

Council Comments.....

Good morning fellow citizens of Horseshoe Bay –

And what a nice morning it is. The rainstorm that swept through our fair city yesterday afternoon led to a nice cool (relatively) evening and this fine morning. A welcome respite from hot and dry. And now-on to your City's business.

At 9 a.m. Monday the Council met in it's first budget workshop of the year to begin the process of developing our 2009 revenue and expense projections. Quick aside – Becky just pointed out the sunrise coming up through the clouds to the east – WOW! Anyway, back to the numbers – first blush and bottom line looks like revenues will be up and expenses down. Not bad in light of this years 20% reduction in our City's ad valorem tax rate. Contributing factors to the increase include higher valuations, new construction in tax base, restructuring utility rates and extending the term of our utility debt. This year we also began receiving a \$140,000 franchise fee from Perdenales Electric. This new line item led to a discussion of why, since our 3 year ago incorporation, we had not heard from Verizon or Northland Cable concerning their franchise arrangement with our City. This item will be added to our list of other concerns with our telecom and cable providers.

On the expense side the largest percent increase is fuel costs, as you might expect. Next year, we will replace our 12 year old phone system(if you've called the city offices you know why), replace several PD autos, purchase several bullet proof vests, add several part-time firefighters, continue updating our water and wastewater infrastructure and as a heads up to anyone zipping though our community, add 2 new and improved radar guns. An increase in critter control activity will also result in budget increases in that area.

At this first workshop's conclusion (several more to come), it was proposed that our City of Horseshoe Bay ad valorem tax rate for next year would be 35 cents per \$100. This represents a further reduction of 12.5% from this year's rate. Final approval of the tax rate will come at a later date.

The meeting was adjourned after 1:00 with plans for further budget workshops in August and September.

Tuesday's City Council meeting began with prayer by Reverend Johnny and the pledges. The Mayor then announced the filing for the three available seats on the Horseshoe Bay City Council would begin on July 27 and end on August 25. Since July 27th is a Sunday, Monday will be a better day to file. He also announced that Alderman Rantzow would be standing for re-election. Alderman Babcock then

informed those present that he would like to begin a discussion on our City converting to Home Rule status with an election in May to decide the proposition. More information will be available on this issue in the future. He also announced that he too would be on the ballot in November. Not to be out done, yours truly will join Babcock, Rantzow, Obama and McCain on the November ballot. That just makes it sound more important- don't you think. Babcock also informed us that in order to alleviate our recent TxDOT controversies concerning road cuts on 2147, he believed the City could assume that decision making responsibility. This is not a done deal, but progress is being made.

Sam Martin then gave everyone a Skywater update. As is the norm, the HSB rumor mill has been working overtime. Sam said:

1. Skywater is not bankrupt;
2. Due to the severe economic downturn, they are pursuing refinancing alternatives; and,
3. Expects to be back on track in a couple of weeks.

Also problems between Skywater and Progeny, which began last April, have been resolved. Progeny's David Oberle was present and affirmed Sam's description.

A recent letter from the City of Cottonwood Shores to a group of our City's residents who live in Burnet County was discussed by our City Attorney, Monte Akers. Evidently, in seeking a CCN (Certificate of Convenience and Necessity) to provide their own water and wastewater services, Cottonwood Shores, advertently or inadvertently, included our citizens. Monte and the Council will pursue this issue and Monte suggested that while individual residents need not reply, large property owners, developers or commercial enterprises might want to protest.

Ron McReynolds, our telecom equipment provider, then gave us the particulars of our new phone system. My bride, Becky, told me not to bore you with details -I mean I am a retired phone guy – bottom line is the new Samsung system is state of the art, user friendly and upgradable. Those are all techno-adjectives which mean it's a really neat system.

On a street note, the council approved the City spending \$25,000 for a geo-tech study of the HSB POA's roads to determine just how bad the base and the street composition is. In most discussions the streets are the 800 pound gorilla in the room. This issue will have a major impact on our City for many years to come. Following the 5 – 0 approval of the preliminary tax rate of 35 cents, Alderwoman Haydon stated her belief that perhaps any surplus of revenue over expenses, we have in future budgets should be earmarked for the streets. While voting for the 35 cents rate, she was concerned that in the future that 5 cent reduction might be better directed at the street issue. My comment was that tax rates are easy to lower,

everybody loves it. But the day may come when rates need to rise, because of streets or whatever and that will be no fun for anyone. Like I said the new 35 cent preliminary tax rate passed 5 – 0. And on that cheery note we adjourned for the day at 4:04. Another good day for the Bay.

Your Scribe –

Jeff Robinson