

# VOTER INFORMATION DOCUMENT<sup>1</sup>

City of Horseshoe Bay, Texas Bond Election

Election Day: November 8, 2022

**Early Voting Period: October 24, 2022 – November 4, 2022**

## Ballot Language – City of Horseshoe Bay Proposition A (“Proposition A”)

THE ISSUANCE OF \$8,000,000 GENERAL OBLIGATION BONDS FOR DESIGNING, CONSTRUCTING, ACQUIRING AND EQUIPPING A NEW CITY HALL AND ACQUIRING LAND, EASEMENTS AND RIGHTS-OF-WAY IN CONNECTION THEREWITH AND THE LEVYING OF A TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS.

## Information Regarding the Debt Obligations Proposed Under Proposition A

Principal Amount of the Debt Obligations Proposed Under Proposition A	Estimated Interest on the Debt Obligations Proposed Under Proposition A <sup>2</sup>	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under Proposition A on Time and in Full
\$8,000,000	\$7,156,000	\$15,156,000

## Information Regarding the Outstanding Debt Obligations of the City as of August 16, 2022<sup>3</sup>

Principal Amount of the Outstanding Debt Obligations of the City	Estimated Remaining Interest on the Outstanding Debt Obligations of the City	Estimated Combined Principal and Interest Required to Pay the Outstanding Debt Obligations of the City on Time and in Full
\$10,870,000 <sup>4</sup>	\$2,566,620	\$13,436,620

## Information Regarding the Estimated Maximum Annual Increase in the Amount of Ad Valorem Taxes on a Residence Homestead with an Appraised Value of \$100,000 to Pay the Debt Obligations Proposed Under Proposition A

If the bonds authorized by Proposition A of the election are issued pursuant to the assumptions set forth under “*Assumptions Utilized in Calculating the Estimated Tax Impact*” below, the City’s debt service tax rate will increase by approximately \$0.015 as a result of the issuance of the bonds, which represents a maximum annual increase of \$12.00 ad valorem taxes that would be imposed on a residence homestead in the City with an appraised value of \$100,000 to repay the proposed bonds.

### Assumptions Utilized in Calculating the Estimated Tax Impact

The City intends to issue the bonds authorized by Proposition A in one or more series in a manner and in accordance with a schedule to be determined by the City Council based upon a number of factors, including, but not limited to, the then current needs of the City, demographic changes, prevailing market conditions, assessed valuations of property in the City and management of the City’s short-term and long-

<sup>1</sup> This Voter Information Document is provided in accordance with Section 1251.052 of the Texas Government Code.

<sup>2</sup> Based on assumptions set forth in “*Assumptions Utilized in Calculating the Estimated Tax Impact*” below.

<sup>3</sup> The information contained in this table reflects the City’s outstanding debt obligations as of the date the City Council approved the Ordinance calling the Bond Election.

<sup>4</sup> The City treats a portion of its outstanding debt as self-supporting from sources other than ad valorem taxes. Such sources include water and sewer revenues. Pursuant to Section 1251.051 of the Texas Government Code, the principal and interest amounts included in this table do not include public securities that are treated by the City as self-supporting.

term interest rate exposure. For the purposes of estimating the maximum annual increase in taxes identified in this table, the City utilized the following assumptions which are subject to change:

(1) The City’s current plan of financing does not anticipate an increase in the tax rate of more than \$0.015 per \$100 valuation with the issuance of the bonds authorized under Proposition A. However, in order to illustrate the possible maximum tax rate impact, the City below has assumed all of the bonds authorized under Proposition A shall be issued at one time as one series. The following is the estimated pro forma amortization schedule showing the City’s currently outstanding bonds and bonds authorized under Proposition A:

Fiscal Year Ending (9/30)	Current Debt Service Requirements	Proposition A - Estimated Debt Service Requirements		Total Estimated Debt Service Requirements
		Principal*	Interest (a)	
2023	\$1,064,896	\$405,000	\$200,000	\$1,669,896
2024	1,065,146	120,000	379,750	1,564,896
2025	1,071,021	125,000	373,750	1,569,771
2026	1,070,796	135,000	367,500	1,573,296
2027	946,721	140,000	360,750	1,447,471
2028	948,065	145,000	353,750	1,446,815
2029	953,240	155,000	346,500	1,454,740
2030	945,596	165,000	338,750	1,449,346
2031	564,909	170,000	330,500	1,065,409
2032	567,931	180,000	322,000	1,069,931
2033	565,365	190,000	313,000	1,068,365
2034	572,354	200,000	303,500	1,075,854
2035	568,069	210,000	293,500	1,071,569
2036	567,669	220,000	283,000	1,070,669
2037	567,313	230,000	272,000	1,069,313
2038	571,928	240,000	260,500	1,072,428
2039	575,700	255,000	248,500	1,079,200
2040	249,900	265,000	235,750	750,650
2041		280,000	222,500	502,500
2042		295,000	208,500	503,500
2043		310,000	193,750	503,750
2044		325,000	178,250	503,250
2045		340,000	162,000	502,000
2046		355,000	145,000	500,000
2047		375,000	127,250	502,250
2048		395,000	108,500	503,500
2049		410,000	88,750	498,750
2050		435,000	68,250	503,250
2051		455,000	46,500	501,500
2052		475,000	23,750	498,750
<b>Total</b>	<b>\$13,436,620</b>	<b>\$8,000,000</b>	<b>\$7,156,000</b>	<b>\$28,592,620</b>

\* Preliminary, subject to change.

(a) Interest estimated at 5.0% for illustrative purposes only.

(2) The City has assumed the bonds would bear interest at a rate of 5.0% based on tax-exempt interest rates as of August 16, 2022.

(3) The assessed value of the City is projected to grow at a rate of 7.00% for four years followed by 6.0% for five years and 2% thereafter per year for life of the bonds.

(4) The maximum Interest and Sinking Fund (I&S) tax rate increase is projected to be \$0.015.

(5) In calculating the tax impact on a residence homestead, the City applied the 20% general homestead exemption to the average assessed market valuation of \$100,000, resulting in a taxable value of \$80,000. The City did not apply any other exemptions.