

OVERVIEW



Swimming at Blue Hole

OVERVIEW

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October 1, 2015

To the Honorable Mayor Ross, Members of the City Council, and Citizens of Georgetown:

We are pleased to present the City of Georgetown Annual Budget for Fiscal Year 2016. The Annual Budget outlines the programs and services provided to our citizens during this fiscal year. The document details the City's plans relating to development, capital improvement, and enhancement in service levels. Furthermore, the Annual Budget process builds upon the foundation for enhancing the City's vision for the future, as outlined within the Georgetown 2030 Plan.

FY2015 YEAR IN REVIEW

Economic Activity & Growth

Over the past 24 months, the Austin MSA has been one of the more robust and healthy economies in the nation. Many cities in the region have seen tremendous growth in property values, single family housing permits, sales tax revenue, and population. Georgetown is no exception.

Over the past year, Georgetown's total assessed value has grown by nearly \$600 million, which represents an increase of over 10% from last year. This year's increase marks the 2nd year in a row in which the City has seen a double digit percentage increase in total assessed value. The average home value in the City has risen to \$234,785. This represents an increase of 11.5% relative to last year. Permits for single family residential housing totaled over 1,300 in 2015, which continues a three year growth trend.

US Census data showed Georgetown was the second fastest growing city in America in 2015, with a population over 50,000. On average, over 11 people a day moved to the City to make Georgetown their home. This level of growth is unseen before in this city and makes this an exciting time to live in Georgetown.

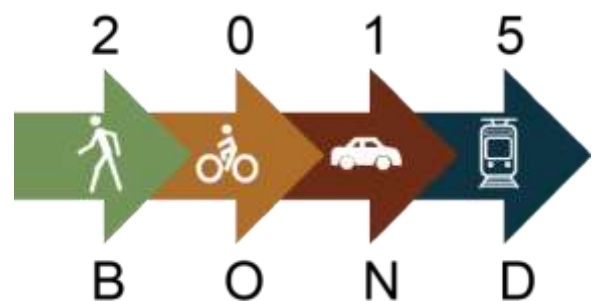
However, with the growth comes the reality of increased demands for fundamental City services like public safety, transportation, and utilities. Throughout the budget process, it was our goal to help mitigate the impact growth has on service demands through sound financial investments in key service areas and infrastructure.

Council Focus Areas: Accomplishments in FY2015

Transportation: In May of 2015, voters approved a \$105 million Transportation Bond. The successful bond election will provide the City the capital to invest in key transportation projects over the next decade.

Council formed a bond committee, and approved a bond package which seeks to address the following eight transportation issues:

- Reduce traffic on Williams Dr. and improve circulation in the gateway area.



- Reduce traffic on SH 29.
- Repair sidewalk ADA and safety issues.
- Reduce congestion and improve traffic flow on Leander Rd.
- Improve intersection management.
- Improve accessibility to GISD facilities from Austin Ave. and FM 971.
- Improve safety and access from SH 29 to Sam Houston Ave.
- Improve capacity and safety of eastern SH 29.

The 2015 bond referendum passed on May 9 with 75% approval. Included with the bond package is a contract with the voters that provides guidelines for the maximum property tax impact resulting from bond debt in a given year. The contracts clarifies that property tax rate increases related to these bonds will not exceed two-cents annually, or exceed ten-cents cumulatively. The FY2016 budget includes the first \$10 million tranche to build the Southwest Bypass, a north – south corridor designed to address mobility concerns and ensure connectivity.

Public Safety: The City opened the Public Safety Operations and Training Center in FY2015. The 76,000 square foot building is home to the Police Department, Fire Administration, Emergency Dispatch, and the City’s Emergency Operations Center. The campus features a first rate training center with movable partitions and observation catwalks, an outdoor classroom, and a slow-speed driving track. It is expected the facility will be able to serve the current needs and future of public safety.



Council and Staff at the opening of the Public Safety Operations and Training Center.

Investments in Public Safety also included the expansion of the Emergency Medical Service (EMS) program. Through a mid-year budget amendment, the City Council approved the purchase of two additional ambulances and the hiring of a six additional firefighter/paramedics.

Beginning on Oct. 1, 2015, the City of Georgetown Fire Department will be both the first responder to emergency calls, as well as transporter of the injured to hospital facilities. Currently, over 75% of the emergency calls responded to by the Fire Department are medical emergencies. This move to expand the EMS program will allow the Fire Department to operate more efficiently and ensure that advanced care is only minutes away. Moving forward, the department plans to staff both fire engines and ambulances with Paramedics and Emergency Medical Technicians that are cross-trained as firefighters to better deliver a high level of service for our community.

Utilities: The merger between the City and the Chisolm Trail Special Utility District (CTSUD) was completed in in FY2015. The consolidation with CTSUD, now branded as the City’s “Western District,” ensures a clean, reliable water supply for one of the City’s strongest growth corridors.

Additionally in FY2015, the City finalized a solar electric deal with SunEdison and saw the Spinning Spur Three wind farm come online. The solar project is expected to be operational by Jan. 1, 2017. With all of the purchased power contracts in place, the City of Georgetown is poised to be only the second municipally owned utility to be 100% green by 2017 and the first to do so using zero emissions. The investments in these purchased power contracts ensure the City can provide our growing community with sustainable, renewable, and cost effective energy for decades to come.

Economic Development: In FY2015, the City of Georgetown continued to target Data Centers, the Life Sciences, and Clean Manufacturing as potential economic development prospects. The department also expanded its efforts related to existing business retention and expansion.

In 2015, the Summit at Rivery, a 222-room Sheraton Hotel and Conference Center, broke ground, and is scheduled to be completed in the summer of 2016. Texas Outdoor Power Equipment constructed a 60,000 square-foot speculative building by the Georgetown Airport, and Inner Visions built another 60,000 square-foot speculative building in south Georgetown. The groundwork was laid for new development in the South Georgetown TIRZ, with potentially 1,000,000 square-foot of Class A office space to be constructed over the next several years. In the northern gateway, the City is working with developers interested in constructing a retail center east of the Airport and along Interstate 35.



Construction continues that the Rivery Hotel and Convention Center.

Signature Destination: The City of Georgetown works continuously to develop itself as a signature destination in an effort to make our home a special place to live with a high-quality of life. In FY2015, the Parks Department completed the Master Plan for San Gabriel Park, constructed a new splash pad in San Jose Park, replaced the Creative Playscape, and developed an operations and maintenance plan for Garey Park. Capital improvements for the historic downtown included rehabilitating 8th and 9th Streets, a new 140 space parking lot, and a comprehensive downtown parking study, with recommendations to ensure the Square remains an effective and relevant economic touchstone in Georgetown. Downtown Georgetown was recognized for having the Best Marketing Campaign and Best Public Improvement by the Texas Downtown Association for the Most Beautiful Town Square in Texas campaign and the completion of the Georgetown Art Center. Finally, the Public Communications department completed a redesign of the City’s website, and received an award from Government Finance Officers Association (GFOA) for the 1st annual Popular Annual Financial Report.



San Gabriel Park trail.

FY2016 BUDGET OVERVIEW

The \$282 million FY2016 Annual Budget capitalizes on the expanding local economy and the successful efforts of the FY2015 goals and projects. This budget addresses Council’s Strategic Goals as well as the needs of a rapidly growing community. Increased expenditures for FY2016 are driven by new capital improvements, public safety, debt service, and the Georgetown Utility System (G.U.S.), including bring water and wastewater operations in-house. It is important to note that the general fund only grew by 2.52% over last year, which is less than the percentage increase of population growth plus inflation.

Tax Rate Impact

The budget is based on an approved tax rate of \$0.434 per \$100 dollars of valuation which is the same rate as FY2015. High property values allow the City to deliver in this fiscal year enhancements to programs and services, investments in capital improvements, and additions to personnel and employee compensation and benefits

without raising the tax rate. The tax rate for the City of Georgetown remains the 2nd lowest in the greater Austin MSA.

Utility Rates: The FY2016 budget includes no changes in water, sewer, electric, or sanitation rates. Impact fees were reviewed in 2015 and the increased impact fees for new development will be effective in October of 2015. The stormwater drainage fee will also increase by \$1.25 per month to fund Municipal Separate Storm Sewer System (MS4) mandates. The permit was approved by the U.S. Fish and Wildlife Service as an alternative to listing the Georgetown Salamander on the endangered species list.

Service Level Enhancements

General Fund: In FY2016, the City’s General Fund has several one-time expenses including funding for City Council goal setting sessions, the completion of the historic resource survey, and a new Parks and Recreation software. Additionally, this year’s budget will include one-time funding for a citizen satisfaction survey, an Animal Shelter Master Plan, and a corridor study for Williams Drive.



City Manager and City Council showing their support for the Shop Small campaign.

New on-going obligations for the General Fund include two combination inspectors. With the growth the City is experiencing, these inspectors are needed to ensure new developments meet the standards set forth in the unified development code (UDC). New personnel costs also include two part-time ballfield maintenance techs in parks and a mid-year hire of a cataloging librarian. These additional personnel costs are a direct response to increased usage and desire to continue a high level of service in both Parks and the Library.

The City will add two positions in public safety, an Emergency Management Coordinator and a School Resource Officer. The Emergency Management Coordinator position is scheduled to be a mid-year hire and will focus on developing and implementing strategies and goals relating to the City’s Emergency Operations Center (E.O.C.). The School Resource Officer costs are shared in a 50/50 partnership between the City and Georgetown Independent School District.

Electric Fund: The Electric fund has several one-time improvements in FY2016 including a new customer billing and information system and the replacement of the Emergency Radio System. Additionally, for the first time, the Electric Fund will be sponsoring the City’s annual Downtown Holiday Lights.

On-going expenditures include a new Electric Operations Maintenance Crew, three new employees in System Control and an Electric Service Planner/Scheduler.



Downtown Georgetown during the holidays.

Water Services Fund: One-time improvements in the Water Services fund include meter audits in the Western District and implementation of SharePoint software to assist in operational efficiency and reporting. On-going services include bringing water and wastewater plant operations in-house. It is anticipated this move will result in a \$5 million savings over 5-years.

Internal Service Funds: The City has established internal service funds to fund needs related to facilities, vehicles, and information technology (IT). The enhancements for FY2016 included leasing a vertical lift for building maintenance, resources to relocate the planning department, transitional response vehicle (TRV) maintenance funds, as well as security and technology upgrades for IT. Additionally, the City will be adding a new mechanic to service Western District vehicles and TRVs. As a result of the Western District merger, the City increased our fleet by 12 trucks, 8 trailers, 2 backhoes, and 1 tractor.

Enterprise, Joint Service, and Special Revenue Funds: Several other funds will see service enhancements in FY2016. These include adding a customer service representative in the Joint Service Fund, two positions in System Engineer to support asset management and inspections, and two part-time positions in the City’s Visitors Center. The Visitor’s Center will also expand its advertising efforts, purchase a new vehicle, and fund special event shuttle service in conjunction with the Sheraton Conference Center. The Airport fund will see funds allocated for pavement condition management and foreign object removal equipment. Finally, the street maintenance fund, which is funded by a ¼ cent sales tax approved by the voters, will expend accumulated fund balance in FY2016 on various maintenance projects.

Capital Improvement Projects: The FY2016 budget includes \$20 million to implement the first phase of the Transportation Bond. Bond proceeds will fund the construction of the Southwest Bypass from Leander Road to Wolf Ranch Parkway, as well as the repair and replacement of sidewalks within the pedestrian network.

Parks capital improvements include \$2.7 million for Phase 1 of the San Gabriel redesign, as well as \$3.0 million for Garey Park. Both of these projects are voter approved bond funded projects. Capital Improvement dollars will also fund the City’s American’s with Disabilities Act (ADA) transition plan. Over half a million dollars is programmed in the FY2016 Budget to address ADA compliance. The budget also funds design work for the Austin Avenue Bridges and the construction of the Downtown West Project.



A view from Garey Park.

Utility capital improvements include \$1.8 million in Supervisory Control and Data Acquisition (SCADA) improvements for the electric department, \$2.5 million in water pump station improvements in the Western District, and \$5.5 million for wastewater interceptors at Berry Creek and Pecan Branch.

Employee Compensation and Benefits: The FY2016 budget includes a compensation and benefits package that will allow the City to recruit and retain quality employees. This budget funds police and fire steps pay increases, as well as an average 2% merit pool increase for non-civil service employees. The merit program is the primary mechanism to implement salary increases.

The FY2016 Budget also funds salary market adjustment increases. As part of their FY2015 work plan, the Human Resources Department completed a comprehensive salary



City of Georgetown Annual Health Fair

comparison analysis. The analysis compared employee salaries with corresponding employee salaries of our 12 benchmark cities. The City Council approved funding to increase the salary for jobs wherein the current pay scale was determined to be behind the market of the comparison cities.

CONCLUSION

The FY2016 budget strives to maintain the City’s commitment to sound financial management, and works to manage increased demands for City services. As the central Texas region continues to grow, it is paramount that Georgetown positions itself for sustainable, quality growth by adopting and executing carefully planned annual budgets. Through the thoughtful efforts of staff and with the endorsement of the City Council, this document builds upon the solid foundation already established in Georgetown, and works to execute the City’s vision for the future as articulated in the 2030 Plan.

ALL FUNDS SUMMARY

Fund	FY2015 Ending Fund Balance	FY2016 Revenues	FY2016 Expenses	Contingency Amounts	Other Reservations	FY2016 Ending Available FB
General Fund	9,264,307	52,562,323	53,732,443	7,925,000		169,187
Special Revenue Funds - TOTAL	3,708,225	8,525,462	9,932,236	200,000	2,101,451	-
General Capital Projects Fund	5,689,710	34,562,000	37,436,549		2,815,161	-
General Debt Service Fund	1,493,107	12,854,559	12,810,464			1,537,202
Electric Fund	8,231,940	66,699,775	65,134,252	4,775,000	5,000,000	22,463
Water Services Fund	34,385,214	48,461,160	61,834,274	9,180,000	10,500,000	1,332,100
Stormwater Drainage Fund	1,013,361	3,731,620	3,975,461	250,000	500,000	19,520
Airport Fund	748,167	3,625,950	4,388,269			(14,152)
Internal Service Funds:						
Fleet ISF	1,007,770	4,759,144	4,491,878			1,275,036
Facilities ISF	507,960	3,220,867	3,317,274			411,553
Technology ISF	243,397	5,221,223	5,261,377			203,243
Joint Services ISF	804,116	14,670,514	14,944,887			529,743
Self-Insurance ISF	756,904	5,354,500	5,555,760			555,644
TOTAL APPROPRIATIONS	67,854,178	264,249,097	282,815,124	22,330,000	20,916,612	6,041,539

Sincerely,



David Morgan
City Manager



Laurie Brewer
Assistant City Manager

COMMUNITY PROFILE

OVERVIEW

Founded in 1848, Georgetown, the county seat for Williamson County, was originally the agricultural trade center for the area. After the Civil War, reconstruction brought prosperity to Georgetown through four main industries -- cattle, cotton, the railroad, and the University. Georgetown has enjoyed consistent growth and development through the years. The City of Georgetown's estimated FY2016 population is 59,391 within the city limits, with an estimated population of 85,753 in the extraterritorial jurisdiction. Georgetown is a Home Rule Charter City and operates under the Council-Manager form of government. The Mayor and seven Councilmembers are elected from single-member districts, with elections held the first Saturday in May.

Historic Downtown

There are four National Register Historic Districts in Georgetown. The Williamson County Courthouse Historic District serves as the public square. It has been the commercial and cultural heart of the city since the original 52-blocks were marked off and offered for sale on July 4, 1848. The initial 173-acre town site has grown in all directions since then, yet the downtown business district retains its vitality, its architectural charm, and its symbolic significance. Georgetown's Square represents one of the finest collections of Victorian commercial architecture found in the state today.



The Georgetown Main Street Program is part of the Texas Historical Commission's Main Street Program. Georgetown became an official Texas Main Street City in 1982 and is affiliated with the National Trust Main Street Center. The Main Street Program uses a multifaceted approach, emphasizing historic preservation and economic development, to keep commercial storefronts aesthetically appealing in order to attract customers. The Main Street Façade & Sign Reimbursement Grant Program incentivizes and reviews proposed exterior work on storefronts, as well as roof and foundation work on commercial buildings located in the Downtown. The façade and sign grants are an economic incentive used to enhance the unique character of the downtown. Recognizing that the Georgetown square is a touchstone in the local economy, in 2004 the City Council created a Tax Increment Reinvestment Zone (TIRZ) in the historic downtown. The value of the zone in 2004 was \$37,072,593. In 2015, the TIRZ was valued at \$88,381,374 (a 41.9% increase). The TIRZ is expected to be valued at over \$125,000,000 by 2024. Even with continual growth and change, Downtown Georgetown has remained steadfast in its commitment to historic preservation, and maintaining the beautiful Victorian Square that many have said is one of the best in the country. Currently, the TIRZ provides over \$150,000 annually for downtown improvements.

Parks and Recreation

Georgetown offers a wealth of recreation opportunities through its award winning Parks and Recreation program. In Georgetown, there are currently 34 city parks, comprising 481 total developed acres.

In 2004, the City of Georgetown received the largest gift in its history when Jack and Cammy Garey announced that they will be donating their ranch to the City. Design work will start in FY2016 for **Garey Park**. The Gareys bequeathed their 525-acre ranch to the City of Georgetown with the agreement that it will be developed as a public City park. The ranch is west of the City, features scenic hill country terrain, and borders the San Gabriel River. In addition to their ranch, the Gareys' gift includes their estate home and a \$5 million cash donation, which will be matched by the City for the development of the park.

The Georgetown Parks and Recreation Department has nearly 9 miles of **hike and bike trails** along the North and South San Gabriel Rivers. There is a 1.6 mile granite trail that loops around San Gabriel Park. The City of

Georgetown’s San Gabriel River Trail was designated a National Recreation Trail by the U.S. Department of the Interior in 2006.

Georgetown recently rehabilitated a historic Fire Station into an Arts Center. As part of the project, a pocket park with a splash pad, seating and two trees was created adjacent to the new Arts Center. The two shade trees were planted in the first **Silva Cell** system in Central Texas, putting Georgetown on the cutting edge of tree technology and forward thinking about its urban forest. In all, for the Art Center project, 102 Silva Cell frames were installed and fifty-one top decks. Two Monterrey oaks were planted in the system; both 100 gallon trees. The layout was done in a continuous manner so that the two trees can both share the ample soil volume. A drip irrigation system was added below the surface pavers on top of the Silva Cell decks.

The City’s **Challenge Course** program is an experiential approach to team-building that involves a series of physical, mental, and emotional challenges that require a combination of teamwork skills and individual commitment. The experiential approach is based on the idea that change and growth take place when people are active physically, socially, intellectually, and emotionally and are involved in their learning rather than just being receivers of information. Our facilitators engage their groups in activities that give the participants opportunities to take ownership of their learning. We create situations that allow participants to actively explore and practice concepts they are learning and facilitate the practice of reflection on how these lessons relate to the participant’s current and future real-life situations.



The Georgetown **Creative Playscape** was entirely rebuilt in 2014. This project was a continuation of the work that was conceived, designed, and built by community volunteers in 1993. The goal was to build upon the success that was started by incorporating the current standards, regulations, and research that is driving the design and development of public play spaces. The Creative Playscape will remain as a “Signature Destination” for the next generation of Georgetown families.

The Georgetown **Public Library** is a 55,000 square foot facility which allows for the expansion of book collections and other materials, and includes a reference area and computer work stations, as well as, children’s areas with a performance stage and seating area. Two large community rooms are located on the second floor. The Library also houses the Red Poppy Coffee Company, a locally owned coffee house. In collaboration with the Friends of the Georgetown Library, the WOWmobile (Words on Wheels) began operation in early 2012. It operates year around and delivers library materials to residents of Georgetown who find it difficult or impossible to come to the library, targeting three distinct population categories: seniors, residents with limited mobility, and low income children.

Education and Arts & Culture

Georgetown is the home of **Southwestern University**. Southwestern University is an independent, selective four-year undergraduate college, offering traditional liberal arts and sciences education, with a student population of approximately 1,500. It was the first institution of higher learning in Texas, chartered by the Republic of Texas in 1840, and has received national recognition for its academic program and cost-effectiveness. The 2010 Fiske Guide to Colleges lists Southwestern University as among the top 25 small colleges and universities strong in art or design and among the top 37 small colleges and universities strong in business.



Georgetown **Independent School District** (GISD) is a Texas Education Agency *Recognized* school district, and serves a diverse population of Williamson County students from pre-K to 12th grade. Georgetown ISD serves 10,400+

students at ten elementary schools, three middle schools, three high schools, and two alternative campuses.

The Georgetown **cultural district** includes the 40-block area of downtown included in the Downtown Historic Overlay, centered by the Williamson County Courthouse Town Square. Arts and cultural attractions in the district include the Palace Theatre, Williamson Museum, Georgetown Public Library, Grace Heritage Center, Georgetown Art Center, downtown art galleries, and shops with hand-crafted items. Other artistic and cultural elements in the district include the Victorian-era architecture around the Square and outdoor public art. Georgetown’s cultural district application earned 930 out of 1,000 possible points from the Texas Commission on the Arts (TCA) evaluation panel. Only one other city—Houston—earned a higher score. Evaluators commented that, “Georgetown’s cultural assets are very rich and seem to be growing regularly. The city is building a great public art program, and this will be important in attracting visitors and citizens to the cultural district. The community has a reinvestment zone in place, and this is a key component for development and investment.”

The Texas Legislature recognized Georgetown as the **Red Poppy Capital of Texas**. Red poppies have been a part of Georgetown’s landscape for over seventy years. During WWI, Henry Purl Compton (aka “Okra”) who served in the American Expeditionary Forces, sent seeds from poppies to his mother. She planted the seeds at her home which is now 507 East 7th Street. The seeds were then spread (by bees, birds, people, etc) down the river and over much of Old Town. Red poppies now grow naturally in yards, in vacant lots, and park lands. Georgetown is one of the few locations in the United States where red poppies reseed themselves from year to year. Each April as the poppies bloom, Georgetown celebrates with the annual Red Poppy Festival, held on the beautiful historic downtown Square. Festival activities include live entertainment, arts and crafts, food, a children’s center, a car show, and a parade. Over 45,000 people attend the festival over the course of the weekend and the economic impact exceeds \$2 million.

Georgetown is also home to **Inner Space Caverns**. Among the wonderful natural features found in the Texas Hill Country are incredible living caves and caverns. Discovered during the construction of Interstate 35, Inner Space is a living cave, which means that its formations are continuing to develop and take shape. For over 80,000 years the cavern has been constantly changing, allowing for such spectacular displays as the “Soda Straws” and the “Ivory Falls” formations. Over 130,000 people visit the caverns each year.



Georgetown is the northern most “gateway” to the gently rolling hills of Central Texas. While Georgetown offers the amenities and charm of a small community, it is strategically and centrally located in the middle of the four major metropolitan areas of Texas. Austin is 30 minutes south, Dallas is 3-hours north, Houston is 3-hours southeast, and San Antonio is just one-and-a-half hours south, placing Georgetown in a very unique position for cultural and economic development. Traveling to and from Georgetown is easy along I-35. Additionally, access to Georgetown via the Austin-Bergstrom International Airport was made much easier with the opening of State Highway 130, the toll road from Georgetown to San Antonio that parallels I-35.

GEORGETOWN: THEN AND NOW


This is a comparison of Georgetown today and as it was a decade ago.

City of Georgetown

Then & Now

This is a comparison of Georgetown today and as it was a decade ago. Georgetown is the County Seat of the fastest growing county in the Nation, and it is our goal to continue to focus on improving the way of life we have grown to appreciate.


NEED JOB UNEMPLOYMENT RATES



2006	2016
4.65%	3.92%

STREETS PROJECTS


2006	2016
\$2,661,640	\$25,037,000

 **BUILDING PERMITS ISSUED**

2006	2016
1,468	820

ANNUAL BUDGET & TAX RATE


2006	2016
\$148,913,006	\$282,815,124
\$0.3463	\$0.4340



DEBT SERVICE TAX RATE

2006	2016
\$0.20979	\$0.22684

AVERAGE HOME VALUE




2006	2016
\$166,458	\$234,785

UTILITY INFORMATION

	City Population	Electric Customers	Water Customers	Customer Growth Rate
2006	41,294	18,549	17,979	7.57%
2016	59,391	24,566	33,715	4.74%

PUBLIC SAFETY OFFICERS

	GPD	GFD	City Population
2006	47	81	41,294
2016	56	102	59,391



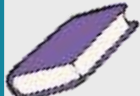
SQUARE FEET OF FACILITIES MAINTAINED

2006	210,000
2016	492,000

ACRES OF PARKLAND


2006	380
2016	481

OF LIBRARY ITEMS IN CIRCULATION




2006	348,114
2016	560,000

Total # of City Employees



2006	418.75
2016	672.75

of City-owned Vehicles & Equipment



2006	314	2016	524
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All 2006 numbers are actual. All 2016 numbers are projected out to 9/30/2016. Unemployment Rates are actuals for FY2006 and FY2015.

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