

Horseshoe Bay Council Comments *by Mayor Cynthia Clinesmith*

YOUR City Council met early today in a follow-up workshop to July's full day **budget workshop**.

The preliminary budget draft was fine-tuned to meet all the identified needs of the varied departmental staff. Both the General Fund budget and Utility Fund budget were reviewed with a result of an **anticipated no increase in the tax rate (remaining at 27 cents) and a 9% increase in the water and sewer rates (below the anticipated 12%)**. Our water rate compared to surrounding and 'like' cities consistently is among the 3rd or 4th lowest. These rates in both fund accounts provide for solid support of all staff salary/benefits, large scale equipment (including needed new vehicles), training, technology, new road construction/seal coating, large capital outlay projects and daily operations.

It is always confusing when the paper publishes a 'proposed tax rate' (as was indicated to be 28 cents). This is required by State law and must be posted as 'proposed rate'. **This is actually the rate we identify as the maximum we could anticipate needing**. This rate is always higher than what the Council truly expects the rate to be as it allows for the unknown – as property values are not finalized until after the deadline for us setting that maximum rate. **(Gotta love how State government works!)** In this way, if the values come in lower than expected – the Council has some room for rate adjustment. The Council had legal authority to raise the tax rate to 28 cents based on the valuations, but instead worked hard to slimline expenses to prevent any tax rate increase for this year (and potentially several years out).

Scott Dudley, Chief Appraiser of Llano Central Appraisal District, presented the tax appraisal plan for 2020-21, helping to explain how rates are determined, the difference in commercial and residential market assessments, and status of protests at this time. As it turned out, the amount of increase in property valuations DID come in lower than originally estimated, but the Council was able to adjust in funding approaches to the benefit of the budget AND the taxpayer. (Some additional detail will be in next week's SEPTEMBER MAYOR MESSAGE...be sure you are signed up with your POA president to receive these updates).

Conversations were held in support of the goals of the citizens, specifically on how the Council may be able to move forward on collaboration for internet service expansion (details in October) and park development. Special appreciation to Elsie Thurman, Chair of the Long Range Planning Advisory Committee, who shared some of the preliminary data results that validated these continued interests. The budget was able to support both quality of life priorities for 2021, while continuing to support other active lifestyle efforts. Workshop discussions ended at lunch with all planning for return to the Council meeting at 3pm.

City Council Meeting – Closed session with availability of distance participation. 3 pm

Following an invocation by Council Member Rives and pledges to the flags, the Council heard public comment from an alternate waste management company interested in future service to the City. Public Hearings were then held for officially setting the proposed maximum tax rate at \$0.28 (with a budget developed for approval at the September Council meeting for an actual tax rate of \$0.27 – current rate). Are you confused yet?? Pay attention – there may be a test later!

Several ordinances were reviewed (under business) and approved before moving on to the Consent Agenda. All items were approved – but item 7.D. was pulled out for separate review. Recognizing the

wisdom of using the low interest rates environment (today at 1.25% with our AA+ excellent bond rating and low debt ratio) rather than to use full current tax dollars. In this way, we were able to fund multiple years of infrastructure (new 1 mile of road, 3 years of seal coating, potential internet solution options) to be paid out over years by users in the future rather than have the full cost placed on current residents. **Win-win-win!**

A resolution for \$4 million dollar Certificates of Obligation was approved, adding an annual debt service cost annually to the budget rather than the large case outflow for the next three years. Not taking advantage of the debt service low rate option would leave the City in a diminished fund balance (essential for stability) in the following year – creating a need for potential tax increase. This funding plan anticipates being able to hold the tax rate flat for the next several years. * See full budget posted on-line at the City website.

Great news! We saved tax dollars and staff time by being able to cancel the City's November Election regarding Council positions. With only three candidates applying for three positions, we are excited to (pre-emptively) thank and welcome Elsie Thurman to the team – and returning Council Members Kent Graham and Elaine Waddill. They all are already working hard for your benefit. **Give them a high five appreciation when you see them!**

No Statistical Department Reports were examined in detail, though all data is provided in the Council Packet posted online. We did take the time to thank our exceptional City teams for **all** showing up in support of the efforts to fight the fire at the Trails last week. *(Note: See Mayor's September Message where details of how you can join the Trails in THANKING FULLY the near 100 volunteer fire fighters who came to our community to support the safety of our homes/lives. Fundraising is going to be especially appreciated by those Volunteer Fire Departments who have limited funds – made more difficult by their inability to hold fund-raising events this year. They left jobs/homes to come to our aid.*

Council Member Elaine Waddill showed up for the full day/early evening meetings (such dedication) before heading off to respond to her 91 year old mom's hospitalization in Dennison. These **Council Comments** are shared by the Mayor....but through the prayers for Elaine. Wishing you all an opportunity each day to enjoy some small part of **the blessing that comes with living in Horseshoe Bay.**