

Notice of Meeting of the Governing Body of the City of Georgetown, Texas August 11, 2020

The Georgetown City Council will meet on August 11, 2020 at 3:00 PM at Teleconference

The City of Georgetown is committed to compliance with the Americans with Disabilities Act (ADA). If you require assistance in participating at a public meeting due to a disability, as defined under the ADA, reasonable assistance, adaptations, or accommodations will be provided upon request. Please contact the City Secretary's Office, at least three (3) days prior to the scheduled meeting date, at (512) 930-3652 or City Hall at 808 Martin Luther King Jr. Street, Georgetown, TX 78626 for additional information; TTY users route through Relay Texas at 711.

Join from a PC, Mac, iPad, iPhone or Android device: Please click this URL to join:

<https://georgetowntx.zoom.us/j/91674916101?pwd=SkZlNnBocVkrd05xRXU0aWQzZUx5Zz09>
Webinar ID: 916 7491 6101
Passcode: 668390

Or join by phone toll free:

(888) 475-4499, (833) 548-0276, (833) 548-0282, (877) 853-5257
Webinar ID: 916 7491 6101
Passcode: 668390

Citizen comments are accepted in three different formats:

Submit the following form by 12:00 p.m. on the date of the meeting and the City Secretary will read your comments into the recording during the item that is being discussed –

<https://records.georgetown.org/Forms/AddressCouncil>

You may log onto the meeting, at the link above, and “raise your hand” during the item. If you are unsure if your device has a microphone please use your home or mobile phone to dial the toll free number. To Join a Zoom Meeting, click on the link and join as an attendee. You will be asked to enter your name and email address – this is so we can identify you when

you are called upon. At the bottom of the webpage of the Zoom Meeting, there is an option to Raise your Hand. To speak on an item, simply click on that Raise Your Hand option once the item you wish to speak on has opened. When you are called upon by the Mayor, your device will be remotely un-muted by the Administrator and you may speak for three minutes. Please state your name clearly upon being allowed to speak. When your time is over, your device will be muted again.

As another option, we are opening a city conference room to allow public to “watch” the virtual meeting on a bigger screen, and to “raise your hand” to speak from that public device. This Viewing Room is located at City Hall, 808 Martin Luther King Jr. Street, Community Room. Social Distancing will be strictly enforced. Face masks are required and will be provided onsite. Use of profanity, threatening language, slanderous remarks or threats of harm are not allowed and will result in you being immediately removed from the meeting.

If you have questions or need assistance, please contact the City Secretary’s office at cs@georgetown.org or at 512-930-3651.

Policy Development/Review Workshop -

- A Presentation and discussion of planning activities for the San Jose and Track Ridge Grasshopper neighborhood plans -- Nat Waggoner, PMP, AICP Long Range Planning Manager and Susan Watkins, AICP, Housing Coordinator
- B Presentation and discussion regarding possible sale of Power Transformers to Lower Colorado River Authority -- Daniel Bethapudi, General Manager of the Electric Utility
- C Presentation and discussion regarding downtown extended dining and retail -- Michaela Dollar, Economic Development Director; Kim McAuliffe, Downtown Development Manager; & Travis Baird, Real Estate Services Manager
- D Presentation and discussion regarding the FY2021 City of Georgetown Budget and Tax Rate -- David Morgan, City Manager

Executive Session

In compliance with the Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the items listed below will be discussed in closed session and are subject to action in the regular session.

- E **Sec. 551.071: Consultation with Attorney**
Advice from attorney about pending or contemplated litigation and other matters on which the attorney has a duty to advise the City Council, including agenda items
 - Litigation Update
 - PEC Franchise
- Sec. 551.072: Deliberations about Real Property**
 - Purchase of Property - Parks Administration
- Sec. 551.086: Certain Public Power Utilities: Competitive Matters**
 - Competitive Matters – Purchased Power Update
 - Renewal and Amendment of Shell Energy NA Energy Manager/QSE Agreement

Adjournment

Certificate of Posting

I, Robyn Densmore, City Secretary for the City of Georgetown, Texas, do hereby certify that this Notice of Meeting was posted at City Hall, 808 Martin Luther King Jr. Street, Georgetown, TX 78626, a place readily accessible to the general public as required by law, on the _____ day of _____, 2020, at _____, and remained so posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Robyn Densmore, City Secretary

City of Georgetown, Texas
City Council Workshop
August 11, 2020

SUBJECT:

Presentation and discussion of planning activities for the San Jose and Track Ridge Grasshopper neighborhood plans --
Nat Waggoner, PMP, AICP Long Range Planning Manager and Susan Watkins, AICP, Housing Coordinator

ITEM SUMMARY:

Staff will provide the Council an update on the outreach and budget activities completed since the July 14 workshop including feedback from neighborhood representatives. Staff is seeking support from the Council to begin formally engaging both neighborhoods.

FINANCIAL IMPACT:

Staff will utilize existing budgeted funds for outreach outlined in this presentation. The scope of the neighborhood plans will drive the cost to prepare both plans. Preliminary estimates identify a need for \$200,000 to complete both neighborhood plans.

SUBMITTED BY:

Nat Waggoner, PMP, AICP and Susan Watkins, AICP

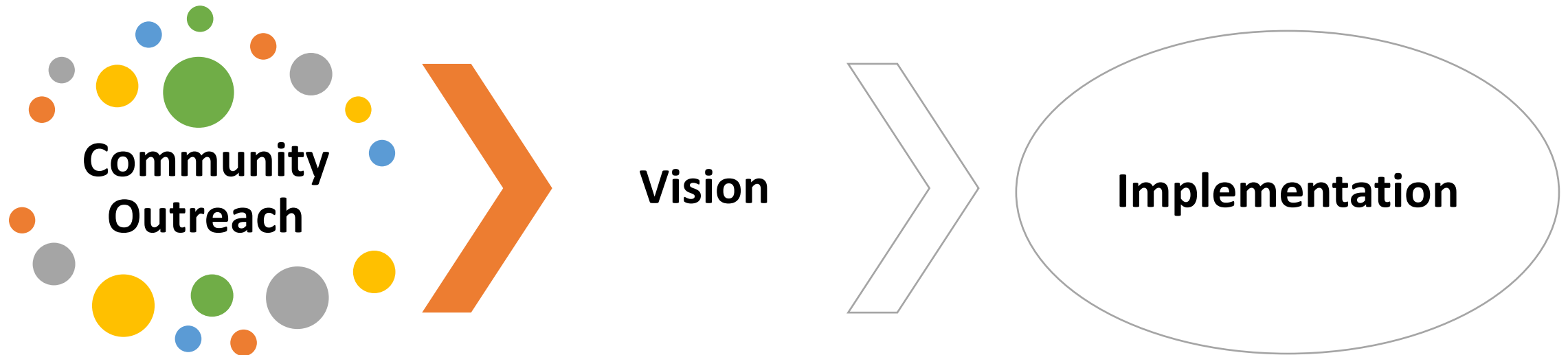
ATTACHMENTS:

Presentation

Small Area Planning - San Jose and TRG Neighborhoods

City Council Workshop

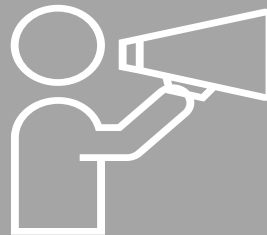
August 11, 2020



Purpose of Presentation



Action Steps since the City
Council Workshop on
07/14/2020



Outline proposal for
neighborhood communication
steps that will lead to draft scope

Presentation Outline



Path to partnership



Community leadership



Outreach



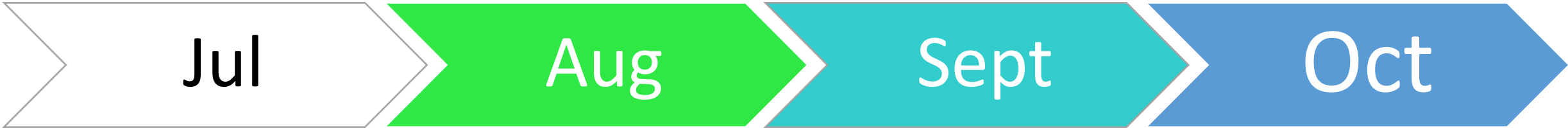
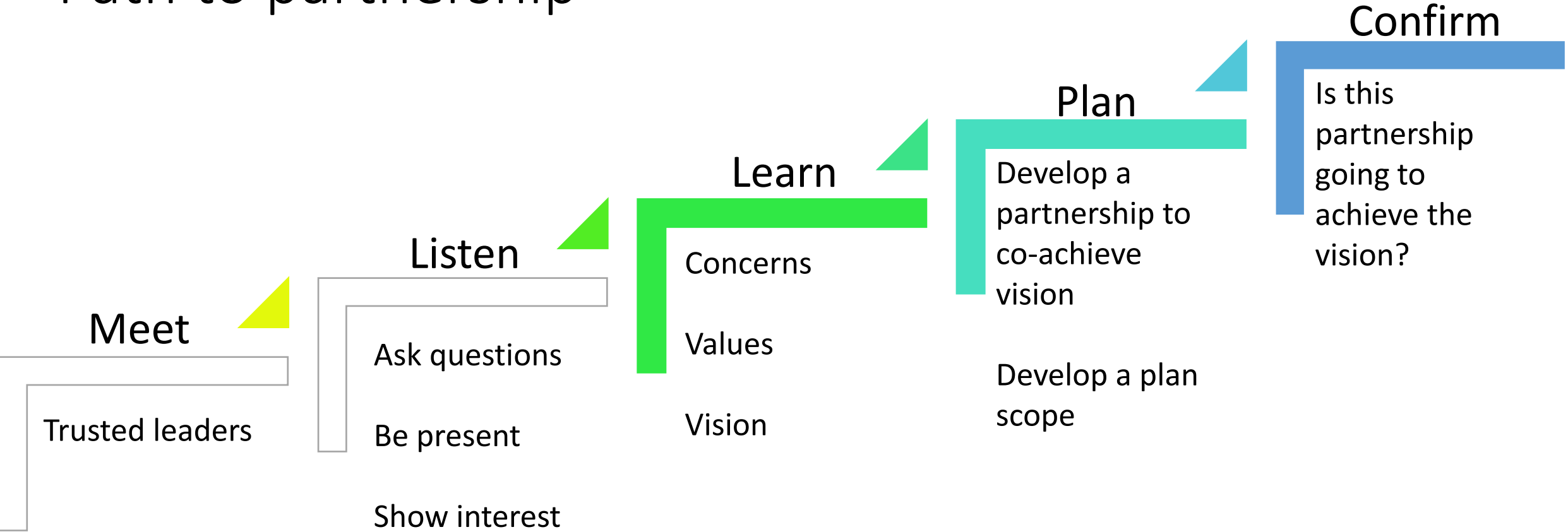
Path to partnership

Feedback requested

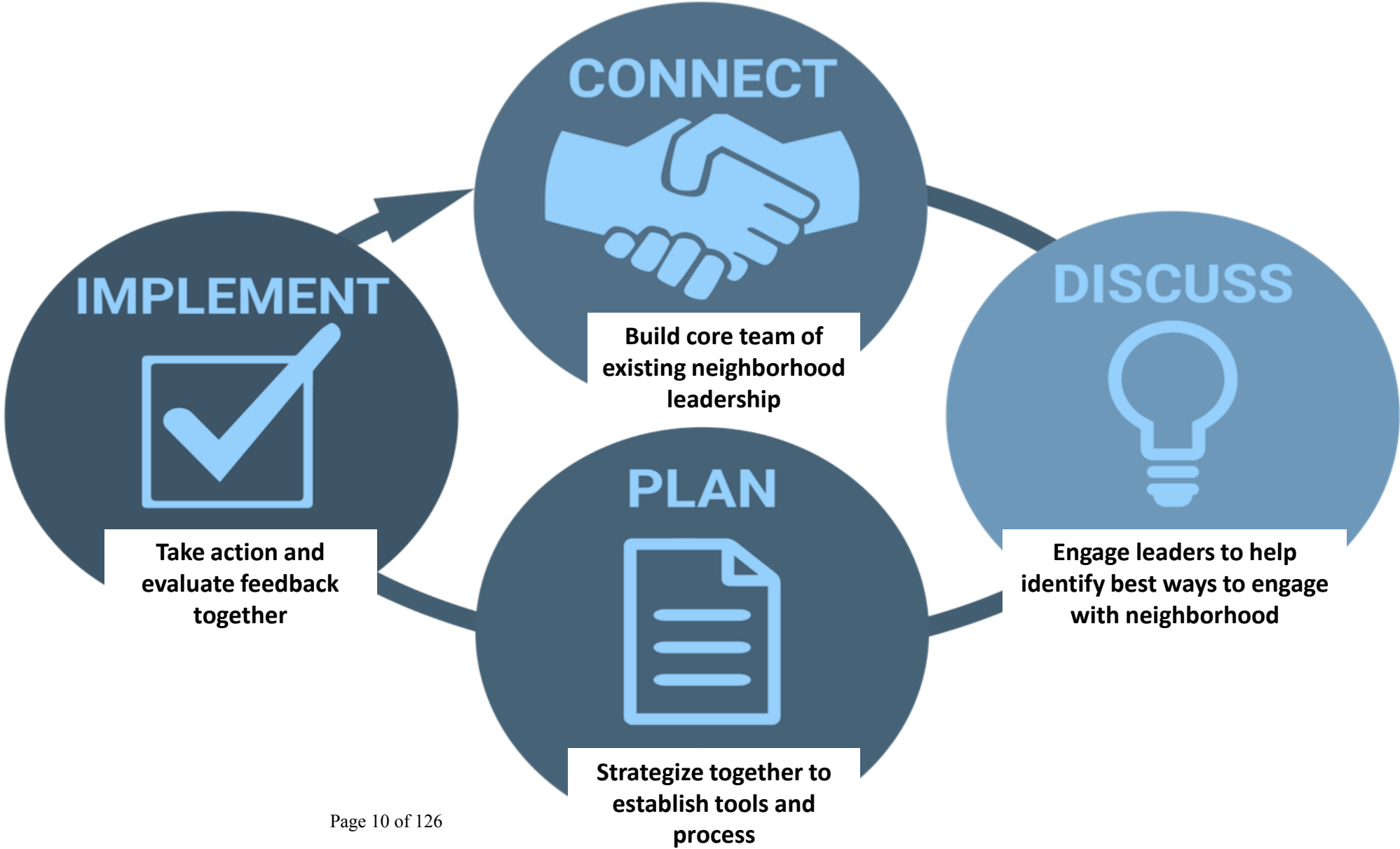


Does the City Council support the process to gather information from the neighborhood?

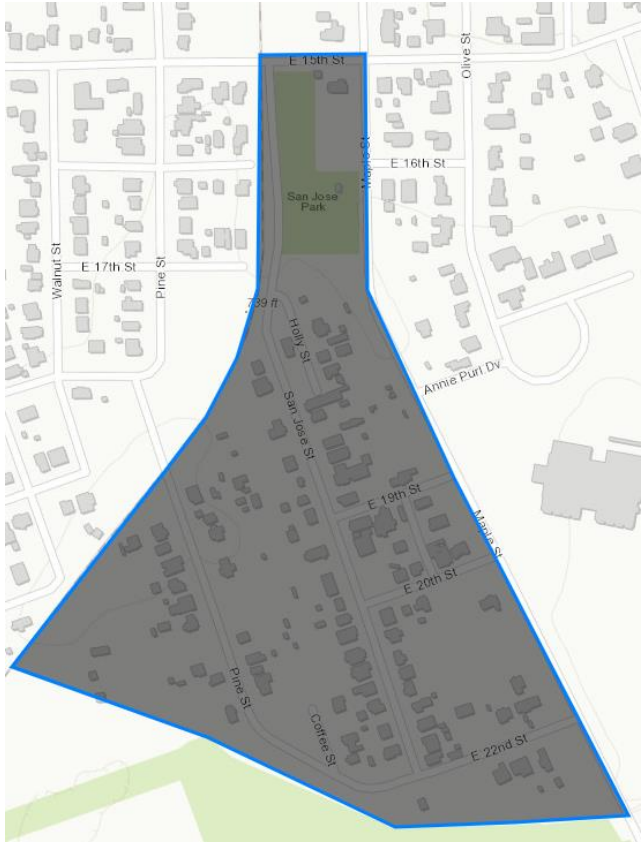
Path to partnership



Community leadership



Outreach



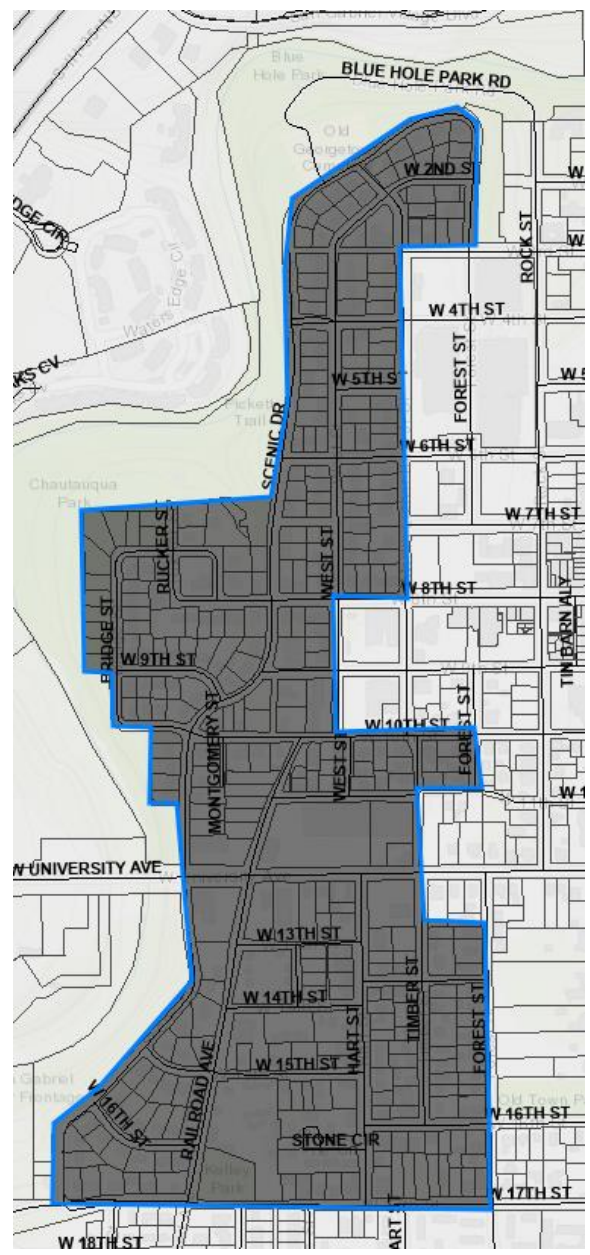
San Jose Neighborhood

0.06 square miles

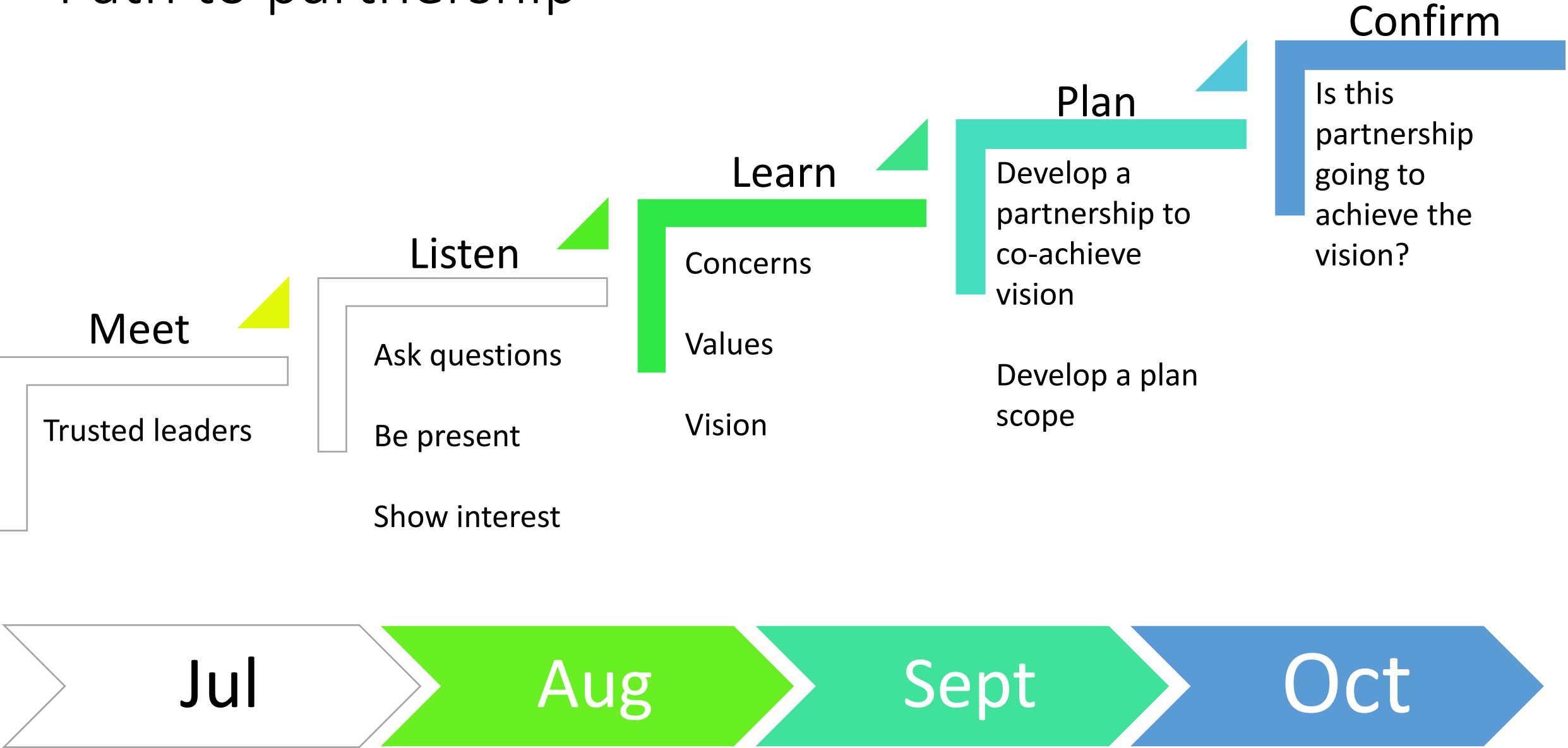
Outreach

Track Ridge Grasshopper (TRG) Neighborhood

.19 square miles



Path to partnership



Feedback requested



Does the City Council support the process to gather information from the neighborhood?



For more information

- If the public wants to participate or get more information, please contact either
- Si el público quiere participar o obtener más información, por favor comuníquense

TRG -Susan Watkins (512) 930-8477, susan.watkins@georgetown.org

San Jose -Nat Waggoner (512) 930-3584, nat.waggoner@georgetown.org

City of Georgetown, Texas
City Council Workshop
August 11, 2020

SUBJECT:

Presentation and discussion regarding possible sale of Power Transformers to Lower Colorado River Authority -- Daniel Bethapudi, General Manager of the Electric Utility

ITEM SUMMARY:

FINANCIAL IMPACT:

NONE

SUBMITTED BY:

Daniel N. Bethapudi - General Manager, Electric Utility (LJW)

ATTACHMENTS:

Workshop Presentation - Power Transformer Sale

Proposed Sale of 11 Power Transformers to LCRA

By

Daniel N Bethapudi

GM – Electric

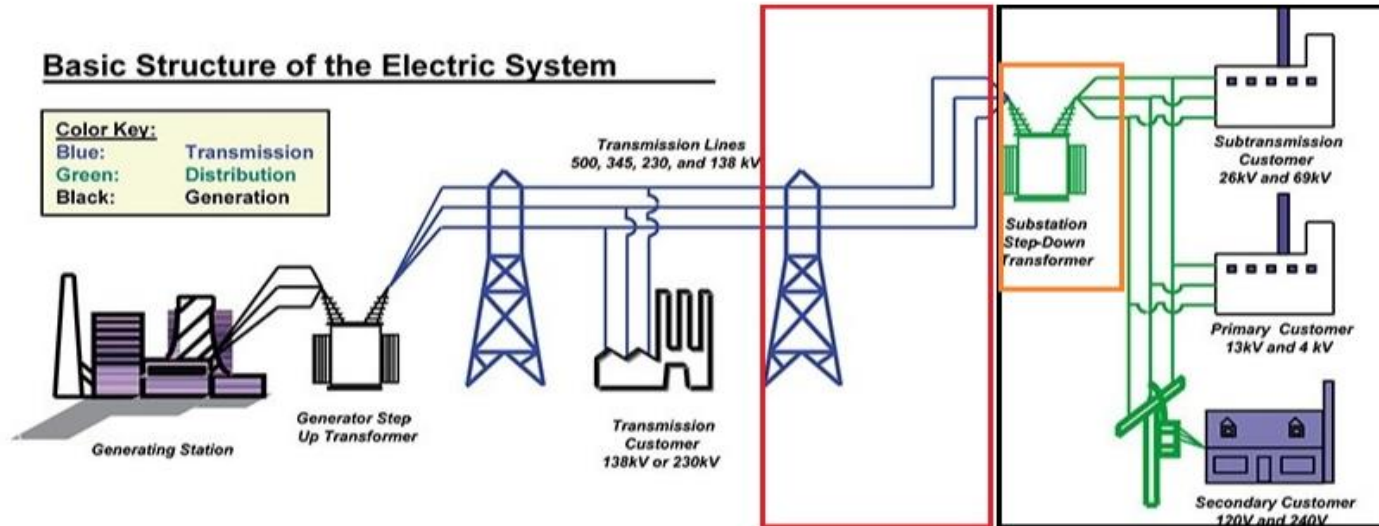
8/11/2020

Background

- The financial challenges presented us with an opportunity to identify opportunities :
 - To cut costs
 - Improve cost recovery
 - Revenue protection
 - Cash flow optimization.
- One such opportunity was to review our substation cost center.

Current Configuration

Basic Structure of the Electric System



Current Transmission Substation Configuration

- Transmission predominantly provided by LCRA
- All substations (foot print etc.) owned by LCRA
- Substation transformers and associated equipment owned by GTWN.

Current Configuration Contd.

- Power Transformer: A power transformer in an electric substation transforms the voltage from transmission voltage to distribution Voltage. From 138 kV (transmission) to 7.2 kV and 14.4 KV (distribution).
 - Georgetown currently owns 11 Power Transformers in 7 substations owned by LCRA.
 - Georgetown currently uses one transformer that is owned by LCRA and pays transformation charges.
- The transmission service into these 7 substations is predominantly provided by LCRA.
- Unlike some MOUs, GTWN does not own transmission assets and hence has no transmission revenues. The 11 power transformers are strictly cost-centers.

Challenges - Costs

- Compliance burden which requires expensive testing and maintenance.
- The substation technicians are highly specialized, and the labor market is tight.
 - High employee turnover.
 - 3 out of 5 positions open currently.
 - High cost of training Substation Technicians.
- Based on growth, we need to add multiple substations/transformers in the next 5 – 7-years.
Estimated capital outlay is approx. \$9M.

Make or Buy Analysis

Make or buy /Outsourcing Analysis:

- Compares the costs and benefits associated with producing a necessary good or service internally to the costs and benefits involved in hiring an outside supplier for the resources in question. (Investopedia)
- The outcome of this analysis should be a decision that maximizes the long-term financial outcome for a company.

Make: Keep power transformer assets

Buy: Sell power transformer assets to LCRA, Buy/receive Transformation Service from LCRA.

Make or Buy Analysis Contd.

- Why sell to LCRA:

- All the substations where these power transformers are located are currently owned by LCRA
- The transmission service to all these substations is provided by LCRA.
- GTWN already has an existing transformation agreement with LCRA at Glasscock substation.
- LCRA's transformation tariff is approved by PUCT. The rate is currently set at \$0.8690 per kW of billing demand.
- LCRA provides these services to other municipally owned utilities like GTWN.

Make or Buy Analysis Contd.

- Study conducted by:
 - McCord Engineering Inc and GTWN staff.
- Study Horizon:
 - 10 years
- Costs/Expenses included in the study:
 1. Transformation Rate Charges
 2. Personnel and Fleet
 3. Maintenance and Testing
 4. Debt Service Costs
 5. Depreciation Expense
 6. Testing Equipment
 7. Equipment Upgrades
 8. Mobile Substation/Contingency

Make or Buy Analysis Contd.

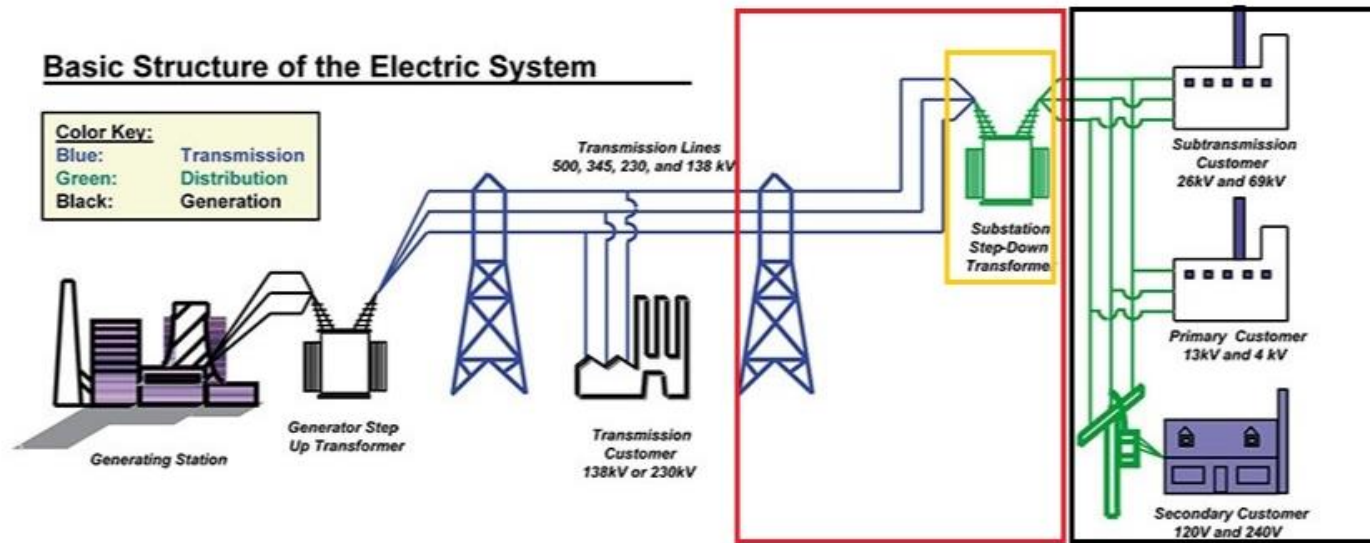
- Cost of In-house transformation (10-year horizon):
 - \$32,861,232
- Cost of Out-Sourced Transformation (10-year horizon):
 - \$30,593,909
- 10-year Savings from out-sourcing transformation:
 - \$2,267,323.
- Annual Savings from out-sourcing transformation:
 - \$226,732
- In addition to the savings, Proceeds from the sale of 11 Power Transformers:
 - \$9,659,388.53.

The sale of the power transformers to LCRA maximizes the long-term financial outcome for GTWN.

Business Benefits

- GTWN will no longer be responsible for the maintenance of the existing Power Transformers. Reduction in costs.
- GTWN will no longer be responsible for testing and compliance requirements related to these assets.
- GTWN will work with LCRA's TSC to plan for future substation/transformation needs.
- GTWN capital outlay will be for distribution infrastructure only.
- The immediate cash infusion of \$9.6M will help reduce the pressure on our retail rates.

Proposed Configuration



Proposed Transmission - Substation Configuration

- Transmission and Substation (including Power Transformers) will be owned and operated by LCRA.
- GTWN to own and operate the distribution breakers.
- GTWN will receive a one time payment from the sale of the power transformers.
- GTWN to pay monthly transformation fees.

Sale Process

Process for the sale of 11 Power Transformers and associated Equipment

- Valuation of the assets – Completed
 - Both parties agreed on the Net Book Value of the assets
 - LCRA completed the physical inspection of the assets.
- Amendments to agreements – In progress
 - Interconnect agreements
 - Transformation agreements
 - Metering agreement.

Sale Process Contd.

- Close of Sale:
 - 9/1/2020.
- Restricted use:
 - Approximately \$1.3 M of the sale proceeds will be restricted. This is because \$1.3M from 2014 revenue bond proceeds were used to finance the some of the transformers that are to part of the proposed sale.
- The proceeds from the proposed sale are included in the FY 2021 budget presented to the city council on 7/14/2020.

Recommendation

- Staff recommends the sale of Power Transformers to LCRA.
- City Council Approval of Sale of Power Transformers to LCRA.
- Questions??

City of Georgetown, Texas
City Council Workshop
August 11, 2020

SUBJECT:

Presentation and discussion regarding downtown extended dining and retail -- Michaela Dollar, Economic Development Director; Kim McAuliffe, Downtown Development Manager; & Travis Baird, Real Estate Services Manager

ITEM SUMMARY:

Due to social distancing and reduced retail occupancy requirements in response to COVID-19, staff has been exploring ways to help businesses through extended dining and retail space in downtown. While other retail areas in the city have adjacent parking lots and management associations that manage this use, the historic downtown district is limited to public right-of-way and on-street parking.

Staff has analyzed multiple options to comply with legal and safety requirements, and will present a temporary ordinance with a simplified license to encroach permit for this specific use. Additionally, the City will hold a "kick-off/pilot" to highlight the initiative.

FINANCIAL IMPACT:

TBD

SUBMITTED BY:

Michaela Dollar

ATTACHMENTS:

Downtown Dining Presentation

Extended Downtown Dining & Retail Update

City Council Workshop
August 11, 2020

BACKGROUND

Issue

- Social distancing and lower occupancy requirements are in place for retail businesses and restaurants
- Businesses in other areas of the city are able to utilize their parking lots for expanded space if they wish, or participate in property events
- Downtown businesses are limited in space due to public parking and right-of-way
- Crowded sidewalks are dangerous and can discourage patronage

Project Team

- Economic Development
 - Main Street
- Real Estate Services
- Public Works
- Legal
- Planning
- Permitting
- Community Services

Today's Update

Staff has worked to:

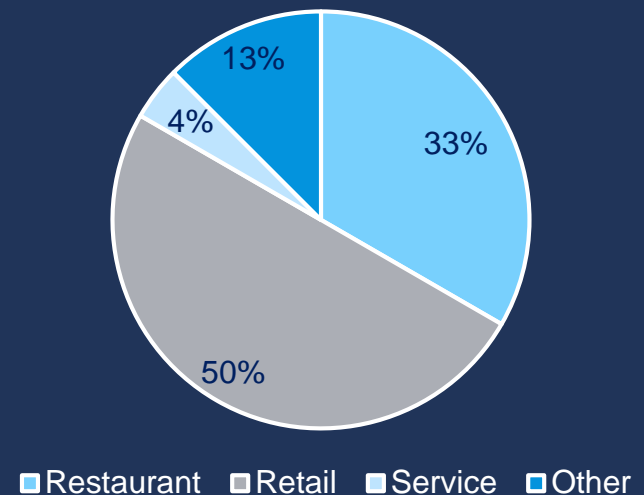
- Identify the components that have to be in place to allow this type of use
- Consider enforceability, regulation, liability, and public safety
- Gain an understanding of what the true needs are across all downtown businesses
- Analyze existing processes and regulations to use as a foundation and modify for a temporary solution
- Find a short-term alternative while a longer-term solution is finalized
- Estimate the cost of the program, in an effort to take the burden off the businesses

NEEDS ASSESSMENT

Survey Results

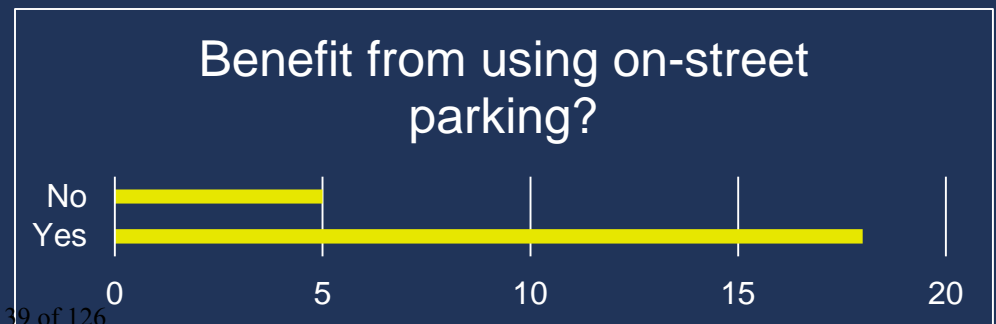
- Survey ran from July 24 – August 1, 2020
- 24 businesses completed the survey, and 3 additional businesses responded to the e-mail to say that while they are supportive of the effort, they did not want to lose parking in front of their business.

Type of Business



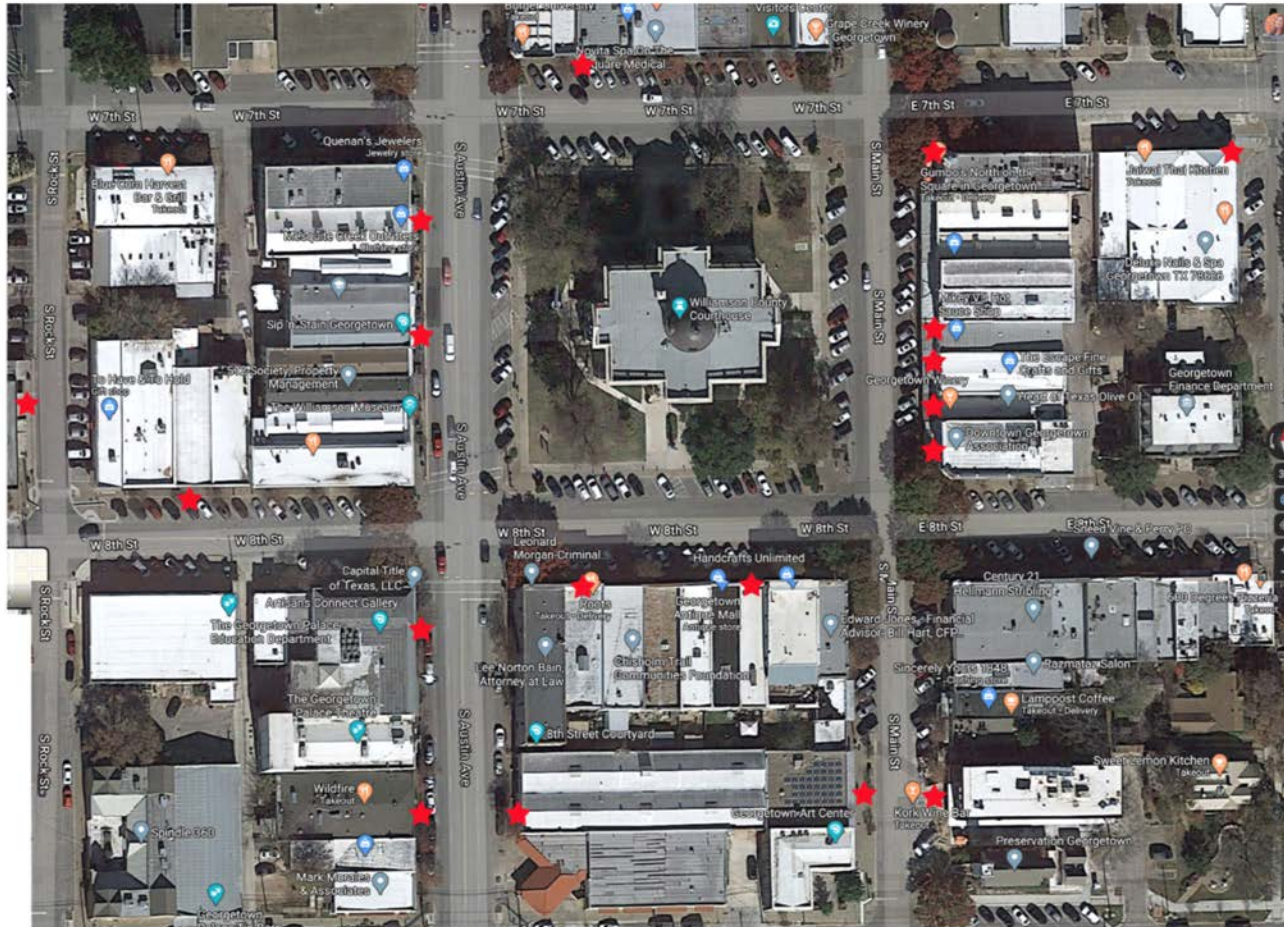
Survey Results

- The survey resulted in 5 businesses saying they would NOT benefit from using on-street parking for seating/retail.
- Most businesses that responded to the survey preferred a weekend closure, then closure for an extended amount of time.
- Out of 21 food-related businesses in the 9-block area, 9 responded and were in favor of closing parking spaces for additional outdoor dining.



Survey Results Map

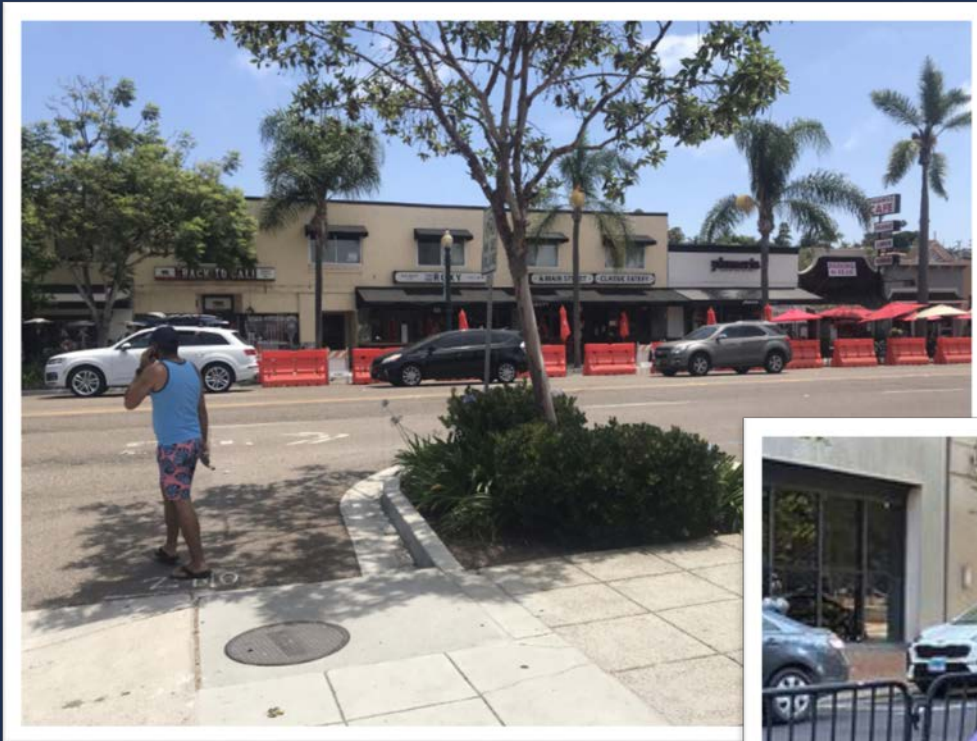
Map of downtown businesses that indicated a desire for parking space closures to accommodate outdoor dining/retail.



PILOT KICK-OFF



Proposed Solution



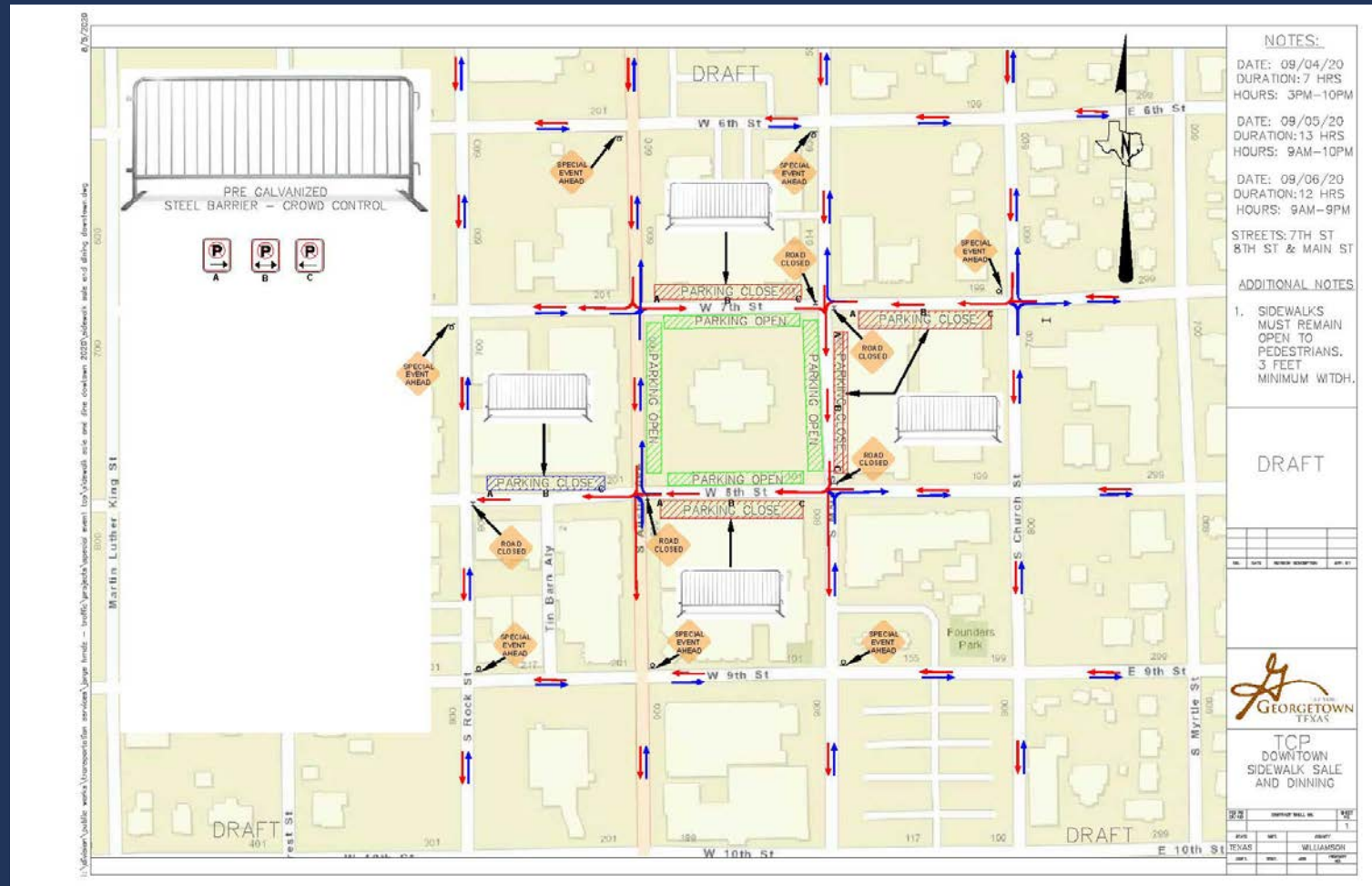
Open parking spots in public rights of way to seating and retail



Labor Day Pilot

- City to test concept over Labor Day weekend
- City will close select on-street parking for:
 - Pedestrians
 - Food Service
 - Retail
- No special license required for businesses to participate
- City will manage traffic control
- Estimated cost = \$4,000

Labor Day Pilot Area





LABOR DAY WEEKEND

SHOP GEORGETOWN

Shop the sidewalk sales
and dine downtown



KICKING OFF FRIDAY,
SEPTEMBER 4 AT 4PM THROUGH
SUNDAY, SEPTEMBER 6 AT 8 PM



LONGER TERM SOLUTION

Example Cities

In State

- Ft. Worth
- San Marcos
- Austin
- Denton
- Houston

Out of State

- Seattle, WA
- Los Angeles, CA
- San Francisco, CA
- Santa Monica, CA
- Portland, OR
- Portland, ME
- Toronto, ON

Longer Term Solution

- License to Encroach
 - Adjust existing license program
 - Provide flexibility
 - Short term changes to the program, through EOY
- Staff is working to:
 - Identify basis specifications to ensure safety and function of roadway
 - Changes to existing process
 - Streamline
 - Provide a guide for applicants
 - Identify suggested changes to existing license terms:
 - Reduce revocation notification
 - Administrative approval of license
 - Specific use requirements/limitations

Next Steps

- Complete staff coordination on license changes
 - Finalize ordinance change recommendations
 - Finalize submittal path, forms, & guidance
- Determine Funding
 - \$4,000 for Labor Day pilot
 - \$8,500 for Longer Solution
 - Includes traffic control and additional signage for up to four months
- Return August 25th
 - Final Program approval
 - Any needed ordinance changes

City of Georgetown, Texas
City Council Workshop
August 11, 2020

SUBJECT:

Presentation and discussion regarding the FY2021 City of Georgetown Budget and Tax Rate -- David Morgan, City Manager

ITEM SUMMARY:

On Aug 11th, city staff will provide an overview of the proposed City of Georgetown FY2021 Budget and receive feedback and direction from the City Council. This is a follow-up session to the July 14 & 28, 2020 City Council Workshops regarding the City of Georgetown FY2021 budget considerations. Discussion on the 2020 tax rate will also occur, providing direction to staff to finalize the FY2021 Annual Budget.

The proposed FY2021 Annual Budget will be filed with the Office of the City Secretary on Tuesday, August 11th and will also be available on the City's website for public review at the following links:

- <https://georgetown.org/files/2020/08/FY21-Proposed-Budget-Part-1.pdf>
- <https://georgetown.org/files/2020/08/FY21-Proposed-Budget-Part-2.pdf>
- <https://georgetown.org/files/2020/08/FY21-Proposed-Budget-Part-3.pdf>

FINANCIAL IMPACT:

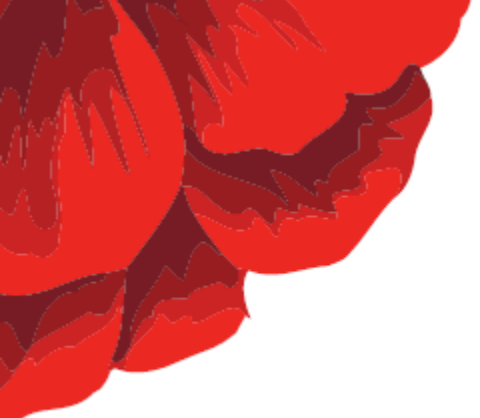
A financial overview will be included as part of the discussion.

SUBMITTED BY:

Shirley J. Rinn on behalf of David Morgan, City Manager

ATTACHMENTS:

Proposed FY 2021 Budget Presentation



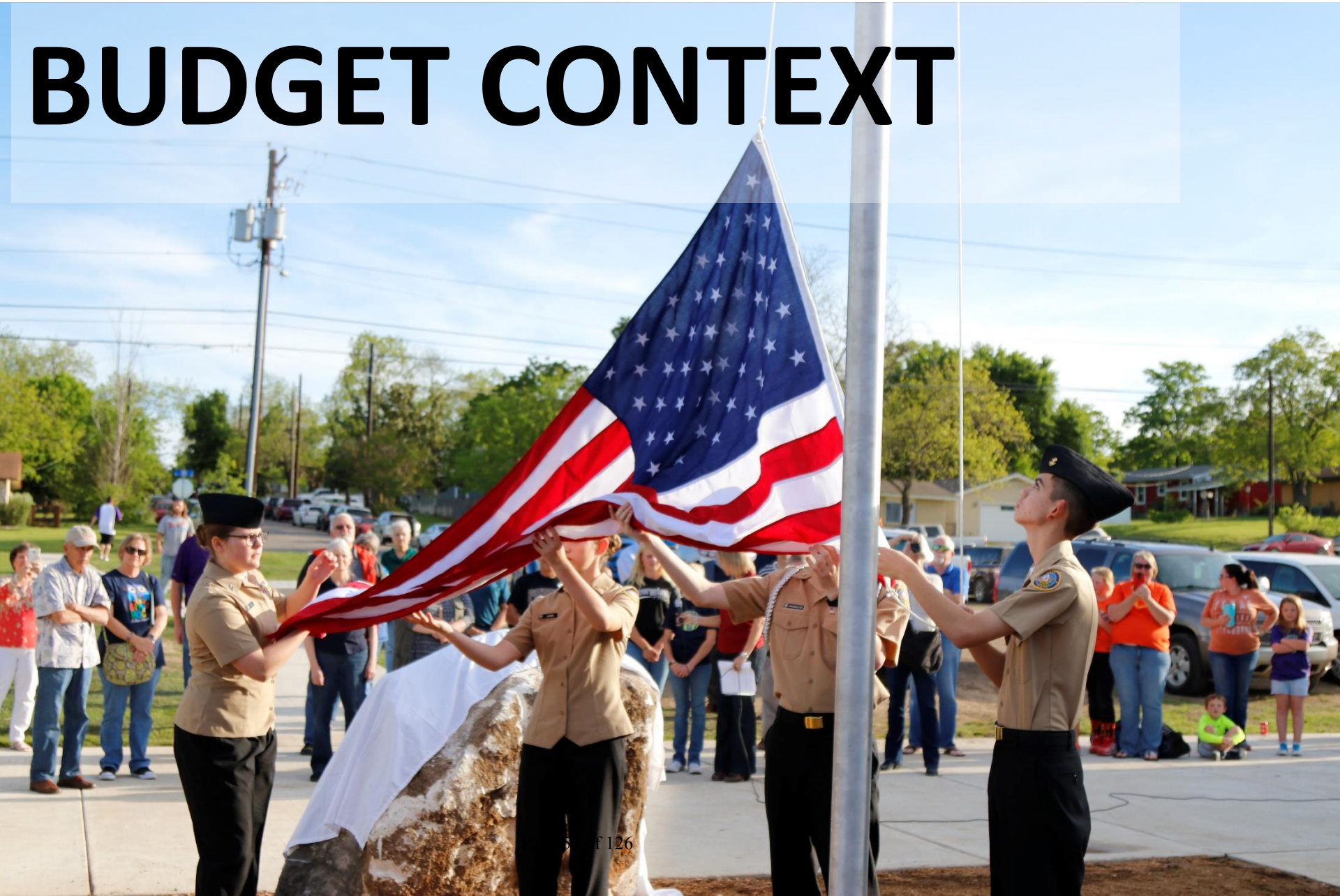
FY2021 Proposed Budget August 11, 2020



Agenda

- Budget Context
- Budget Engagement Results
- Budget Process Review
- Proposed Budget Overview
- Council Feedback
- Next Steps

BUDGET CONTEXT



Context of 2020 and 2021

- COVID-19 Pandemic
 - Closures with impacts to revenues
 - City facility and service changes
 - Employee and public safety measures
 - Continued uncertainty on future measures
- Development Growth Continues
 - Residential and commercial growth not slowing down
- Continuing multi-year projects/initiatives
 - Fire station 6&7
 - Workday Implementation
 - Comprehensive Plan implementation
- Maintain service levels where possible

Budget Contingency Plan – enacted for FY20 Budget

- Uncertainty over revenue impacts of COVID19 in March enacted the budget contingency plan – fiscal and budgetary policy
- Reviewed and froze vacant positions
- Reduced operating budgets
- Held on capital spending
 - Projects in capital plan were paused as spring debt sale was reduced to due stagnant bond market

Key Themes for FY21

- Conservative revenue projections with continued COVID uncertainty
 - Flat sales tax
 - Lower development, court, and recreation revenue
 - Lower Property tax rate
- Continue to review service levels and staffing
 - Reduced parks & recreation programming due to reduced revenue and COVID social distancing measures
 - Other base budget cuts made
 - Employee market compensation
 - Merit increase of 2% based upon Council's feedback from 7/28 workshop – review during fall for implementation

Key Themes for FY21

- Continue plan to open Fire Station 6&7 successfully
 - Hire 6 firefighters for float positions
- Continue to invest in Police staffing and training
 - Hire 2 police officers; fund the firing range/training facility
- Address limited areas in stress
 - Customer Care/Utility Control Center/Fiber Mgt
- Carry forward key capital improvement projects
 - Traffic/Public Safety/Utility Infrastructure
- Continue improvements in public/employee engagement
 - Citizen Survey
 - Civic Leadership Program
 - Employee Survey

Budget Cost Assumptions

- Base budgets
 - Existing staff, supplies, maintenance and costs
 - May include increases related to growth
 - Utilities, maintenance, cost increases
 - Continue to provide overall existing levels of service; some areas may have reduced levels of service
 - Reduced travel, training, and supplies
 - Continue a limited number of frozen positions (7 positions in the General Fund)
 - Reduce Recreation/Parks programming due to pandemic
 - Service enhancements where necessary
 - New staffing, program funding to address growth or specific issues

Summary - Financial Circumstances for FY21 Budget

- Lower revenue for FY21
 - Flat sales tax
 - Lower development, court and recreation revenue
 - Property tax within 3.5% cap
- COVID impacts
 - Flat sales tax revenue
 - Continued electric revenue impacts (lower load demand)
 - Reimbursement for FY20 COVID expenses
- Strategy:
 - Flat expenditure plan due to reduced revenues
 - Reduced compensation plan
 - Base budget cuts to provide room for increases where needed

Budget Revenue Assumptions

- Proposed Property Tax rate – \$0.418
 - Decrease from prior year rate of \$0.42
 - Within voter approval rate (3.5% increase allowed)
 - Allows for prepayment of some existing debt to allow room in rate to support continued infrastructure growth in future years
- Increase in Sanitation Rates
 - Residential increase of \$1.37 per month
 - Transfer station funding; Household hazardous waste program funding and increase by contractor
- Water Rate Study – in progress
 - Results in August/September; implementation in January
 - Expect changes to conservation tiers and rates due to accelerated infrastructure

Property Tax Revenue – FY21

- General Fund (Operations and Maintenance)
 - \$15.9M in FY21
 - \$14.9M in FY20
 - 6.7% increase
- Debt Service (Interest and Sinking)
 - \$18.75M in FY21
 - \$17M in FY20
 - 10.2% increase
 - \$350K towards prepayment to retire existing debt
 - Allows for shaping future debt plan for mobility bonds

A photograph of a man and a woman looking at a large map titled "Land Use". The woman, on the left, has long blonde hair and is wearing a black and white patterned top. The man, on the right, has a beard and is wearing a grey t-shirt with a logo. They are both looking down at the map, which is pinned to a wall. The map shows a colorful, abstract representation of land use, with yellow, purple, and blue areas. The background is a plain wall with some decorations on the left.

BUDGET CITIZEN ENGAGEMENT

Budget Engagement – Online Survey

- 660 Responses
- Almost 12k video views
- 1,500 comments on 6 open-ended questions
- Wide response rate from each city council district
 - Spread of 17.5% in District 5 to 6.3% in District 1

Budget Engagement – Feedback

- No change to property tax rate and user fees
 - 34.3% of respondents would support an increase in user fees
- 70% of respondents rate the value of city services for the City taxes paid as Good or Excellent
- Rating for how the City is addressing the impacts of growth
 - 7.8% Excellent
 - 34.4% Good
 - 29.6% Fair
 - 23.9% Poor

Budget Engagement – Feedback

- Funding changes to manage traffic
 - 54.7% increase
 - 34.4% no change
- Funding changes to support infrastructure/roads
 - 54.6% increase
 - 35.1% no change
- Funding change to support safety in our city
 - 42.5% no change
 - 40.3% increase
- Other city services that should be prioritized
 - Maintain/increase services in the library



Budget Process

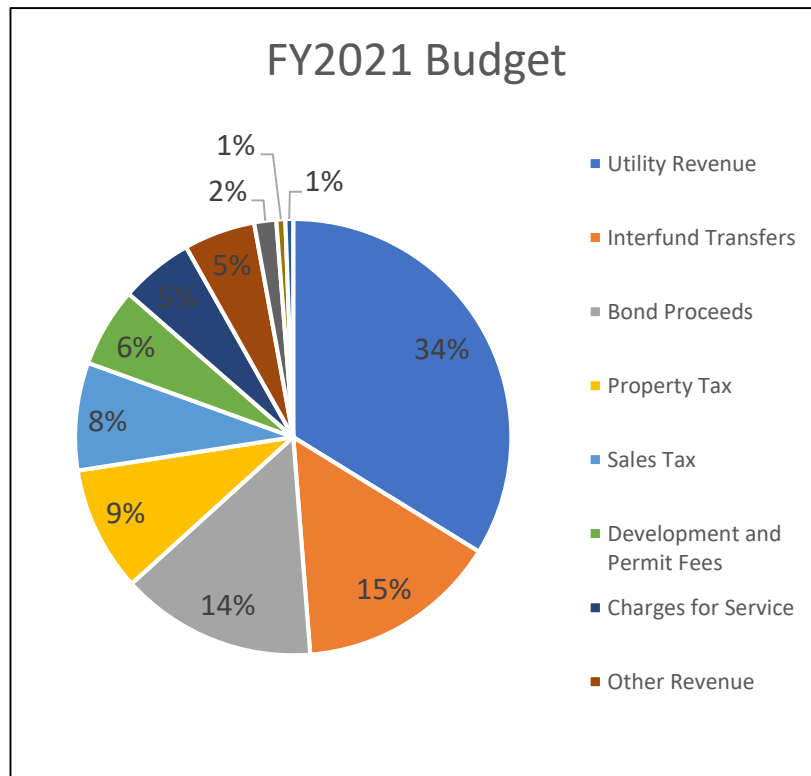
Budget Process – Workshops

- Many 2020 budget workshops have informed the FY21 proposed budget
 - January 28 – Transfer station workshop
 - February 25 – Budget schedule/calendar workshop
 - March 10 – Water Infrastructure Planning workshop
 - March 24 – Facilities Internal Service Fund
 - April 14 & 28 – COVID19 Budget impacts/planning
 - May 12 & 26 – COVID19 Budget impacts/planning
 - June 9 – Utility Capital Projects; mid year planning; GoGeo options
 - June 23 – Facilities, Parks, Public Safety Capital Projects
 - June 23 – Budget Pressures and Revenues
 - July 11 – Council tax supported debt and Capital funding tax rate impact planning
 - July 21 – Council budget worksession – all funds review
 - July 28 – Employee compensation – civil service and non civil service

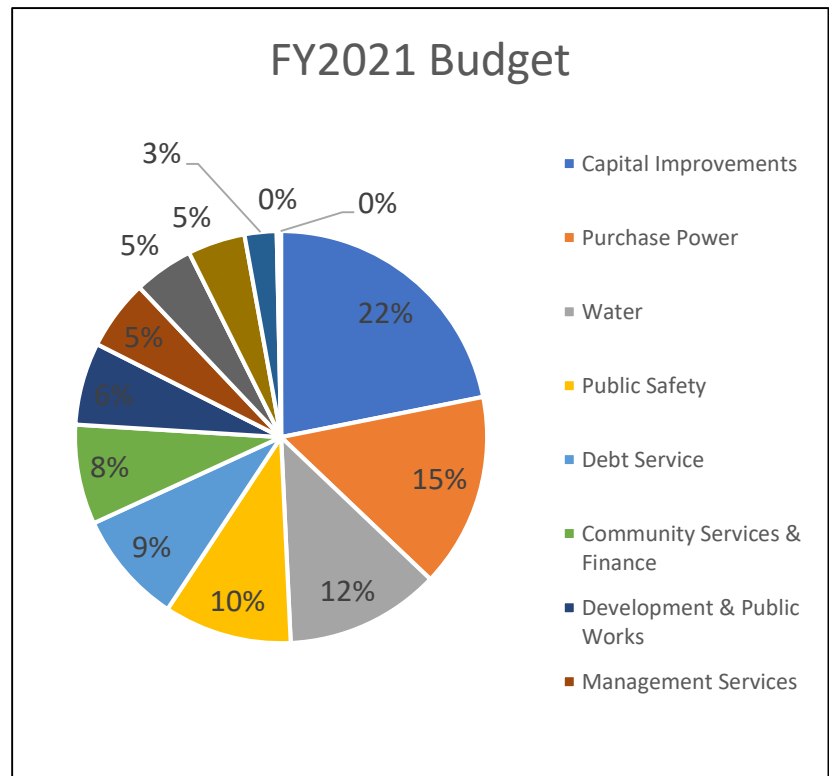
Proposed Budget Overview

Total City Budget

FY21 Revenues/Sources



FY21 Expenses/Uses



Total Budget - Major Expense Categories

- \$396 million total budget
 - \$77M in planned capital projects, plus \$9M available in GEDCO
 - \$60M in purchased power expense
 - \$41M in Water
 - \$39.7M in public safety
 - \$35M in debt service

Maintain Service Levels – Increase staffing in high growth areas

- General Fund
 - Fire – 6 firefighters
 - Animal Shelter – PT Veterinarian (net \$0 cost to General Fund)
 - Police – two officers
- Joint Services
 - Customer Care – Customer Service Representative
 - Engineering – Project Manager
- Information Technology
 - Fiber Supervisor
 - System Analyst
- Electric
 - Utility Analyst
 - Control Center Operator
- Water
 - Utility Analyst

15.5 New Positions

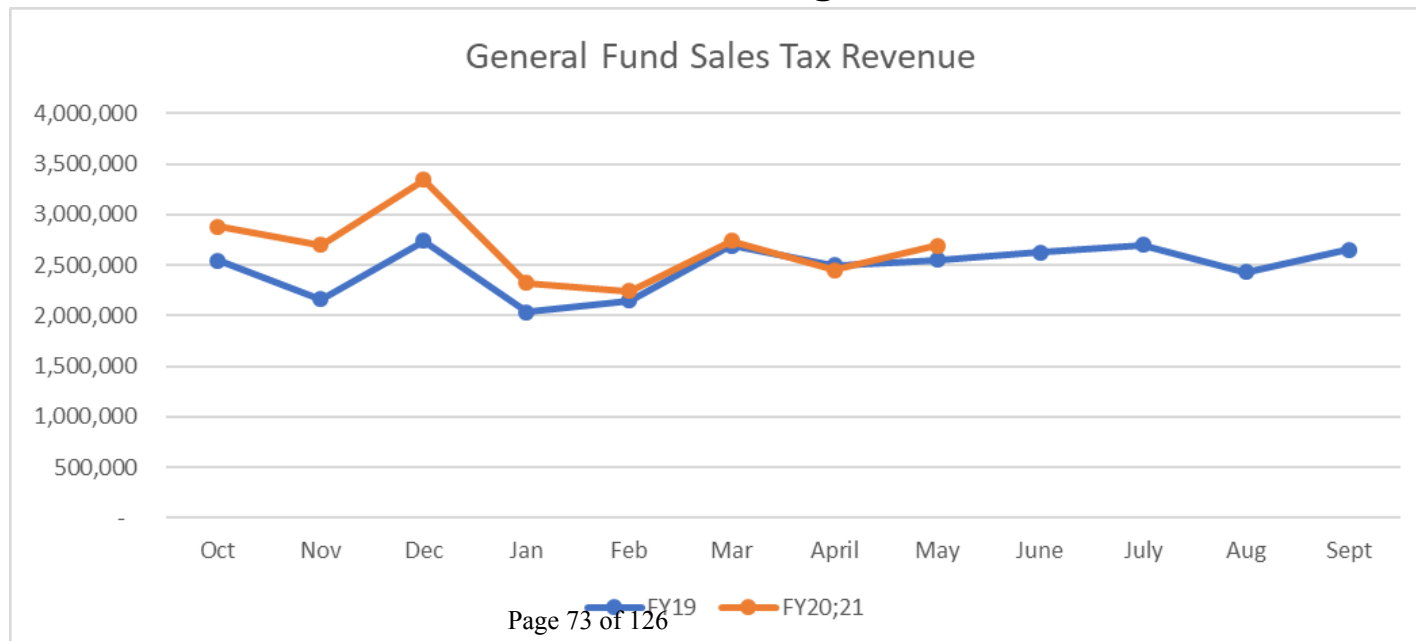


General Fund

General Fund - FY21

- Revenue Assumptions

- Sales tax 0% increase over budget; \$17,859,375 million
 - New development like Wolf Crossing, Holt Cat and Academy Sports & Outdoors offsets other areas impacted by pandemic business closures
 - 7.7% increase over FY19 ending balances



Tax Rate for FY21 Budget

- Property Tax Valuations
 - Total assessed value is certified at \$8.6 billion, which is an increase of 6% over previous year
- New Value represents \$461M
 - Over 33% increase in new property over prior year
 - 54 commercial property improvements compared to 13 last year
- Increase in new property on tax rolls allows for sufficient revenue in O&M and I&S

General Fund - FY21

- Property Tax - \$15.9M
 - Approximately \$1M in new revenue
 - 3.5% increase allowed in voter approved rate
 - SB 2 allows cities to go up to 8% before requiring voter approval due to emergency declaration being declared
- Rate \$.418 per \$100 value anticipated
 - Lower than FY20 rate of \$0.42
- Average homestead property *decreased* by 2.3%
 - \$278,001 in FY21; \$284,765 in FY20
 - Average homeowner will pay \$34 less in property tax in upcoming year

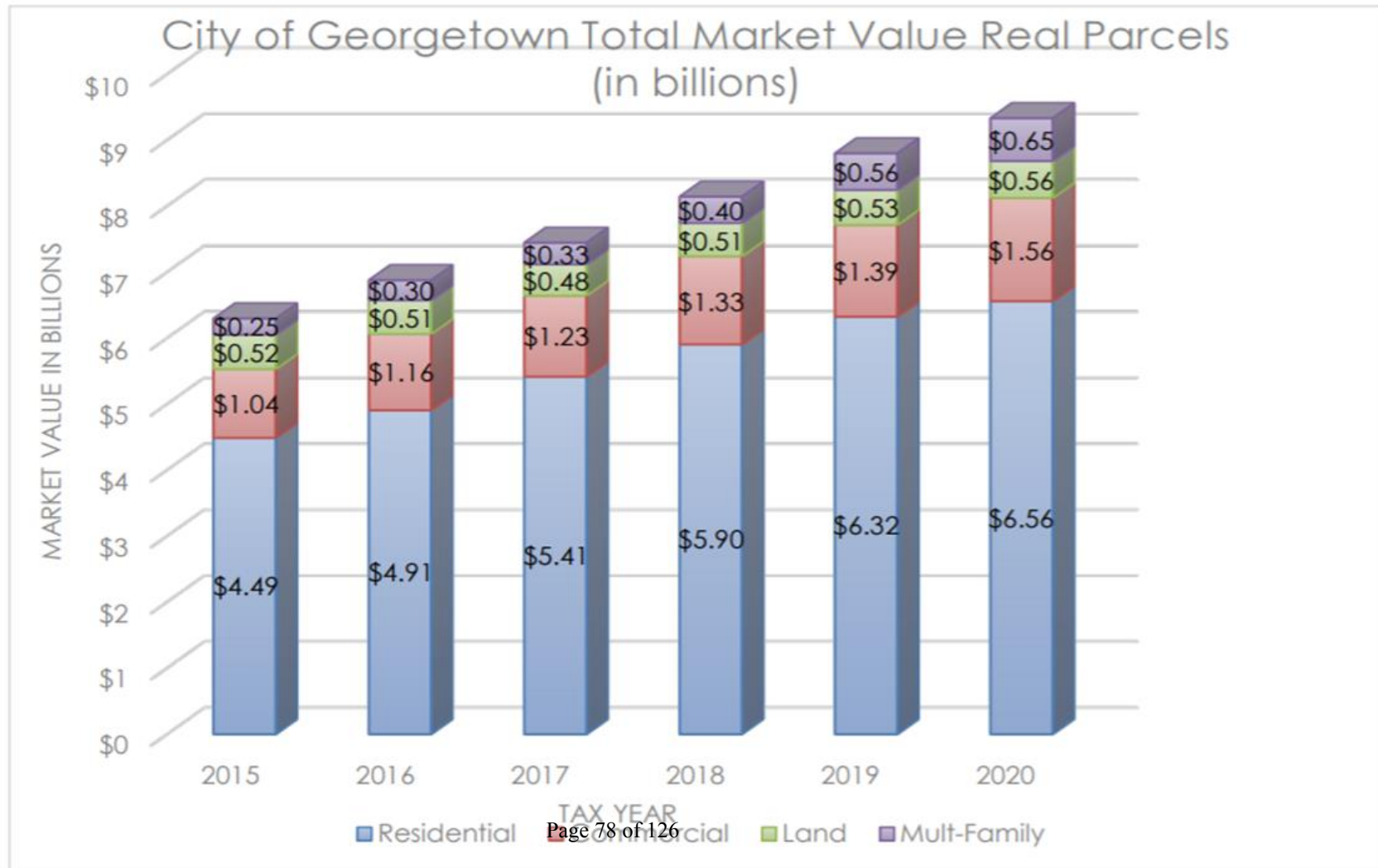
Tax Rate for FY21 Budget

- The proposed tax rate is \$0.418 per \$100 valuation, which is \$0.002 lower than the FY20 rate. This is a 7.3% increase over the no new revenue rate adjusted for sales tax.
- The no new revenue rate adjusted for sales tax is \$0.389738, which represents the rate that would be needed to produce the exact same revenue as the previous year.
- The voter approval rate is \$0.418013.

Tax Rate for FY21 Budget

- At the proposed tax rate of \$0.418, the estimated tax decrease for the average homeowner (on a \$287k taxable value) would be almost \$34.
- This tax rate includes necessary funding for proposed operations and payment of debt, including an additional \$350K towards prepaying callable debt service to increase future debt capacity.

General Fund – Property Valuations



General Fund - FY21

- Sanitation
 - Current residential rate - \$19.55
 - New proposed residential rate - \$20.92
 - Anticipate proposing a rate adjustment of \$1.37
 - 1.26% in TDS Contract = \$0.25
 - Transfer station costs (debt service) = \$1.00
 - Fee for Household Hazardous Waste = \$0.12
 - Overall 7% increase
 - Commensurate increase for commercial customers

General Fund - FY2021

- Parks and Recreation – Revenue is reduced 29% over FY19 actuals due to expected continued impacts of COVID
 - Areas Impacted
 - Recreation Center
 - Recreation Programming
 - Tennis Center
 - Aquatics
 - Assumed program cuts, reduced hours at pools and other cost savings to partially offset the reduced revenue

General Fund – FY21 Expenses

- Base budget cuts – Over \$796K
 - Significant Service level impacts in Parks & Rec
 - Reduced pool operations at River Ridge Pool
 - Reduced swim lessons
 - Reduced babysitter service at Rec Center
 - Aerobics - Cut Group Fitness with membership
 - Reduced instructional payroll
- In addition, cut the transfer to the parks equipment replacement fund \$240K – will skip a year of replacement of playground equipment and other parks improvements

General Fund – FY21

- Base budget cuts – over \$796K
 - Reduced travel, training, supplies
 - 7 Frozen Positions \$331K
 - Parks Maintenance Worker
 - Challenge Course Coordinator
 - 2 part time recreation assistants
 - Court supervisor
 - Admin. Secretary (Administrative Services)
 - Business Analyst (Public Works)
 - Librarian

General Fund - FY21

- Public Safety
 - Fire
 - 6 new firefighter float positions - \$431,411
 - Station equipment - \$78,400
 - Supplies for new stations - \$19,000
 - Police
 - 2 new police officers - \$354,382
 - DroneSense software \$7,140

General Fund - FY21

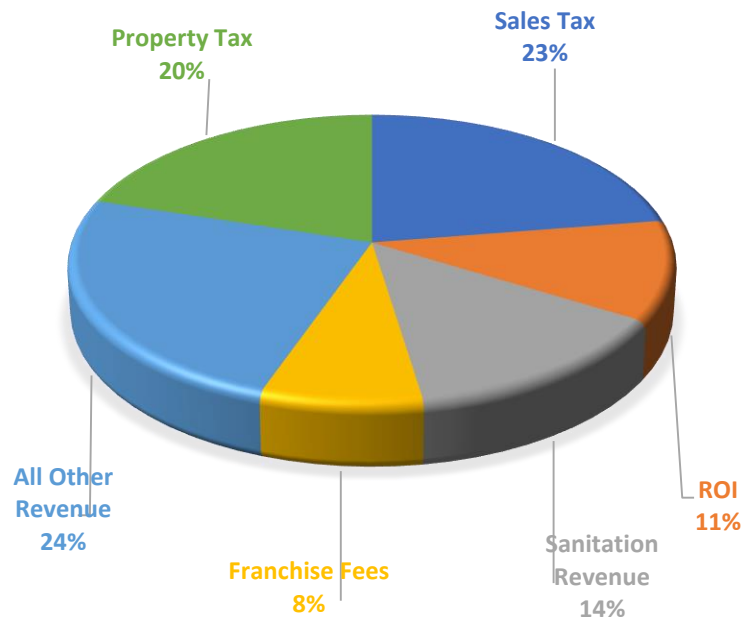
- Administrative and Council
 - Redistricting - \$40,000
 - Mobility Bond planning - \$8,000
 - Citizen and Employee surveys - \$31,000
 - City council goal setting work session - \$9,500

General Fund - FY2021 Expenses

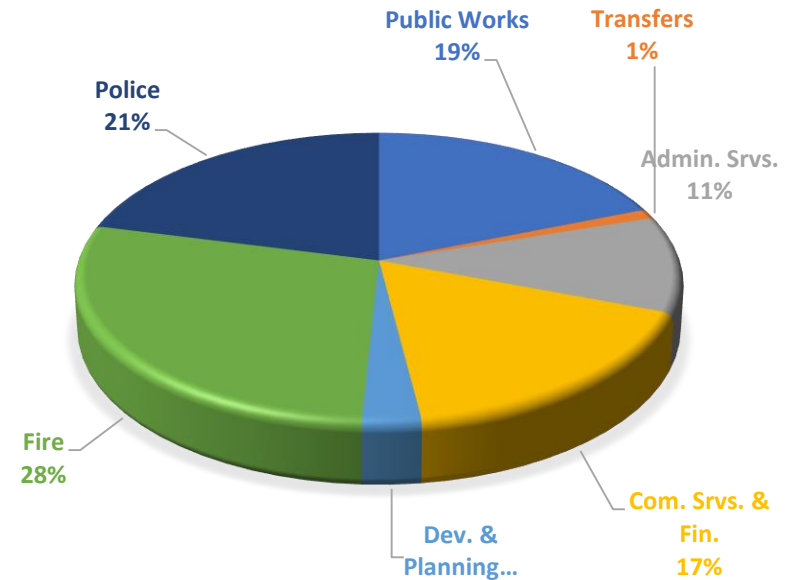
- Community Services
 - Training - \$6K
 - Code enforcement officer development/steps - \$8K
 - Part Time Veterinarian - \$50K
 - Adds .5 FTE
 - \$35K existing contract services funding available in budget
 - \$15K donation from Friends of the Animal Shelter
- Communications
 - New Van maintenance (capital funded through PEG special revenue fund)

Where the Money Comes From/Goes General Fund

FY2021 REVENUES



FY2021 EXPENSES



A photograph of a construction site on a clear day. In the foreground, a worker in a white hard hat, sunglasses, and a high-visibility yellow vest is operating a large piece of machinery, possibly a paver or a similar road construction tool. In the background, two other workers in similar safety gear are standing near a pile of gravel. A traffic light pole with yellow lights is visible in the distance. The overall scene depicts active infrastructure work.

CAPITAL IMPROVEMENT

Capital Improvements

- Continued significant investments to address growth pressures
 - Property Tax supported – facilities, public safety, parks, roads, sidewalks
 - Rate and fee supported – water/wastewater, electric, stormwater drainage, airport, sanitation
 - Sales tax supported – through the city's 4A and 4B corporations

Facilities – FY21 CIP

- Public safety training and operations – tactical and firearms training center - \$4,500,000
- Rec Center/Teen Center Renovation - \$200,000
- Transfer station - \$11 million
 - \$1 million previously funded in FY19
 - \$5 million repurposed due to project timing on parking garage
 - Self supporting – paid through the sanitation rates

Equipment – Tax Supported

- Public Safety Vehicles
 - \$1,080,000 Police
 - \$2,290,000 Fire
- Equipment
 - \$363,278 radio replacement (final year)
 - \$225,000 – Cardiac monitors
 - \$580,000 – SCBA replacement

Parks Capital Improvements

- Parks CIP – Rollforward of FY20 projects not funded during stagnant debt market – \$1,795,000
 - Neighborhood Park Development - \$250K (Heritage Gardens)
 - Parks Master Plan - \$200K
 - Regional Trail through Wolf Crossing property \$1,275,000
 - Tennis Center pool demo - \$70,000
- New Parks projects for FY21 - \$150,000
 - Continuation of ADA Transition Plan (\$150,000) – upgrades to trails and facilities for accessibility

Transportation Capital Improvements

- DB Wood - \$4,000,000
 - \$14.4M in future years
- Sidewalks - \$1,000,000
- Intersection Improvements - \$1,800,000

Airport – Capital Improvements

- Airport CIP - \$750,000
 - Airport Maintenance/Equipment Storage Facility (\$750,000)

Stormwater Capital Improvements

- Stormwater CIP - \$1.M
 - Curb and Gutter (\$500,000)
 - Drainage Improvements/Flood Mitigation Projects (\$300,000)
 - Stormwater Inventory (\$200,000)

Electric Capital Improvements

- Electric CIP - \$5,648,625
- Continue system upgrades
- \$2.5 million related to new development
- Various Feeder and transformer improvements
- Purchase of equipment
 - Reel turret trailer - \$98K
 - Underground pulling trailer - \$181K

Water CIP- \$28,650,000

- Projects rolled from FY20 - \$5,550,000
- Round Rock: \$9,200,000
 - Connection and storage
- Hoover: \$6,100,000
 - Pump station, line and elevated tank
- Water Oak: \$3,500,000
- South Plant: \$1,250,000
- Misc line and tank: \$750,000
- Aviation Drive: \$2,300,000
 - Fire flow



Wastewater CIP - \$2,650,000

- Edwards Aquifer Recharge Zone (EARZ)
 - TCEQ mandate
 - \$1,500,000
- Lift Station Repair/Upgrades (as needed)
 - Approximately 40 stations system-wide
 - \$550,000
- Cimarron Hills Treatment Plant Expansion
 - Contractual Commitment Funded by Oaks at San Gabriel
 - Construction FY23/24
 - \$600,000 Design – FY21
 - Developer reimbursed





ELECTRIC AND WATER FUNDS

Electric Fund FY20 Projections

- Operating revenues totals \$90 million
 - Electric charges are projected to be \$2.9 million down from the budget of \$85.5 million. This decline is the direct result of lower load demand due to COVID
 - Developer contributions are projected to total \$2 million, which is \$1.4 million more than budget
- Operating expenses total \$83.4 million
 - Electric resource expenses are projected to end on budget with the positive impact of renewable energy credit sales
 - Overall expenses are projected to end \$1 million less than budget due to operational savings seen throughout the year

Electric Fund FY20 Projections

- Non operating revenues are projected to total \$15.2 million, which is \$10.2 million above budget. This is due to an anticipated sale of transformers to LCRA and the second year of the sale of the fiber system to the IT Fund.
 - Sale of transformers - \$9.6 million
 - Fiber system sale installment - \$651k
- Non-Operating expenses are projected on budget at \$9.1 million for capital improvements and debt service.
- Projected ending fund balance of \$18.9M with \$13.4 million in non-operating reserves and \$1.3 million in reserved bond proceeds after contingency is met.

Electric Fund FY21

- Operating revenues totals \$90.4 million which represents 1% growth due to residential and commercial growth and reimbursement from the S. Georgetown TIRZ for electric infrastructure expenses.
- Operating expenses total \$84.4 million which is a 1% growth over FY20 projections.
 - Operational savings continue from FY20 projections
 - Electric resource management is conservatively budgeted at \$60.3 million

Electric Fund FY21

- Non operating revenues total \$5.6 million of bond proceeds for capital improvements
- Non-Operating expenses total \$9.5 million for capital improvements and debt service
- The ending fund balance is budgeted at \$21.1 million with non-operating revenues at \$15.8 million above contingency reserves

Electric Fund FY21

- Proposed enhancements include:
 - Control Center – logic controllers -\$12,000
 - Administration – Utilities Analyst - \$113,687
 - Metering – AMI modems- \$12,000; handheld computers \$39,748; Meters (funded by Water) \$100,000
 - T&D – Turret Trailer \$98K; underground pulling trailer \$181K (funded through short term debt)
 - Operations – Dispatcher training - \$30,000, locator equipment \$10,000, System Operator \$81,864

Water Fund – FY20 Projections

- Operating revenues totals \$52 million which is an increase of 5.17% primarily due to development fee growth of \$2 million
- Operating expenses total \$43 million which is 0.3% lower than budget due to operational savings
- Non-operating revenues are projected at \$35.7 million of bond proceeds for capital improvements and \$26 million of impact fees

Water Fund – FY20 Projections

- Non-operating expenses total \$105.6 million for capital improvements and for debt service which matches the fast growth of the water utility
- Projected ending fund balance of \$31.1 million by end of FY2020 with \$10 million in non-operating contingency and available fund balance of \$11.3 million after meeting contingency requirements

Water Fund – FY21

- Operating revenues totals \$53.2 million which is an increase of 2.27% over FY20 projections. The increase reflects moderate customer growth
- Operating expenses total \$45.5 million which represents a 5.42% growth over FY20 projections. This increase is primarily due to increases in wholesale water purchases, increases in utility costs, and metering allocations.
- Non operating revenues include \$35.1 million of bond proceeds for capital improvements and \$18.8 million of impact fees.
- Non-Operating expenses total \$39.3 million for capital improvements and for debt service.
- The ending fund balance is \$34.6 million with a \$10 million non operating reserve and available fund balance of \$15.4 million after meeting contingency requirements

Water Fund – FY21

- Proposed enhancements total \$375K
 - Position – business analyst - \$80K
 - Leak detection technology - \$50K
 - Wastewater plant upgrades – 245K
- Water Rate Study currently underway
 - Last rate update in 2018 indicated need for future rate increases due to treatment infrastructure
 - Updated growth patterns and usage
 - Results to Water Advisory Board and Council in next two months
 - Estimated implementation – January 2021



AIRPORT AND STORMWATER FUNDS

Airport Fund FY21

- Operating revenues totals \$3.4 million
 - Reduced fuel revenue and expense due to prices
- Operating expenses total \$3.5 million
- Non operating revenues total \$700,000 of bond proceeds for an airport storage facility
 - Previously planned in FY20
- Non-Operating expenses total \$908K for capital improvements and debt service
- Projected ending fund balance of \$923K by end of FY21

Stormwater Fund FY21

- Operating revenues totals \$3.8 million
- Operating expenses total \$2.9 million
- Non operating revenues total \$500,000 of bond proceeds for drainage improvements
- Non-Operating expenses total \$1.5 million for capital improvements and debt service
- Proposed enhancements include a vehicle for site inspections (\$35,400) and a rate study (\$30,000)
- Projected ending fund balance of \$1.6 million by end of FY2021



SPECIAL REVENUE FUNDS

Tourism/CVB Fund

- Revenues total \$1.05 million
 - Hotel tax projected at FY20 levels
- Expenses total \$1.5 million
 - Red Poppy for April 2021
 - Continued promotion of Georgetown as a destination
 - No proposed enhancements
- Projected ending fund balance of \$850K by end of FY2021 still meets contingency requirement

Council Discretionary Fund

- Council directed the excess General fund revenue from FY2019 to go towards the General Fund economic stability reserve at beginning of COVID19 pandemic
 - \$1.759M available in General Fund ESR
 - Council can direct using those funds towards projects or transferred to this fund
- FY21 revenues total \$500 for interest income
- Council directed a transfer of \$110,983 to the General Fund to help fund one-time expenses in FY21
- Projected ending fund balance is \$0 in FY21

Street Maintenance Fund

- Revenues total \$3.9 million
 - Sales tax revenue flat for FY21
- Expenses total \$4.4 million
 - Cutler process; high performance pavement seal
 - Detailed street listing on June 23 workshop
- Projected ending fund balance of \$1.9 million by end of FY2021

GTEC Fund

- Revenues total \$18.6 million
 - \$7.9 million in sales tax (flat from FY20)
 - \$10.6 in bond proceeds to fund new street projects for economic expansion
- Expenses total \$16.8 million
 - \$10.6 million in new projects - \$2M for Costco area; \$600,000 for Confido; \$8 million for Aviation Drive
 - \$3.8 million in debt service (includes transfer to General Debt Service)
- Projected ending fund balance of \$15.3 million by end of FY2021
 - Fully funded contingency and debt service reserve

GEDCO Fund

- Revenues total \$2 million
 - Forecasting flat sales tax from FY20 to FY21
- Expenses total \$10.1 million
 - \$3.3 million for previously approved projects
 - \$2 million for Aviation Drive (Utility improvements)
 - \$3.9M for future economic development projects
- Projected ending fund balance of \$708K by end of FY2021
 - Meets contingency and debt service policy

Tax Increment Reinvestment Zones – FY21

- Meetings held with boards July 29 and 31 for review of projects and annual reports
- Williams Drive Gateway – only administrative expenses
- Rivery – Debt service and administrative expense
- South Georgetown – final payment for electric infrastructure, administrative expense and dissolving of TIRZ in FY21
- Downtown – administrative and project expenses
 - Continued work on City Center include shotgun house educational kiosk and demolition of bldg. at 9th and MLK and possibly shade structures
 - Art – murals and potential art park around Founders Park
 - Public input to continue to drive improvements



INTERNAL SERVICE FUNDS

Internal Service Funds – FY21

- Joint Services
 - Cut expenses by \$220,000
 - Does not meet contingency requirements
 - Enhancements of \$532K including
 - Infrastructure project manager in Engineering
 - Customer Service Rep in Customer Care
 - Overhead cost allocation study
 - Workday training and programming
 - Itineris/UMAX contingency
 - Warehouse upgrades
- Fleet Services
 - Meets contingency requirements
 - Enhancements include replacement of courtesy van

Internal Service Funds – FY21

- Information Technology
 - Meets contingency reserves
 - Balance in FY20 used towards fiber asset transfer from Electric
 - FY21 Enhancements include
 - Increases due to fiber network shift – 2 positions
 - System analyst for Meter Data Management and Geodigital
 - Backup data system software
- Facilities
 - Meets contingency requirements
 - Enhancements include awning replacement at Animal Shelter

Self Insurance Fund

- Revenues totals \$9.1 million.
 - .76% slight decrease from FY20 projections
- Expenses total \$9.5 million – projected conservatively
 - 9.5% increase overall
 - 10.4% projected increase in medical claims
 - 16% increase in stop loss

Self Insurance Fund

- Budgeted ending fund balance of \$3.9 million by end of FY2021
 - Both reserves funded in total
 - Ending fund balance increased by \$1.1 million over FY20 budget
- Healthy balances allow for recommendation for **no rate increases for employees for health or dental**

Budget Summary

- The proposed budget totals \$396 million
 - 10% decrease from the FY20 adopted budget
 - Timing of capital projects drives most significant changes
 - General Fund increase of 3.7% over FY20 budget
 - Population growth of 7.2%
 - Consumer Price Index increase of 2.3%
- Continued planning to meet demands of continued residential and commercial growth
- Continued work on City Council priorities while recognizing COVID19 uncertainties



NEXT STEPS

FY2021 Proposed Budget Calendar

- Aug 11: Regular Meeting; set max tax rate, & set dates for Public Hearings
- Sep 8: Regular Meeting: public hearings on budget and tax rate, 1st reading of the budget, 1st reading of the tax rate, GTEC, GEDCO, Village PID budgets adopted
- Sep. 22: Regular Meeting: 2nd reading of the budget, 2nd reading of the tax rate

Public Outreach

- Current
 - Proposed Budget posted on City website and eBook at Library; Facebook
 - Press release on proposed budget
- Public Hearings on Budget and Tax Rate 9/8
- Future
 - Adopted Budget in Brief published on website
 - Adopted Budget (full book) published on website/library
 - Budget Video on Adopted Budget on website/social media