	-
Customer Service Rep	1.00	3.00		3.00	1.00	4.00
Collections & Customer Ser Sup	1.00	-	1.00	1.00	-	1.00
Sr. Secretary	1.00	-		-	-	-
Treasury Manager	1.00	1.00		1.00	-	1.00
Treasury Specialist		1.00		1.00	-	1.00
Treasury System Support Spec.	-	-		-	-	-
Treasury	10.00	10.00	-	10.00	1.00	11.00
UTILITY FUND	54.00	55.50	(0.50)	55.00	1.00	56.00

Position Title	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Additions	FY15 Approved Budget
Assistant Utilities Director	1.00	-		-	-	-
Electrician	1.00	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
General Maintenance Worker II	-	1.00		1.00	-	1.00
Lead Operator	-	2.00		2.00	-	2.00
Mechanic	-	1.00		1.00	-	1.00
Utility Operator	-	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
Water Resources Manager	1.00	1.00	(1.00)	-	-	-
Surface Water	6.50	12.00	(1.00)	11.00	0.50	11.50
SURFACE WATER FUND	6.50	12.00	(1.00)	11.00	0.50	11.50
Administrative Coordinator	1.00	1.00		1.00	-	1.00
Administrative Secretary			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)	-
Airport Specialist			1.00	1.00	(1.00)	-
Assistant Director of Aviation		2.00		2.00	-	2.00
Assistant Aviation Director	1.00	-		-	-	-
Business Manager	1.00	-		-	-	-
Director of Aviation	1.00	1.00		1.00	-	1.00
Management Assistant II	1.00	1.00	(1.00)	-	-	-
Receptionist	1.00	1.00	(1.00)	-	-	-
Airport Administration	7.00	7.00	1.00	8.00	(2.00)	6.00
Airport Operations Supervisor				-	1.00	1.00
Airport Operations Specialist				-	1.00	1.00
Airfield Operations	-	-	-	-	2.00	2.00
Airport Services Manager	1.00	1.00	(1.00)	-	-	-
ASR Supervisor	-	-	1.00	1.00	-	1.00
Airport Services Rep	6.00	6.00	(1.00)	5.00	-	5.00
Airport Services Rep - P/T	0.50	0.50		0.50	-	0.50
Concierge Manager	1.00	1.00		1.00	-	1.00
Crew Chief	1.00	-		-	-	-
Field Supervisor	2.00	-		-	-	-
Flight Line Crew	12.00	12.00		12.00	-	12.00
Line Services Manager	1.00	1.00		1.00	-	1.00
Line Supervisor		3.00		3.00	-	3.00
FBO Services	24.50	24.50	(1.00)	23.50	-	23.50
Café Attendant	2.50	2.50		2.50	-	2.50
Café Select	2.50	2.50	-	2.50	-	2.50
Airfield & Facilities Manager		1.00		1.00	-	1.00
Crew Chief	1.00	1.00		1.00	-	1.00
Custodian	1.00	1.00		1.00	-	1.00
Facilities & Airfield Infrastructure Mgr	1.00	-		-	-	-
General Maintenance Worker (I & II)	5.00	5.00		5.00	-	5.00
Maintenance	8.00	8.00	-	8.00	-	8.00
AIRPORT FUND	42.00	42.00	-	42.00	-	42.00
Environmental Manager	1.00	1.00		1.00	-	1.00
Environmental Services Inspector	1.00	1.50	(1.00)	0.50	-	0.50
Solid Waste Monitor			1.00	1.00	-	1.00
Solid Waste	2.00	2.50	-	2.50	-	2.50
SOLID WASTE FUND	2.00	2.50	-	2.50	-	2.50
Administrative Coordinator		-	0.50	0.50	-	0.50
Safe Light Sugar Land	-	-	0.50	0.50	-	0.50
RED LIGHT CAMERA FUND	-	-	0.50	0.50	-	0.50
TOTAL ALL FUNDS	661.45	678.45	1.50	679.45	16.50	695.95
Less Seasonal	(2.50)	(1.50)	-	(1.50)	-	(1.50)
TOTAL FULL TIME EQUIVALENT	658.95	676.95	1.50	678.45	16.50	694.95

Property Taxes

The City's property tax is levied each October 1 on the certified assessed value as of January 1 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 tax year 2000, 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.

TIRZ #3 – Imperial/Tract 3 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 (\$9.2 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.

TIRZ #4 – Telfair Tract 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.

Fiscal Year 2014

The total property tax collections for FY14 are projected to be \$31,542,109 or 99.5% of the adjusted levy, including the all three TIRZs. Revenues are distributed between operations and maintenance (\$17,423,660), debt service (\$13,719,179), TIRZ # 1 (\$311,683), TIRZ #3 (\$9,768), and TIRZ #4 (\$77,819).

Fiscal Year 2015

The certified net assessed valuation of \$10,945,343,108 for tax year 2014 is \$684,585,135 or 6.67% greater than the 2013 adjusted tax roll, including the TIRZs. Of the \$10.95 billion in taxable value, \$131.12 million is included in TIRZ #1, \$7.09 million in TIRZ #3, and \$48.24 million in TIRZ #4 and taxes collected on this valuation will be allocated to each TIRZ from the City. Net assessed residential value increased 7.08%, and net assessed commercial value increased by 4.62% over the 2013 adjusted tax roll, including new value. Based on the certified tax roll and the 2014 tax rate of \$0.31595 per \$100 of assessed value, the anticipated tax collections for FY15 are \$34,408,902 at a 99.5% collection rate or \$2,866,793 greater than FY13 projections including the three TIRZs. Based on the 99.5% collection rate, \$33,822,761 will remain with the City and \$586,142 will be conveyed to the three TIRZs.

According to the City's Financial Management Policy Statements, each year City Council will continue to consider a homestead exemption increase rather than adjust the ad valorem tax rate to offset revaluation of properties. Council did not make any changes to the homestead exemptions for tax year 2014. The optional exemption for over-65 and disable persons remains at \$70,000.

The budget shifted \$0.0025 from the operations and maintenance component of the tax rate to the debt service component. In addition, a tax rate increase of \$0.00700 was passed for the debt service on Parks bond projects, resulting in a debt rate of \$0.14560. The overall adopted tax rate is for 2014 is \$0.31595. The 2014 tax rate and allocation, compared to 2013 tax rate, is as follows:

	2013	%	2014	%
M&O	\$ 0.17285	55.95%	\$ 0.17035	53.92%
Debt Service	0.13610	44.05%	0.14560	46.08%
Total	\$ 0.30895	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 2014 as the 2013 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 \$0.295512
 Rollback Rate \$0.322816

The property tax impact of the 2014 tax rate based on an average taxable value of \$315,721 after a 7% homestead for FY14 is an increase of \$80.60 or 9.4% from the 2013 tax on an average taxable value of \$297,887 with a homestead exemption of 7%.

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

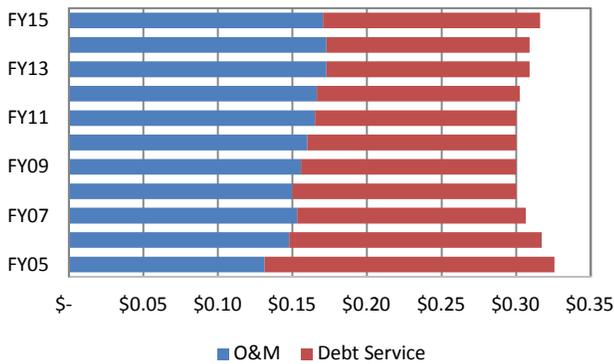
In FY15, property taxes per capita, excluding TIRZ valuation, is approximately \$397. Taxes per capita increased in FY15 due an increase of 6.67% in total City value with a population of 84,618.

Property Taxes per Capita*

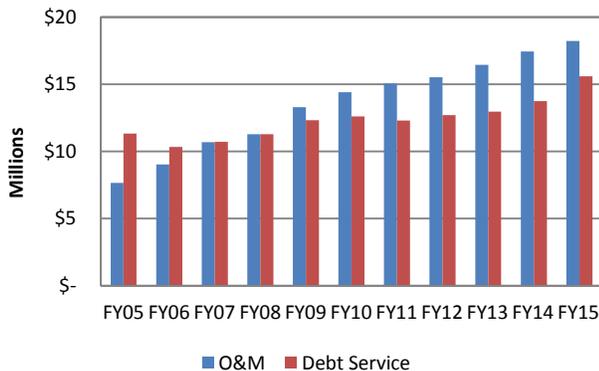


* Excludes TIRZ Valuation

Tax Rate by Fiscal Year



Historical Tax Levy



CITY OF SUGAR LAND

TAX COLLECTIONS

	FY13 Adjusted Levy	FY14 Budget Certified Levy	FY14 Projections Adjusted Levy	FY15 Base Budget Certified Levy	FY15 Changes	FY15 Budget Certified Levy
REVENUES:						
City Levy	\$29,811,166	\$31,434,383	\$31,299,335	\$33,239,602	\$753,123	\$33,992,724
TIRZ #1	289,663	312,154	313,249	405,088	9,178	414,267
TIRZ #3	9,480	9,817	9,817	21,901	496	22,397
TIRZ #4	1,240	78,210	78,210	149,047	3,377	152,424
Total Tax Levy	30,111,550	31,834,565	31,700,612	33,815,638	766,174	34,581,811
Collection Rate 99.5%	29,960,992	31,675,392	31,542,109	33,646,560	762,343	34,408,902
ALLOCATION:						
Maintenance	16,595,228	17,498,838	17,423,660	18,503,764	(267,627)	18,236,137
Debt	13,066,882	13,778,373	13,719,179	14,569,640	1,016,984	15,586,624
Total City Revenues	29,662,110	31,277,211	31,142,839	33,073,404	749,357	33,822,761
TIRZ #1	288,215	310,593	311,683	403,063	9,132	412,195
TIRZ #3	9,433	9,768	9,768	21,791	494	22,285
TIRZ #4	1,234	77,819	77,819	148,301	3,360	151,661
TOTAL TAX ALLOCATION	\$29,960,992	\$31,675,392	\$31,542,109	\$33,646,560	\$762,343	\$34,408,902

Tax Year	2012	2013	2013	2014	2014	2014
Net Assessed Value	\$9,746,415,199	\$10,304,115,399	\$10,260,757,973	\$10,945,343,108		\$10,945,343,108
TIRZ #1 Value @ 100%	(93,757,326)	(101,037,081)	(101,391,562)	(131,117,817)		(131,117,817)
TIRZ #3 Value @ 50%	(3,068,565)	(3,177,644)	(3,177,644)	(7,088,774)		(7,088,774)
TIRZ #4 Value @ 50%	(401,495)	(25,314,747)	(25,314,747)	(48,242,921)		(48,242,921)
Taxable to City	9,649,187,813	10,174,585,927	10,130,874,020	10,758,893,596		10,758,893,596

Tax Rate Per \$100						
Maintenance	\$ 0.17285	\$ 0.17285	\$ 0.17285	\$ 0.17285	\$ (0.00250)	\$ 0.17035
Debt	0.13610	0.13610	0.13610	0.13610	0.00950	0.14560
Total Tax Rate	\$ 0.30895	\$ 0.30895	\$ 0.30895	\$ 0.30895	\$ 0.00700	\$ 0.31595

Tax Rate Split:						
Maintenance	55.95%	55.95%	55.95%	55.95%	-35.71%	53.92%
Debt	44.05%	44.05%	44.05%	44.05%	135.71%	46.08%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Certified Levy - 100%	\$29,670,778	\$31,434,383	\$31,299,335	\$33,239,602		\$33,992,724
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**CITY OF SUGAR LAND
ANALYSIS OF CERTIFIED TAX ROLL**

Tax Year	Supplement #14		Certified		
	2013 FY14		2014 FY15	% Change	
No. of Items		39,023	39,365	0.88%	
Residential Property:					
Land	\$	1,838,612,820	\$	1,855,374,262	0.91%
Improvements		5,545,351,564		6,051,415,338	9.13%
Total Residential Property		7,383,964,384		7,906,789,600	7.08%
Commercial Property:					
Land		1,005,737,720		1,037,225,401	3.13%
Improvements		2,315,256,696		2,436,586,129	5.24%
Personal Property		1,365,001,937		1,428,632,891	4.66%
Total Commercial Property		4,685,996,353		4,902,444,421	4.62%
Agricultural Property		10,880,100		10,982,250	0.94%
Automobiles		40,050,117		40,119,210	0.17%
Total Market Value		12,120,890,954		12,860,335,481	6.10%
Productivity Loss		(10,645,770)		(10,751,380)	0.99%
Homestead CAP Adjustment		(30,676,775)		(58,069,748)	89.30%
Exempt Properties		(826,829,871)		(839,364,324)	1.52%
Total Assessed Value		11,252,738,538		11,952,150,029	6.22%
Less:					
Homestead Exemptions		(434,715,799)		(454,565,897)	4.57%
Over 65 Exemptions		(325,471,502)		(326,739,175)	0.39%
Disabled Persons Exemptions		(17,907,211)		(16,092,071)	-10.14%
Disabled Veterans Exemptions		(1,661,000)		(1,572,000)	-5.36%
Disabled Veterans 100%		(11,275,170)		(12,217,480)	8.36%
Abatements		(161,244,843)		(159,402,320)	-1.14%
Pollution		(6,381,110)		(5,326,474)	-16.53%
Personal Leased Vehicles		(29,448,255)		(29,417,885)	-0.10%
Prorated Exempt Property		(3,860,454)		(1,455,896)	-62.29%
House Bill 366 Exemptions		(15,221)		(17,723)	
Total Exemptions		(991,980,565)		(1,006,806,921)	1.49%
Net Assessed Valuation (NAV)		10,260,757,973		10,945,343,108	6.67%
Less: TIRZ #1 Value @ 100%		(101,391,562)		(131,117,817)	29.32%
Less: TIRZ #3 Value @ 50%		(3,177,644)		(7,088,774)	123.08%
Less: TIRZ #4 Value @ 50%		(25,314,747)		(48,242,921)	90.57%
Taxable Valuation to City	\$	10,130,874,020	\$	10,758,893,596	6.20%

**CITY OF SUGAR LAND
PRINCIPAL TAXPAYERS
2014 TOP TEN**

Taxpayer	Type of Business	2014 Taxable Assessed Valuation (A)	Percentage of Total Net Assessed Valuation
1 Amerisource Bergen Drug Corp.	Pharmacy/Medical	123,943,360	1.13%
2 First Colony Mall LLC	Shopping Center	\$ 88,847,240	0.81%
3 Lakepointe Assets, LLC	Real Estate/Engineering	81,000,000	0.74%
4 Tramontina USA Inc	Manufacturing	80,982,960	0.74%
5 Fairfield Industries	Office	79,068,140	0.72%
6 Weingarten Realty Investors	Shopping Center	53,618,170	0.49%
7 API Realty LLC	Real Estate	48,944,900	0.45%
8 Schlumberger Tech Corp - SPC	Energy Technology	48,691,456	0.44%
9 LCFRE Sugar Land Town Square LLC	Mixed-Use Development	44,815,338	0.41%
10 Nalco Champion	Energy Services	42,845,980	0.39%
Other		10,376,528,924	94.80%
Total Net Assessed Valuation - Certified Roll		\$ 10,945,343,108	100.00%

(A) = Net of Tax Abatement

Debt Service Funds

The City has two debt service funds, a general Debt Service Fund for the repayment of non-taxable debt for certificates of obligation and general obligation bonds, and a Debt Service Fund established for the repayment of taxable debt issued for the performing arts center.

The general Debt Service Funds accounts 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 non-taxable 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 used for the repayment of taxable debt receives interest payments on debt service from the Sugar Land Development Corporation through FY16. Beginning in FY17, the debt service payments will be fully covered by lease payments made to the City from the operator of the performing arts center, 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 a portion of the property taxes collected from in-City MUDs back to the districts. The Debt Service Fund expenditures include the debt service component of these agreements.

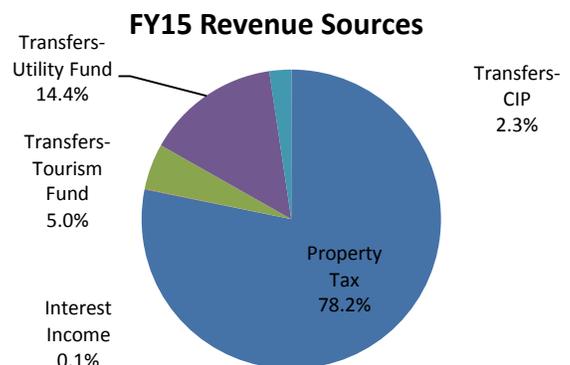
General Debt Service Fund

Fiscal Year 2014

Revenues total \$18,618,875, which includes \$13,788,900 in current and delinquent property taxes. A total of \$308,936 was received from the dissolution of MUD21. Other funding sources include transfers from the Utility Fund, Tourism Fund, and interest income. Transfers from the Utility Fund and Tourism Fund support debt service related to activities supported by those funds. Expenditures are projected at \$17,888,133, which includes \$16,210,283 in debt service payment, \$18,000 fiscal fees, \$54,400 transfer to the Airport Fund for taxes collected on Airport values, and \$1,605,450 for rebates to in-City MUDs. The fund balance at 9/30/14 is projected to be \$3,960,949, which is \$2,339,921 over the fund balance policy requirement of 10% of annual debt service.

Fiscal Year 2015

Funding from property taxes in the amount of \$15,638,700 represents 78.2% of funding sources. Tax revenues are budgeted based on an estimated growth in the 2014 tax roll and the adopted tax rate of \$0.31595 per \$100 assessed property value. The tax rate includes a tax rate increase of \$0.00700 per \$100 assessed property value to support debt service on parks bond projects approved by voters in November 2013. Other funding sources include transfers from the Utility Fund, Tourism Fund, and interest income.



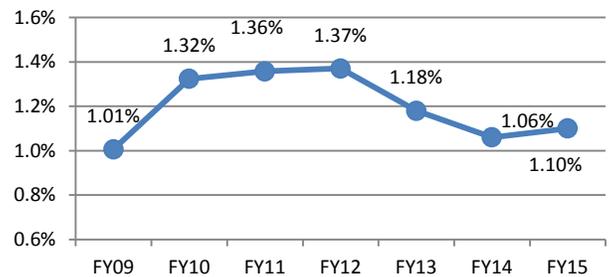
The budget includes 100% recovery on water/wastewater debt assumed from MUDs through an inter-fund transfer. The FY15 transfer from the water utility fund totals \$2,886,502.

In 2002, the City issued \$10.1 million in combination Tax and Hotel Occupancy Tax COs for a portion of the \$19.3 million contribution to construction of a conference center in the Sugar Land Town Square. 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 FY15, \$673,611 will be transferred to cover the debt service requirement for the conference center. For FY15, there is a planned debt issuance for \$11M to help fund the Performing Arts Center and TIRZ#4 Parking and Infrastructure. An additional \$319,697 will also be transferred from the Tourism Fund to cover the annual debt service payment.

Debt service requirements on outstanding debt for the FY15 budget are \$17,015,980. The budget incorporates \$999,298 for debt service on the anticipated issuances of \$40.95 million in new debt. Of the \$40.95 million, \$13.55 million will be issued as General Obligation Bonds to cover Parks bond projects and \$27.40 million as Certificates of Obligations Bonds for General CIP projects. An additional \$439,252 is included in the budget to cover the lease payments for public safety equipment. Rebates to in-City MUDs and inter-fund transfers totals \$1,571,890. The budgeted ending fund balance at 9/30/15 is \$3,921,049, \$ 2,075,596 above the policy requirement of 10% of annual debt service requirements.

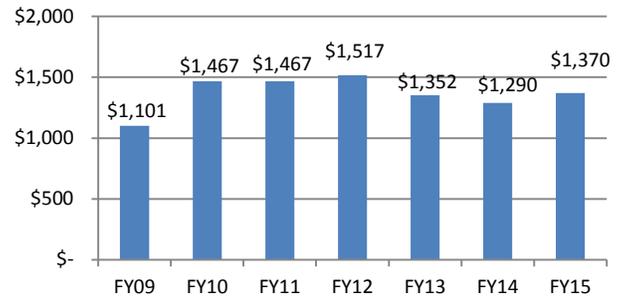
For FY15 the ratio of net bonded debt to taxable value is expected to increase from 1.06% to 1.12%, which is a healthy ratio. This is utilized by bond rating agencies to compare the City’s ability to repay debt.

Net Bonded Debt vs. Taxable Valuation



Net bonded debt per capita is expected to increase to \$1,370 as new debt was issued in November 2013 for FY14 capital projects.

Net Bonded Debt Per Capita



Debt Service Fund – Taxable Debt

One of the sources of funding for the ACE Center at Sugar Land (ACSL) is taxable certificates of obligations 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 supported by property taxes. Starting in FY15 the debt service schedule is structured to pay interest only for the first two years. While the ACSL is under construction, the SLDC will transfer the amounts for FY15 and FY16 debt service payments. Once the lease begins in fall 2016, lease payments and from ACE will support the debt payments and a debt service reserve equal to the last three years debt payments.

Fiscal Year 2015

Transfer In from SLDC for \$851,072 will cover the debt service requirement. There is no ending fund balance required for this fund in FY15. The bond issue is structured with interest payments in June and principal and interest in December, so only one payment will be made in FY15.

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Current Property Taxes	\$ 13,083,337	\$ 13,736,800	\$ 13,736,800	\$ 14,569,600	\$ 1,017,000	\$ 15,586,600
Delinquent Property Taxes	2,562	52,100	52,100	52,100	-	52,100
Interest on Investments	8,863	12,148	7,958	13,511	-	13,511
Refunding Bond Proceeds	4,786,941	-	-	-	-	-
Dissolution	-	-	308,936	-	-	-
TOTAL REVENUES	18,371,230	13,801,048	14,105,794	14,635,211	1,017,000	15,652,211
Transfer In from Tourism Fund	656,261	664,214	664,214	993,308	-	993,308
Transfer In from CIP - Non Bond	-	472,500	472,500	472,500	-	472,500
Transfer In from Utility Fund	4,023,131	3,376,368	3,376,368	2,886,502	-	2,886,502
TOTAL INTERFUND TRANSFERS	4,679,392	4,513,081	4,513,081	4,352,309	-	4,352,309
TOTAL REVENUES	23,050,623	18,314,129	18,618,875	18,987,520	1,017,000	20,004,520
EXPENDITURES						
Debt Service: Current Debt	16,318,885	17,107,642	16,210,283	17,015,980	-	17,015,980
Debt Service: New Debt	-	-	-	1,438,550	-	1,438,550
Fiscal Fees/Other	8,800	18,000	18,000	18,000	-	18,000
TOTAL DEBT SERVICE	21,157,348	17,125,642	16,228,283	18,472,531	-	18,472,531
Rebates & Assignments	1,142,300	1,605,450	1,605,450	1,510,630	-	1,510,630
Transfers to Other Funds	53,739	54,400	54,400	61,260	-	61,260
TOTAL EXPENDITURES	22,353,387	18,785,492	17,888,133	20,044,421	-	20,044,421
CHANGE IN FUND BALANCE	697,236	(471,363)	730,742	(1,056,901)	1,017,000	(39,901)
FUND BALANCE - BEGINNING	2,532,972	3,230,208	3,230,208	3,960,949		3,960,949
FUND BALANCE - ENDING	\$ 3,230,208	\$ 2,758,845	\$ 3,960,949	\$ 2,904,049	\$ 1,017,000	\$ 3,921,049
Policy Requirement	\$ 1,631,889	\$ 1,710,764	\$ 1,621,028	\$ 1,845,453		\$ 1,845,453
Over/(Under) Policy	\$ 1,598,319	\$ 1,048,081	\$ 2,339,921	\$ 1,058,596		\$ 2,075,596
Policy Requirement	10%	10%	10%	10%		10%

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

	FY13 Actuals	FY14 Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Transfer In from SLDC	\$ -	\$ -	\$ -	\$ 851,072	\$ -	\$ 851,072
Total Revenues	-	-	-	851,072	-	851,072
EXPENDITURES						
Debt Service	-	-	-	851,072	-	851,072
Total Expenditures	-	-	-	851,072	-	851,072
CHANGE IN FUND BALANCE	-	-	-	-	-	-
FUND BALANCE - BEGINNING	-	-	-	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

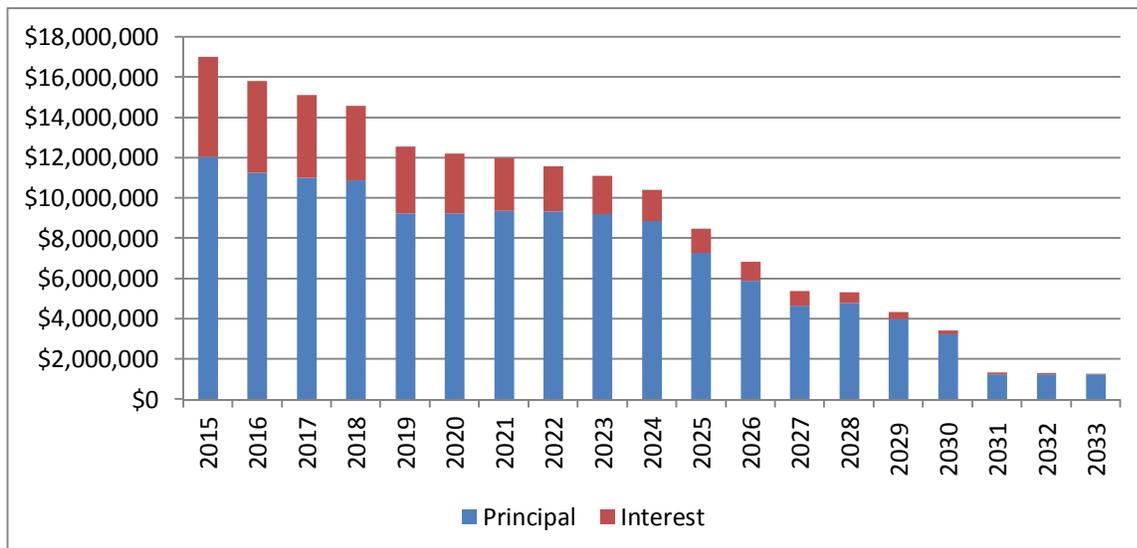
**CITY OF SUGAR LAND
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF SEPTEMBER 30, 2014**

<u>Taxing Jurisdiction</u>	<u>Gross Debt</u>	<u>Overlapping</u>	
		<u>Estimated Percentage*</u>	<u>Amount</u>
City of Sugar Land	134,329,920	100.00%	134,329,920
Burney Road MUD	9,960,000	100.00%	9,960,000
First Colony MUD No. 10	14,470,000	100.00%	14,470,000
Fort Bend County**	441,905,000	24.22%	107,029,391
Fort Bend County LID No. 2	13,980,000	100.00%	13,980,000
Fort Bend County LID No. 10	12,805,000	94.15%	12,055,908
Fort Bend County LID No. 14	4,425,000	100.00%	4,425,000
Fort Bend County LID No. 17	56,175,000	100.00%	56,175,000
Fort Bend County MUD No. 116	27,885,000	0.11%	30,674
Fort Bend County MUD No. 136	4,700,000	100.00%	4,700,000
Fort Bend County MUD No. 137	30,710,000	100.00%	30,710,000
Fort Bend County MUD No. 138	44,970,000	100.00%	44,970,000
Fort Bend County MUD No. 139	15,080,000	100.00%	15,080,000
Fort Bend County WC&ID No. 2	59,680,000	0.66%	393,888
Fort Bend ISD	849,098,711	41.89%	355,687,450
Total Direct and Overlapping Debt			\$ 803,997,230
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation			7.28%
Per Capita Overlapping Funded Debt			\$ 9,295

** Includes the \$72,195,000 Fort Bend County, Texas Unlimited Tax and Subordinate Lien Toll Road Revenue Bonds, Series 2004 and the \$116,940,000 Fort Bend County, Texas Unlimited Tax and Subordinate Lien Toll Road Revenue Refunding Bonds, Series 2012.

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

FY Ending				
September 30	Principal	Interest	Total	
2015	\$ 12,075,987	\$ 4,939,993	\$ 17,015,980	
2016	11,280,327	4,531,137	15,811,464	
2017	11,022,441	4,122,365	15,144,806	
2018	10,882,441	3,715,121	14,597,562	
2019	9,235,155	3,341,654	12,576,809	
2020	9,232,394	2,994,636	12,227,030	
2021	9,377,394	2,633,077	12,010,471	
2022	9,337,394	2,263,042	11,600,436	
2023	9,217,394	1,889,935	11,107,329	
2024	8,872,394	1,529,126	10,401,520	
2025	7,287,521	1,203,063	8,490,584	
2026	5,897,521	935,614	6,833,135	
2027	4,647,648	723,404	5,371,052	
2028	4,777,648	529,973	5,307,621	
2029	3,992,648	351,238	4,343,886	
2030	3,230,000	208,350	3,438,350	
2031	1,225,000	121,581	1,346,581	
2032	1,225,000	73,500	1,298,500	
2033	1,225,000	24,500	1,249,500	
TOTAL	\$ 134,041,307	\$ 36,131,310	\$ 170,172,617	



* Excludes anticipated new debt

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

Issue	Description		Principal	Interest	Total
2003A	General Obligation	Refunding	\$ 1,470,000	\$ 84,313	\$ 1,554,313
2004A	General Obligation	Refunding	60,000	1,200	61,200
2005	General Obligation	New & Refunding	1,175,000	275,844	1,450,844
2006	General Obligation	New	700,000	216,368	916,368
2006	Certificates of Obligation	New & Refunding	19,465,000	4,068,044	23,533,044
2008	Certificates of Obligation	New	3,560,000	1,345,009	4,905,009
2008	General Obligation	New	5,525,000	2,047,478	7,572,478
2009	Certificates of Obligation	New	14,009,875	4,108,454	18,118,329
2009	General Obligation	Refunding	395,000	10,144	405,144
2010	General Obligation	New	2,135,000	773,106	2,908,106
2010	Certificates of Obligation	New	20,520,000	7,028,751	27,548,751
2010	General Obligation	Refunding	17,365,000	4,496,163	21,861,163
2012	General Obligation	Refunding	6,695,000	541,200	7,236,200
2012	General Obligation	Refunding	4,155,000	802,350	4,957,350
2013	Certificates of Obligation	New	24,440,000	7,691,291	32,131,291
2010	Plains Leasing		192,332	7,876	200,209
2011	Sun Trust Leasing		514,100	15,790	529,890
	Sub Total		<u>122,376,307</u>	<u>33,513,382</u>	<u>155,889,689</u>
2005	FBC MUD 1	Assumed Obligations	4,835,000	1,286,495	6,121,495
2008	FBC MUD21	Assumed Obligations	3,795,000	1,019,809	4,814,809
2012	FBC MUD21	Assumed Obligations	3,035,000	311,625	3,346,625
	Sub-Total		<u>11,665,000</u>	<u>2,617,929</u>	<u>14,282,929</u>
Total Debt Requirement			<u>\$ 134,041,307</u>	<u>\$ 36,131,310</u>	<u>\$ 170,172,617</u>

* Excludes anticipated new debt

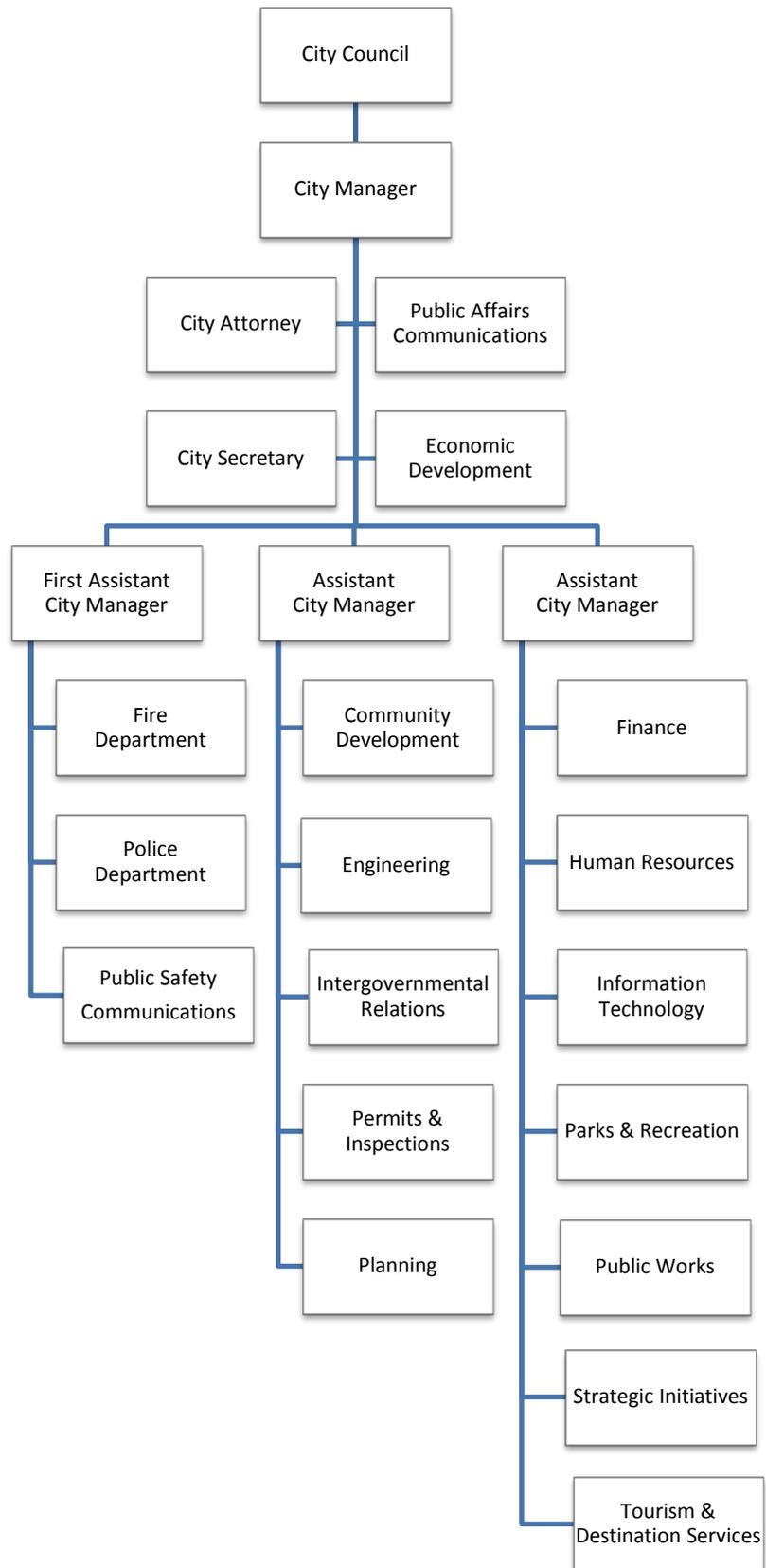
**CITY OF SUGAR LAND
DEBT SERVICE SCHEDULE OF REQUIREMENTS*
FISCAL YEAR 2015 BY ISSUE**

Issue	Description		Principal	Interest	Total
2003A	General Obligation	Refunding	\$ 500,000	\$ 46,325	\$ 546,325
2004A	General Obligation	Refunding	60,000	1,200	61,200
2005	General Obligation	New & Refunding	195,000	47,741	242,741
2006	General Obligation	New	2,405,000	826,288	3,231,288
2006	Certificates of Obligation	New & Refunding	45,000	31,691	76,691
2008	Certificates of Obligation	New	180,000	161,894	341,894
2008	General Obligation	New	280,000	247,931	527,931
2009	Certificates of Obligation	New	1,057,441	530,785	1,588,226
2009	General Obligation	Refunding	270,000	8,113	278,113
2010	General Obligation	New	90,000	82,438	172,438
2010	Certificates of Obligation	New	860,000	735,564	1,595,564
2010	General Obligation	Refunding	1,315,000	690,206	2,005,206
2012	General Obligation	Refunding	1,840,000	215,900	2,055,900
2012	General Obligation	Refunding	430,000	133,400	563,400
2013	Certificates of Obligation	New	1,270,000	734,844	2,004,844
2010	Plains Leasing		94,616	5,488	100,104
2011	Sun Trust Leasing		253,930	11,015	264,945
	Sub Total		11,145,987	4,510,823	15,656,810
2005	FBC MUD 1	Assumed Obligations	370,000	205,893	575,893
2008	FBC MUD21	Assumed Obligations	100,000	139,128	239,128
2012	FBC MUD21	Assumed Obligations	460,000	84,150	544,150
	Sub-Total		930,000	429,171	1,359,171
Total Debt Requirement			\$ 12,075,987	\$ 4,939,993	\$ 17,015,980

* Excludes anticipated new debt

General Fund Organizational Chart

As of October 1, 2014



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, 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 2014

Total revenues are projected to be \$75,847,491, 3.4% higher than the current budget. Sales and Property Tax, which make up 70.7% of revenues, are expected to exceed budgeted levels. Major variances from budget are in sales tax, other taxes, licenses and permits, and interest income. Sales tax, which has experienced a significant increase, is projected to be \$35,770,455, which is \$2,089,955 or 6.2% higher than budget.

Other taxes of \$6,056,600 represent franchise fees and mixed drink tax. This revenue is projected higher than budget as a result of current trends in the electric franchise fee collections. Transfers are projected at \$4,572,597 and represent reimbursements for overhead allocation from the Utility fund, Airport fund, and SLDC reimbursement for Economic Development staffing from SLDC.

Total expenditures for FY14 are projected to be \$77,757,048. Most departments are expected to end the year within current budgeted expenditures, though the Fire Department is expected to exceed the current budget by \$197,670 as a result of the purchase of an additional ambulance for EMS services.

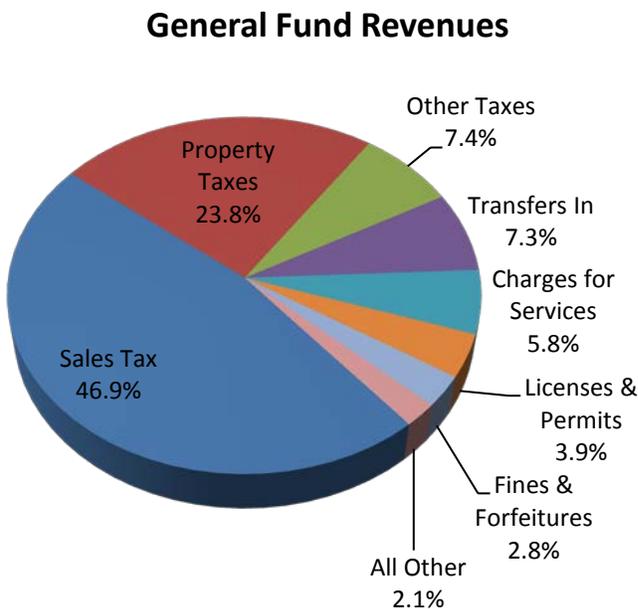
Total fund balance is projected to be \$18,034,302 as of September 30, 2014, which is equal to 29% of recurring operating expenditures. This is greater than the policy requirement 25% or \$15,371,364. The \$2,662,938 over policy is available to fund non-recurring expenditures in fiscal year 2015.

Fiscal Year 2015

Budgeted revenues total \$77,304,755. The chart at right shows a breakdown of General Fund revenues by type.

Sales tax revenue represents the largest portion of General Fund Operating revenues at 46.9%. Sales tax is highly dependent on economic conditions and can fluctuate. Based on current economic conditions, the budget includes 1.3% growth in sales tax over FY14 projections.

The budget incorporates property tax revenues of \$18,433,100, which is based on an O&M tax rate of \$0.17035 and certified tax roll for 2015. A transfer of \$0.0025 was made from the O&M component of the tax rate to the debt service component to fully fund construction costs for the parks bond projects.



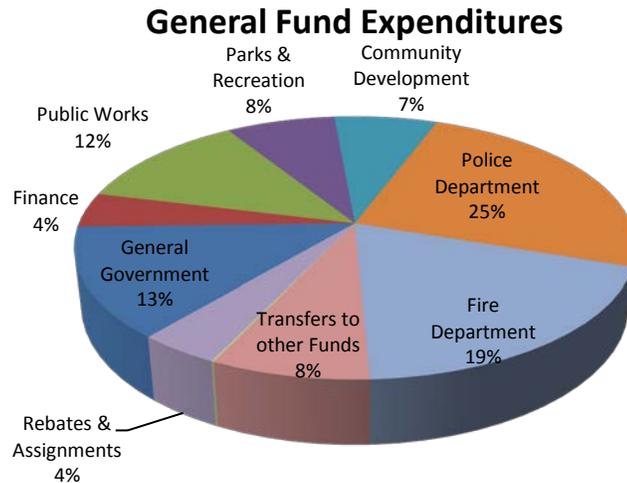
The General Fund receives transfers in from the Utility, Surface Water and Airport Funds as reimbursement for overhead costs as determined by a cost allocation model. Transfers total \$5,616,629 for FY15. A transfer from the Sugar Land Development Corporation reimburses cost for Economic Development staff and activity. The Sugar Land 4B Corporation reimburses the General Fund for Economic Development activity but those funds are recorded as charges for services since the 4B Corporation is not a blended component unit for accounting purposes.

Interest income is estimated at \$120,000, which is higher than the FY14 projections. The interest income estimate is based largely on investments and the anticipated fund balance. Revenue from fines & forfeitures is estimated at \$2,187,600, which is 14.2% higher than FY14 projections and 1.3% higher than FY14 budget.

Budgeted expenditures total \$78,416,469 for FY15. Of this total, \$69,183,367 is for departmental expenditures and \$9,233,102 is for non-departmental expenditures including transfers, rebates & assignments, and miscellaneous expenditures.

A total of \$3,990,436 in new additions are included in the FY15 budget. Recurring changes to the General Fund include the implementation of emergency medical services in January 2015 and two additional code enforcement officers in Community Development. One-time funding of \$2,090,254 includes transfers to the Fleet and High Tech replacement funds, and \$1,987,230 in one-time items in the departmental operating budgets. Significant additions to departmental budgets are described below.

One-time additions in General Government total \$284,500 and include implementation of an organizational assessment and PEG funds within Public Communications. Police Department one-time additions include \$109,973 for the STEP Wave Grant, which will be utilized for speed enforcement, as well as \$18,473 for the bulletproof vest grant. The Fire Department has one-time additions that total \$1,459,581, which include the replacement of bunker gear, and the implementation of EMS services for capital outlays, supplies, and equipment. Additionally, funding is allocated for the replacement of engine 3. The fire engine will be purchased using tax notes.



Budgeted fund balance totals \$16,922,588, which is greater than the reserve policy requirement of 25%. A drawdown in fund balance of \$1,111,714 is budgeted in accordance with the Financial Management Policy Statements.

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

	FY13 Actual	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Property Taxes	\$ 16,788,717	\$ 17,650,900	\$ 17,777,900	\$ 18,700,700	\$ (267,600)	\$ 18,433,100
Sales Tax	33,723,873	33,680,500	35,770,455	33,127,900	3,104,600	36,232,500
Other Taxes	5,718,716	5,695,654	6,056,600	5,711,100	-	5,711,100
Licenses & Permits	2,724,436	2,637,851	2,827,100	2,904,150	112,200	3,016,350
Charges for Services	3,466,624	3,542,551	3,503,400	3,646,974	801,283	4,448,257
Fines & Forfeitures	1,999,702	2,158,782	1,915,300	2,187,600	-	2,187,600
Other	776,009	641,937	652,750	659,773	1,000	660,773
Intergovernmental	79,516	148,564	148,564	-	128,446	128,446
Interest Income	176,912	102,500	68,000	120,000	-	120,000
Operating Revenues	65,454,504	66,259,239	68,720,069	67,058,197	3,879,929	70,938,126
Transfers In	4,423,546	4,720,856	4,572,597	5,616,629	-	5,616,629
Lease Proceeds	-	2,357,155	2,554,825	-	750,000	750,000
Non-operating Revenues	4,423,546	7,078,011	7,127,422	5,616,629	750,000	6,366,629
Total Revenues	69,878,050	73,337,250	75,847,491	72,674,826	4,629,929	77,304,755
EXPENDITURES						
General Government	9,744,433	11,141,896	11,086,396	10,265,700	292,090	10,557,790
Finance	2,814,888	3,052,914	3,082,532	3,251,776	117,336	3,369,112
Public Works	8,587,538	9,755,655	9,755,655	9,545,451	49,800	9,595,251
Parks & Recreation	5,440,838	5,773,613	5,773,613	5,820,416	70,000	5,890,416
Community Development	4,592,645	5,319,855	5,319,855	5,438,459	123,406	5,561,865
Police Department	16,881,734	18,389,847	18,389,847	19,048,867	234,295	19,283,162
Fire Department	10,567,339	14,088,830	14,286,500	11,925,286	3,000,485	14,925,771
Departmental Expenditures	58,629,416	67,522,610	67,694,398	65,295,955	3,887,412	69,183,367
Transfers to other Funds	5,579,851	5,960,237	7,031,734	5,999,134	52,524	6,051,658
Miscellaneous	763,304	(386,288)	(901,823)	(146,881)	50,500	(96,381)
Rebates & Assignments	2,940,324	3,436,728	3,567,690	3,277,825	-	3,277,825
Debt Service	418,561	492,877	365,049	-	-	-
Non-departmental Expenditure:	9,702,041	9,503,554	10,062,650	9,130,078	103,024	9,233,102
Total Expenditures	68,331,456	77,026,164	77,757,048	74,426,033	3,990,436	78,416,469
Revenues Over/(Under) Expenditur	1,546,594	(3,688,914)	(1,909,558)	(1,751,207)	639,493	(1,111,714)
Fund Balance - Beginning	18,397,266	19,943,860	19,943,860	18,034,302		18,034,302
Fund Balance - Ending	\$ 19,943,860	\$ 16,254,946	\$ 18,034,302	\$ 16,283,095	\$ 639,493	\$ 16,922,588
Ending Fund Balance- % of Oper Exp		25%	29%	25%		26%
Fund Balance - Requirement		15,371,364	15,371,364	16,536,691		16,510,363
Over / (Under) Policy		\$ 883,582	\$ 2,662,938	\$ (253,596)		\$ 412,225

**GENERAL FUND
SCHEDULE OF REVENUES**

Description	FY13	FY14	FY14	FY15	FY15	FY15
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
CURRENT TAXES	\$ 16,616,000	\$ 17,446,100	\$ 17,556,200	\$ 18,503,800	\$ (267,600)	\$ 18,236,200
DELINQUENT TAXES	28,515	69,800	35,000	35,000	-	35,000
PENALTY & INTEREST	133,419	135,000	169,800	161,900	-	161,900
SPECIAL INVENTORY/OVERAGE	10,782	-	16,900	-	-	-
Property Taxes	16,788,717	17,650,900	17,777,900	18,700,700	(267,600)	18,433,100
SALES TAXES	33,723,873	31,395,900	32,469,905	33,127,900	-	33,127,900
S. TAX INCENTIVE AGRMTS	-	2,119,600	2,943,657	-	3,104,600	3,104,600
SALES TAX ON AIRCRAFT	-	165,000	356,893	-	-	-
Sales Tax	33,723,873	33,680,500	35,770,455	33,127,900	3,104,600	36,232,500
MIXED DRINK TAX	421,921	475,630	525,800	570,500	-	570,500
ELECTRIC FRANCHISE	3,736,261	3,685,017	3,940,000	3,601,300	-	3,601,300
GAS FRANCHISE	284,176	294,311	359,000	305,800	-	305,800
FRANCHISE TELECOMM.	293,840	296,221	288,000	287,700	-	287,700
MISC. FRANCHISE FEES	179,077	154,831	198,500	200,500	-	200,500
CABLE TV FRANCHISE	803,442	789,644	745,300	745,300	-	745,300
Other Taxes	5,718,716	5,695,654	6,056,600	5,711,100	-	5,711,100
BUILDING PERMITS	1,493,380	1,476,411	1,462,000	1,462,000	37,000	1,499,000
INFRASTRUCTURE REVIEW	26,918	42,000	47,000	42,900	-	42,900
LAND DISTURBANCE FEE	-	-	-	1,500	-	1,500
RENTAL INSPECTION LICENSE	212,450	210,053	228,000	240,700	6,500	247,200
ELECTRICAL PERMITS	176,774	149,713	250,000	269,170	7,300	276,470
IRRIGATION PERMITS	45,772	44,301	44,000	48,700	-	48,700
HEALTH PERMITS	301,975	280,008	300,000	304,300	8,200	312,500
HVAC PERMITS	158,331	131,597	145,000	152,240	4,100	156,340
LIQUOR PERMITS	21,750	30,750	32,500	42,200	-	42,200
PLUMBING PERMITS	161,520	147,662	178,900	201,740	5,400	207,140
REINSPECTION FEES	12,380	10,865	6,500	8,900	-	8,900
SIGN PERMITS	18,086	15,375	16,800	17,200	-	17,200
FLOOD ZONE DEVEL PERMIT	400	1,640	1,300	1,300	-	1,300
CONTRACTOR REGISTRATION	34,500	51,250	44,000	45,100	-	45,100
R-O-W PERMIT	1,800	1,741	2,700	2,800	-	2,800
SOLICITOR PERMITS	7,519	3,895	7,000	4,500	-	4,500
PERMIT PENALTIES	2,996	1,230	11,300	11,600	-	11,600
FIRE ALARM PERMITS	22,349	20,090	25,000	21,600	12,100	33,700
OTHER FIRE CODE PERMITS	25,536	19,270	25,100	25,700	31,600	57,300
Licenses & Permits	2,724,436	2,637,851	2,827,100	2,904,150	112,200	3,016,350
ADMINISTRATIVE FEES	456,148	551,178	497,400	534,327	-	534,327
STREET LIGHT CHARGES	89,121	76,048	78,600	78,600	-	78,600
ANIMAL ADOPTION FEES	35,443	40,927	38,500	38,700	1,000	39,700
ANIMAL IMPOUNDMENT FEES	1,960	2,547	1,900	1,900	100	2,000
POOL ADMISSIONS	7,138	5,829	5,800	5,800	200	6,000
SWIM LESSIONS	2,247	-	-	-	-	-
FACILITY USAGE CARDS	75,449	78,390	80,200	80,600	-	80,600
POOL RENTAL	1,318	1,407	1,400	1,400	-	1,400
P&R BUILDING RENTALS	86,484	85,425	95,000	93,600	2,500	96,100
ATHLETIC LEAGUES	29,473	14,070	28,000	13,400	-	13,400
PAVILION RENTALS	38,379	30,452	40,000	30,800	-	30,800
CAMP PROGRAMS	133,082	132,630	140,000	133,300	3,600	136,900
LIGHT FEES	29,215	46,733	33,600	33,800	-	33,800
LEISURE CLASSES	86,101	88,440	87,900	88,300	-	88,300
ATHLETIC FIELD RENTAL	4,182	5,025	4,800	4,800	-	4,800
SENIOR PROGRAMS	13,343	25,025	20,800	20,900	-	20,900
PARKS VENDING MACHINE	410	-	-	-	-	-
MOWING LIENS	2,288	2,513	1,300	1,300	-	1,300
PLAT FEES	90,759	131,778	75,000	105,900	-	105,900
SITE PLAN FEES	17,454	11,658	20,000	15,400	400	15,800
ZONING & CONDITIONAL USE	30,819	31,470	44,600	44,800	1,200	46,000

**GENERAL FUND
SCHEDULE OF REVENUES**

Description	FY13	FY14	FY14	FY15	FY15	FY15
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
ACCIDENT REPORTS	13,615	15,731	15,300	15,400	-	15,400
FALSE ALARM FEES	29,050	35,828	42,200	42,400	-	42,400
FINGER PRINTING	11,880	12,060	10,000	10,100	-	10,100
EMS BILLING	-	-	-	-	775,883	775,883
COURT CONVIENCE FEE	-	-	-	-	16,000	16,000
FIRE PROTECTION FEES	2,159,840	2,090,352	2,127,600	2,237,847	-	2,237,847
HAZ MAT RESPONSE	21,427	27,035	13,500	13,600	400	14,000
Charges for Services	3,466,624	3,542,551	3,503,400	3,646,974	801,283	4,448,257
ADMINISTRATIVE COURT FEES	101,067	113,609	98,500	117,000	-	117,000
DPS FEES - CITY PORTION	10,506	11,021	10,200	10,500	-	10,500
CHILD SAFETY FINES	117,041	124,268	116,000	174,400	-	174,400
MUNICIPAL COURT FINES	1,592,409	1,722,936	1,533,400	1,703,100	-	1,703,100
JUDICIAL EFFICIENCY	15,108	13,100	14,200	15,000	-	15,000
COURT CLEARING ACCOUNT	(210)	-	-	-	-	-
WARRANT FEES	163,780	173,848	143,000	167,600	-	167,600
Fines & Forfeitures	1,999,702	2,158,782	1,915,300	2,187,600	-	2,187,600
CASH OVER & SHORT	(77)	-	700	700	-	700
CASH OVER & SHORT	(8)	-	-	-	-	-
CASH OVER & SHORT	99	-	700	700	-	700
CASH OVER & SHORT	(164)	-	-	-	-	-
CASH OVER & SHORT	(5)	-	-	-	-	-
DONATIONS	57,333	58,000	44,400	44,400	-	44,400
DONATIONS	8,458	8,000	15,900	15,900	-	15,900
DONATIONS	48,875	50,000	28,500	28,500	-	28,500
LEOSE FUNDS	-	-	21,800	21,800	-	21,800
TCLEOSE	-	-	10,500	10,500	-	10,500
LEOSE FUNDS	-	-	11,300	11,300	-	11,300
MISCELLANEOUS	149,338	103,130	135,100	138,500	-	139,500
MISCELLANEOUS	10,693	9,000	6,600	6,600	-	6,600
MISCELLANEOUS	122,025	80,000	81,800	81,800	-	81,800
MISCELLANEOUS	1,883	1,400	37,700	37,700	1,000	38,700
MISCELLANEOUS	987	720	400	400	-	400
MISCELLANEOUS	745	500	1,400	500	-	500
MISCELLANEOUS	2,754	1,000	800	1,000	-	1,000
MISCELLANEOUS	9,742	10,000	6,100	10,000	-	10,000
MISCELLANEOUS	510	510	300	500	-	500
PROPERTY INS RECOVERY	233,721	165,000	225,000	225,000	-	225,000
PROPERTY INS RECOVERY	233,721	165,000	225,000	225,000	-	225,000
REIMBURSEMENTS	251,768	224,775	168,050	171,673	-	171,673
REIMBURSEMENTS	68,443	66,425	34,400	34,400	-	34,400
REIMBURSEMENTS	128	3,750	3,750	7,373	-	7,373
REIMBURSEMENTS	75,974	50,000	3,200	3,200	-	3,200
REIMBURSEMENTS	-	-	100	100	-	100
REIMBURSEMENTS	107,223	104,600	120,200	120,200	-	120,200
REIMBURSEMENTS	-	-	6,400	6,400	-	6,400
REPRODUCTION COPIES	4,316	4,602	3,100	3,100	-	3,100
REPRODUCTION COPIES	4,214	4,500	3,000	3,000	-	3,000
REPRODUCTION COPIES	102	102	100	100	-	100
ROYALTIES	132	1,430	900	900	-	900
ROYALTIES	132	1,430	900	900	-	900
SALE OF CAPITAL PROPERTY	26,548	50,000	25,000	25,000	-	25,000
SALE OF CAPITAL PROPERTY	26,548	50,000	25,000	25,000	-	25,000
UNCLAIMED & NON-CAPITAL	51,968	35,000	28,700	28,700	-	28,700
UNCLAIMED & NON-CAPITAL	51,968	35,000	28,700	28,700	-	28,700
UNCLAIMED PROPERTY REV.	962	-	-	-	-	-
UNCLAIMED PROPERTY REV.	962	-	-	-	-	-
Other	776,009	641,937	652,750	659,773	1,000	660,773

**GENERAL FUND
SCHEDULE OF REVENUES**

Description	FY13	FY14	FY14	FY15	FY15	FY15
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
UASI	13,225	-	-	-	-	-
HOME LAND SEC.-PASS THRU	-	40,865	40,865	-	-	-
BULLETPROOF VEST	9,711	7,458	7,458	-	18,473	18,473
STEP WAVE GRANT	23,171	88,000	88,000	-	109,973	109,973
VICTIM ASSISTANCE GRANT	19,284	-	-	-	-	-
DWI TASK FORCE - HGAC	7,001	12,241	12,241	-	-	-
TEEX GRANT	1,942	-	-	-	-	-
UASI GRANT	5,183	-	-	-	-	-
Intergovernmental	79,516	148,564	148,564	-	128,446	128,446
INTEREST INCOME	178,391	102,500	68,000	120,000	-	120,000
UNREALIZ GAIN/LOSS-INVEST	(1,479)	-	-	-	-	-
Interest Income	176,912	102,500	68,000	120,000	-	120,000
AIRPORT ENTERPRISE	622,670	591,556	591,558	690,424	-	690,424
SLDC	488,975	423,183	274,922	471,550	-	471,550
TRANSFER FROM CAPITAL PRO	202,000	202,000	202,000	202,000	-	202,000
TRANSFER FROM TIRZ 1	70,000	70,000	70,000	70,000	-	70,000
TRANSFER FROM FUND 53	290,000	458,102	458,102	576,840	-	576,840
TRANSFER FROM UTILITIES	2,339,561	2,712,218	2,712,218	2,729,842	-	2,729,842
TRANSFER FROM SOLID WASTE	10,600	263,797	263,797	371,132	-	371,132
TRF FR RED LIGHT FUND 073	399,740	-	-	504,841	-	504,841
Transfers In	4,423,546	4,720,856	4,572,597	5,616,629	-	5,616,629
CAPITAL LEASE PROCEEDS	-	2,357,155	2,554,825	-	750,000	750,000
Lease Proceeds	-	2,357,155	2,554,825	-	750,000	750,000
TOTAL	\$ 69,878,050	\$ 73,337,250	\$ 75,847,491	\$ 72,674,826	\$ 4,629,929	\$ 77,304,755

GENERAL FUND SUMMARY OF EXPENDITURES	FY14		FY15		FY15	
	FY13 Actuals	Current Budget	FY14 Projections	Base Budget	FY15 Changes	FY15 Budget
Mayor & City Council	\$ 213,422	\$ 220,573	\$ 220,573	\$ 223,983	\$ -	\$ 223,983
City Manager	727,372	683,358	683,358	961,751	-	961,751
Assistant City Managers	771,248	917,317	917,317	831,329	-	831,329
City Secretary	704,598	942,677	899,677	857,340	30,000	887,340
Public Communications	980,203	1,144,145	1,131,645	957,291	157,500	1,114,791
Human Resources	1,294,561	1,395,145	1,395,145	1,368,341	-	1,368,341
City Attorney	648,449	718,436	718,436	730,645	-	730,645
Information Technology	3,732,882	4,165,259	4,165,259	3,240,462	4,590	3,245,052
Strategic Initiatives	281,687	405,926	405,926	492,989	100,000	592,989
Economic Development	390,012	549,060	549,060	601,569	-	601,569
General Government - Total	9,744,433	11,141,896	11,086,396	10,265,700	292,090	10,557,790
Finance Administration	288,910	-	-	424,520	87,783	512,303
Budget	421,341	689,268	718,886	437,793	3,000	440,793
Accounting	896,928	1,013,502	1,013,502	1,042,622	-	1,042,622
Purchasing	395,600	421,445	421,445	441,250	-	441,250
Municipal Court	812,110	928,699	928,699	905,591	26,553	932,144
Finance - Total	2,814,888	3,052,914	3,082,532	3,251,776	117,336	3,369,112
Public Works Admin	582,279	622,004	622,004	542,396	-	542,396
Street & Drainage Main.	1,656,446	2,107,369	2,107,369	2,120,065	-	2,120,065
Traffic	3,285,342	3,587,970	3,587,970	3,516,753	-	3,516,753
Stormwater Management	128,801	195,086	195,086	156,888	45,000	201,888
Fleet Maintenance	431,976	506,827	506,827	571,380	-	571,380
Facilities Management	2,005,344	2,146,448	2,146,448	2,079,325	-	2,079,325
Animal Services	497,349	589,951	589,951	558,644	4,800	563,444
Public Works - Total	8,587,538	9,755,655	9,755,655	9,545,451	49,800	9,595,251
Park Administration	592,963	638,657	638,657	659,724	-	659,724
Development & Maintenance	3,395,062	3,672,620	3,672,620	3,615,025	-	3,615,025
Recreation & Special Events	1,452,813	1,462,336	1,462,336	1,545,667	70,000	1,615,667
Parks & Recreation - Total	5,440,838	5,773,613	5,773,613	5,820,416	70,000	5,890,416
Executive Director	163,389	-	-	-	-	-
Community Development Admin	-	34,743	34,743	137,006	-	137,006
Permits & Inspections	994,729	1,085,983	1,085,983	1,134,193	34,500	1,168,693
Development Planning	411,630	480,919	480,919	515,955	-	515,955
Transp. & Long Range Plan	459,112	557,882	557,882	406,601	-	406,601
Community & Env Services	97,337	108,962	108,962	127,481	-	127,481
Food Inspection	179,140	219,299	219,299	222,928	-	222,928
Code Enforcement	203,177	288,265	288,265	263,421	37,872	301,293
Rental Registration	131,372	143,670	143,670	159,545	51,034	210,579
City Engineer	1,952,761	2,400,132	2,400,132	2,471,329	-	2,471,329
Community Development - Total	4,592,645	5,319,855	5,319,855	5,438,459	123,406	5,561,865
Police Administration	835,220	891,591	891,591	918,614	-	918,614
Support Services	1,765,933	2,097,855	2,097,855	1,924,089	18,473	1,942,562
TCOLE Training	-	23,990	23,990	-	-	-
Patrol	9,632,166	10,147,217	10,147,217	10,940,177	109,973	11,050,150
Criminal Investigations	2,845,542	3,067,488	3,067,488	3,050,011	-	3,050,011
Detention Facility	352,957	374,504	374,504	380,809	-	380,809
SWAT	21,478	22,443	22,443	25,000	-	25,000
Public Safety Dispatch	1,428,438	1,764,759	1,764,759	1,810,166	105,849	1,916,015
Police Department - Total	16,881,734	18,389,847	18,389,847	19,048,866	234,295	19,283,161

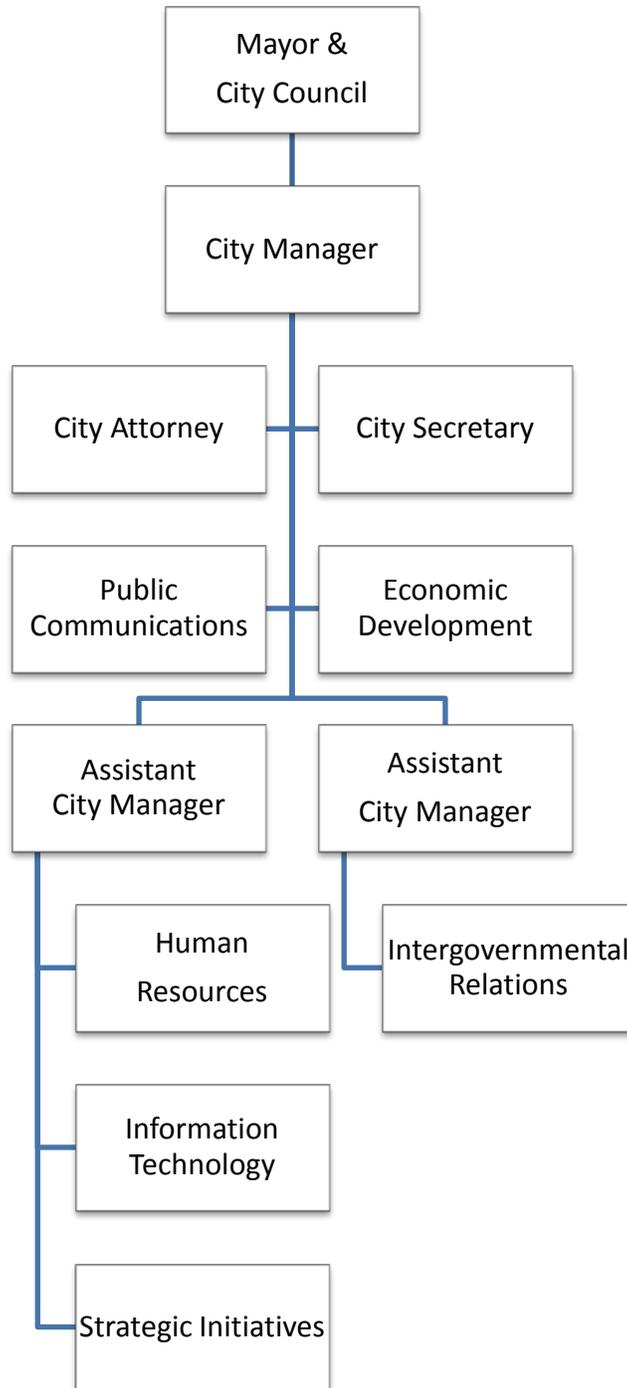
GENERAL FUND SUMMARY OF EXPENDITURES	FY13	FY14	FY14	FY15	FY15	FY15
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
Fire Administration	326,120	356,622	356,622	357,486	-	357,486
Emergency Services	8,475,615	10,106,983	10,106,983	9,379,151	995,700	10,374,851
EMS Services	-	1,537,492	1,735,162	107,048	2,004,785	2,111,833
Haz Mat	24,226	47,149	47,149	42,143	-	42,143
Prevention/Investigation	833,423	881,314	881,314	929,051	-	929,051
Emergency Management	353,155	389,012	389,012	343,710	-	343,710
Professional Development	554,801	770,258	770,258	766,697	-	766,697
Fire Department - Total	10,567,339	14,088,830	14,286,500	11,925,286	3,000,485	14,925,771
Total Operating Expenditures	58,629,416	67,522,610	67,694,398	65,295,954	3,887,412	69,183,366
Transfers to other Funds	5,579,851	5,960,237	7,031,734	5,999,134	52,524	6,051,658
Rebates & Assignments	2,940,324	3,436,728	3,567,690	3,277,825	-	3,277,825
Debt Service	418,561	492,877	365,049	-	-	-
Miscellaneous	763,304	(386,288)	(901,823)	(146,881)	50,500	(96,381)
Total Non-Operating	9,702,041	9,503,554	10,062,650	9,130,078	103,024	9,233,102
TOTAL EXPENDITURES	\$ 68,331,456	\$ 77,026,164	\$ 77,757,048	\$ 74,426,032	\$ 3,990,436	\$ 78,416,468

Category Summary

Salary & Benefits	\$ 43,481,592	\$ 47,929,234	\$ 47,929,234	\$ 50,595,116	\$ 1,516,727	\$ 52,111,843
Supplies	2,289,998	2,482,323	2,439,323	2,244,170	1,085,171	3,329,341
Professional Services	7,538,863	7,351,807	7,339,307	5,847,866	304,108	6,151,974
Repairs & Maintenance	2,020,210	4,444,279	4,444,279	4,644,589	5,215	4,649,804
Purchased Services	2,450,646	2,389,443	2,419,061	1,939,187	79,638	2,018,825
Capital Items/Other	848,106	2,925,524	3,123,194	25,026	896,553	921,579
Total Category Expenditures	58,629,416	67,522,610	67,694,398	65,295,954	3,887,412	69,183,366
Total Non-Operating	9,702,041	9,503,554	10,062,650	9,130,078	103,024	9,233,102
TOTAL EXPENDITURES	\$ 68,331,456	\$ 77,026,164	\$ 77,757,048	\$ 74,426,032	\$ 3,990,436	\$ 78,416,468

General Government

As of October 1, 2014



Mayor and City Council

Services Provided

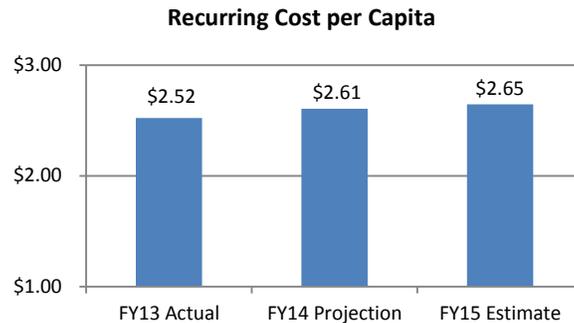
The Mayor and City Council provide direction to the City Manager and staff to achieve service level objectives. The long-range vision of the City is established by adopting goals, objectives, and strategies. Two regular City Council meetings are held each month on the first and third Tuesday, as well 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.

FY15 Requests

There are no additions to the Mayor and City Council FY15 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	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	139,305	142,568	142,568	145,978	-	145,978
Supplies	7,843	16,874	16,874	15,274	-	15,274
Professional Services	18,420	25,200	25,200	23,200	-	23,200
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	47,853	35,931	35,931	39,531	-	39,531
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 213,422	\$ 220,573	\$ 220,573	\$ 223,983	\$ -	\$ 223,983

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Mayor & City Council	7.00	7.00	-	7.00	-	7.00
FTE Count Totals	7.00	7.00	-	7.00	-	7.00

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.

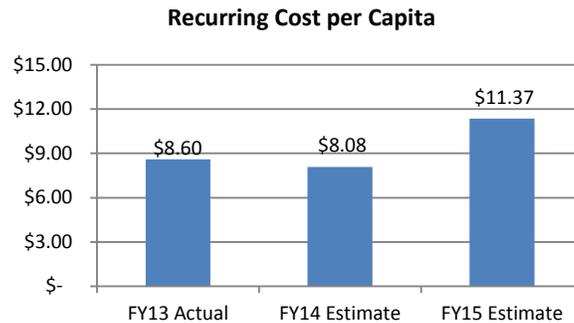
The Office of Intergovernmental Relations is also housed in the office of the City Manager but reports to an Assistant City manager. The Office of Intergovernmental Relations is responsible for regional, local, state and federal intergovernmental relations, including the development of legislative agendas, coordination of information and monitoring of relationships through the ambassador program.

FY15 Requests

There are no additions to the City Manager budget in FY15.

Performance Measures: Responsible City Government

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



Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	680,105	644,376	644,376	831,059	-	831,059
Supplies	22,113	17,072	17,072	30,882	-	30,882
Professional Services	870	2,160	2,160	63,495	-	63,495
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	24,285	19,750	19,750	36,315	-	36,315
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 727,372	\$ 683,358	\$ 683,358	\$ 961,751	\$ -	\$ 961,751

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
City Manager	7.00	5.00	1.50	6.50	-	6.50
FTE Count Totals	7.00	5.00	1.50	6.50	-	6.50

Assistant City Managers

Services Provided

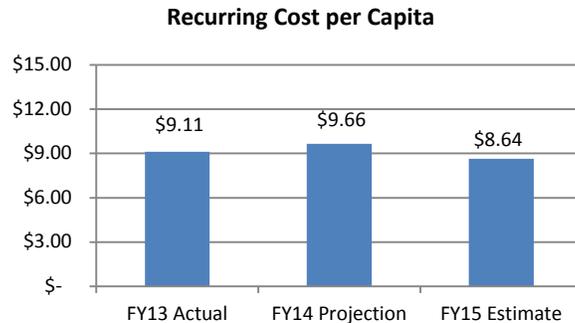
The Assistant City Managers provide executive oversight, guidance, and support to respective departments ensuring the priorities of the City are understood and achieved. The First Assistant City Manager and Assistant City Managers serve on behalf of the City Manager in managing projects, assignments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

FY15 Requests

There are no additions to the Assistant City Managers FY15 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	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	674,470	863,534	863,534	770,595	-	770,595
Supplies	7,630	8,596	8,596	18,590	-	18,590
Professional Services	66,974	15,766	15,766	9,238	-	9,238
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	22,174	29,421	29,421	32,906	-	32,906
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 771,248	\$ 917,317	\$ 917,317	\$ 831,329	\$ -	\$ 831,329

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Assistant City Managers	5.00	6.00	(0.50)	5.50	-	5.50
FTE Count Totals	5.00	6.00	(0.50)	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

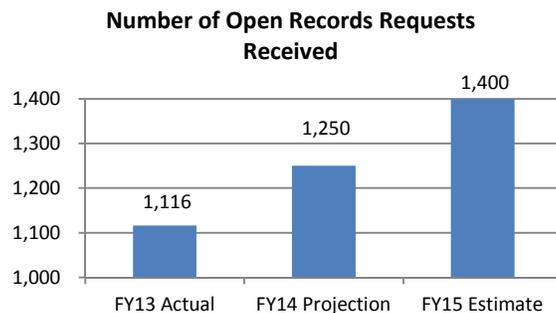
The Office of the City Secretary is responsible for three primary functions: legislative service, records management, and public information services. Legislative services includes managing and coordinating all public meetings, elections, ordinance codification, contract execution, legal notice and proclamation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

FY15 Requests

The FY15 budget includes a one-time request of \$7,000 for the disaster response recover plan and \$20,000 for the reorganization and publication of the development code. Additionally, the budget includes a recurring request of \$3,000 for additional training and certification.

Performance Measures: Responsible City Government

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



Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	599,815	691,383	691,383	710,354	-	710,354
Supplies	35,524	105,482	62,482	66,500	2,000	68,500
Professional Services	21,769	51,200	51,200	28,258	25,000	53,258
Repairs & Maintenance	431	7,700	7,700	4,532	-	4,532
Purchased Services	47,059	86,912	86,912	47,696	3,000	50,696
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 704,598	\$ 942,677	\$ 899,677	\$ 857,340	\$ 30,000	\$ 887,340

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
City Secretary	9.20	9.20	-	9.20	-	9.20
FTE Count Totals	9.20	9.20	-	9.20	-	9.20

Public Communications

Mission Statement

To clearly and accurately communicate information and the value of key City services, programs, and messages to foster an engaged and informed citizenry; to protect the safety and welfare of 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, web site, municipal cable television, media relations and emergency communications; and to serve as a resource to City departments for delivery of specific communication needs.

Services Provided

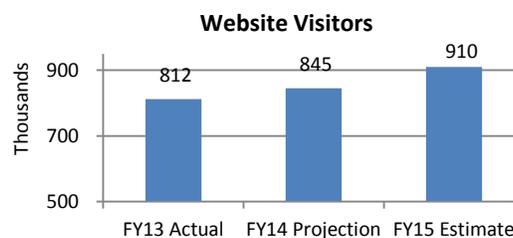
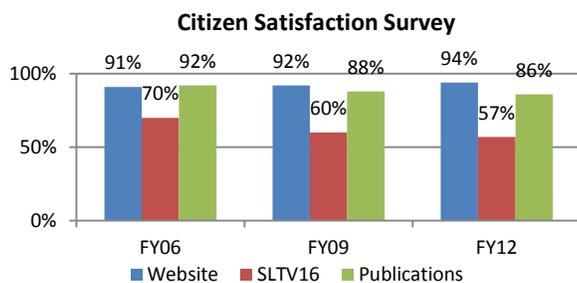
Public Communications is responsible for providing accurate, responsive and timely information to citizens and the public through a variety of communication tools including publications, website, SLtv16, media relations, public safety and emergency communications. Additionally, Public Communications connects citizens with local government through volunteer opportunities and community education such as Serve Sugar Land, Sugar Land 101, and the Mayor’s Youth Advisory Council. The Community Action Center is housed in Public Communications and provides staff and resources necessary to address and monitor citizen concerns and answer questions regarding the City and the services it provides.

FY15 Requests

One-time additions in the Communications budget include \$25,000 for the bi-annual citizen survey, \$12,500 for graphic design services as needed, and \$120,000 in Public, Educational and Government (PEG) access television funding. 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	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	643,226	745,509	745,509	757,906	-	757,906
Supplies	127,261	139,917	139,917	36,093	-	36,093
Professional Services	100,050	75,086	62,586	12,100	37,500	49,600
Repairs & Maintenance	7,555	1,094	1,094	400	-	400
Purchased Services	41,298	42,273	42,273	150,792	-	150,792
Capital/Other	60,813	140,266	140,266	-	120,000	120,000
Category Totals	\$ 980,203	\$ 1,144,145	\$ 1,131,645	\$ 957,291	\$ 157,500	\$ 1,114,791

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Public Communications	7.00	9.00	-	9.00	-	9.00
FTE Count Totals	7.00	9.00	-	9.00	-	9.00

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

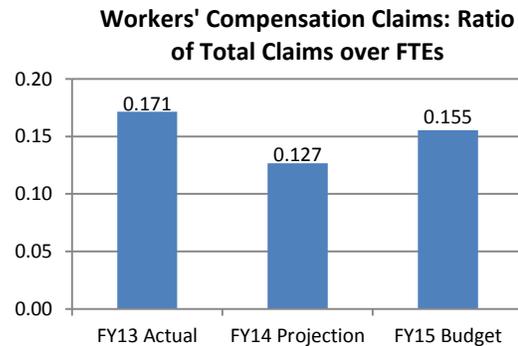
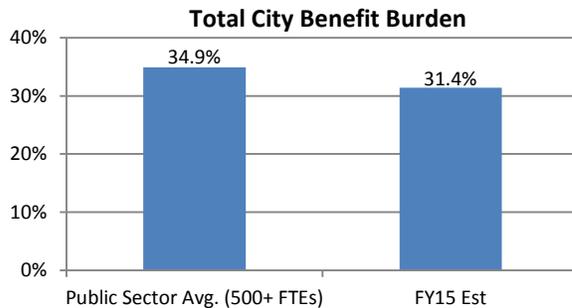
Human Resources Department is an internal service and offers a full range of human resource services for all City departments. **Risk Management** reviews insurance for contracts, coordinates worker compensation, liability insurance claims, and oversees the work safety program.

FY15 Requests

There are no additions to the Human Resources FY15 budget.

Performance Measures: Responsible City Government

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



Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	939,665	1,016,865	1,016,865	1,036,846	-	1,036,846
Supplies	68,314	85,838	85,838	78,758	-	78,758
Professional Services	49,198	103,400	103,400	66,865	-	66,865
Repairs & Maintenance	38,386	600	600	700	-	700
Purchased Services	148,414	188,442	188,442	185,172	-	185,172
Capital/Other	50,584	-	-	-	-	-
Category Totals	\$ 1,294,561	\$ 1,395,145	\$ 1,395,145	\$ 1,368,341	\$ -	\$ 1,368,341

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Human Resources	11.00	12.00	-	12.00	-	12.00
FTE Count Totals	11.00	12.00	-	12.00	-	12.00

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

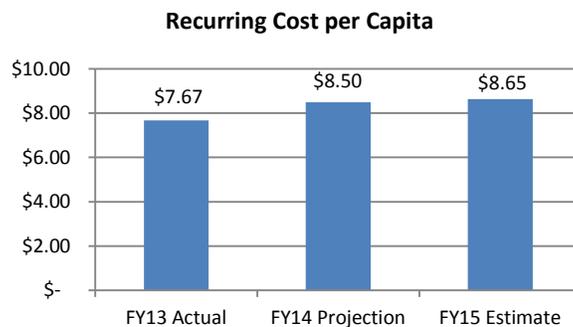
The City Attorney’s Office provides legal services to the City and the City’s development corporations. These services include contract review, ordinance preparation, policy review, and prosecution of violations of State law and City ordinances in Municipal Court.

FY15 Requests

There are no additions to the City Attorney’s FY15 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	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	579,769	568,864	568,864	653,287	-	653,287
Supplies	13,975	12,997	12,997	12,385	-	12,385
Professional Services	30,738	113,048	113,048	44,268	-	44,268
Repairs & Maintenance	-	1,280	1,280	-	-	-
Purchased Services	23,967	20,963	20,963	20,705	-	20,705
Capital/Other	-	1,284	1,284	-	-	-
Category Totals	\$ 648,449	\$ 718,436	\$ 718,436	\$ 730,645	\$ -	\$ 730,645

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
City Attorney	5.00	5.00	-	5.00	-	5.00
FTE Count Totals	5.00	5.00	-	5.00	-	5.00

Information Technology

Mission Statement

The mission of the 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

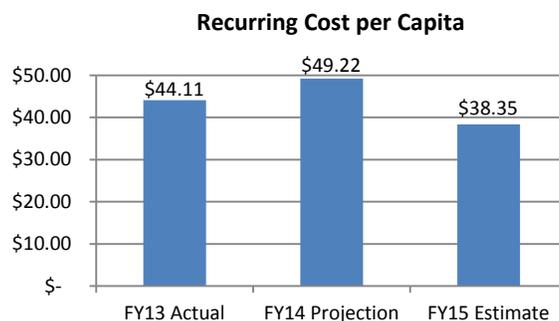
The IT Department provides City-wide support to all departments by maintaining the integrity of computer and communications infrastructure of the City. This includes City-wide coordination for advanced systems in Public Safety, Telecommunications, and GIS. A primary function of the department is end-user 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.

FY15 Requests

A total \$4,590 is budgeted in FY15 for the recurring maintenance on the new food inspection software.

Performance Measures: Responsible City Government

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



Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	1,553,009	1,798,201	1,798,201	1,795,750	-	1,795,750
Supplies	64,183	21,652	21,652	21,652	-	21,652
Professional Services	155,645	711,040	711,040	317,371	-	317,371
Repairs & Maintenance	812,883	1,041,897	1,041,897	988,604	4,590	993,194
Purchased Services	479,245	535,723	535,723	117,085	-	117,085
Capital/Other	667,917	56,746	56,746	-	-	-
Category Totals	\$ 3,732,882	\$ 4,165,259	\$ 4,165,259	\$ 3,240,462	\$ 4,590	\$ 3,245,052

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Information Technology	21.00	21.00	-	21.00	-	21.00
FTE Count Totals	21.00	21.00	-	21.00	-	21.00

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

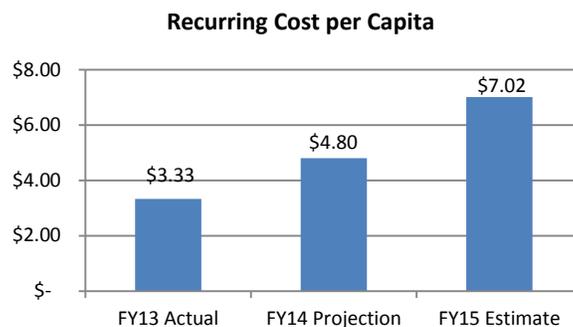
The Office of Strategic Initiatives is responsible for the leadership and coordination of City-wide strategic planning process – including quarterly reporting to the City Council – and for providing support to the City Manager’s Office by serving as the staff liaison to the City’s multi-cultural program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

FY15 Requests

One-time addition for \$100,000 was included in the FY15 budget for the implementation of an organizational assessment.

Performance Measures: Responsible City Government

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



Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	203,169	214,435	214,435	472,492	-	472,492
Supplies	4,035	14,391	14,391	2,985	-	2,985
Professional Services	60,072	146,642	146,642	1,860	100,000	101,860
Repairs & Maintenance	-	12,468	12,468	-	-	-
Purchased Services	14,411	17,990	17,990	15,652	-	15,652
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 281,687	\$ 405,926	\$ 405,926	\$ 492,989	\$ 100,000	\$ 592,989

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Strategic Initiatives	3.00	3.00	4.00	7.00	-	7.00
FTE Count Totals	3.00	3.00	4.00	7.00	-	7.00

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.

FY15 Requests

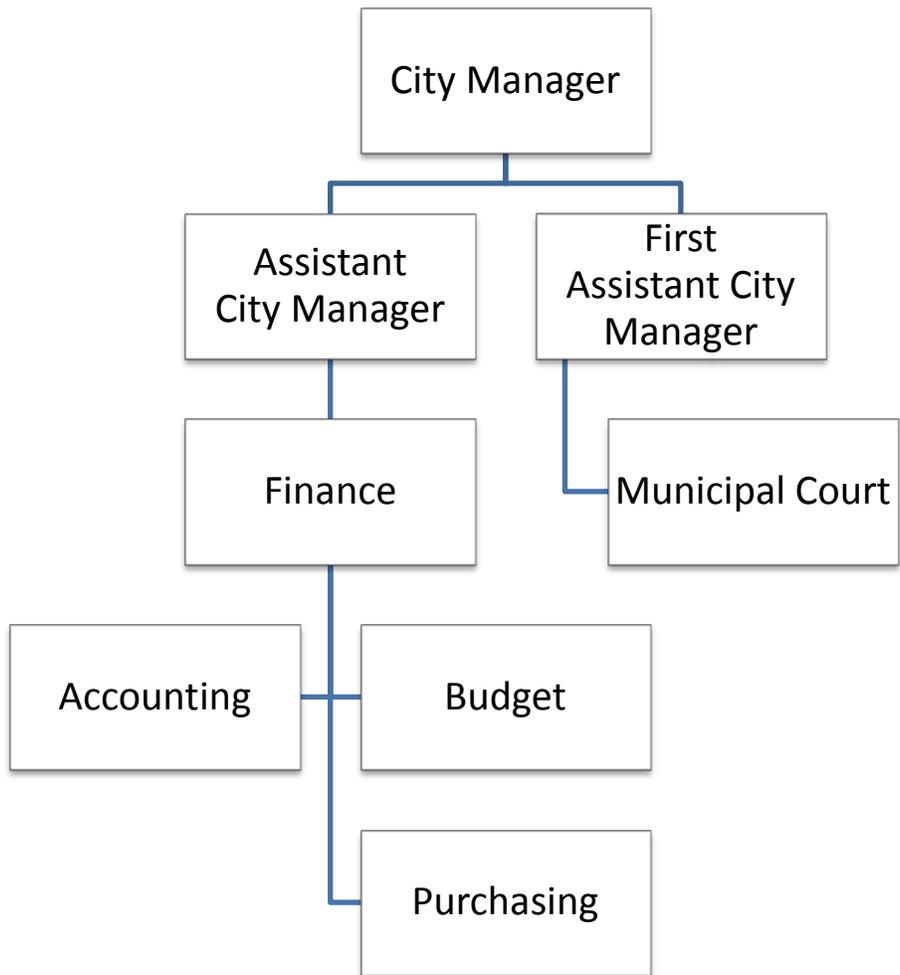
There were no additions to the Economic Development budget for FY15. Most of the operating costs are included in the Sugar Land Development Corporation and Sugar Land 4B Corporation budgets, which are approved by the board of directors for each corporation.

Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	379,912	549,060	549,060	601,569	-	601,569
Supplies	-	-	-	-	-	-
Professional Services	8,574	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-
Purchased Services	1,526	-	-	-	-	-
Capital/Other	-	-	-	-	-	-
Category Totals	\$ 390,012	\$ 549,060	\$ 549,060	\$ 601,569	\$ -	\$ 601,569

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Economic Development	5.00	6.00	-	6.00	-	6.00
FTE Count Totals	5.00	6.00	-	6.00	-	6.00

Fiscal Services & Municipal Court

As of October 1, 2014



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. **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, surplus/salvage City auction management, purchasing training, and emergency management/resource management.

FY15 Requests

There is \$87,783 in requested additions to the Finance Department budget in FY15 for EMS billing related to the implementation of EMS services.

Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	1,582,820	1,708,544	1,708,544	1,926,152	-	1,926,152
Professional Services	30,752	24,678	24,678	29,020	-	29,020
Purchased Services	269,655	306,779	306,779	294,821	86,783	381,604
Capital/Other	1,268	722	722	750	-	750
Repairs & Maintenance	113,069	81,999	111,617	95,442	4,000	99,442
Supplies	5,215	1,493	1,493	-	-	-
Category Totals	\$ 2,002,779	\$ 2,124,215	\$ 2,153,833	\$ 2,346,185	\$ 90,783	\$ 2,436,968

Summary by Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Finance Administration	288,910	-	-	424,520	87,783	512,303
Budget	421,341	689,268	718,886	437,793	3,000	440,793
Accounting	896,928	1,013,502	1,013,502	1,042,622	-	1,042,622
Purchasing	395,600	421,445	421,445	441,250	-	441,250
Category Totals	\$ 2,002,779	\$ 2,124,215	\$ 2,153,833	\$ 2,346,185	\$ 90,783	\$ 2,436,968

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Finance Administration	-	-	2.00	2.00	-	2.00
Budget and Research	3.00	5.00	-	5.00	-	5.00
Accounting	10.50	11.00	-	11.00	-	11.00
Purchasing	5.00	5.00	-	5.00	-	5.00
FTE Count Totals	18.50	21.00	2.00	23.00	-	23.00

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 trails, photo enforcement appeals, warrant servicing, accurate reporting and customer service.

FY15 Requests

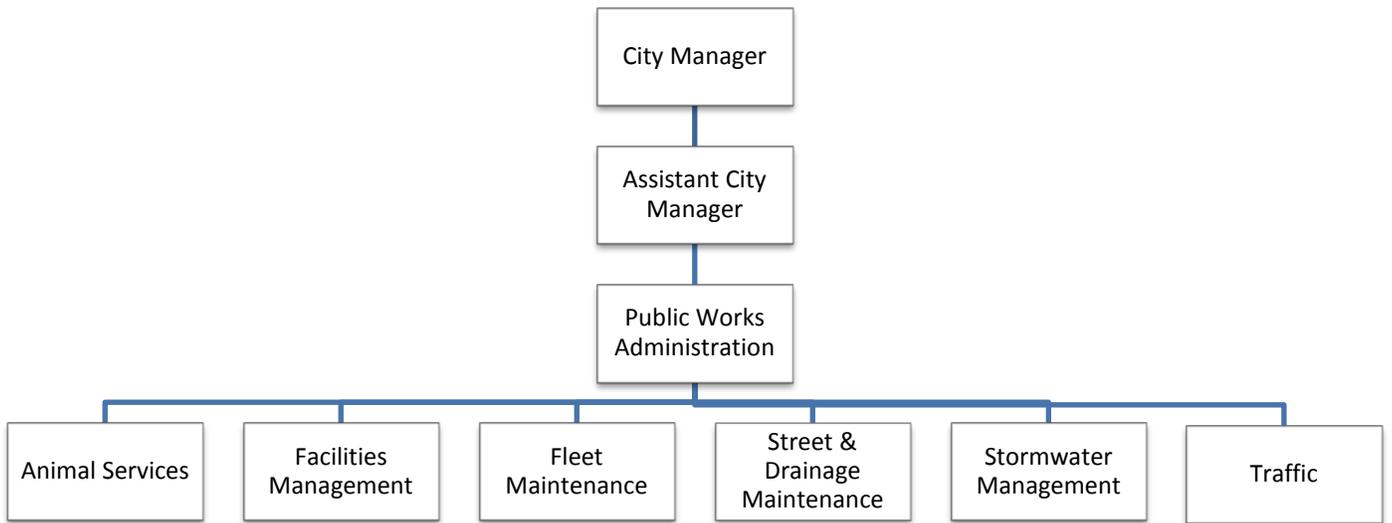
The FY15 budget includes a one-time request of \$26,553 for replacement of handheld ticket writers.

Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	707,781	785,141	785,141	775,471	-	775,471
Supplies	12,387	15,498	15,498	13,980	-	13,980
Professional Services	34,730	40,589	40,589	41,206	-	41,206
Repairs & Maintenance	1,271	3,279	3,279	1,653	-	1,653
Purchased Services	55,940	59,192	59,192	73,281	-	73,281
Capital/Other	-	25,000	25,000	-	26,553	26,553
Category Totals	\$ 812,110	\$ 928,699	\$ 928,699	\$ 905,591	\$ 26,553	\$ 932,144

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 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, 2014



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, solid waste, recycling, stormwater, water conservation, and animal services. 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

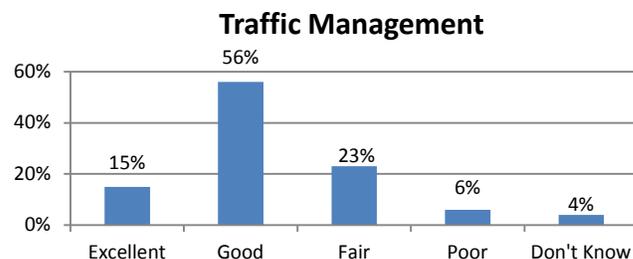
The **Administration** program manages components common to all divisions such as customer service, emergency management, the safety program, public education, personnel management, infrastructure data capture, asset management and event assistance. The **Street & Drainage Maintenance** program is responsible for the administration and operation of public streets, sidewalks, and bridges along with maintenance of sewer lines and open ditches. 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 **Stormwater 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 **Water Conservation** program is overseen by Public Works but housed in the Water Utilities Fund. **Animal Services** operates the City's animal shelter and enforces animal-related City ordinances. **Facilities Management** manages a maintenance and improvement program, retirement of assets, immediate repairs, special projects, and new vertical construction projects. **Fleet Maintenance** maintains nearly 300 vehicles along with a number of large and small pieces of machinery.

FY15 Requests

The **Stormwater Management** program includes a one-time addition of \$45,000 for consulting services on the implementation requirements of a stormwater management program. **Animal Services** includes a one-time addition of \$4,800 for pre-exposure rabies vaccines for 6 staff members.

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. The latest survey was finalized and released at the end of FY12.



Public Works

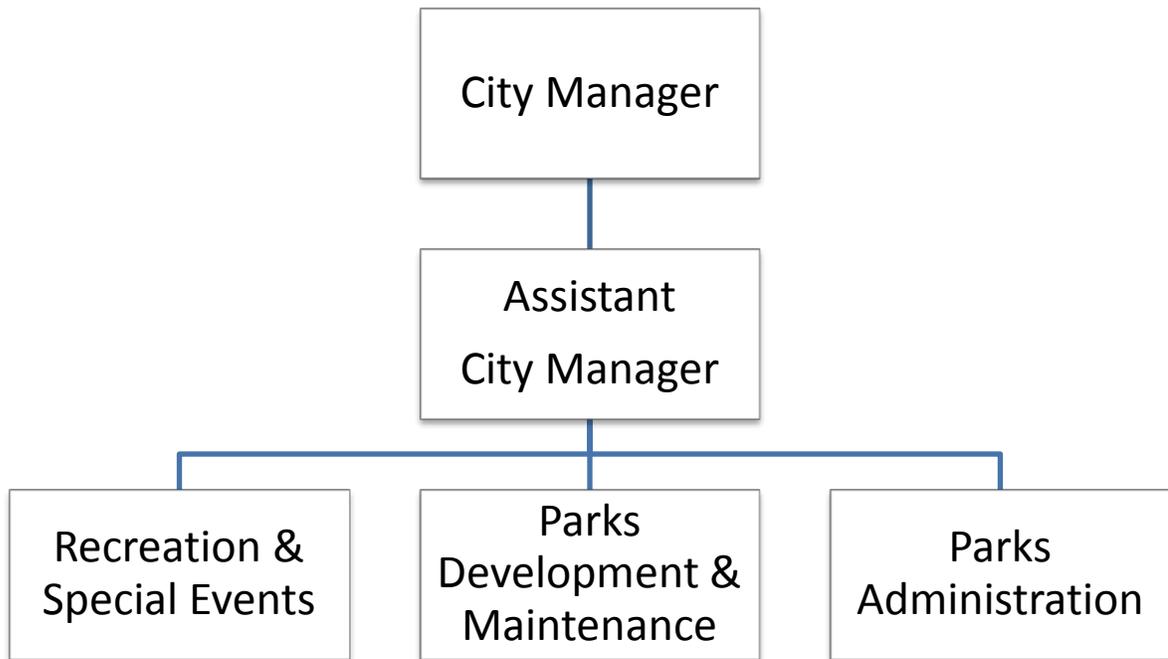
Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	3,247,712	3,889,860	3,889,860	3,793,729	-	3,793,729
Supplies	535,596	512,529	512,529	579,530	-	579,530
Professional Services	3,905,694	4,311,579	4,311,579	3,879,506	49,800	3,929,306
Repairs & Maintenance	682,344	869,325	869,325	1,119,362	-	1,119,362
Purchased Services	193,170	170,938	170,938	173,324	-	173,324
Capital/Other	23,021	1,424	1,424	-	-	-
Category Totals	\$ 8,587,538	\$ 9,755,655	\$ 9,755,655	\$ 9,545,451	\$ 49,800	\$ 9,595,251

Summary by Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Public Works Admin	582,279	622,004	622,004	542,396		542,396
Street & Drainage Main.	1,656,446	2,107,369	2,107,369	2,120,065		2,120,065
Traffic	3,285,342	3,587,970	3,587,970	3,516,753		3,516,753
Stormwater Management	128,801	195,086	195,086	156,888	45,000	201,888
Fleet Maintenance	431,976	506,827	506,827	571,380		571,380
Facilities Management	2,005,344	2,146,448	2,146,448	2,079,325		2,079,325
Animal Services	497,349	589,951	589,951	558,644	4,800	563,444
Category Totals	\$ 8,587,538	\$ 9,755,655	\$ 9,755,655	\$ 9,545,451	\$ 49,800	\$ 9,595,251

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Public Works Administration	6.50	6.50	(1.50)	5.00	-	5.00
Streets	15.40	17.40	-	17.40	-	17.40
Traffic Operations	11.00	9.00	-	9.00	-	9.00
Stormwater Management	1.00	1.50	-	1.50	-	1.50
Fleet Maintenance	5.00	5.00	1.00	6.00	-	6.00
Facilities Maintenance	9.00	9.00	(1.00)	8.00	-	8.00
Animal Services	7.00	7.50	-	7.50	-	7.50
FTE Count Totals	54.90	55.90	(1.50)	54.40	-	54.40

Parks & Recreation

As of October 1, 2014



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, special events, 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, managing right-of-way 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 leisure classes and maintains and operates the municipal pool, as well as managing a contract that provides swimming lessons and pool usage for swim teams.

FY15 Requests

There were no additions to the Parks & Recreation FY15 budget.

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

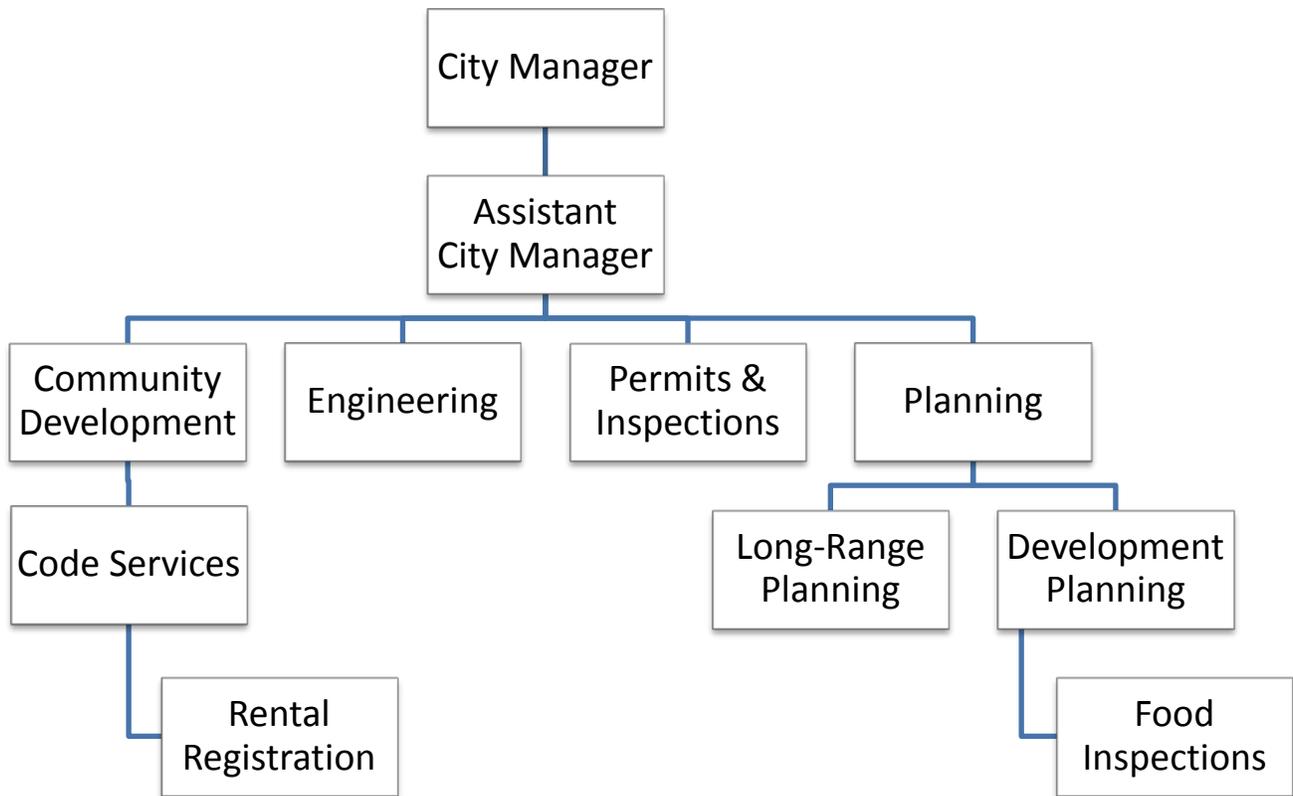
Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	2,113,895	2,366,765	2,366,765	2,506,863	-	2,506,863
Supplies	221,259	246,730	246,730	215,795	-	215,795
Professional Services	2,353,687	554,935	554,935	524,984	-	524,984
Repairs & Maintenance	71,420	2,051,102	2,051,102	2,055,935	-	2,055,935
Purchased Services	653,870	533,541	533,541	496,357	70,000	566,357
Capital/Other	26,708	20,540	20,540	20,482	-	20,482
Category Totals	\$ 5,440,838	\$ 5,773,613	\$ 5,773,613	\$ 5,820,416	\$ 70,000	\$ 5,890,416

Summary by Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Park Administration	592,963	638,657	638,657	659,724	-	659,724
Parks Development	3,395,062	3,672,620	3,672,620	3,615,025	-	3,615,025
Recreation & Special Events	1,452,813	1,462,336	1,462,336	1,545,667	70,000	1,615,667
Category Totals	\$ 5,440,838	\$ 5,773,613	\$ 5,773,613	\$ 5,820,416	\$ 70,000	\$ 5,890,416

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Parks Administration	6.00	6.00	-	6.00	-	6.00
Parks Development	15.00	15.00	-	15.00	-	15.00
Recreation & Special Events	16.77	17.77	-	17.77	-	17.77
FTE Count Totals	37.77	38.77	-	38.77	-	38.77

Community Development & Engineering

As of October 1, 2014



Community Development

Mission Statement

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

Community Development is responsible for Permits & Inspection, Planning, Community Development and Engineering. Special projects and assignments on behalf of the City Manager and community are also carried out.

Programs of Service

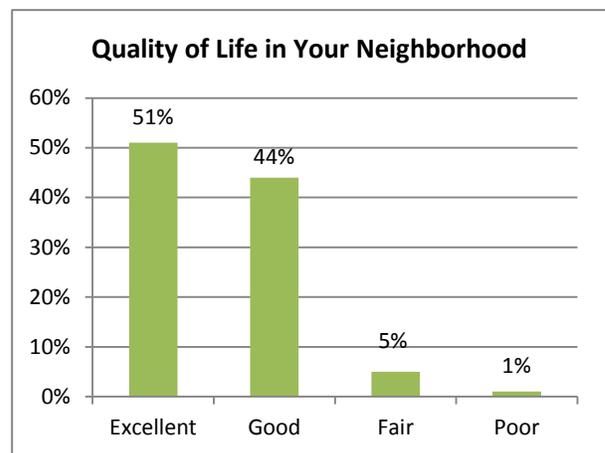
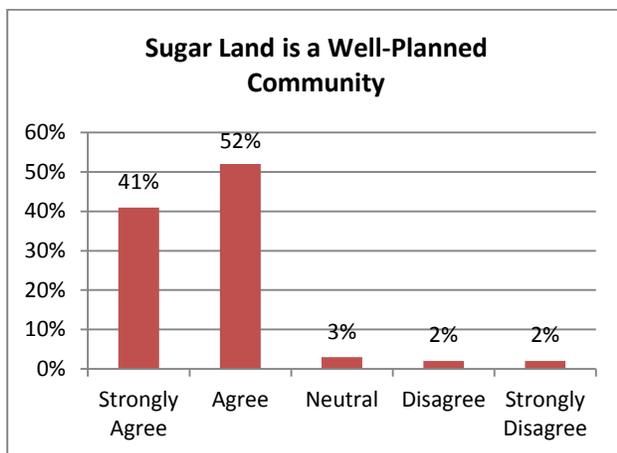
Permits & Inspections provide plan review and other permit and inspection services that ensure code compliance in the development and redevelopment of buildings and their components. **Planning** reviews plats, site plans, and rezoning applications to ensure compliance with City development policies, codes and planning. Long Range Planning is responsible for transportation planning, identification of related funding mechanisms and coordination with outside agencies. Management of established transportation programs, optimization of transportation efforts through code, standard, and process improvements are also carried out. Strategic projects are completed to develop policy guidance and implementation as they relate to mobility. **Community Development** is responsible for Code Enforcement and Rental Registration programs, and oversight of the Community Development Block Grant program. **Engineering** is responsible for providing 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.

FY15 Requests

A one-time amount of \$34,500 is requested by Permits and Inspections budget for a model code update. Recurring additions total \$88,906 for the addition of two code enforcement inspectors in FY15.

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.



Community Development

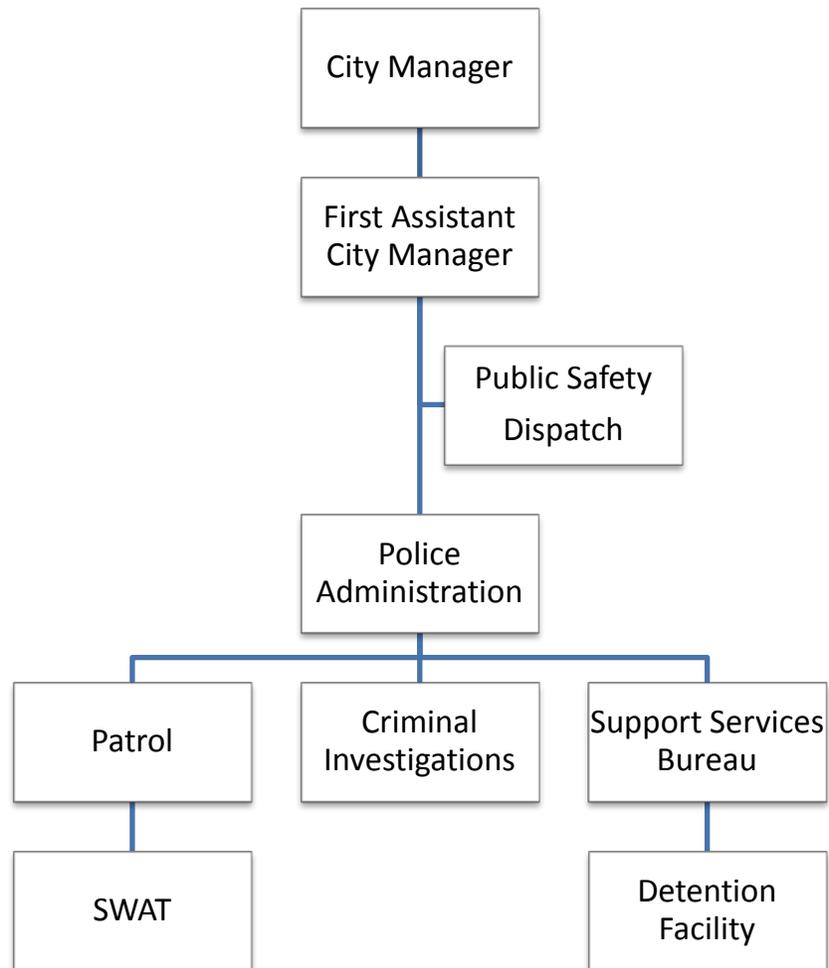
Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	4,148,904	4,653,504	4,653,504	4,943,696	109,668	5,053,364
Supplies	118,488	109,580	109,580	117,181	5,450	122,631
Professional Services	158,604	399,378	399,378	217,831	5,025	222,856
Repairs & Maintenance	12,143	21,132	21,132	26,536	625	27,161
Purchased Services	149,856	136,261	136,261	131,615	2,638	134,253
Capital/Other	4,649	-	-	1,600	-	1,600
Category Totals	\$ 4,592,645	\$ 5,319,855	\$ 5,319,855	\$ 5,438,459	\$ 123,406	\$ 5,561,865

Summary by Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Administration	-	34,743	34,743	137,006	-	137,006
Executive Director	163,389	-	-	-	-	-
Permits & Inspections	994,729	1,085,983	1,085,983	1,134,193	34,500	1,168,693
Development Planning	411,630	480,919	480,919	515,955	-	515,955
Transp. & Long Range Plan	459,112	557,882	557,882	406,601	-	406,601
Community & Env Services	97,337	108,962	108,962	127,481	-	127,481
Food Inspection	179,140	219,299	219,299	222,928	-	222,928
Code Enforcement	203,177	288,265	288,265	263,421	37,872	301,293
Rental Registration	131,372	143,670	143,670	159,545	51,034	210,579
City Engineer	1,952,761	2,400,132	2,400,132	2,471,329	-	2,471,329
Category Totals	\$ 4,592,645	\$ 5,319,855	\$ 5,319,855	\$ 5,438,459	\$ 123,406	\$ 5,561,865

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Community Development	1.00	-	-	-	-	-
Permits	15.08	15.08	-	15.08	-	15.08
Planning & Development	5.00	6.00	1.50	7.50	-	7.50
Transp. & Long Range Planning	4.00	4.00	0.50	4.50	-	4.50
Community & Env Services	1.00	1.00	-	1.00	-	1.00
Food Inspection	3.00	3.00	-	3.00	-	3.00
Code Enforcement	4.00	4.00	-	4.00	1.00	5.00
Rental Registration	2.00	2.00	-	2.00	1.00	3.00
Engineering	20.00	21.00	1.00	22.00	-	22.00
FTE Count Totals	55.08	56.08	3.00	59.08	2.00	61.08

Police Department & Public Safety Dispatch

As of October 1, 2014



Police Department & Public Safety Dispatch

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. 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 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. Public Safety Dispatch is housed with the Police Department and provides dispatching to both the Police and Fire Departments.

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. **Public Safety Dispatch** answers calls routed through emergency and non-emergency phone systems for the purpose of providing assistance from Police, Fire, Animal Control, Public Works, Traffic, and other City departments. The calls are transferred to the appropriate department and resources are dispatched to the site via radio, computer, or other electronic devices.

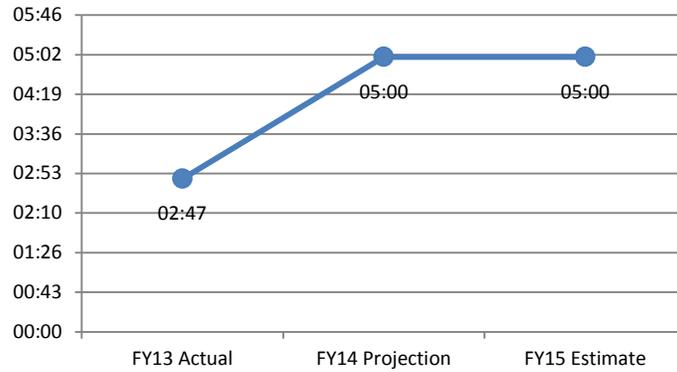
FY15 Requests

Total recurring additions of \$105,849 are included within Dispatch for two dispatcher positions to support the new EMS services within the Fire Department. There are also one-time additions of \$109,973 budgeted within the Patrol Division for the STEP grant program, as well as \$18,473 for the bullet proof vest grant budgeted in the Support Services Bureau.

Police Department & Public Safety Dispatch

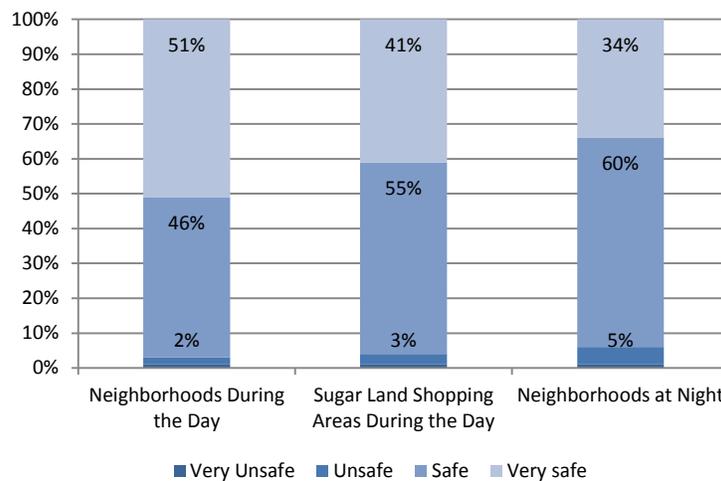
Performance Measures: Safest City in America

Average Response Time to an Emergency



The City Council measure for “Rapid, Effective, and Coordinated Response to an Emergency for Police” is an average response time to a Priority I emergency.

How Safe do you Feel in...



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 & Public Safety Dispatch

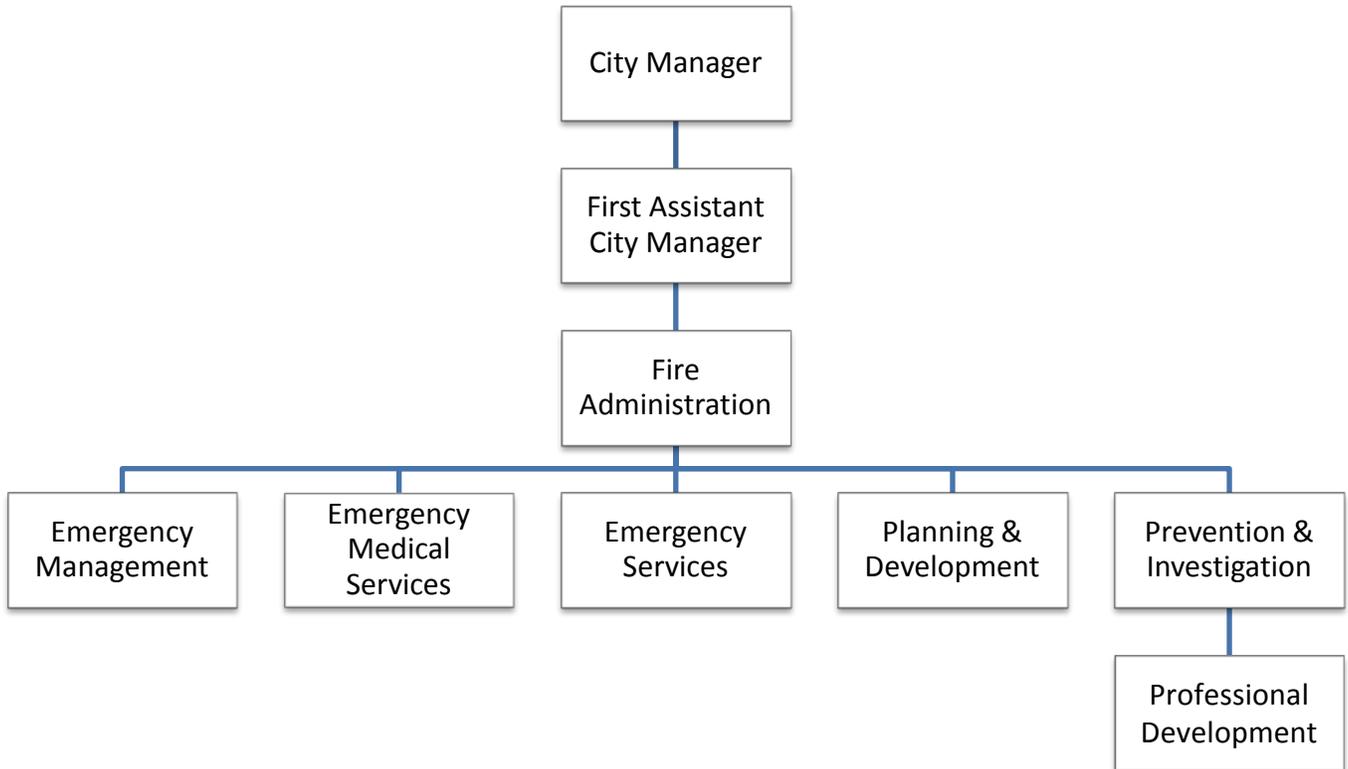
Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Professional Services	15,572,225	16,600,556	16,600,556	17,670,198	215,822	17,886,020
Capital/Other	693,767	809,557	810,907	712,165	18,473	730,638
Purchased Services	97,572	231,534	194,734	183,173	-	183,173
Repairs & Maintenance	197,028	233,205	233,355	250,901	-	250,901
Salary & Benefits	311,944	256,379	291,679	229,486	-	229,486
Supplies	9,198	258,616	258,616	2,944	-	2,944
Category Totals	\$ 16,881,734	\$ 18,389,847	\$ 18,389,847	\$ 19,048,867	\$ 234,295	\$ 19,283,162

Summary by Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Police Administration	835,220	891,591	891,591	918,614	-	918,614
Support Services	1,765,933	2,097,855	2,097,855	1,924,089	18,473	1,942,562
TCLEOSE Training	-	23,990	23,990	-	-	-
Patrol	9,632,166	10,147,217	10,147,217	10,940,178	109,973	11,050,151
Criminal Investigations	2,845,542	3,067,488	3,067,488	3,050,011	-	3,050,011
Detention Facility	352,957	374,504	374,504	380,809	-	380,809
SWAT	21,478	22,443	22,443	25,000	-	25,000
Public Safety Dispatch	1,428,438	1,764,759	1,764,759	1,810,166	105,849	1,916,015
Category Totals	\$ 16,881,734	\$ 18,389,847	\$ 18,389,847	\$ 19,048,867	\$ 234,295	\$ 19,283,162

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Police Administration	8.00	8.00	-	8.00	-	8.00
Support Services	15.00	15.00	-	15.00	-	15.00
Patrol	111.30	111.30	3.00	114.30	-	114.30
Criminal Investigations	31.50	31.50	(1.00)	30.50	-	30.50
Detention Facility	6.00	6.00	-	6.00	-	6.00
Public Safety Dispatch	22.00	24.00	-	24.00	2.00	26.00
FTE Count Totals	193.80	195.80	2.00	197.80	2.00	199.80

Fire Department

As of October 1, 2014



Fire Department

Mission Statement

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

Services Provided

The Fire Department 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. The Fire Department operates out of seven fire stations, with six stations located within the city limits and one station in the ETJ.

Programs of Service

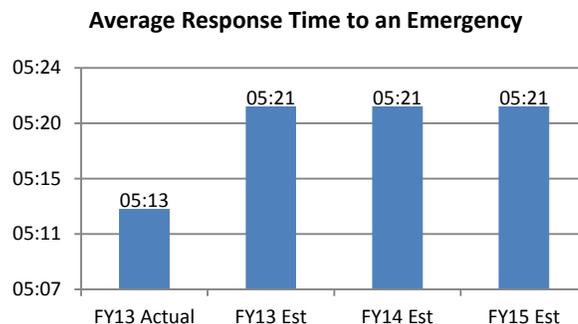
Administration is responsible for strategic planning, intergovernmental relations, human resources management, and overall administration of the department. **Emergency Services** provides fire suppression, emergency medical services, technical rescue, aircraft rescue, firefighting, hazardous materials response, and aquatic rescues. **Prevention/Investigation & Professional Development** 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** will provide emergency medical treatment and ambulance transport to those in need of urgent medical care. EMS service provided by the City has an anticipated start date of January 1, 2015.

FY15 Requests

The one-time additions in Fire total \$1,459,581, with \$750,000 for the replacement of Engine 3, and \$245,700 for the replacement of bunker gear. The remaining \$463,881 is for the startup EMS operating supplies. The recurring additions in Fire total \$1,540,904, with \$1,191,237 for the salaries and benefits associated with hiring an additional 11 Firefighter EMT's for the EMS program. The remaining \$349,667 is for the recurring cost of supplies associated with EMS services.

Performance Measures: Safest City in America

The City Council measure for "Rapid, effective, and coordinated response to an emergency for Fire and EMS" is an average response time to an emergency.



Fire Department

Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	9,715,810	10,690,069	10,690,069	11,203,171	1,191,237	12,394,408
Supplies	326,872	340,932	340,932	293,381	1,059,248	1,352,629
Professional Services	206,612	263,471	263,471	139,690	-	139,690
Repairs & Maintenance	195,481	200,475	200,475	195,216	-	195,216
Purchased Services	122,564	173,728	173,728	93,828	-	93,828
Capital/Other	-	2,420,155	2,617,825	-	750,000	750,000
Category Totals	\$ 10,567,339	\$ 14,088,830	\$ 14,286,500	\$ 11,925,286	\$ 3,000,485	\$ 14,925,771

Summary by Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Fire Administration	326,120	356,622	356,622	357,486	-	357,486
Emergency Services	8,475,615	10,106,983	10,106,983	9,379,151	995,700	10,374,851
Emergency Medical Service	-	1,537,492	1,735,162	107,048	2,004,785	2,111,833
Haz Mat	24,226	47,149	47,149	42,143	-	42,143
Prevention/Investigation	833,423	881,314	881,314	929,051	-	929,051
Emergency Management	353,155	389,012	389,012	343,710	-	343,710
Professional Development	554,801	770,258	770,258	766,697	-	766,697
Category Totals	\$ 10,567,339	\$ 14,088,830	\$ 14,286,500	\$ 11,925,286	\$ 3,000,485	\$ 14,925,771

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Fire Administration	3.00	3.00	-	3.00	-	3.00
Emergency Services	90.00	90.00	-	90.00	-	90.00
Emergency Medical Services	-	-	1.00	1.00	11.00	12.00
Prevention	8.00	8.00	-	8.00	-	8.00
Emergency Management	3.00	3.00	-	3.00	-	3.00
Professional Development	6.00	7.00	(1.00)	6.00	-	6.00
FTE Count Totals	110.00	111.00	-	111.00	11.00	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

Interfund 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. There is currently \$6.05 million budgeted in FY15 for transfers to the CIP, Fleet, High-Tech, Airport, and Debt Reduction Funds. There are a total of \$52,524 in one-time transfers out for the purchase of vehicles and equipment associated with the new code enforcement inspector positions that were added in FY15.

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. Five incentive agreements are monitored for sales tax revenues and grant payments are requested in accordance with each agreement.

Debt Service

Starting in FY15, funds budgeted for the financing of fire engine replacements are included in the Debt Service Fund in order to more accurately reflect the City's debt.

Miscellaneous

Miscellaneous includes payments for property insurance premiums and deductibles, salary savings, contingency funds, and other miscellaneous expenditures. There is a total of \$50,500 in one-time expenditures in FY15, which is the funding requested for City-Works.

Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Transfers to other Funds	5,579,851	5,960,237	7,031,734	5,999,134	52,524	6,051,658
Miscellaneous	763,304	(386,288)	(901,823)	(146,881)	50,500	(96,381)
Rebates & Assignments	2,940,324	3,436,728	3,567,690	3,277,825	-	3,277,825
Debt Service	418,561	492,877	365,049	-	-	-
Category Totals	\$ 9,702,040	\$ 9,503,554	\$ 10,062,650	\$ 9,130,078	\$ 103,024	\$ 9,233,102

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 twelve Special Revenue Funds budgeted for fiscal year 2015.

Court Security Fund

The City collects a \$3 per violation 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 2014

Revenues for FY14 are projected to be \$55,128, which includes security fees of \$55,095 and interest income of \$33. Operating expenditures for FY14 total \$73,926, which represents 70% of personnel costs for the Court Bailiff salary and benefits. Fund balance at 9/30/14 is projected to be \$18,781.

Fiscal Year 2015

Revenues budgeted for FY15 total \$51,400 and include security fees of \$51,300 and \$100 in interest income. Operating expenditures of \$43,996 represent 50% of personnel costs for the Court Bailiff. Funding for the bailiff from the Court Security Fund was reduced from 70% to 50% to prevent expenditures from exceeding revenues within the Fund. The remaining 50% of the bailiff position is funded in the General Fund. There are no one-time or recurring additions planned this fiscal year. Fund balance at 9/30/15 is estimated to be \$26,185.

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 2014

Revenues for FY14 are projected to be \$69,113, which includes technology fees of \$68,056 and \$57 for interest income. Operating expenditures for FY14 total \$145,211 and includes funds for annual maintenance contracts for the court software, Paper Light System, workstations, and a security camera upgrade. Fund balance at 9/30/14 is projected to be \$20,855.

Fiscal Year 2015

Revenues budgeted for FY15 total \$68,475, which includes \$68,400 for technology fees and \$75 in interest income. FY15 budgeted expenditures total \$74,028, which is for the annual maintenance contracts for court software. There are no one-time or recurring additions planned this fiscal year. Fund balance at 9/30/15 is estimated to be \$15,302.

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, principally 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 2014

Revenues projected for FY14 total \$1,003,648, which represents funds received from the CDBG program. Operating expenditures total \$1,003,648, and include \$79,847 for professional services, \$145,583 for other contractual services, and \$778,218 in capital for construction on Settlers Way Park. Fund balance at 9/30/14 is projected to be zero.

Fiscal Year 2015

Revenues for FY15 total \$301,641, which represents funds to be received from the CDBG program. Operating expenditures total \$301,641, which include \$58,000 for professional services, \$120,246 for other contractual services, and \$123,395 for renovations and improvements at Lonnie Green Park. Fund balance at 9/30/15 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 quarterly to the City an occupancy tax based on 7% of total room receipts.

Sugar Land is home to seven hotels (Best Western, Holiday Inn Express, Drury Inn, Extended Stay, Hyatt Place, Hilton Garden and Sugar Land Town Square Marriott) with a total of 1,166 rooms. Hotel taxes from the Marriott are used to pay the debt service on the \$10 million Certificates of Obligation that were issued in 2002 by the City to finance the Sugar Land Conference Center, which is leased and operated by the Marriott. This debt was refunded in FY10 and the Tourism Fund benefits from a reduction in the transfer to the Debt Service Fund for the payment of the debt for the Sugar Land Conference Center.

Fiscal Year 2014

Projected revenues for FY14 total \$2,323,642, with \$2,316,112 in occupancy tax, \$1,406 in miscellaneous income, and \$6,124 in interest income. Projected expenditures for FY14 total \$2,510,529, which includes \$550,510 for marketing, \$395,195 for destination development, and \$900,000 for the TIRZ #4 parking garage and plaza infrastructure. The transfer out to the Debt Service Fund for \$664,215 is for the debt service due on the convention center and parking garage. Fund balance at 9/30/14 is estimated to be \$3,508,924.

Fiscal Year 2015

Budgeted revenues for FY15 are \$2,476,826, with \$2,471,826 in hotel occupancy tax and \$5,000 in interest income. Expenditures for FY15 total \$5,481,555 and include \$598,729 for marketing, \$374,000 for destination development, \$1,915,000 for the TIRZ#4 plaza infrastructure, and \$1,600,000 that is reserved for economic development type use. Transfers out total \$993,826 and includes debt service due on the convention center and anticipated debt on the TIRZ#4 plaza infrastructure. Fund balance at 9/30/15 is estimated to be \$504,195.

State Seizures Fund

State seizure funds are deposited into a special fund and used solely 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 2014

Projected revenues for FY14 total \$10,126, with \$10,026 from seizures and \$100 in interest income. Projected expenditures total \$60,244, which are anticipated to be used to purchase a camera system for the Police Department. Projected ending fund at 9/30/14 is \$19,961.

Fiscal Year 2015

There are currently no revenues or expenditures budgeted for FY15. Estimated fund balance at 9/30/14 is \$19,961.

Federal Seizures Fund

When the City receives equitably shared property, 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 2014

Revenues are projected to be \$15 for interest income. Expenditures are projected for \$4,217 for cameras. Projected ending fund at 9/30/14 is \$5,295.

Fiscal Year 2015

There are no revenues or expenses budgeted for FY15. Estimated fund balance at 9/30/15 is \$5,295.

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 2014

There are currently no revenues or expenditures projected for FY14. Estimated fund balance at 9/30/14 is \$4,512.

Fiscal Year 2015

There are no revenues or expenditures budgeted for FY15. Estimated fund balance at 9/30/15 is \$4,512.

Local Law Enforcement Block Grant

The Local Law Enforcement Block Grant is a program of the Department of Justice in which a local law enforcement agency is given a specified amount of funding to underwrite projects to reduce crime and improve public safety.

Fiscal Year 2014

There are no budgeted revenues for FY14 as the City does not anticipate additional grant funding. Additionally, there are no budgeted expenditures for FY14. Estimated fund balance at 9/30/14 is zero.

Fiscal Year 2015

There are no budgeted revenues for FY15 as the City does not anticipate additional grant funding. Additionally, there are no budgeted expenditures for FY15. Estimated fund balance at 9/30/15 is zero.

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 2014

Projected revenues for FY14 total \$2,010,290, and include \$2,009,290 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 projected for FY14 total \$599,252 including \$106,605 for administrative personnel cost and \$492,647 for operations and maintenance. Net revenue of \$1,411,038 is to be split 50/50 with the State. The City portion is being transferred to the CIP Fund to be used for traffic improvements in accordance with State statute. Fund balance at 9/30/14 is projected to be \$11,933.

Fiscal Year 2015

Budgeted revenues for FY15 total \$1,740,736, which include \$1,740,000 from civil fines. Operating expenditures budgeted for FY15 total \$730,818, including \$130,510 for administrative personnel cost, \$600,308 for operations and maintenance, and \$236 transfer to Hi-Tech Fund. Net revenues of \$1,009,682 are to be split 50/50 with the State. The City portion is transferred to the General Fund to support traffic programs. Fund balance at 09/30/15 is projected to be \$11,933.

Greatwood Debt Reduction Fund

According to the terms of the Strategic Partnership Agreement (SPA) with the Municipal Utility Districts 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 2014

Projected operating revenues total \$590,674, which include out-of-city service fees and interest income. Transfers in of \$318,483 are from the General Fund for \$150,000 in sales tax revenues from the River Park area and \$168,483 from the Greatwood limited purpose annexation area. Ending fund balance at 9/30/14 is projected at \$2,785,171.

Fiscal Year 2015

Revenues budgeted for FY15 total \$574,955 and include \$252,000 for out-of-city service fees, and \$5,000 for interest income. Transfers in of \$317,955 are from the General Fund for \$150,000 in sales tax revenues from the River Park area and \$167,955 from the Greatwood limited purpose annexation area.

Budgeted expenditures for FY15 total \$71,000, which will be used for a public infrastructure assessment to prepare for annexation. Projected ending fund balance at 9/30/15 is \$3,289,126. This fund balance 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 any debt remaining when the area is annexed into the City.

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 an 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 when the district is annexed into the City and dissolved.

Fiscal Year 2014

Operating revenues are projected at \$44,567, which includes out-of-city service fees and interest income. There are \$10,743 in operations and maintenance expenditures for the assessment of public infrastructure to prepare for annexation. Ending fund balance at 9/30/14 is projected at \$163,285.

Fiscal Year 2015

Revenues budgeted for FY15 total \$49,172 and include \$48,997 for out-of-city service fees and \$175 for interest income. There are no budgeted expenditures for FY15. FY15 projected ending fund balance at 9/30/15 is \$212,457. 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 a portion of sales taxes collected from the River Park area, up to \$150,000 per year.

Fiscal Year 2014

Projected operating revenues total \$671,771, which include out-of-city service fees and interest income. Transfers in total \$150,000 from the General Fund for sales taxes collected in the River Park area. There are no projected expenditures in FY14. Ending fund balance at 9/30/14 is projected at \$3,120,106.

Fiscal Year 2015

Revenues budgeted for FY15 total \$805,255 and include \$648,755 for out-of-city service fees, \$6,500 for interest income and \$150,000 for transfers in from the General Fund, for sales taxes under the SPA.

Budgeted expenditures for FY15 total \$72,000, which will be used for an assessment of public infrastructure to prepare for annexation. Budgeted ending fund balance at 9/30/15 is \$3,858,361. 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.

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Security Fees	\$ 51,023	\$ 51,300	\$ 55,095	\$ 51,300	\$ -	\$ 51,300
Interest Income	61	100	33	100	-	100
TOTAL REVENUES	51,084	51,400	55,128	51,400	-	51,400
EXPENDITURES						
Personnel	56,940	58,554	58,926	43,996	-	43,996
Capital	-	15,000	15,000	-	-	-
TOTAL EXPENDITURES	56,940	73,554	73,926	43,996	-	43,996
Net Income (Loss)	(5,856)	(22,154)	(18,798)	7,404	-	7,404
Fund Balance - Beginning	43,434	37,578	37,578	18,781	-	18,781
Fund Balance - Ending	\$ 37,578	\$ 15,424	\$ 18,781	\$ 26,185	\$ -	\$ 26,185

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Technology Fees	\$ 68,023	\$ 68,400	\$ 69,056	\$ 68,400	\$ -	\$ 68,400
Interest Income	185	250	57	75	-	75
TOTAL REVENUES	68,208	68,650	69,113	68,475	-	68,475
EXPENDITURES						
Operations & Maintenance	81,316	89,831	89,831	74,028	-	74,028
Capital	26,169	55,380	55,380			
TOTAL EXPENDITURES	107,485	145,211	145,211	74,028	-	74,028
Net Income (Loss)	(39,277)	(76,561)	(76,098)	(5,553)	-	(5,553)
Fund Balance - Beginning	136,230	96,953	96,953	20,855		20,855
Fund Balance - Ending	\$ 96,953	\$ 20,392	\$ 20,855	\$ 15,302	\$ -	\$ 15,302

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
CDBG	\$ 188,689	\$ 1,003,648	\$ 1,003,648	\$ 301,641	\$ -	\$ 301,641
Total Revenues	188,689	1,003,648	1,003,648	301,641	-	301,641
EXPENDITURES						
Professional Services	65,554	79,847	79,847	58,000	-	58,000
Other Contractual	120,424	145,583	145,583	208,641	-	208,641
Capital	2,712	778,218	778,218	35,000	-	35,000
Total Expenditures	188,689	1,003,648	1,003,648	301,641	-	301,641
Net Income (Loss)	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Hotel/Motel Occupancy Tax	\$ 2,301,261	\$ 2,056,400	\$ 2,316,112	\$ 2,471,826	\$ -	\$ 2,471,826
Miscellaneous	1,444	-	1,406	-	-	-
Interest Income	5,204	5,000	6,124	5,000	-	5,000
TOTAL REVENUES	2,307,908	2,061,400	2,323,642	2,476,826	-	2,476,826
OPERATING EXPENDITURES						
Marketing	282,616	628,610	550,510	598,729	-	598,729
Destination Development	302,924	464,395	395,195	374,000	-	374,000
TIRZ #4 Plaza/ Streetscape	-	900,000	900,000	1,915,000	-	1,915,000
Capital Improvement Projects	25,610	-	-	-	-	-
Reserve for Other Uses	-	-	-	1,600,000	-	1,600,000
TOTAL OPERATING EXPENDITURES	611,149	1,993,005	1,845,705	4,487,729	-	4,487,729
Transfer Out	656,261	664,214	664,824	993,826	-	993,826
TOTAL EXPENDITURES	1,267,410	2,657,219	2,510,529	5,481,555	-	5,481,555
NET INCOME (LOSS)	1,040,498	(595,819)	(186,887)	(3,004,730)	-	(3,004,730)
Fund Balance	3,228,804	4,269,302	4,269,302	3,508,924	-	3,508,924
GAAP Adjustments	-	(573,491)	(573,491)	-	-	-
Beginning Budgetary Balance	3,228,804	3,695,811	3,695,811	3,508,924	-	3,508,924
Ending Budgetary Balance	\$ 4,269,302	\$ 3,099,992	\$ 3,508,924	\$ 504,195	\$ -	\$ 504,195

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Other Income	\$ 10,875	\$ -	\$ 10,026	\$ -	\$ -	\$ -
Interest Income	97	-	100	-	-	-
TOTAL REVENUES	10,973	-	10,126	-	-	-
EXPENDITURES						
Maintenance and Operations	-	46,000	58,897	-	-	-
Capital	-	1,347	1,347	-	-	-
TOTAL EXPENDITURES	-	47,347	60,244	-	-	-
NET INCOME (LOSS)	10,973	(47,347)	(50,118)	-	-	-
FUND BALANCE - BEGINNING	58,836	69,808	69,808	19,691	-	19,691
FUND BALANCE - ENDING	\$ 69,808	\$ 22,461	\$ 19,691	\$ 19,691	\$ -	\$ 19,691

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

	FY13 Actual	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Other Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	16	-	15	-	-	-
TOTAL REVENUES	16	-	15	-	-	-
EXPENDITURES						
Maintenance and Operations	448			-	-	-
Capital	8,790	4,217	4,217	-	-	-
TOTAL EXPENDITURES	9,238	4,217	4,217	-	-	-
NET INCOME (LOSS)	(9,222)	(4,217)	(4,202)	-	-	-
FUND BALANCE - BEGINNING	18,719	9,497	9,497	5,295	-	5,295
FUND BALANCE - ENDING	\$ 9,497	\$ 5,280	\$ 5,295	\$ 5,295	\$ -	\$ 5,295

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Other Income	\$ 1,491	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	-	-	-	-	-	-
TOTAL REVENUES	1,491	-	-	-	-	-
EXPENDITURES						
Maintenance and Operations	1,491	-	-	-	-	-
Transfer to Law Enforcement	-	-	-	-	-	-
TOTAL EXPENDITURES	1,491	-	-	-	-	-
Net Income (Loss)	-	-	-	-	-	-
Fund Balance - Beginning	-	-	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Other Income	\$ 251	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	12	-	-	-	-	-
Transfers In	1,788	-	-	-	-	-
TOTAL REVENUES	2,051	-	-	-	-	-
EXPENDITURES						
Maintenance and Operations	9,053	-	-	-	-	-
TOTAL EXPENDITURES	9,053	-	-	-	-	-
Net Income (Loss)	(7,002)	-	-	-	-	-
Fund Balance - Beginning	11,514	4,512	4,512	4,512	-	4,512
Fund Balance - Ending	\$ 4,512	\$ 4,512	\$ 4,512	\$ 4,512	\$ -	\$ 4,512

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Civil Fines	\$ 1,245,952	\$ 1,058,400	\$ 2,009,290	\$ 1,740,000	\$ -	\$ 1,740,000
Interest Income	485		1,000	736	-	736
Total Revenues	1,246,437	1,058,400	2,010,290	1,740,736	-	1,740,736
EXPENDITURES						
Personnel Costs	80,032	90,490	106,605	130,510	-	130,510
Operations & Maintenance	366,440	409,500	492,647	600,308	-	600,308
Total Operating Expenditures	446,472	499,990	599,252	730,818	-	730,818
Transfers Out	399,740	279,205	705,519	505,077	-	505,077
State Share	399,740	279,205	705,519	504,841	-	504,841
Total Expenditures	1,245,952	1,058,400	2,010,290	1,740,736	-	1,740,736
Net Income (Loss)	485	-	-	-	-	-
Fund Balance - Beginning	11,448	11,933	11,933	11,933	-	11,933
Fund Balance - Ending	\$ 11,933	\$ 11,933	\$ 11,933	\$ 11,933	\$ -	\$ 11,933

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Out of City Service Fees	\$ 268,295	\$ 283,500	\$ 267,121	\$ 252,000	\$ -	\$ 252,000
Interest Income	3,266	3,500	5,069	5,000	-	5,000
Transfers In	309,258	317,955	318,483	317,955	-	317,955
Total Revenues	580,820	604,955	590,674	574,955	-	574,955
EXPENDITURES						
Operations & Maintenance	-	-	-	71,000	-	71,000
Transfers to Other Funds	-	-	-	-	-	-
Total Expenditures	-	-	-	71,000	-	71,000
Net Income (Loss)	580,820	604,955	590,674	503,955	-	503,955
Fund Balance - Beginning	1,613,677	2,194,497	2,194,497	2,785,171	-	2,785,171
Fund Balance - Ending	\$ 2,194,497	\$ 2,799,451	\$ 2,785,171	\$ 3,289,126	\$ -	\$ 3,289,126

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

	FY13 Actuals	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Out of City Service Fees	\$ 42,080	\$ 47,550	\$ 44,390	\$ 48,997	\$ -	\$ 48,997
Interest Income	156	175	178	175	-	175
Transfers In	-	-	-	-	-	-
Total Revenues	42,235	47,725	44,567	49,172	-	49,172
EXPENDITURES						
Operations & Maintenance	-	10,743	10,743	-	-	-
Transfers to Other Funds	-	-	-	-	-	-
Total Expenditures	-	10,743	10,743	-	-	-
Net Income (Loss)	42,235	36,982	33,824	49,172	-	49,172
Fund Balance - Beginning	87,225	129,460	129,460	163,285	-	163,285
Fund Balance - Ending	\$ 129,460	\$ 166,442	\$ 163,285	\$ 212,457	\$ -	\$ 212,457

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

	FY13	FY14	FY14	FY15	FY15	FY15
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Out of City Service Fees	\$ 532,782	\$ 588,156	\$ 514,429	\$ 648,755	\$ -	\$ 648,755
Interest Income	5,138	3,000	7,340	6,500	-	6,500
Transfers In	150,000	150,000	150,000	150,000	-	150,000
Total Revenues	687,920	741,156	671,771	805,255	-	805,255
EXPENDITURES						
Operations & Maintenance	-	-	-	72,000	-	72,000
Total Expenditures	-	-	-	72,000	-	72,000
Net Income (Loss)	687,920	741,156	671,771	733,255	-	733,255
Fund Balance - Beginning	1,760,416	2,448,336	2,448,336	3,120,106	-	3,120,106
Fund Balance - Ending	\$ 2,448,336	\$ 3,189,491	\$ 3,120,106	\$ 3,853,361	\$ -	\$ 3,853,361

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 2015-2019 totals \$324.1 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.

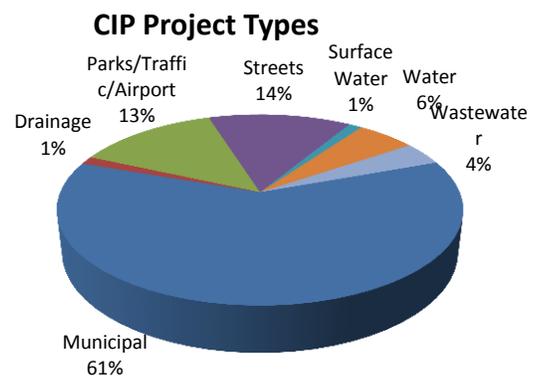
Funding sources and levels are identified and developed through the Budget Office. The first draft of the five-year CIP is prepared without fiscal constraints. The CIP is reviewed by the departments, Planning and Zoning Commission, the Sugar Land Development Corporation (SLDC), Sugar Land 4B Corporation (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 2014

The FY14 capital project budget totaled \$37,854,300. Many projects included in FY14 are still in progress as most capital projects are multi-year projects.

Fiscal Year 2015

FY15 capital projects total \$144,347,750. Municipal projects make up the majority of the distribution at 61%, followed by Street projects with 14%. Drainage projects represent 1% and Wastewater projects 4%. Water projects are at 6% and Surface Water Project at 1%, while Parks, Traffic, and Airport projects combine to represent 13% of the approved project budgets for the FY15 CIP.



Airport projects total \$1,941,650 for roadway improvements, parallel taxiway relocation, and new airport storage hangars.

Drainage projects total \$1,940,000 and include: Localized drainage improvements; evaluation of a Business Park pump station; Sugar Creek drainage improvements; and Covington Woods drainage improvements.

Municipal projects total \$87,900,000 and include: Design and construction of the Performing Arts Center and TIRZ#4 Parking & Plaza infrastructure, which total \$87.1 million and makes up 99.1% of Municipal projects; Facility renovations; improvements to Fire Station #2; and assessments for a PD/Fire training facility and Courts/PD facility expansion makes up 0.9% of Municipal projects.

Parks projects total \$15,400,000, of which \$13,550,000 is for Parks bond projects authorized by voters in November 2013. Parks bonds projects include: Design and construction of festival grounds; construction of Imperial connector trail; construction of First Colony trail segments; and construction of Brazos River Park phase II. Other Parks projects include: Town Center Pedestrian and Bicycle safety improvement; development to University North Boulevard landscape; design and construction of Mayfield Park; ROW planting and irrigation rehabilitation; park infrastructure rehabilitation; joint participation in CIP; and renovations to Lonnie Green Park.

Streets projects total \$19,627,500 and include: State Highway 6 improvements; Dairy Ashford widening improvements; Lakefield reconstruction; Austin Parkway reconstruction; Williams Trace Phase 1 reconstruction; the Highlands/Settlers Way/Jenny Drive reconstruction; bridge rehabilitation; pavement rehabilitation; sidewalk rehabilitation; Business Park Street rehabilitation; and pedestrian and bike cooperative development reimbursement.

Traffic projects total \$2,039,000 and include: Traffic Evaluation and Safety Improvements; Dynamic Message Signs on State Routes; Pedestrian and Bicycle Master Plan Improvements; street light replacement; traffic management center upgrades; and software for Traffic Signal Management/ITS.

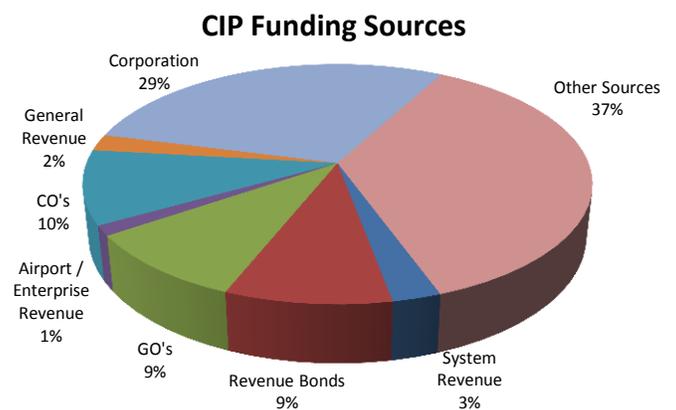
Surface Water project total \$1,804,600 and includes: Brooks Lake Weir/Amil Gates replacement; and Dam 3 flood control improvements.

Wastewater projects total \$5,700,000 and includes: Ongoing work related to the wastewater collection system rehabilitation; replacement of odor control equipment at the North Wastewater Treatment Plant; installation of emergency power pumps; Dissolved Oxygen Improvements at wastewater treatment plants; and replacement of the force main crossing at U59/Central Drive; lift station rehabilitation; and forcemain replacement for lift station Nos. 13, 23, and 25.

Water projects total \$7,995,000 and includes: distribution system water main rehabilitation; replacement of Austin Parkway Ground Plant Well; and replacement of water line crossings at US59/SH6 and US59/Williams Trace; upgrade to 18-inch water line from Fire Station #4; replacement of water line crossings at US569/Commerce Green; elevated storage tank rehabilitation; well rehabilitation; and ground storage tank rehabilitation.

Funding for the FY15 CIP consists of \$3,312,785 in pay-as-you-go funding, \$16,654,500 in certificates of obligation, \$1,750,000 in certificates of obligation/enterprise funds, \$13,550,000 in general obligation bonds, \$13,010,000 in revenue bonds, \$40,065,000 from the Sugar Land Development Corporation, \$1,640,000 from the Sugar Land 4B Corporation, \$191,650 in airport revenues, \$3,804,600 in system revenues, and \$47,920,000 from other funding sources. Other funding sources include donations from civic groups, CDBG funds, hotel occupancy tax, and taxable debt. Interest income is budgeted for \$116,000.

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**

SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES

	General CIP	Grants & Other Sources	Development Corporations	Utility CIP	Airport CIP	Total Capital Projects
REVENUES						
Transfer from Operating Funds	\$ 3,312,785	\$ 2,800,000	\$ 4,825,000	\$ 3,804,600	\$ 191,650	\$ 14,934,035
Developer Contribution	-	9,120,000	-	-	-	9,120,000
Bond Proceeds Transfer - Taxable	25,000,000	-	36,880,000	-	-	61,880,000
Bond Proceeds - Tourism Fund	-	11,000,000	-	-	-	11,000,000
Bond Proceeds Transfer - GO	13,550,000	-	-	-	-	13,550,000
Bond Proceeds Transfer - CO	16,654,500	-	-	13,010,000	1,750,000	31,414,500
Total Bonds & Transfers	58,517,285	22,920,000	41,705,000	16,814,600	1,941,650	141,898,535
Interest Income - Bond Proceeds		10,000	20,000	13,500	2,500	46,000
Interest Income	50,000	10,000		10,000	-	70,000
Total Interest	50,000	20,000	20,000	23,500	2,500	116,000
Total Revenues	58,567,285	22,940,000	41,725,000	16,838,100	1,944,150	142,014,535
EXPENDITURES						
Airport	-	-	-	-	1,941,650	1,941,650
Drainage	1,900,000	-	-	40,000	-	1,940,000
Municipal	25,800,000	22,035,000	40,065,000	-	-	87,900,000
Parks	13,825,000	35,000	1,540,000	-	-	15,400,000
Streets	13,302,500	4,950,000	100,000	1,275,000	-	19,627,500
Surface Water	-	-	-	1,804,600	-	1,804,600
Traffic	1,333,481	705,519		-	-	2,039,000
Wastewater	-	-	-	5,700,000	-	5,700,000
Water	-	-	-	7,995,000	-	7,995,000
Total Construction	56,160,981	27,725,519	41,705,000	16,814,600	1,941,650	144,347,750
Issuance Costs	250,000	-	-	-	-	250,000
Other Non-Operating	18,850	-	-	2,300	-	21,150
Transfers	674,500	-	-	-	-	674,500
Non-Operating Expenditures	943,350	-	-	2,300	-	945,650
Total Expenditures	57,104,331	27,725,519	41,705,000	16,816,900	1,941,650	145,293,400
Revenues and Other Sources Over Expenditures and Other Uses	1,462,954	(4,785,519)	20,000	21,200	2,500	(3,278,865)
BEGINNING BALANCE	69,374	4,805,519	-	-	-	4,874,893
ENDING BALANCE	\$ 1,532,328	\$ 20,000	\$ 20,000	\$ 21,200	\$ 2,500	\$ 1,596,028

CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2015

Project #	Project Name	Project Description
Airport Projects		
AP1401	Parallel Taxiway Relocation and Hangars ALD #4 and ALD #11	Build a new parallel taxiway to the east of the existing Taxiway "Foxtrot" (which will then be removed). Construct a new 37,500 sft aircraft storage hangar and a new 10,625 sft hangar/office space to replace two existing hangars that will be demolished due to the new taxiway.
AP1501	Roadway Improvements	Approximately 1400 lineal feet of reinforced concrete pavement to replace the existing asphalt roadway located in the corporate aviation area of the airport. Additional improvements will include regrading segments of roadside ditches along both sides of the new pavement.
Airport Total		
Drainage Projects		
DR1501	Ditch H Model Update	Update the Ditch H hydraulic and hydrologic model to reflect current conditions and incorporate as-built projects. Provide final analysis on remaining capacity and clarify usage by entities.
DR1502	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 include drainage outfalls to facilities owned by other entities, such as the Levee Improvement Districts.
DR1503	Business Park Pump Station	Conduct a study to evaluate the existing storm water pump station located in the Business Park and identify any improvement needs.
DR1504	Sugar Creek Drainage Improvements - Longview Dr. & Golf Course	Design and construction of new reinforced concrete boxes south on Longview Dr. to divert flow to East Sugar Creek and new storm inlets along Longview Dr. to reduce backwater surcharging. This project includes street reconstruction.
DR1505	Covington Woods Drainage Improvements - Offline Pond, BP Ditch, JP Bridge	Design and construction of the western portion of the existing detention basin to an "offline" pond to reduce storm event peak and mitigate downstream impacts. The Business Park Ditch will include a secondary outfall to the Eldridge Road storm sewer to help reduce water elevations. The Jess Pirtle Bridge will include a new storm water conveyance pipe to reduce backwater flooding.
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. This project includes street reconstruction.
Drainage Total		
Municipal Projects		
MU1304	Performing Arts Center	Design and construction of a first class multi-purpose event center for indoor theatre, community, family and trade shows, concerts and similar events containing approximately two hundred thousand (200,000) square feet of enclosed area, with approximately 6,500 seats and a permanent stage;
MU1402	TIRZ #4 Parking and Infrastructure	Design and construction of infrastructure necessary to support the Performing Arts Center including parking for 2,500 cars, a public plaza area to facilitate ingress and egress from the facility; and an off-site LED marquee sign to promote events and activities at the facility.
MU1501	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.
MU1502	Fire Station #2	Rehabilitation improvements to Fire Station #2 for foundational repairs required to improve the structural integrity of the facility, sewer line repairs, interior wall repairs and exterior repair of masonry replacement.
MU1503	PD/Fire Training Facility	Assessment of Public Safety Facilities during the City's Master Planning process identified a need for improved and accessible training facilities. The facility will include a driving track, burn tower, shooting range, fitness center and classrooms.
MU1504	Courts/PD Expansion	A Level 2 Facility Assessment to include a detailed review of all building systems, i.e. exterior skin and foundation, mechanical, electrical, and plumbing systems, interior finishes, site conditions, elevators, etc.
Municipal Total		

Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY15 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
\$ -	\$ -	\$ 191,650	\$ -	\$ 1,144,300	\$ -	\$ -	\$ 1,335,950
				605,700			605,700
-	-	191,650	-	1,750,000	-	-	1,941,650
				240,000			240,000
300,000							300,000
						100,000	100,000
				510,000	40,000		550,000
				220,000			220,000
				530,000			530,000
300,000	-	-	-	1,500,000	40,000	100,000	1,940,000
			36,880,000			42,120,000	79,000,000
			3,185,000			4,915,000	8,100,000
400,000							400,000
				200,000			200,000
				100,000			100,000
				100,000			100,000
400,000	-	-	40,065,000	400,000	-	47,035,000	87,900,000

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2015**

Project #	Project Name	Project Description
Parks Projects		
PK1103	Town Center Pedestrian and Bicycle	Improvements to increase pedestrian and bicycle safety and mobility in the Town Center area, including connections to the City-wide hike and bike trail network.
PK1406	University Blvd. North Landscape	Landscape and irrigation improvements on University Blvd. North and a portion of the US Hwy 90A where the intersection has been modified to accommodate the new signalized intersection.
PK1410	Mayfield Park	Design and construction of park improvements in Mayfield Park.
PK1411	Festival Grounds	Design and construction of festival grounds site adjacent to the Brazos River Park Phase II project. Project includes utilities, access drive, roadway, parking, lighting and landscape.
PK1501	ROW Planting and Irrigation Rehabilitation	To address ROW renovations and upgrades that meet the criteria for capital improvements.
PK1502	Park Infrastructure Rehabilitation	To address Park renovations. The Parks Facility Assessment was prepared as a component of the Infrastructure Management Plan.
PK1503	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.
PK1504	Lonnie Green Park	Renovations and improvements of the existing playground, fencing, site furnishing, landscaping, irrigation, and parking. Includes added Park identification signage. Improvements include increased accessibility through trails, parking and playground equipment.
PK1505	Imperial Connector Trail	Construction of Imperial Connector trail. Construction addresses issues such as drainage and road crossings. Trails will be the primary connection from North Sugar Land to the Brazos River park, Brookside/Belknap to SH6, the Brooks Lake Trail and Imperial Park.
PK1506	First Colony Trail	Construction of First Colony Trail segments. Construction addresses issues such as drainage, bridges and road crossings, and levee improvement district concerns. Trails will be the primary connection from Town Center to First Colony Park utilizing existing rights-of-way and internal levee improvement districts ditches.
PK1507	Brazos River Park Phase II	Construction of Brazos River Park Phase II, which includes site grading, utilities, storm sewer, paving, structural items, trails, power and lighting, and security.
Parks Total		
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 @ 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.
ST1406	Lakefield Reconstruction	Design and reconstruction Lakefield Way and Great Lakes Avenue, which will include improved drainage system, concrete curb and gutter, and pavement.
ST1407	Austin Parkway (SH 6 to FC LID Ditch) Reconstruction	Reconstruction of Austin Parkway from Hwy 6 to FC LID. Identify existing public and franchise utilities, note possible utility conflicts, and provide alternatives to ensure protection of the tree canopy.
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.
ST1409	The Highlands/Settlers Way/Jenny Drive Reconstruction	Sections of Jenny Drive, The Highlands subdivision, and sections of Settlers Way, from Frontier Drive to Windmill Street and tie-ins to portions of Frontier Drive and Windmill Street, have been identified for reconstruction.
ST1501	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.
ST1502	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.
ST1503	Sidewalk 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.
ST1504	Business Park Street Rehabilitation	The eastbound lanes from Industrial to Dairy Ashford are in need of repair due to deteriorating infrastructure. With the dissolution on MUD 21, the repairs are able to be made.

Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY15 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
			250,000				250,000
			90,000				90,000
			1,000,000				1,000,000
				2,650,000			2,650,000
75,000							75,000
200,000							200,000
			200,000				200,000
						35,000	35,000
				1,850,000			1,850,000
				1,550,000			1,550,000
				7,500,000			7,500,000
275,000	-	-	1,540,000	13,550,000	-	35,000	15,400,000
				880,000			880,000
							4,100,000
				750,000		3,350,000	3,800,500
				3,360,500	440,000		2,600,000
				2,320,000	280,000		700,000
				660,000	40,000		2,300,000
				1,785,000	515,000		297,000
297,000							2,600,000
1,700,000				900,000			750,000
				750,000			1,500,000
						1,500,000	1,500,000

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2015**

Project #	Project Name	Project Description
ST1505	Pedestrian and Bike Cooperative Development Reimbursement	Cost share program with the development community for the oversizing participation for pedestrian and bicycle improvement projects that are planned to be constructed adjacent to or on development property. The improvements that are a part of the master plan can be applied to this project for cost matching for the oversized portion.
Streets Total		
Surface Water Projects		
SW1401	Brooks Lake Weir / Amil Gate Replacement	Design and construction of replacement of the existing Amil gate at Brooks Lake Diversion Channel with a new configuration consisting of concrete retaining wall weir structure, and slides gates.
SW1501	Dam 3 Flood Control Improvements	Perform a hydraulic study to determine improvements needed to Dam 3 to meet the TCEQ mandated flood control requirements.
Surface Water Total		
Traffic Projects		
TR1405	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.
TR1406	Dynamic Message Signs on State Routes	Installation of up to six (6) permanent dynamic message signs (DMS) along major thoroughfares such as 90A, SH 6 and US 59. The signs will include aesthetic enhancements and messaging capabilities similar to those of the existing DMS sign at US 59/SH 6 interchange.
TR1408	Pedestrian and Bicycle Master Plan Improvements	Design and construct high-priority projects from the 2013 Pedestrian and Bicycle Master Plan. Locations include Sugar Lakes Blvd, Lost Creek Blvd, Edgewater Dr, Country Club Blvd, Grants Lake Blvd, River Park and University Blvd north of US 59. Project will include the implementation of approximately 75,000 lineal feet of the "Buffered Bike Lanes", 20,000 lineal feet of "Shared Lane Markings".
TR1501	Street Light Replacement	The project will change out 100 30-ft cobra head street lights per year with 12-ft lamp post lights along signature routes with high traffic volumes and heavy tree canopies which preclude the existing 30-ft street lights from functioning properly.
TR1502	Traffic Management Center	The new TMC will have more screens to monitor City's growing ITS infrastructure, new command stations w/furniture for proper operation, equipped to be incident command center, have presentation capabilities, and an area with ITS equipment for testing.
TR1503	Traffic Signal Management/ITS	Provides for planning, design, installation and operations equipment software programming communications equipment and infrastructure and or ITS equipment.
Traffic Total		
Wastewater Projects		
WW1202	Collection System Rehabilitation Program (Project B)	Continue detailed design for system deficiencies identified in the 2009 Infiltration/Inflow Study of areas that experience sanitary sewer overflows (SSOs) during heavy storm events in identified as Project B.
WW1302	Replace Odor Control Equipment at NWWTP	This project will evaluate the odor causing treatment units at the North Plant to ascertain the cause of malodorous complaints along with evaluating the effectiveness of the existing odor control system at the North Plant and make recommendations for an improved system. This may include a revamped system or installation of a new smaller more efficient and effective system.
WW1402	Emergency Power Pumps at LS Phase II	Installation of ten 6-inch and six 8-inch dry prime automatic diesel backup pumps at large sanitary sewer lift stations in the event of loss of power or pump failure at critical sites. These installations are true backup systems and work independent of the onsite motor control centers.
WW1403	Collection System Rehabilitation Program (Project C)	Continue detailed design for system deficiencies identified in the 2009 Infiltration/Inflow Study of areas that may experience sanitary sewer overflows (SSOs) during heavy storm events in identified as Project C.
WW1405	Dissolved Oxygen Improvements at WWTPs	Design and construction of automated dissolved oxygen delivery system to the North and South WWTP treatment systems.
WW1406	Replacement of Forcemain Crossing at US59 / Central Drive	Replace existing 12-inch forcemain with new 12-inch PVC pipe.
WW1407	Lift Station Rehabilitation	Rehabilitation of the lift stations identified by staff routine inspection and annual assessments. FY15 Construction - Meadowlark (12), Highlands (104), Frontier (119), Highlands (122), Scotsmoor (128).
WW1501	Forcemains Replacement for Lift Station Nos. 13, 23, and 25	Replacement of forcemains at Lift Station Nos. 13, 23 and 25 with new PVC pipe.

Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY15 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
			100,000				100,000
1,997,000	-	-	100,000	11,405,500	1,275,000	4,850,000	19,627,500
	1,714,600						1,714,600
	90,000						90,000
-	1,804,600	-	-	-	-	-	1,804,600
44,481						105,519	150,000
						250,000	250,000
				337,000			337,000
200,000							200,000
						150,000	150,000
				752,000		200,000	952,000
244,481	-	-	-	1,089,000	-	705,519	2,039,000
	1,000,000				500,000		1,500,000
					250,000		250,000
					770,000		770,000
					360,000		360,000
					880,000		880,000
					350,000		350,000
					1,100,000		1,100,000
					350,000		350,000

**CITY OF SUGAR LAND
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2015**

Project #	Project Name	Project Description
WW1502	Lift Station Rehabilitation	Rehabilitation of the lift stations identified by staff routine inspection and annual assessments. FY15 Design - South WWTP onsite (139), Millrock (120), Woodstream (123), Inverrary (129), Lexington 1 (134), Lexington 2 (135)
Wastewater Total		
Water Projects		
WA1402	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.
WA1403	Replacement of Water Line Crossings at US59/Parkway and US59/ Williams Trace	Replacement of existing 12-inch waterlines with new PVC pipeline and installation of steel casing.
WA1404	Austin Parkway Groundwater Plant Well Replacement	New well construction to replace the Austin Parkway on-site water well. Project to include engineering design and construction of a 2000-2500 gpm well to be located at the Austin Parkway water plant site.
WA1501	Upgrade 18-inch water line from Fire Station # 4	Upgrade the 18-inch AC water line from Fire Station No. 4 to Sweetwater Blvd., to a 24-inch PVC pipe line.
WA1502	Replacement of Water Line Crossings at US59/ Commerce Green	Replacement of existing 12-inch waterlines with new PVC pipeline and installation of steel casing.
WA1503	Elevated Storage Tank Rehabilitation	Rehabilitation work includes structural repairs and modifications as needed and blasting and coating of interior and exterior surfaces to the Settler's Way EST.
WA1504	Well Rehabilitation	Design and construction 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 well and pumps are determined when the wells are pulled. Groundwater wells to be rehabilitated include First Colony WP onsite well No. 1 and Lakeview WP onsite well No.1.
WA1505	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 at the Woodchester GSTs No. 1 and No. 2, and Lakeview GST No. 2.
Water Total		
Grand Total		

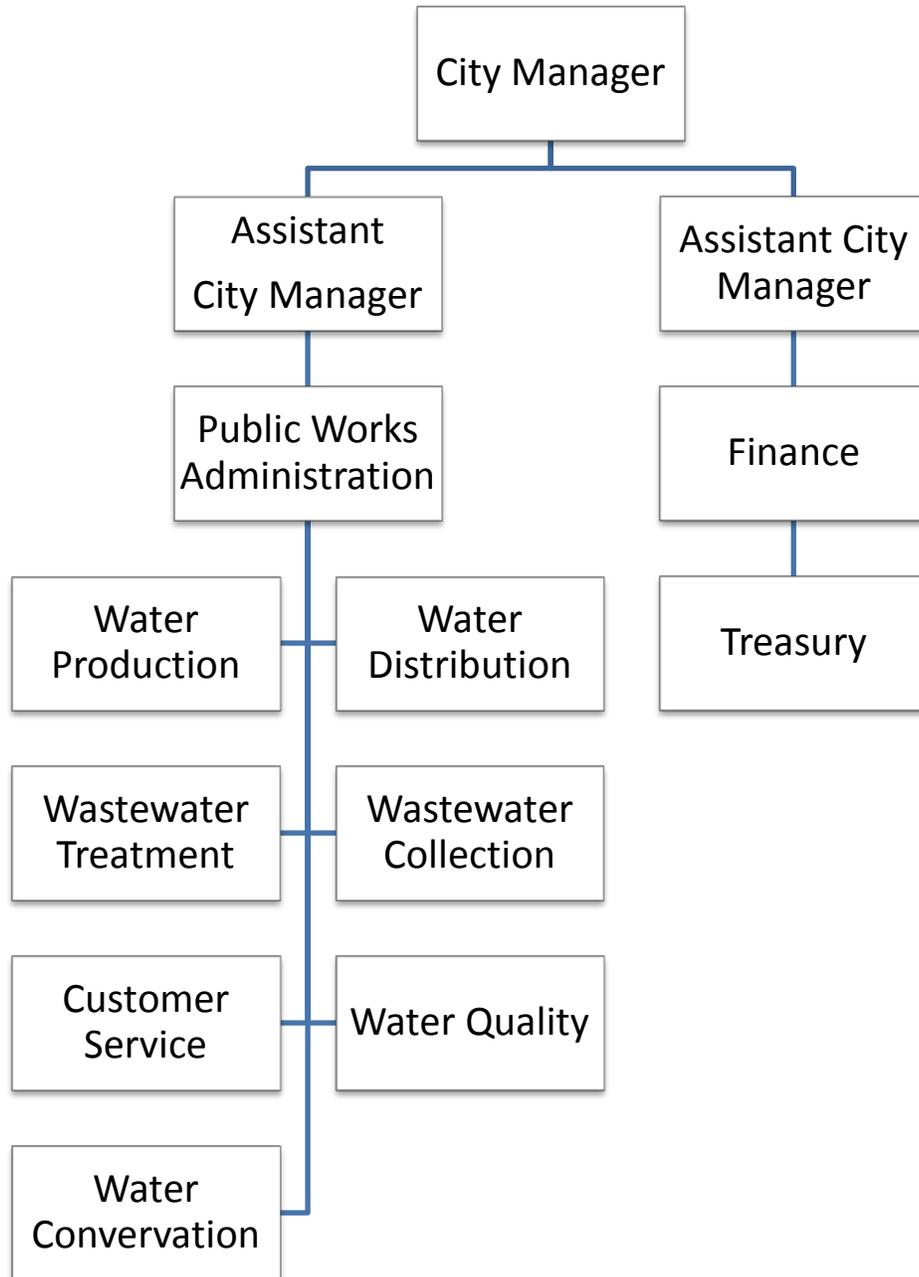
Transfers from Operating Funds				Bond Proceeds		Miscellaneous	Total FY15 CIP Budget
General Fund	Water Utilities & Surface Water Funds	Airport Fund	SLDC / SL4B Corp	GO / CO	Revenue	Grants / FB Other Sources	
					140,000		140,000
-	1,000,000	-	-	-	4,700,000	-	5,700,000
					2,500,000		2,500,000
					650,000		650,000
	1,000,000				1,000,000		2,000,000
					140,000		140,000
					110,000		110,000
					65,000		65,000
					880,000		880,000
					1,650,000		1,650,000
-	1,000,000	-	-	-	6,995,000	-	7,995,000
\$ 3,216,481	\$ 3,804,600	\$ 191,650	\$ 41,705,000	\$ 29,694,500	\$ 13,010,000	\$ 52,725,519	\$ 144,347,750

**CITY OF SUGAR LAND
SUMMARY OF FY15 CAPITAL PROJECTS O&M IMPACT
FISCAL YEARS 2016-2019**

Project #	Project Title	FY16	FY17	FY18	FY19
Airport					
AP1702	Approach Lighting System	\$ -	\$ -	\$ -	\$ 12,000
Airport - Total		-	-	-	12,000
Municipal					
MU1106	District 1 License Plate Recognition	7,500	7,500	7,500	7,500
MU1302	Public Works Service Center	80,000	80,000	80,000	80,000
Municipal - Total		87,500	87,500	87,500	87,500
Parks					
PK1103	Town Center Pedestrian and Bicycle	3,870	3,870	3,870	3,870
PK1401	Burney Road Landscape	3,500	7,500	7,500	7,500
PK1402	Settlers Way Park	4,350	21,150	21,150	22,650
PK1406	University Blvd. North Landscape	4,325	9,250	9,250	9,250
PK1411	Festival Grounds	-	156,000	156,000	156,000
PK1505	Imperial Connector Trail	10,000	10,000	10,000	10,000
PK1506	First Colony Trail	41,500	41,500	41,500	41,500
PK1507	Brazos River Park - Phase II	-	107,500	151,500	151,500
PK1601	Ditch H Trail	-	-	-	50,000
PK1701	Brazos River Park - Phase II (Mid-Lake)	-	-	60,000	60,000
Parks - Total		67,545	356,770	460,770	512,270
Traffic					
TR1301	Government/Community & Destination Signage	5,000	5,000	5,000	5,000
TR1401	Street Light Replacement	5,000	5,000	5,000	5,000
TR1406	Dynamic Message Signs on State Routes	5,000	5,000	5,000	5,000
TR1408	Pedestrian and Bicycle Master Plan Improvements	5,000	5,000	5,000	5,000
TR1501	Traffic Signal Ornamental Upgrades	-	-	-	15,000
Traffic - Total		20,000	20,000	20,000	35,000
GRAND TOTAL		\$ 175,045	\$ 464,270	\$ 568,270	\$ 646,770

Water Utility Fund Organizational Chart

As of October 1, 2014



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 2014

Total revenues for FY14 are estimated to be \$51,905,541, which is \$856,399 less than budgeted revenues. Surface water fees billed to residents are estimated at \$9,221,892. Water and wastewater revenues are projected at \$25,282,492, 1.8% lower than budget. Interest income is projected at \$35,822, which is 19.4% higher than budget. Bond proceeds are projected at \$15,769,774. Transfers from connection fees cover FY14 debt service requirements for connection fee capital projects.

Operating expenses for FY14 are projected to be \$12,756,176.

Non-operating expenditures total \$40,649,454. Debt service payments total \$7,936,226. Operating transfers total \$6,342,761 for the Debt Service Fund, the Fleet Replacement Fund, the High Tech Replacement Fund, Medical Fund, and the General Fund for administrative overhead. The transfer to the Surface Water Fund is \$9,066,986 and is pumpage for water use. The fund supports a transfer of \$3,376,368 to the Debt Service Fund. This transfer is based on previous direction from City Council to have utility rates support 100% of assumed water/wastewater debt, thereby supporting the assumed MUD debt through user fees instead of property taxes.

Ending cash equivalent balance at 9/30/14 is estimated to be \$9,437,844, which is \$59,567 higher than budget due to lower projected expenditures. The fund is projected to have a 75% operating reserve, which is above the 25% established by policy. The fund has a required debt service reserve of \$5,501,968 at fiscal year-end.

Fiscal Year 2015

Total revenues for FY15 are estimated to be \$53,221,279. Total revenues for water and wastewater are budgeted at \$26,733,387. There are no planned rate increases for water or wastewater in FY15. Water and sewer taps are budgeted at \$302,850 for approximately 350 connections.

The budget for surface water fees is \$11,591,453.

Operating expenditures total \$13,274,148 and includes recurring additions of \$175,785 and a one-time cost of \$70,000 for meter replacement. The recurring additions include \$40,785 for a new Customer Service Representative in Treasury to increase service levels, and \$135,000 for water distribution for concrete repairs.

Non-operating expenditures total \$41,872,932. Debt service payments are budgeted at \$8,766,489 for existing debt and new debt for the bond proceeds of \$13,270,200. Transfers-out total \$32,541,443 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 \$11,626,834 is based on a pumpage fee of \$1.75 per 1,000 gallons for anticipated water use including city rights of way. Pay-as-you-go capital project funding for FY15 is \$2,000,000 for the construction of water and wastewater projects, and is included in transfers out. Miscellaneous expenditures include contingency and property and liability premiums. Recurring additions for implementation of a work order system to improve operational efficiencies includes \$275,000.

The Utility Fund has a debt service reserve of \$5,640,967. The cash equivalents balance on 9/30/15 is estimated at \$7,373,044, which is a 57% operating reserve.

Financial Analysis

Financial ratios are used to analyze the financial position and operating results of the fund. A comparison based on FY14 projections and the FY15 budget is shown below:

	FY14 Projections	FY15 Budget
Cash Reserve Ratio	75%	57%
Direct Bond Coverage	1.64	1.72

The targeted minimum cash reserve ratio is 25% of operating expenses. The bond coverage minimum is 1.72 times the average annual debt service requirements. The FY15 cash reserve ratio is budgeted at 57%. 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**

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Charges for Services	\$ 25,282,915	\$ 25,743,769	\$ 25,282,492	\$ 26,733,387	\$ -	\$ 26,733,387
Surface Water Fees	8,920,586	9,722,218	9,221,892	11,591,453	-	11,591,453
Tap Fees	201,960	222,462	194,039	302,850	-	302,850
Interest Income	33,247	30,000	35,822	30,000	-	30,000
Miscellaneous	771,333	453,002	768,933	639,686	-	639,686
Total Operating Revenues	35,210,041	36,171,451	35,503,178	39,297,376	-	39,297,376
Bond Proceeds	9,799,916	15,957,900	15,769,774	13,270,200	-	13,270,200
Transfers In - Connection Fees	717,513	632,589	632,589	653,703	-	653,703
Total Non-Operating Revenues	10,517,428	16,590,489	16,402,363	13,923,903	-	13,923,903
Total Revenues	45,727,470	52,761,940	51,905,541	53,221,279	-	53,221,279
EXPENDITURES						
Utility Administration	568,309	668,689	668,689	616,160	-	616,160
Water Distribution	1,532,006	1,668,927	1,668,927	1,658,713	135,000	1,793,713
Water Production	2,526,734	2,776,978	2,776,978	2,847,726	-	2,847,726
Wastewater Collection	782,102	669,251	669,251	714,056	-	714,056
Wastewater Treatment	4,047,653	4,284,013	4,284,013	4,355,682	-	4,355,682
Customer Service	1,121,964	474,045	474,045	497,178	-	497,178
Water Quality	351,040	434,705	434,705	421,297	-	421,297
Water Conservation	-	282,260	282,260	284,631	-	284,631
Treasury	760,362	1,497,308	1,497,308	1,632,920	110,785	1,743,705
Total Operating Expenditures	11,690,170	12,756,176	12,756,176	13,028,363	245,785	13,274,148
Debt Service	17,273,739	7,936,226	7,936,226	8,766,489	-	8,766,489
Miscellaneous	-	285,462	148,327	290,000	275,000	565,000
Transfers Out	16,504,444	33,343,731	32,564,900	32,481,443	60,000	32,541,443
Total Non-Operating Expenditures	33,778,183	41,565,419	40,649,454	41,537,932	335,000	41,872,932
Total Expenditures	45,468,353	54,321,595	53,405,630	54,566,295	580,785	55,147,080
Net Income/(Loss)	259,116	(1,559,655)	(1,500,088)	(1,345,016)	(580,785)	(1,925,801)
Reserve - Debt Service	(5,613,016)	(5,501,968)	(5,501,968)	(5,640,967)	-	(5,640,967)
Cash Equivalent - Beginning	16,180,787	16,439,900	16,439,900	14,939,812	-	14,939,812
Cash Equivalent - Ending	\$ 10,826,887	\$ 9,378,277	\$ 9,437,844	\$ 7,953,829	\$ (580,785)	\$ 7,373,044
CONNECTIONS-ESF*	41,800	42,033	42,033	42,913		42,913
CASH OPERATING RESERVE	93%	75%	75%	57%		57%
BOND COVERAGE DIRECT DEBT	1.93	1.83	1.64	1.72		1.72

* Equivalent Single Family

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

	FY13	FY14	FY14	FY15	FY15	FY15
	Actuals	Current	Projections	Base	Changes	Budget
		Budget		Budget		
OPERATING REVENUES						
Water Sales	\$ 10,819,156	\$ 10,720,455	\$ 10,769,498	\$ 11,533,327	\$ -	\$ 11,533,327
Wastewater Charges	14,463,759	15,023,314	14,512,993	15,200,060	-	15,200,060
Charges for Services Total	25,282,915	25,743,769	25,282,491	26,733,387		26,733,387
Surface Water Fees	8,920,586	9,722,218	9,221,892	11,591,453	-	11,591,453
Surface Water Fees Total	8,920,586	9,722,218	9,221,892	11,591,453		11,591,453
Water Taps	167,060	180,387	165,839	240,975	-	240,975
Sewer Taps	34,900	42,075	28,200	61,875	-	61,875
Tap Fees Total	201,960	222,462	194,039	302,850		302,850
Interest Income	33,247	30,000	35,822	30,000	-	30,000
Interest Income Total	33,247	30,000	35,822	30,000		30,000
Penalties	360,853	305,000	382,114	305,000	-	305,000
Collection Charges	4,530	7,200	4,290	7,200	-	7,200
Delinquent Processing Fee	35,300	23,000	35,100	23,000	-	23,000
Misc. Charges	1,044	7,000	6,035	7,000	-	7,000
Connection Charges - Water	135,598	40,000	147,646	130,000	-	130,000
Connection Charges - Wastewater	120,469	35,000	143,816	120,000	-	120,000
Wastewater Surcharge	52,306	-	-	-	-	-
Property Insurance Recovery	-	-	23,465	20,000	-	20,000
Miscellaneous	28,097	-	2,225	-	-	-
Reimbursements	9,988	10,000	1,440	1,000	-	1,000
Sale of Property	1,009	3,000	-	3,000	-	3,000
Leased Premises	22,138	22,802	22,802	23,486	-	23,486
Miscellaneous Total	771,333	453,002	768,933	639,686	-	639,686
Total Operating Revenues	\$ 35,210,041	\$ 36,171,451	\$ 35,503,177	\$ 39,297,376	\$ -	\$ 39,297,376

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

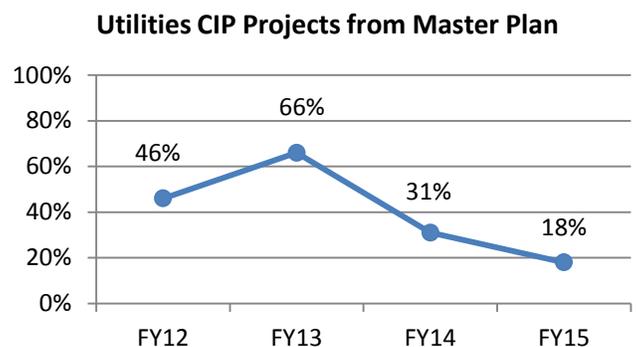
Utilities Administration sets departmental goals and strategies, provides organizational direction and control to accomplish those goals and manages long range planning to ensure there is adequate system capacity for growth. The **Water Distribution** program is responsible for insuring that water produced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

FY15 Budget Requests

Recurring additions total \$245,785 and include \$40,785 for a new Customer Service Representative in Treasury to increase service levels by assisting in answering customer calls and providing additional services, \$135,000 for concrete repairs, and a non-recurring \$275,000 is for the implementation of a work order system to improve operational efficiencies, and \$70,000 for meter replacement.

Performance Measures: Well Planned Community

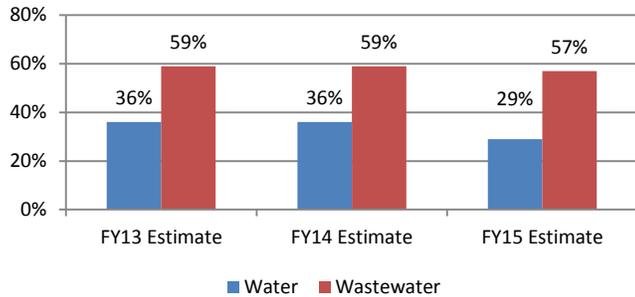
The City Council measure for "Adequate infrastructure and services to support growth and to sustain our existing community" is recommendations from Utilities master plans included and funded in the five-year CIP.



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 Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Utility Administration	568,309	668,689	668,689	616,160		616,160
Water Distribution	1,532,006	1,668,927	1,668,927	1,658,713	135,000	1,793,713
Water Production	2,526,734	2,776,978	2,776,978	2,847,726		2,847,726
Wastewater Collection	782,101	669,251	669,251	714,056		714,056
Wastewater Treatment	4,047,653	4,284,013	4,284,013	4,355,682		4,355,682
Customer Service	1,121,964	490,045	490,045	497,178		497,178
Water Quality	351,040	434,705	434,705	421,297		421,297
Water Conservation		282,260	282,260	284,631		284,631
Treasury	760,362	1,481,308	1,481,308	1,632,920	110,785	1,743,705
Category Totals	11,690,169	12,756,176	12,756,176	13,028,363	245,785	13,274,148

Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	3,104,253	3,613,494	3,613,494	3,603,902	40,785	3,644,687
Supplies	970,975	1,188,061	1,188,061	1,190,889	-	1,190,889
Professional Services	6,685,155	3,686,992	3,686,992	3,989,475	70,000	4,059,475
Repairs & Maintenance	290,531	3,782,642	3,782,642	3,778,154	135,000	3,913,154
Purchased Services	493,656	480,987	480,987	465,943	-	465,943
Capital/Other	145,600	4,000	4,000	-	-	-
Category Totals	\$ 11,690,169	\$ 12,756,176	\$ 12,756,176	\$ 13,028,363	\$ 245,785	\$ 13,274,148

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Utility Administration	5.50	5.50	(0.50)	5.00	-	5.00
Water Distribution	10.45	10.45	0.55	11.00	-	11.00
Water Production	5.50	5.50	(1.00)	4.50	-	4.50
Wastewater Collection	6.70	6.70	(0.20)	6.50	-	6.50
Wastewater Treatment	5.00	5.50	1.00	6.50	-	6.50
Customer Service	7.35	6.35	(0.35)	6.00	-	6.00
Water Quality	3.50	4.50	-	4.50	-	4.50
Water Conservation	-	1.00	-	1.00	-	1.00
Treasury	10.00	10.00	-	10.00	1.00	11.00
FTE Count Totals	54.00	55.50	(0.50)	55.00	1.00	56.00

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

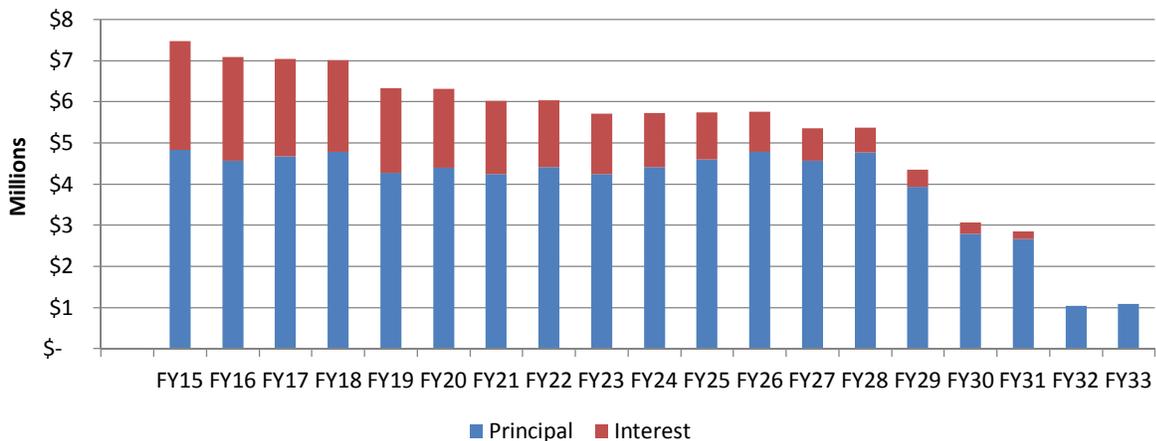
Due During FY Ending September 30	Principal	Interest	Total
FY15	\$ 4,831,220	\$ 2,636,529	\$ 7,467,749
FY16	4,571,970	2,508,077	7,080,047
FY17	4,670,800	2,365,565	7,036,365
FY18	4,784,915	2,216,148	7,001,063
FY19	4,267,970	2,057,725	6,325,695
FY20	4,401,025	1,917,769	6,318,794
FY21	4,248,405	1,772,994	6,021,399
FY22	4,408,765	1,626,476	6,035,241
FY23	4,242,105	1,468,746	5,710,851
FY24	4,406,790	1,312,534	5,719,324
FY25	4,595,415	1,152,225	5,747,640
FY26	4,778,365	976,392	5,754,757
FY27	4,564,295	787,058	5,351,353
FY28	4,760,510	606,353	5,366,863
FY29	3,931,700	418,314	4,350,014
FY30	2,795,000	272,563	3,067,563
FY31	2,665,000	179,113	2,844,113
FY32	1,040,000	85,000	1,125,000
FY33	1,085,000	43,000	1,128,000
TOTAL	\$ 75,049,250	\$ 24,402,579	\$ 99,451,829

Total principal outstanding is comprised of seven issues and all current debt matures by FY33.

Series	Amount Outstanding	Maturity
Series 2006	\$ 3,800,000	FY26
Series 2008	10,163,750	FY28
Series 2009	14,080,500	FY29
Refunding 2009	3,035,000	FY18
Series 2012	20,380,000	FY31
Series 2012A	8,400,000	FY30
Series 2013	15,190,000	FY33
Total	\$ 75,049,250	

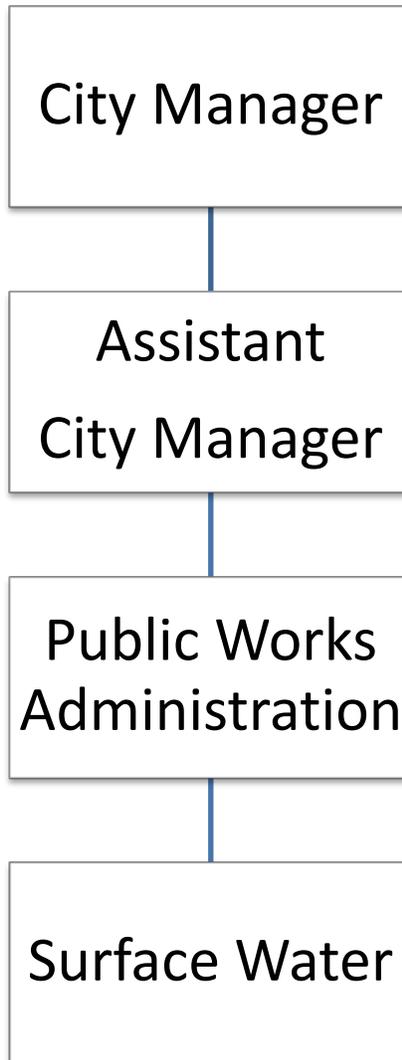
* Does not include anticipated issuance of new debt.

Debt Service Schedule



Surface Water Fund Organizational Chart

As of October 1, 2014



Surface Water Fund

The Surface Water Fund accounts 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 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 2014

Total revenues for FY14 are projected to be \$13,159,784. Surface water fees from GRP participants are projected at \$4,039,353. Out-of-city service charge is projected at \$23,300 for participants other than New Territory, Greatwood and Tara Plantation MUDs, Out-of-city service charges for New Territory, Greatwood and Tara Plantation go to the Debt Reduction Funds. Groundwater Reduction Plan (GRP) fees from City customers are projected at \$9,066,986. Interest income is projected at \$30,145.

Operating expenses are projected to be \$6,119,649 and include personnel expenses of \$721,400, operations and maintenance for \$5,398,249, including payment on contracts for surface water rights and raw water costs. Debt service payment is \$7,023,230 for the 2011 Certificates of Obligation issued for construction of the Surface Water Treatment Plant and other projects needed for conversion to surface water. Transfers out total \$478,468 and includes \$458,102 to the General Fund for administrative fees, \$11,917 to the Health Benefits Fund and \$8,449 to the Fleet Fund. Ending cash equivalents at 9/30/14 is projected to be \$12,024,685.

Fiscal Year 2015

Total surface water revenues are estimated at \$15,869,487. The GRP fee will remain at \$1.75 per 1,000 gallons of water. GRP participants who are not City water customers will pay \$4,184,027 in FY15. The out-of-city service charge is a 20% premium on the GRP for participants outside the city limits. GRP fees from City customers are based on production of 6.6 billion gallons of water; GRP fees from non-City customers are based on 2.4 billion gallons of water. Interest income is estimated at \$27,000. The transfers in for \$11,626,834 represent pumpage fees for City customers, which are collected in the Water Utility Fund and transferred to the Surface Water Fund monthly.

Total operating expenses are \$5,309,810 and include \$850,094 for personnel expense, \$3,498,899 for Operations & Maintenance, and \$960,817 for raw water cost. In FY15 contractual costs have been reduced by the completion of the CMAR contract.

Debt service payments of \$7,042,101 are for the 2008, 2009, and 2011 Certificates of Obligation. The fund has budgeted transfers of \$585,877. This includes \$576,840 being transferred to the General Fund for administrative overhead reimbursements, \$8,579 to the Fleet Fund, and \$458 to the Hi-Tech Fund. The fund currently has one CIP project in progress and two new projects budgeted in FY15. Ending cash equivalents at 9/30/15 is estimated to be \$12,839,035, which is above the 50% general purpose reserve requirement of \$7,527,569.

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
GRP Fees	\$ 4,130,214	\$ 4,039,353	\$ 4,039,353	\$ 4,184,027	\$ -	\$ 4,184,027
Out of City Service Charge	53,813	28,284	23,300	31,626	-	31,626
Interest Income	28,303	25,000	30,145	27,000	-	27,000
Miscellaneous	8,314	-	-	-	-	-
Operating Revenues	4,220,645	4,092,637	4,092,798	4,242,653	-	4,242,653
Transfer In	8,928,654	9,888,565	9,066,986	11,626,834	-	11,626,834
Total Revenues	13,149,299	13,981,202	13,159,784	15,869,487	-	15,869,487
EXPENSES						
Personnel Services	417,996	721,400	721,400	850,094	-	850,094
Operations & Maintenance	349,224	5,157,690	4,152,844	3,498,899	-	3,498,899
Raw Water	714,944	1,245,405	1,245,405	960,817	-	960,817
Capital	64,882	-	-	-	-	-
Operating Expenses	1,547,046	7,124,495	6,119,649	5,309,810	-	5,309,810
Capital Projects	-	-	1,004,846	1,804,600	-	1,804,600
Debt Service Payment	5,202,198	7,023,230	7,023,230	7,042,101	-	7,042,101
Membranes/Capital Repairs	-	110,000	110,000	-	112,750	112,750
Transfers Out	298,283	466,551	478,468	585,877	-	585,877
Contingency	-	925,000	-	200,000	-	200,000
Non Operating Expenses	5,500,481	8,524,781	8,616,544	9,632,578	112,750	9,745,328
Total Expenses	7,047,527	15,649,276	14,736,193	14,942,387	112,750	15,055,137
Net Income (Loss)	6,101,772	(1,668,074)	(1,576,408)	927,100	(112,750)	814,350
Cash Equivalents - Beginning	7,499,321	13,601,093	13,601,093	12,024,685	-	12,024,685
Cash Equivalents - Ending	\$ 13,601,093	\$ 11,933,019	\$ 12,024,685	\$ 12,951,785	\$ (112,750)	\$ 12,839,035
GRP Fee per 1,000 Gallons	\$ 1.50	\$ 1.75	\$ 1.75	\$ 1.75		\$ 1.75
Reserve Requirement (50%)	\$ 3,523,764	\$ 7,824,638	\$ 7,368,097	\$ 7,471,194	\$ 56,375	\$ 7,527,569
Over/Under Policy	\$ 10,077,329	\$ 4,108,381	\$ 4,656,588	\$ 5,480,591	\$ (169,125)	\$ 5,311,466

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

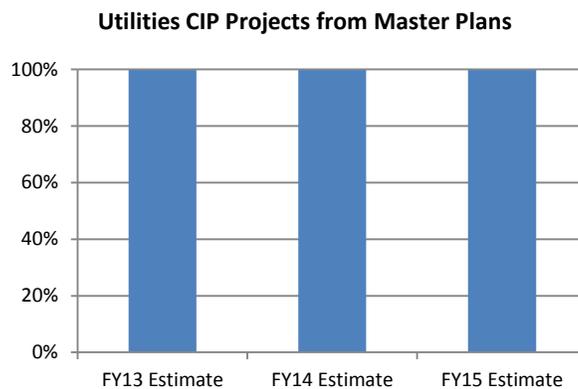
Surface Water is responsible for all planning and implementation of the City's reduction in ground water use. Based on the mandated surface water conversion, the program is also responsible for coordinating the identification, pursuit, acquisition and implementation of alternatives to groundwater sources,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

FY15 Budget Requests

There were no budget requests for FY15.

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	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	417,996	721,400	721,400	850,094	-	850,094
Supplies	111,958	1,485,292	1,285,292	1,572,261	-	1,572,261
Professional Services	760,457	4,347,805	3,542,959	2,257,916	-	2,257,916
Repairs & Maintenance	24,735	313,799	313,799	413,988	-	413,988
Purchased Services	167,018	210,899	210,899	215,551	-	215,551
Capital/Other	64,882	45,300	45,300	-	-	-
Category Totals	\$ 1,547,047	\$ 7,124,495	\$ 6,119,649	\$ 5,309,810	\$ -	\$ 5,309,810

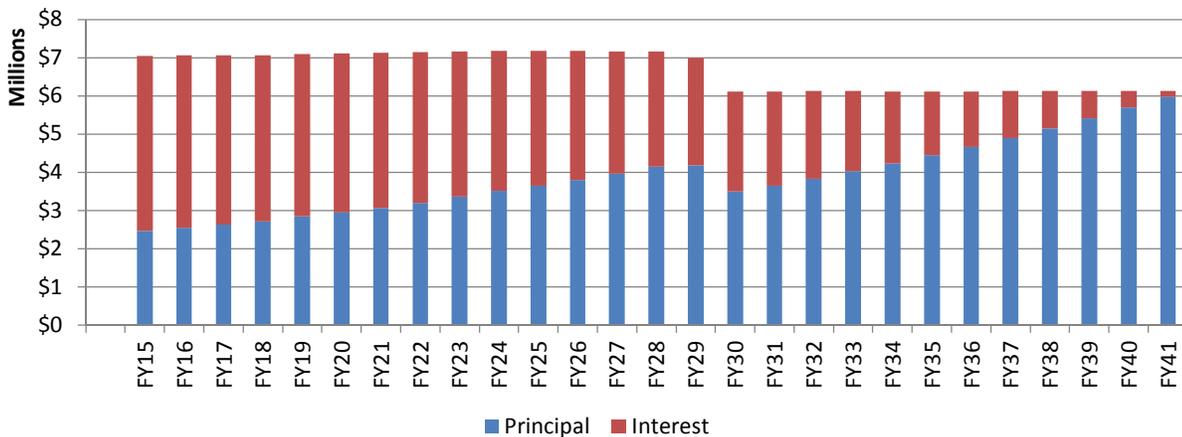
FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Surface Water	6.50	12.00	(1.00)	11.00	-	11.50
FTE Count Totals	6.50	12.00	(1.00)	11.00	-	11.50

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

Due During FY Ending September 30	Principal	Interest	Total
FY15	2,473,553	4,568,548	7,042,101
FY16	2,557,795	4,503,385	7,061,180
FY17	2,633,964	4,420,131	7,054,095
FY18	2,724,846	4,336,989	7,061,835
FY19	2,841,783	4,246,705	7,088,488
FY20	2,953,720	4,153,165	7,106,884
FY21	3,071,333	4,052,942	7,124,275
FY22	3,200,965	3,936,413	7,137,377
FY23	3,357,615	3,805,302	7,162,917
FY24	3,507,923	3,667,999	7,175,922
FY25	3,654,286	3,522,679	7,176,965
FY26	3,806,326	3,370,574	7,176,900
FY27	3,970,384	3,195,471	7,165,854
FY28	4,149,155	3,008,426	7,157,580
FY29	4,177,574	2,822,166	6,999,740
FY30	3,495,000	2,624,038	6,119,038
FY31	3,655,000	2,454,425	6,109,425
FY32	3,835,000	2,285,900	6,120,900
FY33	4,025,000	2,098,988	6,123,988
FY34	4,225,000	1,892,738	6,117,738
FY35	4,440,000	1,676,113	6,116,113
FY36	4,660,000	1,454,438	6,114,438
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	\$ 104,536,218	\$ 75,617,165	\$ 180,153,383

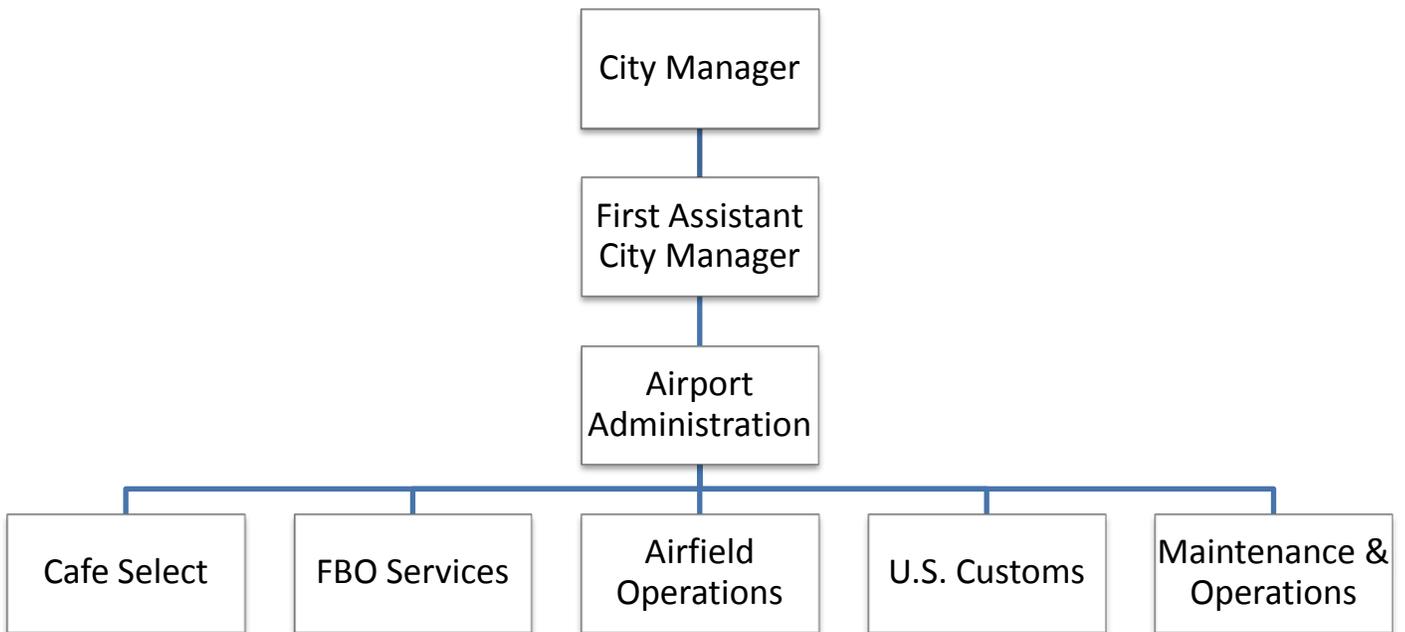
Series	Amount Outstanding	Maturity
Series 2008	1,589,987	FY28
Series 2009	9,536,231	FY29
Series 2011	93,410,000	FY41
Total	\$ 104,536,218	

Debt Service Schedule



Airport Fund Organizational Chart

As of October 1, 2014



Airport Fund

Sugar Land Regional Airport, which is owned by the City, is a self-supporting enterprise funded by user charges. The airport is home to several aircraft and expects to sell an average of 245,732 gallons of fuel per month during FY15. The City serves as a fixed based operator by providing fuel and general aviation customer services.

Fiscal Year 2014

Total revenues for FY14 are projected to be \$19,324,801. Projected operating revenues total \$18,007,543, which includes \$16,268,588 in fuel sales, \$1,249,679 in hangar leases, \$12,000 in interest income and \$477,276 in miscellaneous income. Non-operating revenues are projected to total \$1,317,258 and consist of transfers in, grants and bond proceeds.

In FY14, there is a 4.9% decrease in projected fuel gallons sold. This is due to night time closures that decreased air traffic and drove down sales of fuel while improvements were made to the runway. The decrease in fuel sales projections is consistent with current trends.

Total expenses for FY14 are projected to be \$19,244,678. Operating expenses, which include Administration, FBO Services, Airfield Operations, Café Select, Customs and Maintenance programs, are projected to be \$16,386,572. Non-operating expenses are projected to total \$2,858,106 and include transfers for capital projects and administrative overhead, and debt service payments. Ending cash equivalent balance at 9/30/14 is projected to be \$2,917,653; which is \$522,629 higher than the budgeted ending balance of \$2,395,024.

Fiscal Year 2015

Total operating revenues for FY15 are budgeted at \$21,009,735. Revenues from fuel sales are budgeted at \$17,094,709, a 5.1% increase over FY14 projections. Non-operating revenues in FY15 are budgeted at \$2,033,990, which include grant proceeds of \$50,000, bond proceeds of \$1,800,000, and operating transfers in of \$183,990. 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 \$17,093,528, which include the Administrative, Airfield Operations, FBO Services, Café Select, Customs and Maintenance programs. Expenses are increasing by \$211,310 over the base budget largely due to capital items. The FY15 budget does not include any additional positions but does include recurring additions for the cleaning of fuel tanks, licenses, and recurring maintenance on the new fountain. One-time additions in FY15 include funds for a fountain, a Sprinter van for concierge service, WiFi infrastructure, and the replacement of a fuel tank.

Total non-operating expenses are estimated at \$4,021,367, which includes the transfer of funds to the Airport CIP, overhead reimbursement to the General Fund and debt service payments on outstanding Airport bonds. Ending cash equivalent balance at 9/30/15 is expected to be \$2,780,845.

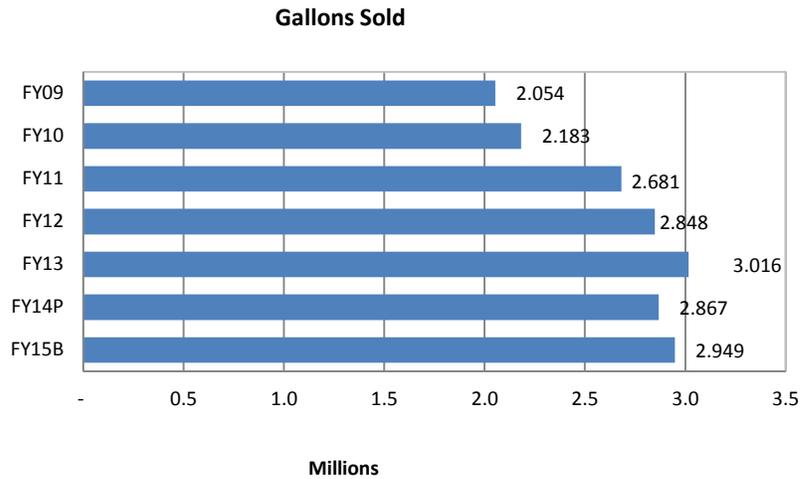
Financial Analysis

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 FY14 projections and FY15 budget amounts is shown below.

	Projections FY14	Budget FY15
Cash Reserve Ratio	62%	60%
Direct Bond Coverage	1.53	1.62

Cash reserve ratios for both FY14 projections and FY15 are above the targeted minimum of 25% of expenses net of fuel for resale and bond coverage is above the 1.25 target.

The graph below shows gallons of fuel sold. FY14 projections and the FY15 budget both show lower fuel sales due to current trends. The aviation community has recognized Sugar Land as a great place to land and base, not only for the convenience as a point of entry to the greater Houston area, but also for the highest level of customer service and as such it is expected that fuel sales will soon exceed its high in FY13.



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

	FY13 Actual	FY14 Current Budget	FY14 Projection	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Fuel Sales	14,616,206	\$ 17,773,599	\$ 16,268,588	\$ 17,094,709	-	\$ 17,094,709
Hangar Leases	1,328,731	1,249,679	1,249,679	1,288,571	-	1,288,571
Miscellaneous Revenues	630,775	451,991	477,276	585,465	-	585,465
Interest Income	5,006	7,000	12,000	7,000	-	7,000
TOTAL OPERATING REVENUES	16,580,719	19,482,269	18,007,543	18,975,745	-	18,975,745
Operating Transfers In	396,856	338,440	530,333	183,990	-	183,990
Grant Proceeds	50,000	58,500	50,000	50,000	-	50,000
Bond Proceeds	6,283,967	736,925	736,925	1,800,000	-	1,800,000
TOTAL NON-OPERATING REVENUES	6,730,823	1,133,865	1,317,258	2,033,990	-	2,033,990
TOTAL REVENUES	23,311,542	20,616,134	19,324,801	21,009,735	-	21,009,735
OPERATING EXPENSES						
Administrative	992,290	1,205,812	1,205,812	986,853	56,800	1,043,653
Airfield	-	-	-	126,891	-	126,891
FBO Services	12,031,352	15,573,448	13,866,267	14,552,405	134,510	14,686,315
Café Select	188,843	231,011	231,011	236,252	-	236,852
Customs	209,305	230,158	230,158	204,898	-	204,898
Maintenance and Operations	668,881	853,324	853,324	774,919	20,000	794,919
TOTAL OPERATING EXPENSES	14,090,671	18,093,753	16,386,572	16,882,218	211,310	17,093,528
Other Requirements	986,301	1,102,717	995,936	1,121,140	-	1,121,140
Miscellaneous	69,968	200,291	168,971	225,630	-	225,630
Payment to Escrow Account	6,305,188	-	-	-	-	-
Operating Transfers Out	943,155	1,661,879	1,693,199	2,674,597	-	2,674,597
TOTAL NON-OPERATING EXPENSES	8,304,612	2,964,887	2,858,106	4,021,367	-	4,021,367
TOTAL OTHER SOURCES/(USES)	22,395,283	21,058,640	19,244,678	20,903,585	211,310	21,114,895
NET INCOME (LOSS)	916,259	(442,506)	80,123	106,150	(211,310)	(105,160)
CASH EQUIVALENTS BEGINNING	2,810,969	3,727,228	3,727,228	3,807,351		3,807,351
Debt Service Reserve	(805,368)	(889,698)	(889,698)	(921,345)		(921,345)
CASH EQUIVALENTS ENDING	\$ 2,921,860	\$ 2,395,024	\$ 2,917,653	\$ 2,992,155	\$ (211,310)	\$ 2,780,845
CASH EQ. RESERVE RATIO (25% min)		51%	62%	69%		60%
BOND COVERAGE (1.25x min)		1.48	1.53	1.88		1.62
FUEL GALLONS SOLD		3,015,916	2,867,426	2,948,791		2,948,791

CITY OF SUGAR LAND

AIRPORT

SUMMARY OF REVENUES

	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
REVENUES:					
Fuel Sales - Aviation	17,094,709	18,605,876	20,216,669	21,977,754	23,903,793
Lease/Rental					
Short Term Land Lease					
Long Term Land Lease	124,884	57,249	359,620	377,204	429,957
Corporate Hangar (I) Lease	175,407	175,407	175,407	175,407	175,407
Corporate Hangar (II) Lease	86,000	86,000	86,000	86,000	86,000
Northwest (I) Hangar Lease	50,000	50,000	50,000	50,000	50,000
Northwest (II) Hangar Lease	60,000	60,000	60,000	60,000	60,000
Short Term Hangar Lease	85,080	85,080	85,080	85,080	85,080
Leased Premises	60,000	60,000	60,000	60,000	60,000
Tie Downs	7,200	7,200	7,200	7,200	7,200
T - Hangar Rental	640,000	640,000	640,000	640,000	640,000
Total Lease/Rental	1,288,571	1,220,936	1,523,307	1,540,891	1,593,644
TOTAL FUEL/RENTAL REVENUE	18,383,280	19,826,812	21,739,976	23,518,645	25,497,437
OTHER REVENUES:					
Café Revenue	70,000	45,625	45,625	45,625	45,625
Parking Revenues (from expansion)	-	30,000	30,000	30,000	30,000
Rental Cars	248,000	248,000	248,000	248,000	248,000
Ramp Fees	150,000	150,000	150,000	150,000	150,000
Gift Shop	1,300	1,300	1,300	1,300	1,300
Jet Fuel Additive - Prist	25,500	25,500	25,500	25,500	25,500
Reimbursements	4,000	4,000	4,000	4,000	4,000
Catering Commission	6,000	6,000	6,000	6,000	6,000
Royalties - Mineral	600	600	600	600	600
Call Out Fees	1,965	1,965	1,965	1,965	1,965
Aircraft Maintenance	2,000	2,000	2,000	2,000	2,000
Miscellaneous	76,100	76,100	76,100	76,100	76,100
Total Miscellaneous	585,465	591,090	591,090	591,090	591,090
Interest Income	7,000	10,000	15,000	23,000	41,000
Total Operating Revenues	18,975,745	20,427,902	22,346,066	24,132,735	26,129,527
Transfers In - Property Tax (D/S)	61,260	64,310	71,700	75,280	80,450
Transfers In- Property Tax (G/F)	72,730	76,610	80,900	84,950	90,190
Transfers from SLDC	50,000	50,000	50,000	50,000	50,000
Transfer from General Fund	-	-	-	-	-
Total Transfers In	183,990	190,920	202,600	210,230	220,640
Other Financing Sources:					
Ramp Grant	50,000	50,000	50,000	50,000	50,000
Bond Proceeds	1,800,000				
Total Non-Operating Revenues	2,033,990	240,920	252,600	260,230	270,640
TOTAL REVENUES	\$ 21,009,735	\$ 20,668,822	\$ 22,598,666	\$ 24,392,965	\$ 26,400,167

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 that the airport is an upscale destination, providing a lasting impression through superior services, facilities and state of the art technology, while being a valued neighbor and financially successful.

Services Provided

The Sugar Land Regional Airport is rapidly becoming a global airport, servicing aircraft and customers from around the world. In addition, customers are also servicing new markets worldwide. The combination of award winning facilities, U.S. Customs services, a general aviation center second to none in the state, and multi-year designation as the number one Fixed Base Operator (FBO) in the Americas, ensures that the Airport continues as a leader among its competition and peers.

Programs of Service

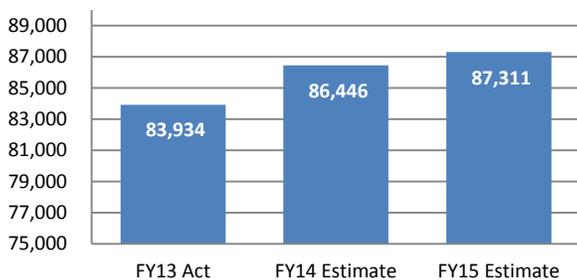
Airport Administration is responsible for the overall management, planning, marketing and outreach efforts of the airport along with contract administration and CIP project completion. **Airfield Operations** is responsible for assessing, and coordinating all airport activities to ensure Sugar Land Regional Airport is in compliance with all Federal, State and Local Regulations. Acting as the **Fixed Base Operator** (FBO) under the name “Global Select,” staff provides line services including aircraft refueling and marshaling services. Lease management of airport property is also fulfilled by this program. 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. **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.

FY15 Requests

Total expenses are increasing by \$211,310 over the base budget for capital items. The FY15 budget includes recurring expenses in maintenance for a new fountain and fuel tank cleaning. One-time additions include a new fountain, a scanner, remodeling of front desk, services for WiFi, a sprinter van, and a fuel tank replacement. 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

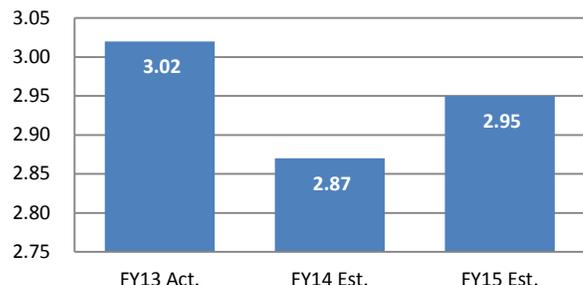
Takeoffs and Landings



A key airport measure of activity is take-offs and landings, or operations. As 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.

Fuel Gallons Sold (in millions)



Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	1,993,332	2,552,837	2,552,837	2,564,931	-	2,564,931
Supplies	10,733,255	13,753,535	12,046,354	12,778,557	25,000	12,803,557
Professional Services	758,330	686,312	686,312	747,440	3,000	750,440
Repairs & Maintenance	95,537	207,889	207,889	154,135	-	154,135
Purchased Services	387,790	582,196	582,196	522,155	3,510	525,665
Capital/Other	122,426	310,984	310,984	115,000	179,800	294,800
Category Totals	\$ 14,090,671	\$ 18,093,753	\$ 16,386,572	\$ 16,882,218	\$ 211,310	\$ 17,093,528

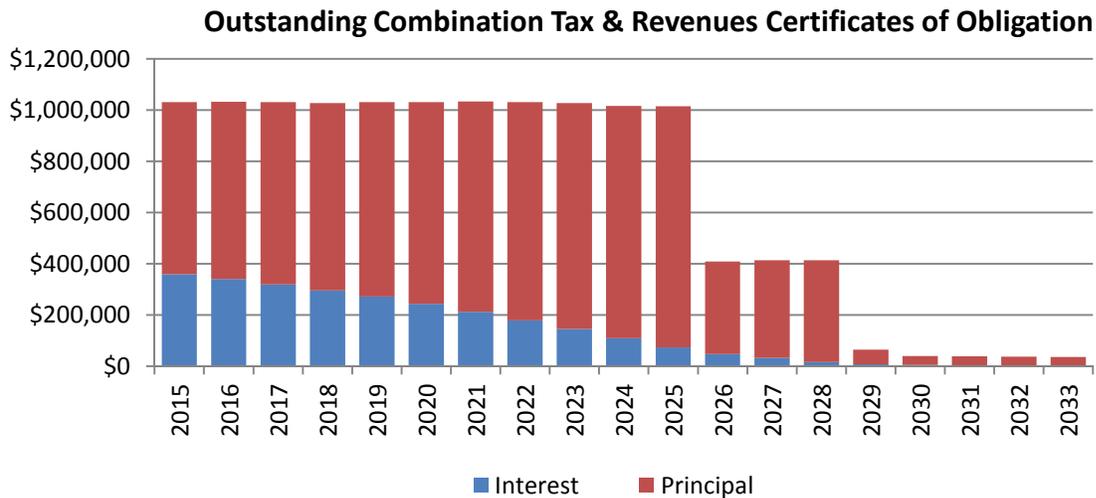
Summary by Type	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Airport Administration	992,289	1,205,812	1,205,812	986,853	56,800	1,043,653
Airfield Operations	-	-	-	126,891	-	126,891
FBO Services	12,031,352	15,573,448	13,866,267	14,551,805	134,510	14,686,315
Cafe Select	188,843	231,011	231,011	236,852	-	236,852
U.S.Customs	209,305	230,158	230,158	204,898	-	204,898
Maintenance & Operations	668,882	853,324	853,324	774,919	20,000	794,919
Category Totals	14,090,671	18,093,753	16,386,572	16,882,218	211,310	17,093,528

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Airport Administration	7.00	7.00	1.00	8.00	(2.00)	6.00
Airfield Operations	-	-	-	-	2.00	2.00
FBO Services	24.50	24.50	(1.00)	23.50	-	23.50
Café Select	2.50	2.50	-	2.50	-	2.50
Maintenance	8.00	8.00	-	8.00	-	8.00
FTE Count Totals	42.00	42.00	-	42.00	-	42.00

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

Fiscal Year	Principal	Interest	Total	Series	Amount Outstanding	Maturity
2015	\$ 672,559	\$ 359,081	\$ 1,031,640			
2016	692,559	340,565	1,033,124	2007	\$ 3,500,000	2028
2017	712,559	319,263	1,031,822	2009	365,125	2029
2018	732,559	295,683	1,028,242	2012A	5,510,000	2025
2019	759,845	271,254	1,031,099	2013	730,000	2033
2020	787,606	243,392	1,030,998			
2021	822,606	211,807	1,034,413			
2022	852,606	178,865	1,031,471			
2023	882,606	144,667	1,027,273			
2024	907,606	109,262	1,016,868			
2025	942,479	72,525	1,015,004			
2026	362,479	46,562	409,041			
2027	382,352	31,634	413,986			
2028	397,352	15,820	413,172			
2029	57,352	6,597	63,949			
2030	35,000	4,804	39,804			
2031	35,000	3,474	38,474			
2032	35,000	2,100	37,100			
2033	35,000	700	35,700			
	<u>\$ 10,105,125</u>	<u>\$ 2,658,055</u>	<u>\$ 12,763,180</u>		<u>\$ 10,105,125</u>	

* Does not include anticipated issuance of new debt



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 \$16.40 per household per month. Beginning January 1, 2015, a 2.5% contractual increase in cost for resident rates will result in a new monthly rate of \$16.81.

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 2014

Total revenues for FY14 are projected to be \$5,521,099 and include \$5,022,800 from collection and recycling fees, \$209,862 from franchise fees, \$2,300 in commercial license fees, \$249,248 from residential franchise fees, and \$4,000 in miscellaneous revenues. Grant revenues of \$32,888 were received for recycling programs.

Total expenses are projected to be \$5,519,118, which includes personnel, contracted services, and general operating costs. Personnel expenses total \$189,387 for contract monitoring and program administration. The estimated annual cost for solid waste and curbside recycling programs contracted with Republic Services is \$4,984,966. Other contracts for educational programming total \$32,888. General operations & maintenance costs are projected to be \$44,625. The Solid Waste Fund transfer of \$267,252 is to the Fleet Replacement Fund, General Fund, and Employee Benefits Fund.

The estimated ending cash equivalents balance at September 30, 2014 is projected to be \$64,644.

Fiscal Year 2015

Total revenues for FY15 are budgeted at \$5,668,711. Total budgeted revenue from residential collection and recycling fees is \$5,165,524. The City does not bill for Commercial Services; businesses contract and pay Republic directly. Other revenues include \$213,010 in commercial franchise fees, \$252,607 in residential franchise fees, \$16,370 in grant revenue, and an estimated \$21,200 in new hauler licensing fee revenue.

Total expenses are \$5,666,894 and include \$180,659 in personnel expenses for contract monitoring and program administration, \$5,052,134 for the solid waste contract, \$16,370 in grant expenditures, and \$44,224 in operation and maintenance costs. Transfers out total \$373,507 and include transfers to the Fleet Replacement Fund and the General Fund. The transfer to the General Fund includes overhead reimbursement to the General Fund and continuation of \$200,000 to support increased pavement rehabilitation efforts in Public Works.

The estimated ending cash equivalents balance as of September 30, 2015 is estimated to be \$66,460.

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Budget	FY15 Changes	FY15 Budget
REVENUES						
Solid Waste Collections	\$ 4,849,414	\$ 5,094,400	\$ 5,022,800	\$ 5,070,355	\$ 95,169	\$ 5,165,524
Commercial Franchise Fees	153,101	185,060	209,862	213,010	-	213,010
Commercial License App. Fees	2,050		2,300		-	-
Residential Franchise Fees	-	191,000	249,248	247,953	4,654	252,607
Recycling Program	521	-	-	-	-	-
Miscellaneous	2,045	2,100	4,000	-	-	-
Grant Revenue	15,091	32,888	32,888	-	16,370	16,370
New Fee Revenue	-	-	-	-	21,200	21,200
Interest Income	11	-	-	-	-	-
Operating Revenues	5,022,234	5,505,448	5,521,099	5,531,318	137,393	5,668,711
Transfers In	65,227			-	-	-
Total Revenues	5,087,461	5,505,448	5,521,099	5,531,318	137,393	5,668,711
EXPENDITURES						
Contractual Services	4,787,216	4,984,969	4,984,966	4,959,055	93,079	5,052,134
Salary & Benefits	115,041	189,387	189,387	180,659	-	180,659
Education Programs	65,227	32,888	32,888	-	-	-
Operations & Maintenance	100,063	44,625	44,625	44,224	16,370	60,594
Operating Expenses	5,067,547	5,251,869	5,251,869	5,183,938	109,449	5,293,387
Transfers Out	13,246	266,172	267,252	373,507		373,507
Total Expenses	5,080,793	5,518,041	5,519,118	5,557,445	109,449	5,666,894
Net Income (Loss)	6,668	(12,593)	1,981	(26,127)	27,944	1,817
Cash Equivalents - Beginning	55,995	62,663	62,663	64,644		64,644
Cash Equivalents - Ending	\$ 62,663	\$ 50,070	\$ 64,644	\$ 38,516	\$ 27,944	\$ 66,460

Solid Waste

Services Provided

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

Programs of Service

The **Solid Waste** program provides commercial 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.

FY15 Requests

There were no budget requests added to the Solid Waste FY15 budget. A total of \$16,310 was added to recognize expenses for grant revenues. Contractual services increase of \$93,079 is for a rate increase effective January 1, 2015.

Performance Measures: Responsible City Government

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 FY15, it is estimated 25,863 households will be served.

Summary by Category	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
Salary & Benefits	115,042	189,387	189,387	180,659	-	180,659
Supplies	5,868	31,168	31,168	5,719	-	5,719
Professional Services	4,926,715	4,988,732	4,988,732	4,963,860	109,449	5,073,309
Repairs & Maintenance	1,378	1,300	1,300	1,300	-	1,300
Purchased Services	18,545	41,282	41,282	32,400	-	32,400
Category Totals	\$ 5,067,548	\$ 5,251,869	\$ 5,251,869	\$ 5,183,938	\$ 109,449	\$ 5,293,387

FTE Count	FY13 Budget	FY14 Budget	FY14 Adjustments	FY15 Base Budget	FY15 Changes	FY15 Budget
Solid Waste	2.00	2.50	-	2.50	-	2.50
FTE Count Totals	2.00	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 2014

FY14 contributions from the City, employees and retirees are projected to total \$6,551,655 with interest income and other reimbursements are projected to be \$8,429. Transfers In from other funds is projected at \$649,736. The total projected revenues for FY14 is \$7,209,810.

Projected expenses total \$7,364,725 and include insurance premiums, claim payments, administrative fees, and unemployment compensation. Expenses are higher than budget due to a number of higher than anticipated claims. The projected cash equivalents balance at 9/30/14 is \$316,781.

Fiscal Year 2015

FY15 total revenues are budgeted at \$7,476,212, which are contributions from the City and its employees.

FY15 total expenses are budgeted at \$7,491,478. This includes claims payment and other premiums of \$7,229,900 as well as other expenses of \$261,578. The budgeted ending cash equivalents balance at 9/30/15 is \$301,515. The \$1,250,000 reserve for self-insurance the City established in FY14 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 constantly 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 2014

The projected contributions, auction proceeds, and other revenues total \$1,155,760. Expenses for purchase of vehicles, and related equipment total \$1,426,445 leaving a projected ending cash equivalent balance of \$1,530,594.

Fiscal Year 2015

Total revenues are budgeted at \$1,191,162. Contributions from participating funds total \$979,962. Insurance reimbursement, sale of property and interest income total \$211,200. This includes insurance proceeds for vehicles that are totaled and replaced prior to their planned replacement date.

Total expenditures are budgeted at \$1,279,824 for the replacement of 27 vehicles, and the purchase of 2 additional vehicles and 1 dump truck. Also included in budgeted expenses 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 equipment prices increase. The budget also includes funds for unexpected replacements due to insurance totaling. The budgeted ending cash equivalents balance at 9/30/15 is \$1,441,932.

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 2014

Projected revenues for FY14 total \$1,472,200 and expenditures are projected at \$1,628,516. Expenditures include computers, printers, servers, routers, installations, and public safety radios. The projected ending cash equivalent balance is \$974,565.

Fiscal Year 2015

Budgeted revenues total \$1,561,181 and include transfers from other funds and interest income. 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 \$1,716,377 and include \$1,034,485 for replacement of IT managed items and \$526,696 for replacement of Public Safety technology such as radios, in-car video systems and radars.

The budgeted ending cash equivalent balance at 9/30/15 is \$819,370.

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Contributions	\$ 6,264,931	\$ 7,002,095	\$ 6,551,655	\$ 7,405,509	\$ 70,703	\$ 7,476,212
Miscellaneous	8,453	-	5,561	-	-	-
Interest Income	1,848	1,890	2,868	-	-	-
Operating Revenues	6,275,231	7,003,985	6,560,084	7,405,509	70,703	7,476,212
Transfers In	175,686	-	649,726	-	-	-
Total Revenues	6,450,917	7,003,985	7,209,810	7,405,509	70,703	7,476,212
EXPENDITURES						
Premiums & Claims	6,084,712	6,405,095	6,795,347	7,229,900	-	7,229,900
Other	415,010	580,182	569,378	261,578	-	261,578
Total Expenditures	6,499,722	6,985,277	7,364,725	7,491,478	-	7,491,478
Net Income (Loss)	(48,804)	18,708	(154,915)	(85,969)	70,703	(15,266)
Cash Equivalents- Beginning	1,770,500	1,721,696	1,721,696	316,781	-	316,781
Reserve for Self Insurance	-	(1,250,000)	(1,250,000)	-	-	-
Cash Equivalents - Ending	\$ 1,721,696	\$ 490,404	\$ 316,781	\$ 230,812	\$ 70,703	\$ 301,515

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

	FY13	FY14	FY14	FY15	FY15	FY15
	Actuals	Current Budget	Projections	Base Budget	Changes	Budget
REVENUES						
Sale of Property	\$ 80,829	\$ 47,500	\$ 80,000	\$ 67,500	\$ -	\$ 67,500
Insurance Reimbursement	17,946	140,000	140,000	140,000	-	140,000
Interest Income	3,277	3,011	4,100	3,700	-	3,700
Transfers From Other Funds	817,673	931,660	931,660	870,838	109,124	979,962
Miscellaneous	149	-	-	-	-	-
Total Revenues	919,725	1,122,171	1,155,760	1,082,038	109,124	1,191,162
EXPENDITURES						
Vehicles & Contractual Service	44,892	1,426,445	1,426,445	1,170,700	109,124	1,279,824
Transfer to CIP Fund	40,000	-	-	-	-	-
Total Expenditures	84,892	1,426,445	1,426,445	1,170,700	109,124	1,279,824
Net Income (Loss)	834,833	(304,274)	(270,685)	(88,662)	-	(88,662)
Cash Equivalents- Beginning	966,446	1,801,279	1,801,279	1,530,594	-	1,530,594
Cash Equivalents- Ending	\$ 1,801,279	\$ 1,497,005	\$ 1,530,594	\$ 1,441,932	\$ -	\$ 1,441,932

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Sale of Capital Property	\$ 57,632	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income	1,199	-	1,500	-	-	-
Transfers	1,138,834	1,470,700	1,470,700	1,557,781	3,400	1,561,181
Total Revenues	1,197,664	1,470,700	1,472,200	1,557,781	3,400	1,561,181
EXPENDITURES						
Equipment & Contractual Services	1,534,390	1,628,516	1,628,516	1,712,977	3,400	1,716,377
Total Expenditures	1,534,390	1,628,516	1,628,516	1,712,977	3,400	1,716,377
Revenues Over/Under Expenditures	(336,726)	(157,816)	(156,316)	(155,195)	-	(155,195)
Cash Equivalents- Beginning	1,467,607	1,130,881	1,130,881	974,565	-	974,565
Cash Equivalents- Ending	\$ 1,130,881	\$ 973,065	\$ 974,565	\$ 819,370	\$ -	\$ 819,370

Component Units

The City of Sugar Land has five entities that are considered component units of the City. They are the Sugar Land Development Corporation (SLDC), the Sugar Land 4B Corporation (SL4B), and 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. 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 the SL4B are the only component 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 2014

Total revenues are projected to be \$13,649,404, which includes sales tax of \$5,929,760, interest income of \$17,969, assignment from TIRZ#1 of \$500,000, \$1,675 in other revenues/reimbursements, and bond proceeds for \$7,200,000.

Expenditures are projected at \$12,266,922 and include Economic Development Program costs of \$773,627. 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 \$2,260,000. Capital Projects Reimbursement is estimated to be \$414,812. Projects funded by the Corporation include U.S. Highway 59 Beautification Phase III, Concert Venue Planning, and U.S. Highway 59 Northbound U Turn Extension @ State Highway 6. A total of \$142,200 is projected for the performing arts center. The Corporation projects to pay \$67,778 for sales tax incentive grant and \$1,546,507 for debt service. Contractual services are estimated at \$12,590. Transfers to other funds totals \$7,049,408 and includes \$6,625,000 for the design of the performing arts center and \$374,408 in reimbursement to the City for Economic Development staffing and support services.

Projected available funding at 9/30/14 is \$7,336,387. The fund balance is \$6,743,411 higher than the policy requirement of \$592,976.

Fiscal Year 2015

Revenues are budgeted at \$ 45,787,818. Sales tax is estimated at \$6,038,750 based on a 1.83% increase over FY14 projections. Budgeted interest income is \$46,625. An estimated assignment of \$825,000 from TIRZ#1 partially supports the debt service requirement on the sales tax revenue bonds issued for Town Square infrastructure. Bonds proceeds are budgeted at \$38,877,443 for the construction of the performing arts center.

Budgeted expenditures total \$49,449,627. 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 direct incentives. Capital Projects Reimbursements total \$3,185,000 for TIRZ#4 Parking/Infrastructure/Marquee. A reserve of \$550,000 is budgeted for economic development opportunities that may arise during the year. The Corporation has a sales tax incentive grant of \$68,400 budgeted and debt service of \$3,132,498. Contractual services are budgeted at \$12,590. Transfers to other funds for \$38,252,622 include \$36,880,000 to the CIP-Bond Pool for the performing arts center, \$851,072 to Debt Service Fund, \$50,000 to the Airport Fund for international marketing, \$471,550 to the General Fund for the PAC Project Manager and for Economic Development staff, support services and CIP management fee.

Estimated available funding at 9/30/15 is \$1,102,078. The Corporation has a bond coverage ratio of 1.54, which is above the 1.25 minimum. Ending fund balance is \$498,203 over the policy requirements.

Sugar Land 4B Corporation

Fiscal Year 2014

Total revenues are projected to be \$6,395,643. This includes sales tax for \$5,929,760, interest income of \$15,572, TIRZ#1 assignment of \$154,031 and miscellaneous revenue of \$296,280 for rent from offsite parking and participation rent from the Skeeters at Constellation Field.

Total expenditures are projected to be \$8,635,086. Economic Development program costs are projected to be \$573,740. Transfers to Capital Projects are projected to be \$3,016,141. These include the Baseball Stadium, Festival Site, Wayfinding – Phase II, Baseball Stadium City Cost, Universally Accessible Playground at First Colony Park,

Canoe Launch on the Brazos, Settlers Way Park, Gannoway Lake Park, Baseball Park Marquee Sign, Community Signage, and Joint Participation in CIP. Debt Service payments are estimated for \$4,465,413 and contractual services for \$512,014, which includes reimbursement to the City for staff support and project management.

Projected available funding at 9/30/14 is \$1,175,766. The fund balance is projected to be \$617,175 higher than policy requirements of \$558,591, which constitutes 10% of budgeted sales tax.

Fiscal Year 2015

Total revenues are projected to be \$6,287,511. This includes sales tax for \$6,038,750, interest income of \$15,850, TIRZ#1 assignment of \$152,911 and miscellaneous revenue of \$80,000, which is rent for off-site parking at Constellation Field.

Expenditures total \$6,737,092. Economic Development program expenditures total \$561,621. Capital projects funding is budgeted at \$1,640,000, which includes Joint Participation in CIP, Key Hike & Bike Connections, Town Center Pedestrian and Bicycle, University Blvd. North Landscape, and Mayfield Park. A reserve of \$550,000 is budgeted for economic development opportunities that may arise during the year. The Corporation has a sales tax incentive grant of \$68,400, debt service is budgeted at \$3,367,344, and contractual services are at \$549,727, which includes reimbursement for support staff.

Estimated available funding at 9/30/15 is \$726,185. The Corporation has a fund balance policy of 10% of budgeted sales tax. The fund balance is estimated to be \$122,310 above policy requirements. The Corporation has a bond coverage ratio of 1.76, which is above the 1.25 minimum.

Tax Increment Reinvestment Zone #1

Fiscal Year 2014

Revenues for FY14 are projected to be \$1,051,563 or \$100,696 more than the budget of \$950,867. The budget for incremental taxes was based on the 2013 certified tax roll of \$101 million. Property taxes allocated from the City, Fort Bend County and LID#2 total \$1,046,359 and interest income is projected at \$205. Income from underground conduit leases is projected at \$5,000.

Expenditures are projected to be \$985,103 and include \$250,000 for marketing events in Town Square put on by the Town Square Property Owners Association. Assignments totaling \$654,031 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 9/30/14 is \$129,303.

Fiscal Year 2015

Revenues are budgeted to be \$1,224,263, which includes property taxes for \$1,218,763, interest income for \$500 and underground conduit for \$5,000. Property taxes is based on the added value from the 2014 certified tax roll for the TIRZ#1 of \$131 million and 2014 tax rates for each participating entity at a 99.5% collection rate.

Operating expenditures are estimated to be \$265,593, which includes \$250,000 for marketing events in Town Square, and \$15,593 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 \$825,000 and SL4B for \$152,911. 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 9/30/15 is \$40,062. TIRZ#1 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #3

Fiscal Year 2014

Revenues for FY14 are projected to be \$10,669. The budget for incremental taxes was based on the 2013 certified tax roll of \$101 million. Property taxes allocated from the City and County total \$10,584 and interest income is projected at \$85. Expenditures are projected to be \$50,000 for design and legal services as needed. The projected ending fund balance at 9/30/14 is \$59,398.

Fiscal Year 2015

Revenues are budgeted to be \$57,117, which includes City and County property taxes for \$57,017 and interest income for \$100. Property taxes is based on the added value from the 2014 certified tax roll for the TIRZ#3 of \$131 million and 2014 tax rates for each participating entity at a 99.5% collection rate. Operating expenditures are estimated to be \$40,000 for design and legal services as needed. Estimated ending fund balance at 9/30/15 is \$17,853. TIRZ#3 has no minimum fund policy balance requirement.

Tax Increment Reinvestment Zone #4

Fiscal Year 2014

Revenues for FY14 are projected to be \$141,334. Property taxes allocated from the City, County, and MUDs total \$141,294 and interest income is projected at \$40. Expenditures are projected to be \$50,000 for designed services. The projected ending fund balance at 9/30/14 is \$94,704.

Fiscal Year 2015

Revenues are budgeted to be \$443,527, which includes City, County, and MUDs property taxes for \$443,027 and interest income for \$500. Operating expenditures are estimated to be \$50,000 for designed services as needed. Estimated ending fund balance at 9/30/15 is \$488,231. TIRZ#4 has no minimum fund policy balance requirement.

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Sales Tax	\$ 5,620,646	\$ 5,585,909	\$ 5,929,760	\$ 6,038,750	\$ -	\$ 6,038,750
Interest Income	13,828	11,454	17,969	46,625	-	46,625
TIRZ#1 Assignment	425,000	500,000	500,000	825,000	-	825,000
Other Revenue/Reimbursements	1,274	-	1,675	-	-	-
Total Operating Revenues	6,060,747	11,683,272	6,449,404	6,910,375	-	6,910,375
Bond Proceeds	-	7,200,000	7,200,000	38,877,443	-	38,877,443
Total Revenues	6,060,747	13,297,363	13,649,404	45,787,818	-	45,787,818
EXPENDITURES						
Economic Development Program	287,245	773,627	773,627	597,018	-	597,018
Economic Development Incentives	683,249	3,701,751	2,260,000	1,700,000	-	1,700,000
Capital Projects Reimbursement	4,169,281	414,812	414,812	3,185,000	-	3,185,000
Reserve for Opportunities	-	-	-	550,000	-	550,000
Sales Tax Incentive Grant	66,586	67,778	67,778	68,400	-	68,400
Debt Service	958,299	1,546,507	1,546,507	3,132,498	-	3,132,498
Other Costs - Performing Arts Center	-	142,200	142,200	1,951,500	-	1,951,500
Contractual Services	12,875	12,590	12,590	12,590	-	12,590
Transfers to Other Funds	538,975	7,098,183	7,049,408	38,252,622	-	38,252,622
Total Expenditures	6,716,510	13,757,448	12,266,922	49,449,627	-	49,449,627
Revenues Over/ (Under) Exp's	(655,763)	(460,085)	1,382,482	(3,661,809)	-	(3,661,809)
Fund Balance-Beginning	9,095,497	8,439,734	8,439,734	9,822,217	-	9,822,217
Fund Balance-Ending	8,439,734	7,979,649	9,822,217	6,160,408	-	6,160,408
Accrued Sales Tax	(890,873)	(1,033,132)	(1,033,132)	(1,033,132)	-	(1,033,132)
Debt Service Reserve	(977,204)	(1,452,698)	(1,452,698)	(4,025,198)	-	(4,025,198)
Fund Balance-Available	\$ 6,571,657	\$ 5,493,819	\$ 7,336,387	\$ 1,102,078	\$ -	\$ 1,102,078
Minimum Fund Balance	\$ 562,065	\$ 558,591	\$ 592,976	\$ 603,875	\$ -	\$ 603,875
Over/Under Policy	\$ 6,009,593	\$ 4,935,229	\$ 6,743,411	\$ 498,203	\$ -	\$ 498,203
Bond Coverage Ratio (>1.25x)		3.76	3.76	1.54	-	1.54

**SUGAR LAND DEVELOPMENT CORPORATION
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2015**

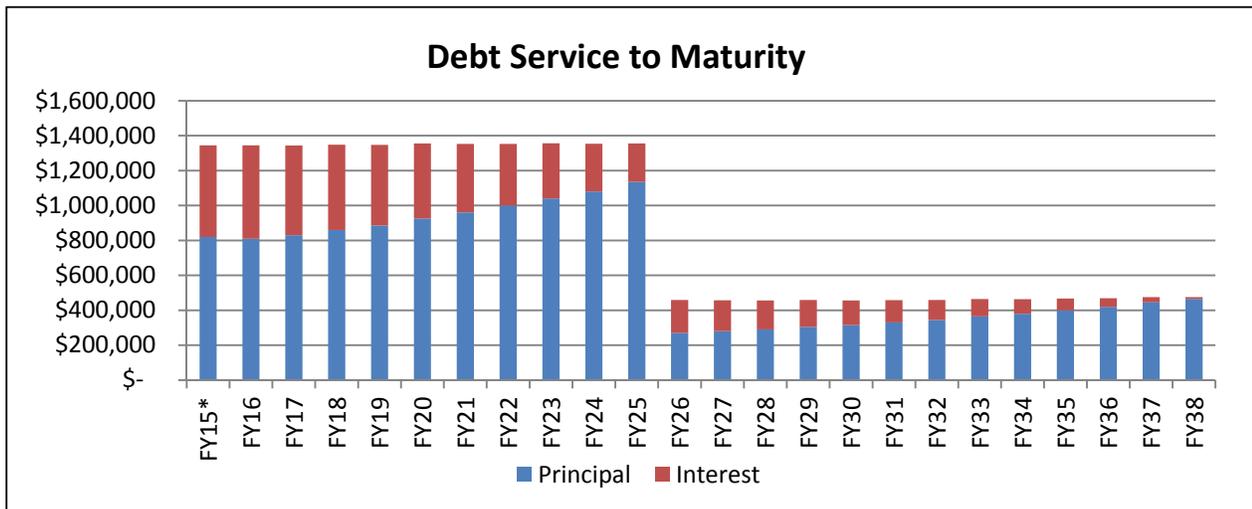
CIP			
Project #	Project Name	Project Description	Amount
MU1402	TIRZ#4 Parking and Infrastructure	Design and construction of infrastructure necessary to support the Performing Arts Center including parking for 2,500 cars, a public plaza area to facilitate ingress and egress from the facility; and an off-site LED marquee sign to promote events and activities at the facility.	\$ 3,185,000
Total SLDC Funding			\$ 3,185,000

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

	Principal	Interest	Total
FY15*	\$ 820,000	\$ 524,498	\$ 1,344,498
FY16	810,000	534,890	1,344,890
FY17	830,000	513,390	1,343,390
FY18	860,000	488,040	1,348,040
FY19	885,000	461,865	1,346,865
FY20	925,000	430,090	1,355,090
FY21	960,000	392,390	1,352,390
FY22	1,000,000	353,190	1,353,190
FY23	1,040,000	316,390	1,356,390
FY24	1,080,000	273,815	1,353,815
FY25	1,135,000	220,940	1,355,940
FY26	270,000	188,440	458,440
FY27	280,000	177,440	457,440
FY28	290,000	166,040	456,040
FY29	305,000	154,140	459,140
FY30	315,000	141,582	456,582
FY31	330,000	128,319	458,319
FY32	345,000	114,181	459,181
FY33	365,000	99,097	464,097
FY34	380,000	83,262	463,262
FY35	400,000	66,687	466,687
FY36	420,000	49,000	469,000
FY37	445,000	30,078	475,078
FY38	465,000	10,172	475,172
	<u>\$ 14,955,000</u>	<u>\$ 5,917,935</u>	<u>\$ 20,872,935</u>

Outstanding Debt Issues

Series	Principal	Matures
2005	\$ 595,000	FY15
2013	6,985,000	FY38
2014	7,375,000	FY25
Total	<u>\$ 14,955,000</u>	



* reflects 2014 refunding bonds which delivered on October 2, 2014

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

	FY13 Actuals	FY14 Current Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Sales Tax	\$ 5,620,646	\$ 5,585,909	\$ 5,929,760	\$ 6,038,750	\$ -	\$ 6,038,750
Interest Income	9,296	11,102	15,572	15,850	-	15,850
TIRZ#1 Assignment	152,325	154,031	154,031	152,911	-	152,911
Miscellaneous	502,978	80,000	296,280	80,000	-	80,000
Total Revenues	6,285,244	5,831,042	6,395,643	6,287,511	-	6,287,511
EXPENDITURES						
Economic Development Program	211,659	734,093	573,740	561,621	-	561,621
Transfer to Capital Projects	1,592,634	2,855,788	3,016,141	1,640,000	-	1,640,000
Reserve for Opportunities	-	-	-	550,000	-	550,000
Sales Tax Incentive Grant	66,586	67,778	67,778	68,400	-	68,400
Debt Service	3,355,406	4,449,838	4,465,413	3,367,344	-	3,367,344
Auditing & Accounting	11,200	11,300	11,300	13,700	-	13,700
Professional Services	950	-	-	-	-	-
Other Contractual	448,963	547,849	499,074	534,327	-	534,327
Other Miscellaneous	1,639	1,700	1,640	1,700	-	1,700
Banking Services Fee	1,112	-	-	-	-	-
Contractual Services	463,864	560,849	512,014	549,727	-	549,727
Total Expenditures	5,690,151	8,668,346	8,635,086	6,737,092	-	6,737,092
Revenues Over/ (Under) Exp's	595,094	(2,837,304)	(2,239,443)	(449,581)	-	(449,581)
Fund Balance-Beginning	7,239,699	7,834,793	7,834,793	5,595,349	-	5,595,349
Fund Balance-Ending	7,834,793	4,997,489	5,595,349	5,145,768	-	5,145,768
Accrued Sales Tax	(890,873)	(1,033,133)	(1,033,133)	(1,033,133)	-	(1,033,133)
Debt Service Reserve	(2,631,822)	(3,386,450)	(3,386,450)	(3,386,450)	-	(3,386,450)
Fund Balance-Available	\$ 4,312,098	\$ 577,906	\$ 1,175,766	\$ 726,185	\$ -	\$ 726,185
Minimum Fund Balance	\$ 562,065	\$ 558,591	\$ 558,591	\$ 603,875	\$ -	\$ 603,875
Over/Under Policy	\$ 3,750,033	\$ 19,315	\$ 617,175	\$ 122,310	\$ -	\$ 122,310
Bond Coverage Ratio (>1.25x)		1.67	1.67	1.76	-	1.76

**SUGAR LAND 4B CORPORATION
SUMMARY OF CAPITAL PROJECTS
FISCAL YEAR 2015**

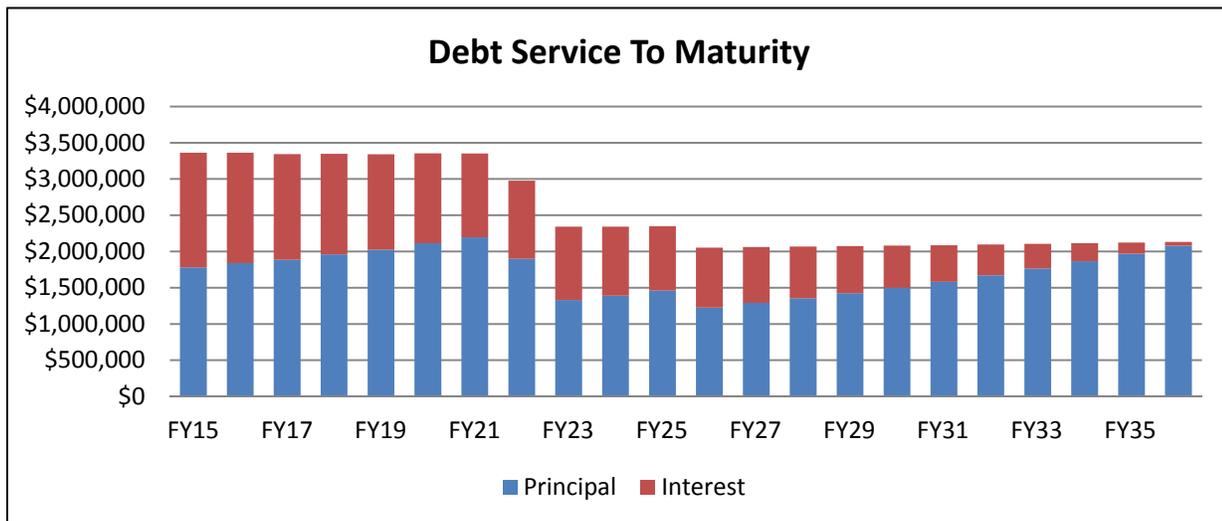
CIP			
Project #	Project Name	Project Description	Amount
PK1103	Town Center Pedestrian and Bicycle	Improvements to increase pedestrian and bicycle safety and mobility in the Town Square area, including connections to the City-wide hike and bike trail network.	\$ 250,000
PK1406	University Boulevard, North Landscape	Landscape and irrigation improvements on University Boulevard North and a portion of the U.S. Highway 90A where the intersection has been modified to accommodate the new signalized intersection.	90,000
PK1410	Mayfield Park	Design and construction of park improvements in Mayfield Park.	1,000,000
PK1503	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
ST1505	Pedestrian and Bike Cooperative Development Reimbursement	Cost share program with the development community for the oversizing participation for pedestrian and bicycle improvement projects that are planned to be constructed adjacent to or on development property. The improvements that are a part of the master plan can be applied to this project for cost matching for the oversized portion.	100,000
Total SL4B Funding			\$ 1,640,000

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

	Principal	Interest	Total
FY15	\$ 1,780,000	\$ 1,583,844	\$ 3,363,844
FY16	1,840,000	1,522,638	3,362,638
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>\$ 37,605,000</u>	<u>\$ 18,862,416</u>	<u>\$ 56,467,416</u>

Outstanding Debt Issues

Series	Principal	Matures
2005	\$ 2,540,000	FY25
2010	6,800,000	FY22
2011	28,265,000	FY36
	<u>\$ 37,605,000</u>	



**CITY OF SUGAR LAND
TIRZ #1
INCOME STATEMENT**

	FY13 Actuals	FY14 Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Property Taxes	\$ 882,112	\$ 944,867	\$ 1,046,359	\$ 1,218,763	\$ -	\$ 1,218,763
Interest Income	1,327	1,000	205	500	-	500
Underground Conduit	3,189	5,000	5,000	5,000	-	5,000
Total Revenues	886,628	950,867	1,051,563	1,224,263	-	1,224,263
EXPENDITURES						
Insurance	565	1,200	706	1,200	-	1,200
Banking Fees	1,037	1,020	1,037	1,020	-	1,020
Town Square POA Events	250,000	250,000	250,000	250,000	-	250,000
Contractual Services	6,410	6,000	6,000	6,000	-	6,000
Support Services	7,185	3,329	3,329	7,373	-	7,373
Operating Expenditures	265,197	261,549	261,072	265,593	-	265,593
Plaza Events- Trsf to General Fund	70,000	70,000	70,000	70,000	-	70,000
Assignment to SL4B	152,325	154,031	154,031	152,911	-	152,911
Assignment to SLDC	425,000	500,000	500,000	825,000	-	825,000
Non-Operating Expenditures	647,325	724,031	724,031	1,047,911	-	1,047,911
Total Expenditures	912,522	985,580	985,103	1,313,504	-	1,313,504
NET INCOME (LOSS)	(25,894)	(34,713)	66,461	(89,241)	-	(89,241)
FUND BALANCE - BEGINNING	88,737	62,843	62,843	129,303	-	129,303
FUND BALANCE - ENDING	\$ 62,843	\$ 28,130	\$ 129,303	\$ 40,062	\$ -	\$ 40,062

**CITY OF SUGAR LAND
TIRZ #3
INCOME STATEMENT**

	FY13 Actuals	FY14 Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Incremental Property Taxes - City	\$ 9,508	\$ 9,739	\$ 9,584	\$ 28,125	\$ -	\$ 28,125
Incremental Property Taxes - County	-	499	1,000	28,892	-	28,892
Interest Income	62	100	85	100	-	100
Total Revenues	9,570	10,338	10,669	57,117	-	57,117
EXPENDITURES						
Professional Services	-	30,000	30,000	20,000	-	20,000
Legal Services	-	20,000	20,000	20,000	-	20,000
Total Expenditures	-	50,000	50,000	40,000	-	40,000
NET INCOME (LOSS)	9,570	(39,662)	(39,331)	17,117	-	17,117
FUND BALANCE - BEGINNING	41,168	50,738	50,738	11,407	-	11,407
Reserve for University Blvd. North	(951)	(1,975)	(2,009)	(7,711)	-	(7,711)
FUND BALANCE - AVAILABLE	\$ 49,787	\$ 9,102	\$ 9,398	\$ 20,814	\$ -	\$ 20,814

**CITY OF SUGAR LAND
TIRZ #4
INCOME STATEMENT**

	FY13 Actuals	FY14 Budget	FY14 Projections	FY15 Base Budget	FY15 Changes	FY15 Budget
REVENUES						
Incremental Property Taxes- City	\$ 1,240	\$ 156,482	\$ 69,929	\$ 151,661	\$ -	\$ 151,661
Incremental Property Taxes- FB County	-	-	-	126,173	-	126,173
Incremental Property Taxes- FB MUD 138	-	-	20,969	77,288	-	77,288
Incremental Property Taxes- FB MUD 139	-	-	50,396	87,905	-	87,905
Interest Income	3	25	40	500	-	500
Total Revenues	1,243	156,507	141,334	443,527	-	443,527
EXPENDITURES						
Professional Services	-	50,000	50,000	50,000	-	50,000
Total Expenditures	-	50,000	50,000	50,000	-	50,000
NET INCOME (LOSS)	1,243	106,507	91,334	393,527	-	393,527
FUND BALANCE - BEGINNING	2,127	3,370	3,370	94,704	-	94,704
FUND BALANCE - ENDING	\$ 3,370	\$ 109,877	\$ 94,704	\$ 488,231	\$ -	\$ 488,231

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
- Fund the recommended Five-Year CIP and resulting operating expenditures
- Continued Economic Development and Tourism efforts such as a Performing Arts Center

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.

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 3.45% per year based on a combination of an increase in revaluation and growth in new value. Throughout the forecast a 3% residential revaluation was used and a 5% for commercial. The forecast also includes an approved tax rate increase of \$0.007 for FY15, a proposed one cent in FY17 and another proposed one cent in FY18. The proposed increases will fund debt for the construction on the voter authorized Parks bond projects approved in November 2013 which is consistent with voter education material that stated a 1 cent increase would be needed for every \$10 million in projects funded. The exact tax rate is dependent on the growth in valuation.

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

	FY15	FY16	FY17	FY18	FY19
O&M	53.90%	53.50%	51.90%	50.30%	50.00%
Debt	46.10%	46.50%	48.10%	49.70%	50.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Sales Tax

Sales tax growth includes collections from limited purpose annexations and is assumed to grow an average of 3.26% annually.

Interest Earnings

Interest earnings for each fund are estimated based on available fund balances and a prorated allocation of interest earned based on the following yields:

Interest Earnings Yield	
FY14	0.5%
FY15	0.8%
FY16	0.9%
FY17	1.0%
FY18	1.2%

Hotel Occupancy Transfer for Debt Service

Hotel occupancy tax is pledged toward repayment of existing debt issued for the Conference Center at Town Square. Beginning in FY15 hotel occupancy tax will be utilized toward repayment of new debt issued for the performing arts center and TIRZ#4 Parking and 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		
	Existing Debt	New Debt
FY15	\$ 673,611	\$ 319,697
FY16	682,990	682,450
FY17	694,859	681,800
FY18	702,976	681,050
FY19	708,113	685,150

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	
FY15	\$ 2,886,502
FY16	2,331,739
FY17	2,180,082
FY18	2,055,220
FY19	2,088,650

Issuance of New Debt

The forecast builds in debt service based on the anticipated issuance of the following amount of debt, showing proceeds to construction only:

\$1,000s								
	Tax Backed Debt	Airport CO's	Surface Water CO's	Utility Revenue Bonds	Sales Tax Revenue Bonds	CO's Supported By Tourism Fund	Taxable CO's Supported By PAC Rent Payment	GO's for Parks Bond Projects
FY15	\$ 14,395	\$ 1,750	\$ -	\$ 13,010	\$ 36,880	\$ 11,000	\$ 25,000	\$ 13,550
FY16	17,066	-	1,510	9,075	-	-	-	3,900
FY17	15,812	-	10,800	4,930	-	-	-	2,900
FY18	9,860	-	-	11,325	-	-	-	7,900
FY19	16,600	-	-	39,130	-	-	-	3,000
Total	\$ 73,733	\$ 1,750	\$ 12,310	\$ 77,470	\$ 36,880	\$ 11,000	\$ 25,000	\$ 31,250

Water Consumption

Revenues in the Utility Fund are based on the following consumption estimates:

Consumption (1,000 gallons)		
	Water	Wastewater
FY15	6,162,580	3,094,023
FY16	6,368,905	3,156,493
FY17	6,556,908	3,222,180
FY18	6,723,296	3,292,492
FY19	6,870,979	3,265,633

Revenues in the Surface Water Fund are calculated based on the following pumpage estimates:

Pumpage (1,000 gallons)		
	City	Non-City
FY15	6,706,305	2,389,884
FY16	6,923,113	2,389,884
FY17	7,121,601	2,389,884
FY18	7,298,862	2,389,884
FY19	7,456,645	2,389,884

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	Percent Growth
FY15	2,948,791	3%
FY16	3,096,231	5%
FY17	3,251,042	5%
FY18	3,413,594	5%
FY19	3,584,274	5%

Expenditures

Operating Expenditures

Throughout the forecast, personnel costs increase by an average of 3.5% beginning in FY16. 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.

Capital Projects Operating Impact

Operating Impact of CIP projects are built in as follows (not cumulative):

Capital Projects Operating Impact		
Fund	General	Airport
FY15	\$ -	\$ -
FY16	175,045	-
FY17	464,270	-
FY18	568,270	-
FY19	634,770	12,000

Property Tax Rebates

The City reimburses tax rebates to in-city MUDs at 50% of the tax collected.

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 below:

Property Tax Rebates		
Fund	Debt Service	General
FY15	\$ 1,510,630	\$ 1,767,430
FY16	1,726,550	1,990,380
FY17	2,018,340	2,177,230
FY18	2,344,170	2,376,000
FY19	2,482,880	2,479,140

Sales Tax Incentives Agreement

Sales tax grants are built in to the forecast based on estimated sales tax collections and the percentage subject to the grant calculation:

Companies	Medline	Lifestyle Center	Etail Direct	Lake Pointe
% as per Agreement	37.5%	37.5%	37.5%	30.0%

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, Fiscal Services, Community Development 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 FY15-19. Recurring operating expenditures increase by an average of 3% from FY15 to FY19 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 3.26% for each year in the forecast. Sales tax revenues make up 47.25% of the total revenues in the General Fund while property taxes represent 24.4

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. This provides an average of \$3.43 million for pay-as-you-go capital projects per year.

Overall, the General Fund is in a stable financial position throughout the forecast. Between FY15 through FY20 the fund is expected to meet or exceed the fund balance requirement.

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 81.4% of the revenues for the Debt Service Fund. The growth in property tax revenue is due to an increase of \$0.007 for the FY15 adopted budget, an assumed 1 cent tax increase in FY17 and FY18 with an average commercial growth of 5% and residential revaluation of 3% 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 the new debt for \$11 million in COs that will be issued for the Performing Arts Center and TIRZ#4 Parking and Infrastructure. None of the PAC debt issues will be supported by property taxes. %.

The Debt Service Fund maintains its policy requirement throughout the forecast. The fund balance continues to grow through the forecast and is able to support nearly \$104.20 million in new debt for projects in the five-year CIP.

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 37.39% of revenue requirements. The forecast also shows that the monthly service charges for wastewater will recover an average of 43.71% 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 \$1,016,907 or 7.2% during the forecast, which is due to growth in personnel and operating cost.

Revenue bonds in the amount of \$81.78 million will be issued over the forecast period for capital improvement projects. Due to these anticipated debt issues, the debt service requirement for the fund increases from \$8.77 million in FY15 to \$12.72 million in FY19. The required debt service reserve averages \$6.7 million from FY15 to FY19. 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 FY17 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 forecast shows the City's ability to provide funding to meet the 30% conversion to surface water required by 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.

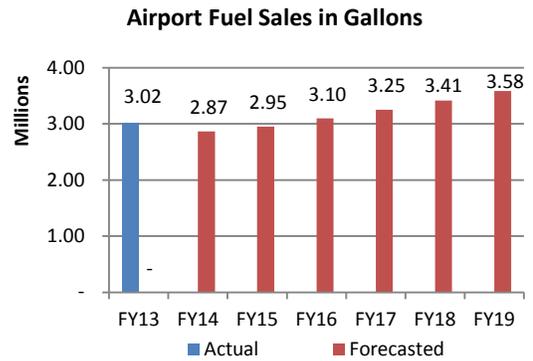
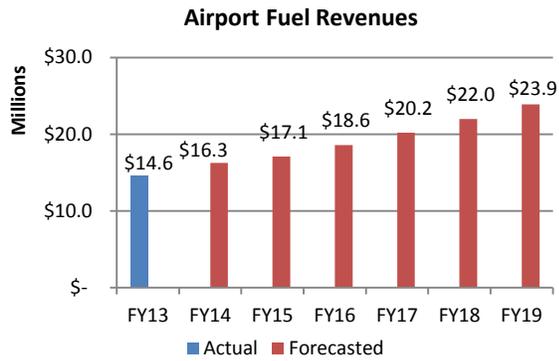
Revenues over the five-year forecast are comprised of \$20.92 million for GRP fees, \$61.59 million from City customers and \$158,130 for out-of-City service charges. A total of \$140,000 is estimated for interest income.

Total expenses for the fund are approximately \$72.32 million for the forecast. Total non-operating expenses for the forecast are \$27.25 million, which include chemicals, electricity, other contractual, water right options and permit fees. Debt service payments totaling \$38.62 million support the existing debt issued for transmission lines, the surface water plant, and new debt for \$10.5 million for Riverstone ground water plant improvements and Riverstone ground water plant connections planned for FY16 and 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 and the expansion of services for Café Select program. Fuels sales were adjusted down in FY14 as a result of night time closures for runway expansion. However, 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.



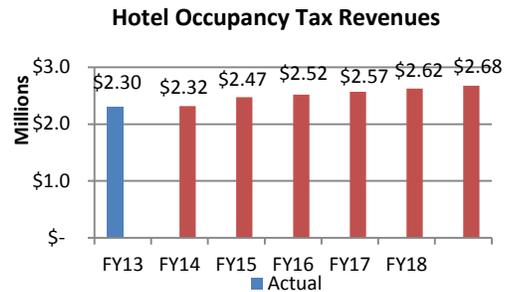
There is no increase in the fuel built into the five-year forecast outside of FY15. The increase is six cents in FY15 over FY14.

Airport operating expenses are projected to increase in the forecast at an average of 3.4% annually 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 FY15, the Tourism Fund will support \$11 million in CO's, which includes \$8 million for the Performing Arts Center and \$3 million for TIRZ#4 Parking and Infrastructure. The City plans to support 100% of the debt service payment through annual payments to the Debt Service Fund. In addition for FY15 the Tourism Fund will contribute \$1,915,000 in cash to help fund the TIRZ#4 Parking and Infrastructure.



Hotel occupancy tax revenues are projected to increase 8.3% from FY15 to FY19 based on anticipated growth from existing hotels. 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. An estimated \$3.1 million will be spent on marketing and \$1.3 million on destination development if expenditures continue based on current levels. The fund will transfer \$3.46 million to the Debt Service Fund to support existing debt service payments for the conference center, \$3.1 million for new debt service for the Performing Arts Center and TIRZ#4 Parking and Infrastructure, and \$2,590 to the Hi-Tech Replacement Fund. A reserve of \$3.4 million is set aside in the five-year forecast for opportunities. At the end of FY19, the projected ending fund balance is \$105,352. There is no minimum fund balance policy for this fund.

Five-Year Capital Improvement Program

The City's Five-Year CIP totals \$322.10 million for FY15-FY19 and consists of 128 projects, including 46 carryover projects. 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 approved 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, and fund balance. Major projects in the Five-Year CIP include wastewater, streets, municipal, and parks. A summary by project type and the funding totals appears in the table at right.

Project Type	Funding	% of Funds
Airport	\$ 2,518,150	0.8%
Drainage	30,545,000	9.5%
Municipal	89,500,000	27.8%
Parks	35,308,400	11.0%
Streets	57,146,000	17.7%
Traffic	6,780,500	2.1%
Wastewater	64,265,000	20.0%
Water	21,890,000	6.8%
Surface Water	14,144,600	4.4%
Total Projects	\$ 322,097,650	100.0%

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.

As noted in the Tourism Fund, the City has plan for the construction of the performing arts center in FY15. This project will largely be supported by SLDC as approved by voters in 2008. The Corporation is planning to issue \$36.8 million in bonds towards cost of construction for a performing arts center. In FY15 and FY16, an anticipated total of \$2.56 million will be transferred to the Debt Service Fund to pay interest on the \$35 million taxable COs during the construction of the performing arts center. Rent payments from ACE will cover the payments once construction is completed.

Expenditures over the forecast total \$49.45 million in FY15 due to the construction of the PAC and then decreases to \$9.83 million in FY19. 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 \$1.4 million each year the outstanding debt issues. For FY15 the debt on the planned issue for the PAC is \$1.28 million and then increases to \$2.5 million for the rest of the forecast. The forecast allocates \$8.8 million over the five years toward Economic Development direct incentives. A total of \$6.02 million is reserve for opportunities in the five-year forecast.

The fund is able to maintain a fund balance in excess of the 10% of budgeted sales tax policy requirement for the duration of the forecast with a budgeted fund balance amount of \$1,062,508 in FY19.

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 \$2.84 million for capital improvements, including joint participation in CIP, Town Center Pedestrian and Bicycle, University Boulevard North Landscape, Pedestrian and Bike Cooperative

Development Reimbursement, design and construction of Mayfield Park. The Corporation has three outstanding debt issues that mature in 2036. The annual debt service payment is \$3.4 million in FY15 and remains at that level for the rest of the forecast. A total of \$11.31 million is 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 10% of budgeted sales tax receipts policy requirement during the forecast and with an ending fund balance of \$704,698 in FY19.

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

	FY14 Projections	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
REVENUES						
Property Taxes	\$ 17,777,900	\$ 18,433,100	\$ 19,498,200	\$ 20,276,700	\$ 21,060,300	\$ 21,792,500
Sales Tax	35,770,455	36,232,500	37,628,413	39,078,107	40,583,651	42,147,200
Other Taxes	6,056,600	5,711,100	5,944,600	6,075,600	6,210,100	6,348,200
Licenses & Permits	2,827,100	3,016,350	3,076,700	3,151,400	3,227,800	3,306,300
Charges for Services	3,503,400	4,448,257	5,085,055	5,205,264	5,339,053	5,477,021
Fines & Forfeitures	1,915,300	2,187,600	2,246,700	2,314,100	2,383,600	2,455,000
Other	652,750	660,773	660,773	660,273	660,273	660,273
Intergovernmental	148,564	128,446	-	-	-	-
Interest Income	68,000	120,000	169,226	180,687	192,445	206,331
Operating Revenues	68,720,069	70,938,126	74,309,667	76,942,131	79,657,222	82,392,825
Transfers In	4,572,597	5,616,629	5,715,328	5,816,220	5,919,568	6,025,365
Lease Proceeds	2,554,825	750,000	-	-	-	-
Non-operating Revenues	7,127,422	6,366,629	5,715,328	5,816,220	5,919,568	6,025,365
Total Revenues	75,847,491	77,304,755	80,024,995	82,758,351	85,576,790	88,418,190
EXPENDITURES						
General Government	11,086,396	10,557,790	10,570,419	10,877,323	11,194,338	11,521,811
Finance	3,082,532	3,369,112	3,443,525	3,547,865	3,655,695	3,767,135
Public Works	9,755,655	9,595,251	9,843,249	10,038,769	10,239,680	10,461,156
Parks & Recreation	5,773,613	5,890,416	6,079,537	6,493,747	6,726,252	6,909,892
Community Development	5,319,855	5,561,865	5,704,284	5,891,255	6,084,643	6,284,671
Police Department	18,389,847	19,283,162	19,790,663	20,448,525	21,129,064	21,833,070
Fire Department	14,286,500	14,925,771	13,910,712	14,370,525	14,846,160	15,338,169
Departmental Expenditures	67,694,398	69,183,367	69,342,389	71,668,008	73,875,831	76,115,905
Transfers to other Funds	7,031,734	6,051,658	6,151,431	6,310,102	6,475,446	6,647,734
Miscellaneous	(901,823)	(96,381)	(160,976)	(175,202)	(189,556)	(204,037)
Rebates & Assignments	3,567,690	3,277,825	3,546,087	3,779,608	4,026,449	4,179,103
Debt Service	365,049	-	-	-	-	-
Non-departmental Expenditures	10,062,650	9,233,102	9,536,542	9,914,508	10,312,339	10,622,801
Total Expenditures	77,757,048	78,416,469	78,878,931	81,582,516	84,188,170	86,738,705
Revenues Over/(Under) Expenditures	(1,909,558)	(1,111,714)	1,146,064	1,175,834	1,388,620	1,679,485
Fund Balance - Beginning	19,943,860	18,034,302	16,922,588	18,068,652	19,244,486	20,633,106
Fund Balance - Ending	\$ 18,034,302	\$ 16,922,588	\$ 18,068,652	\$ 19,244,486	\$ 20,633,106	\$ 22,312,591
Ending Fund Balance- % of Oper Exp	29%	26%	27%	27%	29%	30%
Fund Balance - Requirement	15,371,364	16,510,363	16,997,053	17,500,058	18,019,844	18,556,996
Over / (Under) Policy	\$ 2,662,938	\$ 412,225	\$ 1,071,599	\$ 1,744,428	\$ 2,613,262	\$ 3,755,596

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

	FY14 Projections	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
REVENUES						
Current Property Taxes	\$ 13,736,800	\$ 15,586,600	\$ 16,348,100	\$ 18,168,500	\$ 20,083,400	\$ 20,781,700
Delinquent Property Taxes	52,100	52,100	54,900	39,000	40,900	45,400
Interest on Investments	7,958	13,511	16,280	25,239	30,750	42,564
Dissolution	308,936	-	-	-	-	-
Total Operating Revenues	14,105,794	15,652,211	16,419,280	18,232,739	20,155,050	20,869,664
Transfer In from Tourism Fund	664,214	993,308	1,365,440	1,376,659	1,384,026	1,393,263
Transfer In from CIP - Non Bond	472,500	472,500	472,500	472,500	472,500	472,500
Transfer In from Utility Fund	3,376,368	2,886,502	2,331,739	2,180,082	2,055,220	2,088,650
Total Transfers	4,513,081	4,352,309	4,169,678	4,029,241	3,911,746	3,954,413
Total Revenues	18,618,875	20,004,520	20,588,958	22,261,980	24,066,797	24,824,076
EXPENDITURES						
Debt Service: Current Debt	16,210,283	17,015,980	15,811,464	15,144,806	14,597,562	12,576,809
Debt Service: New Debt	-	1,438,550	3,773,085	5,308,446	6,629,952	7,981,737
Fiscal Fees/Other	18,000	18,000	18,200	18,400	18,600	18,800
Total Debt Service	16,228,283	18,472,531	19,602,749	20,471,652	21,246,114	20,577,345
Rebates & Assignments	1,605,450	1,510,630	1,726,550	2,018,340	2,344,170	2,482,880
Transfers to Other Funds	54,400	61,260	64,330	72,180	80,660	84,700
Total Expenditures	17,888,133	20,044,421	21,393,629	22,562,172	23,670,944	23,144,925
CHANGE IN FUND BALANCE	730,742	(39,901)	(804,671)	(300,193)	395,853	1,679,151
FUND BALANCE - BEGINNING	3,230,208	3,960,949	3,921,049	3,116,378	2,816,185	3,212,038
FUND BALANCE - ENDING	\$ 3,960,949	\$ 3,921,049	\$ 3,116,378	\$ 2,816,185	\$ 3,212,038	\$ 4,891,189
Policy Requirement	\$ 1,621,028	\$ 1,845,453	\$ 1,958,455	\$ 2,045,325	\$ 2,122,751	\$ 2,055,855
Over/(Under) Policy	2,339,921	2,075,596	1,157,923	770,860	1,089,286	2,835,334

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

	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
REVENUES					
Charges for Services	\$ 26,733,387	\$ 27,426,583	\$ 28,673,894	\$ 29,567,555	\$ 29,803,061
Surface Water Fees	11,591,453	11,981,503	12,335,184	12,648,201	12,926,028
Tap Fees	302,850	206,019	273,618	273,618	159,431
Interest Income	30,000	32,000	34,000	36,000	38,000
Miscellaneous	639,686	640,391	641,116	641,864	642,634
TOTAL OPERATING REVENUES	39,297,377	40,286,496	41,957,812	43,167,238	43,569,154
Bond Proceeds	13,270,200	9,639,000	5,457,000	13,050,900	40,361,400
Transfers In - Connection Fees	653,703	657,584	653,413	814,013	3,646,802
TOTAL OPERATING REVENUES	13,923,903	10,296,584	6,110,413	13,864,913	44,008,202
TOTAL REVENUES	53,221,280	50,583,080	48,068,225	57,032,150	87,577,356
OPERATING EXPENDITURES					
Utility Administration	616,160	636,468	657,544	679,420	702,127
Water Distribution	1,793,713	1,833,163	1,873,867	1,915,874	1,959,232
Water Production	2,847,726	2,896,244	2,935,648	2,975,864	3,016,917
Wastewater Collection	714,056	733,083	752,775	773,159	794,261
Wastewater Treatment	4,355,682	4,410,396	4,466,103	4,522,831	4,580,609
Customer Service	497,178	512,227	528,506	545,394	562,915
Water Quality	421,297	434,640	448,481	462,840	477,738
Water Conservation	284,631	289,711	294,930	300,295	305,810
Treasury	1,743,705	1,708,960	1,745,307	1,782,789	1,821,447
TOTAL OPERATING EXPENDITURES	13,274,148	13,454,889	13,703,162	13,958,467	14,221,055
NON-OPERATING EXPENDITURES					
Debt Service	8,766,489	8,870,264	9,252,494	10,237,212	12,716,675
Transfers Out	5,904,609	5,335,118	5,228,511	5,149,376	5,159,218
Transfers Out - Surface Water	11,626,834	12,006,247	12,353,602	12,663,808	12,939,928
Miscellaneous	565,000	291,804	295,532	299,366	303,309
CIP Transfers:					
Bond Projects	13,010,000	9,450,000	5,350,000	12,795,000	39,570,000
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	41,872,932	37,953,433	34,480,140	43,144,761	72,689,130
TOTAL EXPENDITURES	55,147,080	51,408,322	48,183,302	57,103,228	86,910,185
Net Income/(Loss)	(1,925,800)	(825,242)	(115,077)	(71,077)	667,171
Reserve - Debt Service	(5,640,967)	(5,977,969)	(5,983,549)	(6,551,664)	(9,184,553)
Cash Equivalent - Beginning	14,939,812	13,014,013	12,188,771	12,073,694	12,002,617
Cash Equivalent - Ending	\$ 7,373,046	\$ 6,210,802	\$ 6,090,145	\$ 5,450,953	\$ 3,485,235
CASH OPERATING RESERVE	56%	46%	44%	39%	25%
BOND COVERAGE DIRECT DEBT	1.71	1.68	1.62	1.37	1.52

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

	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
OPERATING REVENUES					
GRP Fees	\$ 4,184,027	\$ 4,184,027	\$ 4,184,027	\$ 4,184,027	\$ 4,184,027
Out of City Service Charge	31,626	31,626	31,626	31,626	31,626
Interest Income	27,000	27,500	28,000	28,500	29,000
TOTAL OPERATING REVENUES	4,242,653	4,243,153	4,243,653	4,244,153	4,244,653
Transfer In - Utilities	11,626,834	12,006,247	12,353,602	12,663,808	12,939,928
Transfer In -Connection Fees		150,505	1,196,768	980,768	980,768
TOTAL REVENUES	\$ 15,869,487	\$ 16,399,906	\$ 17,794,024	\$ 17,888,730	\$ 18,165,350
EXPENSES					
Personnel Services	850,094	884,098	919,666	956,294	994,546
Operations & Maintenance	3,498,899	3,553,602	3,599,190	3,633,235	3,667,623
Raw Water	960,817	870,297	892,054	914,356	1,051,755
TOTAL OPERATING EXPENSES	5,309,810	5,307,997	5,410,910	5,503,885	5,713,923
Capital Projects - PAYG	1,804,600	30,000	-	-	-
Debt Service Payment	7,042,101	7,212,684	8,252,863	8,044,603	8,071,256
Membranes/Capital Repairs	112,750	115,569	118,458	121,419	124,455
Transfers Out	585,877	594,710	603,677	612,779	622,019
Contingency	200,000	200,000	200,000	200,000	200,000
TOTAL NON-OPERATING EXPENSES	9,745,328	8,152,963	9,174,998	8,978,801	9,017,729
TOTAL EXPENSES	\$ 15,055,137	\$ 13,460,960	\$ 14,585,907	\$ 14,482,686	\$ 14,731,653
Net Income/(Loss)	814,350	2,938,946	3,208,117	3,406,044	3,433,697
CASH EQUIVALENTS - BEGINNING	12,024,685	12,839,035	15,777,981	18,986,098	22,392,142
CASH EQUIVALENTS - ENDING	\$ 12,839,035	\$ 15,777,981	\$ 18,986,098	\$ 22,392,142	\$ 25,825,838

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

	FY14 Projections	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
REVENUES						
Fuel Sales	\$ 16,268,588	\$ 17,094,709	\$ 18,605,876	\$ 20,216,669	\$ 21,977,754	\$ 23,903,793
Hangar Leases	1,249,679	1,288,571	1,220,936	1,523,307	1,540,891	1,593,644
Miscellaneous Revenues	477,276	585,465	591,090	591,090	591,090	591,090
Interest Income	12,000	7,000	10,000	15,000	23,000	41,000
Total Operating Revenues	18,007,543	18,975,745	20,427,902	22,346,066	24,132,735	26,129,527
Operating Transfers In	530,333	183,990	190,920	202,600	210,230	220,640
Grant Proceeds	50,000	50,000	50,000	50,000	50,000	50,000
Bond Proceeds	736,925	1,800,000	-	-	-	-
Total Non-Operating Revenues	1,317,258	2,033,990	240,920	252,600	260,230	270,640
Total Revenues	19,324,801	21,009,735	20,668,822	22,598,666	24,392,965	26,400,167
EXPENSES						
Airport Administration	1,205,812	1,043,653	1,065,031	1,086,952	1,109,430	1,132,481
Airfield Operations	-	126,891	130,411	134,033	137,762	141,599
FBO Services	13,866,267	14,686,315	16,016,632	17,465,238	19,056,625	20,805,221
Café Select	231,011	236,852	241,546	246,356	251,286	256,339
Customs	230,158	204,898	206,947	209,016	211,107	213,218
Maintenance and Operations	853,324	794,919	812,740	831,036	849,820	869,106
Total Operating Expenses	16,386,572	17,093,528	18,473,307	19,972,632	21,616,029	23,417,963
Other Requirements	995,936	1,121,140	1,150,024	1,147,066	1,150,830	1,178,671
Miscellaneous	168,971	225,630	234,069	244,611	255,259	267,017
Operating Transfers Out	1,693,199	2,674,597	1,455,899	990,513	963,366	824,860
Total Non-Operating Expenses	2,858,106	4,021,367	2,839,992	2,382,190	2,369,456	2,270,548
Total Expenses	19,244,678	21,114,895	21,313,299	22,354,822	23,985,484	25,688,511
NET INCOME (LOSS)	80,123	(105,160)	(644,478)	243,845	407,481	711,656
CASH EQUIVALENTS BEGINNING	3,727,228	3,807,351	3,702,191	3,057,713	3,301,558	3,709,038
Debt Service Reserve	(889,698)	(921,345)	(909,093)	(885,675)	(859,578)	(830,442)
CASH EQUIVALENTS ENDING	\$ 2,917,653	\$ 2,780,845	\$ 2,148,620	\$ 2,415,883	\$ 2,849,461	\$ 3,590,252
CASH EQ. RESERVE RATIO (25% min)	62%	60%	45%	49%	57%	69%
BOND COVERAGE (1.25x min)	1.53	1.62	1.66	2.02	2.09	2.23
FUEL GALLONS SOLD	2,867,426	2,948,791	3,096,231	3,251,042	3,413,594	3,584,274

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

	FY14 Projections	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
REVENUES						
Hotel/Motel Occupancy Tax	\$ 2,316,112	\$ 2,471,826	\$ 2,521,100	\$ 2,571,700	\$ 2,623,200	\$ 2,676,000
Miscellaneous	1,406	-	-	-	-	-
Interest Income	6,124	5,000	3,200	3,300	3,400	3,500
Total Revenues	2,323,642	2,476,826	2,524,300	2,575,000	2,626,600	2,679,500
EXPENDITURES						
Marketing	550,510	598,729	605,144	612,643	620,442	628,553
Destination Development	395,195	374,000	249,000	249,000	269,000	249,000
TIRZ #4 Plaza/ Streetscape	900,000	1,915,000	-	-	-	-
Reserve for Other Uses	-	1,600,000	500,000	500,000	400,000	400,000
Total Operating Expenditures	1,845,705	4,487,729	1,354,144	1,361,643	1,289,442	1,277,553
Transfer Out - Employee Benefit	610	-	-	-	-	-
Transfer Out - Hi-Tech Fund	-	518	518	518	518	518
Transfer Out - Debt Service (PAC)	-	319,697	682,450	681,800	681,050	685,150
Transfer Out - Debt Service	664,214	673,611	682,990	694,859	702,976	708,113
Transfer Out	664,824	993,826	1,365,958	1,377,177	1,384,544	1,393,781
Total Expenditures	2,510,529	5,481,555	2,720,102	2,738,820	2,673,986	2,671,334
Net Income(Loss)	(186,887)	(3,004,730)	(195,802)	(163,820)	(47,386)	8,166
Fund Balance - Beginning	4,269,302	3,508,924	504,195	308,392	144,572	97,186
GAAP Adjustments	(573,491)	-	-	-	-	-
Beginning Budgetary Balance	3,695,811	3,508,924	504,195	308,392	144,572	97,186
Budgetary Fund Balance - Ending	\$ 3,508,924	\$ 504,195	\$ 308,392	\$ 144,572	\$ 97,186	\$ 105,352

**CITY OF SUGAR LAND
2015 - 2019 CAPITAL IMPROVEMENT PROGRAM
TOTAL SUMMARY**

PROJECT TYPE	2015 BUDGET	2016 ESTIMATE	2017 ESTIMATE	2018 ESTIMATE	2019 ESTIMATE	2015-2019 TOTAL
AIRPORT	\$ 1,941,650	\$ 201,000	\$ 213,000	\$ 162,500	\$ -	\$ 2,518,150
DRAINAGE	1,940,000	13,365,000	6,230,000	2,120,000	6,890,000	30,545,000
MUNICIPAL	87,900,000	400,000	400,000	400,000	400,000	89,500,000
PARKS	15,400,000	4,483,400	3,375,000	8,575,000	3,475,000	35,308,400
STREETS	19,627,500	4,358,500	10,620,000	10,140,000	12,400,000	57,146,000
TRAFFIC	2,039,000	2,161,000	1,842,000	388,500	350,000	6,780,500
WASTEWATER	5,700,000	7,310,000	3,080,000	11,375,000	36,800,000	64,265,000
WATER	7,995,000	3,765,000	3,850,000	1,950,000	4,330,000	21,890,000
SURFACE WATER	1,804,600	1,540,000	10,800,000	-	-	14,144,600
TOTAL FUNDING	\$ 144,347,750	\$ 37,583,900	\$ 40,410,000	\$ 35,111,000	\$ 64,645,000	\$ 322,097,650

SOURCE OF FUNDS	2015 BUDGET	2016 ESTIMATE	2017 ESTIMATE	2018 ESTIMATE	2019 ESTIMATE	2015-2019 TOTAL
General Revenue	\$ 3,216,481	\$ 3,293,500	\$ 3,455,000	\$ 3,563,500	\$ 3,615,000	\$ 17,143,481
CO's	14,394,500	17,066,000	15,812,000	9,860,000	16,600,000	73,732,500
CO's/Enterprise Funds (Airport & Surface Water)	1,750,000	1,510,000	10,800,000	-	-	14,060,000
GO's	13,550,000	3,900,000	2,900,000	7,900,000	3,000,000	31,250,000
Revenue Bonds	13,010,000	9,075,000	4,930,000	11,325,000	39,130,000	77,470,000
SLDC	40,065,000	-	-	-	-	40,065,000
SL4B	1,640,000	300,000	300,000	300,000	300,000	2,840,000
Airport Revenues	191,650	201,000	213,000	162,500	-	768,150
System Revenues	3,804,600	2,030,000	2,000,000	2,000,000	2,000,000	11,834,600
Other Funding Sources	52,725,519	208,400	-	-	-	52,933,919
TOTAL	\$ 144,347,750	\$ 37,583,900	\$ 40,410,000	\$ 35,111,000	\$ 64,645,000	\$ 322,097,650

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

	FY14 Projections	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
Revenues						
Sales Tax	\$ 5,929,760	\$ 6,038,750	\$ 6,271,402	\$ 6,513,018	\$ 6,763,942	\$ 7,024,533
Interest Income	17,969	46,625	109,000	32,891	22,294	30,182
TIRZ Assignments	500,000	825,000	918,390	1,407,885	1,765,065	2,144,115
Other Revenue/Reimbursements	1,675	-	-	-	-	-
TIRZ#3	-	-	116,648	272,737	308,745	614,915
Base Rent	-	-	-	50,000	50,000	50,000
Total Operating Revenues	6,449,404	6,910,375	7,415,440	8,276,531	8,910,046	9,863,745
Bond Proceeds	7,200,000	38,877,443	-	-	-	-
Total Revenues	13,649,404	45,787,818	7,415,440	8,276,531	8,910,046	9,863,745
Expenditures						
Economic Development Program	773,627	597,018	603,000	609,000	615,100	621,200
Economic Development Incentives	2,260,000	1,700,000	1,700,000	1,700,000	1,850,000	1,850,000
Capital Projects Reimbursement	414,812	3,185,000	-	-	-	-
Reserve for Opportunities	-	550,000	-	1,200,000	1,900,000	2,900,000
Sales Tax Incentive Grant	67,778	68,400	69,000	69,600	-	-
Principal - Existing	800,000	785,000	810,000	830,000	860,000	885,000
Principal - New	-	-	890,000	910,000	930,000	950,000
Interest - Existing	630,907	639,906	534,890	513,390	488,040	461,865
Interest - New	-	1,283,798	1,618,450	1,600,450	1,582,050	1,558,500
Issuance Costs	-	423,193	-	-	-	-
Handling Fees	115,600	600	600	600	600	600
Debt Service	1,546,507	3,132,498	3,853,940	3,854,440	3,860,690	3,855,965
Other Costs - Performing Arts Center	142,200	1,951,500	-	-	-	-
Contractual Services	12,590	12,590	12,590	12,590	12,590	12,590
Transfers to Other Funds	7,049,408	38,252,622	1,617,527	556,494	574,942	594,073
Total Expenditures	12,266,922	49,449,627	7,856,057	8,002,124	8,813,322	9,833,828
Revenues Over/(Under) Expenditures	1,382,482	(3,661,809)	(440,617)	274,407	96,724	29,917
Fund Balance-Beginning	8,439,734	9,822,217	6,160,408	5,719,790	5,994,197	6,090,922
Fund Balance-Ending	9,822,217	6,160,408	5,719,790	5,994,197	6,090,922	6,120,838
Accrued Sales Tax	(1,033,132)	(1,033,132)	(1,033,132)	(1,033,132)	(1,033,132)	(1,033,132)
Debt Service Reserve	(1,452,698)	(4,025,198)	(4,025,198)	(4,025,198)	(4,025,198)	(4,025,198)
Fund Balance-Available	\$ 7,336,387	\$ 1,102,078	\$ 661,460	\$ 935,867	\$ 1,032,592	\$ 1,062,508
Minimum Fund Balance	\$ 592,976	\$ 603,875	\$ 627,140	\$ 651,302	\$ 676,394	\$ 702,453
Over/Under Policy	6,743,411	498,203	34,320	284,566	356,198	360,055
Bond Coverage Ratio (>1.25x)	3.76	1.54	1.57	1.62	1.69	1.75

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

	FY14 Projections	FY15 Budget	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
REVENUES						
Sales Tax	\$ 5,929,760	\$ 6,038,750	\$ 6,271,402	\$ 6,513,018	\$ 6,763,942	\$ 7,024,533
Interest Income	15,572	15,850	15,900	15,900	15,900	15,900
TIRZ#1 Assignment	154,031	152,911	154,297	155,404	156,157	154,007
TIRZ#3	-	-	189,984	471,549	536,503	1,103,368
Miscellaneous	296,280	80,000	80,000	80,000	80,000	80,000
Total Revenues	6,395,643	6,287,511	6,711,583	7,235,871	7,552,502	8,377,808
EXPENDITURES						
Economic Development Program	573,740	561,621	566,720	571,880	577,090	582,350
Transfer to Capital Projects	3,016,141	1,640,000	300,000	300,000	300,000	300,000
Reserve for Opportunities		550,000	1,950,000	2,460,000	2,755,000	3,600,000
Sales Tax Incentive Grant	67,778	68,400	69,000	69,600	-	-
Debt Service	4,465,413	3,367,344	3,366,138	3,345,919	3,352,281	3,344,844
Contractual Services	512,014	549,727	499,855	517,614	536,028	555,121
Total Expenditures	8,635,086	6,737,092	6,751,713	7,265,013	7,520,399	8,382,315
Revenues Over/(Under) Exp's	(2,239,443)	(449,581)	(40,129)	(29,142)	32,103	(4,507)
Fund Balance-Beginning	7,834,793	5,595,349	5,145,768	5,105,639	5,076,497	5,108,600
Fund Balance-Ending	5,595,349	5,145,768	5,105,639	5,076,497	5,108,600	5,104,094
Accrued Sales Tax	(1,033,133)	(1,033,133)	(1,033,133)	(1,033,133)	(1,033,133)	(1,033,133)
Debt Service Reserve	(3,386,450)	(3,386,450)	(3,386,450)	(3,386,450)	(3,386,450)	(3,366,263)
Fund Balance-Available	\$ 1,175,766	\$ 726,185	\$ 686,056	\$ 656,914	\$ 689,017	\$ 704,698
Minimum Fund Balance	\$ 558,591	\$ 603,875	\$ 627,140	\$ 651,302	\$ 676,394	\$ 702,453
Over/Under Policy	617,175	122,310	58,916	5,612	12,623	2,245
Bond Coverage Ratio (>1.25x)	1.67	1.76	1.80	1.87	1.94	2.02

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 first 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 proposals from qualified firms, including the current auditors if their past performance has been satisfactory. The City Council shall select an independent firm of certified public accountants to perform an annual audit of the accounts and records, and render an opinion on the financial statements of the City.

- It is the City's preference 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 proposals received, the qualifications of the firm, and the firm's ability to perform a quality audit.

- However, if through the proposal and review process, management and the Finance Committee select the current audit firm, 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 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.

- 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. Transfers to Capital Projects Funds equal to the net revenues (net of incentive grants) from Sales Tax Incentive Agreements
4. Capital Expenditures
5. 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. Sales tax from Incentive Agreements
4. Dissolution Proceeds
5. Reimbursements for One Time Items
6. Short Term 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 55%. 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 at 50% or less.

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. Deferral of capital purchases
3. Expenditure reductions
4. Hiring freezes
5. Freeze merit increases
6. Use of fund balance, including Replacement Fund balances.
7. Increase fees
8. Lay-off employees

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

The use of fund balance, which is a one-time revenue source, may be used to fund an annual operating deficit, only with a 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

- 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.
- 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.
- 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

- Monthly, the Economic Development Corporations will be allocated their percentage of the actual monthly sales tax remittances.
- 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.
- 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.
- 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.
- 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 collection of outstanding receivables when it makes economic sense for the City to do so.
- b. 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.

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.

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.

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.

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.

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 one year 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.

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 adopted with the annual budget.

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, bond issuances, 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 Joint Capital Improvement Policy)

The projects must benefit the general public; in the proposed budget, \$100,000 will be set aside annually for the City's participation in these type projects, funded through the Sugar Land 4B Corporation. The request will be reviewed, verified to ensure the request meets the criteria set forth in the policy, and prioritized in conjunction with the entire capital improvement program and 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.

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 the recommendation of the Municipal Advisor 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.

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 awarded to the City of Sugar Land must be submitted to City Council for consideration and approval. 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. 1975

AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE CITY OF SUGAR LAND, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; APPROPRIATING THE SUMS AS SET FORTH THEREIN; ADOPTING THE CAPITAL IMPROVEMENTS PROGRAM 2015 – 2019; 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, 2014, and ending September 30, 2015, 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 2015 - 2019, as set forth in Exhibit B, is adopted.

Section 3. That the Compensation Plan, as set forth in Exhibit C, is adopted.

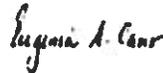
Section 4. That the budget as approved be filed with the City Secretary who in turn is authorized and directed to comply with all filing, publication and other requirements set forth in Chapter 102, Texas Local Government Code, including filing copies of this ordinance and the budget with the County 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 16, 2014, in compliance with section 6.03 (b) of the City's Charter.


James A. Thompson, Mayor

ATTEST:

APPROVED AS TO FORM:


Eugenia A. Carr


Glenda Gundermann, City Secretary

Attachments: Exhibit A – 2014-2015 Budget
Exhibit B – 2015 - 2019 Capital Improvements Program
Exhibit C – Compensation Plan

ORDINANCE NO. 1974

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, LEVYING A PROPERTY TAX RATE FOR THE YEAR 2014; 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 be increased by the adoption of a tax rate of \$0.31595, which is effectively a 6.92 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 18.7 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 2014 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 18.7 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:

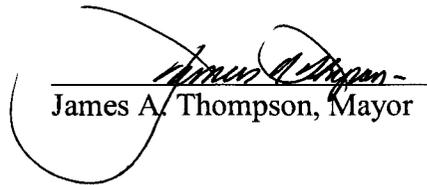
Council Members voting FOR adoption:

Council Members voting AGAINST adoption:

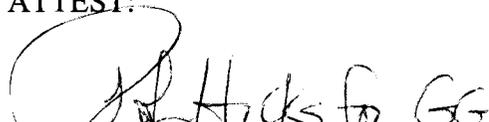
Council Members absent:

Section 4. That this ordinance is adopted upon one reading in compliance with Section 6.03 of the City Charter.

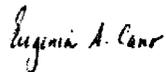
APPROVED on September 14, 2014.


James A. Thompson, Mayor

ATTEST:


Glenda Gundermann, City Secretary

APPROVED AS TO FORM



**City of Sugar Land
FY15 Salary Structure
Non-Exempt Employees**

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			
	VETERINARY TECHNICIAN			
N-04	AIRPORT SERVICES REP	\$ 14.09	\$ 18.03	\$ 21.97
	BILLING SPECIALIST II	\$ 29,307	\$ 37,502	\$ 45,698
	BUYER I			
	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
	FACILITY SERVICES TECHNICIAN			
	FLIGHT LINE CREW			
	GENERAL MAINTENANCE WORKER II			
	PARKS FACILITIES TECHNICIAN			
	SR. PERMIT TECHNICIAN			
SR. SECRETARY				
N-06	AIRPORT SPECIALIST	\$ 15.82	\$ 20.25	\$ 24.68
	CONTRACT SERVICES MONITOR	\$ 32,906	\$ 42,120	\$ 51,334
	HR SPECIALIST			
	PUMP & MOTOR TECHNICIAN I			
	PURCHASING SPECIALIST			
	RECORDS SPECIALIST			
	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			
	PERMITS COORDINATOR			
	PUMP & MOTOR TECHNICIAN II			
	TELECOMMUNICATIONS SPECIALIST			

**City of Sugar Land
FY15 Salary Structure
Non-Exempt Employees**

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 SERVICES REPRESENTATIVE SUPERVISOR			
	ANIMAL SHELTER SUPERVISOR			
	CODE ENFORCEMENT INSPECTOR			
	CREW CHIEF			
	DEPARTMENT ANALYST			
	ENGINEERING SPECIALIST			
	ENVIRONMENTAL SERVICES INSPECTOR			
	EXECUTIVE SECRETARY			
	FACILITIES COORDINATOR			
	LABORATORY TECHNICIAN			
	PERMITS SUPERVISOR			
	SR. ACCOUNTS PAYABLE SPECIALIST			
	SR. FACILITY SERVICES TECH			
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 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 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			
	SR. CONTRACT INSPECTOR SYSTEM ANALYST			
N-12	SYSTEM ADMINISTRATOR	\$ 26.36	\$ 34.25	\$ 42.16
		\$ 54,821	\$ 71,248	\$ 87,699

Effective October 1, 2014

**City of Sugar Land
FY15 Salary Structure
Exempt Employees**

Range	Position Title	Minimum	Midpoint	Maximum
E-02	BUDGET ANALYST	\$ 21.85	\$ 27.75	\$ 33.66
	COMMUNICATIONS SPECIALIST	\$ 45,448	\$ 57,720	\$ 70,013
	CONTRACTS COORDINATOR			
	EVENT COORDINATOR			
	GRAPHICS COORDINATOR			
	MANAGEMENT ASSISTANT II			
	PARKS STREETScape & DEVELOPMENT COORDINATOR			
	RECREATION COORDINATOR			
	SAFETY COORDINATOR			
E-03	ACCOUNTS PAYABLE SUPERVISOR	\$ 23.59	\$ 29.97	\$ 36.34
	AIRPORT OPERATIONS SPECIALIST	\$ 49,067	\$ 62,338	\$ 75,587
	BILLING SUPERVISOR			
	CODE COMPLIANCE COORDINATOR			
	COLLECTIONS & CUSTOMER SERVICE SUPERVISOR			
	FACILITIES SERVICES SUPERVISOR			
	HR BUSINESS PARTNER			
	PLANNER II			
	PRETREATMENT COORDINATOR			
	PRINCIPAL ACCOUNTANT			
	PRODUCER / VIDEOGRAPHER			
	PROGRAMMER ANALYST			
	RECRUITMENT & BUSINESS SERVICES ADMINISTRATOR			
SR. BUDGET ANALYST				
	STORM WATER COORDINATOR			
E-04	ACCOUNTING SUPERVISOR	\$ 25.49	\$ 32.37	\$ 39.25
	ADMINISTRATIVE MANAGER	\$ 53,019	\$ 67,330	\$ 81,640
	AIRPORT OPERATIONS SUPERVISOR			
	CONTRACTS MANAGER			
	DEPUTY COURT ADMINISTRATOR			
	ENGINEER I			
	FINANCIAL ANALYST			
	PUBLICATIONS MANAGER			
	RECORDS MANAGER			
	USER SERVICES SUPERVISOR			
	WATER CONSERVATION MANAGER			
	WEBSITE MANAGER			
E-05	ANIMAL SERVICES MANAGER	\$ 27.53	\$ 34.97	\$ 42.39
	BUSINESS RETENTION MANAGER	\$ 57,262	\$ 72,738	\$ 88,171
	CODE COMPLIANCE MANAGER			
	COMMUNITY OUTREACH MANAGER			
	COMPLIANCE MANAGER			
	CONCIERGE MANAGER			
	ENGINEER II			
	EVENT PRODUCTION MANAGER			
	FACILITIES PROJECT MANAGER			
	FLEET SERVICES MANAGER			
	IT PROJECT MANAGER			
	LAB MANAGER			
	LEAD PROGRAMMER ANALYST			
	LINE SERVICES MANAGER			
	PROJECT MANAGER			
	REAL PROPERTY MANAGER			
	RECREATION CENTER MANAGER			
	RISK MANAGER			
	SR. SANITARIAN			
SURFACE WATER CHIEF OPERATOR				
TOURISM & MARKETING MANAGER				
TRAFFIC OPERATIONS MANAGER				
	WATER RESOURCES MANAGER			

Range	Position Title	Minimum	Midpoint	Maximum
E-06	AIRFIELD & FACILITIES MANAGER	\$ 29.72	\$ 37.76	\$ 45.78
	CONSTRUCTION SERVICES ADMINISTRATOR	\$ 61,818	\$ 78,541	\$ 95,222
	DEPUTY BUILDING OFFICIAL			
	DEPUTY CITY SECRETARY			
	ENGINEER III			
	ENVIRONMENTAL MANAGER			
	FIELD OPERATIONS MANAGER			
	PARKS DEVELOPMENT MANAGER			
	PARKS SUPERINTENDENT			
	PRINCIPAL PLANNER			
	STREET/DRAINAGE SUPERINTENDENT			
E-07	ASSISTANT CITY ATTORNEY	\$ 32.40	\$ 41.16	\$ 49.90
	DEPUTY CHIEF ACCOUNTANT	\$ 67,392	\$ 85,613	\$ 103,792
	FACILITY OPERATIONS MANAGER			
	HR MANAGER			
	INTERGOV'L RELATIONS MANAGER			
	IT OPERATIONS MANAGER			
	SR. ENGINEER			
	SURFACE WATER PLANT MANAGER			
	TRAFFIC ENGINEERING & CONTROLS MANAGER			
E-08	ASSISTANT COMMUNICATIONS DIRECTOR	\$ 35.32	\$ 44.86	\$ 54.39
	COMMUNITY DEVELOPMENT ADMINISTRATOR	\$ 73,466	\$ 93,309	\$ 113,131
	IT MANAGER			
	MUNICIPAL COURT ADMINISTRATOR			
	PURCHASING MANAGER			
	TREASURY MANAGER			
E-09	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 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, 2014

**City of Sugar Land
FY15 Salary Structure
Management & Elected Officials**

Range	Position Title	Minimum	Midpoint	Maximum
M-01	ASSISTANT TO THE CITY MANAGER	\$ 38.49	\$ 48.90	\$ 59.29
	BUILDING OFFICIAL	\$ 80,059	\$ 101,712	\$ 123,323
	CITY SECRETARY			
	COMMUNICATIONS 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 FINANCE			
	DIRECTOR OF HUMAN RESOURCES			
	DIRECTOR OF INFORMATION TECHNOLOGY			
	DIRECTOR OF PARKS & RECREATION			
	DIRECTOR OF PLANNING			
	DIRECTOR OF PUBLIC AFFAIRS			
	DIRECTOR OF PUBLIC WORKS			
	FIRE CHIEF			
	POLICE CHIEF			
M-03	ASSISTANT CITY MANAGER		UNGRADED	
	CITY ATTORNEY			
	CITY MANAGER			
	FIRST ASSISTANT CITY MANAGER			
	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, 2014

**City of Sugar Land
FY15 Salary Structure
Police, Detention, & Dispatch Employees**

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
PUBLIC SAFETY DISPATCHER - RECRUIT	PTR	\$16.10 \$33,478		
PUBLIC SAFETY DISPATCHER I (CERTIFIED)	PT1	\$16.79 \$34,922	\$20.58 \$42,809	\$24.37 \$50,697
PUBLIC SAFETY DISPATCHER II (CERTIFIED)	PT2	\$18.89 \$39,287	\$23.30 \$48,466	\$27.71 \$57,646
PS DISPATCH SHIFT SUPERVISOR	PT3	\$22.25 \$46,273	\$26.63 \$55,385	\$31.01 \$64,497
DEPUTY PS DISPATCH MANAGER	PT4	\$27.26 \$56,693	\$32.03 \$66,623	\$36.80 \$76,546
PS DISPATCH MANAGER	PT5	\$32.71 \$68,032	\$38.43 \$79,943	\$44.16 \$91,850
DETENTION OFFICER - RECRUIT	PDR	\$16.07 \$33,434		
DETENTION OFFICER (CERTIFIED)	PD1	\$16.92 \$35,195	\$20.30 \$42,232	\$23.69 \$49,271
POLICE OFFICER - RECRUIT	P-1	\$20.79 \$43,243		
POLICE OFFICER	P-2	\$24.20 \$50,335	\$28.43 \$59,137	\$32.66 \$67,938
POLICE SERGEANTS	P-3	\$32.35 \$67,297	\$35.59 \$74,026	\$38.83 \$80,756
POLICE LIEUTENANT	P-4	\$37.42 \$77,827	\$41.05 \$85,393	\$44.69 \$92,959
POLICE CAPTAIN	P-5	\$41.51 \$86,332	\$45.66 \$94,966	\$49.81 \$103,599
ASSISTANT CHIEF OF POLICE	P-6	\$46.11 \$95,915	\$51.88 \$107,905	\$57.64 \$119,894

Effective for October 1, 2014

**City of Sugar Land
FY15 Salary Structure
Fire Employees**

Job Title	Range	Hourly Annual Minimum	Hourly Annual Midpoint	Hourly Annual Maximum
FIREFIGHTER	F-1	\$15.89	\$18.67	\$21.45
	<i>(2912 Hours Annually)</i>	\$46,264	\$54,366	\$62,467
FIRE DRIVER	F2F	\$19.44	\$22.48	\$25.53
	<i>(2912 Hours Annually)</i>	\$56,601	\$65,471	\$74,342
FIRE LIEUTENANT (SHIFT)	F3F	\$23.13	\$25.45	\$27.76
	<i>(2912 Hours Annually)</i>	\$67,364	\$74,101	\$80,837
FIRE INSPECTOR/INVESTIGATOR	F3G	\$32.39	\$35.63	\$38.86
FIRE LIEUTENANT (NON-SHIFT)	F3G	\$32.39	\$35.63	\$38.86
	<i>(2080 Hours Annually)</i>	\$67,364	\$74,101	\$80,837
FIRE CAPTAIN (SHIFT)	F4F	\$25.24	\$27.77	\$30.29
	<i>(2912 Hours Annually)</i>	\$73,512	\$80,863	\$88,214
FIRE CAPTAIN (NON-SHIFT)	F4G	\$35.34	\$38.88	\$42.41
	<i>(2080 Hours Annually)</i>	\$73,512	\$80,863	\$88,214
BATTALION CHIEF (SHIFT)	F5F	\$27.24	\$30.07	\$32.90
	<i>(2912 Hours Annually)</i>	\$79,323	\$87,570	\$95,817
BATTALION CHIEF (NON-SHIFT)	F5G	\$38.14	\$42.10	\$46.07
ASSISTANT FIRE MARSHAL	F5G	\$38.14	\$42.10	\$46.07
	<i>(2080 Hours Annually)</i>	\$79,323	\$87,570	\$95,817
ASSISTANT FIRE CHIEF	F6G	\$42.86	\$48.36	\$53.86
	<i>(2080 Hours Annually)</i>	\$89,143	\$100,584	\$112,025

Effective for October 1, 2014

**Schedule of Depreciation - FY2013
For FY2015 Fire Fee Calculation**

**CITY OF SUGAR LAND, TEXAS
NOTES TO FINANCIAL STATEMENTS (continued)**

Note 4 – Capital Assets (continued)

Depreciation was charged to programs as follows:

General government	\$ 1,131,119
Administrative services	1,552,931
Public works	11,153,879
Parks and recreation	1,212,529
Community development	94,096
Public safety-Police	903,670
Public safety-Fire	708,052

In addition, depreciation on capital assets held by the City's internal service funds is charged to various functions based on their usage of the assets

Total Governmental Activities	<u>\$ 16,756,276</u>
Water and wastewater	\$ 7,960,924
Airport	2,025,693
Surface Water	108,088
Total Business-Type Activities	<u>\$ 10,094,705</u>

Reconciliation of Depreciation	
Total of Depreciation from Detailed Listing	\$ 708,052
CAFR Depreciation for Fire Department	<u>\$ 708,052</u>
To Calculate Fire Fees: Subtract Building Depreciation	\$ (205,803)
Total Depreciation Allocated for Fire Costs	<u>\$ 502,249</u>

Schedule of Depreciation - FY2013**For FY2015 Fire Fee Calculation****Fleet**

2010 CHEVY TAHOE UNIT#136	6,132
FIRE TRUCK UNIT#124	29,694
SPARTEN FIRE TRUCK UNIT#130	16,471
REHABILITATION TRAILER	5,341
2005 PUMPER UNIT#117	39,846
PIERCE 75'AERIAL UNIT#128 L2	67,203
2008 F450 UNIT#108	2,988
FIRE TRUCK 2008 CRIMSON PUMPER UNIT #131	62,330
INFLATABLE DIVE TEAM BOAT	1,338
FIRELIGHT SKID UNIT-UNIT#140	2,233
2012 GATOR UNIT# 139	3,493
2008 FUSION UNIT#106	1,647
2010 FIRE TRUCK UNIT#137	66,350
GOLF CART-UNIT#168	1,473
2013 SPARTAN FIRE TRUCK UNIT#132	69,000
2010 CRIMSON LADDER TRUCK	65,643
Total Fleet Depreciation - FY13	441,182

Capital

AIR PACK #42	190
AIR PACK #43	190
AIR PACK #44	190
AIR PACK #45	190
AMPLIFIERS-PD,FIRE(ALL TYPES),MICROPHONES,PA SYS	203
AUDIO/VISUAL SYSTEM AT FIRE ADMIN	5,843
AUX, GENERATOR FOR ALT. EOC	1,447
BREATHING AIR COMPRESSOR	935
BUNKER GEAR WASHER/EXTRACTOR	1,214
COMPACT DUO PUMP	1,986
CROSSTRAINER EFX 546	195
FIRE STATION #2 GENERATOR	2,736
FIT TESTING MACHINE	662
FLAG POLES FIRE #1	250
GAS GENERATOR	233
GAS GENERATOR-ENGINE 5	233
GAS LINE AT EOC- FOR EOC GENERATOR	130
GEAR WASHER/EXTRACTOR	2,353
GENERATOR (GAS)- FIRE ST #5	1,029
GENERATOR ELECTRICITY(BACK-UP)	1,000
HOSE TESTER (FD1)	365
IN CAR VIDEO	854
INDOOR SPRINKLER SYSTEM FIRE #1	2,933
MOTOR HOLMATRO PERSONAL POWER PLANT	439
PRECOR CROSSTRAINER C546	393
PRECOR TREADMILL C956	478
RESCUE TOOL HOLMATRO COMBINATION SPREADER CUTTER	149
RESCUE TOOL HOLMATRO HYDRAULIC CUTTER 9"	176
RESCUE TOOL HOLMATRO TELESCOPIC MINI-RAM	118
RESCUE TOOL HOLMATRO TELESCOPIC RAM	149
SCBA SYSTEM BREATHING COMPRESSOR	3,000

Schedule of Depreciation - FY2013

For FY2015 Fire Fee Calculation

SPREADERS 4242	856
STORAGE CONTAINER 40' PORTABLE	77
THERMAL IMAGER CAMERA	2,445
THERMAL IMAGING CAMERA	4,896
TREADMILL	483
WASHER FOR BUNKER GEAR	1,021
MOBILE WORKSTATION PCFD164	388
MOBILE WORKSTATION PCFD207	388
SWITCH 3560E	1,899
SWITCH SWTFD101 CATALYST 3560E	1,007
ZETRON TRANSPONDER	132
WORKSTATIONS(4)	2,639

Total Capital Depreciation - FY 13 **46,494**

Building

A/C UNIT AT FIRE STATION #1	462
BUILDING CARPET REPLACEMENT	1,948
BUILDING FIRE#1 @ MATLAGE WAY	65,656
BUILDING RENOVATIONS	10,905
FIRE ADMIN BLDG RENOVATIONS	2,143
FIRE STATION # 5	2,654
FIRE STATION #2 BLDG	3,556
FIRE STATION #3 BLDG	5,356
FIRE STATION #4 BLDG	4,356
FIRE STATION #5 BLDG	22,071
FIRE STATION #5 BLDG -IMPROVEMENT	703
FS#6 ADMIN BLDG	15,404
FS#6 BLDG :ROOF	1,155
FS#6 BLDG INTERIOR:CARPET	505
FS#6 BLDG INTERIOR:COOLING/HEATING SYSTEM AIR CIRC	3,307
FS#6 BLDG INTERIOR:ELECTRICAL	4,500
FS#6 BLDG INTERIOR:SPRINKLER SYSTEM	2,425
FS#6 BLDG INTERIOR:TILE	168
FS#6 BLDG INTERIOR:WATER SYSTEM	5,350
HVAC CONTROL SYS @ FIRE ADMIN/ANNEX	4,255
HVAC UNIT W/ ELECTRONIC CONTROLS FIRESTATION#2	5,896
1500-WATT TOWER	552
750-WATT TOWER	1,103
FIRE STATION #5 - SIDEWALK,PAVING,PARKING	1,026
FS#6 F&OI: LANDSCAPING(TREES,PLANTS,GARDENS)	550
FS#6 F&OI: PARKINF LOTS(STOPS,DRIVEWAYS,BARRIERS)	3,610
FS#6 F&OI: SIGNS	220
FS#6 F&OI:FENCING AND GATES,FLAGPOLE	165
GROUP OF CHAIN LINK FENCING	205
GROUP OF CONCRETE CURBING	170
GROUP OF CONCRETE PAVING	16,700
PAVEMENT LOT FIRE # 1	4,467
VEHICLE EXHAUST REMOVAL SYSTEM	12,447
WATCHDOG MONITOR DEVICE	1,553
LIGHTING OUTDOOR	178
LIGHTING OUTDOOR - 4 @\$250/EA	50
LIGHTING OUTDOOR -3@\$250/EA	38

Total Building Depreciation - (not in calculations) - FY 13 **205,803**

Dispatch

3 DISPATCH CONSOLES	14,574
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Total Dispatch Depreciation - FY 13 **14,574**

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.

Acronyms

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