

The State of the City of Horseshoe Bay
Steve Jordan, Mayor
October 2014

Transparency is the foundation of a well-managed and open government. The Mayor and Council of Horseshoe Bay have made transparency our top priority.

I am happy to report the state of the City is very sound. I am completing my first year as Mayor having found the City in good shape, thanks to the leadership of Bob Lambert, former Mayor and the past City Councils.

I have had the privilege of working with five outstanding Councilmembers. At the beginning of the year we established an ambitious agenda and I am proud to report most of our stated objectives have been accomplished along with the addition of a few others.

As a City we are almost 10 years of age having incorporated in fall of 2005 and later in 2009 we adopted a "Home Rule" Charter. Our population is approximately 6500 made up of 3500 full time residents with an additional 3000 part time. These last two years have seen 75 new homes started in the City limits. While our amenities are great, the residents are the reason we enjoy living in Horseshoe Bay.

Horseshoe Bay Bond rating improved from AA to AA+ an achievement only a few other communities in Texas enjoy. We now have the same rating as our Federal Government. We received this good news in advance of the issuance of \$9.8 million Certificates of Obligation in June to provide funds for our Street Improvement Plan (\$5.2 million) and the Utility's Department infrastructure (\$4.6 million). We have had the same Property Tax Rate of 25 cents per \$100 valuation for the past 3 years and they will remain the same in 2015.

As of September 30, 2014 both the General Fund and the Utility fund had the required reserves of six months of operating expenses. The 2015 operating budget provides for all needs of the City and maintains the total tax rate of 25 cents per \$100 valuation. As of January 1, 2014 the taxable value of all property in the city was appraised at \$1.634 billion. This is a \$66 million increase year over year.

Our City continues to replace and expand our utility infrastructure. Major items will be financed with available cash, proceeds from certificates of obligation, the \$7.4 million provided by Summit Rock developers and from other developments. All operating and financing costs are paid for from utility rates. Our utility operation is totally self-sufficient.

In keeping with the goal for improved transparency the Council:

- Established the Rules of Procedure for the City Council which includes the process for Preparation of the City Council Agenda

- Established an Advisory Committee consisting of representatives of the Horseshoe Bay POA, Resort and the City
- Established POA Presidents Forum with representation of all POAs
- Scheduled the Council meeting agenda to be printed in the local newspapers as well as the City website the week in advance of each meeting to encourage awareness, attendance and participation
- Developed procedures for the appointment to City commissions, boards and committees

The Street Improvement Plan continues to receive favorable comment. We now have completed 40 of the 56 mile project and expect to be completed in early 2016. The street maintenance plan will begin soon to preserve the life of the streets.

New Street Signs were approved and will be installed beginning in November. This will not only compliment the new streets but will improve the visibility, provide a longer life expectancy of the sign and save money with the long-term maintenance of signs.

We welcome the addition of Ace Hardware and Grand Bank. They complement the Jamail's Grocery neighborhood. We eagerly await the opening of the Baylor Scott & White Hospital next summer at Hwy 71 & Hwy 281 in Marble Falls. We have been told the clinic which opened last year is already exceeding expectations. Residents of Horseshoe Bay have provided leadership and financial support. We will soon be able to benefit from this long awaited addition.

The annexation of 18 properties was completed in July. While this did not receive a great deal of attention, it is significant to expand and protect our borders for future development.

Our most prominent corporate citizen is the "new" Ferguson Power Plant recently completed. This LCRA owned facility enjoys the rating as the most efficient in the Electronic Reliability Council of Texas Grid System with the distinction as being the quietest.

More good news! We chose to challenge FEMA's "new" Flood Zone Map after realizing many of the properties in Horseshoe Bay had wrongfully been included. We were successful and as a result the city is able to issue building permits on many prime properties now eligible for development and several hundred residents will no longer be required to purchase Flood Insurance.

We continue to be in an unprecedented drought and have moved to Stage 3 with our Water Conservation Plan. Our residents have cooperated with the curtailments as requested. As a result, our water usage has been reduced by 125 million gallons this fiscal year. Fortunately, our City established a Rate Stabilization Plan anticipating the possibility for the volatility experienced. As a result, we have been able to maintain water rates year to year without an increase for low usage customers.

Announced previously, the Horseshoe Bay Resort including 4 golf courses, the hotel, airport and many other amenities is on the market for sale. While this effort continues, the Resort reports increased membership and usage. Exciting new development plans are underway at Summit Rock with a new entrance off of Hwy 71 and a Welcome Center to introduce their new residential products.

Speaking of “new” entrances, we have had favorable comments on the City’s new entrance sign at Hwy 2147 and Hwy 71.

The Escondido Golf and Lake Club is enjoying significant activity with 13 homes under construction and 4 more with plans approved ready to start.

Our Park Committee is about to get more active. We have received notice of approval for \$110,000 grant from Texas Parks and Wildlife for the development of Horseshoe Creek Park. This property was donated by Eileen Hurd, the Resort and the Horseshoe Bay POA. This planned hiking trail and picnic areas extend two miles from the mausoleum down to Hwy 2147 with magnificent vistas along the way. The Fox House Committee was established but has been delayed awaiting delivery of the property from the Resort. Once received work will begin to restore and preserve this historic monument. Martin Park, next to City Hall is an excellent park and picnic area used by children and grandchildren alike.

We are blessed to have a staff of 76 employees led by City Manager, Stan Farmer. Our staff by department is Community Services, Police, Fire, Development Services, Finance and Animal Control. All of our employees recognize the high standards established and expected by our citizens. You will not find a more capable and dedicated staff anywhere.

Work-in-Progress: We have petitioned the Texas Commission on Environmental Quality (TCEQ) to make better use of our effluent (wastewater). We are also working with the LCRA to develop a plan for the eradication of Eurasian Milfoil and other aquatic weeds on the shoreline of Lake LBJ.

My guiding principal as Mayor is to preserve the quality of life we enjoy with minimum City taxes and expenses. I appreciate the opportunity to serve as your Mayor. Know that I am doing my best to live up to your expectations.