

# Reference



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# City of Georgetown

## Fiscal and Budgetary Policy

1st Reading May 10, 2011 - Second Reading May 24, 2011

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### I. PURPOSE

The City of Georgetown is committed to financial management through integrity, prudent stewardship, planning, accountability, full disclosure and communication. The broad purpose of the Fiscal and Budgetary Policies is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City's financial affairs.

Policy scope generally spans areas of accounting and financial reporting, internal controls, both operating and capital budgeting, revenue management, investment and asset management, debt management and forecasting. This is done in order to:

- A. Demonstrate to the citizens of Georgetown, the investment community, and the bond rating agencies that the City is committed to a strong fiscal operation;
- B. Provide precedents for future policy-makers and financial managers on common financial goals and strategies;
- C. Fairly present and fully disclose the financial position of the City in conformity to generally accepted accounting principals (GAAP); and
- D. Demonstrate compliance with finance-related legal and contractual issues in accordance with the Texas Local Government Code and other legal mandates.

These policies will be reviewed and updated annually as part of the budget preparation process.

### II. FUND STRUCTURE AND BASIS OF BUDGETING

The budgeted funds for the City of Georgetown include:

Governmental Funds:     **General Fund** which accounts for all financial resources except those required to be accounted for in another fund, and include basic governmental services, such as Street Maintenance, Planning and Development, Police, Fire and Parks, as well as, solid waste management.

**Special Revenue Funds** (SRF) account for specific revenues that are legally restricted for specified purposes. The City currently budgets 12 SRF Funds and includes Tourism, Parkland Dedication, Library Donations, Animal Services Donations, and Street Maintenance Sales Tax.

**Debt Service Fund** is used to account for the payment of general long-term debt principal and interest.

**Capital Project Funds** are used to account for the acquisition or construction of major capital facilities other than those financed by enterprise activities.

Proprietary Funds:

**Internal Service Funds** account for good or services provided by one internal department to another. The City uses this system to recognize cost for fleet replacement and maintenance, facility maintenance and computer replacement and maintenance.

**Enterprise Funds** include the City's "business like" activities including all the utility funds and the airport.

**Basis of Accounting and Basis of Budgeting**

The City's accounts and budgets for all **Governmental Funds** using the modified accrual basis of accounting. This basis means that revenue is recognized in the accounting period in which it becomes available and measurable, while expenditures are recognized in the accounting period in which they are incurred. Because the appropriated budget is used as the basis for control and comparison of budgeted and actual amounts, the basis for preparing the budget is the same as the basis of accounting. Exceptions to the modified accrual basis of accounting include:

- Encumbrances, which are treated as expenditures in the year they are encumbered, not when expended.
- Grants, which are considered revenue when awarded, not received.
- Principal and interest on long-term debt, which are recognized when paid.

General government funds include the general fund, special revenue funds, debt service fund and general capital project funds.

**Proprietary Funds**, which include the enterprise and internal service funds are accounted and budgeted using the full-accrual basis of accounting. Under this method, revenues are recognized when they are earned and measurable, while expenses are recognized when they are incurred regardless of timing or related cash flows. The basis for preparing the budget is the same as the basis of accounting except for principal payments on long-term debt and capital outlay which are treated as budgeted expenses. Exceptions include:

- Depreciation which is not budgeted
- Non-budgeted accruals such as compensated absences

**III. FUND BALANCE POLICIES**

The City's Fund Balance is the accumulated difference between assets and liabilities within **governmental funds**, and it allows the City to meet its contractual obligations, fund disaster or emergency costs, provide cash flow for timing purposes and fund non-recurring expenses appropriated by City Council. This policy establishes limitations on the purposes for which Fund Balances can be used in accordance with Governmental Accounting Standards Board (GASB) Statement Number 54.

The City's Fund Balance will report up to five components:

1. Non-spendable Fund Balance – includes inherently non-spendable assets that will never convert to cash, as well as, assets that will not convert to cash soon enough to affect the current financial period. Assets included in this category are prepaid items, inventory and non-financial assets held for resale.
2. Restricted Fund Balance – represents the portion of fund balance that is subject to legal restrictions, such as grants or hotel/motel tax and bond proceeds.
3. Committed Fund Balance – describes the portion of fund balance that is constrained by limitations that the City Council has imposed upon itself, and remains binding unless the City Council removes the limitation.
4. Assigned Fund Balance – is that portion of fund balance that reflects the City's *intended* use of the resource and is established in a less formal method by the City for that designated purpose.
5. Unassigned Fund Balance – represents funds that cannot be properly classified in one of the other four categories.

#### IV. OPERATING BUDGET

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The "operating budget" is the City's annual financial operating plan. The annual budget includes all of the operating departments of the general fund, proprietary funds, debt service funds, special revenue funds, and capital improvement funds of the City.

- A. Comprehensive Plan – The 2030 Plan is written from a perspective of some twenty years into the future. It expresses what we envision and desire our community to be in the year 2030, and it reflects on all that we have accomplished since we launched the revision of our Comprehensive Plan in 2006. The Plan utilizes a Vision Statement to guide the desired outcomes for the community.
- B. Preparation – The *Charter (Section 6.02)* requires "a proposed budget prepared by the City Manager and submitted to the City Council at least thirty days prior to the end of the fiscal year. The budget shall be adopted not later than the twenty-seventh day of the last month of the fiscal year. No budget will be adopted or appropriations made unless the total estimated revenues, income and funds available shall be equal to or in excess of such budget or appropriations, except otherwise provided". Therefore, the budget will be presented to the City Council no later than the 1<sup>st</sup> day of August to provide the City Council time to adopt the budget in the required time frame.
  1. Proposed Budget – A proposed budget shall be prepared by the City Manager with participation of all of the City's Division Directors within the provision of the *Charter* and the Vision Statement of the 2030 Plan.

a) The budget shall include four basic segments for review and evaluation:

- Revenues
- Personnel Costs
- Operations and Maintenance
- Capital and other non project costs

- b) The budget review process will include City Council participation in the development of each segment and allow for citizen participation in the process, and will allow for sufficient time to address policy and fiscal issues by the City Council.
  - c) A copy of the proposed budget will be filed with the City Secretary when it is submitted to the City Council. A copy will also be available at the Georgetown Public Library for citizen review.
2. Adoption – Upon finalization of the budget appropriations, the City Council will hold a public hearing, and subsequently adopt by Ordinance the final budget as amended. The budget will be effective for the fiscal year beginning October 1<sup>st</sup>.

The Annual Budget document will be submitted annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Distinguished Budget Presentation Award.

- C. **Balanced Budget** – The goal of the City is to adopt and maintain a balanced operating budget using sustainable funding sources that are expected to continue to be available in subsequent fiscal years. Excess balances in operating funds from previous fiscal years shall remain in the fund in which they were appropriated until either such excess balances are proposed and adopted pursuant to Section B of this policy; until they are used to reduce outstanding debt obligations of the City; or both.

The *Charter (Section 6.04)* requires that an operating deficit created in any fiscal year shall be paid off and discharged during the following year. In practice, deficit has been interpreted to mean City funds as a whole. The City Council may choose from time to time to allow individual funds to have a negative balance as long as Operating Reserve requirements for the City as a whole are maintained.

- D. **Planning** – The budget process will be coordinated so that major policy issues are identified prior to the budget approval date. This will allow City Council adequate time for consideration of appropriate decisions and analysis of financial impacts.
- E. **Reporting** – Summary financial reports will be presented to the City Council quarterly. These reports will be in a format appropriate to enable the City Council to understand the overall budget and financial status. The City Manager will also present a mid-year report to the City Council within 60 days following the end of the second fiscal quarter that updates the status of projects and related financial goals set forth in the budget.
- F. **Control and Accountability** – Each Division Director, appointed by the City Manager, will be responsible for the administration of his/her departmental budget. This includes accomplishing the Goals and Objectives adopted as part of the budget and monitoring each department budget for compliance with spending limitations. Division Directors may transfer funds up to \$20,000 within the operations and maintenance or capital line items within a departmental budget category without additional approval. All transfers within the Personnel line items require approval of the Chief Financial Officer and City Manager. All other transfers of appropriation or budget amendments require either City Council or City Manager approval as outlined in Section IV.B.

- G. **Budget Amendments** – The *Charter (Section 6.04)* provides a method to amend for budget amendments and emergency appropriations. The City Council may authorize with a majority plus one vote, an emergency expenditure as an amendment to the original budget. This may be done in cases of grave public necessity to meet an unusual and unforeseen condition that was not known at the time the budget was adopted. In practice, this has been interpreted to include revenue-related expenses within the enterprise funds and timing differences on capital improvement projects. The following criteria will be used in evaluation of budget amendments:

- Is the request necessary?
- Why was the item not budgeted in the normal budget process?
- Why can't a transfer be done within the Division to remedy the condition?

The Chief Financial Officer must certify availability of revenues or funding sources prior to adoption.

The City will amend the budget at year end, if needed, for revenue based expenditures that exceeded budgeted amounts due to increased revenue and recognize any grant funded expenditures for grants received after the budget was adopted or last amended. The City will also amend the budget if necessary as part of the Mid-Year Review process for any capital project timing adjustments from prior year, as well as, any other known adjustments needed and approved at that time.

- H. **Contingency Appropriations** – The budget may include contingency appropriations within designated operating department budgets. These funds are used to offset expenditures for unexpected maintenance or other unanticipated expenses that might occur during the year. Currently, the City maintains contingency appropriations for insurance deductibles, unexpected legal expenses and equipment repairs.
- I. **Council Discretionary Account** – The budget may contain appropriated funds to be used at the discretion of the City Council. Actual expenditure of these funds is specifically approved by the City Council on an item by item basis. The Council Discretionary Account for 2011/12 is \$10,000 included in the General Fund.

## V. REVENUE MANAGEMENT

- A. **Characteristics** – The City will strive for the following optimum characteristics in its revenue system:
1. **Simplicity** – The City, where possible and with out sacrificing accuracy, will strive to keep the revenue system simple in order to reduce compliance costs for the taxpayer or service recipient.
  2. **Certainty** – A knowledge and understanding of revenue sources increases the reliability of the revenue system. The City will understand its revenue sources and enact consistent collection policies to provide assurances that the revenue base will materialize according to budget.

3. Equity – The City shall make every effort to maintain equity in its revenue system; i.e., the City should seek to minimize or eliminate all forms of subsidization between entities, funds, services, utilities, and customer classes, and ensure an on-going return on investment for the City.
  4. Revenue Adequacy – The City should require there be a balance in the revenue system; i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.
  5. Realistic and Conservative Estimates - Revenues will be estimated realistically, and conservatively, taking into account the volatile nature of various revenue streams.
  6. Administration – The benefits of a revenue source should exceed the cost of levying and collecting that revenue.
  7. Diversification and Stability – A diversified revenue system with a stable source of income shall be maintained. This will help avoid instabilities in two particular revenue sources due to factors such as fluctuations in the economy and variations in the weather.
- B. **Other Considerations** – The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:
1. Cost/Benefit of Incentives for Economic Development – The City will use due caution in the analysis of any incentives that are used to encourage development. A cost/benefit (fiscal impact) analysis will be performed as part of the evaluation.
  2. Non-Recurring Revenues – One-time or non-recurring revenues should not be used to finance current ongoing operations.
  3. Sustainable Revenues –“Sustainable” means revenue that is consistently available year after year.
  4. Property Tax Revenues – All real and business personal property located within the City will be valued at 100% of the fair market value for any given year based on the current appraisal supplied by the Williamson County Appraisal District.
- Conservative budgeted revenue estimates result in a projected ninety-eight percent (98%) budgeted collection rate for current ad valorem taxes. Two percent (2%) of the current ad valorem taxes will be projected as the budget for delinquent ad valorem tax collection. For budgeting purposes, the City will forecast the proposed property tax rate using the effective maintenance & operations (M&O) rate plus the interest & sinking (I&S) rate needed to fund tax supported debt service. Increases to the M&O rate will be deliberated and determined by the City Council. Proposed tax revenue will be budgeted at a 98% collection rate.
5. Interest Income – Interest earned from investments will be distributed to the funds in accordance with the equity balance of the fund from which the monies were provided to be invested.



6. User-Based Fees and Service Charges – For services associated with a user fee or charge, the direct or indirect costs of that service will be offset by a fee where possible. The City will review fees and charges no less than once every two years to ensure that fees provide adequate coverage for the cost of services. The City Council will determine how much of the cost of a service should be recovered by fees and charges.
7. Enterprise Fund Rates – The City will review and adopt utility rates as needed to generate revenues required to fully cover operating expenses, meet the legal requirements of all applicable bond covenants, and provide for an adequate level of working capital. Utility rates will be reviewed annually as part of the budget process. A rate study will be conducted every 3 years to review rate methodology and ensure revenues will meet future needs.

A **Rate Stabilization Account** has been established in the Electric Fund to offset and mitigate potential impacts to customer rates due to increased fuel costs or other external factors that may negatively impact Electric Rates.

Additionally, enterprise activity rates will include transfers to and receive credits from other funds as follows:

- a) General and Administrative Charges – Administrative costs should be charged to all funds for services of general overhead, such as administration, finance, customer billing, legal and other costs as appropriate. These charges will be determined through an indirect cost allocation following accepted practices and procedures and reviewed annually by the City's external auditors.
- b) Payment for Return on Investment – The intent of this transfer is to provide a benefit to the citizens for the ownership of the various utility operations they own.
  - *In-Lieu-of-Franchise-Fee.* This transfer, currently 3% of operating revenues, is consistent with the franchise rates charged to investor owned utilities franchised to operate within the City.
  - *Return on Investment.* The return on investment (ROI) transfer is currently calculated at 7% of operating revenues for all utilities except sanitation.
8. Intergovernmental Revenues – All potential grants will be examined for matching requirements and must be approved by the City Council prior to making application of the grant. It must be clearly understood that operational requirements (on-going costs) set up as a result of a grant program could be discontinued once the term and conditions of the program have been completed.
9. Revenue Monitoring – Revenues as they are received will be regularly compared to budgeted revenues and variances will be investigated, and any abnormalities will be included in the quarterly report to the City Council.

## VI. EXPENDITURE POLICIES

- A. **Appropriations** – The point of budget control is at the department level budget for all funds. The *Charter (Section 6.03)* provides that any transfer of appropriation between funds must be approved by the City Council and that the City Manager, without City Council approval, is authorized to transfer appropriations among departments, within the same operational division and fund. The City Manager may also authorize transfer of salary adjustment monies between funds that are budgeted in a citywide account.
- B. **Personnel Costs** – Costs related to salaries and benefits are budgeted at 100% total costs, assuming open positions are filled throughout the fiscal year. New positions that are added during the budget process may have staggered hire dates with appropriate costs reflected in the budget.
1. **Vacancy Factor** – General Fund appropriations will include a vacancy factor equal to 1% of total General Fund salaries and related benefits to offset salary savings within the budget. The vacancy factor will be budgeted as a negative expense within the General Government Department of the General Fund. For 2011/12 the Vacancy Factor equals 195,000. This factor will be reduced throughout the year as vacant positions are recognized within the department budget.
  2. **Benefit Payout Reserve** - The City will establish a benefit payout reserve equal to 15% of the accrued benefit liability for employees who are currently meet eligible to retirement. Only terminating employee benefit expenses may be paid from this reserve. This reserve shall be funded as an offset to the vacancy factor. For 2011/12, \$55,000 is budgeted for this reserve.
  3. **Position Control** – The annual budget includes a set number of positions within departments when approved and adopted by City Council. Additional positions cannot be added without approval of the City Council. The City Manager may approve the transfer of authorized positions between departments if funds are available within the department.
  4. **Use of Excess Salary Savings** – Departmental savings generated due to open positions or other salary line item savings cannot be spent by the department unless previously approved by the City Manager and validated by Finance as “excess funds”.
- C. **Special Purpose Funding** – In order to support community assistance programs, the City designates specific funding for special purposes, including Social Services, Children's Programs, and Public Art. The City reserves the ability to cap this special purpose funding when necessitated by budget contingency or compliance issues, such as revenue shortfalls, or other reasons as determined by City Council.
1. **Social Service Funding and Children's and Youth Program Funding** – The City has targeted funding for these programs to be \$5.00 per capita, which may be adjusted to offset the effects of general inflation based upon CPI. If previous funding levels are higher than the targeted amount, and to avoid significant reductions in levels of funding, the City Council shall seek to attain this target chiefly through population growth. Funding for these programs will be split 83% for social services and 17% for youth funding. These funds will be allocated and

paid according to the City Council's guidelines for Social Service and Children's and Youth Program Funding.

The funding level for 2011/12 is \$311,331 for Social Service Funding and \$88,718 for Children's and Youth Program Funding, both of which are the same as in the previous year.

Any given year, unallocated funds in either the social Services Fund or the Children's and Youth Program Funds can be allocated to the other fund, in an amount not to exceed the estimated increase for the following year in the fund receiving the transfer.

2. Public Art Funding - The City will annually allocate funding for Public Art on a year to year basis depending on the availability of funds in an amount to be determined at the discretion of the City Manager. Funding priority will be given to projects that include a matching donation, including contributions from local organizations and sponsors. Any unspent funds will accumulate and be reallocated in the following budget year. Disbursement of these funds will be determined by the City Council at the recommendation of the City's Arts & Culture Advisory Board.

Every effort will be made to include public art funding in future City facilities whose primary purpose is for public use. These projects will include a reasonable allowance for public art that fits the scope and purpose of the building so long that it does not negatively impact the project cost beyond the original budget. In the event there is cost savings in the construction of City Facilities, the City Council may consider utilizing that savings on the purchase of public art for the facility.

- D. Purchasing – All City purchases of goods or services will be made in accordance with the City's current Purchasing Policy and with State law. The City's Purchasing Policy states purchases:

- Less than \$1,000 can be procured with a City credit card
- Up to \$3,000 do not require competitive bids
- Between \$3,000 and \$50,000 require a minimum of three (3) informal bids
  - 2 of the 3 bids must be certified Texas HUB (historically underutilized businesses) if available within Williamson County
- Over \$50,000 require formal bids and must be posted on the City's e-Bid website

All purchases greater than \$50,000 require City Council authorization. They may also require previous review and recommendation by an appropriate advisory board. All purchases must be approved according to preapproved limits within each department. All purchases greater than \$10,000 require City Manager approval.

The following shows a summary of approval requirements for purchases.

<b>Procurements...</b>	<b>Requirements:</b>
Under the small purchase limit	No competitive bids required
Within the informal bid limit	A minimum of three informal competitive bids required unless exempted; HUB requirements apply in accordance with State law
Within the City Manager's approval	In addition requirements above, the City Manager must approve the purchase
In excess of the informal bid limit	Formal solicitations required unless exempted; City Council approval required

- E. **Prompt Payment** – All invoices approved for payment by the proper City authorities shall be paid within thirty (30) calendar days of receipt of goods or services or invoice date, whichever is later in accordance with State law. The City will take advantage of all purchase discounts, when possible.
- F. **Risk Management** – The City will pursue every opportunity to provide for the Public's and City employees' safety and to manage its risks. The goal shall be to minimize the risk of loss of resources through liability claims with an emphasis on safety programs.
- G. **Retirement Benefits** – Proposals to revise benefits administered and provided by the Texas Municipal Retirement System shall include a written description, and, detailed and summary numerical assessments of the changes that would result from the proposed benefit revision.
1. The numerical assessments shall include the following:
    - a) The estimated change to the TMRS contribution rate that would result from the proposed change in benefits, expressed as a percentage of employee pay and as an annual dollar amount to the General Fund and to each City fund.
    - b) The estimated change to the City's unfunded pension liability, expressed as a dollar amount.
    - c) The estimated change to the City's actuarial funding ratio.
  2. The description and numerical assessments must be provided to the City Council at least 72 hours prior to consideration and approval, and must be read aloud to the Council prior to Council consideration.
  3. The estimated changes to the City's contribution rate and the unfunded pension liability presented pursuant to the section must be based on information provided by the TMRS actuary or by professional actuary authorized by the TMRS to provide such information.

4. Proposals to revise TMRS benefits must be voted on individually as part of the City Council's legislative agenda.
5. The City has established -80% as the targeted funding goal for the City's unfunded pension liability. The City's unfunded pension liability is 73.1% as of December 31, 2009, as disclosed by TMRS.
6. The City may elect to make an annual 1-time payment prior to further fund the City's unfunded pension liability. Such payment will be approved and authorized by the City Council prior to December 31 in order to be recognized in the following year's TMRS employer contribution rate calculation.

## **VII. BUDGET CONTINGENCY PLAN**

This policy is designed to establish general guidelines for managing revenue shortfalls resulting from local and national economic downturns that adversely affect the City's revenue streams.

- A. **Immediate Action** - Once a budgetary shortfall is projected, the City Manager will take the necessary actions to offset any revenue shortfall with a reduction in current expenses. The City Manager may:

- Freeze all new hire and vacant positions except those deemed to be a necessity.
- Review all planned capital expenditures.
- Delay all "non-essential" spending or equipment replacement purchases.

The City Manager shall report in a timely manner to the City Council the projected shortfall and the actions taken to resolve it.

- B. **Further Action** -. If the actions identified in subsection A are insufficient to offset the projected revenue deficit for the current fiscal year, the City Council may approve the following actions, in the order listed:

1. Apply unspent, unobligated surplus funds from prior fiscal years to fund one-time costs in the current fiscal year budget.
2. Notwithstanding Section XII B.1 of this policy, authorize a reduction in the unobligated fund balance in the General Fund, pursuant to Section XII B.1 of this policy, from 90 to 75 days.
3. Direct other reductions in services, including workforce reductions.

- C. **Replenish Fund Balance** - As soon as practicable, without placing undue strain on city services, the City Council shall increase the unobligated fund balance in the General Fund, up to the 90-day amount required in Section XII B.1 of this policy.

## **VIII. CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

The City's goal is to maintain City facilities and infrastructure in order to provide excellent services to the customers within the community, meet growth related needs, and comply with all state and federal regulations.

A. **Preparation** – The City annually updates and adopts a five-year Capital Improvement Program (CIP) schedule as part of the operating budget adoption process. The plan is reviewed and adjusted annually as needed, and year one is adopted as the current year capital budget. The capital budget will include all capital projects, capital resources, and estimated operational impacts.

- Needed capital improvements are identified through system models, repair and maintenance records and growth demands.
- Economic development projects that have capital infrastructure needs must be reviewed and approved for funding by the City no later than March 1 to be included in the annual CIP process. Any economic development project approved for funding after March 1 will be included in the following year CIP process unless otherwise authorized by City Council.
- A team approach will be used to prioritize CIP projects, whereby City staff from all operational areas provide input and ideas relating to each project and its effect on operations.
- Citizen involvement and participation will be solicited in formulating the capital budget through neighborhood meetings, public hearings and other forums.
- Capital infrastructure necessary to meet the requirements of the City's Annexation Plan will be identified separately within the CIP plan, so that funding alternatives can be developed if needed.
- Georgetown Utility Systems (GUS) Advisory Board will review the Electric, Water and Wastewater plans prior to Council adoption. Georgetown Transportation Advisory Board will review the Streets and Stormwater Drainage plans prior to adoption.

B. **Control** – All capital project expenditures must be appropriated in the capital budget. Availability of resources must be identified and then reviewed by the Finance Division before any CIP contract is presented to the City Council for approval.

- All utility contracts and other utility expenditures greater than \$50,000 are reviewed by the Georgetown Utility Systems (GUS) Advisory Board prior to presentation to Council.

C. **Financing Programs** – Where applicable, assessments, impact fees, pro rata charges, or other fees should be used to fund capital projects which have a primary benefit to specific identifiable property owners.

Recognizing that long-term debt is usually a more expensive financing method, alternative-financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives equal or exceeding the average life of the debt issue.

- Short-term financing including Capital Leasing and other tax-supported obligations can be used to fund vehicles, computers and other operating equipment provided the impact to the tax rate is minimal.

Caution should be used in replacing assets with short-term, tax-supported obligations due to the repetitive nature of the replacements. The total amount of I & S (interest and sinking) portion of the tax rate dedicated to fund short-term debt for equipment replacement will not exceed \$0.04. The estimated short-term I & S for 2011/12 is \$0.31.

## **IX. CAPITAL MAINTENANCE AND REPLACEMENT**

The City recognizes that deferred maintenance increases future capital costs. Therefore, a portion of all individual funds with infrastructure should be budgeted each year to maintain the quality within each system.

- A. **Infrastructure Maintenance** - On-going maintenance and major repair costs are included as capital expense within the departmental operating budgets. These costs are generally considered system repairs and are not capitalized for accounting purposes. They include such items as street seal coat, water line repairs and other general system maintenance.
- B. **Modified Approach - Pavement Condition Index (PCI)** - Governmental Accounting Standards Board Statement # 34 provides for an alternative approach to depreciation for measuring the value of infrastructure assets and the related costs incurred to maintain their service life at a locally established minimum standard. The City has elected to implement this modified approach in maintaining their non-enterprise fund infrastructure assets. In order to adopt this alternative method, the City has implemented an asset management system that determines if the minimum standards are being maintained. This measurement system will be updated at least every 3 years. The City has elected to use this alternative method for reporting its street infrastructure assets.

**The City uses the CarteGraph PavementView Pavement Management Information System to track the condition levels of each of the street sections. The condition of the pavement is based on the following factors:**

- Type of Distress
- Amount of Distress
- Severity of Distress
- Deduct Values (function of first three)

The Pavement Condition Index (PCI) is a measurement scale is based upon a condition index ranging from zero for a failed pavement to 100 for pavement with perfect condition. The condition index is used to classify pavement in the following conditions:

PCI	Rating
100 – 85	Good
85 – 45	Fair
45 – 0	Poor

The City's administrative policy is to achieve an average PCI level of 85. An 85 PCI is considered maintaining the streets in a "good" condition. Staff will prepare a street maintenance budget that meets this target for Council's consideration during the budget process.

- C. **Internal Service funds** – The City currently utilizes internal service funds to maintain and replace existing assets. Assessments are made to the using funds for the use of equipment currently in use and to be purchased during the year. In this way, suitable funds are available for the purchase of operational assets without the issuance of debt.
1. **Fleet Maintenance and Replacement** - The City has a major investment in its fleet of cars, trucks, tractors, and other equipment. The City will anticipate replacing existing equipment, as necessary and will establish charges that are assigned to the using departments to account for the cost of that replacement. Vehicle maintenance is also allocated in this manner.
  2. **Technology** – It is the policy of the City to plan and fund the maintenance and replacement of its computer network and other technology systems. The City currently uses a four-year replacement cycle for all desktop computers. A reserve will be established within the ISF for replacement of major systems and will be funded over time through excess revenues within the Fund. Funding for major systems assumes that 50% of the replacement cost will be debt funded.
  3. **Facilities Maintenance** – The City has established an on-going maintenance program, which includes major repairs, equipment, as well as contracts for maintaining City facilities. The City has anticipated a useful life of such equipment and established a means of charging those costs to the various departments in order to recognize the City's continuing costs of maintaining its facilities. Determination for facility repairs is based on useful life of the various elements of the facilities. A proportional cost for each element is expensed within the budget for capital replacement. An additional unscheduled repair reserve equal to 10% value of annual internal service funding is also budgeted. The estimate reserve for 2011/12 equals \$30,000.

## **X. ACCOUNTING, AUDITING AND FINANCIAL REPORTING**

- A. **Accounting** – The City is solely responsible for the recording and reporting of its financial affairs, both internally and externally. The Chief Financial Officer (CFO) is responsible for establishing the structure for the City's Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position.
- B. **General Government and Finance Subcommittee (GGAF)** – The City may establish a subcommittee consisting of (3) City Council members and (2) citizens that may meet monthly to provide additional oversight to the City's Finance operations. This subcommittee will also review general government items that are not reviewed by another City advisory board before being presented to City Council. The City's CFO will be the liaison for this subcommittee.



- C. **Audit of Accounts** – In accordance with the *Charter*, an independent audit of the City accounts will be performed every year. The auditor is retained by and is accountable directly to the City Council. The auditing firm will serve for up to 3 years, at which time, the City will re-bid these services, thereby changing firms at least every 3 years.
- D. **External Reporting** – Upon completion and acceptance of the annual audit by the City's auditors, the City shall prepare a written Comprehensive Annual Financial Report (CAFR) which shall be presented to the City Council within 180 calendar days of the City's fiscal year end. The CAFR shall be prepared in accordance with Generally Accepted Accounting Principals (GAAP) and shall be presented annually to the Government Finance Officer Association (GFOA) for evaluation and consideration for the Certificate of Achievement in Financial Reporting.
- E. **Internal Reporting** – The Finance Department will prepare internal financial reports, sufficient to plan, monitor and control the City's financial affairs.

## **XI. ASSET MANAGEMENT**

- A. **Cash Management and Investments** – The City Council has formally approved a separate Investment Policy for the City of Georgetown that meets the requirements of the Public Funds Investment Act (PFIA), Section 2256 of the Texas Local Government Code. This policy is reviewed annually by the City Council and applies to all financial assets held by the City.
1. **Statement of Cash Management Philosophy** - The City shall maintain a comprehensive cash management program to include the effective collection of all accounts receivable, the prompt deposit of receipts to the City's depository, the payment of obligations, and the prudent investment of idle funds in accordance with this policy.
  2. **Objectives** – The City's investment program will be conducted as to accomplish the following listed in priority order:
    - Safety of the principal invested
    - Liquidity and availability of cash to pay obligations when due
    - Ensure public trust through responsible actions as custodians of public funds.
    - Receive the highest possible rate of return (yield) consistent with the City's investment policy.
  3. **Safekeeping and Custody** – Investments may only be purchased through brokers/dealers who meet the criteria detailed in the investment policy, which also addresses internal controls related to investments.
  4. **Standard of Care and Reporting** – Investment will be made with judgment and care, always considering the safety of principal to be invested and the probable income to be derived. The Chief Financial Officer is responsible for the overall management of the City's investment program and ensures all investments are made in compliance with the investment policy. An investment report, providing

both summary and detailed information, will be presented to the City Council quarterly.

5. Authorized Investments – The City can currently invest in the following:

- Certificates of Deposit
- U.S. Treasury and Agency securities
- Investment Pools that meet the requirements of the PFIA
- No-load Money Market Mutual Funds
- Fully collateralized Repurchase Agreements
- Other investments as approved by City Council and not prohibited by law

B. Fixed Assets – These assets will be reasonably safeguarded and properly accounted for, and prudently insured.

1. Capitalization Criteria - For purposes of budgeting and accounting classification, the following criteria must be capitalized:

- The asset owned by the City.
- The expected useful life of the asset must be longer than one year, or extend the life of an identifiable existing asset by more than one year.
- The original cost of the asset must be at least \$5,000.
- The asset must be tangible.
- On-going repairs and general maintenance are not capitalized.

2. New Purchases – All costs associated with bringing the asset into working order will be capitalized as part of the asset cost. This will include start up costs, engineering or consultant type fees as part of the asset cost once the decision or commitment to purchase the asset is made. The cost of land acquired should include all related costs associated with its purchase.

3. Improvements and Replacement – Improvements will be capitalized when they extend the original life of an asset or when they make the asset more valuable than it was originally. The replacement of assets components will normally be expensed unless they are a significant nature and meet all the capitalization criteria.

4. Contributed Capital - Infrastructure assets received from developers or as a result of annexation will be recorded as equity contributions when they are received.

5. Distributions Systems - All costs associated with public domain assets, such as streets and utility distribution lines will be capitalized in accordance with the capitalization policy. Costs should include engineering, construction and other related costs including right of way acquisition.

6. Reporting and Inventory – The Finance Division will maintain the permanent records of the City's fixed assets, including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life. Periodically, random sampling at the department level will be performed to inventory fixed assets assigned to that department. Responsibility for safeguarding the City's fixed assets lies with the department supervisor or manager whose department has been assigned the asset.

## **XII. DEBT MANAGEMENT**

The City of Georgetown recognizes the primary purpose of capital facilities is to provide services to the community. Using debt financing to meet the capital needs of the community must be evaluated according to efficiency and equity. Efficiency must be evaluated to determine the highest rate of return for a given investment of resources. Equity is resolved by determining who should pay for the cost of capital improvements. In meeting demand for additional services, the City will strive to balance the needs between debt financing and "pay as you go" methods. The City realizes that failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects on the City's long-range financial condition.

The City will issue debt only for the purpose of acquiring or constructing capital assets for the general benefit of its citizens and to allow it to fulfill its various purposes as a city.

- A. Usage of Debt - Long-term debt financing will be considered for non-continuous capital improvements of which future citizens will be benefited. Alternatives for financing will be explored prior to debt issuance and include, but not limited to:

- Grants
- Use of Reserve Funds
- Use of Current Revenues
- Contributions from developers and others
- Leases
- Impact Fees

When the City utilizes long-term financing, it will ensure that the debt is soundly financed by conservatively projecting revenue sources that will be used to pay the debt. It will not finance the improvement over a period greater than the useful life of the improvement and it will determine that the cost benefit of the improvement, including interest costs, is positive to the community.

The City may utilize the benefits of short-term debt financing to purchasing operating equipment provided the debt doesn't extend past the useful life of the asset and the potential impact to the tax rate is within policy guidelines. The I & S (interest and sinking) portion of the tax rate can not exceed \$0.04 for short-term debt (3-10 years).

## **B. Types of Debt –**

1. General Obligation Bonds (GO's) – General obligation bonds must be authorized by a vote of the citizens of Georgetown. They are used only to fund capital assets of the general government and are not to be used to fund operating needs of the City. The full faith and credit of the City as well as the City's ad valorem taxing authority back general obligation bonds. Conditions for issuance of general obligation debt include:
  - When the project will have a significant impact on the tax rate;
  - When the project may be controversial even though it is routine in nature; or
  - When the project falls outside the normal bounds of projects the City has typically done.
2. Revenue Bonds – Revenue bonds will be issued to provide for the capital needs of any activities where the capital requirements are necessary for the continuation or expansion of a service. The improved activity shall produce a revenue stream to fund the debt service requirements of the necessary improvement to provide service expansion. The average life of the obligation should not exceed the useful life of the asset(s) to be funded by the bond issue, and will generally be limited to no more than twenty (20) years. An exception can be made for plant expansions or related system expansions whose useful life is in excess of 30 years. A cost benefit analysis will be done to fully disclose the impacts of extending debt beyond 20 years.
3. Certificates of Obligation, Contract Obligations (CO's) – Certificates of obligation or contract obligations may be used to fund capital requirements that are not otherwise funded by general obligation or revenue bonds. Debt service for CO's may be either from general revenues (tax-supported) or supported by a specific revenue stream(s) or a combination of both. Typically, the City may issue CO's when the following conditions are met:
  - When the proposed debt will have minimal impact on future effective property tax rates;
  - When the projects to be funded are within the normal bounds of city capital requirements, such as for roads, parks, various infrastructure and City facilities; and
  - When the average life of the obligation does not exceed the useful life of the asset(s) to be funded by the issue.

Certificates of obligation will be the least preferred method of financing and will be used with prudent care and judgment by the City Council. Every effort will be made to ensure public participation in decisions relating to debt financing.

4. Self-supporting General Obligation Debt – Refers to certificates of obligation issued for a specific purpose and repaid through dedicated revenues other than ad valorem taxes. The annual debt requirements are not included in the property tax calculation. Both the Airport and Stormwater Drainage funds will issue this type of debt, In addition, the Electric and Water Services Funds can utilize this method of funding non-system capital assets. The City also issues debt on behalf of the Georgetown Transportation Enhancement Corporation (GTEC) whom then pledges 4B sales tax revenue for the repayment of that debt.
  5. Internal borrowing between City funds – The City can authorize use of existing long-term reserves as “loans” between funds. The borrowing fund will repay the loan at a rate consistent with current market conditions. The loan will be repaid within ten (10) years. The loan will be considered an investment of working capital reserves by the lending fund.
  6. Short-term borrowing - The City may authorize the issuance of Public Property Finance Contractual Obligations (PPFCO) which is short-term obligations for the acquisition of personal public property, such as equipment. PPFCOs are payable from either ad valorem taxes or another dedicated revenue stream. Each issuance will be assessed to ensure cost effectiveness and the repayment schedule will not exceed the useful life of the asset. Multiple equipment acquisitions can be grouped in a single PPFCO issue in order to develop economies of scale.
- C. Method of Sale – The City will use a competitive bidding process in the sale of bonds unless conditions in the bond market or the nature of the issue warrant a negotiated bid. In such situations, the City will publicly present the reasons for the negotiated sale. The City will rely on the recommendation of the financial advisor in the selection of the underwriter or direct purchaser.
- D. Disclosure – Full disclosure of operating costs along with capital costs will be made to the bond rating agencies and other users of financial information. The City staff, with assistance of the financial advisor and bond counsel, will prepare the necessary materials for presentation to the rating agencies and will aid in the production of the Preliminary Official Statements. The City will take responsibility for the accuracy of all financial information released.
- E. Federal Requirements – The City will maintain procedures to comply with arbitrage rebate and other Federal requirements.
- F. Debt Structuring – The City will issue bonds with an average life of twenty (20) years or less, not to exceed the useful life of the asset acquired. The structure should approximate level debt service unless operational matters dictate otherwise. Market factors, such as the effects of tax-exempt designations, the cost of early redemption options and the like, will be given consideration during the structuring of long term debt instruments. Exceptions to the 20 year average life include debt issues for major system expansions, such as water, sewer or electric plants, in which case the City may issue debt greater than 20 years since the average life of the asset exceeds 30 years. A cost benefit analysis indicating the impacts of extending debt beyond 20 years will be completed.

- G. **Debt Coverage Ratio** – Refers to the number of times the current combined debt service requirements or payments would be covered by the current operating revenues net of on-going operating expenses of the City's combined utilities (Electric, Water, and Wastewater). The City will maintain a minimum debt service coverage ratio of 1.5 times for these utilities as a whole. The bond ordinances allow the City to forego a debt reserve fund for its utility debt if the coverage is maintained at 1.35 times or better. Debt coverage for 2011/12 is budgeted at 1.99 times coverage. A coverage ratio of 1.5 times will also be required for all funds issuing self-supporting debt.
- H. **Bond Reimbursement Resolutions** – The City may utilize bond reimbursements as a tool to manage its debt issues, due to arbitrage requirements and project timing. In so doing, the City uses its capital reserve "cash" to delay bond issues until such time when issuance is favorable and beneficial to the City.

The City Council may authorize a bond reimbursement resolution for General Capital projects that have a direct impact on the City's ad valorem tax rate when the bonds will be issued within the term of the existing City Council. In the event of unexpected circumstances that delay the timing of projects, or market conditions that prohibit financially sound debt issuance, the approved project can be postponed and considered by a future council until circumstantial issues can be resolved.

The City Council may also authorize revenue bond reimbursements for approved utility and other self-supporting capital projects within legislative limits. Currently revenue bonds must be issued within 18 months after an eligible bond funded project is begun.

The total outstanding bond reimbursements may not exceed the total amount of the City's reserve funds.

### **XIII. OTHER FUNDING ALTERNATIVES:**

When at all possible, the City will research alternative funding opportunities prior to issuing debt or increasing user-related fees.

- A. **Grants** - All potential grants will be examined for any matching requirements and the source of those requirements identified. A grant funding worksheet, reviewed by Finance, that clearly identifies funding sources, outcomes and other relevant information will be presented and approved by the City Council prior to any grant application being submitted. It must be clearly understood that any resulting operation requirements of the grant could be discontinued once the term and conditions of the project have been terminated. The City Council must authorize acceptance of any grant funding.
- B. **Use of Reserve Funds** - The City may authorize the use of reserve funds to potentially delay or eliminate a proposed bond issue. This may occur due to higher than anticipated fund balances in prior years, thus eliminating or reducing the need for debt proceeds, or postpone a bond issue until market conditions are more beneficial or timing of the related capital improvements does not correspond with the planned bond issue. Reserve funds used in this manner are replenished upon issuance of the proposed debt.

- C. **Developer Contributions** - The City will require developers who negatively impact the City's utility capital plans offset those impacts. These policies are further defined within the City's utility line extension policy and other development regulations.
- D. **Leases** - The City may authorize the use of lease financing for certain operating equipment when it is determined that the cost benefit of such an arrangement is advantageous to the City.
- E. **Impact Fees** - The City will impose impact fees as allowable under state law for both water and wastewater services. These fees will be calculated in accordance with statute and reviewed at least every three years. All fees collected will fund projects identified within the Fee study and as required by state laws.

#### **XIV. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS**

The City of Georgetown will maintain budgeted minimum reserves in the ending working capital/fund balances to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency, allow stability of City operations should revenues fall short of budgeted projections and provide available resources to implement budgeted expenditures without regard to actual timing of cash flows into the City.

- A. **Operational Coverage** – The City's goal is to maintain operations coverage of 1.00, such that operating revenues will at least equal or exceed current operating expenditures. Deferrals, short-term loans, or one-time sources will be avoided as budget balancing techniques.
  - 1. **Operating Reserves** – The City will maintain reserves at a minimum of seventy-five (75) days (20.83%) of net budgeted operating expenditures. Net budgeted operating expenditure is defined as total budgeted expenditures less interfund transfers and charges, general debt service (tax supported), direct cost for purchased power and payments from third party grant monies. Total reserves for 2011/12 are \$15,341,000. **General Fund** – The unobligated fund balance in the General Fund should equal at least ninety (90) days or 25% of annual budgeted General Fund operating expenditures. 2011/12 reserves are \$7,000,000 million.
  - 2. **Tourism Fund** – A minimum sixty days (60) or 16.67% of operating expenditures will be reserved within the fund balance.
  - 3. **Water and Wastewater Funds** – Working capital reserves in these funds should be 25% or ninety (90) days.
  - 4. **Other Funds** –
    - Stormwater Drainage Fund - \$150,000
    - Airport Fund – As funds are available, up to ninety (90) days or 25% of operating expenses (less fuel costs).

5. **Electric Fund** – The remaining balance to meet the citywide requirement of seventy-five (75) days of reserve funds will be maintained within this fund.

For all other non-enterprise funds, the fund balance is an indication of the balance of each particular fund at a specific time. The ultimate goal of each such fund is to have expended the fund balance at the conclusion of the activity for which the fund was established.

Reserve requirements will be calculated as part of the annual budget process and any additional required funds to be added to the reserve balances will be appropriated within the budget. Funds in excess of the minimum reserves may be expended for City purposes at the will of the City Council once it has been determined that use of the excess will not endanger reserve requirements in future years.

- C. **Liabilities and Receivables** - Procedures will be followed to maximize discounts and reduce penalties offered by creditors. Current liabilities will be paid within 30 days of receiving the invoice. Accounts Receivable procedures will target collection for a maximum of 30 days of service. Receivables aging past 120 days will be sent to a collection agency. The Chief Financial Officer is authorized to write-off non-collectible, non-utility accounts that are delinquent for more than 180 days, and utility accounts delinquent more than 1 year, provided proper delinquency procedures have been followed, and include this information in the annual report to the City Council.
- D. **Capital Project Funds** – Every effort will be made for all monies within the Capital Project Funds to be expended within thirty-six (36) months of receipt. The fund balance will be invested and income generated will offset increases in construction costs or other costs associated with the project. Capital project funds are intended to be expended totally, with any unexpected excess to be transferred to the Debt Service fund to service project-related debt service.
- E. **General Debt Service Funds** – Revenues within this fund are stable, based on property tax revenues. Balances are maintained to meet contingencies and to make certain that the next year's debt service payments may be met in a timely manner. The fund balance should not fall below one month or 1/12<sup>th</sup> annual debt service requirements, in accordance with IRS guidelines.
- F. **Investment of Reserve Funds** – The reserve funds will be invested in accordance with the City's investment policy. Existing non-cash investment would be exempt through retirement of the investment.
- G. **Ratios/Trend Analysis** - Ratios and significant balances will be incorporated into both the mid-year and annual reports to the City Council. This information will provide users with meaningful data to identify major trends of the City's financial condition through analytical procedures. The following ratios/balances will be used as key financial indicators:



- |  |   |
|--|---|
| • Fund Balance/Equity:<br>FB/E             | Assets - liabilities<br>AL (Acceptable level) minimum reserve requirement           |
| • Working Capital:<br>CA - CL              | Current assets less current liabilities<br>AL minimum reserve requirement           |
| • Current Ratio:<br>CA/CL                  | Current assets divided by current liabilities<br>AL > 1.00                          |
| • Quick Ratio:<br><br>Liquid CA/CL         | "Liquid" current assets divided by current liabilities<br>AL > 1.00                 |
| • Debt/Assessed AV Taxes<br>D/AV           | Debt divided by assessed Ad Valorem value<br>AL < 5                                 |
| • Debt Ratio:<br><br>CL +LTL/TA            | Current liabilities plus long-term liabilities divided by total assets<br>AL < 1    |
| • Enterprise Oper Coverage:<br>OR/OE       | Operating rev divided by operating expense<br>AL > 1.25                             |
| • Times Coverage Ratio:<br><br>(OR-OE)/DSV | Operating revenue less operating expense divided by annual debt service<br>AL > 1.5 |

The City will be to develop minimum/maximum levels for the above ratios/balances through analyzing of City historical trends and future projections. These ratios will also be compared to other similar or regional municipalities for further analysis.

## XV. INTERNAL CONTROLS

- A. **Written Procedures** – Wherever possible, written procedures will be established and maintained by the Chief Financial Officer for all functions involving cash handling and/or accounting throughout the City. These procedures will embrace the general concepts of fiscal responsibility set forth in this policy statement.
- B. **Internal Audit Program** - An internal audit program will be maintained by the Chief Financial Officer to ensure compliance with City policies and procedures and to prevent the potential for fraud.
  1. Departmental Audits – departmental processes will be reviewed to ensure dual control of City assets and identify the opportunity for fraud potential, as well as, to ensure that departmental internal procedures are documented and updated as needed.

2. Employees or Transaction Review. - Programs to be audited include Petty Cash, City Credit Card accounts, time entry, and travel. All discrepancies will be identified, and the employee's Division Director will be notified. The City Manager will also be notified depending on the seriousness of the infraction.
  3. Results of all internal audits will be provided to City Council on a quarterly basis.
- C. **Division Directors Responsibility** – Each division Director is responsible for ensuring that good internal controls are followed throughout their department, that all Finance Division directives are implemented and that all independent auditor internal control recommendations are addressed. Departments will develop and periodically update written internal control procedures.

## **XVI. STAFFING**

The City's goal as an employer is to attract and retain quality employees who provide excellent, friendly services to our community in an effective and efficient manner.

- A. **Adequate Staffing** – Staffing levels will be adequate for the fiscal functions of the City to operate effectively. Workload allocation alternatives will be explored before adding additional staff.
- B. **Cost of Living Adjustment (COLA)** - To protect city employees from the effects of general inflation, the City may fund an annual COLA for all regular employees not included in a defined pay plan. The COLA will be based on a three-year rolling average of the Consumer Price Index (CPI) reported by the U.S. Bureau of Labor Statistics for Southern cities pertinent to Georgetown's population.
- C. **Additional Salary Adjustment** - Additional salary adjustments for employees not included in a defined pay plan may be recommended at the discretion of the City Manager.
- D. **Pay for Performance** – The City Council may fund a one-time bonus incentive program to aid in retaining quality employees and reward employees for productivity and job performance. This program will be funded with one-time available resources and paid as a lump-sum distribution for performance that exceeds expectations during the review period.
- In addition, the City may also choose to fund an on-going merit adjustment based on performance that exceeds expectations during the review period. This is in addition to any one-time bonus incentive that may be awarded.

# Contingency Reserve Requirements Worksheet

(per Section XII.B of Fiscal and Budgetary Policy)

	CITY WIDE	B Y F U N D		
		General	Electric	Water Services
<b>Total budgeted expenditures</b>	<b>178,271,253</b>	<b>39,698,050</b>	<b>65,436,829</b>	<b>30,224,438</b>
Less:				
Purchased Power- Electric	(39,149,279)		(39,149,279)	
Sanitation Contract - General	(4,100,000)	(4,100,000)		
Social Service & Contingency funding	(470,049)	(470,049)		
Capital Improvements - Electric, WW, Water	(12,380,600)		(5,146,800)	(7,233,800)
Capital Improvements - Other Enterprise Funds	(757,500)			
Capital Improvements - GCP & Streets	(4,567,000)			
Capital Maintenance - General/Utilities	(2,935,500)	(1,250,000)	(1,171,000)	(514,500)
Capital Improvements - Special Revenue Funds	(1,582,000)			
Restricted Special Revenue funds	(2,085,458)			
Airport Fuel Charge	(2,806,000)			
Debt Service - General	(8,933,641)			
One-Time Only Expenses	(503,377)		(476,877)	
Interfund Transfers	(8,574,501)	(19,718)	(4,413,349)	(2,309,841)
Interfund Charges	(15,977,787)	(6,157,123)	(4,710,254)	(3,283,895)
<b>Budgeted operating expenditures</b>	<b>73,448,561</b>	<b>27,701,160</b>	<b>10,369,270</b>	<b>16,882,402</b>
Percentage reserve requirements:				
60 days - 16.67%	12,241,427	4,616,860	1,728,212	2,813,734
<b>75 days - 20.83%</b>	<b>15,301,784</b>	<b>5,771,075</b>	<b>2,160,265</b>	<b>3,517,167</b>
90 days - 25%	18,362,140	6,925,290	2,592,318	4,220,601

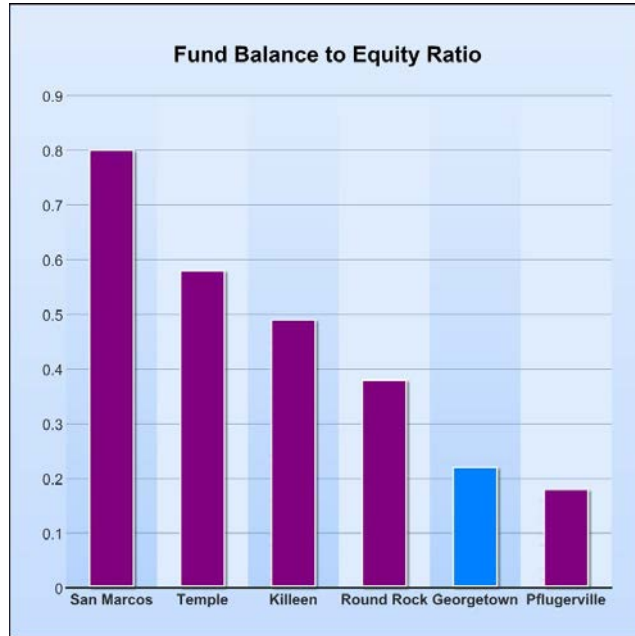
## 09/30 RESERVE BALANCES:

Fund	Minimum Days Required	Minimum Amount Required	Current Amount Included
Electric Fund	N/A	2,160,265	3,400,000
General Fund	90 days	6,925,290	7,000,000
Stormwater Drainage Fund	N/A	150,000	150,000
Water Services Fund	90 days	4,220,601	4,566,000
Airport Fund	N/A	108,190	150,000
Convention & Visitors Bureau SRF	60 days	75,000	75,000
All other City Funds expenditures	N/A*	1,662,438	N/A (held in other operating funds)
<b>Totals for all expenditures</b>	<b>75 days</b>	<b>15,301,784</b>	<b>15,341,000</b>

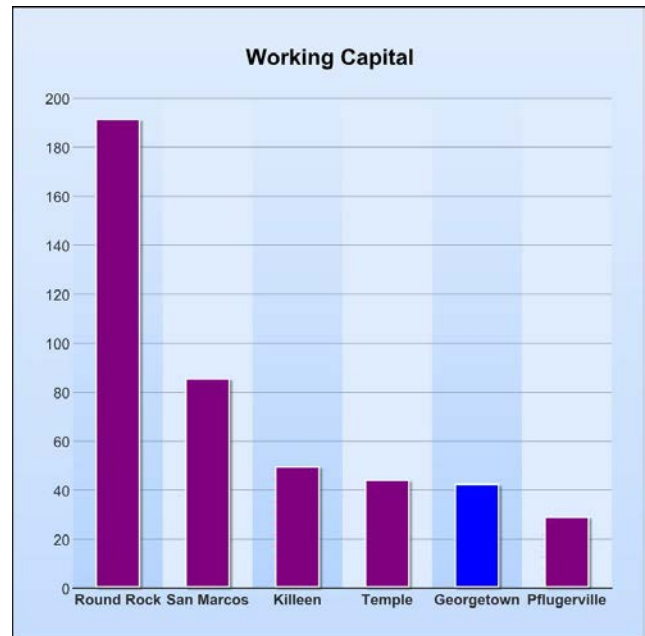
Note: The city-wide contingency reserve requirement is 75 days of operating expenses. Only the General, Stormwater Drainage, Water Services, and Convention and Visitors Bureau SRF have a specific minimum fund reserve requirement. All excess reserves for City expenditures in funds that do not have a specific fund requirement are held in other operating funds.

## Financial Ratio Comparisons

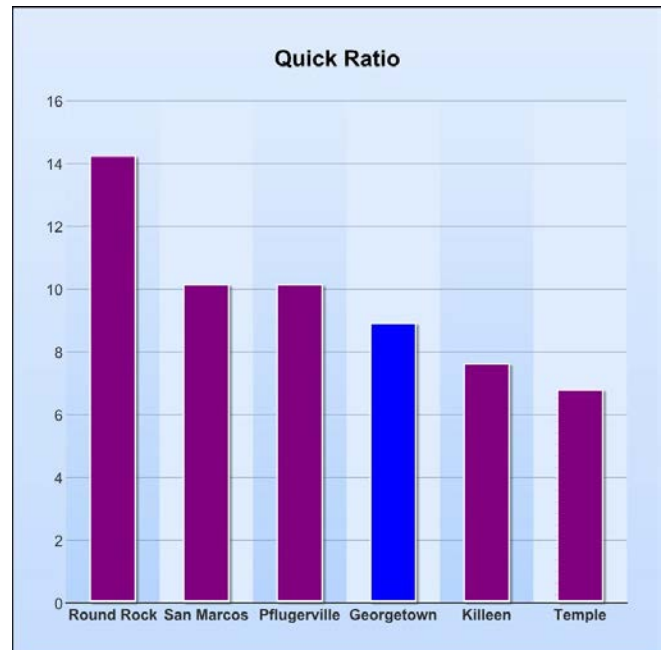
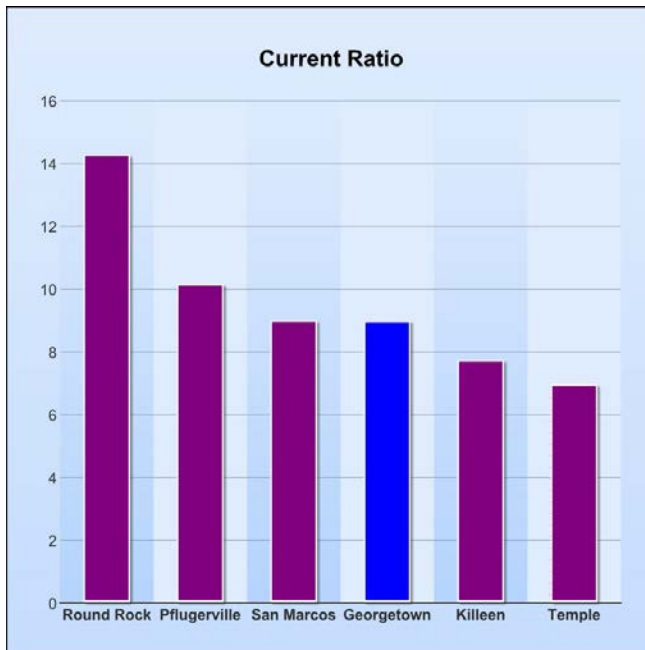
Georgetown has chosen to measure its financial condition against cities in the surrounding area that have similar size, location or growth issues. The acceptable levels referred to below are based on the City's Fiscal and Budgetary Policy. (per Section XII.G of the Fiscal and Budgetary Policy)



Fund Balance to Equity ratio is a function of fund balance to equity for governmental type funds (General Fund, Special Revenue, etc.).



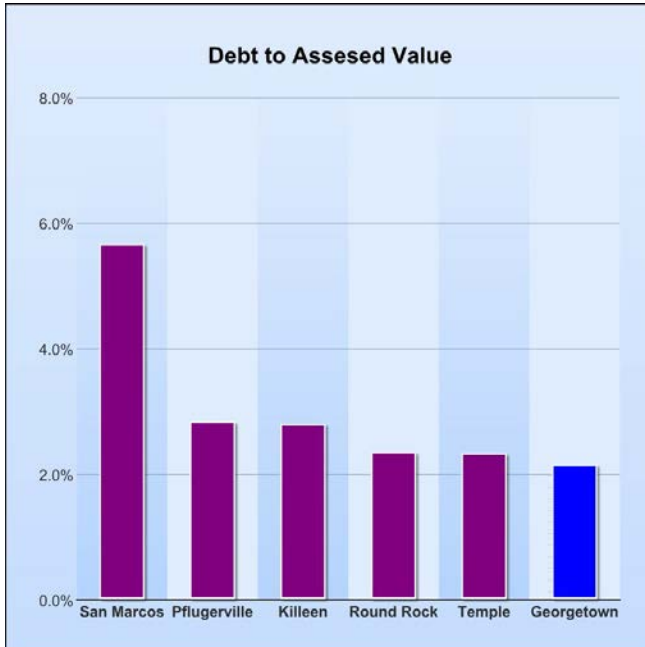
Working capital is the liquid reserve available to meet uncertainties. It is a function of current assets less current liabilities.



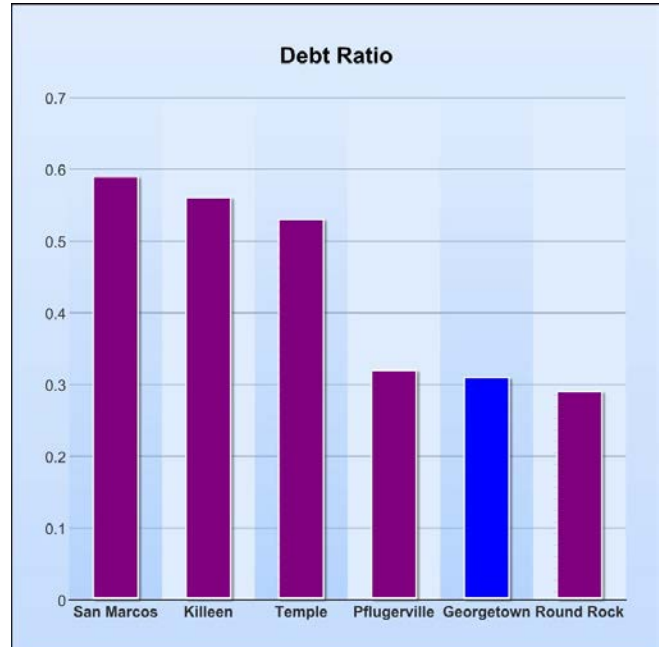
Current ratio and quick ratio are measures of liquidity. Liquidity is an organization's ability to convert noncash assets into cash or to obtain cash to meet impending obligations. Current ratio includes inventories and prepaid expenses, whereas the Quick ratio excludes inventories and prepaid expenditures. A ratio of 1 or greater is an acceptable level for both ratios.

## Financial Ratio Comparisons

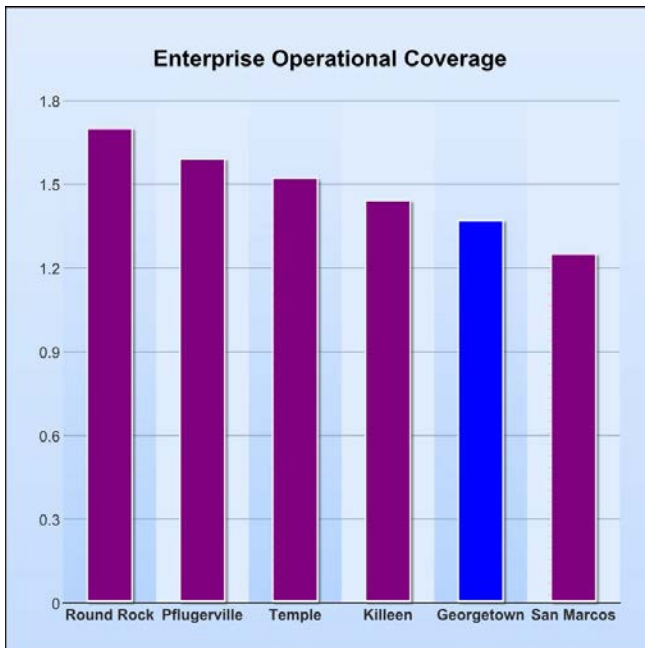
*Georgetown has chosen to measure its financial condition against cities in the surrounding area that have similar size, location or growth issues. The acceptable levels referred to below are based on the City's Fiscal and Budgetary Policy. (per Section XII.G of the Fiscal and Budgetary Policy)*



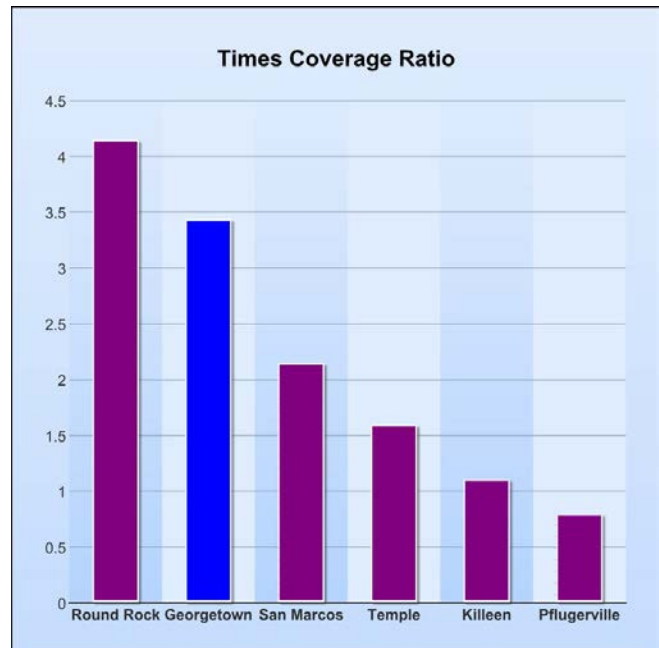
Debt to assessed value is a ratio of the assessed value to tax supported debt. A ratio or less than 5 is acceptable.



The ratio of current liabilities plus long term debt to total assets. A ratio of 1 or lower is acceptable.



Enterprise operational coverage is a ratio of operating revenue to operating expenses of the city's combined enterprise funds. A ratio of 1.25 or greater is acceptable.



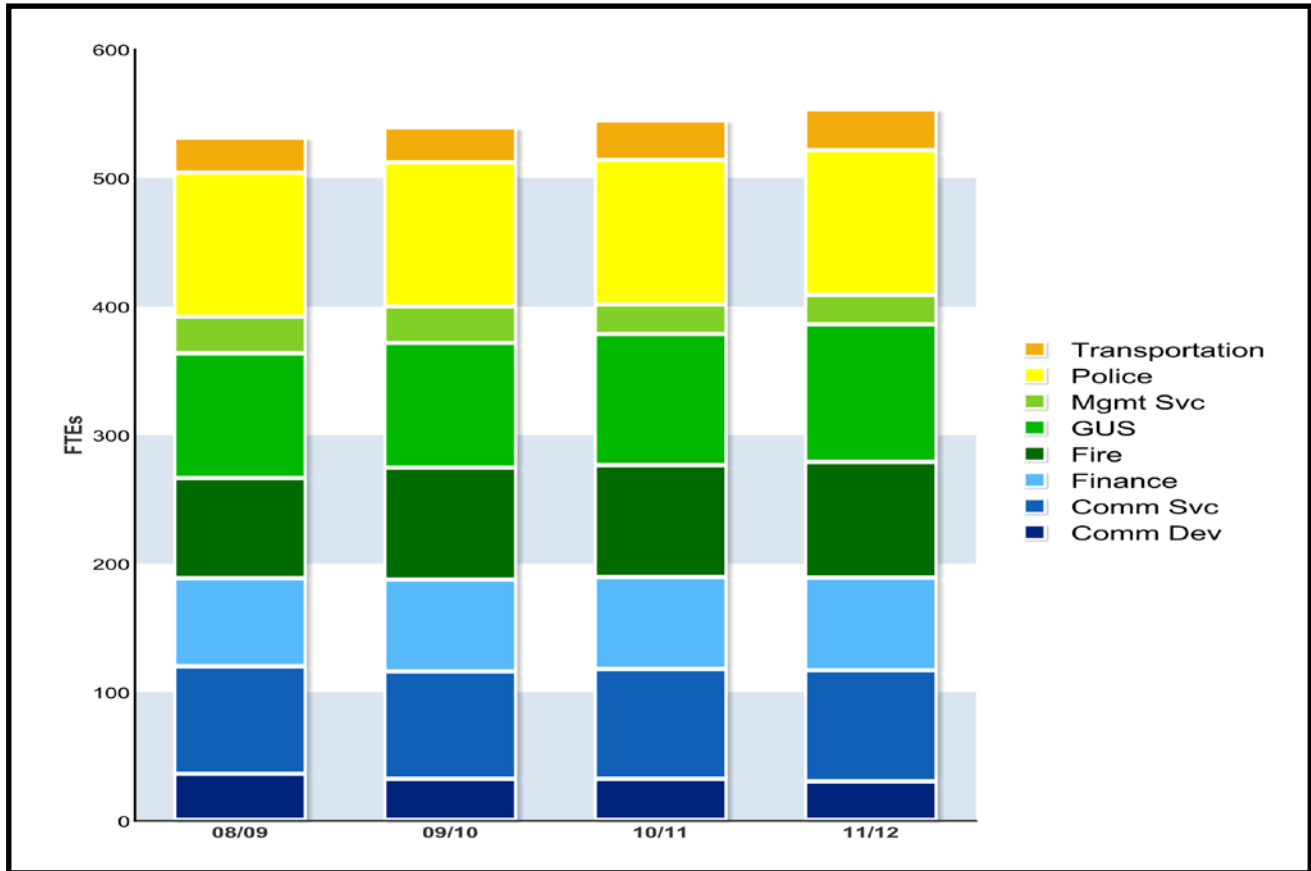
Number of times the utility debt service requirements would be covered by the current utility operating revenue net of current operating expense. A ratio of 1.5 or greater is acceptable.

# Personnel Summary by Division 2010 - 2013

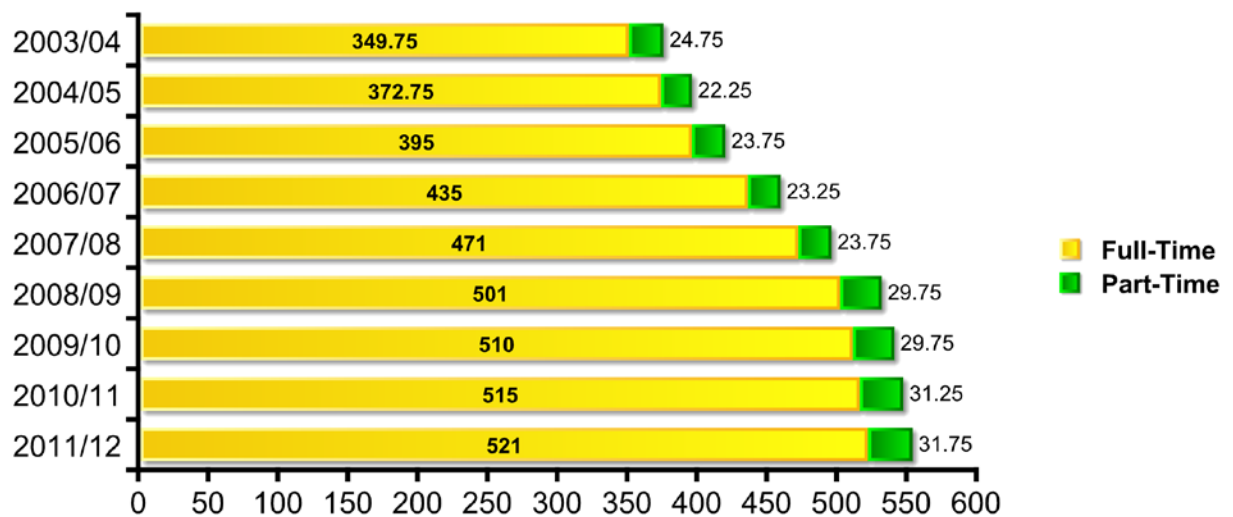
PERSONNEL SUMMARY	09/10 FINAL / ACTUAL	10/11 ORIGINAL BUDGET	10/11 FINAL / ACTUAL	11/12 ADOPTED	12/13 PROJECTED
<b>COMMUNITY DEVELOPMENT</b>					
Administration	2	2	2	2	2
Code Enforcement	6	6	6	6	6
Building Inspections	13	13	13	11	11
Planning	11	11	11	11	11
GIS	0	0	0	0	0
<b>Total (FT/PT)</b>	<b>32</b>	<b>32</b>	<b>32</b>	<b>30</b>	<b>30</b>
<b>COMMUNITY SERVICES</b>					
Convention & Visitor's Bureau	3	3	3	3	3
Public Library	19/2.5	19/2.5	19/2.5	20/2.5	20/2.5
Parks Admin	3	3	3	3	3
Parks	18/1.5	18/1.5	18/1.5	18/1.5	18/1.5
Recreation	18/18.5	20/18.5	20/18.5	20/18.5	20/18.5
<b>Total (FT/PT)</b>	<b>61/22.5</b>	<b>63/22.5</b>	<b>63/22.5</b>	<b>64/22.5</b>	<b>64/22.5</b>
<b>FINANCE &amp; ADMINISTRATION</b>					
Administration	6	6	6	6	6
Accounting	8	8	8	8	8
Municipal Court	7	7	7	7	7
Purchasing and Properties	7	7	7	7	7
Facilities Maintenance	7	7	7	7	7
Vehicle Service Center	6	6	6	6/.5	6/.5
Information Technology	9/.5	8/.5	8/.5	8/.5	8/.5
GIS	3	4	4	4	4
Utility Office	18	18	18	18	18
<b>Total (FT/PT)</b>	<b>71/.5</b>	<b>71/.5</b>	<b>71/.5</b>	<b>71/1</b>	<b>71/1</b>
<b>FIRE SERVICES</b>					
Fire Administration	6	6	6	6	6
Fire Operations	81	81	81	84	84
<b>Total (FT/PT)</b>	<b>87</b>	<b>87</b>	<b>87</b>	<b>90</b>	<b>90</b>
<b>GEORGETOWN UTILITY SYSTEMS</b>					
Administration	6	7	7	6	6
Conservation	0	0	0	2	2
Electric Admin	0	0	0	0.5	0.5
Electric	31	29	24	25	25
T&D Operations	11	12	12	14	14
AMR	5	5	8	9	9
Systems Engineering	14	16	16	17	17
Environmental Services	1	1	1	1	1
Water Services - Administration	3	3	3	0.5	0.5
Water Services - Reuse Irrigation	0	1	1	1	1
Water Services - Wastewater	12	14	14	14	14
Water Services - Water	14	16	16	17	17
<b>Total (FT/PT)</b>	<b>97</b>	<b>104</b>	<b>102</b>	<b>107</b>	<b>107</b>
<b>MANAGEMENT SERVICES</b>					
City Council	2	2	2	2	2
City Manager's Office	5/1	5/.5	5/.5	5/.5	5/.5
Legal	3	3	3	3	3
Public Communications	2	2/.5	2	2	2
Airport	2/3.5	2/3.5	0	0	0
Economic Development	3	3	3	3	3
Main Street	1	1	1	1	1
Human Resources	6	6	6/.5	6/.5	6/.5
<b>Total (FT/PT)</b>	<b>24/4.5</b>	<b>24/4.5</b>	<b>22/1</b>	<b>22/1</b>	<b>22/1</b>
<b>POLICE SERVICES</b>					
Administration	9	5	5	5	5
Operations	95	99	99	99	99
Animal Services	7/1	6/2.5	6/2.5	6/2.5	6/2.5
<b>Total (FT/PT)</b>	<b>111/1</b>	<b>110/2.5</b>	<b>110/2.5</b>	<b>110/2.5</b>	<b>110/2.5</b>
<b>TRANSPORTATION SERVICES</b>					
Transportation Admin	3	1	1	2	2
Streets	18/.75	18/.75	18/.75	18/.75	18/.75
Airport	0	0	2/3.5	2/3.5	2/3.5
Stormwater Drainage	5/.5	5/.5	5/.5	5/.5	5/.5
<b>Total (FT/PT)</b>	<b>26/1.25</b>	<b>24/1.25</b>	<b>26/4.75</b>	<b>27/4.75</b>	<b>27/4.75</b>
<b>TOTAL CITY OF GEORGETOWN (FT/PT)</b>	<b>509/29.75</b>	<b>515/31.25</b>	<b>513/31.25</b>	<b>521/31.75</b>	<b>521/31.75</b>

# Personnel Summary 2011/12

## Base Position Summary 2011-12



## EMPLOYEES - Full Time / Part Time (Full Time Equivalents)



## Personnel Summary 2011/12

	10/11 Final / Actual	11/12 Base Budget	11/12 Frozen Positions	11/12 Funded Positions
Community Development	32.00	30.00	(5.50)	24.50
Community Services	85.50	86.50	(3.00)	83.50
Finance	71.50	72.00	(1.00)	71.00
Fire	87.00	90.00	(1.00)	89.00
GUS	102.00	107.00	(1.00)	106.00
Management Services	23.00	23.00	(1.50)	21.50
Police	112.50	112.50	(5.00)	107.50
Transportation	30.75	31.75	(3.50)	28.25
<b>Total</b>	<b>544.25</b>	<b>552.75</b>	<b>(21.50)</b>	<b>531.25</b>

## New Positions 2011/12

Division	Position	FTEs
<b>Community Services</b>		
Library	Bookmobile Librarian (grant funded)	1
<b>Finance</b>		
Vehicle Service Center	Service Writer/Parts	0.5
<b>Fire</b>		
Operations	Firefighters	3
<b>Georgetown Utility Systems (GUS)</b>		
Electric	Crew Leader	1
AMR	Technician	1
T & D	Utility System Operator	1
T & D	I & C Substation Technician	1
<b>TOTAL FUNDED NEW POSITIONS</b>		<b>8.5</b>



## Frozen Positions 2011/12

Division	Position	Length	FTEs
<b>Community Development</b>			
Inspections	Combination Building Inspectors	12 mos.	2
Code Enforcement	Fire Inspector	6 mos.	1
Planning	Director of Planning	12 mos.	1
Planning	Planner III	12 mos.	1
Planning	Development Engineer Associate	12 mos.	1
<b>Community Services</b>			
Administration	Director of Community Services	12 mos.	1
Library	Assistant Library Director	12 mos.	1
Parks	Parks Maintenance Worker I	12 mos.	1
<b>Finance</b>			
Municipal Court	Clerk	6 mos.	1
Municipal Court	Associate Judge	12 mos.	
Administration	Project Manager	6 mos.	1
<b>Fire Services</b>			
Fire Administration	Administrative Assistant III	12 mos.	1
<b>Georgetown Utility Systems (GUS)</b>			
Systems Engineering	Systems Engineering Manager	12 mos.	1
<b>Management Services</b>			
Legal	City Attorney	6 mos.	1
Economic Development	Economic Development Program Mgr	12 mos.	1
<b>Police</b>			
Operations	Police Officer	12 mos.	3
Operations	Warrant Officer	12 mos.	1
Administration	Administrative Assistant	12 mos.	1
<b>Transportation Services</b>			
Streets	Heavy Equipment Operator	6 mos.	1
Streets	Crew Foreman	12 mos.	1
Streets	Light Equipment Operator	12 mos.	2
<b>TOTAL FROZEN UNFUNDED POSITIONS</b>		<b>6 mos.</b>	<b>5</b>
<b>TOTAL FROZEN UNFUNDED POSITIONS</b>		<b>12 mos.</b>	<b>19</b>

## Service Level Improvements Funded in Current Year (by Division)

Fund/Dept		Description	FTE	Total	1X
<b>Community Development</b>					
Code Enforcement	Telephone			2,570	
				<b>2,570</b>	
<b>Community Services</b>					
Parks		Increase for hazardous tree removal and pruning		15,000	
Parks		Skid Steer for Parks Maintenance		50,000	
Parks		Park/Playground Renov. (Capital Maintenance)		25,000	
Recreation		Camp opportunities for children w/Special Needs		16,147	
Recreation		Additional Computer Terminal at Rec Center		1,450	
Recreation		Summer Camp Operating Expense (offset by revenue)		2,500	
Recreation		Increase in Cardio Equipment Lease		7,000	
Tennis Center		Day Camp Payroll		116	
				<b>117,213</b>	
<b>Finance</b>					
Facility Maintenance		Recreation Center Defibrillators		1,600	X
Facility Maintenance		Security System Additions Citywide		380,300	
Facility Maintenance		Grace Heritage Center - Restroom		30,000	X
Facility Maintenance		Recreation Center Gym Curtain Divider		17,000	X
IT		Microsoft Exchange and related technologies		265,000	
Fleet		Service Writer/Parks Person PART time	0.5	18,566	
Fleet		Contract out Annual Fire apparatus pump testing		5,600	
Fleet		Fire Department Ladder testing		4,000	
			<b>1</b>	<b>722,066</b>	
<b>Fire</b>					
Operations		Station 5 Operational Increase		39,075	
Operations		3 Firefighters to complete staffing for Fire 5	3	50,220	
Operations		Overtime for FLSA and Staffing		24,578	
Operations		Subscriptions & Dues		4,350	
Operations		Furniture and Equipment		50,000	X
			<b>3</b>	<b>168,223</b>	

## Service Level Improvements Funded in Current Year (by Division)

Fund/Dept		Description	FTE	Total	1X
<b>GUS</b>					
Electric Operations		Electric Operations Maint Efficiency & Asset Mgmt	1	596,335	
T & D		Service Changes due to System Growth	2	234,838	
Technical Services		System Growth, SCADA	1	67,589	
Collection Station		Office Expense		1,000	
Collection Station		Utilities		2,000	
Collection Station		RFP process for new Waste Mgmt Contract		40,000	X
Water		Plant Management Operations		29,500	
Wastewater		Plant Operations increase in regulatory & historical		15,000	
Irrigation		Maintenance Electrical budget		15,100	
Streets		Telephone Expense Increase		2,200	
Streets		Contracting for Utility Repairs (offset by revenues)		275,000	X
Streets		Travel & Training		1,430	
Streets		Crack Sealing pickup replacement		7,289	
Streets		Special Services Increase		25,000	
Streets		Toughbooks upgrade		3,100	X
			<b>4</b>	<b>1,315,381</b>	
<b>Management Services</b>					
Communications		City Reporter - growth of circulation		1,380	
Communications		Windows Certification training for Webmaster		5,040	X
Communications		Subscriptions & dues		198	
			<b>-</b>	<b>6,618</b>	
<b>Police</b>					
Animal Services		Uniforms		1,000	
Animal Services		Travel & Training		1,000	
Animal Services		Medical Supplies (offset by revenues)		12,000	
Operations		Subscriptions & dues (offset by revenues)		1,500	
Operations		Ammunition Increase		25,000	
Administration		Airtime for laptops		30,000	
			<b>-</b>	<b>70,500</b>	
<b>GRAND TOTAL SERVICE LEVEL REQUESTS</b>			<b>7.5</b>	<b>2,402,571</b>	

# Internal Service Premiums

*\* With Programs*

Department	Facilities Maintenance	Fleet	Information Services	Joint Services	General
<b>General Fund</b>					
Transportation Administration			4,028		
Streets		149,918	72,496		
Planning	56,050	4,199	40,276		
Inspection Services		26,590	39,148		
Code Enforcement		31,362	24,165		
Municipal Court	19,491		29,233		
Fire Services Administration	206,257		24,924		
Fire Operations		97,935	336,475		
Environmental Services			4,244		
City Manager's Office	51,465	5,071	22,825		
General Government	14,222			2,375,138	
City Council	35,300		9,130		
Communications			9,130		
Parks	116,717	150,963	87,371		
Recreation	545,393	24,317	87,371		
Library	243,395		78,634		
Police Administration	138,350	213,943	585,362		
Animal Services	52,091	12,792	33,771		
<b>Economic Development &amp; Tourism SRF</b>					
Convention & Visitors Bureau	22,908		13,106		
<b>Facilities Maintenance Fund</b>					
Facilities Maintenance		34,853	29,233		
<b>Fleet Management Fund</b>					
Vehicle Service Center	2,617	38,063	25,057		
<b>Joint Services Fund</b>					
Economic Development	23,471		13,695		
Main Street			4,565		
GUS Administration	122,140	6,598	29,707		
Systems Engineering		43,338	73,058		
Finance Administration	40,723		25,057		
Accounting			33,409		
Purchasing	34,564	15,676	29,233		
Utility Office	36,658	33,037	75,171		
Human Resources	24,287		27,390		
Legal	3,028		13,695		

Department	Facilities Maintenance	Fleet	Information Services	Joint Services	General
<b>Information Services Fund</b>					
Information Resources	61,680	4,887	33,409		
GIS			16,705		
<b>Electric Fund</b>					
Electric Administration	13,659	359,085	195,220	3,362,414	685,332
<b>Water Services Fund</b>					
Administration		316,848	144,294	2,478,561	303,383
<b>Stormwater Drainage Fund</b>					
Stormwater Drainage		85,857	20,141	566,634	59,246
<b>Airport Fund</b>					
Airport Operations	49,796	20,822	9,130	41,592	46,588
<b>Total</b>	<b>1,914,262</b>	<b>1,676,154</b>	<b>2,299,858</b>	<b>8,824,339 *</b>	<b>1,094,549 **</b>

\* Excludes intergovernmental charges to GTEC of \$35,258

\*\* Excludes intergovernmental charges to GTEC of \$89,194

#### Internal Service Fund premiums include:

##### Facilities Maintenance

- ▶ Contracts and repairs for buildings and grounds are charged to departments based on actual usage and charges.

##### Fleet

- ▶ Vehicle lease fees are charged to departments based on actual replacement costs. Maintenance fees are charged based on each department's prior year actual usage.

##### Information Technology

- ▶ Computer and software lease fees are charged to departments based on replacement costs and estimated usage.

##### Joint Services and General (nondepartment)

- ▶ Fees are charged to funds receiving administrative services from another fund based on a reasonable, rational basis. The following factors are used as applicable.
  - ▶ relative revenues
  - ▶ relative personnel
  - ▶ number of utility accounts
  - ▶ number of work orders
  - ▶ number of requisitions

## Transfers Between Funds

		TRANSFERS TO						
		General Fund	SRF	Fleet	Facilities	Information Technology	Water	Total Out:
TRANSFERS FROM	General Fund		15,168			4,550		19,718
	Gen Cap Projects			1,320,000		224,000		1,544,000
	SRF	60,812	15,000			1,200		77,012
	Joint Services							0
	Electric	3,999,441		220,500	73,000	51,300	69,108	4,413,349
	Water Services	2,069,311			190,500	50,030		2,309,841
	Airport				35,000	10,940		45,940
	Stormwater Drainage	164,641						164,641
	Total In:	6,294,205	30,168	1,540,500	298,500	342,020	69,108	8,574,501

### Interfund transfers include:

#### Dividend to General Fund:

- ▶ Per the City's Fiscal and Budgetary Policy, utility operations transfer seven percent of its gross billings for utility services to the General Fund as a payment of the profits of the fund or a return on investment. The total return on investment transfer to the General Fund is \$5,808,393 in 2011/12.

#### Other Transfers:

- ▶ Other transfers include grant matching, fire hydrant testing, and equipment purchases to other funds.

# General Fund Five Year Projections

	Projected FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16
<b>Beginning Fund Balance</b>	7,829,950	7,484,291	6,987,948	8,842,820	11,452,644
<b>Revenues</b>					
Property Taxes	9,220,000	9,320,000	9,997,292	10,412,517	10,920,341
Sales Tax	8,375,000	8,444,000	9,181,641	9,594,815	10,026,582
Sanitation Revenues	4,937,000	4,964,000	5,238,962	5,343,452	5,458,460
Interest	40,000	40,000	61,092	61,092	61,092
Administrative Charges	1,174,767	1,167,719	1,150,674	1,173,688	1,197,161
All Other Revenue	9,311,419	9,698,092	9,789,877	10,099,308	10,342,704
Return on Investment	6,107,655	6,335,038	6,327,842	6,728,152	6,967,945
Transfers In	186,550	190,281	194,087	197,968	201,928
<b>Total Revenues</b>	<b>39,352,391</b>	<b>40,159,130</b>	<b>41,941,467</b>	<b>43,610,991</b>	<b>45,176,212</b>
<b>Expenses</b>					
Transportation	3,484,079	3,504,919	3,144,320	3,207,207	3,271,351
Community Development	2,051,045	2,072,667	2,278,354	2,323,803	2,370,161
Finance and Administration	526,256	542,382	547,161	558,104	569,266
Fire Department	7,569,156	8,237,971	7,376,445	7,555,380	7,738,685
Management Services	1,786,105	1,781,051	1,787,992	1,823,752	1,860,227
Community Services	7,247,680	7,311,841	7,428,046	7,576,624	7,728,173
Police Department	10,207,265	10,303,505	10,252,914	10,499,551	10,752,191
Georgetown Utility Systems	4,431,608	4,434,103	4,741,967	4,878,762	5,019,513
Administrative Expense	2,375,138	2,441,174	2,429,396	2,477,983	2,527,543
Transfers Out	19,718	25,860	100,000	100,000	100,000
<b>Total Expenses</b>	<b>39,698,050</b>	<b>40,655,473</b>	<b>40,086,595</b>	<b>41,001,167</b>	<b>41,937,110</b>
<b>Ending Fund Balance</b>	7,484,291	6,987,948	8,842,820	11,452,644	14,691,747
<b>Contingency</b>	7,000,000	7,235,000	7,235,000	7,235,000	7,235,000
<b>Available Fund Balance</b>	484,291	(247,052)	1,607,820	4,217,644	7,456,747
<b>Fund Balance as a Percent of Expenses</b>	1.22%	-0.61%	4.01%	10.29%	17.78%
<b>Effective Tax rate</b>					
Debt Service	0.16395	0.16710	0.16156	0.15782	0.15327
Operations & Maint.	0.22355	0.22112	0.21752	0.21325	0.20838
<b>Total</b>	<b>0.38750</b>	<b>0.38821</b>	<b>0.37908</b>	<b>0.37108</b>	<b>0.36165</b>

## Water Services Fund Five Year Projections

	Projected FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16
<b>Beginning Fund Balance</b>	7,441,746	4,674,565	4,721,199	(4,805,990)	(8,564,223)
<b>Primary Revenues</b>					
<b>Water Services</b>	22,873,227	24,391,880	24,688,542	25,070,087	25,458,675
<b>Other</b>					
<b>Water</b>	1,366,857	1,714,627	1,977,678	2,027,109	2,078,022
<b>Wastewater</b>	667,023	767,453	1,073,129	1,105,323	1,138,482
<b>Irrigation</b>	150	150	150	150	150
<b>Total Primary Revenue</b>	24,907,257	26,874,110	27,739,499	28,202,668	28,675,330
<b>Primary Expenses</b>					
<b>Contracts</b>	3,545,938	3,545,787	3,797,377	3,890,267	3,985,523
<b>Water</b>	10,229,267	10,674,352	10,075,061	10,331,165	10,605,022
<b>Wastewater</b>	2,459,050	2,459,050	2,467,007	2,541,017	2,617,248
<b>Irrigation</b>	258,709	258,705	216,893	227,737	239,124
<b>CIP Expense</b>	7,214,000	7,872,000	15,513,000	9,474,000	8,736,000
<b>Total Primary Expenses</b>	23,706,964	24,809,894	32,069,338	26,464,187	26,182,917
<b>Other Revenue</b>					
<b>SIP Fees</b>	350,000	0	761,100	507,400	126,850
<b>Other</b>	0	0	102,120	102,120	102,120
<b>Bond Revenue</b>	2,200,000	4,500,000	0	0	0
<b>Total Other Revenue</b>	2,550,000	4,500,000	863,220	609,520	228,970
<b>Other Expenses</b>					
<b>Transfer Out</b>	2,309,841	2,175,616	1,828,198	1,854,906	1,882,107
<b>CAFR Adjustment</b>	0	0	0	0	0
<b>Debt Service</b>	4,207,633	4,341,966	4,232,372	4,251,329	3,504,506
<b>Total Other Expenses</b>	6,517,474	6,517,582	6,060,569	6,106,235	5,386,613
<b>Ending Fund Balance</b>	4,674,565	4,721,199	(4,805,990)	(8,564,223)	(11,229,454)
<b>Contingency</b>	4,566,000	4,566,000	4,100,000	4,100,000	4,100,000

The projections assume no water or wastewater retail rate increases through the five year horizon. Current projections show that City may face a deficit by 2013/14 under that assumption and with planned capital expenditures starting in 2013/14. Rates, capital improvements and system operations are reviewed as part of the annual budget planning process. Strategies for any identified potential shortfalls will be implemented as needed to eliminate the deficits.



## Electric Fund Five Year Projections

	Projected FY12	Projected FY13	Projected FY14	Projected FY15	Projected FY16
<b>Beginning Fund Balance</b>	10,626,623	8,565,922	8,688,638	7,090,019	7,266,741
<b>Primary Revenues</b>					
Electric Services	61,527,544	63,271,406	65,709,202	71,046,364	74,083,395
Other	1,213,584	1,213,584	1,261,547	1,278,430	1,295,819
<b>Total Primary Revenues</b>	62,741,128	64,484,990	66,970,749	72,324,794	75,379,214
<b>Primary Expenses</b>					
Contracts	39,149,279	43,244,954	46,338,088	52,236,036	54,860,548
Operations	11,287,283	11,050,263	10,125,982	10,570,730	11,114,725
Franchise Fees	1,845,826	1,898,142	1,971,276	2,131,391	2,222,502
CIP Expense	5,621,893	4,127,861	2,666,000	2,048,000	1,977,000
<b>Total Primary Expenses</b>	57,904,281	60,321,220	61,101,345	66,986,157	70,174,775
<b>Other Revenue</b>					
Interest	35,000	35,000	60,000	60,000	60,000
Other	600,000	600,000	600,000	600,000	600,000
Bond Revenue	0	2,900,000	0	2,700,000	0
<b>Total Other Revenue</b>	635,000	3,535,000	660,000	3,360,000	660,000
<b>Other Expenses</b>					
Transfer Out	4,413,349	4,182,792	4,749,644	5,123,245	5,335,838
CAFR Adjustment	0	0	0	0	0
Debt Service	3,119,198	3,393,262	3,378,379	3,398,669	8,363,382
<b>Total Other Expenses</b>	7,532,547	7,576,054	8,128,023	8,521,914	13,699,220
<b>Ending Fund Balance</b>	8,565,922	8,688,638	7,090,019	7,266,741	(568,039)
<b>Contingency</b>	3,400,000	3,400,000	3,525,000	3,525,000	3,525,000

The projections assume no retail electric rate increases through the fiveyear horizon. Current projections show that City may face a deficit by 2015/16 under that scenario. Rates, purchased power costs and system operations are reviewed as part of the annual budget planning process. Strategies for any identified potential shortfalls will be implemented over time to mitigate the potential deficit.

# Utility Rate Schedule

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## Electric Rates (effective on billings after 01/05/08)

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### All Customers

Power Cost Adjustment	Variable
Residential Sales Tax	Inside City Limits: 2.00% of total electric charges Outside City Limits: None
Commercial Sales Tax	Inside City Limits: 8.25% of total electric charges Outside City Limits: 6.25% of total electric charges

### Residential Service

Customer Charge:	\$6.00 per month
Energy Charge:	\$0.1046 per kWh

### Small General Service

Customer Charge:	\$12.00 per month
Energy Charge:	\$0.1020 per kWh

### School Service

Customer Charge:	\$12.00 per month
Energy Charge:	\$0.1146 per kWh

### Municipal Water & Wastewater Pumping Service

Customer Charge:	\$12.00 per month
Energy Charge:	\$0.0922 per kWh

### Large General Service

Customer Charge:	\$20.00 per month
Demand Charge:	\$7.45 per kW, but not less than \$372.50
Energy Charge:	\$0.0722 per kWh
Minimum Bill:	\$392.50

### Industrial

Customer Charge:	\$50.00 per month
Demand Charge:	\$6.30 per kW, but not less than \$3,150.00 per month
Energy Charge:	\$0.0712 per kWh
Minimum Bill:	\$3,200.00

### Large Industrial Service

Customer Charge:	\$100.00 per month
Demand Charge:	\$5.30 per kW, but not less than \$10,600.00
Energy Charge:	\$0.0697 per kWh
Minimum Bill:	\$10,700.00

### Large Institutional Service

Customer Charge:	\$20.00 per month
Energy Charge:	\$0.0941 per kWh
Minimum Bill:	\$20.00

### Municipal Service

Customer Charge:	\$12.00 per month
Energy Charge:	\$0.0939 per kWh
Minimum Bill:	\$12.00

**Municipal Street Light Service**

100 Watt HPL	\$4.75 (35 kWh)*
200 Watt HPL	\$8.66 (71 kWh)*
250 Watt HPL	\$10.36 (86 kWh)*
400 Watt HPL	\$16.12 (137 kWh)*

**Retail Street Light Service**

100 Watt HPL	\$5.05 (35 kWh)*
200 Watt HPL	\$9.36 (71 kWh)*
250 Watt HPL	\$11.16 (86 kWh)*
400 Watt HPL	\$17.42 (137 kWh)*

**High Pressure Sodium Lighting**

100 Watt HPL	\$8.05 (35 kWh)*
200 Watt HPL	\$13.81 (71 kWh)*
250 Watt HPL	\$15.81 (86 kWh)*
400 Watt HPL	\$22.27 (137 kWh)*

\*Includes applicable Power Cost Adjustment (PCA)

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**Water Rates (effective 01/01/11)**


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	<u>Customer Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>
5/8inch meter	\$16.50 per month	\$21.80 per month
3/4 inch meter	\$18.50 per month	\$23.80 per month
1 inch meter	\$26.95 per month	\$31.37 per month
1 1/2 inch meter	\$45.55 per month	\$54.38 per month
2 inch meter	\$73.30 per month	\$87.43 per month
3 inch meter	\$189.45 per month	\$217.72 per month
4 inch meter	\$269.70 per month	\$313.87 per month
6 inch meter	\$481.55 per month	\$589.88 per month
8 inch meter	\$724.30 per month	\$865.63 per month
Cost per 1,000 gallons:	\$2.25	\$2.60

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**Non-Potable Water Rates (effective 01/01/11)**


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Cost per 1,000 gallons	\$1.05
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**Conservation Water Rates (effective 01/01/11)**


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Residential Only - Effective on Billings June 1 – October 31

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	<u>Inside City</u> <u>Per 1,000 gallons</u>	<u>Outside City</u> <u>Per 1,000 gallons</u>
0 to 18,000 gallons	\$2.25	\$2.60
19,000 through 29,000 gallons	\$3.00	\$3.35
30,000 through 39,000 gallons	\$4.50	\$4.85
40,000 through 74,000 gallons	\$6.00	\$6.35
Over 74,000 gallons	\$7.50	\$7.85

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## Wastewater Rates (effective 4/1/07)

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### Residential and Small Commercial

Net Monthly Rate:

Flat Rate Inside City Limits:	\$29.25 per month
Flat Rate Outside City Limits:	\$33.60 per month

Low income residential discount: 20% below current flat rate for qualifying households

### Commercial

Net Monthly Rate:

a. Inside City Limits

1. Customer Charge:	\$ 44.25 per month
2. Volumetric Charge*:	\$ 2.35 per 1,000 gallons

b. Outside City Limits

1. Customer Charge:	\$ 50.90 per month
2. Volumetric Charge*:	\$ 2.70 per 1,000 gallons

### High Strength Commercial

Net Monthly Rate:

a. Inside City Limits

1. Customer Charge:	\$ 44.25 per month
2. Volumetric Charge*:	\$ 3.70 per 1,000 gallons

b. Outside City Limits

1. Customer Charge:	\$ 50.90 per month
2. Volumetric Charge*:	\$ 4.30 per 1,000 gallons

### Large Commercial

Net Monthly Rate

a. Inside City Limits

1. Customer Charge:	\$ 78.60 per month
2. Volumetric Charge*:	\$ 2.35 per 1,000 gallons

b. Outside City Limits

1. Customer Charge:	\$ 90.40 per month
2. Volumetric Charge*:	\$ 2.70 per 1,000 gallons

### Multifamily

Net Monthly Rate:

a. Inside City Limits

1. Customer Charge:	\$105.15 per month
2. Volumetric Charge*:	\$ 2.35 per 1,000 gallons

b. Outside City Limits

1. Customer Charge:	\$120.90 per month
2. Volumetric Charge*:	\$ 2.70 per 1,000 gallons

*\*The volumetric charges are calculated using the actual water consumption billed per month.*

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### **Garbage Rates (effective 10/01/09)**

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All customers inside city limits must pay garbage. Customers outside city limits have the option to select City garbage pickup.

Sales Tax on Garbage Service: Residential and Commercial  
Inside City Limits: 8.25%  
Outside City Limits: 6.25%

Residential Rate: Inside City Limits / Tier I: \$14.35 (includes recycling)  
Outside City Limits / Tier II: \$17.00 (with Georgetown utilities)  
Outside City Limits / Tier III: \$17.95 (without Georgetown Utilities)

Non-Residential Rate: Varies - Rates will be set by type, amount and frequency of service

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### **Stormwater Drainage Fees (effective 11/15/04)**

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All residential customers within the city limits must pay a monthly charge of \$4.25. Non-residential customers within the city limits must pay \$4.25 per unit (2,088 square feet) which is calculated on the total square footage of impervious cover on the property.

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### **Utility Deposit Requirements and Service Charges**

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- ☒ Residential Deposit - \$150.00 (cash, check or credit card); Will be waived with qualifying 12- month letter of credit.
- ☒ Non-Residential Deposit - 1/6 Estimated Annual Bill. May substitute a Letter of Credit from a bank or surety bond. Will waive with a qualifying 36-month letter of credit.
- ☒ Meter Tampering Fee - \$100.00 per incident
- ☒ Payment Plan Administration Fee - \$20.00
- ☒ Late Payment - 10%
- ☒ Insufficient Check Charge - \$30.00
- ☒ Disconnect Service Charge for Delinquent Bill or Insufficient Check - \$30.00
- ☒ After Hours Reconnect Fee - \$50.00 (additional)
- ☒ Meter Reread Charge at Customer's Request - \$10.00
- ☒ Temporary Service (5 days) - \$60.00
- ☒ New or Transfer Account Charge - \$30.00 plus \$50.00 during non-business hours or same day connections
- ☒ Meter Test - At Cost
- ☒ Credit Cards: Discover, VISA and MasterCard accepted
- ☒ Online payments accepted (<http://www.georgetown.org/departments/billing/payments.php>)

ORDINANCE NUMBER 2011-34

**AN ORDINANCE LEVYING A TAX RATE FOR THE CITY OF GEORGETOWN FOR THE TAX YEAR 2011; PROVIDING A SEVERABILITY CLAUSE; AND SETTING AN EFFECTIVE DATE.**

WHEREAS, the City of Georgetown, Texas is an incorporated Home Rule city dependent upon taxes to provide its citizens with services; and

WHEREAS, the City of Georgetown, Texas published the required notices; and

WHEREAS, the City of Georgetown, Texas held the required two public hearings on August 9, 2011 and August 18, 2011; and

WHEREAS, all notification and public hearing requirements have been satisfied; and

WHEREAS, the City Council finds it necessary to levy taxes for the 2011/12 fiscal year for the City of Georgetown, Texas; and

WHEREAS, the tax rate being considered is above the effective rate; and

WHEREAS, THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE, and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:

SECTION 1. The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim. The City Council hereby finds that this ordinance complies with the Vision Statement of the City of Georgetown 2030 Comprehensive Plan.

SECTION 2. The City Council of the City of Georgetown (the "City Council") hereby finds that all of the prerequisites to the levying of a tax rate for this City for the year 2011, (including, without limitation, certifications, notices, submittals, and public hearings) as required by law have been complied with.

SECTION 3. The City Council does hereby levy and adopt the tax rate on \$100 valuation for the tax year 2011 as follows:

\$0.22290 for the purpose of maintenance and operation  
\$0.16460 for the principal and interest on debt of this city

\$0.38750 total tax rate

SECTION 4. If any section, paragraph, clause, phrase, or provision of this Ordinance shall be adjudged invalid or held unconstitutional, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof other than the part so declared to be invalid or unconstitutional.

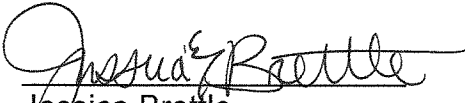
SECTION 5. This Ordinance shall become effective upon adoption of its second and final reading by the City Council of the City of Georgetown, Texas.

PASSED AND APPROVED on First Reading on the 29<sup>th</sup> day of August, 2011.

PASSED AND APPROVED on Second Reading on the 13<sup>th</sup> day of September, 2011.

ATTEST:

THE CITY OF GEORGETOWN:

  
Jessica Brettle  
City Secretary

  
By: George Garver  
Mayor

APPROVED AS TO FORM:

  
Bridget Chapman  
Acting City Attorney

ORDINANCE NO. 2011-35

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, ADOPTING THE ANNUAL BUDGET FOR THE ENSUING FISCAL YEAR BEGINNING OCTOBER 1, 2011, AND ENDING SEPTEMBER 30, 2012, IN ACCORDANCE WITH CHAPTER 102, LOCAL GOVERNMENT CODE; APPROPRIATING THE VARIOUS AMOUNTS THEREOF; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; INCLUDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Charter of the City of Georgetown, Texas, was amended by vote of the people in April, 1986 such that comprehensive planning was established as a continuous and ongoing governmental function; and

WHEREAS, in February 2008, the City Council adopted the Georgetown 2030 Plan as the City's comprehensive planning guide; and

WHEREAS, the Annual Budget is in compliance with the Vision Statement of the 2030 Plan, as well as, furthers the implementation of goals and objectives included in the Plan; and

WHEREAS, the City Council has reviewed all priorities, goals and strategies to be included in the Annual Budget for the upcoming fiscal year; and

WHEREAS, the City Council has received the City Manager's Proposed Budget and a copy of such Proposed Budget and all supporting schedules have been filed with the City Secretary of the City of Georgetown; and

WHEREAS, on August 29, 2011 the City Council revised the City Manager's Proposed Budget by reducing the General Fund Budget by \$374,080 which also reduced various other funds through allocation reductions; and

WHEREAS, the City Manager of the City of Georgetown has submitted to the City Council a revised Annual Budget of the revenues and related expenses of conducting the affairs of the City and providing a complete financial plan for the ensuing fiscal year, beginning October 1, 2011, and ending September 30, 2012, which has been compiled from detailed information obtained from the departments and offices of the City; and

WHEREAS, in accordance with Section 102.006 of the Texas Local Government Code, a public hearing was held on August 23, 2011, concerning such Proposed Budget; providing an opportunity for all interested taxpayers and citizens to be heard for or against any item or amount therein; and

WHEREAS, the City Council of the City of Georgetown is of the opinion that the Proposed Budget should be approved and adopted as the City's Annual Budget for the ensuing fiscal year;



NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:

SECTION 1. The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim. The City Council hereby finds that this ordinance complies with the Vision Statement of the City of Georgetown 2030 Comprehensive Plan.

SECTION 2. The Annual Budget of the revenues of the City of Georgetown and expenses of conducting the affairs thereof, providing a financial plan for the ensuing fiscal year beginning October 1, 2011, and ending September 30, 2012, as submitted to the City Council by the City Manager of said City, and the same is in all things adopted and approved as amended per Exhibit "A – Budget Summary" available to Council members September 7, 2011, incorporated by reference herein.

SECTION 3. The amounts indicated for the following funds are hereby appropriated for payments of expenditures and payments of the individual funds:

<u>Fund</u>	<u>Appropriations</u>
Airport Fund	\$ 3,725,320
General Debt Service	8,933,641
Electric Funds	65,436,829
Facilities Maintenance Fund	2,018,947
Fleet Management Fund	3,630,527
General Capital Projects	6,111,000
General Fund	39,698,050
Information Services Fund	2,657,227
Joint Services Fund	8,988,069
Special Revenue Funds	4,425,591
Stormwater Drainage Fund	2,421,614
Water Services Fund	<u>30,224,438</u>
Total for 2011/12	<u>\$178,271,253</u>

SECTION 4. Adoption of this ordinance authorizes the City Manager to transfer monies set aside for salary adjustments in the various operating funds to departments as needed for these purposes.

SECTION 5. All ordinances and resolutions, or parts of ordinances and resolutions, in conflict with this Ordinance are hereby repealed, and are no longer of any force and effect.

SECTION 7. If any provision of this Ordinance or application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the other provisions, or application thereof, of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are hereby declared to be severable.

2011/12 Annual Operating Plan Ordinance No. 2011-35

Page 2 of 3

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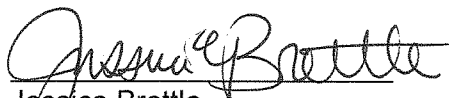
SECTION 8. The Mayor is hereby authorized to sign this Ordinance and the City Secretary to attest. This Ordinance shall become effective upon adoption of its second and final reading by the City Council of the City of Georgetown, Texas.


PASSED AND APPROVED as amended on First Reading on the 23<sup>th</sup> day of August, 2011.

PASSED AND APPROVED on Second Reading on the 13<sup>th</sup> day of September, 2011.

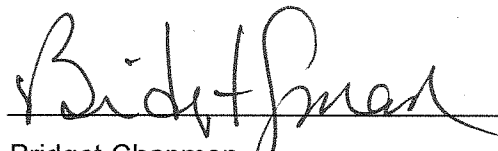
ATTEST:

THE CITY OF GEORGETOWN:

  
Jessica Brettle  
City Secretary

  
By: George Garver  
Mayor

APPROVED AS TO FORM:

  
Bridget Chapman  
Acting City Attorney

2011/12 Annual Operating Plan Ordinance No. 2011-35

Page 3 of 3

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ORDINANCE NUMBER 2011-36

**AN ORDINANCE AMENDING CITY OF GEORGETOWN, CODE OF ORDINANCES § 2.08.010 ADMINISTRATIVE DIVISIONS AND DEPARTMENTS; PROVIDING A SEVERABILITY CLAUSE; AND SETTING AN EFFECTIVE DATE.**

WHEREAS, the City Council has reviewed the proposed 2011/12 Annual Budget for the City of Georgetown, and the Administrative Division and Department revisions contained therein; and

WHEREAS, the City Charter Section 5.04 "Directors of Divisions" establishes organizational hierarchy; and

WHEREAS, the Administrative Divisions and Departments are for budgetary purposes; and

WHEREAS, the City Council, City Attorney and City Secretary are included in the Management Services Division for budgetary purposes; and

WHEREAS, the City Council of the City of Georgetown, Texas deems it necessary to amend § 2.08.010 of the City of Georgetown Code of Ordinances entitled "Administration", "Administrative Divisions and Departments".

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:

SECTION 1. The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim. The City Council hereby finds that this ordinance complies with the Vision Statement of the City of Georgetown 2030 Comprehensive Plan.

SECTION 2. The City of Georgetown Code of Ordinances, Chapter 2, Administration, § 2.08.010, Administrative Divisions and Departments, is hereby amended to read as follows:

§ 2.08.010. Administrative Divisions and Departments.

There are hereby established the following administrative divisions and departments of the City:

Community Development Division:

Administration

Planning

Inspection Services (including code enforcement and fire inspections)

Community Services Division:

Administration

Convention & Visitors Bureau /Tourism

Parks  
Public Library  
Recreation

Georgetown Utility Systems Division:

Administration  
Energy Services (Electric)  
Environmental Services  
Systems Engineering  
Water Services (Wastewater & Water)

Finance and Administration Division:

Administration  
Accounting  
Facilities Construction & Maintenance (including Internal Service Fund)  
Vehicle Service Center & Fleet Management (including Internal Service Fund)  
Information Technology Operations (including Internal Service Fund)  
Geographic Information Systems (GIS)  
Municipal Court  
Purchasing  
Utility Office

Fire Division:

Administration  
Operations

Management Services Division:

City Council  
City Manager's Office  
Economic Development Administration  
Main Street  
Legal Services  
Human Resources  
Public Communication  
General Government Contracts

Police Division:

Administrative Services Bureau  
Animal Services Department  
Operations Bureau

Transportation Services Division:

Administration  
Airport  
Stormwater Drainage  
Street Department

SECTION 3. In the event any section, paragraph, subdivision, clause, phrase, provision sentence or part of this ordinance or the application of same to any person or circumstance

shall for any reason be adjudged invalid or held unconstitutional, by a court of competent jurisdiction, it shall not affect, impair, or invalidate the remainder of this ordinance which shall be given full force and effect.

SECTION 4. This ordinance shall become effective October 1, 2011 with adoption of the 2011/12 Annual Budget by the City Council of the City of Georgetown, Texas.

PASSED AND APPROVED on First Reading on the 29th day of August 2011.

PASSED AND APPROVED on Second Reading on the 13<sup>th</sup> day of September, 2011.

ATTEST:



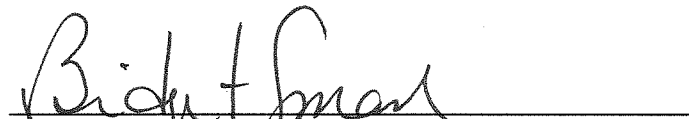
Jessica Brettle  
City Secretary

THE CITY OF GEORGETOWN:



By: George Garver  
Mayor

APPROVED AS TO FORM:



Bridget Chapman, Acting City Attorney

RESOLUTION NO. 082311-F

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS,  
ACCEPTING THE PROPOSED 2011/12 BUDGET FOR THE GEORGETOWN ECONOMIC  
DEVELOPMENT CORPORATION (GEDCO).**

WHEREAS, the City is required by State Law, the Bylaws of the Georgetown Economic Development Corporation (GEDCO), previously established pursuant to Vernon's Rev. Civ. Stat. Ann., Article 5190.6 Section 4(A) to approve an annual budget; and

WHEREAS, the appropriations were approved by the 4A Board on June 23, 2011; and

WHEREAS, the budget is for the fiscal year beginning October 1, 2011 and ending September 30, 2012;

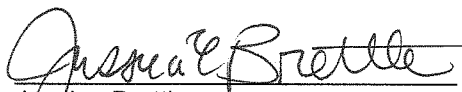
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
GEORGETOWN, TEXAS, THAT:**

SECTION 1. The facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim. The City Council hereby finds that this resolution complies with the Vision Statement of the City of Georgetown 2030 Comprehensive Plan.

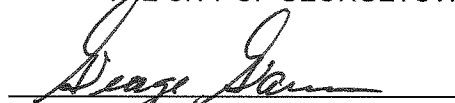
SECTION 2. The City Council of the City of Georgetown hereby accepts the proposed 2011/12 budget of the Georgetown Economic Development Corporation (GEDCO) for the twelve month period beginning October 1, 2011 and ending September 30, 2012 in accordance with State Law and the GEDCO Bylaws.

RESOLVED this 23rd day of August, 2011.

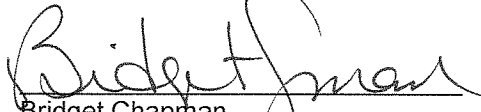
ATTEST:

  
Jessica Brettle  
City Secretary

THE CITY OF GEORGETOWN:

  
By: George Garver  
Mayor

APPROVED AS TO FORM:

  
Bridget Chapman  
Acting City Attorney

GEDCO

~~FILE~~ Budget Resolution No.

082311-F

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Page 1 of 2

**A Component Unit of the City of Georgetown**  
**Georgetown Economic Development Corporation**  
**(GEDCO) Budget**

(Adopted by GEDCO Board June 23, 2011)  
(Approved by City Council August 23, 2011)

<b>GEDCO Sales Tax Revenue (1/8)</b>	989,375
Interest Income	10,000
<b>Total Revenue</b>	<b>999,375</b>
<b>Less:</b>	
Interlocal Agreement	51,400
Supplies	500
Legal	7,500
Travel & Training	1,500
Retainer Expense	12,000
Miscellaneous Expenses	100
<b>Loan Repayment</b>	<b>104,400</b>
Economic Development Projects (Unidentified)	4,216,167
Airborn	52,105
<b>Total Operating Expense</b>	<b>4,445,672</b>
<b>Annual Excess Revenues</b>	<b>(3,446,297)</b>
<b>Fund Balance:</b>	
Beginning Fund Balance	3,693,641
+/- Annual Excess Revenues	(3,446,297)
<b>Less:</b>	
<b>Contingency Reserves (= 25% Revenue)</b>	<b>247,344</b>
<b>Ending Unreserved Fund Balance</b>	<b>-</b>

RESOLUTION NO. 082311-H

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, ACCEPTING THE 2011/12 PROPOSED PROJECT LIST OF THE GEORGETOWN TRANSPORTATION ENHANCEMENT CORPORATION (GTEC), AND APPROVING THE 2011/12 GTEC BUDGET,

WHEREAS, the City is required by State Law, the Amended Articles of Incorporation, and the Bylaws of the Georgetown Transportation Enhancement Corporation (GTEC), previously established pursuant to Vernon's Rev. Civ. Stat. Ann., Article 5190.6 Section 4(B) to approve GTEC's annual operating budget: and

WHEREAS, projects identified in the 2011/12 Project List are incorporated into the annual budget of GTEC, and

WHEREAS, a public hearings on the projects proposed by GTEC was held on July 20, 2011,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS, THAT:

SECTION 1. The facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct, and are incorporated by reference herein and expressly made a part hereof, as if copied verbatim. The City Council hereby finds that this resolution complies with the Vision Statement of the City of Georgetown 2030 Comprehensive Plan.

SECTION 2. The City Council of the City of Georgetown hereby accepts the proposed project list included in the 2011/12 Georgetown Transportation Enhancement Corporation (GTEC) budget as approved by the GTEC Board on July 20, 2011.

SECTION 3. Budgetary expenses, such as administrative and non-project specific expenses may be expended on or after the date of this resolution.

RESOLVED this 23rd day of August, 2011.

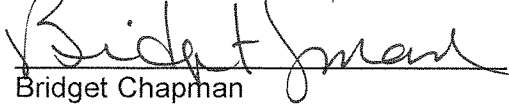
ATTEST:

  
Jessica Brettle  
City Secretary

THE CITY OF GEORGETOWN:

  
By: George Garver  
Mayor

APPROVED AS TO FORM:

  
Bridget Chapman  
Acting City Attorney



**A Component Unit of the City of Georgetown**  
**Georgetown Transportation Enhancement Corporation**  
**(GTEC) Budget**

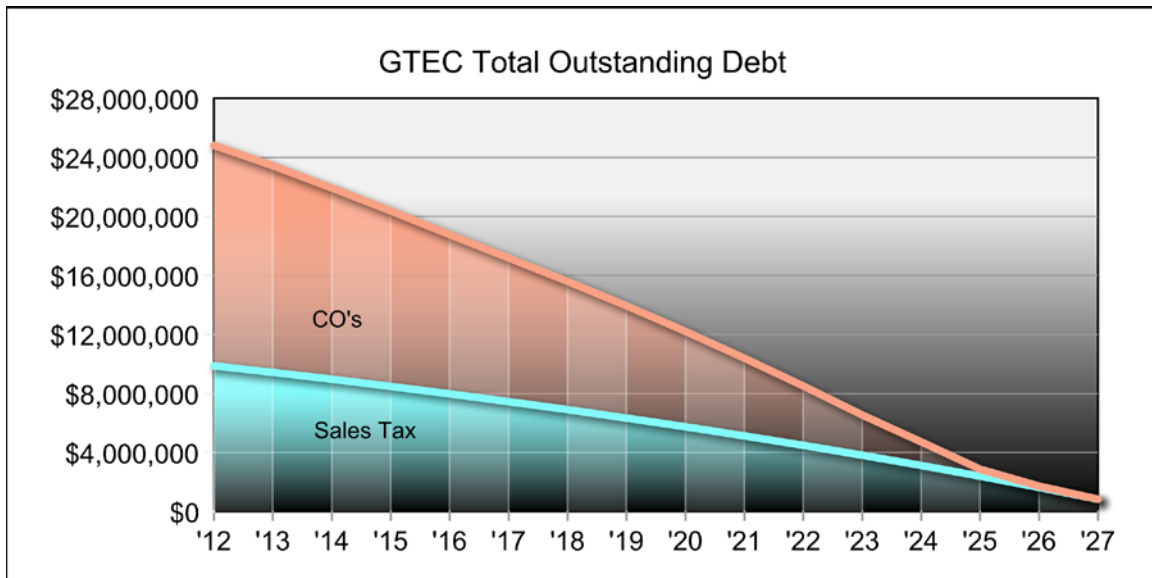
(Adopted by GTEC Board July 20, 2011)  
(Approved by City Council August 23, 2011)

<b>Beginning Fund Balance</b>		\$5,477,132
<b>Revenue:</b>		
Sales Tax Revenue	\$3,950,000	
Interest	\$30,000	
PID Assessments	\$530,000	
Williams Drive Refund	\$200,000	
<b>Total Revenue</b>		<u>\$4,710,000</u>
<b>Expense:</b>		
Interlocal Agreement (Indirect Costs)	\$72,000	
Direct Costs Allocation	\$124,452	
Administrative Expense & Supplies	\$67,100	
Subtotal - Operating Expense		<u>\$263,552</u>
Debt Service		\$2,608,617
<i>Transportation Improvement Program</i>		
14b&c SH 29 Bypass (RR2243 to IH 35)	\$820,000	
24.3 Design NB Frontage Rd (FM 2338 to Lakeway)	\$250,000	
EE FM 1460 Widening (Quail Valley to CR 114)	\$1,500,000	
Subtotal - Transportation Improvement Program		<u>\$2,570,000</u>
<i>Economic Development Projects</i>		
Projects to be determined	\$987,500	
Subtotal - Transportation Improvement Program		<u>\$987,500</u>
<b>Total Expense</b>		<u>\$6,429,669</u>
<b>Available Fund Balance</b>		<u><u>\$3,757,463</u></u>
<b>Reserves:</b>		
Contingency		\$1,120,000
<b>Available Working Capital</b>		\$2,637,463

**A Component Unit of the City of Georgetown**  
**Georgetown Transportation Enhancement Corporation**

**Outstanding Debt Summary 2011/12**

	Outstanding 9/30/11 Debt Principal	11/12 Principal Reduction	Estimated 2012 New Debt	Estimated 9/30/12 Outstanding Debt
<b>Georgetown Transportation Enhancement Corporation:</b>				
Self Supported	14,939,078	(929,011)	-	14,010,067
Sales Tax Supported	9,870,000	(450,000)	-	9,420,000
<b>total GTEC:</b>	<b>24,809,078</b>	<b>(1,379,011)</b>	<b>-</b>	<b>23,430,067</b>

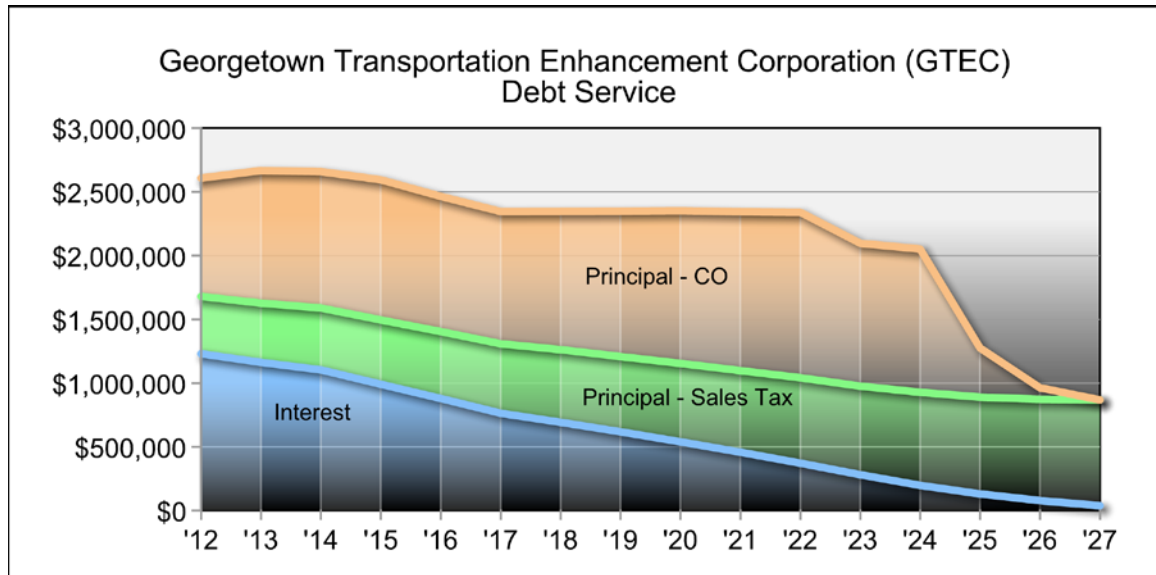


**A Component Unit of the City of Georgetown**  
**Georgetown Transportation Enhancement Corporation**

**Summary of Debt Service Charges to Maturity**

Certificates of Obligation issued by the City on behalf of GTEC and  
Sales Tax Revenue Bonds, both repaid by sales tax collections.

Year Ending September 30	Outstanding Beginning of Year	Interest	Principal	Total Requirements
2012	24,809,078	1,229,606	1,379,011	2,608,617
2013	23,430,067	1,161,270	1,506,789	2,668,059
2014	21,923,278	1,102,947	1,556,167	2,659,114
2015	20,367,111	989,550	1,605,333	2,594,883
2016	18,761,778	877,824	1,586,200	2,464,024
2017	17,175,578	762,383	1,583,211	2,345,594
2018	15,592,367	691,328	1,656,200	2,347,528
2019	13,936,167	616,509	1,733,211	2,349,720
2020	12,202,956	538,272	1,815,222	2,353,494
2021	10,387,734	456,612	1,887,233	2,343,845
2022	8,500,500	370,724	1,969,244	2,339,968
2023	6,531,256	280,030	1,816,256	2,096,286
2024	4,715,000	196,456	1,855,000	2,051,456
2025	2,860,000	128,919	1,145,000	1,273,919
2026	1,715,000	77,288	885,000	962,288
2027	830,000	37,350	830,000	867,350
		9,517,068	24,809,078	34,326,146



## Advisory Boards and Commissions

In addition to the permanent advisory boards and commissions listed, the Council also appoints temporary advisory committees from time to time to address specific, short-term issues. The 2011-12 Advisory Boards & Commissions include:

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**Airport Advisory Board.** Studies and makes recommendations to the City Council regarding operations and facility improvements of the municipal airport. Ensures that the municipal airport is efficiently and adequately meeting the needs of the City and the air transportation industry.

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**Animal Shelter Advisory Board.** Ensures that the City of Georgetown Animal Shelter complies with all City and State laws governing its operation.

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**Arts and Culture Board.** Encourages, stimulates, promotes, and fosters programs for the cultural enrichment of the City, thereby contributing to the quality of life in Georgetown, and develops an awareness in of the value of the arts. Seven of the members should represent a broad spectrum of citizens including artists and those with a background in the arts, arts organizations and businesses, education, structural and landscape architecture. One member shall be an authorized representative of the Georgetown Independent School District and one member shall be an authorized representative of Southwestern University.

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**Building Standards Commission.** Hears appeals and renders decisions on rulings by City building inspectors or officials in regard to code interpretation, enforcement, and substandard housing or structures within the City.

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**Convention & Visitors Board.** The mission of the Georgetown Convention & Visitors Bureau is to encourage the community's economic success through promotion of Georgetown as a tourist destination, preserve & enhance the cultural heritage and unique character of the community, and attract conventions and group tours to maximize the financial impact of tourism on the community. Membership requires a commitment of a minimum of four to ten hours per month.

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**Economic Development Advisory Board (EDAB).** The seven member Economic Development Advisory Board (formerly the Economic Development Commission) acts as an advisory body to the City's Economic Development Director and the City Manager. Members shall have experience in the following areas: business retention and expansion, land and property, business recruitment, inter-business and inter-governmental relations, retail and infrastructure.

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**Ethics Commission.** The Ethics Review Commission is composed of a eight representatives appointed by the Mayor and each Councilmember. It has the authority to review and investigate complaints filed involving City Officials, and may issue a written finding of the Commission's determination when appropriate. The Ethics Commission meets when necessary to carry out its responsibilities, but shall hold an annual meeting during March to elect officers and review the Ethics Ordinance, Commission Bylaws, and Commission Hearing Procedures.

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**Firefighters' and Police Officers' Civil Service.** The Civil Service Commission is responsible for adopting, maintaining and enforcing rules governing the hiring and promotional process and serves as a disciplinary appeal board for civil service employees in the Georgetown Fire and Police Departments. The Commission is comprised of three commissioners appointed by the City Manager and confirmed by the Georgetown City Council. The commissioners serve staggered, three-year terms.

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**General Government and Finance Advisory Subcommittee (GGAF).** Empowered to review and analyze the general government and finance activities of the City, to include but not limited to the following areas: Finance administration to include debt and treasury management, as well as, City budget; Accounting to include financial reporting; Purchasing; Municipal Court; Facilities Maintenance, including construction and renovation of City facilities; Vehicle Services, Information Technology; Compensation and Benefits; City insurance; and other related items as recommended by the City Manager. Three members are Councilmembers, two members are citizens at-large.

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**Georgetown Economic Development Corporation (GEDCO).** Considers requests and grants economic development funds as authorized and defined by the Internal Revenue Code of 1986, Section 4A, leading to the creation or retention of primary jobs and/or provision of significant capital investment which benefits the community of Georgetown. Three members are Councilmembers, two members are citizens at-large.

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**Georgetown Housing Authority.** The purpose of the Board is to ensure that the City of Georgetown has housing that is attainable for citizens at all income levels. Membership is composed of nine members. Four members must have knowledge of specialized fields relating to home ownership and the affordability of home ownership, while the remaining five should have general knowledge of affordable housing issues.

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**Georgetown Transportation Advisory Board (GTAB).** Advises and assists the City Council in the development of a multi-modal transportation planning process in coordination with regional, state, county, and local transportation agencies. Two members are Councilmembers, one member is a representative from the Planning and Zoning Commission, and one member is a representative from the Georgetown Transportation Enhancement Corporation.

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**Georgetown Transportation Enhancement Corporation (GTEC).** The purpose of this Corporation is to promote economic and community development within the City and the State of Texas through the payment of costs for streets, roads, drainage, and other related transportation system improvements, including the payment of maintenance and operating expenses associated with such authorized projects.

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**Georgetown Utility System Advisory Board (GUS).** Makes recommendations to the City Council regarding staff presentations related to capital improvement projects and priorities, utility services, resource supplies and other Council-assigned projects.

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**Georgetown Youth Advisory Board.** Advise the City Council on youth related issues. Members, ranging in age from thirteen to eighteen years old, work to develop future leaders, promote positive adult/youth cooperation and dialogue, and encourage youth participation in solving community concerns. This board can have up to 24 members.

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**Historic & Architectural Review Commission.** Makes recommendations to the City Council on the designation of historic sites or districts, acts and assists the City Council in formulating design guidelines and other supplemental materials relevant to the historic preservation or design review, approves or disapproves Certificates of Design Compliance, renders advice and guidance, upon request of property owners or occupants on new construction or the restoration, alteration or maintenance of any historic resource or other building within the District, and performs any other functions requested by the City Council.

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**Library Advisory Board.** Makes recommendations regarding the development of the book collection, programming, and other services provided by the Georgetown Public Library.

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**Main Street Advisory Board.** The Georgetown Main Street Program is a revitalization program designed to enhance the unique character of downtown Georgetown through historic preservation and community involvement, while at the same time promoting downtown, providing educational and technical assistance to business and property owners, and maintaining the beauty of Georgetown. Membership requires a commitment of a minimum of four to ten hours per month.

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**Parks and Recreation Board.** Recommends, to the City Council, uses of parkland and parks/recreational facilities and improvements in programs, activities, and facilities to meet community recreation needs and interests.

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**Planning & Zoning Commission.** Studies and reviews plans and recommends to City Council action to be taken in regard to City growth and development and comprehensive community planning. Also, makes recommendations and acts as a hearing board on zoning requests. Drafts new development regulations and conducts periodic review of plans and regulations.

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**Williamson County & Cities Health District.** Advises state, county and local elected officials on the status of public health matters in Williamson County. The five governmental entities that form the Health District appoint citizen representatives to the Williamson County Board of Health, which has administrative authority and oversees the operation of the Health District. Each city appoints one member and the Commissioners' Court appoints two members to staggered 3-year terms. The WCCHD Director is a non-voting member.

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**Zoning Board of Adjustment.** The Zoning Board of Adjustment is responsible for hearing and taking final action on variances from the zoning standards of the Unified Development Code (UDC), and considers appeals from administrative decisions made related to zoning standards. Members must be registered voters and must have resided in the city limits for at least one year. One member of the Board shall be an active member of the Planning and Zoning Commission.