

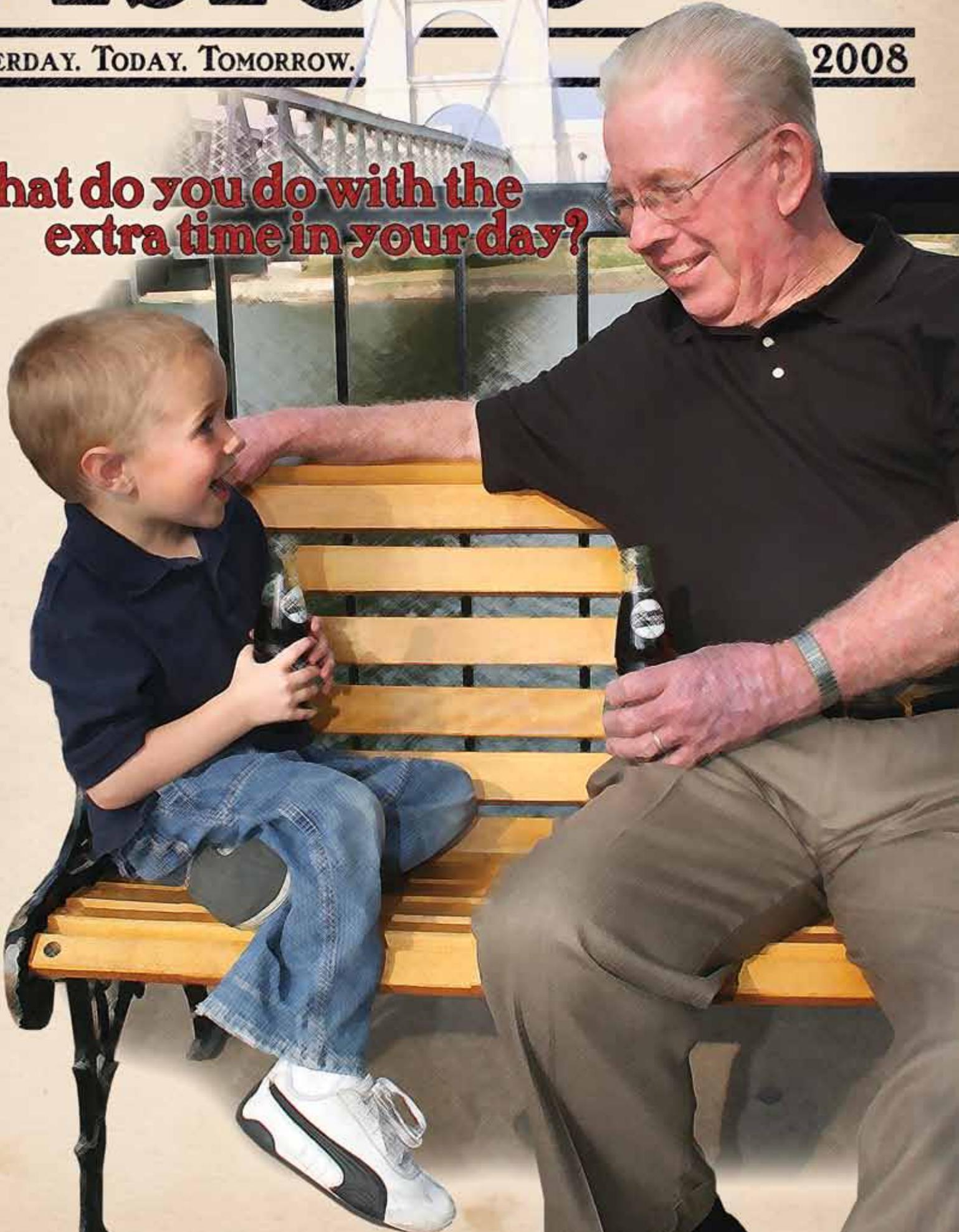
VISIONS

City of Waco, Texas
Annual Report &
Financial Review

YESTERDAY. TODAY. TOMORROW.

2008

What do you do with the
extra time in your day?





A Message from your City Manager...

What do you do with the extra time in your day?

Your first response to that question may be "what extra time?" It's all about perspective and counting our blessings.

Some of the employees we have recruited from larger cities in Texas have claimed they have added an extra two hours in their day by not spending the time commuting to and from work. It's about the quality of life we enjoy here in Waco. How many times have you been able to meet your child for lunch at school, enjoy a walk in a city park after work, or arrive home about 15 minutes after leaving a concert or athletic event in our community? For me personally, I enjoy playing basketball with co-workers over lunch and time with my grandchildren.

This is the kind of lifestyle our leaders have envisioned. While 2008 has been like a roller coaster ride with many ups and downs, the Waco economy has endured the tough times due to the foundation that has been laid by some outstanding visionaries who have dedicated their lives to making our community a better place to live. Waco has made job recruitment, public safety and quality city services our priorities.

I want to reassure our citizens that their city leaders, myself included, recognize that you work hard for your money and that you expect us to spend your tax dollars wisely. We will continue to focus on core services that you depend on, such as police and fire protection, street repairs, water treatment and solid waste collection.

Waco has had numerous moments in 2008 that deserve our celebration. These include the new Hillcrest Hospital campus at Legends Crossing and numerous economic development projects in the industrial park and downtown. Monumental achievements like these are the result of people working together through public and private partnerships.

Private investors are bringing quality living opportunities to the downtown area. Local foundations and private



Larry Groth at Pecan Bottoms celebrating a birthday with his grandchildren: Madi (age 6), Parker (age 1), Noah (age 2) and Caleb (age 5).

citizens donated the \$3.3 million for the first phase of the Waco Mammoth site to open it to tourism. Looking at the job outlook, we assisted 18 companies in creating 485 new full time jobs and retaining 1,345. These economic development projects represent \$214 million in private investment in our local economy. This annual report is our way of highlighting some of the achievements like these from the past year, as well as giving a full accounting of how we are allocating your tax dollars.

My hope is that as you read this report you'll join me in celebrating Waco's progress this past year and will commit to enjoy the resources that make Waco a great place to live like our city parks, attractions, arts, sporting events and of course, time with family. After all, we have two more hours to enjoy our day than our friends in neighboring cities, so enjoy the time to the fullest.

Larry D. Groth, P.E.
Waco City Manager

ABOUT THE COVER:

Our cover was inspired by the *Saturday Evening Post* of the 1930s.

Blackston Fisk and Harlan Williams enjoy a Dr Pepper by the Brazos River in Downtown Waco.

Waco offers many beautiful, fun, free places to spend quality time together.



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Your Waco City Council



Waco City Council at the newly remodeled Roosevelt building in Downtown Waco.

The City of Waco operates under a council-manager form of government. Our community benefits from the service of many dedicated volunteers including our elected Mayor and City Council members. In addition to holding personal full-time jobs, they each volunteer countless hours of their time each year. Volunteer efforts include preparing for and attending regular council meetings twice every month, making special appearances at community events and attending public hearings, town hall meetings and specially called council meetings. Council members also regularly attend neighborhood association meetings, present proclamations and attend grand openings. For a detailed map of council districts, please visit www.waco-texas.com.

Your Waco City Council: Virginia DuPuy- Mayor, Alice Rodriguez- District II, Wilbert Austin, Sr.- District I, Randy Riggs- Mayor Pro Tem & District III, Rick Allen- District IV, and Jim Bush- District V.

Your City of Waco Staff

Over 1,500 full and part-time employees comprise our team within the City of Waco organization. These employees come together every day with the important role and task of assisting with the delivery of city services. This team of professionals is dedicated to the operation and development of the city as a whole.

As our community leaders plan for Waco's tomorrow, your city staff embraces the opportunity to help build and maintain it.

Pictured with City Manager Larry Groth are Assistant City Managers Wiley Stem, III, Joe Mayfield and George Johnson, Jr.



Parks & Recreation

- ☆ Completed three new playgrounds (Cameron Park, Mountainview and Bledsoe-Miller).
- ☆ Initiated redevelopment plans for Cameron Park & Cameron Park East. (See *Bond information on page 15.*)
- ☆ Began construction of new Cameron Park security fences.
- ☆ Began construction of the 13 neighborhood park trails project.



Justin Sheppard, Park Ranger, Jacob's Ladder at Cameron Park, August 2008



Flag Football at the South Waco Rec Center, August 2008

- ☆ Began construction of the Mammoth Site development project and facilitated the Waco Mammoth Board, which included producing promotional materials, newsletters, foundation correspondence, organizing meetings and hosting the groundbreaking.
- ☆ **Facilitated over 125 community events**, including larger activities such as Race for the Cure, Duel on the Brazos Drag Boat Races, Brazos River Biker Bash, Waco Cultural Arts Fest and Holiday on the Square. *New events this year included:* Movies at the Square and Gridiron Grill. These events attracted an estimated **200,000 people** to the Downtown Waco area.
- ☆ **60,185 people** visited the Waco Water Park with **271 participants** taking swim lessons.
- ☆ Park Rangers hosted over **1,000 people in numerous outdoor adventure classes** such as kayaking, canoeing, hiking and mountain biking. Also hosted weekly lunch and after-work hikes.
- ☆ **5,320 people** participated in Summer Camps at the Waco Water Park.
- ☆ Approximately **25,000 participants** in various Parks and Recreation programs during the summer of 2008.
- ☆ Received the Texas Amateur Athletic Federation President's Excellence Award for service and the Athletic Coordinator received an award for 5 years of outstanding service to the TAAF Games of Texas.
- ☆ All-Star Basketball Clinic hosted 741 participants.



Cultural Arts Fest at Indian Spring Park in Downtown Waco, September 2008

- ☆ Received the **TAAF Bronze Member Award** for outstanding 2007-08 registration support from teams, individuals and TAAF training programs.
- ☆ Over 980 participants in the Youth Basketball League.
- ☆ 274 people participated in Team Waco Track and Field and 800 participated in the TAAF Region V Circuit Meet.
- ☆ Recreation Centers served more than **400 children** in four summer day camps.
- ☆ Marketing Department received three Texas Festival and Events Association awards for event planning and marketing.

I spend my free time riding the trails in Cameron Park! I hope the residents of Waco know how lucky they are to have that in their own backyard. There really is nothing like it and the cooperation with the City of Waco and the local bike club makes it accessible and convenient to enjoy.

**-Ian Moore,
Waco, Texas**



Third Thursday Movie Night- Downtown Waco, June 2008

☆ Implemented Parent Education/ Reading Initiative at the recreation centers, which was funded with \$22,500 Quality Initiative funds received from the Heart of Texas Workforce Solutions organization.

☆ Organized the 2008 Brazos Nights concert series and the annual Fourth on the Brazos celebration. The concerts averaged 5,000 people, while Fourth on the Brazos brought an estimated **35,000 people to the banks of the Brazos River** for Waco's largest fireworks display.

☆ Designed and distributed over 15,000 copies of the Good Times Guides to all city facilities and posted on www.waco-texas.com.

☆ Park Rangers partnered with approximately 20 non-profit groups for family fun runs and walks along the Brazos River.

☆ Park Rangers hosted the 4th Annual Ride Cameron Park Mountain Bike Clinic. The event, which was free and catered to women riders, included more than 100 participants from across Texas.

☆ Park Rangers visited approximately **4,000 kids** at local schools, community groups and churches to promote conservation through the programs they offer.

☆ In November, approximately 175 volunteers participated in cleaning trails and picnic areas in Cameron Park. This was done on the same day as the Brazos River Clean Up. More than 300 bags of trash were collected.



Brazos Nights Concert Series- July 2008



Cycle Team in Cameron Park- April 2008



Cottonwood Creek Golf Course

- ☆ **Voted 12th Best Economy Golf Course in Texas** (Highest Green Fee & Cart Fee combination of \$40 or less) in March of 2008 by Dallas Morning News. *Ranked 19th in 2007.*
- ☆ Listed in Golf Digest's Places to Play. Also Received a four-star ranking out of a possible five.
- ☆ Hosted the Starburst Junior Golf Classic with over 1,100 golfers. This is the **2nd largest junior tournament in the world.**
- ☆ Cottonwood is the home golf course for 17 boys & girls high school or junior high golf teams.
- ☆ Expanded merchandise apparel selection and golf club fitting in the Cottonwood Creek Pro Shop that resulted in a sales record of \$460,172 for fiscal year 2007-08.

I've played a lot of golf courses all over Texas, but I always come back to Cottonwood Creek. The course conditions are immaculate, reasonably priced and they treat you like a friend.

**-Brian Foitek,
West, Texas**

Police

- ★ SAFE Unit certified and trained 24 apartment communities in the Waco Crime Free Multi-Housing Program.
- ★ Conducted the first ever Junior Police Academy during the summer of 2008, which was a success and received great reviews from both students and parents.
- ★ Street Crimes Unit completed its first full year of operation in 2008, logging 1,829 citations, 1,082 investigations and 988 arrests.



Public Outreach at Red Ribbon Week, October 2008



National Night Out, October 2008



National Night Out, October 2008

- ★ Waco Crime Stoppers led to 85 arrests, over \$20,000 in stolen property recovered and \$36,160 of narcotics taken off the street.
- ★ Waco Crime Stoppers received two awards from the Governor's Office: Best Public Safety Announcement (television) and the Productivity Award for Most Cases Cleared. This is the 5th year in a row Waco Crime Stoppers, has won the Productivity Award.
- ★ Conducted a "Warrant Round Up" in March that resulted in 1,482 warrants being processed and 173 persons arrested.
- ★ Presented 80 various outreach programs including Robot, Police Explorers, Community Helpers, DARE, Red Ribbon Week and Personal Safety.
- ★ Launched the "Tippin Ain't Snitchin" campaign and it has been incredibly successful in generating leads.



Waco Police Memorial, May 2008

Living in Waco allows more time for family activities. You can actually attend school functions and put in a full work day. Nothing is too far to be reached by car in 10 to 15 minutes max. I also gained two extra hours every day without my commute to work!

-Leah Hayes, former Houston resident / City Attorney, City of Waco

Municipal Court

- ★ Worked with the Police Department on the Warrant Round-Up by mailing out 13,000 notices.
- ★ 173 arrests were made over a period of two weeks as a result of the Warrant Round-up in March 2008.
- ★ Processed **23,880 traffic citations** and 2,575 City Ordinance violations.

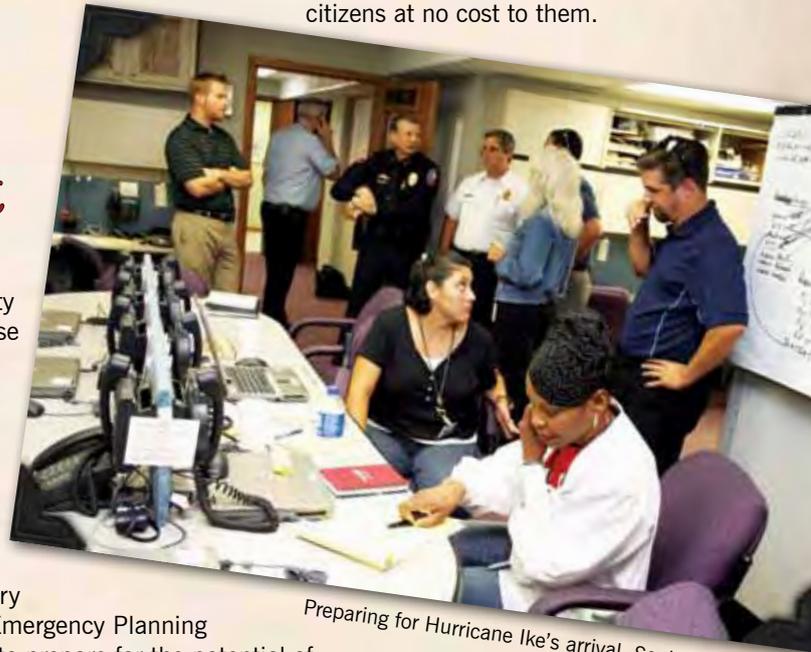


Waco Firefighters battling a house fire, January 2009

Fire

- ☆ Received two new 500-gallon tank fire engines with a pump capacities of 1,250 GPM each.
- ☆ Partnered with the Waco Police Department, East Texas Medical Services, Waco ISD, Mothers Against Drunk Driving (MADD) and the McLennan County Sheriff's Office for the Shattered Dreams Project.
- ☆ Performed **5,703 fire inspections**, 533 plan reviews and issued 338 permits.
- ☆ Inspected and flushed 4,424 hydrants twice during the year.
- ☆ Presented over **182 safety programs** throughout the city that had a total audience of 17,352.
- ☆ Continued to install smoke detectors in the homes of elderly and disabled citizens at no cost to them.

Waco-McLennan County Emergency Management



- ☆ Provided Community Emergency Response Training to better prepare citizens in the event of a disaster (CERT).
- ☆ Participated in a state-wide hurricane exercise.
- ☆ Worked with industry through the Local Emergency Planning Committee (LEPC) to prepare for the potential of a hazardous material incident.
- ☆ Planned and coordinated efforts for 'Animals in Disasters' through cooperation of the various veterinarians, Waco Police Department, Animal Control and other community partners within the county.
- ☆ Coordinated response with local, state and federal agencies as well as local nonprofit groups to shelter over 1,500 Hurricane Ike evacuees.
- ☆ Offered Skywarn Classes for storm spotters.
- ☆ Responded to multiple wild fires throughout the county.
- ☆ Partnered with the National Weather Service and WCCC-TV (division of the Municipal Information Department) to produce and distribute a DVD "Preparing for the Storm" to schools across the state.
- ☆ Purchased a reverse telephone notification system.
- ☆ Conducted public education information sessions along with our community partners at local Wal-Mart stores.
- ☆ Participated in a Regional Operation Center Exercises (Pan Flu exercise, Postal exercise, Airport exercise).
- ☆ Offered courses for elected and non elected local officials on emergency response.



Gibbon Exhibit- Cameron Park Zoo, May 2008

Convention @ Visitor's Bureau



- ☆ Hosted and serviced more than 400 events with an estimated 187,000 in attendance.
- ☆ 26,367 room nights at area hotels were for conventions. Approximately 10,531 of those nights were from 51 new conventions and 15,836 were from 42 repeat bookings.
- ☆ Contacted more than 800 new potential leads for future convention business and met with over 200 travel writers to pitch potential travel stories about Waco.
- ☆ Exhibited at 9 travel trade and consumer shows and participated in 2 major travel trade show series (GLAMER and Brazos Trail Region).

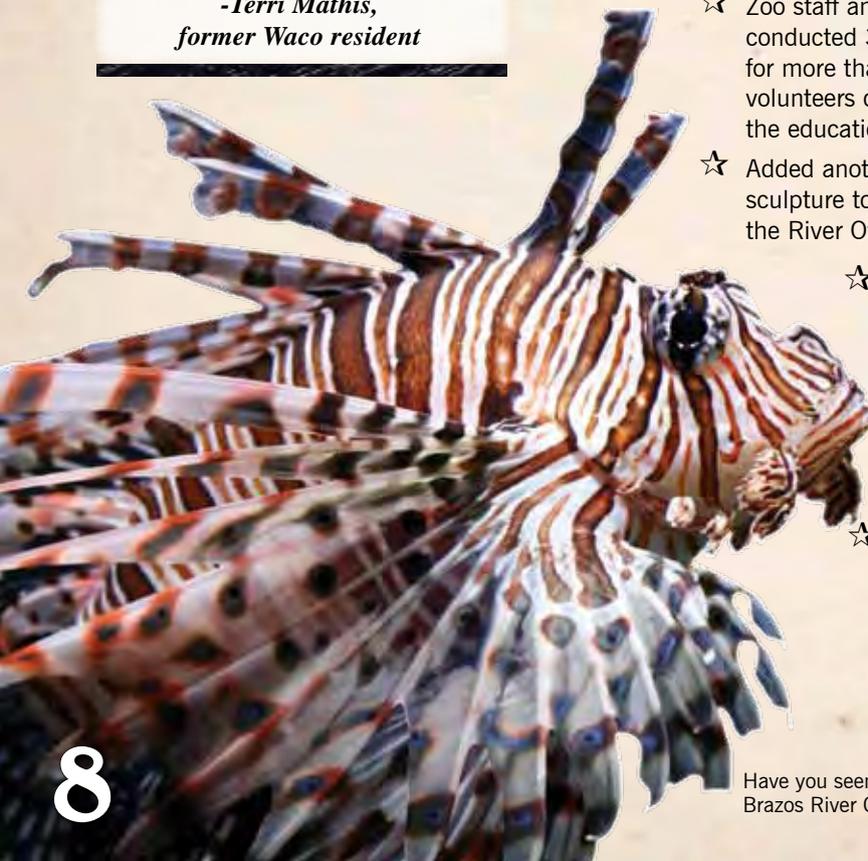
- ☆ Over 2.1 million visits to the website (www.wacocvb.com).
- ☆ Implemented and tracked advertising placements according to expressed needs of attractions and overall destination marketing.
- ☆ Designed and distributed quarterly e-newsletters with information about upcoming conventions and events to over 300 hoteliers, restaurant owners, museum staff, venue managers and others interested in convention business.

I lived in Waco before I had to relocate to Dallas with my job. Waco has a sense of community that I have never had before or since. When I spend 3+ hours a day commuting to and from work in Dallas traffic, I miss Waco and think of all the things I could be doing instead. I really miss my morning drive to work along the Brazos and having the time to take pictures at the zoo during lunch.

**-Terri Mathis,
former Waco resident**

Cameron Park Zoo

- ☆ Attendance for the third year in a row topped more than **240,317 guests**. 127,837 guests traveled more than 50 miles to visit the zoo.
- ☆ Welcomed new baby animals including a bison, gerenuk, laughing gull, cichlids, squirrel monkeys and various reptiles and amphibians.
- ☆ Zoo staff and volunteer docents conducted 395 educational programs for more than 13,000 children. Zoo volunteers donated over **6,400 hours** to the education department.
- ☆ Added another Tom Tischler bronze sculpture to Brazos River Country near the River Otter display.
- ☆ Cameron Park Zoo continued its leadership role in conservation projects in Texas and throughout many regions across the globe with focus on Africa, Caribbean, South America and the United States.
- ☆ Asian Forest expansion, is under construction. This newest interactive display will house orangutans and komodo dragons. The project is partially funded by a gift from Nell and Jim Hawkins.



Have you seen the Brazos River Country Exhibit?

Texas Ranger Hall of Fame & Museum

- ☆ **70,457 people** visited the museum and attended its programs, a 6.5% increase from the previous year. 90% of visitors came from outside of the Waco area with a direct economic impact of approximately \$3.5 million to our local economy.
- ☆ \$4.1 million in capital improvements are underway including a new Public Safety Education Center for youth, a new headquarters for Texas Rangers Company "F" and a \$2 million renovation to the John Knox Center banquet hall. (See bond election update on page 15.)

Safe and Spooky Carnival, October 2008



- ☆ Collections Department received **50 gifts and 13 loans** including over 113 artifacts for display in the museum from individuals in McLennan County, as well as throughout the United States.



Safe and Spooky Carnival, October 2008

- ☆ Dedicated "Texas Ranger" by Don Hunt, a new outdoor bronze sculpture generously donated by Betsy and Clifton Robinson on April 22nd.
- ☆ Opened "40 Years of Collecting," a new exhibit highlighting artifacts from the 40-year history of the museum, running through October 2009.
- ☆ Texas Lottery purchased 7 custom Texas Ranger motorcycles from LDT Custom Motorcycles as prizes for Texas Ranger scratch-off. 5.5 million scratch-offs were sold in 16,000 locations across Texas. Each scratch-off featured information about the museum and its logo. The museum will earn \$7,000 for museum from sale of bikes to the Texas Lottery.
- ☆ The museum is working with America Remembers to produce a commemorative firearm and Taylor Brands to produce a series of Texas Ranger pocket knives.
- ☆ "Safe and Spooky Community Carnival" had more than **5,100 attendees (a 400% increase from 2007)**, including 3,390 children and 1,713 adults. The event was made possible by the support of 18 sponsors, 18 safety vendors and 172 volunteers.
- ☆ The Valentine 's Day "Sweets and Sweethearts" event increased attendance from the previous year and the silent auction raised funds for educational and public programs at the museum.
- ☆ The museum hosted "Spring Break Round Up" in which approximately **989 children** visited the museum and took part in the crafts and activities. The museum booked and guided 158 group tours for a total of 2,982 students and 2,164 adults.
- ☆ The Research Center served **3,634 researchers** through on-site visits, phone, letter and email requests.



Waco-McLennan County Library

- ☆ **509,672 visits** were made to the libraries.
- ☆ Opened the new South Waco Library in May. The over 11,000 square-foot building was donated through the generosity of local benefactors Mary Ruth and Malcolm Duncan.
- ☆ Patrons borrowed **565,199 items** from the library, a 8.2% increase compared to last year.
- ☆ An average of **275 children** attend any one of six free Storytimes and Toddler Times each week, in addition to parents, for a total of over 14,000 visits a year.

My kids look forward to storytime every week! After storytime, my kids go home and re-tell the stories and put on their own puppet shows and act like Ms. Stacy!

This is a very special time that my daughter and I can bond together at storytime. She sits in my lap and we laugh and smile together. It is a great feeling!

My older kids who have been through storytime and are in school now are avid readers and I owe so much to storytime. My kids in school want to skip school and come to storytime!

Ms. Stacy is a regular name around our house - kind of like Barney!

**-Hoover Library
Storytime attendants**

- ☆ 29,581 children, teens and adults attended one of the **725 free programs** offered at the library last year.
- ☆ Librarians answered 104,571 reference questions.
- ☆ **112,655 people** used the library's public access computers.
- ☆ Added 22,414 new items to the library's collection.
- ☆ **2,556 children and teenagers** participated in the Summer Reading Club.
- ☆ Taught 519 students last year in computer classes such as Basic Computing, Basic Internet, Advanced Excel, PowerPoint, and numerous other specialty classes.
- ☆ Interlibrary loans reached **21,560** including 12,020 items borrowed from other libraries across the U.S. for Waco patrons and 9,540 items loaned to other libraries for use by their patrons.
- ☆ Online use of the library's databases that provide magazine articles, books, tests, auto mechanics' diagnosis, encyclopedias and numerous other helpful items had 33,640 visits.
- ☆ **24,558 books were checked out** in the Teen/Young Adult section, an increase of 10% over last year and a 150% increase since 2003.
- ☆ Received notification in November that the Library would host the "Visions of the Universe" traveling exhibit in April-May 2009 (see www.wmclvisions.blogspot.com). (One of 40 libraries in the United States hosting this exhibit.)



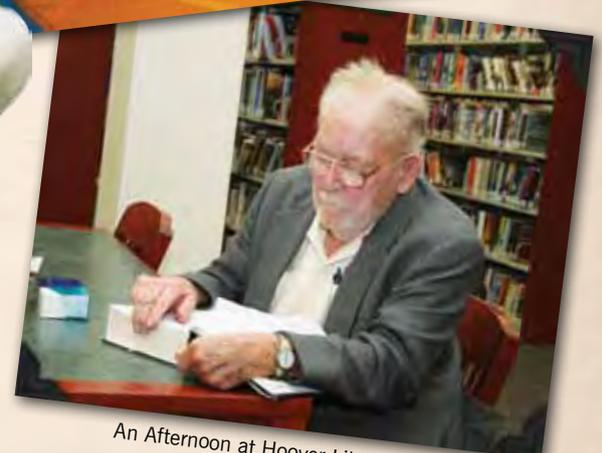
My First Library Card- Hoover Library, February 2008



Enjoying Toddler Time at Central Library February 2009



Toddler Time at Central Library February 2009



An Afternoon at Hoover Library, February 2009



Ms. Stacy-
Heard any good stories lately?
Check out www.waco-texas.com,
for Library Storytimes.

Waco-McLennan County Public Health District

- ☆ On a monthly basis, **6,900 eligible citizens** of McLennan County in the categories of pregnant, breastfeeding and infants and children between 1-5 years of age received supplemental nutritional benefits from the WIC program.
- ☆ **Top-rated STD program for the State of Texas** according to the Department of State Health Services Indicators Report.
- ☆ WIC Program changed to "Go Green" through the issuance of electronic program benefits.
- ☆ Offered 20 childhood overweight/obesity prevention nutrition and food demonstration classes.
- ☆ Initiated the first ever "Drive-Through Flu Shot Clinic" in McLennan County providing 66 shots and a wealth of knowledge and experience for staff.
- ☆ 96% of WIC adult participants received a client oriented nutrition education class or counseling session at the time benefits were issued.
- ☆ Issued 12,858 birth certificates and 25,564 death certificates.
- ☆ Maintained or increased funding in all HIV programs.
- ☆ Successfully completed two state program site reviews with little to no findings.



Preparing Flu Shots, October 2008

- ☆ Hired a third HIV Case Manager for the growing program.
- ☆ Saw a decrease in newly diagnosed syphilis cases.
- ☆ Examined approximately **1,200 clients** in the STD clinic.
- ☆ **Administered 17,495 immunizations to 8,295 residents.**
- ☆ Provided 398 health education presentations to 6,616 individuals.
- ☆ Provided Tuberculosis Control services to 1,498 residents including two large-contact investigations identifying over 800 individuals exposed to tuberculosis in health care and school settings.



Drive-Through Flu Shot Clinic- City Hall, October 2008



Project Homeless Connect
January 2008



Habitat for Humanity Home Construction
October 2008

Housing & Community Development

- ☆ Assisted 32 families with \$450,000 in down payment and closing cost assistance to purchase homes valued at over **\$2.1 million** in the City of Waco.
- ☆ Rehabilitated or reconstructed deteriorated homes with assistance totaling more than \$385,000 for 7 households.
- ☆ Provided **\$48,320 for a scholarship program** allowing 66 gifted and talented at risk students from low and moderate income families to participate in educational enrichment courses on a college campus during the summer.
- ☆ Provided **\$50,000 for a job training program** that served 30 people.
- ☆ Funded \$200,000 in improvements to 6,048 feet of sidewalks.
- ☆ Provided operating funds of \$24,505 for a transitional homeless facility that served 42 families and 163 individuals.
- ☆ Provided \$25,000 in operating funds for an overnight shelter that provided emergency shelter to over 500 people.
- ☆ Provided \$44,808 for a program that operates an information and referral system that provided 10,154 referrals to appropriate services in the community.
- ☆ City of Waco and its partners have received 6 national awards and recognitions in the last year.

Water Utility Services



Lake Waco Dam, April 2008

- ☆ Began construction on the Dissolved Air Flotation Plant (DAF) which will directly impact Waco's water quality and taste. The bridge, road, drainage channel and fences are complete. Basins and clearwells are currently in progress.
- ☆ Completed an Environmental Management System (EMS) training funded by TCEQ and coached by Culture Technologies, Inc. The EMS Program will serve all of the divisions within Utilities by focusing on reducing significant environmental impacts and cutting costs.
- ☆ Lake Brazos Dam was selected as one of six projects in contention for the Outstanding Project and Leadership Award (OPAL) given by the American Society of Civil Engineers (ASCE). The dam has also won both State level awards from (ASCE) and the Texas Public Works Association (TPWA).
- ☆ The Lake Waco Wetlands completed the **TPWD Recreation Trails Grant** which was used to complete a 150' boardwalk, two bird viewing blinds, a gravel covered walking trail and a floating dock.
- ☆ Over **2,500 students** in the Waco community visited the wetlands learning about habitat, animals and water quality.
- ☆ Baylor University and the Lake Waco Wetlands are in the second year of the U.S. Dept. of Education grant called "Gear UP Marsh Madness". Almost **1,700 students** in the Waco and La Vega Independent School Districts are participating in this program.
- ☆ The Water Quality Laboratory processed customer samples resulting in earned income of approximately **\$160,000**.
- ☆ **Exemplary performance recognition by TCEQ** for our treatment and monitoring compliance under the Total Coliform Rule.

- ☆ Water Quality Laboratory was awarded **NELAP accreditation** for microbiology and wet chemistries, a nationally recognized certification.
- ☆ Continually improving the rate of methane production at the WMARSS plant by working with local industries. Increasing methane production results in lowered natural gas and electrical costs due to our ability to generate power with the methane and use it for heating purposes in our treatment process. We are currently saving approximately \$700,000 per year, which saves our citizens money.
- ☆ Operational oversight of two continuous ambient monitoring stations (CAMS) to assess both air and water quality for the City of Waco, in partnership with TCEQ.

☆ Awarded **three American Water Works Association Watermark awards** and two American Advertising Federation of Waco awards for public relations efforts.

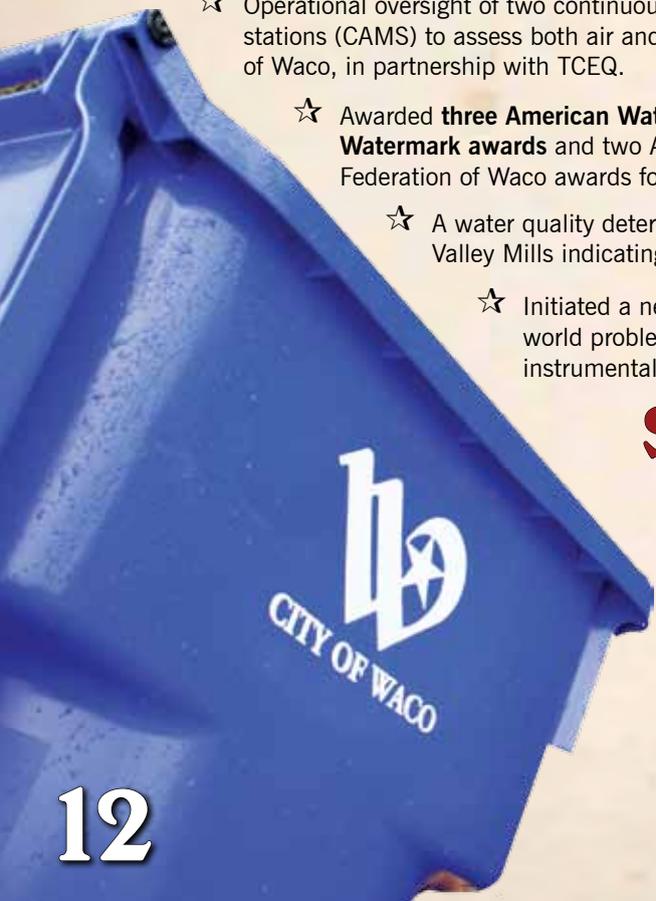
- ☆ A water quality determination by storm water sampling at a site on the North Bosque River near the city of Valley Mills indicating no nutrient reduction has been achieved by CAFO best management practices to date.
- ☆ Initiated a new partnership with Baylor University to assist graduate level students in solving real-world problems through various training programs (experimental design, applied chemistry, and instrumental analysis).



DAF Plant Basins, January 2009

Solid Waste Services

- ☆ Landfill received an average of 982 tons of solid waste each day and recycled an average of **71 tons** per day.
- ☆ Cobbs Convenience Center and Curbside Recycling collected 2,415 tons of recyclables.
- ☆ Residential Service collected 4,635 tons of brush.
- ☆ At Household Hazardous Waste Day, **53,506 pounds** of hazardous waste was collected, including herbicides, pesticides, mercury, oil-based paint and paint products, cleaning compounds, automotive chemicals and other items.



Municipal Information

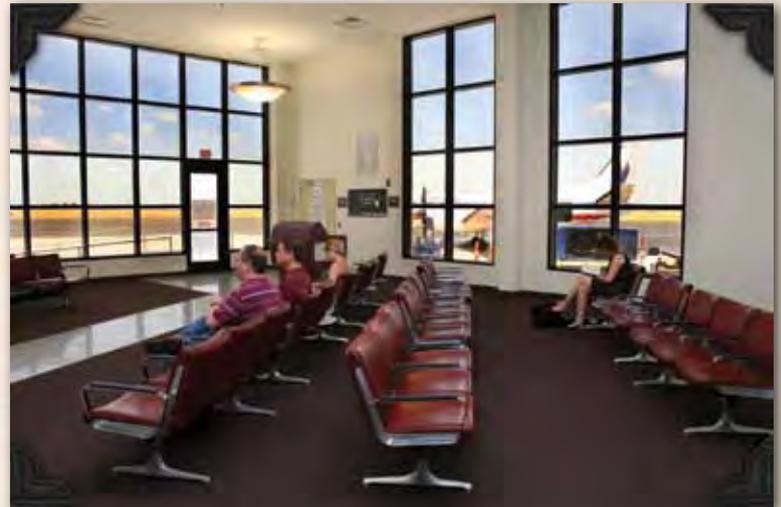
- ★ Received another **Telly Award** for outstanding TV production on WCCC-TV.
- ★ Received an American Advertising Federation of Waco award for the 2007 Annual Report to citizens.
- ★ Unveiled new offices and television studio in City Hall.
- ★ Upgraded all TV equipment to be **Texas' first City Cable Channel in all digital and HD** on Grande Channel 410, with no tax funds.
- ★ Produced over 600 news stories for weekly City Beat News on WCCC-TV and issued over 225 press releases.
- ★ Website set another record with more than 1.8 million visits.



New WCCC-TV (Waco City Cable Channel) Studio, December 2008

Waco Regional Airport

- ★ Secured operation of the Aerodrome Cafe in March 2008.
- ★ Completed the Hold Room Extension in June 2008.
- ★ Began Jet Service by **American Airlines** to and from Dallas-Fort Worth in June 2008.



Expanded Airport Terminal, June 2008

City Facilities

- ★ Recovered \$569,900 through City Auctions.
- ★ Completed remodeling at City Hall of Legal Services and Municipal Information.
- ★ Completed Phase I of the City's new Operations Center.

Inspection/ Code Enforcement

- ★ Reviewed building plans for more than **\$304 million** in new construction projects.
- ★ Conducted more than 28,000 inspections to insure compliance with basic codes to help provide a safe, clean community.

I flew out of DFW for years and got tired of the hour and half drive home after a full day of flying. For the past four years, I have only flown out of Waco Regional, which saves me precious time I can spend at home. I also enjoy a shoe shine while I wait!

-J.D. Freeman, Waco resident



Waco Transit

- ★ Ridership on buses increased 13.75% to **764,217 passengers**.
- ★ Operated 14 fixed-route buses, 7 demand response vans and provided **62,428 hours of service** with 992,017 miles driven.
- ★ Acquired additional new buses to replace the aging fleet.

Economic Development

- ☆ Assisted **18 companies** in creating at least **485 new full-time jobs** and retaining 1,345 existing full-time jobs.
- ☆ Estimated total private investment of those projects will be over \$214 million in real and personal property improvements affecting over 1.5 million square feet of property. Of those 18 companies, **9 are new to the Waco market & 9 are existing local companies.**

In 2008 the Waco City Council approved:

- ☆ Industrial Tax Abatements for Caterpillar Logistics Services, Tractor Supply, and Associated Hygienic Products that represent a total private investment of \$84,550,000.00, and will create 300 new full-time jobs and retain 186 full-time jobs;
- ☆ Industrial Business Grants for Allergan and Coca-Cola North America that represent a total private investment of \$41,295,010, creating 10 new full-time jobs and retaining 784 full-time jobs;



Downtown Waco, May 2008



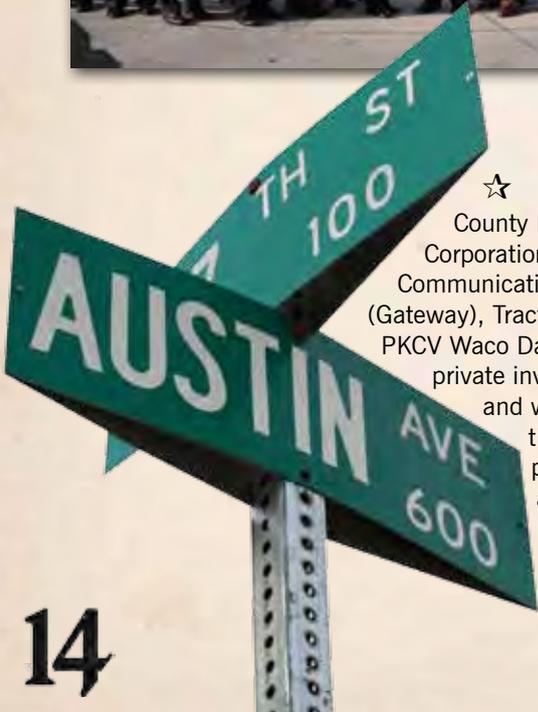
Waco Town Square Development, Downtown Waco



Hilton Grand Re-Opening, September 2008

- ☆ Waco-McLennan County Economic Development Corporation grants for L-3 Integrated Communications Systems, Caterpillar (Gateway), Tractor Supply and AHP & PKCV Waco Data Center. L-3's total private investment is \$15,047,236, and will create 100 new full-time jobs. All of the other project investments are accounted for in other incentives (abatements, grants or TIF);

- ☆ Tax Increment Financing (TIF) grants in Reinvestment Zone #1 for the Dr Pepper Museum, Rapoport Academy, Staybridge Suites, Cameron Park Zoo, a Façade Improvement Program, Austin Avenue Retail & Lofts, Historic Lofts of Old Waco High, the Croft Art Gallery, and the Waco Data Center that represent a total private investment of more than \$36,285,000 in TIF Zone 1.
- ☆ Successfully nominated 4 Enterprise Zone Project applications to the Governor's Office for Tourism and Economic Development on behalf of Caterpillar Logistics Services (CLS), Sherwin Williams, L-3 Integrated Communications Systems (L-3), and Associated Hygienic Products (AHP). All four nominations were approved. CLS, Sherwin Williams, L-3 and AHP along with the 3 projects that did not receive economic development incentives (Dakota Premium Hardwoods, SC2, and EMSI) represent an additional **\$102,010,000 of total private investment**, and will **create 400 new jobs and retain 375 full-time jobs.** (L-3 and AHP are not included in these totals because they were accounted for under WMCEDC grant and tax abatement.)



Bond Election Update

On May 12, 2007, Citizens of Waco approved the six bond propositions listed below totaling \$63 million. Due to favorable market pricing and the city's excellent bond and financial reputation, the City issued bonds at a low interest rate of 4.615326%. Each of the six projects are accounted for in separate capital project funds. As these projects develop, these designated funds (plus interest earned) will be used exclusively for the bond projects as voted by citizens. To follow the progress of each project please visit www.waco-texas.com.

\$6.8 Million – Two New Fire Stations **\$12 Million – Library Improvements**
\$11.7 Million – Park Improvements **\$2 Million – Texas Ranger Museum Improvements**
\$13 Million – New Police Facility **\$17.5 Million – Renovation of the Waco Convention Center**

Two New Fire Stations:

Bids scheduled to be open in March 2009. City Council is scheduled to award the winning contract in May 2009. **Estimated completion date for Station One is May 2010 and Station Three is March 2010.**



Artist's rendering of the new #1 Fire Station- 111 Peach Street

Library Improvements:

★ **Hoover/West Waco Library:** Construction is scheduled to begin in Summer 2009 with an estimated completion date five months from beginning of construction. Plans are to move from old location to new Hoover late 2009. ★ **Central Library:** Construction scheduled to begin in early 2010 (following the move of the Genealogy and Technical Services divisions from the Central Library to the Hoover Library). Construction is scheduled to be complete 15 months from start date.



Artist's rendering of the new #3 Fire Station at TSTC- 9th & Airline

Park Improvements:

★ **Cameron Park Renovation, \$6.9 million in bond funds.** Construction has begun for ten areas in Cameron Park. Estimated Completion Date: March 2010. ★ **Redevelopment of Cameron Park East, \$2.1 million in bond funds** (*Texas Parks & Wildlife Boat Ramp grant received for \$500,000*). Construction has begun. Estimated Completion Date: Winter 2010 ★ **Trails in Existing Parks, \$900,000 in bond funds.** Construction has begun in numerous parks. Estimated Completion Date: Summer 2009. ★ **South Waco Center Renovation, \$1.8 million in bond funds.** Construction has begun. Estimated Completion Date: Winter 2010.



Artist's rendering of Central Library Improvements

New Police Facility:

The closing date on the purchase of the Hillcrest Medical Tower (including the parking garage) is scheduled for mid-Fall 2009 with renovation to begin by the end of 2009. **Our earliest estimation of completion for the entire project is late 2010.**

Texas Ranger Museum Improvements:

Modified plan going to council for approval in April 2009, once approved detailed plans and bidding will take place at the end of the year. **Estimated completion in 2010.**

Total Renovation of the Waco Convention Center:



Artist's rendering of the new Waco Convention Center- Washington Avenue side

Project design development is complete. Construction bids were received but all exceeded budgeted funds for the project. Portions of the project and specifications are being modified and redesigned and will be taken back out to rebid in July/August 2009.

Construction is scheduled to begin in the early Fall of 2009 and will likely last 16-18 months. (The project will be phased and the building will remain open with meetings and events occurring during construction.)

Financial Services

As a municipal entity, we are tasked with the responsibility of providing the best and most efficient services within available resources. We strive to provide our citizens with the very best value for their dollars. The City of Waco Finance and Budget Departments are committed to the long-term financial stability and sustainability of the city government. Departmental services are prioritized to ensure that they are addressed through the budget process and streamlined for efficiency and cost-effectiveness. The City of Waco's fiscal year is October 1st through September 30th.

About Revenues

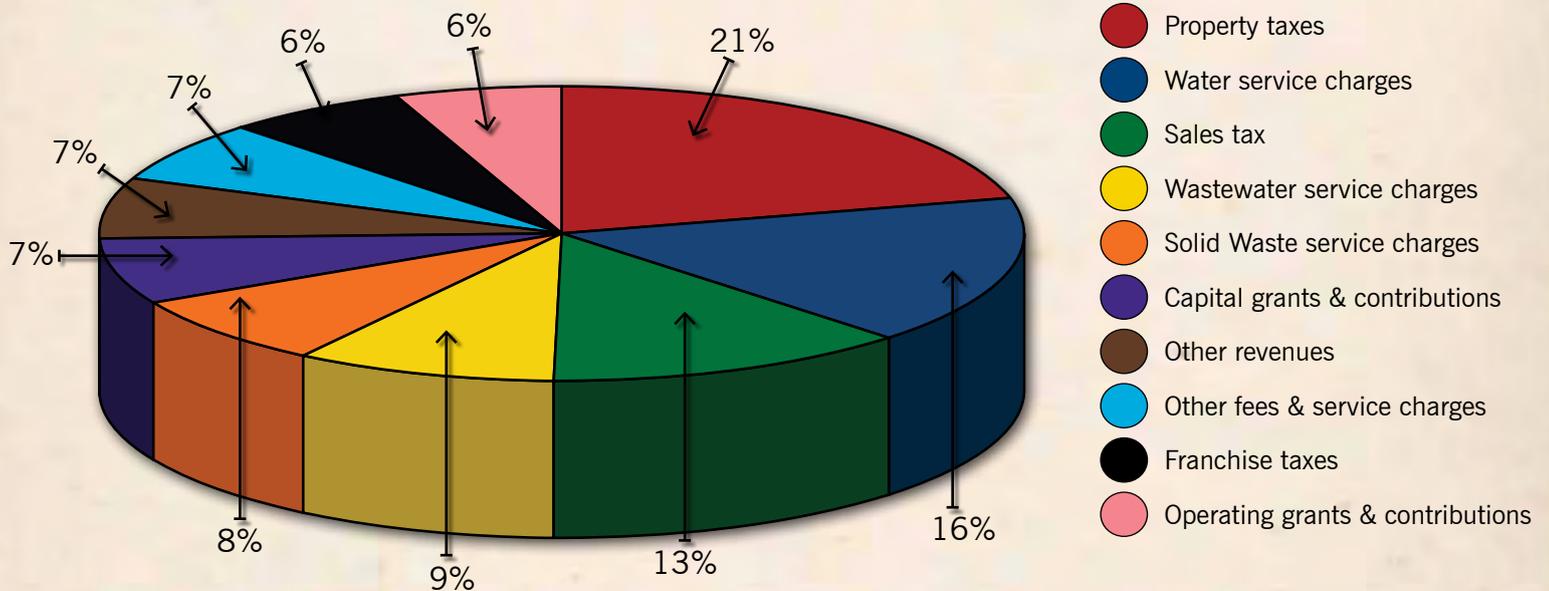
The largest revenue source for the City of Waco was property taxes, with more than \$46.3 million reported in the fiscal year 2008. Other important tax revenues were sales taxes of \$28.1 million and franchise taxes of \$14 million.

The City's utility funds, Water, Wastewater and Solid Waste, reported service charge revenues of \$35.3 million, \$20.2 million and \$16.6 million respectively. These funds operate as business-type enterprises with rates designed to cover operational costs and debt payments.

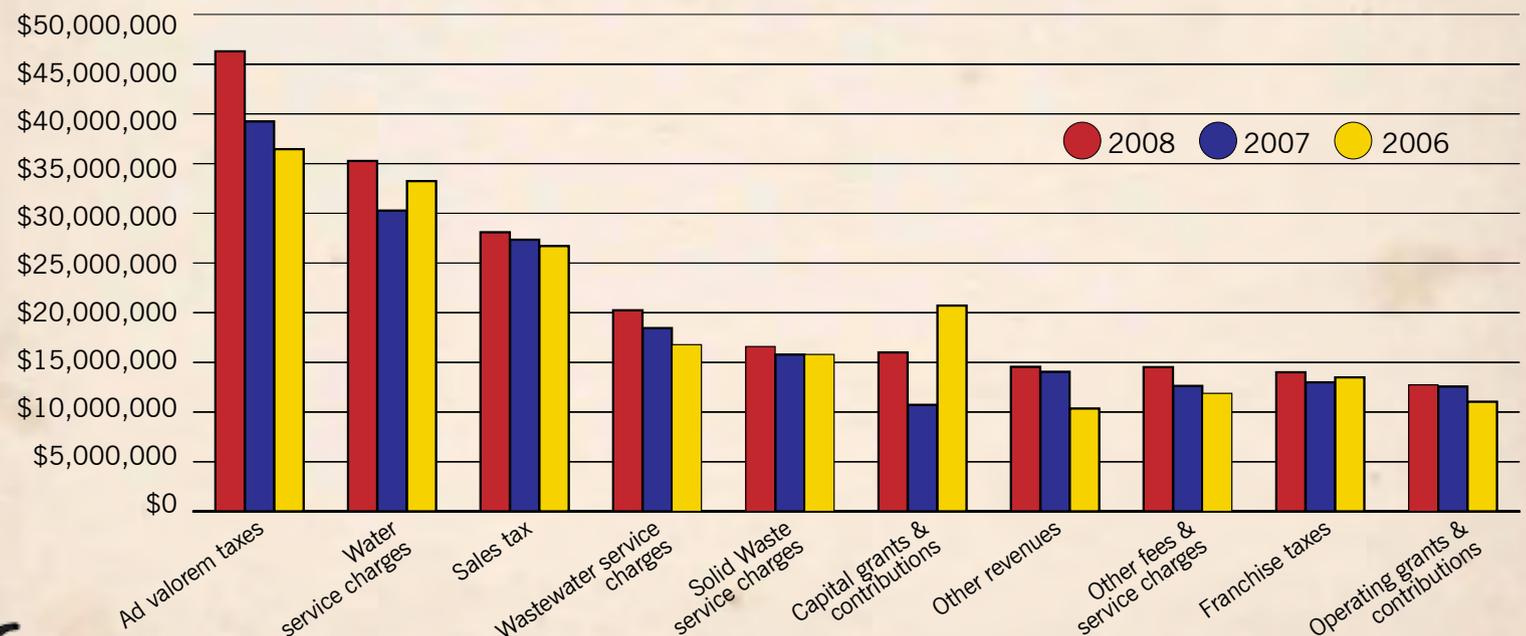
Capital grants and contributions totaled \$16 million with operating grants and contributions at \$12.7 million. Other revenues of \$29 million were received during the fiscal year.

Revenues increased 12.5% as compared to prior year. Property taxes increased \$7 million due to a rate increase to fund the debt service requirements for the \$63 million general obligation bonds voted on by citizens in May 2007, and growth in the property tax base. Charges for services increased primarily due to increases in the base rate for water and wastewater customers. Capital grants and contributions increased \$5.3 million due to donations for the library, zoo, and Mammoth project and capital grant funding for transit bus fleet replacements.

Total Revenues by Source



Revenues by Source- Three-Year Trends

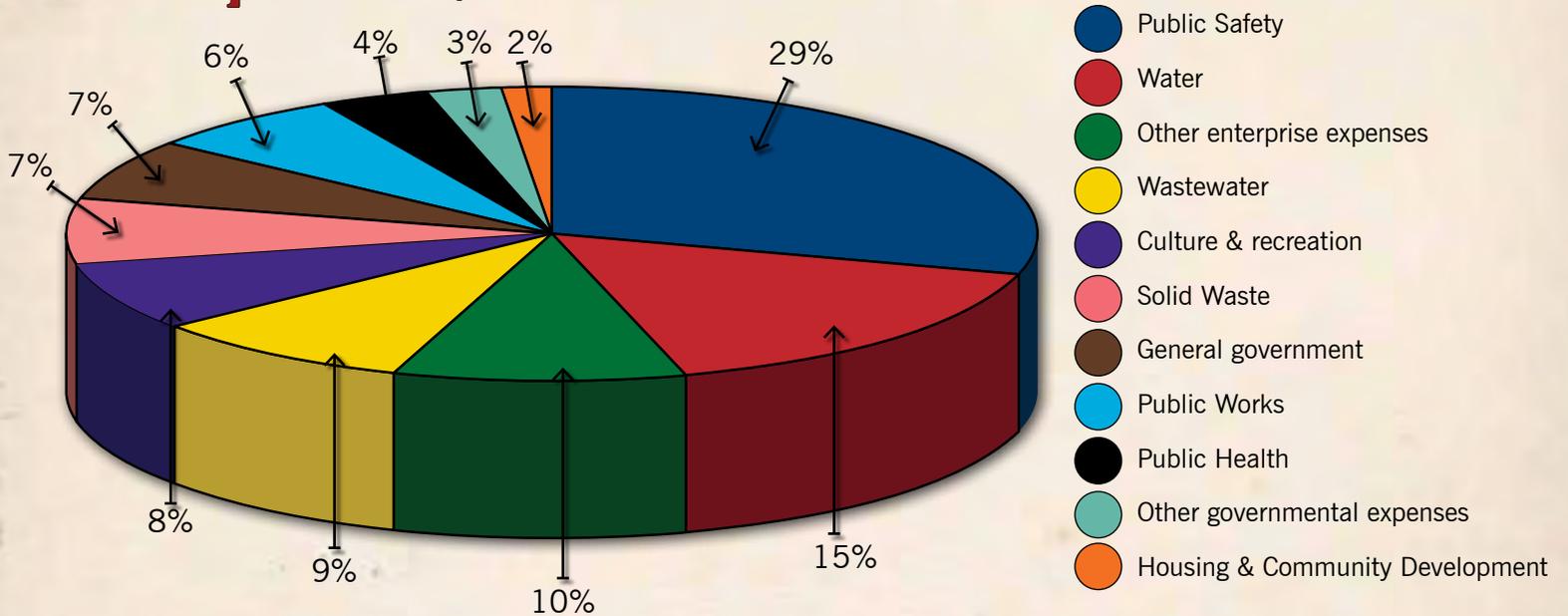


About Expenses

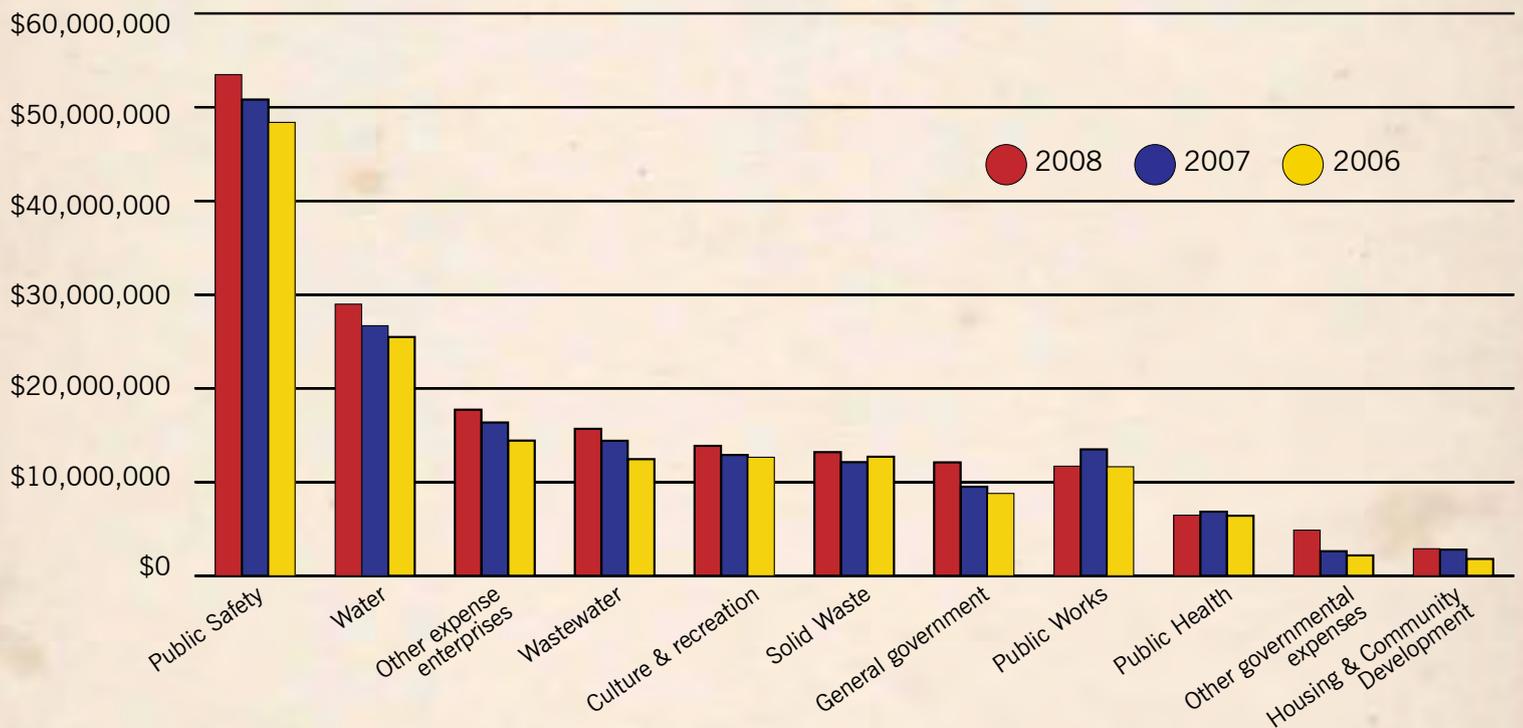
A total of 29 percent of the City's expenses (\$53.5 million) went to Public Safety. Police, Fire, Traffic, Emergency Management, Inspection and Municipal Court services are reported within the public safety function. Expenses for other City services included \$13.9 million for culture and recreation, \$12.1 million for general government expenses, \$11.7 million for Public Works, \$6.5 million for Public Health, \$4.9 million for other governmental expenses and \$2.9 million for housing and community development, other governmental expenses. Governmental expenses increased \$6.4 million from the prior year primarily due to employee compensation, health insurance benefits, fuel costs, economic development programs and interest on debt for the first year of debt service for the \$63 million general obligation bonds.

Expenses related to the City's utility funds accounted for \$57.9 million with \$29 million for Water, \$15.7 million for Wastewater and \$13.2 million for Solid Waste. Other enterprise funds (Convention Center, Transit, Zoo, Airport, Golf Course and Texas Ranger Hall of Fame and Museum) accounted for an additional \$17.7 million in expenses. The increases in expenses from the prior year closely paralleled inflation and demand for services. The primary components of the increases were employee compensation, fuel costs, and water and wastewater bond interest expenses.

Total Expenses by Function



Expenses by Function- Three-Year Trends



The financial data presented in this report was obtained from the audited financial statements included in the Comprehensive Annual Financial Report (CAFR). The City's CAFR was prepared in accordance with generally accepted accounting principles (GAAP) and reported information for the primary government and its component units. The summary of revenues and expenses presented in this report is for the primary government data only and does not conform to GAAP. The full copy of the Comprehensive Annual Financial Report is available at www.waco-texas.com.

Working Together for a Better Waco

- ☆ Facilitated the Brazos and Bosque River Corridor Committee, which was formed after Waco received a National Park Service Rivers, Trails and Conservation Assistance Grant. The committee is comprised of community leaders and is in the process of developing a plan for the Brazos and Bosque River Corridor.
- ☆ Opened the new South Waco Library in May. The more than 11,000 square-foot building was donated through the generosity of local benefactors Mary Ruth and Malcolm Duncan.

One of the things I really like about living in Waco is the fact that it's a great place to get involved in making our community a better place. Living in Houston I was one out of 4 million and with those kinds of numbers it's very easy to get lost in the shuffle. Here I'm involved in all sorts of civic and social activities and feel like I am really able to make an impact not only as a professional but also as a citizen.

**-Chris McGowan,
former Houston resident
Greater Waco Chamber of Commerce**



Heritage Quarters Groundbreaking Ceremony- Downtown Waco, May 2008

- ☆ The Greater Waco Chamber of Commerce completed the construction of their new headquarters near Heritage Square.
- ☆ More than \$65 million in construction projects are underway in the new Waco Town Square by a private developer that will bring mixed-use properties including condominiums and other residential housing to downtown Waco.



South Waco Library Opening, May 2008



Waco Mammoth Site Groundbreaking, September 2008

- ☆ Began construction on the new Emergency Services Education Center, in partnership with McLennan Community College. Facility will benefit Police, Fire and Emergency Responders.
- ☆ In November, the Mayor and other community partners hosted an Education Summit where more than 700 people came together to discuss plans to improve education in our community.



Education Summit, November 2008

- ☆ In May, plans were continued for the Community Visioning project that was initiated by the late Mayor Mae Jackson.
- ☆ Through the partnership of Baylor University, the City of Waco, the newly formed Waco Mammoth Foundation, and some very generous local donors, construction has begun to provide access and protect the unique collection of mammoth remains created over 60,000 years ago.
- ☆ Continued the Marsh Madness Program at the Lake Waco Wetlands, one of several programs offered through the partnership of Gear Up Waco in our community targeting Waco ISD students. The goal of the program is to help students gain field experience in the biological and environmental sciences using a wetland ecosystem. This program is a partnership with the Baylor University Center for Reservoir and Aquatic Systems Research.



Waco Statistics 2008

Our city continues to grow in size, population and demand for services as well as use of facilities. Items with an asterisk (*) indicate an increase from the previous year.

Demographics

Land Area (square miles).....	100.32*
Estimated Population as of 2008.....	122,222*
(14.9% African American, 21.1% Hispanic, 61.6% Caucasian, 2.4% Other)	
(AGE: 0-5 yrs= 7.8%, 5-14 yrs= 14.5%, 15-19 yrs= 7.7%, 20-44 yrs= 36.2%, 45-64 yrs= 22.2%, 65+ yrs= 11.6%)	
Waco/Surrounding Areas Population.....	228,126*
Lake Waco Shoreline (in miles).....	70
Average Value of a Single-family Home.....	\$86,000

Development

Single-family Permits Issued.....	441
Value of Single-family Permits.....	\$64,414,434
Commercial Permits Issued.....	333
Value of Commercial Permits.....	\$184,948,017*

Municipal Employees

Full Time (including Fire and Police).....	1,479*
Certified Police.....	245
Certified Fire.....	192
Full Time Equivalents.....	78.16

Parks and Recreation

Land Maintained (in acres).....	1,235
Parks.....	58*
Community Centers.....	5
Creeks (in miles).....	40
Public Right-of-Ways (in miles).....	56
Park Rangers.....	13

Tourism

Visitors to Texas Ranger Museum.....	70,457*
Visitors to Waco Tourist Info Center.....	23,213
Waco Convention Center Events.....	427*
Visitors to the Cameron Park Zoo.....	240,317

Airport

Number of passengers.....	138,953
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Transit

Passengers.....	764,217*
Days of Service.....	307
Miles Driven.....	992,017*

Utilities

Daily Avg. Water Production (in gal.).....	28,009,000*
Daily Max. Water Production (in gal.).....	49,185,000*
Fire Hydrants.....	4,848*
Water Main (in miles).....	943*
Sewer Main (in miles).....	828*
Customer Accounts.....	36,787
Water Treatment Plants.....	2
Water Meters.....	42,194*

City Vehicles

Unleaded Gasoline Used (in gallons).....	439,443*
Diesel Fuel Used (in gallons).....	728,750*

Library

Library Locations.....	4
Number of Visits.....	509,672
New Items Added.....	22,414*
Registered Cardholders.....	74,212*
Total Items Borrowed.....	565,199*

Public Safety

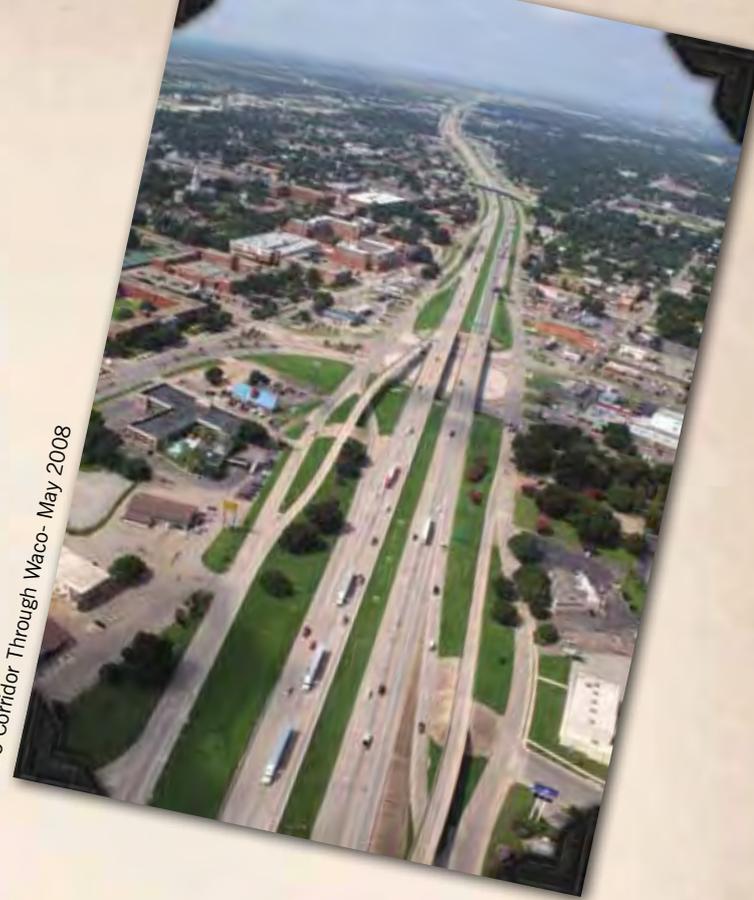
Calls for Service - Police.....	123,707*
Calls for Service - Fire (Fire, EMS, Rescue).....	9,408
Fire Stations.....	14

Public Health

Vaccinations Administered.....	17,495*
People Educated on Food Handling.....	5,275

*Indicates an increase over the previous year.

I35 Corridor Through Waco - May 2008





City of Waco
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VISIONS

City of Waco, Texas
Annual Report &
Financial Review

YESTERDAY. TODAY. TOMORROW.

2008

