



The City of Horseshoe Bay

2023 STATE OF THE CITY REPORT

Your City of Horseshoe Bay enters its 18th year with continued exemplary financial status, outstanding safety through police and fire response and staffing, award level utility performance, and exceptional quality of life as reflected in its many community living experiences and environmental commitments.

Its current appeal to new homeowners reflects the desirability of HSBay, but also poses some challenges for growth management. In October 2023, a detailed report of the annual activity of each department providing support to the residents. It underscores the responsible fiscal approach, the conservative staffing, and expansive levels of direct service responses. It will also highlight the projected needs to maintain the expected high level of service, particularly with regard to facility and staffing. This report is intended to continue the transparent and collaborative commitment to efficient application of taxpayer dollars. Monthly data report with Balanced Scorecard of goal progress is posted each month. For recent 2023 year report <https://www.horseshoe-bay-tx.gov/894/Monthly-Departmental-Reports> .

Join me in taking pride in your City through this review of some of the highlights.

City Overview

- Geographical area: 16.5 sq miles w/136 miles of streets (all regularly patrolled)
- Population: Current 4100 utility hookups indicate approximately 8,000 residents, with likely one third being part-time/second home (or seasonal)
- Unique characteristics:
 - Hill Country undulation with private constant level lake access
 - Quality of life development focus with managed growth commitment
 - Development blends with the natural setting of the scenic Hill Country environment
- 2022-23 challenges (drought/wildfire risk/keeping service level high during high growth period)
 - Historical growth in housing and new developments; pressure to keep service levels high during high demands; supply and equipment issues; inflationary challenges to remain in budget; employment market challenges
 - Second year with extreme weather; significant freeze; 2nd extreme drought year
 - Accelerated growth/building –balance/expand resources while preserving quality
 - Commitment to expanding stable internet access throughout the City
 - Regional/State/Federal collaboration on traffic, internet, postal services

City Manager

- City Manager oversight of new projects including internet expansion, aging infrastructure asset management planning, manage design team and construction manager at risk for New City Center, monitor status of Wirtz Dam Road project, commercial and residential growth, utility impact fee study update,
- Managed completion of phase I wireless internet expansion in (7-2023); initiated phase II expansion of fiber optics expansion (2022-2024)
- Oversight of 108 city employees/Supervision of all Department Directors

- Develop improved employee culture and retention management of 108 employees; reduced employee turnover from 21% (2021) to 2% (2022); comprehensive salary and benefit survey; monthly all City Staff Team meetings; restructure organization to accommodate increased demand to keep up with growth; City employee academy to improve operational cross training and collaboration
- Collaboration work with area Mayors, Commissioners, Judges, business leaders; interact with legislators during 89th legislative session; collaborate with LCRA on land lease (City Center) and expansion of City's water contract (from 725 to 1,450 million gallons per day reservation)
- Created the City's new communication department; published weekly City Corner in Beacon; city-wide informational campaigns to educate citizens (oak wilt, watering Schedule change, Short Term Rental, website redesign, organization branding)
- Long Range Plan implementation for proactive and preventative services; work with department heads for development of City's Comprehensive Strategic Plan (2023-2058); implementation and interaction with the newly created City's Transportation Committee
- Major project oversight, budget management, mission/goals commitment
- Facilitated Mayor/Council, Committees, Citizen Academy (150+ graduates)

Legislative Services (previously City Secretary)

Staff: 2 – Director, Records and Information Manager

- Earned the highest award in the state of Texas: Municipal Clerk's Office Achievement of Excellence Award
- Actively monitored and reported on more than 2,000 bills impacting cities that were filed during the 88th Legislative Session
- Responded to approximately 250 Public Information Requests
- Designed and provided city-wide training on writing municipal Ordinances
- Converted records into electronic format for Utilities, Human Resources, Development Services, Finance, and Administration
- Upgraded the City's online Code of Ordinances software and provided training to city staff
- Prepared and facilitated nearly 500 agenda items for 23 public meetings
- Drafted and codified 55 new ordinances and resolutions

Human Resources

Staff: 2 – Director, HR Administrator

- 106 full time employees/5 part time (all are 1st responders except for 25)
- Significant challenges for the public sector in recruiting and retention; maintained low turnover rate (3%)
- Insurance coverage costs negotiated for no increase last 2 years; Negotiated cost decrease of 5% for FY24; analyzing benefit coverages to lower cost impact for employees
- Salary survey conducted and salaries adjusted in October 2022 to meet 70th percentile of market data, Salary survey scheduled for 2024 to remain competitive
- Adoption of Texas Municipal Retirement System (TMRS) in January to implement competitive retirement pension plan

- Training requirements in ethics/confidentiality/basic technology/leadership (department specific training monitored by department directors)
- Bond approved in 2022 for construction of new City Center, current administrative building is not conducive to professional setting due to overcrowding, aged building, not built for this function (limited space for meetings/no break room/workflow disjointed/technology upgrades needed)

Police

Staff: 24 Police Chief, Assistant Chief

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- Patrol: 2 teams of 7 officers each, rotating schedules; 3 on day shift, 4 on night shift.
- Each team led by a Lt. and one Sergeant
- Communications: 4 communications officers operate and monitor our lobby, Comm center, non-emergency lines, and provide administrative and technical support. Center is open to the public 7:30 AM to 5:30 PM seven days a week. Responsible to the Police Captain
- CID (Investigations): 3 Criminal Investigators, rotating shifts to ensure at least one investigator is available 7 days a week.
- Admin: 2: The Chief and Asst. Chief oversee the day to day operations of the entire Department and Animal Control activities.

Operational overview

- All officers are certified by the State of Texas as Marine Safety Enforcement Officers, State Mental Health Peace Officers, and current in bi-annual firearms training and qualifications which is twice the number required by the State.
- 5 officers are certified as drone pilots; used for search and rescue, locate missing/lost persons, and assist other agencies and internal departments as needed.
- 4 officers certified as swift water rescue technicians in the event of major floods, flash flooding, or other similar water related natural disasters.
- 1 State certified Crime Prevention officer charged with proactive safety protocols for residential and business safety.
- Responsible for the safety and security of all residents and patrol of 136 miles of city and state roadways as well as the jurisdictional city limits extending into Lake LBJ.
 - **10,202 calls for service** (53% increase over the last 5 years)
 - **Over 3,000 traffic stops** (121% increase over the last 5 years). Predominately these involve holidays, construction traffic, summer vacation, and special events.
 - Although Class B misdemeanors decreased by 14% from 5 years ago, felony level cases increased by 48% during the same period.
 - Over 160 home security or “vacation watches” were performed for residents.
 - A projected need of 2 additional patrol officers and related equipment in FY 2025 has been in the long-range plan since 2019.
 - In addition to the annual police vehicle replacement program, funding is being provided to re-engine the police patrol boat which has served the city since 2004.

Animal Control

Staff: 1.5

- Provide animal services to local residents 7 days per week
 - 1,582 calls for service (trap/relocate or remove carcasses)

- 404 carcasses removed/174 deer roadside incidents
 - Deer trapping has been suspended since 2021 due to multiple factors such as the ice storm, the droughts, excessive heat, etc. all of which has taken a natural toll on the local deer population.
- 37 domestic animals were relocated to the animal shelter last year.

Public Works

Staff: 2 – Director, Public Works Assistant

- Inventory of 110 miles of managed streets, driven weekly for proactive treatment
- 1.6 miles new road upgrades (\$1.88 million) added to total of 58 miles ribboned to date
- Seal-coated 10 miles of streets, including \$170K designated in HSBay South upgrades
- Assisted w/excessive tree damage removal throughout community
- Critical service provided during SnoVid, clearing roads, moving residents to safety
- Purchased truck capable of heavy use needs (previously used private trucks); added winter storm equipment to prepare for winter challenges, flood mitigation needs
- Spring lots mowed: 4,816; Fall lots mowed: 4,534 (contracted/managed fees)
- Supported development of Nature Park on Golden Nugget

Finance

Staff: Director, Finance Supervisor, Finance Clerk (2), Utilities Billing (3)

Comparison of Total Debt and Tax Rates for Surrounding Cities

City	Population	Total Taxable Value	Total Tax Rate	Total Debt	% Total Debt to Taxable	Debt per Capita
Lakeway	15,981	5,124,808,209	★ 0.1645000	26,595,000	0.52%	1,664
Fredericksburg	11,496	2,366,192,610	0.2207750	23,310,000	0.99%	2,028
Lampasas	7,982	385,025,804	0.3952180	12,015,000	3.12%	1,505
Burnet	7,100	632,539,765	0.6181000	29,403,520	4.65%	4,141
Lago Vista	8,896	1,035,412,830	0.6475000	32,347,000	3.12%	3,636
Bee Cave	9,144	2,643,018,783	★ 0.0200000	20,020,000	0.76%	2,189
Marble Falls	7,038	857,346,323	0.6100000	50,320,000	5.87%	7,150
Granite Shoals*	5,121	557,942,217	0.5986000	6,099,505	1.09%	1,191
Llano*	3,422	176,696,850	0.7193600	5,438,716	3.08%	1,589
Average		0.4437837		22,838,749	2.80%	2,119
Horseshoe Bay	7,200	2,339,099,492	0.2700000	8,215,000	0.35%	1,141
*2021 Data						

★ Note: Lakeway tax rate does not include additional 10 cents paid to ESD for fire service. A more comparable rate to other cities would show them at 0.2645; Bee Cave draws tax value + sales tax from HC Galleria

- Lowest debt per capita among the surrounding cities listed above
- Tax Rate of .2700 per \$100 valuation, has remained the same for the third year. City tax is 14% of total tax bill. Remaining 86% of property taxes fund school district, county, ESD ambulance.
- City of Horseshoe Bay Bond Rating AA+ affirmed in 2020 (high for city our size)
- Distinguished Budget Award and Transparency Star Awards
- Sales taxes collected - \$1.8 million, 29% higher than previous year

- Awarded ARPA funds - \$1 million for utility and broadband internet projects
- Continue to maintain reserve balance of \$2.5 million for General Fund as expected for responsible city management preparation for emergencies AND higher bond rating
- Achieved goal of 3-month operating reserve balance for Utility Fund
- No water or utility rate increases in 2022. (see utilities comments on rate comparison)
- Inflation is starting to show up in certain expenses such as fuel and supply chain related expenses for normal supplies and equipment. Competitive salaries – particularly for first responders will impact upcoming budget year.

Fire

Fire Chief, Fire Marshal

Staff: 23 (7 per shift/3shifts) – 4 at Central, 3 at West Station

- 1063 incident responses (33 fires) – as of 8/28/2023
- Addition of 1 firefighter
- Turnout time below 90 seconds
- Response times within 4-6 minutes from alarm (90 second out the door focus) to on site
- 2 fire brush trucks being outfitted to also serve as “squad” response medical units so that fire trucks will not have to be dispatched to non-fire (such as falls). Should arrive end of Aug or beginning of Sept.
- Response area for FD is 170 miles. This includes the City of Horseshoe Bay, our contract communities, and automatic aid on HWY 71 to Sandy Creek and automatic aid with MFFR to the clover leaf of HWY 71 & HWY 281.
- **Station 2 renovation.** Station two was built as a two-person sub-station. Projected staff increase and need of significant renovation. Addition of 4,414 sq ft as living quarters and 1,073 for auxiliary storage. Approximate cost is 3.3 – 3.6 million.
- Fire Training - 192 hours per staff member annually minimum
 - Increased medical capabilities from basic to more advanced with in house training and Medical Director approval/guidance.
 - Total Agency Training Hours: 3951:55
- Pre-Fire Planning/annual inspections of all commercial structures
- Burn Permits and monitoring of wildland-urban interface conditions.
- Community risk reduction programs including
 - Fall prevention program – smoke detectors, smoke detector batteries, air filters, light bulbs, etc. for keeping at risk customers off ladders.
 - CPR/AED training
 - Citizens Academy, Citizens Fire Academy
 - Flag retirement program
 - Wildland/Urban Interface residential surveys
 - Knox program
- Hydrant assessment/maintenance
- Long Range Equipment plan: 2017 fire trucks have a 10-year frontline and 10-year reserve (20-year total) life expectancy (2037); to avoid major costs of dual replacement, the current 2003 reserve engine needs to currently be replaced and this would stagger the financial impact by spreading replacement dates out of the twin purchased engines. New engine build time is approximately 42 months.
- Current tools still function appropriately and were very good when purchased, but the use of exotic metals (such as cobalt) in vehicles is beginning to render the old technology obsolete and

will require tool replacement of rescue tools for Engine 11. One set already purchased.

Code Enforcement

Staff: 2 Officers for all city limits, construction projects, ACC collaboration/communication

- 1,478 Violations cited (after multiple warnings/direct contact)
 - 426 Construction site violations; 114% increase from FY 2020
 - 95 illegal dumping sites
 - 24 Oak Wilt management violations
 - 33 water related (no backflow, tampering with meter, etc)
 - 157 lot management (tall grass/weed/lot trash)
- Anticipate need for additional Code Enforcement; cost paid with pass through to new permits

Development Services

Staff: Director, Deputy Building Official, Permit Admin., Permit Tech, Planner, GIS Administrator

- 190 New residential building permits (99% increase from FY2020) on track for double in FY 2022
 - 120 – Average number of active construction sites monthly
 - 3,000 sq ft – Average residential single family size
- 930 new permits (remodels, additions) 82% increase over FY 2020
- 10 potential large scale project reviews by Development Review Committee (DRC) to determine impact on infrastructure, compliance with zoning, safety needs, and architectural guidelines
- 67 Minor plats – 71% increase over FY 2020
- 4 rezoning changes; 11 variance cases for Board of Adjustments

Note: 50% of costs for development services carried by permit fees from builders/developers

Technology

Staff: 1 - Office space needed for professional operation of department; currently housed in repurposed storage space closet (projected additional IT assistant in 2025)

- Migrated City to robust software / Exchange platform for consistent processes to avoid redundancy, secure accuracy of reporting, and increase efficiency and productivity
- Migrated City to SaaS Cloud platform for file access and collaboration
- Implemented new SaaS Backup solution for redundancy and continuity
- Detected and prevented 454+ suspected hacks / intrusions into City systems
- Implemented additional personnel and equipment protection / security measures at several city office locations
- City Website upgraded and redesigned for greater communication, transparency and ease of use
- Implemented Exchange sync, globally collaborated threat “block list” to mitigate risk
- Configured limited top level domain allow list and Geo IP filter to mitigate risk
- Install hardware firewall / VPN between Water Plants to facilitate SCADA process
- Install 5G Internet access failover onto city network for redundancy and continuity
- Migrate data / domain control / upgrade DNS role and decommission aging local servers
- Expansion and upgrades to city alert / notification system via SMS, email, and phone
- Upgraded to City management software for cross department planning / communication

- Expansion of water system software implemented to allow resident direct access to water usage, billing, and leak detection
- Proprietary software aligned for police / fire data, water safety management, financial accounting, personnel management / benefits, and GIS mapping
- Procured tech equipment for clerical / administrative / field service teams and oversees implementation and licensures
- Managed video communications and presentations for council / staff training / community workshops / group meetings
- Responded to and resolved cross department internet / software application problems

Utilities Overview

Staff: Director , 5 admin support purchasing, conservation, admin assistant, technical admin
 Plant Supervisor +(6 plant operators, and 3 specialists- Scada, and (2) maintenance Recycle center, 3 total- 2 full time, 1 part time
 Field Supervisor + (12 field operators, 2 specialists- warehouse, dispatch)
 34 total employees

- Utility Service rate (comparison group of 12 similar cities in region); cost of 10,000 gallons
 - 14% below median for residential water; 24% below median for sewer management
- Major project focus:
 - 2023- Rehabilitation of wastewater effluent pond #2. Installed upgraded liner to provide minimum 25-30 year life expectancy. Previous liner achieved 27 years
 - 2022- Lakawanna and Blister Gold lift stations rehabilitated and prepped for emergency generator connections rehabilitated
 - 2023- Completion of water system master plan, provides guidance to staff and developers of capital project requirements to secure service
 - 2023 – Design work west water plant expansion with phased expansion to begin in FY 24-26
 - 2023- Transmission pipeline for central High Zone design and construction project
 - 50 year old infrastructure pipeline analyses of stability/replacement schedule
 - Analyses of expansion of water storage based on growth projections
 - Internal analysis of reclamation center services and layout, facility expansion in FY 24.
 - Impact study for fees for new development, fees increased based on anticipated growth and demand forecasts
- Field Service calls – 6,345 (10% increase from FY 2021)
- New residential connections – 250 (49% increase from FY 2021)
- 2nd full year of WaterSmart, sent 2,670 leak alerts to customers (mostly toilets, pools, irrigation system) preventing significant property damage and water costs
- Secured new raw water contract from LCRA, doubled existing contract anticipated for estimated 20+ years growth projections
- Updated irrigation ordinance and simplified watering schedule
- Updated water plant radio system to harden against cyber intrusion, and improve communication interface
- Liaised with Communications director to improve customer communications and education
- Large development project collaborations (including 2 projects that resulted in annexation and impact fee assessments)
- TCEQ State requirements water quality/safety expectations fully met, full calendar year with no

- violations, or pressure losses in West water system
- Combined efforts with public Works Dept.. to facilitate internet tower projects
- Monthly reliability checks of water system equipment including live drills centered on power loss and backup generation operation
- Monthly disaster scenario table top drills with after action reports provided for review and process improvement
- Increased efforts at community outreach, including presentations for HSB POA on water system and grinder care, HSB Builders association meetings, town hall and Citizen Academy presentations

Communications

- Staff 1 - Communications Director
- Direct the overall planning, operation, and management of communications programs and initiatives, including but not limited to establishing and evaluating services, programs, and overall standards for city-wide communication
- Developed marketing campaigns (digital, print, video) for City projects: Oak Wilt Prevention, New Watering Schedule, Short-Term Rentals, Grinder Pumps (in progress)
- Lead external communication efforts, including ensuring consistency in presenting City information to the public in a timely and effective manner, and oversight of written publication processes, writing articles, preparing and editing publications and presentations to newspapers and vendors on schedule
- **Awards**
- Won award for the City's Oak Wilt Prevention Campaign from the Texas Association of Municipal Information Officers (TAMIO)
- Won the National 2024 Caselle Calendar entry, received photo published in the 2024 calendar and a \$250 credit for software fees.
- Redesigned the City Website for a fresh modern look and feel while adding more communication channel functionality and implement daily content updates as needed
- Ensure all public hearings and meetings are scheduled and posted to City calendar and website
- Write weekly articles for *City Corner* published in the *Beacon Newspaper*
- Write *Council Comments* feature, overview of each monthly Council Meeting
- Project Manager for city events:
- Citizens' Academy, Town Hall Meeting, Mayor's Summit, POA President's Meeting, Realtor's Meetings, HoliDaze, Employee Christmas Party, Citizens' Academy Graduation
- Send out CivicReady SMS Text and Email Alerts for notification of emergency alerts and City events
- Manage advertising budget with newspaper vendors, including coordination of media planning and creative approval for ad publications
- Manage and participate in developing and administering the department budget and estimating funds needed for equipment and materials; Direct the monitoring and approval of expenditures