



Mayor's Message May 2022

We were blessed with a gentle reminder of what rain feels like – and are hopeful that it is the harbinger of more to come as we tiptoe around dry conditions. Even a small bit relieved the humidity pressure and gave our trees some much needed nourishment. Help take care of our community with diligent caution – no unattended outdoor fires, monitoring sparks from varied sources, and water conservation efforts in place. It will take us all to ensure our landscape is protected until rains come in full. THANKS!

City News

MAY DAY, MAY DAY!! Correction from my April Newsletter: **SAVE the DATE ! TOWN HALL Meeting is WEDNESDAY, May 18th (3-5 pm)** We will share our 'window' of opportunity that has come as an upside of the recent onslaught of development. We can grab this one year of revenue bonus to tackle some delayed projects, leverage interest rates, and care for our City Staff. Come hear about plans to use new revenue from growth (without increased tax rates) to:

- Buy down current debt (we have very little) and save interest money over time;
- Expand our West Fire Station to meet safety and service demands
- Upgrade current city hall aging facility AND fund new City Center to provide for space needs
- Accelerate new road paving as we have an excess mileage of qualifying roads in need of paving/ribbon (*note: this is different from the annual seal coat maintenance schedule of already developed roads where we are looking at potential fees from heavy trucks)
- Budget for the very real increases in city staff insurance/payroll, fuel costs, equipment needs that would challenge our current budget. (Note: last year we were able to negotiate a 'no increase' in insurance costs – but that was a can kicked down the road and we have to be prepared to meet the anticipated 11%+ increase coming)
- Complete a phased city wide Drainage Study (over \$100K) and develop plan for flood safety (Note: we already charge new developments an impact fee to assist on their projects)

The **TOWN HALL** will also include 'stations' by each department (fire, finance, utility, etc) so you may meet your city staff, get info (and TREATS), and ask questions specific to your needs. The added bonus is the opportunity to mingle with neighbors and focus on supporting our community needs together.

COME JOIN US and see your tax dollars at work!

I am hopeful that individual homes are not hit with significant value increases, though we all know housing sales prices have escalated. While the bulk of your tax bill will come from school taxes, we know that every dollar counts. That is why the City is committed to not increasing local city tax rate – and working to use all creative and fiscally sound practices (grants, interest leveraging, negotiation of contracts with providers, zero based budgeting). We are pursuing all external sources (such as this month doubling the building permitting costs and holding accountable any new development). We continue to examine legal and ethical impact fee options.

A current salary study across the region will increase our costs because we must remain competitive to keep/attract quality staff. Over 75% of all city tax dollars go towards the salary and benefit compensation of the 103 city staff. A few mid-year adjustments were made for fire and police where we saw some significant gaps and were losing staff – and all levels will be reviewed for next year's budget.

The remaining funds must cover all operational costs. So any opportunity to 'pay ahead' such as this year in acquiring equipment (while supplies are available), upgrading, and pulling forward a few capital outlay items (such as new road construction) is crucial. Our .27 cent rate (compared to other areas cities such as Marble Falls with a .62 rate) is the best any of us could hope for....but it is also an attractive feature for new home owners seeking to leave other communities with higher rates where building the same home at the same current building cost will have double the tax rate at a minimum. With the low tax rates comes up and down benefits.

Much of the work for keeping our quality of life at efficient costs comes from volunteer committees bringing their expertise to **City Committee work**. **PLEASE thank your neighbors** who are serving on city committees taking deep dives into alternatives for traffic patterns, greenspace protection, ordinance development. **Committee members will be at the Town Hall** for you to recognize and ask questions..

Internet update.....Plan D!! Just as we had all contracts signed and sub-contractors in place to begin trenching, the reality that we had shared clearly with internet providers became real to them. They tried several approaches and equipment to try to work their way through the bedrock we sit on to install fiber lines. This is 'do'able in new developments where they don't have to follow a straight line or avoid tearing up utility/irrigation lines or roads/driveways/landscape. They have finally cried UNCLE and we are full circle back to Plan A (hopefully) which is a blend of minimal fiber and expanded wireless.

A few of our communities are still on the Vyve radar for fiber connection as they sit adjacent to existing main lines on Hwy 2147 and Hwy 2831 and have easier connectivity. Vyve indicates they have a green light to get **Sienna Creek, Golden Bear, the Enclave, and potentially Pecan Creek** connected (no time details have emerged, though they say they have begun on Sienna Creek as a part of the current expansion). We continue to work to get the original line in place to Cap Rock clubhouse (which does not require straight line installation) so that the wireless internet antenna can be installed. We have identified several other high points (Cottonwood Shores tower, for example) that can increase the line of sight network. If all of this pans out, we could have over 70% of our community 'connected' to some dependable combination of fiber and wireless. We will continue conversations for expanded services.

This week much of the **wireless was struggling** either due to point of origin problems or the weight of usage from growth making it extremely slow with dropped signals. You will hear neighbors speak of varied other providers/access strategies (ATT, VGI, Verizon, etc). If a neighbor is having success...I encourage you to follow up. These providers are serving a limited sector successfully (their distribution points are limited) and you may be among those with access. Be sure to get details as some will see decline in stability if the number of those served reaches a tipping point on their capacity of bandwidth. But overall....there are some good options.

There are also **a couple of providers who have selected "beta" sights**, having some of your neighbors test capacity and potential for access in some challenging areas (homes behind tree blocking signals, homes in low lying areas, etc). The use of new technology to cut through and/or satellite is growing all the time and we may have to accept that we will have a patchwork of providers at best until technology stability emerges. This is just one more reason why communicating with your near neighbors is important – to share what is working unique to your sector of the city. Any new developments will be expected to include fiber as part of their utility network (as is in place at Tuscan Village, Escondido, the new Sienna Creek/soon to be "Hidden Creek").

WATER water everywhere, but not a drop to drink (remember your Coleridge required reading!). Well...be assured that we do have water capacity to provide all with quality clean water. As I noted, the audit conducted earlier in the year helped verify that we have sound equipment and practices in place to push water to all areas of our city. We are stocking inventory of critical equipment pieces so that if anything breaks, they can repair immediately without fear of the supply chain delays. Our long range capital outlay plan already allows for expansion of water treatment and tower storage when the time comes. (Note: We do not store more than needed because water quality of excesses sitting in tanks for extended times unused faces quality degradation). That is why we have a system that will move treated water from the central water storage if our other towers begin to draw down faster (especially during high demand holidays/weekends/drought conditions).

We will be re-negotiating our water contract with LCRA for a new agreement on annual capacity provision. We have been blessed to use our prior water contract originally set for 5 years...which has lasted for 10 years. In that time, we have never gone above our allotted amount – but will now increase our contract levels to assure access with new growth demands for future customer availability.

When we ‘contract’ for a maximum quantity based on projected future demand, we essentially say ‘this is what we anticipate as our highest daily use rate’ and are given a cost for guaranteed supply. Any amount we don’t use is billed at half that rate – but any amount above that level is billed at TWICE that rate. That is why it is critical for us to all use conservation measures (STICK TO THOSE 2x a week watering schedules). If we do our part, we stay within the rate structure AND help LCRA assure water availability for all their cities along the Colorado River. LCRA (and water commissions) have already reviewed down river agricultural contracting and conservation strategies.

Commercial growth is increasing. The original ‘mapping’ of Horseshoe Bay had the corner of Hi Circle South and Hwy 2147 as the outskirt boundaries (hence, my street is called Far West though we are in the center of town) and a few lots on the corners were zoned commercial. Now it seems random to have these zoned as such amidst residential sub-divisions. But the owners of those properties (such as the ones near 7-11 which will be office space) have rights to develop. We are working with these developers to encourage them to be sensitive to the neighbors – ideally building office space rather than continual daily traffic retail spaces. We hope to encourage shopping/dining spaces in central commercial locations or on Hwy 71. **Thanks to your YES vote of support this last election**, we will increase our sales tax collection which will serve as yet another alternative to your property tax costs. At least one quarter of the sales tax goes to cover costs for the annual seal coating across the community....and the remainder offsets operating costs. Increased commercial activity on Hwy 71 (managed) can be a financial benefit without bringing traffic to our internal streets.

Finally. I have been delighted with the exciting number of neighborhood “block parties” (seven I know of in the last week) where neighbors are coming together to laugh, share personal stories, welcome new residents, eat/drink and share community spirit. In these world times, our upcoming **Memorial Weekend** reminds us of those who have worked to secure our liberty and safety so we can enjoy such gatherings. ***Living the Dream indeed!***

See you at the TOWN HALL...mark those calendars for May 18th!



Cynthia Cline Smith, Mayor

City Website - www.horseshoe-bay-tx.gov