

The State of the City of Horseshoe Bay

Bob Lambert, Mayor

In May 2009, the voters of Horseshoe Bay overwhelming approved a charter for the City. One of the requirements of the charter is that the mayor provides an annual report regarding the State of the City. This is the second such report. This report covers the year ended September 30, 2011. The first report is on the City's website and covers our first five years as a City.

The key strength of our City is its people. Our City has about 6,400 full and part-time residents. Many of our citizens are retired and bring significant experience and talent to the community. HSB has been described as a City with many chiefs and few Indians. None the less, our residents have shared their expertise and volunteered to do the work we've needed to grow and prosper. In addition to me serving as Mayor, we have had five individuals serve the community as members of the City Council. They have different backgrounds and perspectives, and all have spent a significant amount of time working for this community. We have all benefitted from their outstanding service.

Surely the most anticipated accomplishment was the City Council approval of the Street Improvement Plan. The plan is on the City's website. Construction is underway in the Fairways subdivision, and when completed, construction will commence in the South subdivision. All aspects of the project are going very well. The City also accepted the streets from the Applehead and Pecan Creek property owners' associations.

Another eagerly anticipated accomplishment will be the opening of Jamail's grocery store in Horseshoe Bay. Construction is proceeding very well, and the store should open in the spring.

The bridge on Bay West Boulevard is another widely anticipated project. The design and bidding process have been frustrating, but a contract for a double arch bridge, as originally described to the community, was approved by the City Council in November at a reasonable price. Construction will start in January.

The City completed construction of a new police building. This building was well planned and constructed and will meet the needs of our excellent police department for many years. The City benefitted from the slow construction market with a very good construction price. Other city staff is utilizing the old police department space relieving present crowding and accommodating many years of future growth.

Some of our utility infrastructure is over thirty-five years old. The City must have plans to replace and expand these facilities as needed. The City has an annual capital replacement budget of \$750,000. During 2011, the City completed the new water tower in West and the expansion of the Slickrock lift station. Over the next few years, the City will complete the replacement of the main wastewater line that runs along Highway 2147, add a new water tower in Summit Rock and expand the water treatment plant in West. These major items will be financed with available cash and funds provided by the Summit Rock developer. The City has specific plans that will continue excellent service at a reasonable cost as confirmed by its five-year plan for utility rates.

As a CPA, I am very pleased with our City's finances. During 2011, the City sold \$9.8 million of Certificates of Obligation for the Street Improvement Plan and utility construction. This resulted in the first rating of City debt. The City received a AA rating from S&P and sold the debt at an average interest rate of 3.26% for the 20 year term. The rating and interest rate affirmed our financial strength. At September 30, 2011 both the General Fund and the Utility Fund had required reserves of six months of operating expense. The FY2012 budget provides for all needs of the City and maintains the total tax rate at \$0.25. As of January 1, 2011 the taxable value of the property in the City was appraised (by the Llano Central Appraisal District and the Burnet Central Appraisal District) at approximately \$1.6 billion.

Two years ago, the City started a lot clearing program to clear all lots of brush and undesirable growth in the community. This program has been very successful in reducing the fire risk and improving appearances. The program should be completed in FY2012. At a recent meeting, the City Council decided to expand the lot clearing program to reduce significantly the cedar in Horseshoe Bay. This plan will further reduce the fire risk and make scarce water available for oak trees. After lots are cleared, the lots become part of the routine mowing program that will keep the problem from returning.

Like the rest of Texas, our area is experiencing a severe drought. We initiated Stage 2 (see website for details) of our Water Conservation Plan and are concerned that the drought may continue in 2012.

The City's growth has slowed along with the lapse in the current economy. This is most readily apparent in the number of building permits for new homes for the past five years ending September 30: 2007 - 116; 2008 - 77; 2009 - 25; 2010 - 19 and 2011 - 16. At present, the market for existing homes and lots is slow, but there are signs that the overall situation is improving.

The Skywater development added almost 1,700 acres to the City including the Resort's fourth golf course. However, it had to endure two bankruptcies. The second bankruptcy was completed in May, and the project has turned consistently positive. Summit Rock golf course is open to rave reviews, and the Summit Rock (name changed to be consistent with the golf course) development is getting a lot of attention.

The most prominent business in our City is Horseshoe Bay Resort. The Resort's four outstanding golf courses and many other amenities are the main reasons most of us own property here. The City and the Resort do not have identical interests, but both work well together, and both are prospering.

The community is blessed with many amenities that are owned by HSB Resort or the various property owner associations. The only amenity that the City owns is Martin Park which is next to City Hall. Since this is the only park for public use in HSB, the City significantly upgraded Martin Park in 2011. This was accomplished by the leadership of the Martin Park Advisory Committee.

The City has a staff of 71 competent and dedicated employees. They are in the utility - 24; police - 18; fire - 17; and other - 12 departments. The City provides a complete range of services at the high standard that our citizens expect. The City's website, <http://www.horseshoe-bay-tx.gov>, provides current information about our community, and the excellent city staff is available to serve anyone who calls 830-598-8741.

HSB will change and grow. The challenge is to manage that growth to be a significant improvement in our life style and environment, always putting the best interests of our citizens first and foremost.

It has been and continues to be an honor to serve as Horseshoe Bay's mayor. I was recently elected to my fourth term, and pursuant to our Charter, this will be my final two years. Horseshoe Bay is a great place to live, and I look forward to our future.