City of Sugar Hill
2026 Budget Overview

November 17, 2025

2025 HIGHLIGHTS

For the 12th consecutive year, the city received a "clean audit" with **NO** findings from its independent auditing firm of Mauldin and Jenkins. We ended 2024 with strong unrestricted reserves and $38,000,000 of cash on hand.

On Friday, October 24th, the Georgia Department of Audits and Accounts notified the city that they had concluded their review of our FY2024 Audit and wrote the following:

"No items were identified for immediate correction during our review. We appreciate your efforts and the efforts of your independent auditor in meeting the reporting requirements for Georgia local governments."

We expect to end FY2025 with an unrestricted fund balance of over $17 million. We accomplished this while continuing to make our "mortgage" payments for the E Center and Lyric Parking and Temple Mixed-Use property and investing in community projects that make Sugar Hill the great place it is to live, work and raise a family.

2025 Capital Projects and Maintenance Activities include:

- Start of construction of Highway 20 Greenway Bridge.
- Resurfaced 4.72 miles of city streets.

- The city was awarded over $2.5 million of CDBG/HOME funds from Gwinnett County for a single-family detached affordable housing initiative on Roosevelt Circle.

- TRANSCO Utility Tap & Regulator Station Upgrade has been completed. First major investment in the city's gas system since the 1960s.

- Completed construction of a half mile of new sidewalks on the East Side of Peachtree Industrial Boulevard from Park Ridge to Spring Hill.

- Ridge Lake Park Phase 2 improvements consisting of a new 6,500-SF playground with shade structures, bench seating, two large play centers and several other pieces of play equipment will be completed late 2025 or early 2026.

- Opened over a mile of new Greenway constructed by the private sector from Stanley Street to just beyond Hillcrest Landing.

- Completed Cemetery Phase 3 Fencing Improvements.

- Completed community engagement activities for two new downtown parks – Champion Park and Oak Street Inclusive Park completed.

- Continued investments downtown ranging from holiday decorations, wayfaring, and new hanging flower baskets.

- And finally, **our Public Works staff**, in addition to maintaining the Right-of-Ways and medians along Highway 20 from Buford Highway to the Chattahoochee River and Peachtree Industrial Boulevard from Tench Road to the northern city limit, in addition to all city streets and ROW.

- City right-of-way maintenance of PIB and Highway 20 makes a great first impression for the 50,000+ drivers entering and leaving Sugar Hill daily.

- They bring a wealth of "can do" spirit to all projects they touch. Their **construction expertise** and internal customer service help move projects forward in a timely and cost-effective fashion. Improvements at the Atlas property and a new pole barn at the Public Works facility are just a few examples of projects they have underway.

FY2026 BUDGET PROPOSAL OVERVIEW

- State law requires local governments to adopt "a balanced" Operating Budget as well as a **Capital Improvement Program Budget** (CIP) that identifies the sources of funds anticipated to finance the proposed capital projects.

- The notice of availability of the proposed **2026 budgets** appeared in the Gwinnett Daily Post on Sunday, November 16, 2025.

- The budgets have been available for public inspection in the City Clerk's office and on the city's web site since Monday, November 17, 2025.

- This same notice announced the dates of the public hearings:
  - **December 1, 2025, at 7:00pm**
  - **December 8, 2025, at 7:30pm**.

- As has been the management team's practice over the last 12 years, we have **conservatively forecasted** 2026 revenues while not affecting the delivery of important public services. We also enabled the city to invest in quality-of-life assets and activities, while maintaining healthy unrestricted reserves in the event of unforeseen emergencies.

- The FY2026 Budget includes a recommended **4.5% performance compensation** adjustment for all full-time employees as well as regular part-time employees. The budget also includes an anticipated **12% increase** in the cost of medical insurance coverage for our employees and their families.

- Unlike private sector accounting, governmental accounting is fund-based, budgeted and reported at the department level. In the Operating Budget, we have **16 operational departments**.

- **"Other Funds**" include **eleven (11) different funds**, including the city's **Capital Improvement Program** (CIP), three **(3) "Enterprise Funds**" (Gas, Golf and Stormwater), Municipal Court, DDA Operations, DDA E Center, DDA Debt Service, E Center Mixed Use, Temple Mixed Use and the Riverlands Authority.

GENERAL FUND HIGHLIGHTS

- The **Mayor and Council** budget shows a 26.86% increase, reflecting the proper assignment of property and liability insurance to this department.

- The **Election** budget includes $4,000 for non-election year training.

- The **Administration** Department is the largest department in the General Fund. Generally Accepted Governmental Accounting Principles require most governmental revenues to flow in and out of this department. The department shows a nominal increase of 2.15%.

- **Information Technology** shows an increase of **21.85%** for hardware and software upgrades and a new server.

- The **Facilities Department** shows a **17.39%** increase. This increase addresses deferred facility maintenance projects at city hall and E Center.

- The **Marketing and Communications Department** remains relatively level compared to 2025.

- The **Public Safety Department** budget reflects an increase of **12.13%.** The department is now fully staffed with 9 full-time marshals and 12 reserve marshals, all POST-certified. All reserve marshals were recently added to the city's workers compensation insurance. The budget includes a new full-time administrative assistant to handle ongoing paperwork, data entry and reporting. It also includes funds for computer software upgrades for reporting and analysis.

- The **Street Department** budget shows a **6.99%** increase over 2025. This includes a new truck that is now programmed as a lease payment and includes an important equipment trailer for department use.

- The **Landfill department** has increased by **57.89% ($27,500).** The increased expenses are primarily caused from a depreciation expense recommended by the city's auditor along with new insurance coverage required by the Georgia Environmental Protection Division (EPD). All expenses relate to state monitoring and reporting requirements of the city's closed landfill and have remained consistent over the last few years. A portion of these expenses are offset through a grant reimbursement from (EPD).

- The **Cemetery department** budget shows an increase of **31.75% ($17,150)** reflecting costs of maintenance and operations of the Sugar Hill Historic Cemetery. A significant portion of these expenses are offset by cemetery plot sales and the funds from the cemetery reserve fund provided to city by the Trustees of the Cemetery when the city took ownership and maintenance responsibilities.

- The **Recreation Department** budget reflects an increase **of $255,680 (12.69%)** attributable to the transfer of a full-time position from Facilities to Recreation for dedicated custodial services for the E Center campus. It also includes the transfer of an existing position for the purpose of managing mountain biking and pedestrian trail maintenance and outdoor programming, as well as other maintenance activities at our parks and greenspace assets continue to expand. Other costs reflect E Center gymnasium floor refinishing, new furniture in the gymnasium lobby, and downtown landscape enhancements. A new truck for the department is programmed as a lease payment.

- The **Cultural Resources/Community Engagement** department has increased by **$7,000 (9.72%).** It includes additional funds for the Broad Street Concert Band related to **America 250 (Semiquincentennial) programming**, including music licensing fees and sheet music purchases. It also includes funds for the Sugar Hill Players Guild, continued investment in the Sugar Hill Youth Council, and funding for the Arts Commission, Historical Society, Community Garden, and common area maintenance (CAM) charges for the city's History Museum and Art Gallery space in The Local.

- The **$130,025 (16.95%)** increase in **The Eagle Theatre** is the result of the overwhelming popularity of this asset. The Eagle is booked 362 days of the year for rehearsals and performances of plays, musicals or concerts. The only time The Eagle is "Dark" is Thanksgiving, Christmas, and New Year's. The increasing use of The Eagle demands continued investment in lighting, sound, rigging systems and the Marquee, and routine deep cleaning of chairs and carpets.

- The **Bowl/Plaza Events** department reflects an increase of **$71,100**, **(5.93%).** This includes adding one part-time seasonal venue assistant to supplement staff during peak times of the year.

- The **$278,670 (23.03%)** increase in the **Planning and Development Department** is attributable to the replacement and upgrading of the city's permitting and code enforcement software to improve internal efficiency and reporting, as well as including features that enhance the customer experience.

- The **Economic Development/Mainstreet** department shows an increase of **$13,410** (**7.22%).** It includes one staff person dedicated to downtown and Mainstreet activities. It also includes funds for downtown light pole banners, landscaping and programming. The City Manager and Assistant City Manager will provide expertise as needed.

- The **FY2026 General Fund Operational Budget** is **$17,651,402**. This reflects a **9.19%** increase compared to **FY2025**.

CAPITAL IMPROVEMENT PLAN HIGHLIGHTS

- The **2026 Capital Improvement Program budget (CIP)** is **$14,125,040,** which reflects a **$1,515,023 (12.01%)** increase **compared to FY2025**.

- The updated **Five-Year CIP (FY2026-FY2030),** which is required by state law, totals **$55,171,040**. **ALL FUNDS** to implement the 5-Year Plan come from a variety of sources, such as SPLOST-17, SPLOST-23, proposed SPLOST-29. LMIG, Stormwater fees, enterprise funds, private donations, and federal and state grants. No General Fund dollars are programmed for the CIP in FY2026.

- A properly built Capital Improvement Plan attempts to accurately reflect the ebb and flow of capital planning to get projects ready for bid and contracting. Projects originate as ideas from the community through the city's various ongoing planning initiatives as well as ideas originating from the city's various authorities and commissions and city council. Projects take time to "mature" from their initial inclusion in the 5-year CIP horizon to the year they are included in CIP budget for design, engineering, bidding, and construction.

- Projects in the **FY2026 Capital Improvement Budget** include:

    - Completion of the Highway 20 Greenway Bridge
    - Roosevelt Circle Housing Initiative
    - Ridge Lake Park - Phase 3 Improvements (Parking, Pavilion, Fishing)
    - Downtown Park Activation and Accessories
    - LMIG Road Resurfacing Program
    - Hillcrest Greenway Extension
    - E Center/Landing Shade and Promenade Upgrades
    - Riverland Outdoor Recreation – Initial Phase (Trails, Parking)
    - Oak Street Inclusive Playground/Park Design and Construction
    - Champion Tree Park Design and Construction
    - Highway 20 ROW Landscaping
    - Public Works Administration Building
    - Downtown LCI Greenway Trail Connector (PIB East to E Center)
    - Upgraded Historic Sugar Hill Cemetery Entrance Gates/Sign
    - Downtown Public Parking (Atlas) and Access Controls
    - Railroad at First Avenue Safety Improvements

- Previously approved and programmed **SPLOST-17 and SPLOST-23** funds for recreation, cultural resources, public works and transportation, as well as LMIG grants, other grants and private donations will finance the **FY2026 CIP project list.**

ENTERPRISE FUNDS

- The largest city enterprise fund is the **Sugar Hill gas system.** The budget shows a small **($79,208)** increase over 2025. Sugar Hill Gas System now has almost 13,000 meters. It is, by ALL measures, **the lowest annual cost of gas in the entire State of Georgia**, including all municipal owned systems, such as Buford and Lawrenceville, and **EVERY** gas marketer operating under Atlanta Gas Light (AGL). Our gas appliance rebate program and on-bill financing have been highly successful marketing and customer retention strategies.

- The **$64,509** decrease in the **Golf Fund** reflects continued strong performance of the Sugar Hill Golf Club. We continue to make significant investments in **maintenance and golf experience improvements**, and have programmed similar investments in **FY2026,** such as irrigation systems and clubhouse enhancements. In FY2025, we anticipate ending the year with over 40,000 rounds of play. This compares to 20,000 rounds a year several years ago. Low green fees as well as a well-maintained, challenging, and naturally attractive golf course have helped increase rounds of play.

- The **Stormwater Fund** tracks anticipated revenues from the city's stormwater utility fee and investment of these resources in system maintenance, repairs, and equipment. The fund remains almost level compared to FY2025. We do anticipate significant stormwater mitigation improvements/investments in Q1 or Q2 of FY2027 using state and federal hazard mitigation grant funding.

OTHER FUNDS

- **"Other Funds" are** comprised of the **CIP** and city's **three (3) enterprise funds** (Gas, Golf and Stormwater) as described above. They also include municipal court, Riverlands Authority, and Downtown Development Authority activities, including:
    - DDA operations (tenant improvements)
    - DDA E Center
    - DDA Debt Service
    - DDA E Center

- DDA Mixed-Use management
- Temple Mixed-Use management

- **Municipal Court** expenses have decreased by **$5,950** to reflect anticipated FY2026 expenses and assigning certain software expenses to the Public Safety Department.

- **DDA Operations of $154,824** include expenses related to DDA member training and education, legal fees, as well as non-tenant maintenance expenses of the Suite Spot. Any 2026 downtown real estate sales or downtown real estate acquisitions would be reflected in this fund.
- **DDA E Center** reflects an increase over 2025 for tenant improvements of a new second floor tenant and expansion and tenant improvements of Indio Brewing.

- **$3,669,305** is budgeted for **DDA Debt Service** for the **E Center** and the **Lyric Parking Deck/Temple Retail** bonds. All debt service payments are covered by income from commercial leases as well as transfers from the gas fund. **Note**, 40% of Sugar Hill gas customers do not live in the City of Sugar Hill but help pay debt service on the E Center and Temple bonds. **NO** property taxes are used to cover debt service. **E Center bonds** will be fully retired on **December 1, 2035**. **Temple Mixed Used bonds** will be retired on **December 1, 2033**.

- We have budgeted revenue of **$899,500** for **E Center Mixed-Use** lease income. A small portion of this revenue will be used for E Center mixed-use operational expenses and the remainder for the E Center mortgage.

- We have budgeted **$1,034,250** for **Temple Mixed-Use activities**, including retail tenant improvements for the two remaining leasable spaces as well as transfer of net lease income for the Temple Parking/Mixed-Use mortgage. Since 2025, four (4) new tenants have opened and are fully operational – Starbucks, Playa Bowls, Kilwins and August Swine. We are patient on attracting the right commercial mix for the last two spaces, with one specifically reserved for a “date night” restaurant experience.

- The **Riverlands Authority** has completed a Riverland’s Master Plan for the city-owned real estate south and north of Highway 20 near the Chattahoochee River. We have included **$60,000** in total funding for the authority ($30,000 is carried forward from the FY2025 budget) for additional consultant work as well as legal expenses.

- The **CIP, Enterprise Funds and Other Funds** reflect a **1.35% decrease** compared to FY2025.

- The **combined 2026 General Fund Operating budget, Capital Improvement Program Budget, Enterprise Funds and Other Funds** total **$51,644,326**, an overall **increase** of **2.02%** compared to **FY2025**.

SUMMARY

- The city remains in a sound financial position with approximately **$17 million** in unrestricted reserves expected when we close out FY2025. This reflects **about 100%** coverage of the proposed **FY2026 General Fund**. This "rainy day fund" or city savings account, provides an operational cushion in the event of another catastrophic financial crisis or localized natural disaster such as a major and sustained wind, rain or ice event.

- The city is blessed with over **$300 million** of world-class assets such as:

    - The E Center
    - Eagle Theatre
    - The Bowl
    - The Dawn P. Gober Community Plaza
    - Splash Park
    - The Landing
    - Veterans Memorial
    - The Historic Sugar Hill Cemetery
    - Cornerstone Park
    - The Sugar Hill History Museum and Art Gallery
    - City Hall
    - The Sugar Hill Greenway
    - Gold Mine Park
    - Sugar Hill Golf Club
    - Gary Pirkle Park
    - Ridge Lake Park
    - Orrs Ferry / Riverlands Park

- Based on public input received over the past year, concept drawings for two new downtown parks - **Oak Street Inclusive Park** and **Champion Park on West Broad** – have been prepared. Design firm(s) will be engaged in FY2026 for final renderings and engineering that would lead to construction of the parks later in FY2026. Funds are programmed in the FY2026 CIP for these new downtown parks.

- After over a year of planning and public input, the Riverlands Authority will begin design and construction of The Riverlands Park. Designed with

nature in mind, this park will offer mountain biking, pedestrian trails and nature walk areas on 90 acres owned by the city north of Highway 20 near the Chattahoochee River,

- The city has **THE LOWEST** 12-month cost of gas to the customer of **ANY** municipal system in the state as well as **ALL** private sector marketers of Atlanta Gas Light Company, such as Gas South, Georgia Natural Gas, or SCANA, to name a few. Compared to our municipal gas neighbors (Buford and Lawrenceville) as well as EVERY gas marketer of AGL, Sugar Hill rates and cost to the customer are 50% to 100% lower than those gas providers.

- As a healthy and growing city with a healthy gas utility **that has 40% of its customer base outside the city limits,** property tax relief to city homeowners could be addressed by raising the monthly gas service charge to an amount in the middle of the pack of municipal gas systems as well amend the gas rate ordinance to increase the margin return to middle of the pack. Another suggestion is for our gas rates to automatically adjust to reflect real costs of delivery and CPI growth.

- As managers of the system, we work hard every day to maintain a safe, reliable, low cost, and environmentally friendly energy option to our residents. We market our gas system daily and a healthy Sugar Hill Gas System equates to a healthy Sugar Hill. Growing our meter count is an important ingredient of a long-term financial health strategy. Our **long-term goal is 15,000 active meters by the end of 2030.** To get there, we will need to add **400 new active meters a year** from **2026 – 2030.** Recent investments in our meter station, long-term supply purchases, and customer retention practices have positioned the city to deliver and sustain our reliable, safe and inexpensive energy source for our customers and community.

- I am **proud** of the work our MVPs – our 130 employees – who serve our nearly 30,000 residents, 13,000 gas customers, and the **2 million+ people** that visit downtown yearly. They come for our growing number of restaurants and specialty shops, concerts, plays, musicals, comedy shows, Sugar Rush and Holiday festival, school and corporate meetings, Farmers Market, Sugar Hill Ice Rink, Splash Pad, the E Center, 37th Street Station, The Landing, Eagle Theatre, The Bowl, Veterans Memorial, Cornerstone Park, our Historic Sugar Hill Cemetery, City Hall and a host of Instagram worthy locations. **Soon, our Highway 20 Greenway Bridge** will open a whole new world of offerings in our downtown area for more people to engage and enjoy.

- On behalf of the city's management team, I **submit** the **FY2026 Operating Budget, Capital Improvement Budget, Enterprise Fund Budgets, and "Other Funds" Budgets for your consideration and adoption.**

- We look forward to a successful **2026**.

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