

CITY OF EXCELLENCE

2012-2013 FISCAL YEAR • ANNUAL REPORT



Mayor's Message

On behalf of the whole Georgetown City Council, I am honored to present the City's Annual Report for the 2012 – 2013 fiscal year. We believe it is our responsibility to be good stewards of public funds and make decisions that best serve the citizens of Georgetown. We also believe it is important to report back to citizens on how their government has utilized

public resources over the past year. This report allows the City organization to communicate to the citizens on operational and financial information for the fiscal year that spanned October 1, 2012 through September 30, 2013.

We've all known that Georgetown is a special place and we believe it is the

premier community in Central Texas. As part of the 2013 budgeting process, the City Council undertook a strategic planning process that embraced Georgetown as "the City of Excellence" by defining it as "one that maximizes its citizen's quality of life" and identified five areas of strategic focus: Economic Development, Public Safety, Signature Destination, Transportation, and Utilities. Each of these areas plays a critical role in Georgetown's aspiration to be a City of Excellence. This report is organized to reflect the accomplishment made in each of these areas during the year. Financial data is provided in a separate section and reflects reporting that conforms to Generally Accepted Accounting Procedures. More detailed financial information can be found in the City's Annual Financial Report (CAFR), on the City's website at www.georgetown.org.

Georgetown and the Central Texas region both are expected to continue to grow in the coming years. It is our commitment to provide high-quality, cost effective services that will continue to make Georgetown the true premier community in this region. The past year has brought a great deal of success in each of our focus areas and we believe great things are in store for the future of the City of Georgetown.



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City of Excellence:
Economic Development

Economic Development activity in 2013 was focused on leveraging City assets to increase development and focus on target specific industries that provide quality jobs. This was accomplished in a number of ways by taking advantage of the City's natural amenities, such as the Rivery area, and its location near the ever expanding hospital and university areas to the south. Highlights for 2013 include:

Rivery Conference Center

The Summit at Rivery Park near I-35 will include a 220-room Sheraton hotel and a 16,000 square-foot conference center, which are expected to open in 2015. The Summit project

will serve as a northern gateway to the Austin metro area and an anchor for future retail, office, and residential development.

Rivery Park will see major improvements in access and parking. The existing parking lot will be expanded and resurfaced and new park amenities will include a new pond with fountains, new trails, and boardwalks with a shade structure and seating. Improvements also will be made to the disc golf course. In addition, a new 336-space public City parking garage will be available for Rivery Park visitors at no charge. The public parking garage will be owned by the City, but its use will be shared with the hotel and conference center.

Radiation Detection Company

A 15,000-square-foot facility on Snead Drive will serve as headquarters for Radiation Detection Company, a biomedical firm providing occupational radiation monitoring systems. The company's average wage is \$45,000 annually. RDC expects to relocate 33 families to Georgetown when it opens in 2014. The capital value of the project is \$2 million. The new RDC building is across the street from the Texas Life-sciences Collaboration Center.

Rock Springs Hospital

Rock Springs, a behavior health hospital on SE Inner Loop Road, opens in 2014. The 51,000-square-foot hospital with 72 beds offers mental health treatment as well as

inpatient and outpatient addiction treatment to adolescents, adults and their families. Rock Springs employs 150 nurses, therapists, and other professional staff with an average annual wage of \$60,000.

Georgetown Behavioral Healthcare Institute

Construction started in June on the Georgetown Behavioral Healthcare Institute on S. Austin Avenue. The \$22 million, 73,500-square-foot, 118-bed facility will offer a variety of behavioral health and chemical dependency services for seniors, adults, adolescents and active duty military as well as veterans. The hospital expects to hire 250 employees and will open in the summer of 2014.

Grape Creek Vineyards

Grape Creek Vineyards winery opened in the former Visitor Center building on the Square this year. A small City building on Main Street was demolished and is now a patio for the winery. The City has a lease-purchase agreement with Grape Creek. The City's Visitor Center relocated next door to 103 W. Seventh Street. The new winery is a popular weekend and evening destination.

Biotech Center Expands

The Texas Life-sciences Collaboration Center, a biotech accelerator in south Georgetown, began construction on its third building in June 2013. The new 15,000 square-foot building will include cleanroom space for the manufacture of medical devices and other biotech products and is expected to be completed in 2014. The center started in 2007 and is now home to eight member companies with a total of 62 employees and a capital investment of \$40 million.



City of Excellence: Public Safety

The Public Safety focus area recognizes that the City of Excellence requires a high-quality professional public safety organization, requiring an investment to ensure both Fire and Police personnel are highly trained and adequately compensated. Operational and training facilities are also key. A new pay scale for public safety was implemented this year to retention and competitive pay issues within both the Police and Fire departments. Highlights for 2013 include:

Public Safety Operations and Training Center

The City began construction of the new Public Safety Operations and Training Center on D.B. Wood Road in August 2013. The facility includes a 76,000 square foot, two-story building for the Georgetown Police Department including offices, evidence storage, and a physical agility training room. The main building also includes Fire Administration offices, the emergency communications

center and an emergency operations center. A driving track, indoor tactical building, and a future enclosed firing range are other elements of the facility. The new center is slated to open in December 2014.

Fire Station 2

The outdated and undersized Fire Station 2 on Williams Drive was replaced and rededicated in March 2013. The new fire station allows fire trucks to exit directly onto Williams Drive, improving visibility for cross traffic. The station provides coverage for much of the central part of the city and downtown. Chasco Constructors received an award from the Associated General Contractors of America – Austin Chapter for their work on building the new station.

Chase the Chief 5K

Georgetown Police Chief Wayne Nero joined students and parents in the inaugural Chase the Chief 5K and Fun Run in April 2013. This community fitness event in San Gabriel Park was co-sponsored by the Georgetown Police Department and the Georgetown ISD Council PTA. The event also included an obstacle course, kids' activities area and community health fair.

Numbers of note

- 3: Georgetown's rank for cities with lowest crime rate in Texas
- 40: percent decrease in burglaries from 2012
- 62: percentage of police officers hired who were minority or female
- 1,964: children served by Blue Santa program



Fire Station 5

Fire Station 5 on D.B. Wood Road opened in October 2012. The new station shortens emergency response times in areas of the City and Emergency Services District. The Fire Station 5 complex also includes a training classroom building and a four-story training tower.



El Monumento

The interior courtyard at El Monumento is a popular spot for enjoying drinks and Mexican cuisine. The restaurant in downtown Georgetown features a deck overlooking the San Gabriel River and Blue Hole Park.

City of Excellence: Signature Destination

Enhancing the quality of life for our citizens and increasing tourism focused on the Most Beautiful Town Square in Texas to ensure economic vitality continue to be the primary goals of this focus area. A key element to Signature Destination is the City's parks and recreational facilities and programs which play a key role in providing Quality of Life for our community. Highlights for 2013 include:

Georgetown Art Center

The Georgetown Art Center opened in October in the first floor of the historic fire station on Main Street. The Art Center includes a gallery, gift shop, and studio space for classes.

Georgetown Art Works, a local non-profit, runs the City-owned facility and features monthly exhibits and art programming. An adjacent outdoor pocket park has a splash pad, sculptural bench, and bike rack.

Garey Park Dedication

The final land donation for Garey Park was made by Jack Garey at a City Council meeting in December. The gift of the 528-acre ranch on RR 2243, originally announced in 2004 by Jack and Cammy Garey, includes the Garey House and a \$5 million grant for the future development of the park. The City completed a master plan in 2006 for the future development of the park. In 2008, Georgetown voters approved a \$35.5

million park bond, which included \$10 million for the future development of Garey Park. Design work will begin in 2014 and will include an operations plan for amenities.

West Side Park

The City purchased 90 acres on Shell Road for the future development of a west side park. The Parks Master Plan contemplates a park on the west side of the city with amenities similar to San Gabriel Park. Funding for the west side park was included in the 2008 parks bond approved by the voters. A basic master plan for the park will be developed next year with further design and development over the next five to ten years. The planning process for the park will include multiple opportunities for public input on potential park elements.

Playscape Design Underway

The City's Playscape is undergoing redesign for safety and accessibility. The new design includes areas that represent Georgetown history from Native American encampments through the present. The playscape will have a larger footprint and provide easy access to picnic pavilions and the adjacent restrooms. The new design was based on ideas from children and other community members at workshops and meetings held this summer, as well as an online survey. The new playscape should be open in spring 2014.

Cultural District Designation

In September, the Texas Commission on the Arts designated Downtown Georgetown as one of 24 state-recognized cultural districts in the state. The Georgetown cultural district includes the 40-block area of downtown included in the Downtown Historic Overlay around the Williamson County Courthouse Town Square. Arts and cultural attractions in the district include the Georgetown Art Center, the Palace Theatre, Williamson Museum, Georgetown Public Library, Grace Heritage Center, downtown art galleries, and shops with hand-crafted items. Other artistic and cultural elements in the district include the Victorian-era architecture around the Square and outdoor public art.



City of Excellence:

Transportation

A requirement for any community to be vibrant and have an exceptional quality of life for both residents and visitors requires an effective transportation system. Transportation concerns were listed in the 2013 Citizen's Survey as a major factor in making Georgetown a better place to live. In 2013, the City completed one major project with local funding and completed design work while waiting future funding for other projects. With limited state and federal funding available, the City pursues creative ways to pay for new roads and other transportation-related projects. Accomplishments for 2013 include:

Sam Houston Avenue

The 2.5-mile long Sam Houston

Avenue opened in early 2013. The new two-lane road connects the SH 130 tollway to SE Inner Loop Road. Sam Houston Avenue will link to a future project called Southwest Bypass, providing an east-west alternate to University Avenue. The new highway section will relieve traffic from the residential areas of downtown as the city grows.

Lakeway Drive Bridge

Construction continued on the new Lakeway Drive Bridge over Interstate 35 in 2013. Safety concerns are a primary reason for replacing the old two-lane bridge. The new bridge has through-traffic lanes and a left turn lane in each direction as well as sidewalks and 14-foot wide outside lanes to accommodate bicycles.

FM 1460 Widening

The City finalized right-of-way acquisition and funding sources to widen FM 1460 from two lanes to a four-lane divided road. Construction is set to start in the fall of 2014. The project extends from University Boulevard in Round Rock to Quail Valley Drive in Georgetown. The arterial connects with a high-growth corridor including hospitals, college campuses, and new residential developments.

Sidewalks and Trails

The City completed a sidewalk expansion and streetscape project on the west side of the Square on Austin Avenue from Seventh to Eighth streets. Work continued on a new sidewalk that extends three-quarters of a mile from Belmont Drive to Mitchell Elementary,

providing a way for children to walk or ride a bike to school from several nearby neighborhoods. Design work for a sidewalk along N. Austin Avenue from the Recreation Center to Georgetown High School is underway. Construction should start in 2014.

Airport Assessment

The City conducted a comprehensive assessment of the Georgetown Municipal Airport in 2013. The Georgetown Airport Business Analysis completed by CH2M Hill Engineers assessed a variety of costs and expenses at the Airport, management structures, industry best practices, marketing ideas, and business development opportunities. Recommendations in the report will be addressed by the Georgetown Transportation Advisory Board and the City Council.

Scenic Drive Pedestrian Bridge

A new section of hike and bike trail from 17th Street to University Avenue extends the city's trail system and helps to provide a safe route to Carver Elementary. A 117-foot -long pedestrian bridge spans a steep embankment next to Scenic Drive on the trail section.



City of Excellence: Utilities

Georgetown's City-owned utilities are a tremendous asset supporting the City of Excellence vision. Focusing on cost-effective and reliable service, Georgetown Utility Systems plays a unique role in enhancing the community's quality of life. Currently 7 percent of all utility-generated revenue comes back to the City's general fund to pay for other key City services, such as public safety, parks, and the library. Key accomplishments in 2013 enable the City to build upon that focus far into the future. These accomplishments include:

Recycling and Yard Trimmings

The City introduced single-stream recycling in one rolling cart in No-

vember 2012. A new green waste program for yard trimmings began at the same time for in-city residents. The new programs have increased the recycling rate by 100 percent.

Aqua Messenger Award

The Aqua Messenger program won a statewide water conservation award this year. The City won the Blue Legacy Award at the Texas Water conference for the Texas section of the American Water Works Association. The award recognized Georgetown for the conservation program in the category of cities with 50,000 to 100,000 population. The Aqua Messenger program allows water utility customers to receive usage threshold emails each month.

Lake Georgetown

As Georgetown's primary source of drinking water, Lake Georgetown is fed by the North Fork of the San Gabriel River and a water pipeline from Lake Stillhouse Hollow in Bell County. Water conservation is an increasingly important water management strategy. In the summer months in Georgetown, 75 percent of the water used each day is for watering lawns.

Chisholm Trail Water

After two years of negotiations, the Georgetown City Council voted this year to approve a consolidation agreement with the Chisholm Trail Special Utility District water system. According to the agreement, the City would absorb the assets of the district

and acquire its 377 square-mile service area. Chisholm Trail customers, who number more than 7,000, would become City of Georgetown out-of-city water customers. The service territory transfer is currently under review by the Texas Commission on Environmental Quality.

Asset Management

Georgetown Utility Systems began the implementation of a new enterprise asset management system this year. A new work management program is being implemented to manage maintenance activities on utility assets such as transformers, water pumps, or bucket trucks. The new system enables scheduled maintenance, enhanced workflow communication, and effective management of utility assets.

Georgetown Utility Systems

Since they were established in 1911, Georgetown utilities have been serving the local community. Georgetown Utility Systems is a community-owned utility whose employees are always at-the-ready to ensure reliable and cost-effective service.





City of Excellence:

Financial Information

The following financial information represents information from the City's Comprehensive Annual Financial Report for the year ended

September 30, 2013. The statements are presented in conformity with accounting principles generally accepted in the U.S. as set forth by

the Governmental Accounting Standards Board and have been audited by independent auditors in accordance with generally accepted auditing standards. These Government-wide Financial Statements are designed to provide readers with a

broad overview of the finances of the City in a manner similar to a private-sector business. **The Statement of Net position**, which is the difference between the City's assets and deferred outflows and liabilities and deferred inflows, is one way to meas-

ure the financial health of the City. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating.

The City's Net 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, 2013, the City had a total of \$131 million in **general obligation debt** outstanding. This represents a 17 percent increase over prior year. This increase reflects

\$5 million of General Obligation bonds for park projects, as well as the final \$17 million for the Public Safety Operations and Training Center. Other long-term debts included are compensated absence payable, net pension obligation, other post-employment benefits and arbitrage rebate payable. These experienced a slight increase over FY 2012 of \$746,000, primarily due to an increase in compensated absence payable.

The entire report is available at <https://files.georgetown.org/comprehensive-annual-financial-report>.

Summary Statement of Net Position (In thousands)

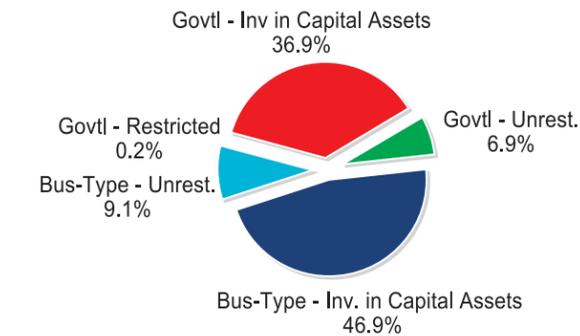
	Total Primary Govt	
	2013	2012
Current and other assets	\$ 134,734	\$ 114,735
Capital assets	555,531	534,996
Total assets	\$ 690,265	\$ 649,731
Deferred outflows of resources	1,260	\$ -
Total assets and deferred outflows	\$ 691,525	\$ 649,731
Long-term liabilities	\$ 194,778	\$ 179,157
Other liabilities	12,865	13,912
Total liabilities	\$ 207,643	\$ 193,069
Net position:		
Invested in capital assets, net of related debt	\$ 405,070	\$ 388,869
Restricted	1,109	1,749
Unrestricted	77,703	66,044
Total net position	\$ 483,882	\$ 456,662

Summary Statement of Activities (In thousands)

	Total Primary Govt	
	2013	2012
Revenues:		
Governmental	\$ 61,269	\$ 52,879
Business-Type	96,730	99,180
Total Revenues	\$ 157,999	\$ 152,059
Expenses:		
Governmental	53,180	51,391
Business-Type	74,763	82,922
Total Expenses	\$ 127,943	\$ 134,313
Change in net assets	30,056	17,746
Net Assets - Beginning	456,662	438,916
Restatement:	(2,836)	
Net Assets - Ending	\$ 483,882	\$ 456,662

The **Statement of Activities** presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes). The change in net assets is not reported here, but is the difference of total revenues and total expense. This year, net assets increased by \$30.056 million, largely due to the completion of large capital projects.

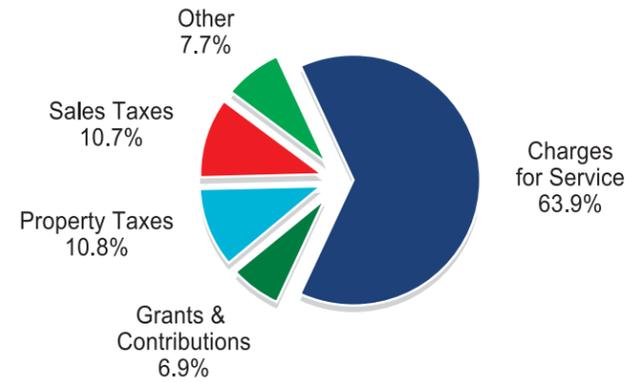
Net Assets - Primary Government - 9/30/13



City of Georgetown Outstanding Debt and Long-Term Liabilities (In thousands)

	Govtl Activities		Bus-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation Bonds	\$ 116,638	\$ 100,357	\$ 14,552	\$ 11,618	\$ 131,190	\$ 111,975
Premiums	100	117	635	688	735	805
Sales tax revenue bonds	8,955	9,420	-	-	8,955	9,420
Revenue Bonds	-	-	47,455	51,425	47,455	51,425
Compensated absence payable	3,778	3,235	775	682	4,553	3,917
Net pension obligation	1,274	1,265	140	138	1,414	1,403
Other Post Employment Benefits	460	361	-	-	460	361
Arbitrage rebate payable	15	15	-	-	15	15
Total Long Term Debt	\$ 131,220	\$ 114,770	\$ 63,557	\$ 64,551	\$ 194,777	\$ 179,321

Revenues - Fiscal Year 2013

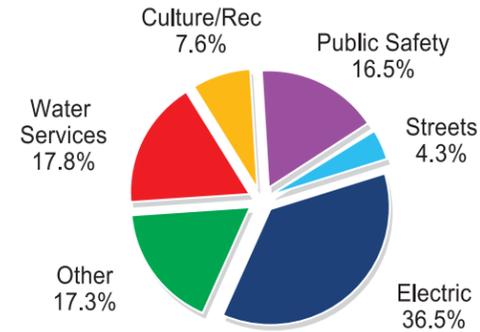


Revenues: The Charges for Services category represents receipts primarily from electric, water, wastewater, environmental services, development and building inspection fees, parks fees, fire fees, and court fines. Charges for services were \$13.8 million in FY 2013, an 8.7 percent increase from FY 2012 revenues. Property taxes totaled \$17 million, which include real and personal property levies assessed October 1, and payable before the following January 31. Sales taxes, totaled \$17 million for fiscal year 2013, which

was an increase of 13.3 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. Changes in the law regarding sales tax on internet sales have also impacted the increase.

Expenses: Fire Services increased 5.9 percent due to the restructured STEP pay plan that was implemented January 2013 and the October 2012 opening of the new Fire Station 5. Streets decreased 1.9

Primary Government - Functional Expenses for FY 2013



percent due to the timing of scheduled maintenance of the transportation system and vacant positions.

Electric charges for services decreased while Water, Storm water, and Airport all had increases. Notable explanations for the changes are explained below.

Electric decreased 17.7 percent. The decrease in expenses for Electric are associated with lower purchased power costs over prior year.

Water services increased 5.8 percent. The increase can be attributed to higher operating and plant management expenses due to higher water sales.

The 5.3 percent increase at the Airport is related to the fluctuations in the price of fuel compared to FY 2012.

Storm water saw a 15.7 percent increase over the prior year due to higher personnel and operating costs.

Economic Indicators

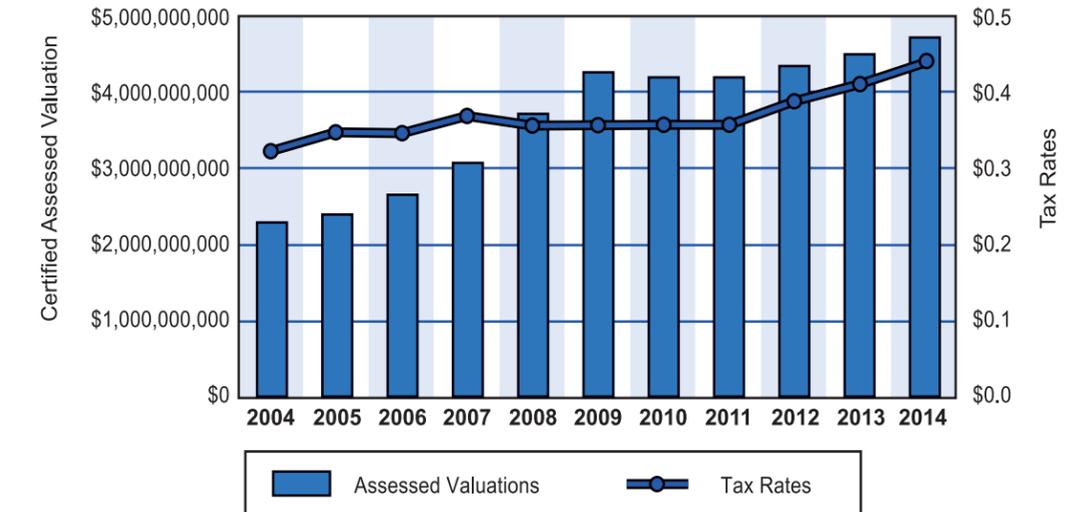
Financial operations of the City are guided by its Fiscal and Budgetary Policy, which is reviewed and adopted each year by the City Council. This policy is meant to ensure financial stability and promote fiscal responsibility, both of which are the foundation for the City of Excellence. The City currently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

Sales tax revenues increased 13 percent over the prior year, demonstrating solid growth in the local economy for the fourth consecutive year. The first three months of the 2014 fiscal year continued this trend with sales tax receipts coming in 14 percent over the prior year.

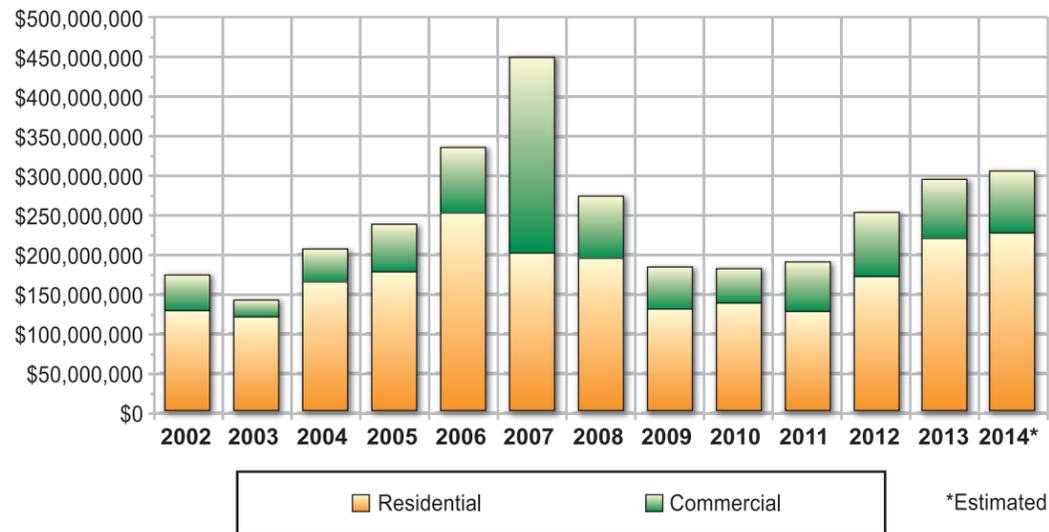
Sales Tax Percent Change



Assessed Valuations & Tax Rates



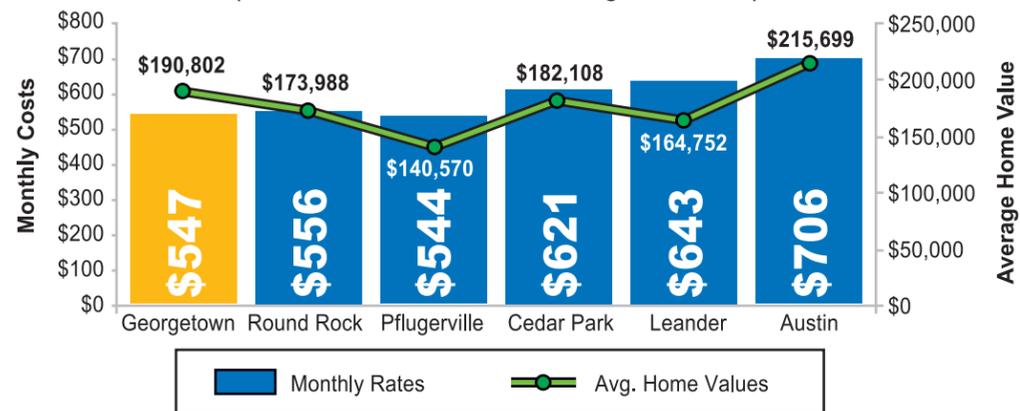
New Permit Value



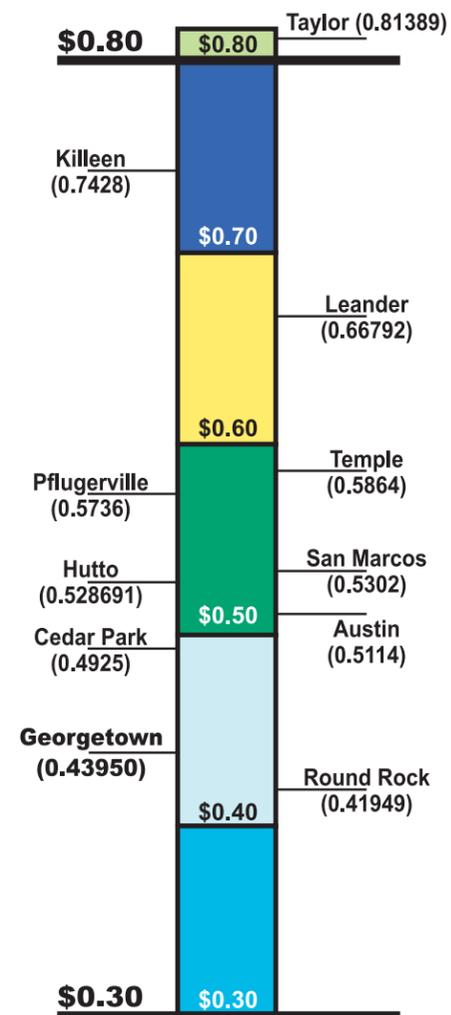
Residential growth has continued to be healthy with 690 new residential permits in 2013, with a value of \$294.9 million, compared to 664 permits valued at \$171 million in 2012. Housing values have increased, with the average home in Georgetown valued at \$190,802 on January 1, 2013, as compared to \$185,915 on January 1, 2012. Georgetown's overall combined monthly rates, including utilities and taxes, are lower than other communities in the area.

Combined Monthly Rates

(Utilities and Total Taxes based on Avg Home Values)



City Tax Rate Comparison



The City's tax rate continues to be among the lowest in the area.



Credits

Design by Michael Cox

Photography by Rudy Ximenez

Red Poppy Festival photos by Todd White



PRESERVING EXCELLENCE

West Side Park

The City purchased 90 acres on Shell Road for the future development of a west side park. The Parks Master Plan contemplates a park on the west side of the city with amenities similar to San Gabriel Park. Funding for the west side park was included in the 2008 parks bond approved by the voters. A basic master plan for the park will be developed next year with further design and development over the next five to ten years. The planning process for the park will include multiple opportunities for public input on potential park elements.

