

OVERVIEW



Summer Day in Blue Hole

OVERVIEW

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October 1, 2017

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 2018. 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 for the future as outlined by the Georgetown 2030 Plan.

FY2017 YEAR IN REVIEW

U.S. census data indicated Georgetown was the fifth fastest-growing city in the nation with a population above 50,000 residents. It is estimated Georgetown's population increased by 5.5 percent in 2017, and by more than 40 percent since 2010. This unprecedented growth in Georgetown along with our long term investments in infrastructure to support the future means the City is making new history in one of Texas's most historic towns.

With growth comes the reality of increased demands for fundamental City services like public safety and transportation, as well as quality of life services in recreation and arts. Throughout the budget process, it was our goal to respond to growth through sound financial investments in key service areas and infrastructure. We also continued to implement responses to the Council's 2015 goals.

FY2017 ACCOMPLISHMENTS

Transportation, Infrastructure, and Utilities

Southwest Bypass Construction: The signature project of the 2015 Road Bond Referendum is the Southwest Bypass, a new arterial that will connect State Highway 29 with Leander Road. Construction of the \$20 million project began in FY2016 and is scheduled to be completed in FY2018. The bypass is designed to increase mobility to the west and south sides of the city. Another segment of the road will be built by Williamson County to connect Leander Road to I-35. This is the largest transportation project in the City's history, both in scope and cost.



Construction of the Southwest Bypass

Launch of Fixed Route Bus Service GoGEO!: The City's first fixed route bus system opens in August. The system is a partnership between the City, Capital Metro Transportation Authority, Capital Area Rural Transportation System, and the Georgetown Health Foundation. Four routes will run east, west, north and south Mondays through Saturdays, with the central stop and transfer station at the Georgetown Public Library.

Parks and Recreation

Garey Park Groundbreaking: Community members gathered at the Garey Ranch to break ground on the 525-acre Garey Park project. The land and \$5 million were donated to the City by Jack and Cammy Garey, and voters approved a \$10 million parks bond for the project in 2008. The park's playground, splash pad, equestrian area and event venue are estimated to open in late spring 2018.

VFW Park Opening: A grand reopening of VFW Park celebrated the reconstruction of the ball fields, lights, restrooms, parking and playground.

Parks Gold Medal Award: The City of Georgetown Parks and Recreation Department was awarded the Gold Medal Award for cities with populations between 50,001 and 100,000 from the Texas Recreation and Park Society. The award, which honors departments for excellence in recreation and park management, was presented at the 2017 TRAPS Institute and Expo Annual Awards dinner on March 2.

Economic and Community Development

Retail Study Results: The City of Georgetown and the Georgetown Economic Development Corporation (GEDCO) partnered with Catalyst Commercial to conduct a retail study for a Retail Strategy and Recruitment Plan customized for Georgetown. The study identified primary and secondary retail trade areas in Georgetown and conducted a market assessment and analysis, resulting in a list of potential retail targets for available properties.

Rentsch Brewery Expansion: GEDCO also supported a performance agreement with Rentschler Brewing to expand operations. The City assisted with electrical and water infrastructure to support the expansion, and the brewery's canning operation will open in 2017.

Housing Growth: Development activity continues to match population growth. Rezoning, site plan, and final plat requests have all increased over prior years. Single family residential permits are up 30% compared to five years ago and more than 35 multi-family residential properties have opened in the past five years.

Holt Cat Project: In FY2017 the Economic Development department and GEDCO helped facilitate Holt Cat's move to Georgetown. The Caterpillar retailer will open in FY2019.

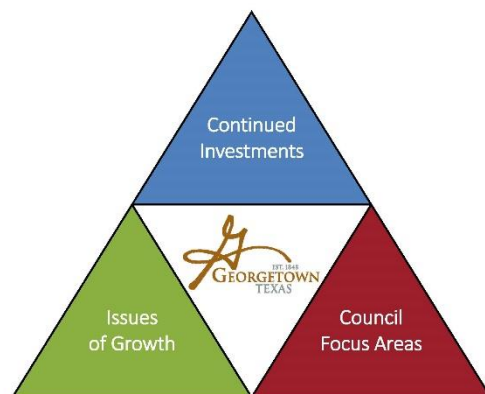


Rendering of the Holt Cat Sales Facility in Georgetown

FY2018 Budget Development

The FY2018 Budget is developed around three core drivers. First, we wanted to develop a budget that addresses the *issues of growth*. We are committed to develop a budget that addresses our short-term issues and lays the foundation for long-term success.

Second, we sought to craft a budget which *continued initiatives and investments* the City already embarked upon. The budget includes the first year of operations for Garey Park, continuing construction of the 2015 Transportation Bond projects, and implementation of modern software for financial and human resources functions.



Lastly, this Budget is based on the *Council's Focus Areas*. In the winter of 2015, the Council developed policy vision goals and strategic initiatives that would guide this organization over the next several years. Those Council Focus Areas provide a foundation for the development of this budget.

It is the culmination of these three ideas that developed the \$337 million FY2018 Budget.

Property Tax Rate Impact

The adopted budget includes a property tax rate of 42.0 cents per \$100 valuation, which is 0.4 cents lower than the previous year's rate. The City of Georgetown's property tax rate is one of the lowest of all cities in the Austin MSA with a population greater than 20,000.

In the last three years, the assessed property value in the City has increased from \$4.8 billion to more than \$7 billion. The growth in assessed value has allowed the City to fund major capital improvements as well as expand the workforce to meet the service level demands, all while still lowering the tax rate.

The average homestead property in Georgetown has increased in market value by 5 percent, up from \$253,320 in FY2017 to \$266,598 in FY2018. Due to higher assessed values, it is anticipated the average home in Georgetown will pay \$47 more in property tax in the upcoming year.

Budget Highlights

General Capital Projects

Northwest Boulevard Bridge and Rivery Extension: The Northwest Boulevard Bridge over I-35 will provide east-west congestion relief for residents to connect to Georgetown High School, San Gabriel Park and SH 130. The connection to the extension of Rivery Boulevard will provide another route to the Rivery Conference Center and Hotel, as well as the newly developed shops and restaurants.

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 Austin Avenue from SH 29 north to FM 2243. Curb and ramp improvements will include 7th street, 8th street, and portions of the Wolf Ranch and Rivery developments.

Fire Stations 6 and 7: As part of the partnership with Emergency Services District 8, the City is funding furniture, fixtures and equipment for Fire Station 6 which was constructed by the ESD. The City will begin design of Fire Station 7 on the east side of town near the Inner Loop.

Enterprise Resource Planning System: The City and its consultant are currently in the process of assessing the finance and human resource business processes, and selecting a new cloud-based, integrated software system to compliment these functions. The software implementation project will be funded in FY2018 with a combination of debt and cash. Three positions are included in the budget to administer system access and security, and to assist HR and Finance with training and using the system to its fullest potential.

General Fund

The major changes in the General Fund for FY2018 relate to growth related impacts and quality of life. Twelve new positions are added to support the community. One-time expenses include the City's Comprehensive Plan update and the third year of records preservation. Ongoing operating expenses increased for transit, and mowing and landscape maintenance. The City is currently negotiating an update to the contract for solid waste and recycling services. The increased impact in contract expenses is offset by revenue for those services.

Public Safety: Responding to growth in calls for service, two police patrol positions were funded. In partnership with Georgetown ISD, a School Resource Officer Sergeant (SRO) will also be added to provide effective span of control and

supervision over the existing 5 SROs. Enhancements in the Fire Department include funding for promotional assessment centers, and the replacement of critical firefighter equipment.

Public Works: Funding for a Bike Master Plan and a Traffic Analysis Study is included for FY2018. These plans will complement and augment other planning processes that will shape Georgetown's mobility network along major corridors. There is also funding for a transit network company voucher pilot program to test the viability of incentivizing this alternative method of transportation.

Garey Park Operations: With construction underway and estimated opening of the park in late spring 2018, a partial-year of operations funding is included in the FY2018 budget. Staff, vehicles, equipment, supplies and utilities are needed to operate the large park at a high standard. A partial revenue offset for park fees is also included in the budget.

Utility Funds



Elevated Storage Tank

Water Utility: Proposed enhancements to water utility operations include converting to automatic meter reading technology in the western district, and adding a water services crew to improve the response time to install and maintain meters. Capital projects funded by water utility revenue include the expansion of the South Lake Water Treatment Plant, the construction of the Braun Elevated Storage Tank, and the rehabilitation of several existing water storage tanks.

Waste Water Utility: New capital projects funded by waste water utility revenue include the Berry Creek interceptor, repairs in the Edwards Aquifer Recharge Zone, and the San Gabriel main and lift station upgrades.

Electric Utility: Electric fund enhancements in FY2018 include a rate study and a meter technician. Capital projects in the Electric fund include extending fiber optic capabilities, relocating or burying electric infrastructure along road and sidewalk projects, and \$3 million for projects related to new development.

Other utility related enhancements in Joint Services include expanded Customer Care service hours, and an engineering contract coordinator. Also included is administrative support for the West Side Service Center.

Employee Compensation and Benefits

The FY2018 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 position salaries found to be trailing the market. There is no increase in health care premiums for either the employee or City in this year's budget. The City's Self Insurance Fund has a healthy balance of \$3.2 million and includes two fund balance reserves.

Competitive pay schedules were agreed upon as part of meet and confer agreements signed with both the Police and Fire associations in October of 2016. Step increases continue to be implemented in the budget.

In FY2016, the City conducted a comprehensive employee survey. Staff have worked diligently to improve three major result areas from the survey: communications, performance evaluations, and training opportunities. The FY2018 budget includes funding for a follow up survey to measure improvements in employee satisfaction and engagement.

Conclusion

While the budget proactively invests for future growth and maintains a high quality of life in our community, it also supports the tradition of conservative financial stewardship led by the City Council. We will pay off taxable debt early, which will provide interest savings and create tax capacity in the future to implement the voter-approved Parks and Transportation bond project plans. The economic stability reserve is maintained in the General Fund, a contingency fund is created for the Airport, and other funds are financially performing better than previous years.

The FY2018 Budget supports our excellent City services, builds infrastructure for the future, provides competitive compensation for our valuable employees, and lowers the tax rate. We are truly pleased to present this budget to the Council and community, and look forward to a successful new year.

Sincerely,

A handwritten signature in blue ink, reading "David S. Morgan". The signature is fluid and cursive, with the first name "David" and last name "Morgan" clearly legible.

David Morgan
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. Over the last few years Georgetown's population has grown by over 40%. The City has developed from a small suburb of Austin into a premier community. For our residents, Georgetown provides high-quality City services and features an electric utility system that will be 100% renewable by FY2018. For our guests, the City features the **Most Beautiful Downtown Square in Texas** as well as tourist accommodations like the Hampton Inn and the new the Sheraton Hotel and Conference Center. The City of Georgetown's estimated FY2017 population was 58,723 within the city limits. 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 other three districts are primarily residential and include the Belford Historic District, University Avenue/Elm Street Historic District, and Olive Street Historic District.



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 million. In this fiscal year, the TIRZ was valued at \$93 million. The TIRZ is expected to be valued at over \$125 million by 2024. Downtown Georgetown has remained steadfast in its commitment to historic preservation of the Victorian Square while providing for a vibrant reuse of buildings for retail, dining, and entertainment to ensure economic sustainability.

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 1,007 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. 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. This park is being developed to include an event center, equestrian facility, trails, and pavilions.

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. In 2006, the U.S. Department of the Interior designated the San Gabriel River Trail as a National Recreation Trail.

Georgetown rehabilitated a historic Fire Station into an Art Center. Adjacent to the new Art Center, the City created a pocket park with a splash pad. The Art Center, through an operating partnership with Georgetown Art Works, sponsors rotating exhibits featuring international artists, lessons, events and art youth camps.

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. 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, while also facilitating the practice of reflection on how these lessons relate to the participant's current and future real-life situations.



The Georgetown **Creative Playscape** was rebuilt in 2014 to incorporate new accessibility standards and safety regulations. The original construction was conceived, designed, funded, and built by community volunteers in 1993. The Creative Playscape hosts thousands of visitors each year and will remain a "Signature Destination" for the next generation of Georgetown families. It was developed with a theme highlighting Georgetown's development through the centuries, and includes a mini-downtown.

The Georgetown **Public Library** is a 55,000 square foot facility that 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. The WOWmobile (Words on Wheels) operates year round and delivers library materials to residents of Georgetown who find it difficult or impossible to come to the library, mainly 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. Forbes named Southwestern as the #1 undergraduate liberal arts college in Texas in 2016 as well as one of the top 50 colleges in the South.



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 11,000+ 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 in the beautiful historic downtown Square. Festival activities include live entertainment, arts and crafts, 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**. Underneath the rugged hills and flowing rivers 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.



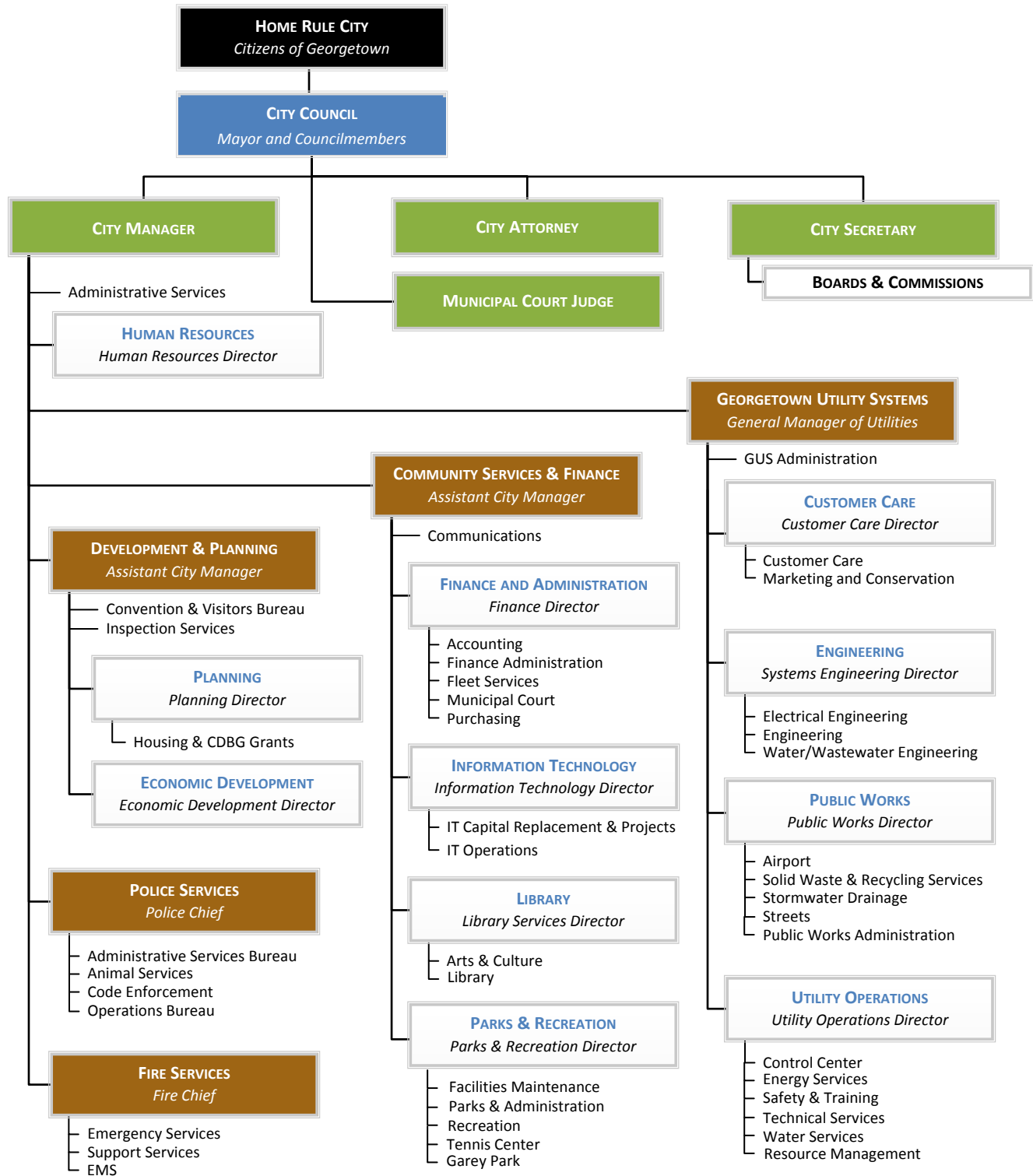
Georgetown is the northern most "gateway" to the gently rolling hills of Central Texas.

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.

ORGANIZATIONAL CHART

This page visually represents the Divisions and Departments of the City of Georgetown.





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