

CITY OF GEORGETOWN, TX

PROPOSED ANNUAL BUDGET FOR

October 1, 2018 – September 30, 2019

As filed with the City Secretary on July 30, 2018

This budget is projected to raise more revenue from property taxes than last year's budget by an amount of \$2,528,232, which is a 9% increase from last year's budget. The property tax revenue to be raised from new property is \$1,048,344. The amounts are based on the City's proposed fiscal year 2019 property tax rate of 42.00 cents per \$100 of assessed valuation, which is the same as the current.

Property Tax Rate Comparison

Per \$100 Valuation	FY 2018	FY 2019
Proposed Tax Rate	0.4200	0.4200
Effective Tax Rate	0.404790	0.407273
Rollback Rate	0.433335	0.428038

The **total amount of municipal debt obligation** secured by property taxes for the City of Georgetown is \$158,154,681.

Aug 7, 2018

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

I am pleased to present the City of Georgetown Annual Budget and Five Year Capital Improvement Plan for Fiscal Year 2019. The Annual Budget outlines the programs and services provided to our residents. This document details the City's plans relating to ongoing population growth, maintaining high quality City services, and implementing the City Council's goals. Furthermore, the Annual Budget process builds upon the foundation of enhancing the City's vision: Georgetown: a caring community honoring our past and innovating for the future.

FY2018 Year in Review

For the past 5 years, U.S. census data indicated Georgetown was one of the top 10 fastest-growing cities in the nation with a population above 50,000 residents. It is estimated Georgetown's population increased by 5.4 percent in the last year, and by more than 30 percent since 2010. This unprecedented growth in Georgetown means we are preparing our operations and infrastructure to meet the needs of a City of 100,000.

With growth comes the reality of increased demands for fundamental City services like public safety, transportation, and quality of life services in recreation and arts. Throughout the budget process, it was our goal to respond to growth through investments in infrastructure and key service areas as well as carry out Council's updated strategic goals.

FY2018 ACCOMPLISHMENTS

Transportation, Infrastructure, and Utilities

Southwest Bypass Opening: This year the City opened its largest 2015 transportation bond project to date. The \$20 million project began in 2016 and greatly increases mobility on west side of town by connecting Highway 29 and Leander Road. In partnership with Williamson County, the second phase is currently under construction and will continue the connection to I-35.

Airport Road Construction: The City broke ground expanding Airport Road to 5 lanes from Lakeway Drive to Aviation Drive. The \$4.5 million project will improve traffic flow at the Lakeway Drive intersection and facilitate economic activity in the area.

Rivery Boulevard: The City broke ground on the Rivery Boulevard Extension project. Part of the 2015 Road Bond program, this \$4.5 million project extends the road north of Williams Drive and connects to Northwest Boulevard. The road will provide direct access from the Conference Center to additional hotels near I-35.

City Center Construction: The City broke ground on renovating two facilities. The results will be a new City Hall and new Council Chambers and Municipal Court. Relocating these functions to the west side of downtown creates a civic campus joining the Georgetown Public Library, and Historic Light and Waterworks Building.



Groundbreaking of new City Hall at City Center Campus

100% Renewable Energy: After many media opportunities over the past year highlighting the effort, Georgetown is finally officially powered by 100% renewable wind and solar sources. On July 1, the city began receiving electricity from the Buckthorn solar plant in West Texas. The 1,250-acre plant contains 1.7 million solar panels, positioning Georgetown with reliable energy source at stable prices.

Bloomberg Philanthropies Mayors Challenge: Georgetown was selected as one of 35 Champion Cities to be finalists in the 2018 US Mayors Challenge, a nationwide competition that encourages cities to develop innovative ideas to address challenges. The City will use a \$100,000 grant to test, learn and adapt the idea of establishing a virtual power plant. Staff are conducting workshops with the community to explore the feasibility of installing rooftop solar on commercial and residential properties to offset reliance on wholesale purchased power contracts.

Parks and Recreation, Library, Arts and Culture

Park Openings: The community celebrated the grand opening of the 525 acre Garey Park on June 9, 2018. Amenities in the park include a playground, splash pad, dog park, equestrian arena, hiking trails and the Garey House converted to an event space. As of mid-July, the park has confirmed 29 event bookings through December 2019. This beautiful hill country oasis on the south fork of the San Gabriel River will bring joy to residents and visitors for generations. San Gabriel Park Renovations Phase I was also completed this year. The upgrades include improvements to the playscape, restrooms, pavilions, signage and parking.

Library Gold Medal Award: The Institute of Museum and Library Services awarded the Georgetown Public Library one of 10 recipients of the 2018 National Medal for Museum and Library Service. This award is the highest honor given to museums and libraries that make significant and exceptional contributions to their communities.

Economic and Community Development

Holt Caterpillar: The 85,000 square foot sales, rental, parts and service dealer broke ground on January 30, 2018. The facility is projected to create 130 new jobs and net benefit of \$16 million over the next 10 years. This addition to the sales tax and commercial property tax portfolio will help diversify Georgetown’s economy.



Children playing at the Georgetown Public Library

Comprehensive Plan Update: The City of Georgetown adopted its 2030 Comprehensive Plan in 2008. The plan acts as a guide to the City’s growth and development decisions. Ten years later, in the midst of phenomenal growth trends, the City has kicked off updating the plan with land uses, housing options and public engagement.

Red Poppy Festival: In 2018, the Red Poppy Festival received approximately 75,000 attendees, making it the largest special event in Williamson County. The event showcases the Most Beautiful Town Square in Texas, including parade, live music, food court and artisan booths. 2019 will mark the 20th anniversary of the festival.

Downtown Development: Several projects in downtown continue to revitalize the area. The Lofts on Rock opened this year, a new residential property near the Square. The Watkins Building broke ground, bringing new commercial spaces for office and entertainment to the Square. Finally, the Stromberg Hoffman historic building will see revitalization with a new restaurant and entertainment venue.

FY2019 Budget Development

The FY2019 Budget is developed around three core themes. First, the budget continues to address *maintaining service levels*. Funding for water services crews, the preparation of future annexations and the opening of Fire Station 7 are included in the budget to lay the foundation for success in meeting increased demands for service.

Second, we sought to craft a budget which *continued initiatives and investments*. The budget includes the full year of operations for Garey Park and a School Resource Officer for Wagner Middle School. Infrastructure investments include the remaining 2015 Transportation Bond projects, a downtown parking garage, as well as expanding our current waste transfer station. We are also expanding our successful Business Improvement Program from the utility to citywide. This effort to improve processes and efficient use of resources will pay off as we continue to grow.

Lastly, this Budget is based on *planning for the future*. In the winter of 2017, the Council updated the city vision and policy goals that would guide this organization over the next several years. The FY2019 budget includes funding that is responsive to the areas of unique experiences, increasing mobility, and collaboration. The budget also includes updates to utility base rates and improving several reserve funds. Finally, the budget includes several initiatives to mitigate risk in the organization.

It is the culmination of these three ideas from which the \$354 million FY2019 Budget is developed. This amount is a 5% increase from FY2018 budget, and is primarily due to the timing of large capital projects and the increase in personnel related to the new fire stations and meeting other service demands. After taking into account the merge of the EMS Fund into the General Fund, the increase in the General Fund budget is 2.3%. This is lower than Georgetown's annual population growth in the past year of 5.4%, and the consumer price index increase of 2.5%.

Property Tax Rate Impact

In the last four years, the assessed property value in the City has increased from \$4.8 billion to more than \$7.8 billion. The proposed budget includes a property tax rate of 42.0 cents per \$100 valuation, which is the same as the previous year's rate. This rate is split between 19.95 cents for Operations and Maintenance and 22.05 cents for general debt service. While the overall tax rate has decreased over the past few years through increases in assessed valuation, the debt service proportion of the tax rate has steadily increased as the City funds large infrastructure projects related to growth.

The average homestead property in Georgetown has increased in market value by 4.8 percent, up from \$265,919 in 2017 to \$279,521 in 2018. Due to higher assessed values, it is anticipated the average home in Georgetown will pay \$57 more in property tax in the upcoming year. The City of Georgetown's property tax rate is the lowest of all cities in the Austin MSA with a population greater than 20,000.

Utility Rate Impact

Per fiscal and budgetary policy, the City undertakes cost of service rate studies for the Electric and Water utilities every three years. The studies look at fixed and variable costs for both utilities and recommends rate amounts, rate class structures, and minimum cash reserves. The FY2019 budget proposes a \$4.80 per month increase in the Electric base rate for the costs of fixed infrastructure and an increase of \$1.35 per month for residential wastewater customers. The budget also proposes an 80 cent per month decrease in the conservation fee on the electric bill.

Budget Highlights

General Capital Projects

Road Expansions: The 2015 Road Bond will fund two projects in the coming year. First is the expansion of the section of Leander Road from the Southwest Bypass connection to the current wide section at Norwood. This will improve the flow from the newly opened bypass to I-35. Second is the widening of the southern section of Southwestern Boulevard to the Inner Loop. This will improve flow as housing develops of the east side of the road.

Sidewalks, Signals and Ramps: The addition of sidewalks and the improvements to ramps and signals will enhance safety and foot traffic. Sidewalks will be constructed on Rock Street from 6th to 9th, and on Shell Road from Sequoia to Rosedale.

Fire Station Construction: The City will begin construction of Fire Station 7 on the east side of town near the Inner Loop. The City is also partnering with Emergency Services District 8 on the construction of Fire Station 6 on the west side of town.

Downtown Parking: As businesses continue to thrive near the historic downtown square, parking concerns have increased. The City is collaborating with the County on expanding the parking lot near the public library. The City is also planning to build a small parking garage one block off of the square.

General Fund

The major changes in the General Fund for FY2019 relate to growth impacts and quality of life.

Public Safety: Preparation for staffing of Fire Station 7 begins in FY2019 with the addition of 14 firefighters. The station will serve the growing east side of town and is planned to open in early 2020. In response to the continued growth in development construction, the budget also includes a Fire Life Safety Inspector. A part-time Animal Services Technician will be converted to full-time, and the School Resource Officer is added at Wagner Middle School.

Planning: Annexation services and the addition of a Landscape Planner are included in the budget to enhance responsiveness to new and existing development.

Park Operations: The remaining partial year funding for Garey Park is included. A Parks Maintenance position and San Gabriel River maintenance contract are included.



Concrete work on Pecan Branch Wastewater Treatment Plant

Utility Funds

Water Utility: Proposed enhancements to water utility operations include system maintenance, a treatment plan technician, and treatment plant controls upgrade. Capital projects funded by water utility revenue include the rehabilitation of the Lake Water Treatment Plant raw water intake line, the addition of the Daniels Mountain water line, and expansion of the South Lake Water Treatment Plant.

Waste Water Utility: New funding for operations includes adding positions and equipment to service levels and response time for maintenance and repairs. Capital projects funded by waste water utility revenue include the continuation of repairs in the Edwards Aquifer Recharge Zone, lift station upgrades, and rehabilitation of the San Gabriel Wastewater Treatment Plant equipment.

Electric Utility: Electric fund enhancements in FY2019 include equipment for pole replacement. Other utility related enhancements in Joint Services include expanded an enhanced services contract for the new Customer Information Software System, and new inspectors for engineering to keep up with additional projects. Capital projects in the Electric fund include extending fiber optic capabilities, relocating or burying electric infrastructure along road and sidewalk projects, and \$3.5 million for projects related to new development.

Employee Compensation and Benefits

The FY2019 budget includes a compensation and benefits package that will allow the City to recruit and retain quality employees, one of the major goals of the City Council. The budget includes a merit based increase in salaries averaging 3 percent for non-civil service employees as well as funds to adjust positions found to be trailing market. There is a 5% increase in health care premiums for the employees and the City in this year's budget to pay for rising health care costs and maintain the funds two healthy reserves. Wellness and Tuition Reimbursement programs have continued funding in FY2019.

Conclusion

While the budget continues infrastructure investment for growth and maintains a high quality of life in our community, it does it with sustainability in mind. We are managing the debt portfolio to keep one of the lowest tax rates in Central Texas. We are also strengthening our reserve funds to prepare for volatility in the future.

The FY2019 Budget supports our excellent City services, builds infrastructure for the future, provides competitive compensation for our valuable employees, maintains our low tax rate and plans for future growth. We are truly pleased to present this budget to the Council and community, and look forward to a successful new year.

Sincerely,



David Morgan
City Manager



*Georgetown Fire Department
Community Outreach*

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