

SHAPING OUR FUTURE

ANNUAL REPORT
CITY OF GEORGETOWN

FISCAL YEAR 2013-2014



A MESSAGE FROM YOUR MAYOR



GEORGETOWN CITY COUNCIL

Back Row: Keith Brainard, Tommy Gonzalez, Jerry Hammerlun, John Hesser, Steve Fought
Front Row: Patty Eason, Mayor Dale Ross, Rachael Jonrowe

On behalf of the Georgetown City Council, I am honored to present the City's Annual Report for the fiscal year that spanned October 1, 2013 through September 30, 2014. We believe it is our responsibility to be good stewards of public funds and make decisions that best serve the citizens of Georgetown. This report assists in disseminating pertinent operational and financial information to our citizens. It is organized by five strategic focus areas: Economic Development, Public Safety, Signature Destination, Transportation, and Utilities. Broadly, this was a year of planning and Shaping Our Future. Each section is designed to reflect upon the accomplishments and the strategic planning completed by these operational areas in fiscal year 2014.

Financial data is also provided. The data conforms to generally accepted accounting principles. More detailed financial information can be found in the City's Comprehensive Annual Financial Report on the City's website at Georgetown.org.

Georgetown and the Central Texas region are expected to grow rapidly in the coming years. It is our commitment to provide high-quality, cost effective services that will continue to make Georgetown the premier community in this region. Great things are in store for the future of the City of Georgetown.



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COMMUNITY PROFILE

HISTORY

Founded in 1848, Georgetown is the county seat for Williamson County, Texas. After the Civil War, reconstruction brought prosperity to Georgetown through four main industries – cattle, cotton, the railroad, and Southwestern University. Located 30 miles north of Austin on Interstate 35, the City has an estimated 52,914 residents as of 2014 and is expected to grow to 54,689 in 2015, with an additional 24,897 residents in the City's extraterritorial jurisdiction. Georgetown is a home rule charter city and operates under the council-manager form of government. A mayor and seven council members are elected from single-member districts, with elections being held the first Saturday in May.

CULTURE

Since 1982 Georgetown has been a Texas Main Street City, focusing on downtown economic development and historic preservation in conjunction with the Texas Historical Commission and the National Main Street Center. Georgetown's downtown cultural district is anchored by the Most Beautiful Town Square in Texas. Over \$120 million has been reinvested in revitalization efforts in the downtown area.

Georgetown was the first City in Texas recognized as a Great American Main Street City, and was recognized as a Texas Treasure by former First Lady, Anita Perry. In 2014, Georgetown was selected as a finalist for **Parade Magazine's** Best Main Street in America award, making the top eight in the U.S.

Georgetown has been voted the number 1 place to retire nationally, according to **Retirement Places Rated** and the **Boston Globe**. In 2012, Georgetown was recognized as a gold-level **Certified Scenic City**. Movoto, a real estate company in California, recently placed Georgetown at number 3 in the country on the top ten list of America's Best Suburbs.

The City operates the Georgetown Public Library, which is located in a 55,000 square foot facility, with over 300,000 visitors annually, and 559,209 items in circulation. In collaboration with the Friends of the Georgetown Library the WOWmobile (Words on Wheels) began operation in early 2012, delivering library materials to residents of Georgetown who find it difficult to come to the library. Georgetown also offers a wealth of recreation opportunities through its award winning Parks and Recreation program. In Georgetown there are currently 34 city parks, comprising 473 developed acres, and 960 total acres. In 2006, the nine-mile hike and bike trail was the only trail in Texas designated a National Recreation Trail by the U.S. Department of the Interior.

EDUCATION

Georgetown is home to Southwestern University. Southwestern is an independent, selective four-year undergraduate college, offering traditional liberal arts and sciences education, with a student population of approximately 1,500. It was the first institution of higher learning in Texas, chartered

by the Republic of Texas in 1840, and has received national recognition for its academic program and cost-effectiveness. The 2010 **Fiske Guide to Colleges** lists Southwestern University as among the top 25 small colleges and universities strong in art or design and among the top 37 small colleges and universities strong in business.

Georgetown Independent School District is a Texas Education Agency Recognized school district and serves a diverse population of Williamson County students from pre-K through 12th grade. Georgetown ISD serves more than 10,400 students at ten elementary schools, three middle schools, three high schools, and two alternative campuses.

ECONOMY

In 2014, 793 building permits were issued in Georgetown. The total appraised value is \$5.253 billion (up from \$4.695 billion), the average home value is \$210,184 (up from \$190,802), and the total City operating budget is \$231 million (down from \$235 million). The City collected \$10.460 million in sales tax, up from \$9.327 million in 2013. The property tax rate for the City is \$0.434 per \$100 of valuation (down from \$0.4395). The top five employers in Georgetown are Williamson County (1,582 employees), Georgetown ISD (1,550 employees), the City of Georgetown (608 employees – up from 574), Southwestern University (514 employees), and Airborn Inc (462 employees). The average unemployment rate is 5.20 percent.



RED POPPY FESTIVAL

Curtis Grimes played at the 2014 Red Poppy Festival.



ECONOMIC DEVELOPMENT

COMMUNITY INVESTMENTS



The **Inner Visions Corporate Center**, a 60,500 square foot office complex, started construction in August 2014 and is set to open in 2015. The office building on SE Inner Loop Road will provide flex office space for biotech companies and other firms. With the completion of this office project, there will be more than 100,000 square feet of biotechnology office and production space in Georgetown.

A number of major new commercial and residential developments took shape in 2014 as the local economy continued to expand. In May, the U.S. Census Bureau signaled the scale of growth when Georgetown was named the seventh-fastest growing medium-sized city in the U.S. The tangible results of that growth could be seen in groundbreakings, openings, and announcements throughout the year.

Details were finalized for a 224-room **Sheraton Georgetown Texas Hotel and Conference Center** at the Rivery development. The Summit at Rivery Park

will include retail stores, restaurants, townhomes, and luxury apartments. Novak Brothers and Hines, an international real estate firm, are developing the project with public investments from the City of Georgetown and Williamson County.

Georgetown Behavioral Health Institute held a ribbon-cutting ceremony in August with Williamson County and City of Georgetown officials. The 118-bed facility on S. Austin Avenue is the second behavioral health hospital to open in Georgetown in the last two years.

Development agreements for **Wolf Ranch Georgetown** were completed in 2014. The 755-acre master-planned development on Wolf Ranch Parkway and University Avenue is expected to include 1,688 single-family homes, 388 multifamily units, 336 age-targeted units, 20 acres of commercial area, and 20 acres of parkland. The developer is Dallas-based Hillwood Communities. Roads and infrastructure will be constructed in 2015 and the first homes should go on sale in 2016.

WOLF RANCH HILLWOOD COMMUNITY

Many City of Georgetown staff worked with Hillwood representatives on the plans for Wolf Ranch. Pictured on the property are (left to right) Jordan Maddox, principal planner, Iva Wolf McLachlan, director of parks and recreation, and Mark Thomas, economic development director.



PUBLIC SAFETY

SERVICE AND CARING



The Georgetown Fire Department started the **Fire Lunch Buddy Mentor** program this year. The program brings 88 firefighters on a rotating basis with students in each elementary school in the Georgetown school district. Driver Engineer Jonathan Gilliam and Battalion Chief Ray Cummings started the program with the goal of sharing messages about fire safety and making good choices.

At **Breakfast with Santa** in December, sponsored by the Georgetown Fire Department and the Rotary Club in Sun City, Georgetown firefighters served up a pancake breakfast to more than 1,100 people. The program also provided gifts to 151 children, 20 teen-aged and \$2,000 to Jarrell's Christmas outreach program.

Each year **Blue Santa**, a program of the Georgetown Police Department, provides toys to more than 1,500 children in Georgetown. Toys are collected at special events, a baseball tournament, a golf tournament, and in dozens of barrels across the City. Toys also are collected by Blue Santa himself and Police Chief Wayne Nero during the annual Christmas Stroll parade on the Square.

The second annual **Chase the Chief 5K and Fun Run** was held in April in San Gabriel Park. Led by Georgetown Police Chief Wayne Nero, the 5K is a collaboration of the Georgetown ISD Council of PTAs and the Georgetown Police Department to encourage students and their families to improve their nutrition and lead active, healthy lives. The event also included a police department obstacle course, a fitness fair, and a GISD School Nurses' Fair.

BLUE SANTA

The Georgetown Police Department collects toys during the Christmas Stroll Parade to give to children in need in Georgetown at Christmas.



SIGNATURE DESTINATION

A PLACE FOR PLAYING



Lifeguard teams from the City of Georgetown took the **top two spots in the state lifeguard competition** in College Station in August. The competition was part of the 2014 Summer Games of Texas sponsored by the Texas Amateur Athletic Federation. Team Dauntless from Georgetown took first place in the competition. Pictured in the photo (left to right) are Curtis Morgan with TAAF and members of Team Dauntless including Trevor Carey, Cameron Speegle, Hunter Boyd, and Baylee Hill with Stephanie Darimont, aquatic supervisor for Georgetown Parks and Recreation. Team ReGuardless placed second in the competition.

A grand opening for the new **creative playscape** in San Gabriel Park was held in July. The new playscape features swings, slides, climbing structures and other elements that represent Georgetown history from native peoples through the New Millennium. Original artwork from the 1993 playscape was reproduced on panels and incorporated into walkways on the new structure. Wooden sculptured panels from the original playscape were preserved and used in a shady area beneath pecan trees. Features for children with all abilities can be found at the playscape, including two fully-accessible swings. The new playscape is next to the Recreation Center at 1003 N. Austin Avenue.

The 15th annual **Red Poppy Festival**, Georgetown's signature community event, was held in April. The event featured a Friday night concert with Dysfunkshun Junkshun and a Saturday night street dance with Curtis Grimes and the Bellamy Brothers, as well as the popular Red Poppy Parade and the Red Poppy Ride attracting over 1,000 cyclists. The 2014 Red Poppy Festival attracted an estimated 45,000 attendees and an economic impact of more than \$2.5 million.

The City updated the **Downtown Master Plan** after a series of public meetings and public input sessions in the first half of 2014. Initially adopted in 2003, the Downtown Master Plan creates a blueprint for new development and redevelopment in the downtown district. The plan preserves historic features while encouraging the expansion of a vibrant shopping and entertainment district.



SAN GABRIEL PARK
CREATIVE PLAYSCAPE

A new playscape
incorporates themes and
elements from the original
1993 structure.

TRANSPORTATION

ENGINEERING THE FUTURE



Utility and street improvements on Eighth Street, Ninth Street, and Tin Barn Alley were completed in 2014. Work involved underground electrical conduit and the replacement of water and wastewater lines on Tin Barn Alley, which runs behind the Palace Theater. Street design, sidewalks, parking, drainage, and wastewater lines were upgraded on Eighth and Ninth streets from Austin Avenue to Rock Street. Pictured on Eighth Street are (left to right) David Pierce, streets foreman, Michael Hallmark, project manager, and Mark Miller, transportation manager.

The City updated the **Sidewalk Master Plan** in 2014 and conducted a review of the accessibility of public facilities to improve pedestrian and ADA accessibility. An analysis found that there are currently 144 miles of existing sidewalks in Georgetown and 388 miles of roadway without sidewalks. Sixty-nine percent of existing sidewalks are in adequate condition. The remaining 31 percent need improvements. A ten-year implementation plan for sidewalk improvements was included in a Transportation Bond plan that goes before the Georgetown voters in May 2015.

The fourth annual **AirFest** in November attracted 5,000 people to see vintage planes, unique cars, and other aircraft the Georgetown Municipal Airport. WWII-era planes such as the Douglas R4D Skytrain, the Southern Cross C-47, and the Devil Dog B-25 medium bomber were key attractions. A Vietnam-era UH-1E Huey helicopter let people go for rides to experience aviation history. The Falcon Flight formation flying team performed a series of flyovers for the crowd.

A **sidewalk to Mitchell Elementary School**, providing the only safe route for walkers and bicyclists, officially opened in October. A federal grant of \$545,208 through the Safe Routes to Schools program funded the 0.8-mile long sidewalk from Mitchell Elementary to Belmont Drive along SE Inner Loop.

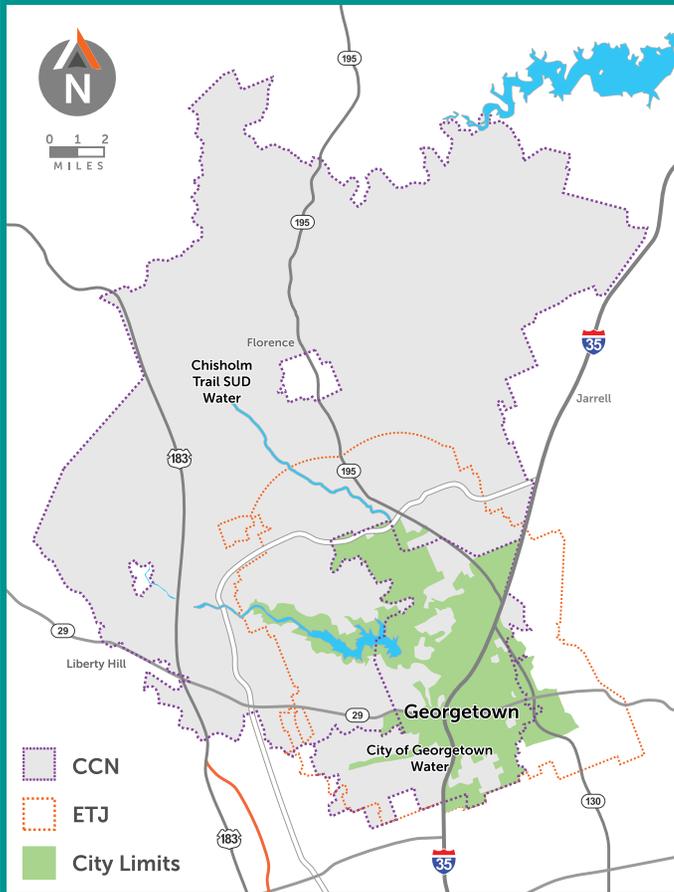
A group of five children are riding along a paved path with two parallel yellow lines. In the foreground, a young boy with blonde hair is riding a silver KAZOI scooter. Behind him, another boy is riding a red bicycle. Further back, a girl is walking, and two other boys are riding bicycles. The path is bordered by green grass on both sides. In the background, there is a large, light-colored building with the number '1601' visible on its facade. The sky is clear and blue.

SIDEWALKS AND STREETS

A sidewalk to Mitchell Elementary School is used regularly by children bicycling or skating to the school and as a fitness track by families in nearby neighborhoods.

UTILITIES

RESOURCES FOR A SUSTAINABLE FUTURE



A key step in the **consolidation of the Chisholm Trail Special Utility District** with the City of Georgetown water utility occurred in 2014. The liabilities and assets of the district were transferred to the City of Georgetown in September. Chisholm Trail customers are now City of Georgetown water customers charged at the out-of-City rate.

The Chisholm Trail district board remains the policy board for the district. The transfer of the service area—called a CCN, which stands for “certificate of convenience and necessity”—is ongoing. The Georgetown Utility Systems Advisory Board has been expanded to add two positions, each of which will be reserved for out-of-City members. A vote to consolidate was approved unanimously by the Chisholm Trail board in August 2013.

Chisholm Trail SUD serves more than 8,000 water accounts representing about 19,000 customers in a 377 square-mile service area that extends northwest from Georgetown into Bell and Burnet counties. Most Chisholm Trail customers are in or near the City of Georgetown extra-territorial jurisdiction, which includes unincorporated areas up to 3.5 miles beyond city limits.

With the aim of conserving Georgetown’s future water supply, the City approved an ordinance in 2014 that will **limit the irrigated turf area** of houses

in future developments. The rules do not apply to current homes or residences. The irrigated turf area of the lawn would be limited to 2.5 times the foundation footprint area of the house or 10,000 square feet, whichever is less. The limit does not apply to non-irrigated space such as natural areas or landscaped areas such as flower beds that are irrigated with drip irrigation or bubblers. The irrigated turf area also would be required to have 6 inches of soil, which allows for less frequent watering. Areas of a residential lot left in its natural state would be exempt from the soil depth requirement.

The ordinance aims to help the water utility move closer to the goal of lowering the per capita daily water use to 160 gallons. Given that 75 percent of water use in the warmest summer months is used for watering lawns, the ordinance focuses on limiting future grass watering demand for new homes.

WATER CONSERVATION

Plantings at City of Georgetown facilities such as the Community Center have xeriscaped or low-water-use landscaping to conserve water. Pictured (left to right) are Trish Long and Keith Peterson (from Facilities Maintenance), Eric Nuner (from Parks and Recreation), and Shae Luther, Jordan Fengel, and Kathy Ragsdale (from Conservation Services).



FINANCIAL PROFILE: FISCAL YEAR 2013 - 2014

The following financial information comes from the City's Comprehensive Annual Financial Report (CAFR). The entire report is available at files.georgetown.org/comprehensive-annual-financial-report. The statements from the CAFR conform to accounting principles generally accepted in the United States of America, as set forth by the Governmental Accounting Standards Board and have been audited by independent auditors in accordance with generally accepted auditing standards. The statements in this document are designed to provide readers with a broad overview of the finances of the City. For more detailed financial information, please refer to the CAFR.

Financial Operations of the City are guided by its Fiscal and Budgetary Policy, which is reviewed and adopted each year by the City Council. This policy is meant to ensure financial stability and promote fiscal responsibility, both of which are the foundation for the City of Excellence. The City currently receives the Government Finance Officers Association awards for its CAFR, annual budget, and popular annual financial report. All three awards recognize the City's commitment to fiscal discipline and transparency.

These graphs represent the total primary government's revenues and expenses and are intended to give the reader an understanding of the major areas of inflows and outflows for the City.



REVENUES

The total revenues for all of the City's activities were \$258.232 million in FY 2014, or a 63.4 percent increase from FY 2013. The increase stems primarily from the acquisitions of all the capital assets in the Chisholm Trail Special Utility District. The **Charges for Services** category represents receipts primarily from electric, water, wastewater, environmental services, development and building inspection fees, parks fees, fire court fines. Charges for services were \$113.559 million in FY 2014, a 12.5 percent increase from FY 2013. **Property taxes** totaled \$18.985 million, with valuations on existing properties staying the same, while total assessed valuation increased 4.8 percent. This is due to new construction and annexed properties. The property tax rate for fiscal year 2014 was \$0.4395 per \$100 of assessed valuation, or an increase of \$0.0295 per \$100 of assessed valuation. The majority of the increase is funding new debt. **Sales taxes**, totaled \$18.655 million for fiscal year 2014, which was an increase of 9.7 percent compared to the prior year. This increase in sales tax can be attributed to the continued economic growth in both retail sales and building materials.



EXPENSES

Total expenses for all of the City's activities were \$151.438 million in FY 2014, an 18.4 percent increase from FY 2013 expenses. Increases in expenditures for the governmental activities were driven by the timing of scheduled road maintenance and increased personnel costs in public safety and implementing the final recommendations of the compensation study. Increases in business type activities (electric services, water services, airport services, etc.) were related to increased personnel costs in both the electric and stormwater departments, as well as a settlement with the Lower Colorado River Authority, and higher operating costs.

	2014	2013	2012
ASSETS + DEFERRED OUTFLOWS	\$819,393,000	\$691,525,000	\$649,731,000
LIABILITIES	\$228,717,000	\$207,643,000	\$193,069,000
NET POSITION	\$590,676,000	\$483,882,000	\$456,662,000

STATEMENT OF NET POSITION

Broadly, the Statement of Net position, is the difference between the City's assets (what the City **owns**) and liabilities (what the City **owes**). This is one way to measure the financial health of the City. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating. Deferred inflows and outflows are the acquisition or consumption of net position applicable to a future reporting period (e.g. grant monies that cannot be used until next year or property taxes levied in the current year to finance the subsequent year's budget).

	2014	2013	2012
REVENUES	\$258,232,000	\$157,999,000	\$152,059,000
EXPENSES	\$151,438,000	\$127,943,000	\$134,313,000
CHANGE IN NET POSITION	\$106,794,000	\$30,056,000	\$17,746,000

STATEMENT OF ACTIVITIES

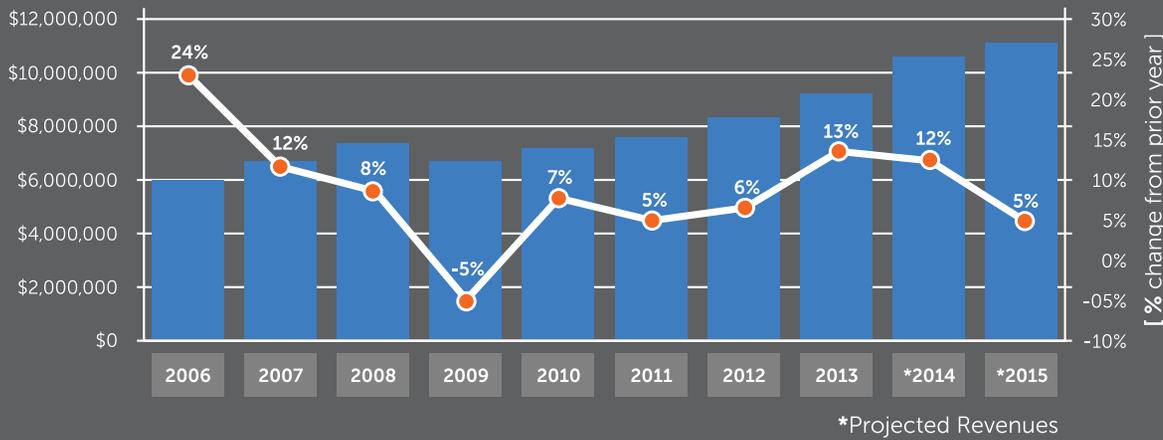
The City's combined net position increased by \$107 million in 2014, largely due to the acquisition of the Chisholm Trail Special Utility District, a water utility with 7,633 accounts that spans over 377-square miles and includes portions of Bell and Burnet Counties to the north and west.

In the most general terms, the Statement of Activities presents information showing how the City's net position changed during 2014. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows.

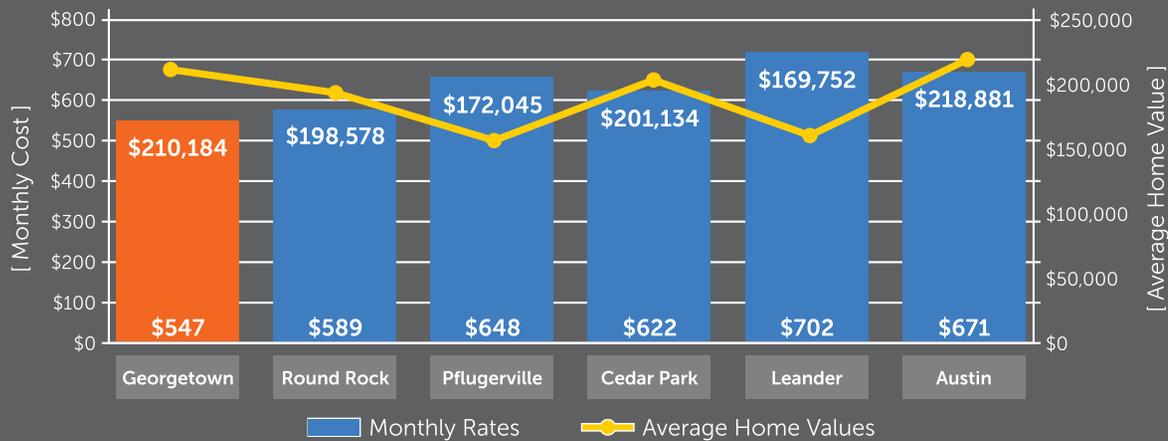


ASSETS

The City's assets are primarily invested in its capital infrastructure, such as utility lines, electric substations, roads and parks. Many of these assets are funded through debt. As of September 30, 2014, the City had a total of \$130,085,001 in general obligation debt outstanding. This represents a 0.84% decrease over prior year. Current General Obligation debt is being used to pay for park and road projects; the library, recreation center, and community center; and the new Public Safety Training and Operations Center.



SALES TAX PERCENT CHANGE
Sales tax revenues increased 12 percent over the prior year, demonstrating solid growth in the local economy for the fifth consecutive year.



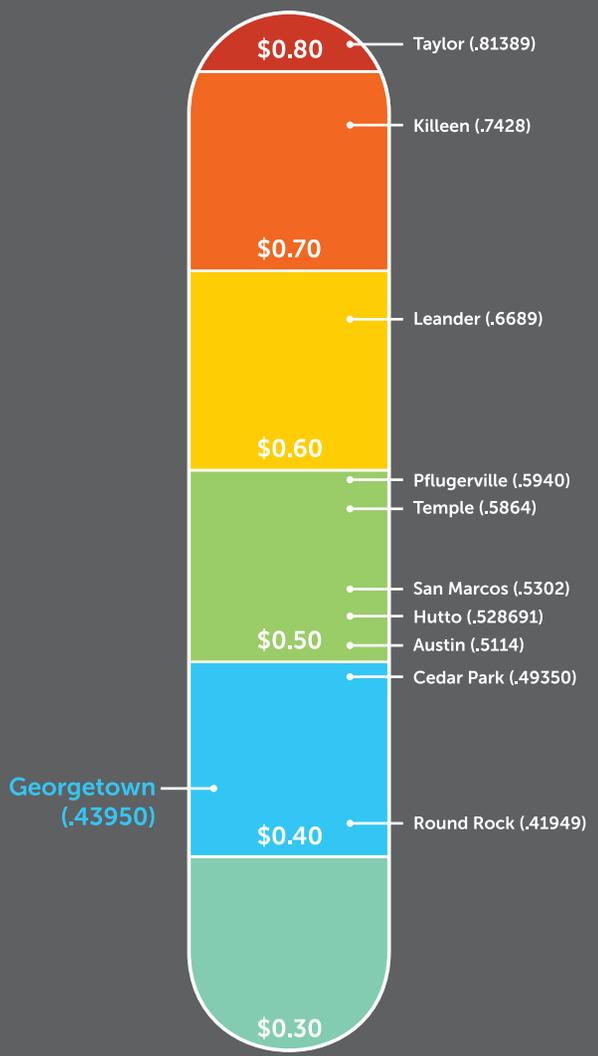
COMBINED MONTHLY RATES
Residential growth has continued to be healthy with 701 new residential permits in 2014, with a value of \$173 million, compared to 690 permits valued at \$294.9 million in 2013. Housing values have increased, with the average home in Georgetown valued at \$210,184 on January 1, 2014, as compared to \$190,802 on January 1, 2013. Georgetown's overall combined monthly rates, including utilities and taxes, are lower than other communities in the area, with the average monthly property tax and utility rates at \$547.



ASSESSED VALUATIONS
Assessed valuations increased by over \$215 million in 2014. The overall tax increased by \$0.0295 per \$100 of assessed valuation in 2014.

PROPERTY TAX RATES

The Georgetown tax rate continues to be one of the lowest among cities in Central Texas.





CREDITS

Art Direction Design & Layout - Steve Bracamontez

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