



State of the City of Horseshoe Bay
By Mayor Steve Jordan
October 2019

The measure of a well-managed and open government is transparency and accountability. As your Mayor, along with the City Council Members, we have made these two issues our top priorities. Our Mission Statement has served as our guiding compass: “To serve and protect our citizens while preserving our heritage and planning for the future.”

Be assured our City of Horseshoe Bay is very strong and sound!

Controlled growth is our focus in order to preserve the lifestyle our citizens have chosen, by influencing the behavior for future development. The Future Land Use Map (FLUM) was adopted a year ago to serve as a guide.

We estimate the population to be approximately 7,200 full and part time residents. However, on special occasions the number of guests in our homes and at the Resort increases significantly, taking advantage of our fabulous amenities and life style.

Fiscal year (FY) 2019 began October 1, 2018. New home construction continued to be strong with 92 residential building permits issued, as compared to 94 permits issued in FY2018. Property tax valuations reached \$2.172 billion, an increase of 5.59% over 2018. The tax revenue from property taxes in 2020 will be an increase of \$473,359 or 8.68%, of which \$135,532 is from new construction.

We are very proud that our City continues to enjoy an AA+ tax bond rating, as one of only 14 other small communities in Texas in this elite group. In addition, the City received two very special awards. For the second year, we received the prestigious Distinguished Budget Presentation Award, one of only 146 government entities in the State of Texas to receive the award. The second award given by the Comptroller’s office is the Transparency Star-Traditional Finances, one of only 151 issued in the State.

Several years ago, the City agreed to set a policy that the Utility Fund would be self-sufficient paid for from user service fees, while the General Fund would also be self-sufficient receiving most of its funding from taxes (property and sales). Horseshoe Bay operates primarily through these two Funds; the General Fund FY2019 budget of \$8,380,500 and the Utility Fund FY2019 budget of \$8,561,500 with a combined total of \$16,942,000.

For FY2019, the General Fund revenue over expenses is \$812,749 while the Utility Fund revenue over expenses is \$353,500. As of September 30, 2019, the General Fund has a balance of \$4,061,332 or 6.2 months operating reserve over expenses, in keeping with our required reserve balance of a minimum of the greater of \$2.5 million or 3 months of annual expenditures. In addition, our policy now directs the Utility Fund to begin creating a cash reserve not to exceed 3 months of operating expenditures. The balance at year end September 30, 2019 is \$297,324 or .46 months operating expenditures. The budget is posted on our website: www.horseshoe-bay-tx.gov. We now have a new video presentation of our budget (FY2019) that you will find to be much more user friendly. Staff is working to update this video for FY2020.

The Council approved a comprehensive five-year budget plan to prepare for the future. This year the City has planned to add 4 employees for a total of 95 full time employees. We are very fortunate and proud to announce the hiring of Margie Cardenas as our new Finance Director. Her reputation speaks for itself.

Next year’s tax rate was increased slightly from \$0.26702 cents per \$100 valuation to \$0.27 cents per \$100. In keeping with our policy for utility rates to stand on their own, the Council found the need to increase the water and wastewater rates accordingly, due to the aforementioned five-year projected needs in the five-year budget plan. However, we find our rates continue to be lower than most in comparison with our neighboring communities.

The good news is that upon completion of the Wastewater Treatment Plant (\$6 million) expansion, all major utility infrastructure improvements started in 2009 will have been completed for the foreseeable future.

Our streets continue to be a source of pride for all residents. With the upgrading of an additional 1.6 miles at a cost of \$1,151,707 this past year, we now have 56.5 miles completed with ribbon curbing and street signs. The City will continue to honor our commitment to upgrade streets in keeping with the 15 houses per mile requirement or equivalent formula once one mile of road is accumulated. We are looking forward to having FM 2147 improved and widened with left-hand turn lanes for most of the distance from Ferguson Rd to Bay West Blvd, along with a stop light at the intersection of FM 2147 and HWY 71. TXDOT plans to begin work in December 2019 with completion before the end of 2020.

In August the Council appointed our second Long Range Planning Advisory Committee. This seven-person committee will be canvassing the community for opinions and ideas to plan for the future of Horseshoe Bay. To a large degree, the implementation of the former committee's recommendations has been completed.

As reported last year, the mail delivery system in Horseshoe Bay had fallen way behind due to the neglect of the US Postal Service Department's lack of planning and recognition of the needs for our growing community and the HSBPOA's lack of desire to fund more mail kiosks in this POA. As a result, the City has accepted the responsibility to expand the number of kiosks and mailboxes here in an effort to provide the mail delivery service our residents deserve.

Good news:

- Our main Fire Station has been completely renovated, along with the addition of a new training center located next to our Reclamation Center. We are fortunate to announce our new Fire Chief, Brent Batla starting in November.
- Dottie Anderson Citizens' Academy has now completed its 6th class and now has 80 graduates. The 7th class is well underway.
- Tuscan Village, an age 55 and older development is well underway with plans for 300 single and multi-family units.
- HSB Resort is nearing completion of its \$90 million investment to refurbish and add new amenities including renovated golf courses and marina, new and renovated restaurants, hotel rooms and soon to be completed Cap Rock Clubhouse complex.
- We are proud to announce the Phoenix Center, a nationally acclaimed provider of the highest level mental health services to children and their families, has relocated its headquarters to Horseshoe Bay and has submitted plans for its new office and therapy facility.

In Progress:

- Restoration and preservation of the Fuchs House
- Soon to be developed Whitney Shelly Smith Nature Park

I have been blessed to work alongside a tremendous group of individuals serving on the City Council. Please thank Mayor Pro Tem Jerry Gray and Council Members Cynthia Clinesmith, Kent Graham, Reagan Lambert and Elaine Waddill. Our dedicated staff led by City Manager Stan Farmer has focused on the following values: Excellence, Loyalty, Integrity, Stewardship, and Teamwork.

It has been my honor and privilege to serve as Mayor of Horseshoe Bay for the past six years. Having served on the City Council previously, my term limit has expired. I have tried to influence the culture of our community and within City Hall. Horseshoe Bay's future is bright!

Our challenge is to manage and control development, in order to protect our current lifestyle and the unique character of the community we have chosen to call home.