

City Of
Horseshoe Bay
TEXAS



FY 2023 Budget

Cover image courtesy of George Watson
Field Operations Supervisor, City of Horseshoe Bay

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CITY OF HORSESHOE BAY, TEXAS

ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2022-2023

This budget will raise more revenue from property taxes than last year's budget by an amount of \$1,237,327.66, which is a 17.74 % increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$211,647.04.

City Council Record Vote

The members of the governing body voted on the adoption of the budget as follows:

FOR: Elsie Thurman, Jerry Gray, Frank Hosea, Randy Rives

AGAINST:

PRESENT and not voting:

ABSENT: Elaine Waddill

Tax Rate	Proposed FY 2022-2023	Adopted 2021-2022
Property Tax Rate	.27000	.27000
No New Revenue Tax Rate	.23280	.24830
No New Revenue M&O Tax Rate	.17641	.20727
Voter Approval Tax Rate	.26205	.26739
Debt Tax Rate	.05639	.04103

The total amount of municipal debt obligations secured by property taxes for the City of Horseshoe Bay is \$10,870,000.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Horseshoe Bay
Texas**

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Morill

Executive Director





Elected Officials

Mayor	Cynthia Clinesmith
Council Member, Mayor Pro Tem	Elsie Thurman
Council Member	Jerry Gray
Council Member	Frank Hosea
Council Member	Randy Rives
Council Member	Elaine Waddill



Top Row (pictured above): Randy Rives, Frank Hosea, Jerry Gray
Bottom Row: Elaine Waddill, Cynthia Clinesmith, and Elsie Thurman

Administrative Officials

City Manager	Jeff Koska
City Secretary	Kerri Craig
Utilities Director	Rick Williams
Finance Director	Margie Cardenas
Police Chief	Rocky Wardlow
Fire Chief	Brent Batla
Development Services Director	Sally McFeron
Human Resources Director	Rachel Hearne
Public Works Director	Tim Foran
IT Administrator	Jules Martin



CITY OF HORSESHOE BAY



October 1, 2022

To the Honorable Mayor, City Council, and the citizens of Horseshoe Bay:

As Budget Officer of the City of Horseshoe Bay, I am pleased to present for your consideration the adopted annual budget for fiscal year 2022-2023, beginning October 1, 2022. Please accept this letter as my budget transmittal and executive summary.

This budget is the financial plan for the City of Horseshoe Bay. In addition, this budget is a policy tool for the Council, an operations guide for the staff, and a communication tool to the public. The presentation of this budget document continues to evolve to provide additional details for policy decisions and inform the citizens of Horseshoe Bay's current status, as well as future plans. For fiscal year 2022-2023, the annual budget is conservative, accomplishes all the objectives of the City, and provides for the necessary levels of services to the citizens of Horseshoe Bay. The 2022 property tax rate is \$0.27000 per \$100 valuation and is unchanged from the previous year. This rate is effectively a 15.9% increase in the tax rate, as compared to the no new revenue tax rate.

GENERAL FUND

In FY 2023, General Fund revenues are projected to be \$1,137,400 or 9.9% higher than the FY 2022 Amended Budget for a total of \$12,586,400. The large increase in budgeted revenue is attributed to the increase in property taxes due to the growth in residential builds and the increase in sales taxes.

At a total of \$11,813,100, General Fund expenditures are \$1,455,350, or 14% higher than the FY 2022 Amended Budget. The biggest factor in the expenditure increase is a 5% merit increase and an average of 5% market adjustment to salaries based on results from the Compensation Study conducted. The FY 2023 Budget includes 3 new part time Firefighters, 1 Communication Director position and added a city-wide Drainage Study.

CAPITAL IMPROVEMENTS FUND

The FY 2023 Capital Improvements Fund has two major projects totaling \$4,200,000. The first is the Street Upgrade project in the amount of \$2,850,000 for improvements to various streets in the City. The second project is the expansion and renovation of the West Fire Station #2 at an estimated cost of \$1,200,000. Both projects are to be funded by Certificates of Obligation supported by ad valorem taxes.

DEBT SERVICE FUND

Series 2022 Certificates of Obligation are planned for FY 2023 in the amount of \$4,100,000. Debt service payments are planned to occur for the 2011, 2014, 2016, 2020 series Certificates of Obligation and the 2020 General Obligation Refunding Series. The I&S tax rate for 2022 is \$0.05639 per \$100 valuation. The majority of the existing debt service is related to financing the improvements to the City's streets and the purchase of equipment.

UTILITY FUND

Projected Utility Fund revenues for FY 2023 are \$1,162,150, or 10.2% higher than the FY 2022 Amended Budget. The revenue increase is mainly due to the new growth of added residential homes throughout the City. For Budget FY 2023 we did not increase rates on water or wastewater. The garbage rates were increased at 3.5% which is in line with our solid waste contract.

In FY 2023, Utility Fund expenditures are \$828,470 or 8.2% higher than the FY 2022 Amended Budget. The expenditure increase is mainly due to the costs associated with taps, grinders, and contract services on new construction, and 5% increase to salaries. The FY 2023 Budget also adds one new full-time position to Plant Operations.

The Utility Fund has a budget of \$2,753,000 for FY 2023 routine capital purchases and projects, which is an increase of \$1,486,000 or 117.2%, from the FY 2022 Amended Budget. These routine capital purchases and projects include purchasing two vehicles and heavy equipment, replacing obsolete grinder systems, pond liner for the Wastewater Treatment Plant, rehabilitation of Blister Gold lift station, Water Storage Tank rehabilitation and installation of 3 self-supporting towers for Internet connectivity.

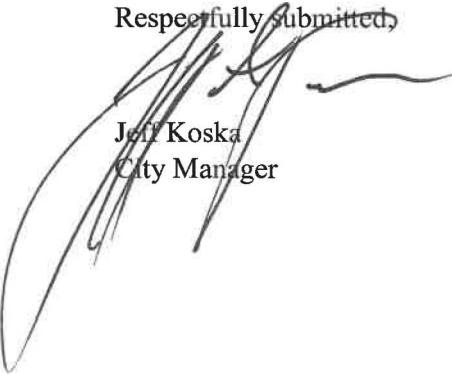
CONCLUSION

The City's overall financial condition is strong and stable. The future will unquestionably provide financial challenges and opportunities, however our continued commitment to sound management of resources, focus on strategic priorities, and continued emphasis on long-range financial planning will facilitate adaptation to changing conditions and strong financial stewardship for the future.

The following budget represents an investment in the City's long-term financial health. The financial program is based on a commitment to the City Council's policies of preserving Horseshoe Bay's quality of life and solid financial position by maintaining sufficient fund balances and reserves and achieving a balanced budget.

Thank you for the opportunity to serve you, our residents, and businesses. We continue to accomplish things uncommon and unimaginable in other cities our size.

Respectfully submitted,


Jeff Koska
City Manager

Profile of Horseshoe Bay, Texas

Although the FY 2023 budget document is primarily a financial document, it is also an opportunity to acquaint you with some of the history, highlights, facilities, and economy of Horseshoe Bay, which make it a great place to visit, live, work, and do business.

CITY GOVERNMENT

The City of Horseshoe Bay operates under a Home Rule Charter with a Council-Manager form of government. The governing body, the Horseshoe Bay City Council, is composed of a Mayor elected by a majority vote and five council members elected “at-large” by a plurality vote. The Mayor and Council members serve staggered two-year terms. The Mayor and Council are responsible for casting a vision and direction for the city, enacting legislation in the form of ordinances and resolutions, adopting and amending budgets, making appointments to the boards and commissions, and determining the general policies of the City.

The Horseshoe Bay City Council meets on the third Tuesday of each month at 3:00 p.m. in the council chambers at City Hall, located at 1 Community Drive in Horseshoe Bay, Texas.

HISTORY OF HORSESHOE BAY

Horseshoe Bay is a unique community located on Lake Lyndon B. Johnson on the border of Llano and Burnet Counties. The community began in the early 1970's with land acquisition by cousins Norman and Wayne Hurd who developed it as an upscale retirement community with a private club and some rental units. It included many amenities featuring three golf courses and two dining facilities. Home sites were developed for full-time and part-time citizens, and many of the homes remain in use as seasonal or vacation homes today.

Horseshoe Bay citizens voted to incorporate as a Class A City under Texas law on September 10, 2005. The boundaries of the city followed those of the Lake LBJ Municipal Utility District, with the exception of The Trails and a 20-acre parcel on the corner of Highway 71 and Ranch Road 2821. These were not included because they were annexed shortly after incorporation.

The first Mayor and City Council were elected at a general election November 8, 2005. They were sworn in at Quail Point in ceremonies November 18, 2005. The Council met for the first time on November 22, 2005 and the council elected officers.

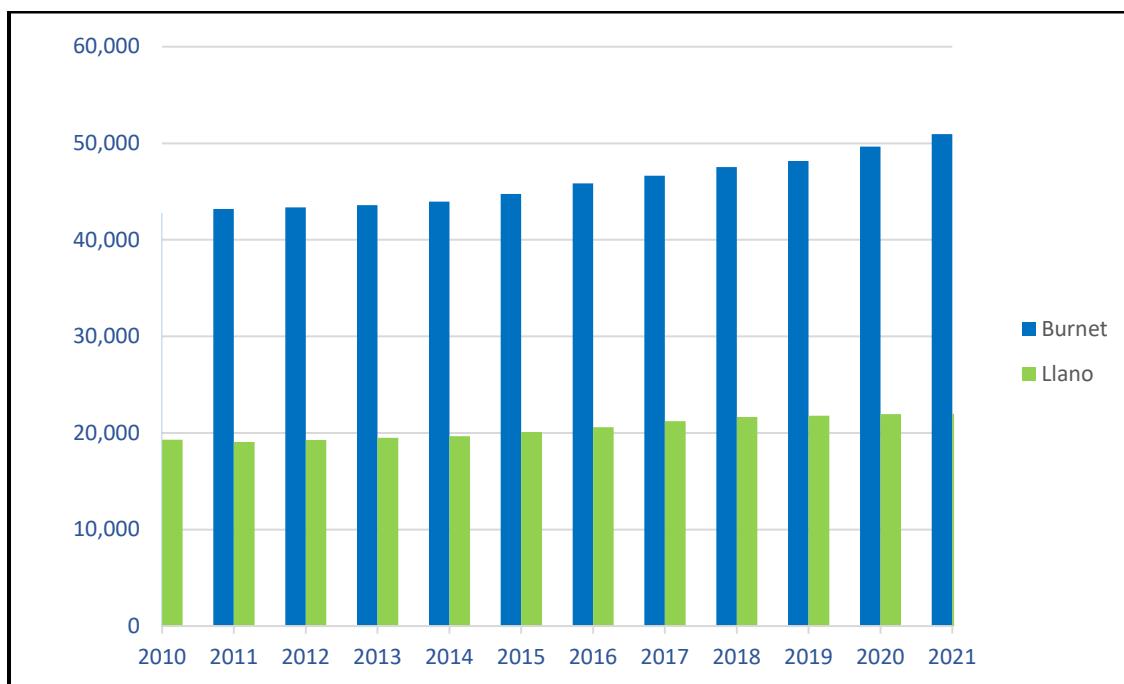


ECONOMY OF HORSESHOE BAY

This section is intended to provide a brief snapshot of the Horseshoe Bay, Llano County, and Burnet County economy. The topics discussed will be the population change in Llano County and Burnet County, the size of the local labor force and unemployment rate, and per capita and household income. Finally, data will be presented which will describe the different industry clusters in Llano County and Burnet County.

Population

The population of Burnet County has seen slow but steady growth since the 2020 US Census. As the areas outside of the City of Austin continue to develop, Burnet County is beginning to see the impact of that growth. Llano County has very little growth since the 2021 US Census and remains very rural.

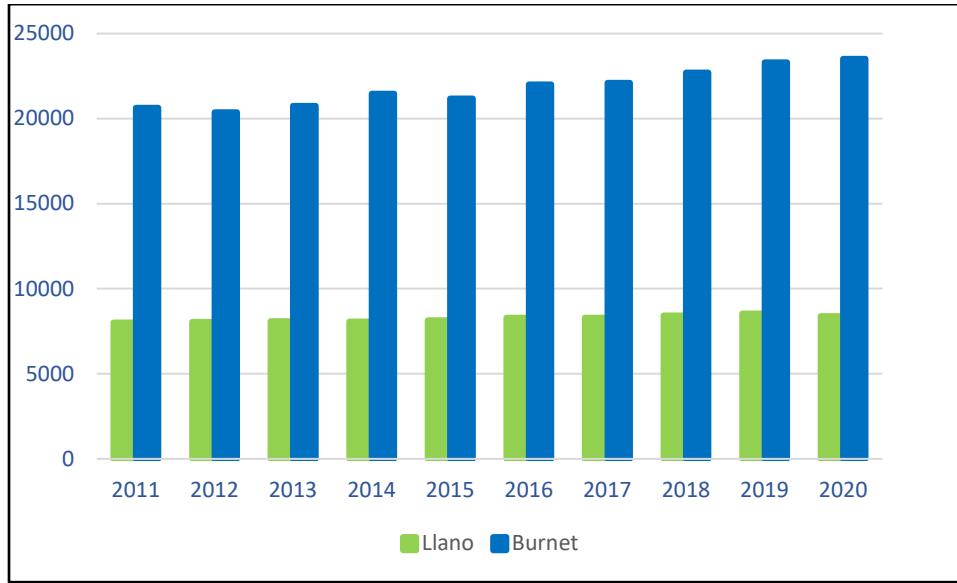


Graph 1 – Population Trends in Burnet County and Llano County – 2010 to 2021

Source: Federal Reserve Economic Data

Labor Force

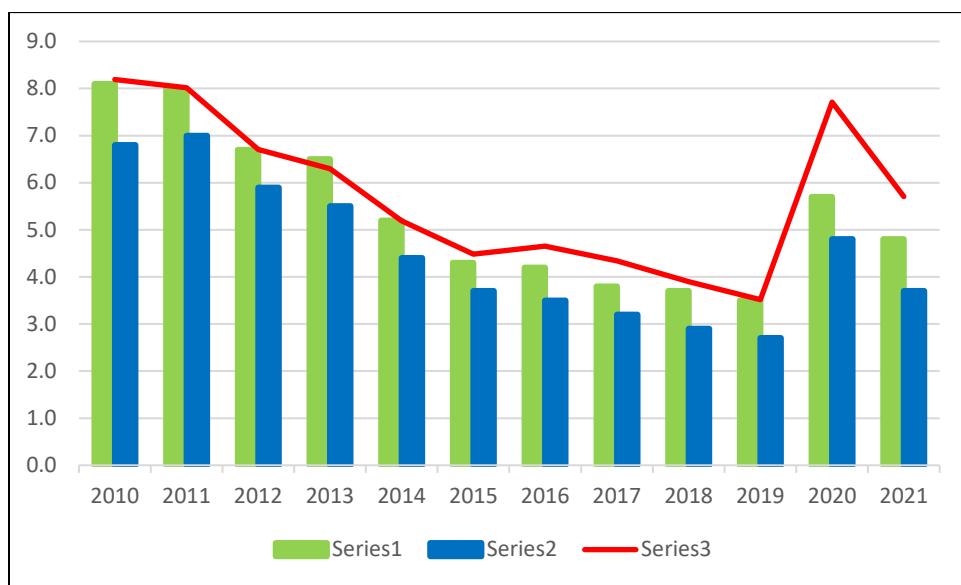
The size of a labor force in a given area can indicate the relative health of the local economy. As graph 2 indicates, the size of the Burnet County labor force has slowly increased from 2010 to the current 2021 level. The size of the Llano County labor force has remained flat, which corresponds with the very small population growth in Llano County over the last 11 years.



Graph 2 – Size of the labor force – Burnet County and Llano County – January 2010 to December 2021
 Source: Federal Reserve Economic Data

Unemployment

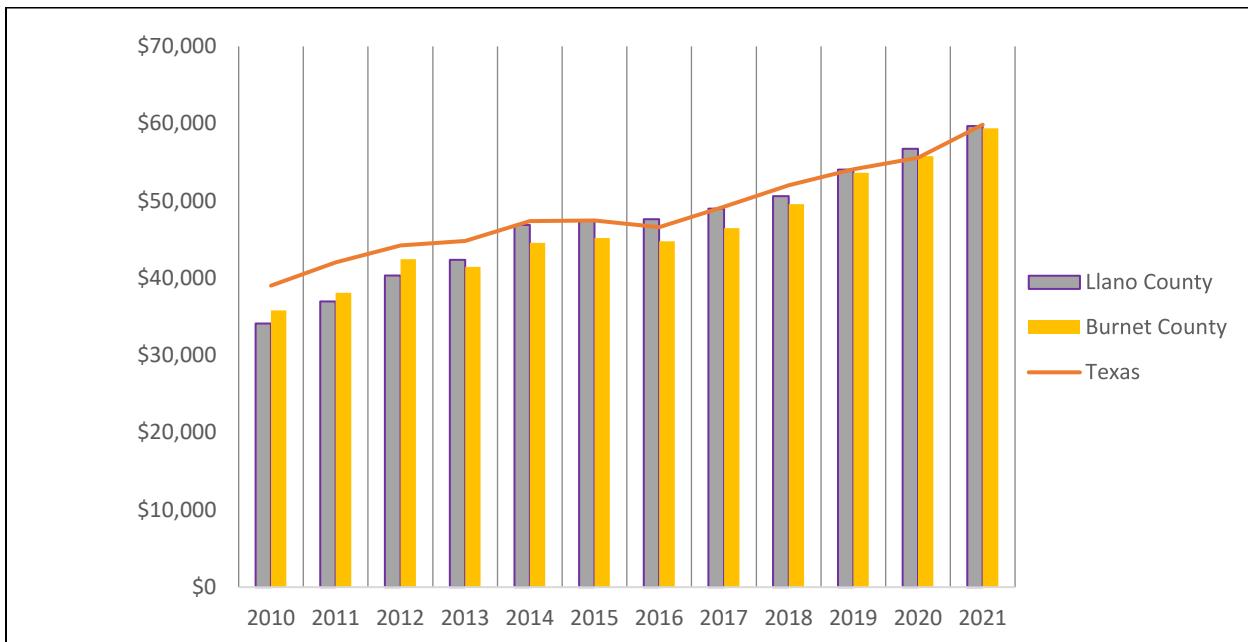
The unemployment rate in Burnet County has consistently been lower than the State of Texas, during 2010 Llano County has been close to the State levels throughout the years. Most recently, both Burnet and Llano County have had a continued increase in unemployment rate, they both have remained below the State's unemployment rate levels.



Graph 3 – Unemployment Rate of Burnet County, Llano County, and State of Texas – 2010 to 2021
 Source: Federal Reserve Economic Data

Income

The per capita income of Burnet County has remained just below the State's level until 2020 where it rose above the State's level. Llano County surpassed the State's per capita income in 2016 and in 2020. Both counties have increased year over year on the per capital income for the last 11 years. Details of the annual comparison is described below.



Graph 4 – Per capita income of Burnet County, Llano County, and the State of Texas – 2010 – 2021

Source: Texas Workforce Commission

Economic Clusters

Economic clusters, according to information from the U.S. Economic Development Administration, are geographic concentrations of competing, complimentary, or interdependent firms and industries that do business with each other and/or have common needs for talent, technology, and infrastructure. This analysis can be beneficial for a small community in an attempt to identify its unique clusters.

For Burnet County, a total of seventeen industrial clusters were identified based on the data accessed. The five strongest industrial clusters in Burnet County are: Construction; Retail Trade; Health Care and Social Assistance; Accommodation and Food Services; and Manufacturing.

Industry	Number of Firms	Number of Employees	Annual Wages
Construction	189	3,142	53,796,000
Retail Trade	150	3,043	67,121,000
Health Care and Social Assistance	112	3,690	106,069,000
Accommodation and Food Services	119	2,579	38,839,000
Manufacturing	69	1174	46,573,000

Table 1 – Burnet County Industrial Clusters – 2021

Source: County Business Patterns www.census.gov

For Llano County, a total of sixteen industrial clusters were identified based on the data accessed. The five strongest industrial clusters in Llano County are: Construction; Retail Trade; Healthcare and Social Assistance; Accommodation and Food Services; Wholesale Trade.

Industry	Number of Firms	Number of Employees	Annual Wages
Construction	74	1,169	12,636,000
Retail Trade	60	667	14,876,000
Health Care and Social Assistance	41	1,571	21,154,000
Accommodation and Food Services	46	768	28,069,000
Wholesale Trade	13	111	10,217,000

Table 2 – Llano County Industrial Clusters – 2021

Source: County Business Patterns www.census.gov

Major Employers

The Horseshoe Bay local economy has a relatively strong service base. Located in the Highland Lakes area and on Lake Lyndon B. Johnson, the Horseshoe Bay area draws a lot of tourism. The second largest employer is Horseshoe Bay Resort, located in the City. Table 3 lists the major employers in the immediate Horseshoe Bay area.

Employer	Industry	Number of Employees
Marble Falls ISD	Education	695
Horseshoe Bay Resort	Resort/Hotel	670
Baylor Scott & White	Healthcare	524
H.E.B. Grocery Company	Grocery Store	319
Wal-Mart Corporation	Discount Retailer	285
Lowes	Home Improvement	127
City of Marble Falls	Municipal Government	125
Home Depot Company	Home Improvement	118
Granite Mesa	Healthcare	115
Johnson-Sewell Ford Lincoln	Auto Industry	107
City of Horseshoe Bay	Municipal Government	103
Gibraltar	Manufacturing	100
Texas Materials	Mining	100
Pedernales Electric Coop	Electric Coop	95

Table 3 – Horseshoe Bay Area Major Employers
Source: Marble Falls Economic Development Corporation

Building Permits as an Indicator

As a source of municipal revenue, building permit receipts are not a major contributor to City coffers. However, they can be used as a measure of the City's growth patterns. As a relatively new city, records for residential building permits begin in 2009. Horseshoe Bay does not currently track commercial building permits. Construction of new homes has been strong since 2014, with new homes averaging over 3,000 square feet. The total number of new homes built in FY 2020 is estimated to be 85. With two major developments in the works. FY 2021 had a significant increase in new home construction.

Year	New Home Construction	
	# Permits	Avg. Sq Ft
FY 2011	14	3,891
FY 2012	25	4,199
FY 2013	36	4,000
FY 2014	48	3,160
FY 2015	49	3,010
FY 2016	63	3,108
FY 2017	80	2,869
FY 2018	94	3,064
FY 2019	92	3,191
FY 2020	85	2,876
FY 2021	169	3,080
FY 2022	225	3,166

Table 4 – Building Permit Issued
Source: City of Horseshoe Bay

Strategic Plan

MISSION STATEMENT:

To serve and protect our citizens while preserving our heritage and planning for our future.

In 2015, the City of Horseshoe Bay created a Long Range Planning Advisory Committee (LRPAC) tasked with updating the City's Comprehensive Plan. In 2016, the Horseshoe Bay City Council adopted the updated Comprehensive Plan that identifies several issues that warrant attention. Those areas are Infrastructure and Technology; Land Use; Economic Development; Environment; and Community Services.

In 2021, The Long Range Planning Advisory Committee was once again tasked with updating the City's Comprehensive Plan. The areas of focus currently are Visioning Community Ideals and Values, Growth Management and Land Use, Protecting and Managing Environment, Technology, and Internet Access, Recreational and Community Amenities, Leadership in Local and Regional Collaboration.

FOCUS AREA: VISIONING, COMMUNITY IDEALS AND VALUES

Goals:

1. Establish a clear identity and path forward for the unique hybrid that is the City of Horseshoe Bay.
2. Build civic pride and a positive brand image for the community.
3. Enhance the "small town" atmosphere within the City.
4. Expand and improve on communication within City government and outreach to citizens.
5. Promote strategic business thinking and strong fiscal management throughout the City government through innovation and performance-based measurements and outcomes.

FOCUS AREA: GROWTH MANAGEMENT AND LAND USE

Goals:

1. Update land use map and associated planning tools for commercial and residential areas.
2. Continue to provide means to assure high-quality construction of new buildings and homes.
3. Improve inspection process for new, remodel, and existing construction.
4. Improve traffic flow of cars within Horseshoe Bay and minimize the through traffic that passes within city limits.
5. Manage inevitable growth moving toward Horseshoe Bay as a result of people seeking to move out of urban areas in search of communities that provide safety and positive lifestyles.

FOCUS AREA: PROTECTING AND MANAGING THE ENVIRONMENT AND LAKE LBJ

Goals:

1. Ensure protection and proper management of Lake LBJ.
2. Promote safety for recreational use of Lake LBJ
3. Responsibly manage Horseshoe Bay's water, land, and other resources.
4. Manage solid waste and recycling in a sustainable manner.
5. Manage deer population/minimize human -deer conflicts

FOCUS AREA: TECHNOLOGY AND INTERNET ACCESS

Goals:

1. To provide high-speed Internet to the entire community.

FOCUS AREA: RECREATIONAL AND COMMERCIAL COMMUNITY AMENITIES

Goals:

1. Updating existing city plans for parks and open space.
2. Promote amenities and economic growth that will reflect the unique nature of Horseshoe Bay and provide commercial amenities currently missing in Horseshoe Bay.
3. Consider developing infrastructure and amenities that will provide more opportunities for a healthy lifestyle.
4. Create centers for public gatherings, entertainment, and socialization consistent with the “small town” atmosphere.

FOCUS AREA: LEADERSHIP IN LOCAL AND REGIONAL COORDINATION

Goals:

1. Continue to provide exceptional service to the citizens and do so in a fiscally conservative and responsible way.
2. Strengthen relationships between the City and its residents, between the City and other government entities, and with public and private enterprises such as the Resort and POAs.
3. Improved postal kiosk service.
4. Advocating that Horseshoe Bay residents “take ownership” of the assets and strengths offered by BS&W Hospital.

FUTURE PLANS:

City Council has put together a new Long Range Planning Advisory Committee (LRPAC) to assess and review the progress of the Comprehensive Plan, and to develop new goals and/or action items for the City in FY 2021. The LRPAC members did not serve on the original committee in 2015 and consist mainly of graduates from the Horseshoe Bay Citizen’s Academy.

Short Term Factors and Budget Guidelines

The objectives of this budget are to meet the demand level needed to maintain services with the significant growth with revenues that are not growing as quickly while making progress towards and implementing the City's long-range plans. Other significant assumptions include:

- **Conservative, but realistic projection of revenues and expenditures.** Conservative projections help ensure that adequate resources will be available to meet budgeted obligations. There is a built-in conservative emphasis, even in the long-range financial forecast models.
- **Annual review of all significant fees.** Major fees are renewed annually and adjusted as needed. Frequent, but moderate, increases are preferable to infrequent, but large, rate increases.
- **Provide quality essential services to accommodate city growth and demand for services.** The FY 2023 Budget has an increase in staffing levels to the Utility services in order to better serve the City's large population growth over the past few years. Keeping response times low and construction times shorter are priorities to the City Council.
- **Maintain competitive tax rates.** Maintaining competitive tax rates is one of the primary goals of the City Council. The City Council held the 2023 tax rate at 0.27, this is the fourth consecutive year in which the same tax rate was adopted.
- **Maintain target fund balances to preserve financial integrity.** This budget exceeds the targeted fund balance position established by the City Council for the General Fund and the Utility Fund. This budget continues to be conservative while maintaining adequate fund balances for both General and Utility Fund. Higher levels of unassigned fund balance can be used to fund major capital projects and purchases instead of issuing debt and increasing the tax rate for the citizens.
- **Wage adjustments.** City Council budgeted a 5% increase to salaries for merit raises effective October 1, 2022. In FY 2023 Council also budgeted for salary adjustments averaging 5%, resulting from a city-wide Compensation Study conducted in FY 2022. City Council has budgeted money for merit increases ranging between 2.5% and 3% over several years.
- **Employee benefits.** The cost of employee insurance benefits did not increase in FY 2023. The health insurance was not increased in FY 2022 as well and was increased at 5% in FY 2021. City Council has not made any changes to employee benefits.

Long Range Financial Forecast

The goal of the Financial Forecast is to look prospectively to anticipate problems and assess opportunities. This exercise also allows the City Council to plan future goals. Some issues identified in this financial forecast are:

- Fund Balance: Ensuring the City's fund balance and cash reserve position so that it complies with the Fund Balance policy. As the size of the operating budget grows, so too should the fund balance.
- Revenue and Expenses; Each year the City reviews the tax and utility rates as well as analyzes how Horseshoe Bay compares with other communities.
- Debt Capacity and other payment requirements.

This forecast has been prepared to provide the following benefits to City leaders:

1. The forecast can be used by the City Council in orchestrating policy decisions with long term implications.
2. The forecast can serve as an aid to both elected and administrative officials in anticipating future fiscal conditions, so that strategies can be developed, and action implemented to correct, minimize, or counteract these potential difficulties.
3. The forecast can assist the City Manager as well as department directors in operational planning.
4. The long-range forecast can result in more accurate estimates of revenues and expenditures during the annual budget process.
5. The forecast can indicate to bond rating agencies and other interested parties that Horseshoe Bay does have a systematic financial planning process in place.
6. The long-range financial forecast can help the public understand that long-term costs associated with current and proposed City activities that may affect the municipal government of Horseshoe Bay.

FORECAST PREPARATION

A forecast is only one component of a financial planning program. The financial forecast, as presented, does not attempt to predict the future; current economic and regulatory conditions can be volatile indicating the forecast is only as good as its underlying assumptions. However, it is the potential for accuracy and the discussion and deliberation stimulated that is the forecast's true benefit.

The long-range forecast contains many underlying assumptions for each projection. Each section details the assumptions used in projecting revenues and expenditures and in some cases, identifies policy changes or environmental factors that may cause inaccuracy.

Forecasting Methodology

The City of Horseshoe Bay uses three basic techniques to forecast revenue and expenditures: expert judgement, trend analysis, and incremental change.

The expert judgment, also known as the “best guess” approach, is used to project some revenues. This method relies on a variety of experts on the City staff as well as outside sources. Trend analysis assumes that revenues and expenditures are a function of linear factors, most often time. Once revenues or expenditures are separated into line item accounts, the City's future activity can be projected based upon trends experienced over the past several years. At a minimum, data collection over the past five years is used.

Expenditures and revenues are also forecast using an incremental and deterministic model unless specifically denoted. This assumes a consistent level of services, unless otherwise noted, that accounts for inflation yet ignores service enhancement or improvement. Personnel expenditures reflect cost of living adjustments and increases to volatile health insurance costs, as well as staffing increases. The forecast separates expenditures by prime accounts and provides for an annual inflation factor.

General Fund Revenue Assumptions

Property tax collections are projected using the following assumptions and methodology:

- The net taxable values for FY 2023 are certified and provided by the Llano County Appraisal District (LCAD) and the Burnet County Appraisal District (BCAD). The values increased at 17% for FY 2023.
- The net taxable values for FY 2024 are calculated at 9% annual increase, FY 2025 through FY 2027 are calculated at a 7% annual increase. This amount reflects a conservative actual trend of growth which is supported by a significant increase in new construction offset by depreciation in existing properties.
- The property tax revenue and tax rate projections are based on the maximum tax increase allowed by current state laws.

Sales tax revenues are projected to increase by approximately \$110,000 for FY 2023, FY 2024 through FY 2025 projected to increase about \$94,000 each year, then it increases to approximately \$125,000 each year through the forecast period. Sales tax revenues increased 39% in FY 2022. The City held an election in November 2021 in which the voters approved an additional .25% increase on the sales tax rate within the city. Mixed beverage tax revenues are projected to increase by approximately \$3,500 each year throughout the forecast period.

Franchise revenues were examined at a line item level. Historically, the electricity franchise has generated revenue in a tight range; with little projected growth this trend will continue. The cable franchise revenues have been holding steady, even with more customers nationwide switching to non-franchise collected satellite services and streaming services. The topography of the area makes cable services more reliable than satellite, and the current lack of high-speed internet in Horseshoe Bay limits the option of television streaming service options. As the City is currently working on bringing high-speed internet services to the residents of Horseshoe Bay, there could eventually be a decrease in the cable franchise revenues.

Each year the Utility Fund transfers funds to the General Fund to offset the costs of administering the Utility Department. This is the third year we analyzed the true costs associated with the administration of the Utility Department and the amount was increased by \$42,250 for FY 2023. The transfer is expected to increase in proportion to rising costs of administrative employees, insurance costs, and services such as attorney and audit fees. The forecast model uses an annual increase of 3%.

The revenue streams of Municipal Court, Emergency Services, Mowing and Clearing, Street Maintenance, Interest, and Miscellaneous are all expected to be stable with little variation over the forecast period.

The Development Services department has experienced a growth in their building permits revenue by over 20% in FY 2022 and is projected to be the same in FY 2023. From FY 2024 through FY 2027 we project at 5%.

General Fund Expenditure Assumptions

Salary costs of current positions are expected to increase by approximately 3% each year, based on historical data. This includes increases to wages, employment taxes, and employer retirement contributions. Health insurance premiums are projected to increase 11% each year, which has been the average increase over several years. The personnel expense projections also include new positions and the estimated costs with each of those positions. As the population of Horseshoe Bay continues to grow each year, the City is adding personnel to accommodate the growth. Department heads review their staffing needs and project on a 5-year basis to determine when those new positions may need to be added.

Operating expenses were projected line by line by each department head. As experts in their own fields, the department heads are in the best position to estimate what is needed for the departments over the next five years. Routine capital expenses are derived from the City's 5 Year Capital Improvement/Needs Assessment Plan, which were also developed by each department's individual needs.

Utility Fund Revenue Assumptions

For the purposes of this forecast, the following are assumed for Utility Fund revenue projections:

- Water service rates are not budgeted to increase in FY 2023. The Utility fund has been working on achieving the City's financial goal of 3-month operational cash reserves and was able to meet this goal in FY 2021 and continues to maintain the 3-month operational cash reserves.. Water service rates are estimated to increase 5% in FY 2024 through FY 2027. Rates are reviewed annually.
- Wastewater rates are not budgeted to increase in FY 2023. The wastewater service fee rates are estimated to increase 5% in FY 2024 through FY 2027. Rates are reviewed annually.
- Solid Waste revenues will increase 3.5% in FY 2023 and each year after that as per the City's contract with the garbage collection company.
- Other revenues are expected to remain constant or have a minimal increase of 2%-3% over the forecast period.

Utility Fund Expenditure Assumptions

Salary costs of current positions are expected to increase by approximately 3% each year, based on historical data. This includes increases to wages, employment taxes, and employer retirement contributions. Health insurance premiums are projected to increase 11% each year, which has been the average increase over several years. The personnel expense projections also include new positions and the estimated costs with each of those positions. As the population of Horseshoe Bay continues to grow each year, the City is having to add personnel to accommodate the growth. Department heads review their staffing needs and project on a 5-year basis to determine when those new positions may need to be added.

Operating expenses were projected line by line by the supervisors and the department head. As experts in their own fields, the supervisors and department head are in the best position to estimate what is needed for the departments over the next five years. Debt Service expenses reflect the City's issuance of Certificates of Obligations for projects related to the plants and the utilities infrastructure. Routine capital expenses are derived from the City's 5 Year Capital Improvement/Needs Assessment Plan, which were also developed by each department's individual needs.

General Fund Revenue Forecast

	FY 2020 Actual	FY 2021 Actual	Estimated FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Property Taxes	5,055,693	5,515,085	5,920,000	6,470,300	7,277,916	7,901,556	8,575,361	9,296,092
Property Taxes - P&I	40,318	60,745	50,000	55,000	56,170	57,348	58,535	59,731
Sales Taxes	1,427,303	1,858,521	2,473,500	2,597,200	2,701,178	2,809,135	2,949,579	3,096,946
Mixed Beverage Taxes	68,696	97,385	100,000	105,000	108,100	111,468	114,854	118,261
Emergency Services	394,122	405,532	505,950	432,250	408,280	427,119	456,775	467,501
Franchise Fees	240,383	231,274	225,750	232,550	237,017	241,490	244,121	246,753
Development Services	382,938	486,239	582,900	691,250	715,300	691,427	724,924	814,583
Municipal Court	84,912	66,964	68,150	60,100	62,050	63,991	65,817	67,345
Transfers	749,000	551,893	618,250	660,500	680,215	700,533	721,460	742,996
Interest	43,300	3,722	30,000	15,000	15,500	15,955	16,364	16,975
Mowing & Clearing	521,730	455,628	500,000	570,000	570,000	570,000	580,000	580,000
Street Maintenance	513,669	577,878	668,350	669,250	695,990	723,769	752,598	782,739
Miscellaneous	68,538	249,510	548,500	28,000	10,000	10,250	10,000	10,250
TOTAL	9,590,602	10,560,376	12,291,350	12,586,400	13,537,717	14,324,041	15,270,388	16,300,172

General Fund Expenditure Forecast

	FY 2020 Actual	FY 2021 Actual	Estimated FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Personnel Costs	5,948,153	6,389,963	6,561,668	7,169,951	7,535,781	8,310,416	8,954,388	9,336,664
Operating Expenses	3,509,921	3,106,742	3,316,700	4,643,151	3,323,343	3,468,591	3,550,723	3,663,702
Routine Capital Expenses	519,060	242,125	242,125	222,000	274,000	380,500	305,000	1,223,000
TOTAL	9,977,134	9,738,830	10,120,493	12,035,101	11,133,124	12,159,506	12,810,112	14,223,367

General Fund Excess/(Deficit) Forecast

	FY 2020 Actual	FY 2021 Actual	Estimated FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Revenues less Expenditures	(386,532)	821,546	2,170,857	551,298	2,404,593	2,164,535	2,460,276	2,076,805
Less: Transfer to Capital Improvements Fund for Capital Projects			-	-	(775,000)	(2,920,000)	(850,000)	(2,950,000)
Estimated Ending Fund Balance	4,216,412	6,387,269	6,938,567	8,568,160	7,812,695	9,422,971	8,549,777	
Less: Restricted Fund Balance	(2,500,000)	(2,500,000)	(2,953,275)	(2,714,781)	(2,944,752)	(3,126,278)	(3,250,092)	
Less: Restricted PEG Reserve Fund Balance		(40,327)	(7,527)	-				
Less: Restricted Friends of Fuchs House Fund Balance		(35,514)	(35,514)	(35,514)	(35,514)	(35,514)	(35,514)	
Less: Restricted for Building		(500,000)	(3,900,000)	(3,900,000)	(3,900,000)	(3,900,000)	(4,400,000)	
Estimated Ending Unassigned Fund Balance	1,716,412	3,382,456	42,251	1,917,865	932,430	2,361,180	864,171	

Est. Property Tax Rate:	0.27000						
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Utility Fund Revenue Forecast

	FY 2020 Actual	FY 2021 Actual	Final FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Water Service Revenues	5,046,555	5,126,282	5,675,550	5,781,400	6,067,860	6,363,885	6,665,823	6,980,646
Wastewater Service Revenues	3,443,086	4,274,725	4,393,750	4,561,900	4,761,096	4,954,472	5,171,412	5,398,724
Solid Waste Service Revenues	1,101,200	1,203,978	1,265,000	1,328,600	1,372,429	1,417,162	1,463,306	1,511,116
Other Revenues	313,703	1,069,975	851,200	809,250	298,010	298,012	298,009	297,996
TOTAL	9,904,544	11,674,960	12,185,500	12,481,150	12,499,395	13,033,532	13,598,549	14,188,482

Utility Fund Expenditure Forecast

	FY 2020 Actual	FY 2021 Actual	Final FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Personnel Costs	2,305,745	2,613,298	2,432,348	2,825,500	3,121,718	3,325,035	3,594,937	3,816,505
Operating Expenses	4,196,430	4,460,603	5,833,917	6,376,651	6,157,179	6,177,895	6,269,467	6,376,824
Debt Service Obligations	1,628,036	1,465,249	1,713,250	1,710,820	1,711,750	1,709,250	1,721,500	1,721,000
Routine Capital Expenses	486,088	708,660	752,000	478,000	565,000	795,000	585,000	610,000
TOTAL	8,616,299	9,247,810	10,731,515	11,390,970	11,555,647	12,007,180	12,170,904	12,524,329

of months Personnel, Operatin **4.32** **4.19** **4.81** **3.29** **2.76** **1.29** **1.39** **2.36**

Utility Fund Excess/(Deficit) Forecast

	FY 2020 Actual	FY 2021 Actual	Final FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Less: Major Capital Projects	\$ (5,071,750)	\$ (1,533,169)	\$ (715,000)	\$ (2,275,000)	\$ (1,275,000)	\$ (2,275,000)	\$ (1,300,000)	\$ (700,000)
Revenues less Expenditures	(3,783,505)	893,981	738,985	(1,184,820)	(331,252)	(1,248,648)	127,645	964,153
Estimated Ending Fund Balance	2,804,485	3,145,155	3,884,140	2,699,320	2,368,068	1,119,420	1,247,064	2,211,218
Less: Restricted Fund Balance (3 months expenditures)				(2,420,038)	(2,460,977)	(2,574,482)	(2,612,351)	(2,700,832)
Estimated Ending Unrestricted Fund Balance				279,283	(92,909)	(1,455,063)	(1,365,287)	(489,615)

Est. Annual Rate Increase %: **15%** **9%** **0%** **0%** **5%** **5%** **5%**

FUND BALANCE

The City revised its Fiscal Administration Policy in FY 2017 and FY 2018. The Policy directs General Fund reserve balances to be a minimum of the greater of \$2.5 million or 3 months of annual expenditures. The Policy also directs the Utility Fund to begin creating a cash reserve not to exceed 3 months of personnel and general operating expenditures. The Utility Fund met this goal in FY 2021 and continues to maintain the 3 months of operating expenditures in their fund balance.

However, the City's actual cash position will always be different than the amount reflected in the financials. Included in reported fund balance are various receivables and other non-cash assets. It is important to note that the fund balance position is not a true cash position.

A growth in expenditures without corresponding balance growth would bring the City closer to non-compliance with the policy. The City will need to identify options for maintaining sufficient fund balances to comply with this policy. For example, for every \$100,000 in expenditure growth, an additional \$25,000 would need to be added to the reserve balance.

TAX RATE AND DEBT SERVICE

Tax Supported Debt

The City has four debt instruments serviced through the property tax supported debt service fund. The 2020 Refunding CO's was issued to refund the 2011 CO's. The sole purpose for the refunding was for cost savings on interest due to lower rates. The forecast period's debt schedule is shown below.

General Fund Supported Debt - Principal and Interest

Year	2014 CO's	2016 CO's	2020 Refunding CO's	2020 CO's	Annual Total
2022	306,346	119,350	387,350	248,500	1,061,546
2023	307,896	121,350	385,550	250,100	1,064,896
2024	308,896	118,200	386,450	251,600	1,065,146
2025	308,871	119,000	390,150	253,000	1,071,021
2026	308,246	119,600	393,650	249,300	1,070,796
2027	307,471	0	388,650	250,600	946,721
2028	311,215	0	385,050	251,800	948,065

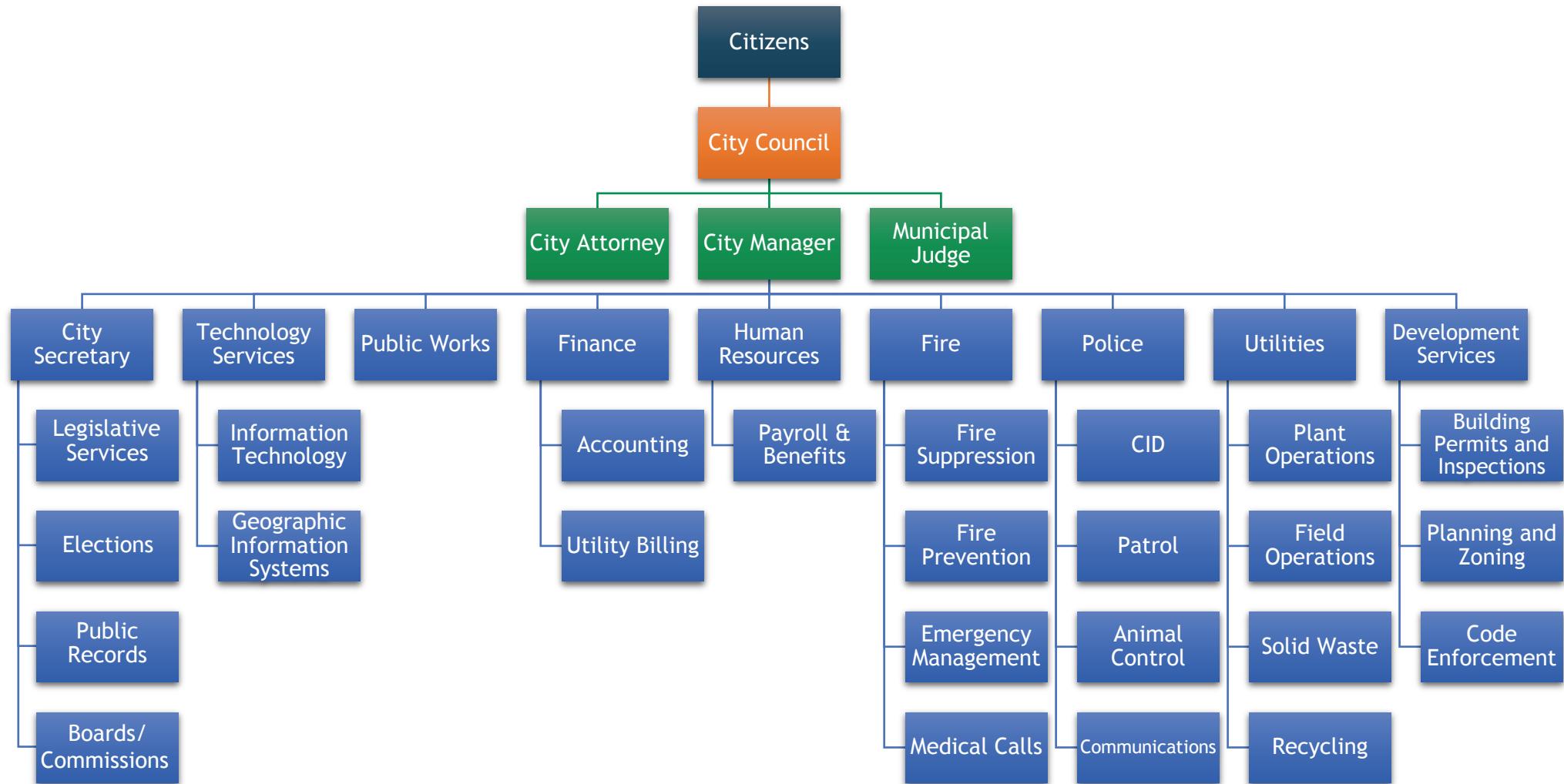
Utility Fund Debt

The Utility Fund has five debt instruments, including refunding bonds for debt that was inherited from the Lake LBJ Municipal Utility District when the City incorporated in 2005. The 2016 CO's payments are paid for through the Summit Rock Public Improvement District. The assessments are collected annually through the property owners' property tax bills. The 2019 CO's was issued for the Wastewater Plant expansion and is being repaid from the Utility Fund. The 2020 series was issued to refund the 2011 CO's due to lower interest rates. The forecast period's debt schedule is shown below.

Utility Fund Supported Debt - Principal and Interest

Year	2007 CO's	2014 CO's	2016 CO's	2019 CO's	2020 Ref CO's	Annual Total
2021	547,108	267,885	247,700	156,850	243,700	1,463,243
2022	545,342	269,935	247,750	406,850	241,600	1,711,477
2023	542,970	266,935	247,650	406,850	244,200	1,708,605
2024	544,992	268,498	252,400	406,450	248,400	1,720,740
2025	546,206	274,085	249,400	405,650	244,400	1,719,741
2026	546,612	269,135	251,200	409,450	240,400	1,716,797
2027	546,210	274,035	0	407,650	244,200	1,472,095

Organizational Chart



Staffing Chart

Department	Job Title	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
GENERAL FUND						
Administration	City Manager	1	1	1	1	1
	City Secretary	1	1	1	1	1
	Records & Information Manager	0	0	1	1	1
	Finance Director	1	1	1	1	1
	Finance Supervisor/Court Administrator	1	1	1	1	1
	Finance Clerk/Municipal Court Clerk	1	1	1	1	1
	Finance Administrative Assistant	0	1	1	1	1
	HR Administrator	1	1	1	1	1
	HR Director	1	1	1	1	1
	Communications Director	0	0	0	0	1
	Subtotal - Administration	7	8	9	9	10
Technical Services	IT Administrator	1	1	1	1	1
	GIS Administrator	1	1	1	1	0
	Subtotal - Technical Services	2	2	2	2	1
Fire Department	Fire Chief	1	1	1	1	1
	Assistant Fire Chief	1	1	1	1	0
	Fire Marshall	0	0	0	0	1
	Captain	3	3	3	3	3
	Lieutenants	3	3	3	3	3
	Engineer	6	6	6	6	6
	Firefighter	6	9	9	9	9
	Part Time Firefighter	2	1.5	0	0	1.5
	Subtotal - Fire Department	22	24.5	23	23	24.5
Police Department	Police Chief	1	1	1	1	1
	Assistant Police Chief	1	1	1	1	1
	Captain	1	1	1	1	1
	Lieutenant	2	2	2	2	2
	Criminal Investigator	3	3	3	3	3
	Police Sergeant	2	2	2	2	2
	Police Officer	8	8	10	10	10
	Animal Control Officer	1.5	1.5	1.5	1.5	1.5
	Communication Operator	2.5	3	3	3	4
	Subtotal - Police Department	22	22.5	24.5	24.5	25.5
Development Services	Development Services Director	1	1	1	1	1
	Assistant Planner	1	1	1	1	0
	Senior Planner	0	0	0	0	1
	Dev. Services Superv./Dep. Bldg Official	0	0	1	1	0
	Code Enforcement Officer	1	1	1	1	1
	Code Compliance Officer	0	1	1	1	1
	Code Compliance Officer/Inspector	0	0	0	0	1
	Dev. Services Admin. Technician	0	0	1	1	1
	Development Services Technician	2	2	1	1	1
	Permit Technician	0	0	0	0	1
	GIS Administrator	0	0	0	0	1
	Subtotal - Development Services	5	6	7	7	9
Public Works	Public Works Director	1	1	1	1	1
	Public Works Assistant	0	1	1	1	1
	Subtotal - Street Maintenance	1	2	2	2	2
TOTAL GENERAL FUND		59	65	67.5	67.5	72

Department	Job Title	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
UTILITY FUND						
Administration	Utilities Director	1	1	1	1	1
	Technical Administrator	1	1	1	1	1
	Water Conservation/Inspector	1	1	1	1	1
	Purchasing Coordinator	0	1	1	1	1
	Dispatcher	0	1	1	1	0
	Utilities Office Manager	1	1	1	1	1
	Customer Service Clerk	2	2	2	2	2
	Administrative Assistant	0	0	1	1	1
	Senior Electrician Technician	0	0	0	0	1
	Subtotal - Administration	6	8	9	9	9
Plant Operations	Plant Operations Supervisor	1	1	1	1	1
	Plant Operator	4	4	4	4	6
	Water Quality Technician	1	1	1	1	0
	Chief Operator	1	1	1	1	0
	Maintenance Operator	0	0	1	1	1
	Maintenance Foreman	0	0	0	0	1
	SCADA Technician	1	1	1	1	1
	Recycle Monitor - Full Time	1	1	1	1	2
	Recycle Monitor - Part Time	0.5	0.5	1	1	0.5
	Subtotal - Plant Operations	9.5	9.5	11	11	12.5
Field Operations	Field Operations Supervisor	1	1	1	1	1
	Crew Lead	2	2	2	2	1
	Field Operator	9	9	9	10	11
	Field Technician	1	1	1	1	0
	Utilities Dispatcher	0	0	0	0	1
	Warehouse Technician	0	0	1	1	1
	Subtotal - Field Operations	13	13	14	15	15
TOTAL UTILITY FUND		28.5	30.5	34	35	36.5
TOTAL FULL-TIME & PART-TIME CITY EMPLOYEES (106 full time, 5 part time)		87.5	95.5	101.5	102.5	108.5

Budget Format

This budget document seeks to present much more information for the reader to better understand the operations of the City of Horseshoe Bay.

The information included in the budget is organized into columns (financial data over time) and budget units. The financial information contained in the budget is as follows.

FY 2020 Final Actuals – Actual revenues, expenditures, and fund balances recorded for the period ending September 30, 2020.

FY 2021 Final Actuals – Actual revenues, expenditures, and fund balances recorded for the period ending September 30, 2021.

FY 2022 Amended Budget – The budget as approved and amended by the City Council for the current fiscal year ending September 30, 2022, including revenues, expenditures, and fund balances.

FY 2022 Projected Actuals – Estimated revenues, expenditures, and fund balances recorded for the period ending September 30, 2022.

FY 2023 Adopted Budget – Budgeted amounts for each category for the fiscal year ending September 30, 2023.

Budget Process

The budget process began with requests to the different department heads for budget proposals and capital requests. City staff consolidated those requests and compared them to revenue estimates for the upcoming year. The City Council held extensive budget workshops to prioritize the budget requests and to provide their input on funding priorities.

A more detailed budget calendar is listed on the next page.

Budget Adoption

The budget must be adopted by the City Council prior to October 1 each year in order to set the property tax rate. Public hearings are held and when completed, it is given final approval by the Mayor and City Council.

Amending the Budget

As the fiscal year progresses, situations may sometimes arise that were not anticipated and affect the budget. From time to time, the City Manager may present the council with requests for budget amendments. All budget amendments require City Council approval.

Budget Calendar

April 11, 2022 – Draft budget format sent to Department Heads

May 11, 2022 – Department Heads return first departmental drafts to Finance Director

May 16 – 20, 2022 – Department Heads meet with Finance Director to discuss submissions, make revisions as necessary

June 3, 2022 – Final department budget drafts due to City Manager

June 6 – 10, 2022 – City Manager and Finance Director review budget data with Department Heads; Budget book development begins

June 20 - 24, 2022 – City Manager reviews budget data with Mayor

July 8, 2022 – Final consolidated proposed budget is provided to City Council

July 18, 2022 – City Council holds the first budget workshop

August 19, 2022 – Proposed budget is filed with the City Secretary and is available for public review

August 30, 2022 – City Council holds the second budget workshop

September 20, 2022 – City Council adopts tax levy and proposed budget

October 1, 2022 – New budget is implemented

For More Information

The budget document summarizes and condenses a substantial amount of information in order to avoid a cumbersome document. However, there are times that more detailed information may be needed, or further explanation required. In these instances, citizens and users may contact City Hall at 830-598-9907 to have their questions answered. City Hall is open Monday through Friday from 8:00 a.m. to 5:00 p.m.

For additional information about the City, to download important forms and applications, and to view meeting agendas please visit the City of Horseshoe Bay website at www.horseshoe-bay-tx.gov.

Budget Philosophy

The City Council annually adopts a spending and tax collection plan to fund service provisions for the citizens and businesses of Horseshoe Bay. The Council has made taxing and spending decisions operating with established principles or philosophical foundation. A balanced budget is defined as recurring revenues funding recurring expenditures and adherence to fund balance policies. One-time sources will be avoided as budget balancing techniques. One-time revenues may be used to finance non-recurring expenditures. These values provide guidance for staff in developing the City's budget.

1. To link comprehensive and strategic plan components to the annual operating budget.
2. The realignment of organizational priorities to focus more efforts on those capital projects that will affect long term growth of the City. These projects include:
 - a. Quality of life projects (parks, trails, etc.) that seek to make Horseshoe Bay a more desirable place to live.
 - b. Sustainable growth projects (water/wastewater system upgrades, streets, etc.).
3. Providing a reasonable property tax rate that minimizes the property tax burden on citizens and commercial property.
4. Sustaining current levels of service that our citizens have come to expect of Horseshoe Bay.
5. Ensuring a competitive city workforce by maintaining a competitive pay and benefits schedule.
6. The moderate growth of financial reserves to a targeted level, to ensure that the City has sufficient cash to continue operations through a short-term disruption of income. This is to ensure our ability to provide uninterrupted services during times of disaster or short-term economic decline.
7. Continue to be good stewards of the taxpayer's money by keeping a balanced budget where expenditures do not exceed revenue and maintaining a solid credit rating.

Fund Structure and Basis of Budgeting

The City of Horseshoe Bay uses multiple funds through which to accomplish its goals. Governmental funds are used to account for the City's general service provision activities and use the modified accrual basis of budgeting. Most City departments receive their funding from these Governmental Funds. The City's Governmental Funds include:

- General Fund – This fund includes major financial resources of the City except those required to be accounted for in another fund. Major funding sources include property taxes, sales tax, franchise fees, contracts with other entities, and transfers from other funds.
- Debt Service Fund – This fund is budgeted to service the repayment of principal and interest expenses relating to the various tax supported debt instruments the City has issued.
- Capital Improvement Fund – All capital projects (e.g. bond funded projects) are operated through this fund. Utility capital projects are not operated through this fund.
- Child Safety Fund – This fund is budgeted to account for collection of the child safety fee from each conviction and funds are to be used for specific purpose related to record revenue and expenditures related to municipal court citations
- Court Technology Fund- This fund is to account for collection of the court technology fee from each conviction and funds are to be used for technology expenses related to the municipal court and the building where the court resides.
- Court Security Fund – This fund is to account for collection of the court security fee from each conviction and funds are to be used for the municipal court and the building where the court resides.

Proprietary Fund types use the accrual basis of budgeting. Revenues are recorded when earned and expenses are recognized when liabilities are incurred. The City's Proprietary Funds include:

- Enterprise Fund – The Utility Fund is budgeted to account for those City operations that mirror a private business, where the intent is to provide a good or service to customers which are financed through user charges. This budget is presented as a modified accrual basis to enhance the understanding of how funds are used.

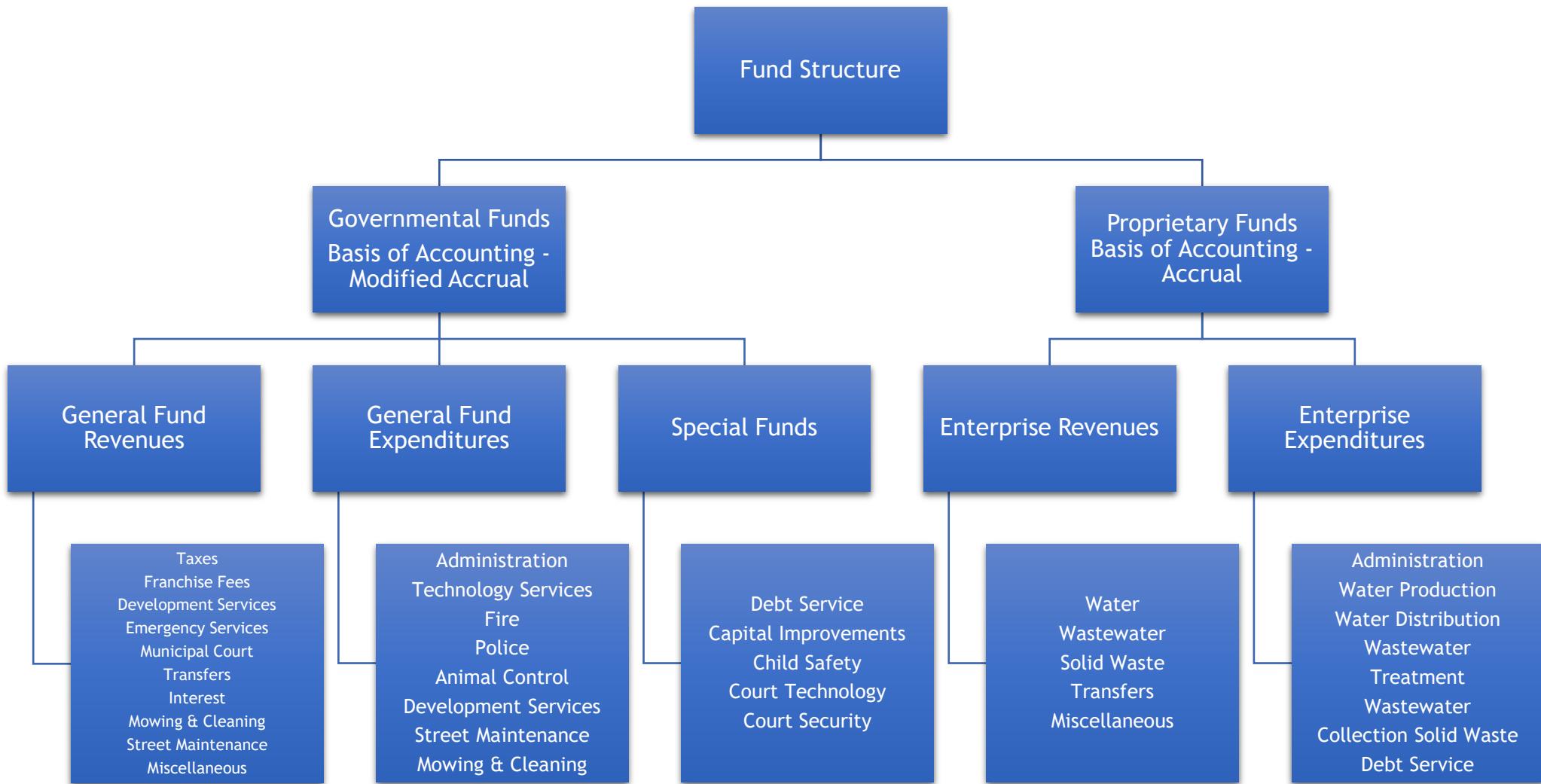
Basis of Accounting

Basis of accounting refers to the point in time where revenues and expenditures are recognized in the City's financial system and statements.

The modified accrual basis of accounting recognizes revenues when they become available and recognizes liabilities when they are incurred. The Governmental Funds use this basis of accounting.

The accrual basis of accounting recognizes events regardless of when the transaction occurs. The concept is to match incoming revenues to outgoing expenses when a transaction occurs rather than when cash is exchanged. The benefit of this approach is to provide a longer-term view of the City's financial position. The Proprietary Funds use this basis of accounting.

Fund Structure



Consolidated Fund Presentation

	GOVERNMENTAL FUND TYPES							ENTERPRISE FUND TYPE	TOTAL ALL FUNDS
	General Fund	Debt Service	Capital Improvement	Child Safety	Court Technology	Court Security	Utility Fund		
BEGINNING BALANCE	\$ 6,373,433	\$ 75,573	\$ 310,992	\$ 24,220	\$ 6,791	\$ 8,652	\$ 3,884,140	\$ 10,683,801	
REVENUES:									
Property Taxes	6,525,300	1,704,750							8,230,050
Sales Taxes	2,597,200								2,597,200
Permits & Licenses	683,500								683,500
Charges for Services	1,604,250							11,671,900	13,276,150
Fines and Penalties	60,100			6,500	1,000	1,000			68,600
Interest	5,000	500	-				3,500		9,000
Miscellaneous Receipts	450,550						805,750		1,256,300
Bond Proceeds			4,250,000						4,250,000
Transfers	660,500								660,500
TOTAL REVENUES	\$ 12,586,400	\$ 1,705,250	\$ 4,250,000	\$ 6,500	\$ 1,000	\$ 1,000	\$ 12,481,150	\$ 31,031,300	
EXPENDITURES:									
Personnel	7,676,500						3,001,200		10,677,700
Supplies	482,700						1,037,000		1,519,700
Contractual	2,677,600						2,741,500		5,419,100
Utilities	90,000						416,700		506,700
Sundry	591,850			6,000	1,500	-	154,750		754,100
Maintenance	294,450						1,190,500		1,484,950
Capital	222,000		4,200,000				2,753,000		7,175,000
Fund Transfers	-						660,500		660,500
Debt Service	-	1,716,200					1,710,820		3,427,020
TOTAL EXPENDITURES	\$ 12,035,100	\$ 1,716,200	\$ 4,200,000	\$ 6,000	\$ 1,500	\$ -	\$ 13,665,970	\$ 31,624,770	
REVENUE OVER/(UNDER) EXPENDITURES	551,300	(10,950)	50,000	500	(500)	1,000	(1,184,820)		(593,470)
ENDING BALANCE	<u>\$ 6,924,733</u>	<u>\$ 64,623</u>	<u>\$ 360,992</u>	<u>\$ 24,720</u>	<u>\$ 6,291</u>	<u>\$ 9,652</u>	<u>\$ 2,699,320</u>	<u>\$ 10,090,331</u>	



CITY OF HORSESHOE BAY
FY 2023 General Fund Budget - 02

Estimated Beginning Fund Balance:	\$ 3,781,398	\$ 3,562,157	\$ 4,383,703	\$ 4,383,703	\$ 6,373,433
	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Revenues:					
Administration	\$ 902,426	\$ 867,216	\$ 1,250,500	\$ 1,234,900	\$ 748,600
Fire	\$ 348,529	\$ 375,513	\$ 392,000	\$ 448,800	\$ 390,500
Emergency Service District	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
Tax	\$ 6,628,526	\$ 7,492,747	\$ 7,894,000	\$ 8,495,750	\$ 9,172,850
Police	\$ 36,593	\$ 21,019	\$ 44,500	\$ 48,150	\$ 32,750
Development Services	\$ 382,938	\$ 486,239	\$ 553,250	\$ 582,900	\$ 691,250
Public Works	\$ 717,560	\$ 849,292	\$ 840,750	\$ 941,850	\$ 956,450
Mowing & Clearing	\$ 521,730	\$ 455,628	\$ 460,000	\$ 500,000	\$ 570,000
Interest Income	\$ 43,300	\$ 3,722	\$ 5,000	\$ 30,000	\$ 15,000
Total Revenues	\$ 9,590,602	\$ 10,560,376	\$ 11,449,000	\$ 12,291,350	\$ 12,586,400
Expenditures:					
Administration	\$ 2,771,949	\$ 2,301,479	\$ 2,436,000	\$ 2,203,350	\$ 2,861,000
Technology Services	\$ 199,345	\$ 270,138	\$ 351,500	\$ 323,370	\$ 219,100
Fire	\$ 2,511,747	\$ 2,505,575	\$ 2,774,000	\$ 2,693,300	\$ 2,935,100
Police	\$ 2,114,975	\$ 2,250,346	\$ 2,359,250	\$ 2,349,300	\$ 2,956,050
Animal Control	\$ 159,735	\$ 176,822	\$ 206,500	\$ 152,600	\$ 211,650
Development Services	\$ 635,531	\$ 750,675	\$ 895,250	\$ 868,200	\$ 1,177,450
Public Works	\$ 465,909	\$ 595,641	\$ 710,250	\$ 698,250	\$ 797,750
Mowing & Clearing	\$ 598,883	\$ 646,029	\$ 625,000	\$ 590,000	\$ 655,000
Total Expenditures	\$ 9,458,074	\$ 9,496,705	\$ 10,357,750	\$ 9,878,370	\$ 11,813,100
Capital Purchases	351,769	242,125	423,250	423,250	222,000
Total Capital Purchases	\$ 351,769	\$ 242,125	\$ 423,250	\$ 423,250	\$ 222,000
Revenues Less Expenditures	\$ (219,241)	\$ 821,546	\$ 668,000	\$ 1,989,730	\$ 551,300
Estimated Ending Fund Balance:	\$ 3,562,157	\$ 4,383,703	\$ 5,051,703	\$ 6,373,433	\$ 6,924,733
Less: Restricted Reserve Fund Balance			\$ 2,500,000	\$ 2,500,000	\$ 2,953,275
Less: Restricted PEG Reserve Fund Balance			\$ 64,829	\$ 40,327	\$ 7,527
Less: Restricted Friends of Fuchs House Fund Balance			\$ 35,514	\$ 35,514	\$ 35,514
Less: Restricted for Building			\$ -	\$ 500,000	\$ 3,900,000
Estimated Ending Unrestricted Fund Balance:			\$ 2,451,360	\$ 3,297,592	\$ 28,417

General Fund Revenue Overview

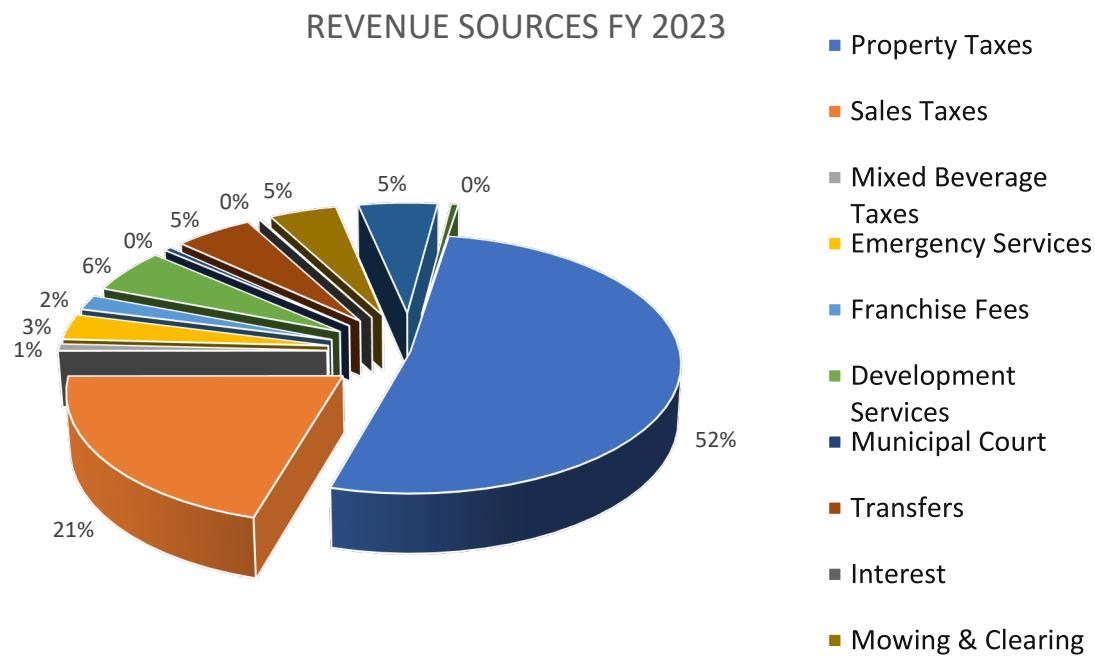
The General Fund provides financing for the City's governmental services, which excludes water, wastewater, and solid waste operations. General Fund services consist of all public safety functions, including police, animal control and fire services; community services, including streets, parks, inspections, planning, and code enforcement; and administrative functions, which includes general management, legislative and legal services, elections, finance, and human resources. The City's main governmental buildings are maintained and operated as assets within the General Fund.

General Fund revenues come from multiple sources but are mostly derived from property tax receipts. The City's largest expenditure category is compensation to City personnel who ensure the provision of the services mentioned. The modified accrual basis of accounting is used for the General Fund.

GENERAL FUND REVENUE

The City of Horseshoe Bay receives operating revenue from multiple streams. Much like a well-organized business, the City does not solely rely on one large revenue source, but rather, the revenue is diversified.

Graph 1 and Table 1 both illustrate how most General Fund revenues are collected from property taxes, sales taxes, fund transfers, and street maintenance contracts.



Graph 1 – FY 2023 Budget – Revenue Sources

Top Revenue Sources		
Property Taxes	6,525,300	52%
Sales Taxes	2,597,200	21%
Development Services	691,250	5%
Public Works	669,250	5%
Total	10,483,000	83%
Total Revenue	12,586,400	

Table 1 – Top City Revenue Sources

Property Taxes

The largest source of City revenues is from property tax receipts, which are projected to account for 54.1% of the City's General Fund revenue. Table 2 exhibits the appraised taxable value beginning in 2009 tax year. This table also shows how the property tax rate has remained stable since 2010. The City's total appraised taxable value exceeded \$2 billion in tax year 2018 and in 2022 has exceeded \$3 billion.

Tax Year	Tax Rate	Llano County Appraised Taxable Value	Burnet County Appraised Taxable Value	Total Appraised Taxable Value
2009	0.33000	1,588,249,545		1,588,249,545
2010	0.25000	1,412,000,000	171,000,000	1,583,000,000
2011	0.25000	1,374,533,707	173,407,475	1,547,941,182
2012	0.25000	1,343,758,031	183,355,207	1,527,113,238
2013	0.25000	1,384,324,964	186,946,922	1,571,271,886
2014	0.25000	1,437,323,807	185,403,017	1,622,726,824
2015	0.25000	1,494,521,653	190,427,395	1,684,949,048
2016	0.26000	1,601,593,349	196,022,157	1,797,615,506
2017	0.26000	1,722,168,060	206,543,185	1,928,711,245
2018	0.26702	1,837,165,951	219,498,974	2,056,664,925
2019	0.27000	1,949,503,369	238,173,227	2,187,676,596
2020	0.27000	2,101,237,471	237,862,021	2,339,099,492
2021	0.27000	2,319,710,754	271,607,116	2,591,317,870
2022	0.27000	2,729,206,533	326,540,138	3,055,746,671

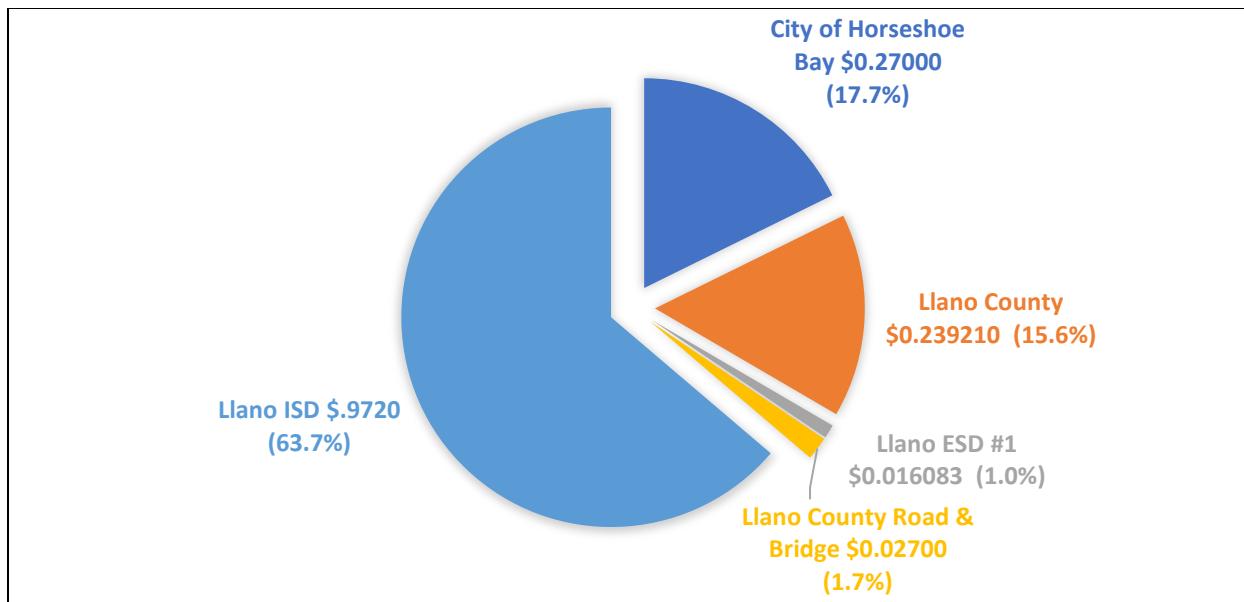
Table 2 – City Tax Rate History

The City's total property tax rate is divided into two portions. The first the Maintenance and Operations rate (M&O) and this part of the property tax levy is deposited into the City's General Fund and is merged with other revenues to pay for the operation of the City each year. The second portion is the Interest and Sinking rate (I&S); proceeds from this levy are deposited into a separate fund and is used to repay debt that has been secured with property tax revenues. Table 3 shows how the I&S and the M&O rates fluctuate from year to year and the goal is to have the two operate in a balanced tax rate.

Tax Year	M&O Rate	I&S Rate	Total Tax Rate
2009	0.33000		0.33000
2010	0.22200	0.02800	0.25000
2011	0.22200	0.02800	0.25000
2012	0.22200	0.02800	0.25000
2013	0.22200	0.02800	0.25000
2014	0.22200	0.02800	0.25000
2015	0.22200	0.02800	0.25000
2016	0.21860	0.04140	0.26000
2017	0.22000	0.04000	0.26000
2018	0.22579	0.04123	0.26702
2019	0.23140	0.03836	0.27000
2020	0.23527	0.03473	0.27000
2021	0.22897	0.04103	0.27000
2022	0.21361	0.05639	0.27000

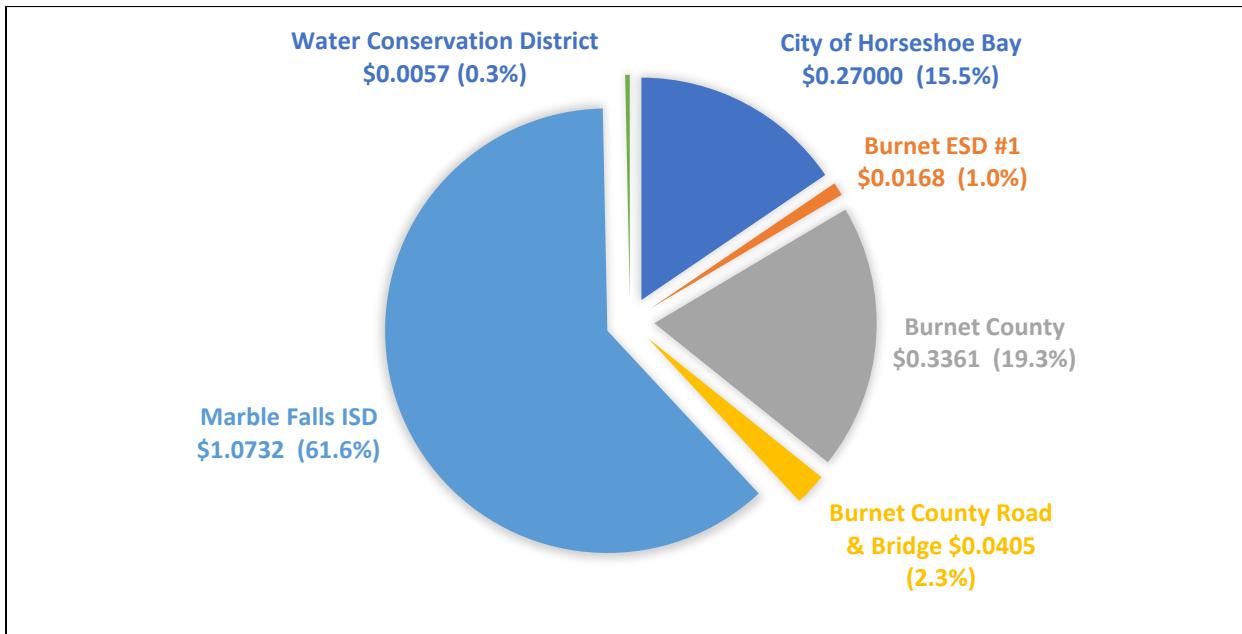
Table 3 – City M&O and I&S Rate History

Many citizens are often unclear as to how much of their total tax bill represents City taxes compared to other taxing entities. For those property taxpayers in the City and Llano County, there are four taxing entities: City of Horseshoe Bay, Llano Emergency Services District #1, Llano Independent School District, and Llano County, which also includes a separate Road and Bridge Tax. Graph 2 provides a graphical representation of the 2022 tax rates and how the City's rate stands in comparison.



Graph 2 – City of Horseshoe Bay (Llano County) tax rate comparison – 2022

For those property taxpayers in the City and Burnet County, there are five taxing entities: City of Horseshoe Bay, Burnet Emergency Services District #1, Marble Falls Independent School District, Water Conservation District of Central Texas, and Burnet County, which also includes a separate Road and Bridge Tax. Graph 3 provides a graphical representation of the 2022 tax rates and how the City's rate stands in comparison.



Graph 3 – City of Horseshoe Bay (Burnet County) tax rate comparisons – 2022

The City of Horseshoe Bay provides a competitive tax rate compared to other cities in the area as depicted in Table 4.

City	M&O Rate	I&S Rate	Total Tax Rate
Lakeway	0.11490	0.0396	0.15450
Fredericksburg	0.16803	0.02779	0.19582
Horseshoe Bay	0.21361	0.05639	0.27000
Kerrville	0.43410	0.14110	0.57520
Jonestown	0.35740	0.06160	0.41900
Marble Falls	0.21000	0.34770	0.55770
Burnet	0.52160	0.09150	0.61310
Lago Vista	0.29590	0.13240	0.42830
Llano	0.34600	0.17900	0.52500

Table 4 – Surrounding cities tax rate comparisons – 2022

Cost of Services to City Property Taxpayers

This brief section seeks to show City of Horseshoe Bay property taxpayers the relative value of the services and benefits of living in the City. For a home valued at \$100,000, the property will pay an estimated \$270.00 in annual City property taxes, or \$22.50 per month, at the proposed \$0.27000 tax rate.

Of that monthly amount, they will pay:

- \$5.40 for 24/7 police protection
- \$6.10 for 24/7 fire protection
- \$0.50 for animal control services
- \$2.91 for streets and maintenance services
- \$1.91 for building inspections and code enforcement
- \$5.68 for the general administration of the City

Sales Taxes

The second largest source of City revenues is from sales tax receipts. FY 2023 sales tax revenues are budgeted at \$2,597,200, which is a 5% increase from the FY 2022 projected amount. Table 5 shows a description of historic total sales tax receipts. The City held an election in November 2021 in which the voters approved an additional .25% increase on the sales tax rate within the city. The total local option collected by the City is 2.00%.

FY 2009 Actual	555,222
FY 2010 Actual	726,514
FY 2011 Actual	730,818
FY 2012 Actual	807,778
FY 2013 Actual	937,157
FY 2014 Actual	998,535
FY 2015 Actual	977,437
FY 2016 Actual	1,011,561
FY 2017 Actual	1,087,720
FY 2018 Actual	1,297,646
FY 2019 Actual	1,581,453
FY 2020 Actual	1,427,303
FY 2021 Actual	1,858,521
FY 2022 Projected	2,473,500
FY 2023 Proposed	2,597,200

Table 5 – Total City sales tax receipts

City sales tax receipts are split three ways to fund different activities. Of the 2.00% collection rate the breakdown is as follows: 1.25% is dedicated to the City's General Fund operations; .50%, is dedicated to providing property tax relief for Horseshoe Bay taxpayers; and .25% is dedicated to maintenance and repairs of City streets.



CITY OF HORSESHOE BAY

FY 2023

General Fund Budget - 02

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2022	FY 2023	% Variance from FY22
		Final Actuals	Final Actuals	Amended Budget	Projected Actuals	Adopted Budget	Projected to FY23
OPERATING REVENUE							
1000	ADMINISTRATION						
40170	Administrative Fees	749,000	551,893	618,250	618,250	660,500	6.8%
40175	Insurance Proceeds	0	18,061	32,000	32,750	0	-100.0%
40179	Milfoil Reimb Llano County	0	0	18,000		18,000	100.0%
40180	Other Income	42,851	20,793	20,000	10,000	10,000	0.0%
40186	Other Income - Donations	25,659	0	0	0	0	0.0%
40188	Coronavirus Relief Fund	0	174,636	0	0	0	0.0%
40189	Donations - Fuchs House	0	1,605	0	150	0	-100.0%
40193	Municipal Court Revenue	16,641	10,507	10,000	10,000	12,000	20.0%
40194	Traffic Fines	45,801	34,345	40,000	40,000	45,000	12.5%
40196	Court Technology Fees	760	0	0	0	0	0.0%
40197	Court Security Fees	638	0	0	0	0	0.0%
40198	Court Collection Agency Fees	11,098	2,370		750	0	-100.0%
40199	Warrant Fees	3,212	1,542	3,000	2,000	2,000	0.0%
40200	Child Safety Fees	6,590	0	0	0	0	0.0%
40201	Local Truancy Prevention Fee	172	1,000	500	1,000	1,000	0.0%
40202	Local Municipal Jury Fee	3	20	250	100	100	0.0%
40203	American Rescue Plan Act	0	0	498,500	498,500	0	-100.0%
40204	FEMA Grant- Winter Storm 21		33,244	0	7,000	0	-100.0%
40212	Mailbox Fee Revenue	0	17,200	10,000	14,400	0	-100.0%
Total	ADMINISTRATION	902,426	867,216	1,250,500	1,234,900	748,600	-39.4%
5000	FIRE						
40175	Insurance Proceeds	0	500	24,500	84,800	0	0.0%
40180	Other Income	1,356	1,160	500	500	500	0.0%
40182	Sale of Property	0	16,000	10,000	0	25,000	100.0%
40186	Other Income-Pub/Sfty Donation	5,350	16,850	5,000	5,500	0	-100.0%
40506	Fire Fighting Services	341,823	341,003	352,000	358,000	365,000	2.0%
Total	FIRE	348,529	375,513	392,000	448,800	390,500	-13.0%
6000	EMERGENCY SERVICE DISTRICT						
40191	Llano Co. ESD #1 - Rent	9,000	9,000	9,000	9,000	9,000	0.0%
Total	EMERGENCY SERVICE DISTRICT	9,000	9,000	9,000	9,000	9,000	0.0%
7000	TAX						
40160	Property Tax Collected (M & O)	5,055,693	5,515,085	5,874,000	5,920,000	6,470,300	9.3%
40162	Penalty & Interest (M & O)	40,318	60,745	38,000	50,000	55,000	10.0%
40163	Mixed Beverage Tax	68,696	97,385	85,000	100,000	105,000	5.0%
40165	Sales Tax	1,223,412	1,587,107	1,663,250	2,200,000	2,310,000	5.0%
40166	PEC Franchise Tax	187,496	188,305	187,250	187,250	192,900	3.0%
40167	Telephone Franchise Fees	7,820	8,941	8,500	8,500	8,750	2.9%
40180	Other Income	25	1,151	250	0	0	0.0%
40211	Cable Franchise Fees	37,556	29,203	37,750	30,000	30,900	3.0%
40213	PEG Channel Fees	7,511	4,825	0	0	0	0.0%
Total	TAX	6,628,526	7,492,747	7,894,000	8,495,750	9,172,850	8.0%



CITY OF HORSESHOE BAY

FY 2023

General Fund Budget - 02

Account Code	Account Title	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget	% Variance from FY22 Projected to FY23
8000	POLICE						
40175	Insurance Proceeds	11,116	2,920	14,500	18,000	5,000	-72.2%
40180	Other Income	377	1,099	500	500	750	50.0%
40181	Grant Revenue	0	0	0	0	0	0.0%
40182	Sale of Property	20,000	12,000	12,500	12,800	27,000	110.9%
40186	Other Income-Pub/Sfty Donation	5,100	5,000	17,000	16,850	0	-100.0%
Total	POLICE	36,593	21,019	44,500	48,150	32,750	-32.0%
9500	DEVELOPMENT SERVICES						
40171	CC Convenience Fee	1,392	2,799	5,000	5,000	6,250	25.0%
40180	Other Income	4	1,103	250	1,400	1,500	7.1%
40182	Sale of Property	0	0	3,000	0	0	0.0%
40183	Building Permit Fees	363,037	457,017	480,000	500,000	606,000	21.2%
40184	Plat Fees	3,600	6,300	12,500	12,500	12,000	-4.0%
40185	Irrigation Permits	5,305	4,120	5,000	5,000	5,000	0.0%
40187	Contractor Registration	8,800	12,900	6,500	7,500	8,500	13.3%
40192	Zoning Fees	800	2,000	1,000	1,500	2,000	33.3%
40195	Monarch Ridge Reimbursement	0	0	40,000	50,000	50,000	0.0%
Total	DEVELOPMENT SERVICES	382,938	486,239	553,250	582,900	691,250	18.6%
9600	PUBLIC WORKS						
40165	Sales Tax	203,891	271,414	273,500	273,500	287,200	5.0%
40175	Insurance Proceeds	0	3,950	0	0	0	0.0%
40180	Other Income	0	750	0	0	0	0.0%
40206	The Hills POA	5,217	5,280	5,250	5,600	5,850	4.5%
40207	Pecan Creek Association	4,179	4,237	4,250	4,500	4,750	5.6%
40208	Applehead POA	6,515	6,607	6,500	7,000	7,350	5.0%
40209	Applehead Island POA	1,173	1,189	1,250	1,250	1,300	4.0%
40210	HSB POA	486,585	555,865	550,000	650,000	650,000	0.0%
40212	Mailbox Fee Revenue	10,000	0	0	0	0	0.0%
Total	Public Works	717,560	849,292	840,750	941,850	956,450	1.6%
9800	MOWING & CLEARING						
40215	Mowing	519,345	447,728	450,000	490,000	560,000	14.3%
40216	Clearing	2,385	7,900	10,000	10,000	10,000	0.0%
Total	MOWING & CLEARING	521,730	455,628	460,000	500,000	570,000	14.0%
9900	INTEREST INCOME						
40220	Interest on Investments	43,300	3,722	5,000	30,000	15,000	-50.0%
Total	INTEREST INCOME	43,300	3,722	5,000	30,000	15,000	-50.0%
TOTAL OPERATING REVENUE		9,590,602	10,560,376	11,449,000	12,291,350	12,586,400	2.4%

General Fund Expenditure Overview

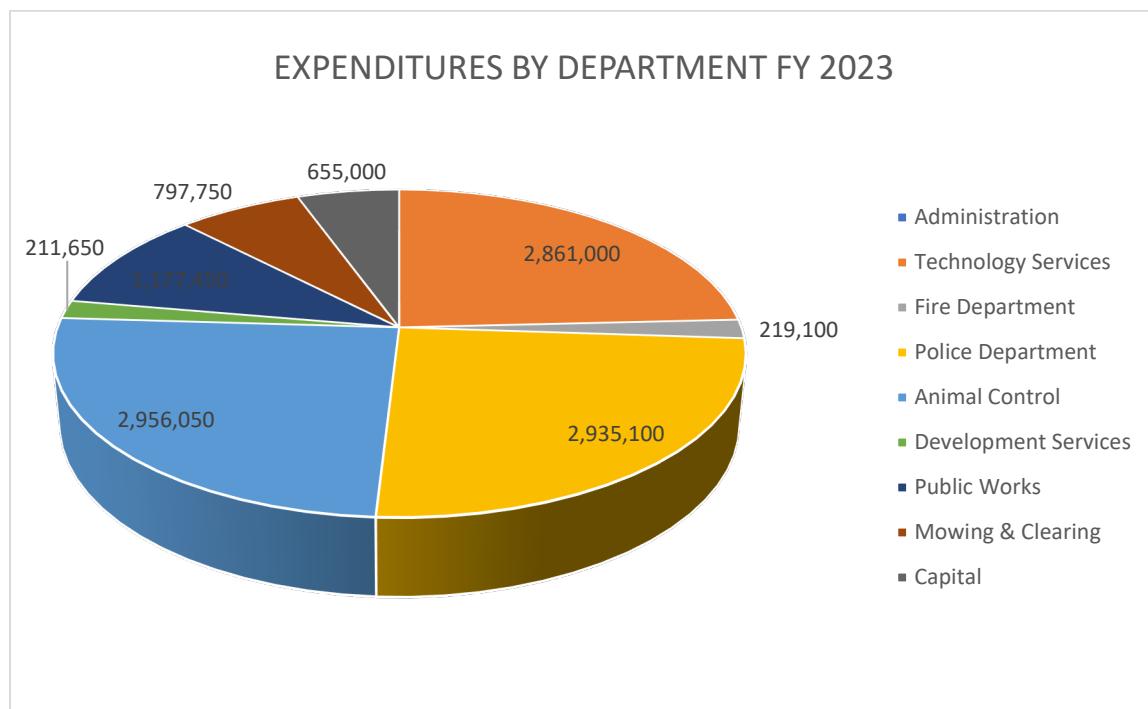
The City of Horseshoe Bay General Fund is organized into eight different departments. For the purposes of this document, each department will have its own section describing its mission statement, what their function is within the organization, some of their achievements for the past fiscal year, and department goals and objectives for the next fiscal year. This budget year we have included a balanced scorecard for each department based on their strategies and objectives.

This budget includes increases in operational department budgets of 5% for salary expenditures and 0% for insurance expenditures. All other notable items are specifically listed on each departments' page.

Each departments' page will provide financial data on each prime account. There is also a description of the capital purchases within each department and a discussion of differences between FY 2022 Amended Budget and FY 2023 Adopted Budget.

FY 2023 BUDGET EXPENDITURES BY DEPARTMENT

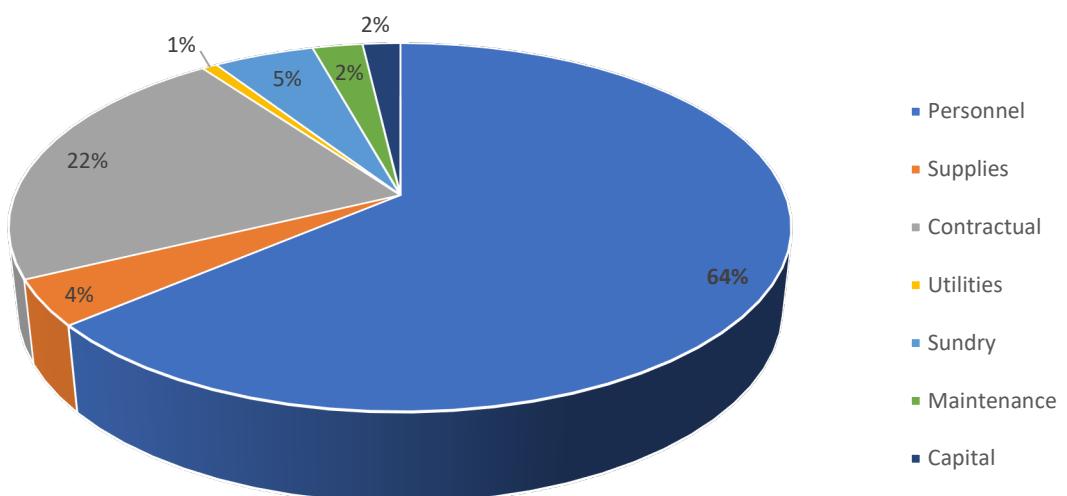
	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
BY DEPARTMENT					
Administration	2,771,949	2,301,479	2,436,000	2,203,350	2,861,000
Technology Services	199,345	270,138	351,500	323,370	219,100
Fire Department	2,511,747	2,505,575	2,774,000	2,693,300	2,935,100
Police Department	2,114,975	2,250,346	2,359,250	2,349,300	2,956,050
Animal Control	159,735	176,822	206,500	152,600	211,650
Development Services	635,531	750,675	895,250	868,200	1,177,450
Public Works	465,909	595,641	710,250	698,250	797,750
Mowing & Clearing	598,883	646,029	625,000	590,000	655,000
Capital	<u>351,769</u>	<u>242,125</u>	<u>423,250</u>	<u>423,250</u>	<u>222,000</u>
TOTAL	9,809,843	9,738,830	10,781,000	10,301,620	12,035,100



FY 2023 BUDGET EXPENDITURES – BY ACCOUNT CATEGORY

BY ACCOUNT CATEGORY	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	6,072,487	6,539,279	6,860,500	6,719,670	7,676,500
Supplies	261,907	214,145	416,750	392,200	482,700
Contractual	1,643,826	1,826,962	2,053,000	1,874,700	2,677,600
Utilities	76,312	74,043	74,000	82,000	90,000
Sundry	297,084	320,099	503,250	514,550	591,850
Maintenance	197,955	211,537	300,250	295,250	294,450
Capital	351,769	242,125	423,250	423,250	222,000
Fund Transfers	<u>908,502</u>	<u>310,640</u>	<u>150,000</u>	=	=
TOTAL	9,809,843	9,738,830	10,781,000	10,301,620	12,035,100

EXPENDITURES BY ACCOUNT CATEGORY FY 2023



Administration

To provide professional management and administration of the City, implementing City Council policy decisions by directing, coordinating, monitoring, and evaluating all City government activities.

Description

- Execute the policies established by the City Council and administer the affairs of the City consistent with the City Charter and Code of Ordinances
- Maintain the integrity of the election process, ensure proper management of the city's records, ensure transparency, and access to city records, and facilitate the city's legislative process
- Responsible for the collection, investment, distribution, and documentation of all City funds
- Monitor and approve all City purchases, expenditures, and budget
- Prepare the City employee payroll and administer employee benefits programs
- Prepare annual City budget

FY 2022 Accomplishments – City Secretary

- Collaboratively developed and implemented a new city-wide Records Management Program
- Migrated records from Laserfiche (On Premise Server) to Cloud Repository
- Acquired Expanded Laserfiche Cloud (site licensure) as a tool to support Records Management Life Cycle Processes
- Imported and uploaded paper-based Development Services Residential Architectural Plans to Laserfiche Cloud
- Introduced Laserfiche Cloud to Records Management Team
- Coordinated Laserfiche Training and Development for Department Liaisons
- Conducted departmental assessments
- Implemented Microsoft TEAMS in support of Records Management Team Collaboration
- Successfully conducted one general election and two special elections
- Prepared and processed almost 600 agenda items for City Council
- Responded to almost 300 public information requests
- Codified all City Council approved Ordinances within 30 days of approval

FY 2022 Accomplishments – Finance Department

- Earned GFOA Distinguished Budget Award
- Updated Budget Video for the FY 2022 Budget
- Maintained Comptroller Star for Financial Transparency Award
- Implemented electronic filing system for accounts payables documents via Caselle software
- Team member of the City's PID (Public Improvement District) Team to review the creation of Monarch Ridge PID
- Revised and updated Purchasing Policy

FY 2022 Accomplishments- Human Resources

- New/Modified Personnel Policies:
 - Article V. The Compensation Plan, Section 3 Compensation Policy Directives – Revised to allow City Manager to approve promotional pay increases
 - City Hall Holiday Schedule -- added Veteran's Day
 - Article VII. Leaves of Absence, Section 2 Holiday Leave – Revised to allow carryforward of Holiday Leave time for Firefighters after adoption of Veteran's Day
 - Article V. The Compensation Plan, Section 3, and Article XIII Appendix B: Salary Table and Incentive Pay – Revised for salary survey range adjustments
 - Article IV. Conditions of Employment, Section 7 Travel Expense and Reimbursement – Revised to use established GSA rates
- Redesign of all employee business cards to an updated look, utilizing QR codes for easy accessibility to important website information
- Designed and distributed the first annual HSB Christmas ornaments
- Initiated a Retirement Plan Review and Retirement Plan Committee to begin discussions on transitioning to TMRS for implementation in FY23
- Salary Survey adjustments for 83% of employees
- Began the conversion process for the performance/merit cycle to coincide with the fiscal year for implementation 10/01/2022
- Approval of 5% merit adjustments for high performers for implementation 10/01/2022

FY 2023 Goals – City Secretary

- Assist departments with full implementation of the adopted Records Management Program
- Assess records management process needs-preservation/disposition
- Assist departments in identifying vital, essential, and permanent records
- Expand awareness, education, and application of Laserfiche Cloud
- Actively preserve and manage records
- Convert permanent paper-based records to Laserfiche
- Successfully conduct one general election and three special elections
- Respond to all public information requests within two days (when feasible)
- Codifying all City Council approved Ordinances within 30 days of approval

FY 2023 Goals – Finance Department

- Earn GFOA Distinguished Budget Award
- Update Budget Video for the FY 2023 Budget
- Issue \$4.1MM of Certificates of Obligations for street projects and Fire Station #2
- Reaffirm the City's AA+ bond rating with Standard & Poor's
- Issue General Obligation bonds for City Hall

FY 2023 Goals – Human Resources

- Research and initiate a new software program and process for performance reviews to better meet the needs of the City and each department
- Create a 3-year organizational chart to show direction of growth in each department and aid Department Heads in staff development
- Develop a management training program to strengthen core skills for the Department Heads and Supervisors
- Work with department heads to establish and manage a 1-5 year training grid with training expectations and commitments for each employee/position. Work on training that is important and hold individuals accountable.
- Create an HR calendar and guidebook to show step-by-step processes for main functions performed within the department
- Analyze director pay ranges within other comparable Cities to determine adjustments needed for competitive wages

Department Summary

ADMINISTRATION	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	917,872	1,027,575	1,079,750	1,067,700	1,266,550
Supplies	78,038	57,932	87,500	75,000	91,700
Contractual	587,139	646,430	693,250	613,950	1,013,100
Utilities	76,312	74,043	74,000	82,000	90,000
Sundry	127,153	93,523	255,500	266,700	293,150
Maintenance	76,933	91,336	96,000	98,000	106,500
Capital	15,684	18,280	86,000	86,000	20,000
Fund Transfers	908,502	310,640	150,000	-	-
TOTAL	2,787,633	2,319,759	2,522,000	2,289,350	2,881,000

HIGHLIGHTS - FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$186,800
- Added new position Communication Director
- Increased Accounting & Auditing Expense by \$2,000
- Increased Professional Services by \$14,200
- Increased Election Contracts by \$4,000
- Increased Appraisal District Fees – Burnet by \$2,000
- Increased Appraisal District Fees – Llano by \$7,000
- Increased Drainage Study by \$387,000
- Decreased Transportation Study by \$7,500
- Increased Maintenance Contracts by \$19,100
- Increased Codification by \$2,500

- Decreased City Council Expense by \$500
- Increased Advisory Committees by \$15,000
- Decreased Dispatch Expense by \$116,500, moved line item to Police Dept.
- Increased Dues, Fees, and Subscriptions by \$9,400
- Increased Copier Lease by \$2,300
- Increased Electricity by \$3,000
- Increased Equipment & Supplies by \$15,000
- Decreased Travel, Training, Schools by \$12,000
- Increased Employee Engagement by \$17,250
- Increased Special Events – Employees by \$3,000
- Increased Property & Liability Insurance by \$1,000
- Increased Workers Comp Insurance by \$7,000
- Decreased Legal Expense by \$26,500
- Increased Fireworks by \$2,500
- Increased M&R – Buildings by \$5,000
- Increased M & R – Grounds by \$5,500
- Increased Other Expense by \$2,000
- Increased Postage by \$2,000
- Increased General Supplies by \$2,000
- Increased Communications by \$13,000
- Increased Municipal Court Judicial Staff by \$5,250
- Decreased Central Texas Water Coalition by \$5,000
- Decreased Mailbox POA Refund by \$16,750
- Increased Golden Nugget Nature Park by \$12,500
- Increased HSB-POA Park Contribution by \$20,000
- Decreased Capital Expenditures by \$66,000

Balanced Scorecard - City Secretary

City Secretary

Vision Statement

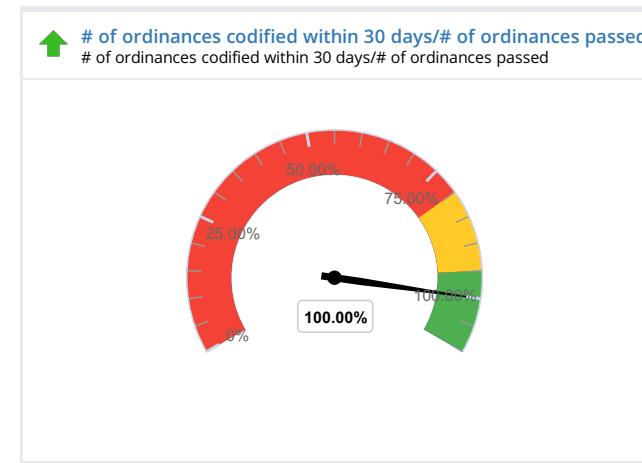
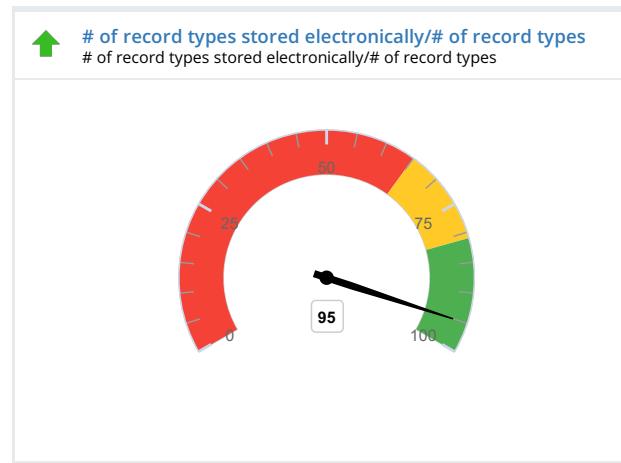
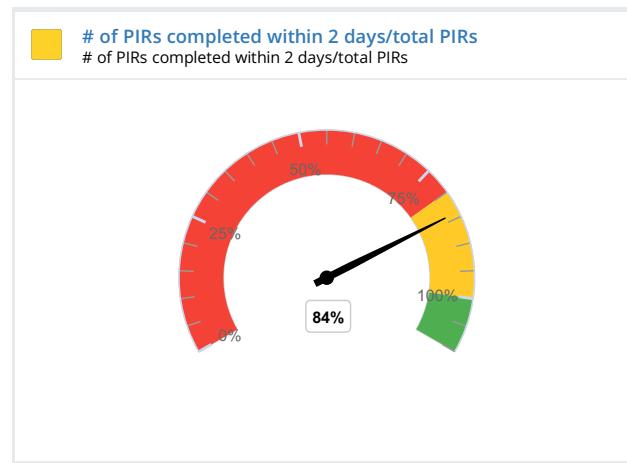
The vision of the City Secretary's office is to promote open and responsive government through proper recording, maintenance, and preservation of the City's legislative history and official documents; provide responsive customer service to our citizens and neighbors; conduct fair and impartial City elections; enhance public participation in the municipal government process; and improve public access to municipal records.

Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
Key Stakeholder	Increase the number of PIRs that receive a complete response within 48 hours	# of PIRs completed within 2 days/total PIRs	100.00%	84.00%	Maintain a log that tracks the date the response is received, department, and date response is completed. Follow up with department before 48 hrs to ensure goal is met
Operations	Increase the number of City Secretary record types that are converted and maintained in electronic format in Laserfiche	# of record types stored electronically/# of record types	81	95	Create a working schedule of record types for the City Secretary's office and log each type as it is converted to Laserfiche
	Increase the number of ordinances codified within 30 days	# of ordinances codified within 30 days/# of ordinances passed	100.00%	100.00%	Work with departments and Franklin to ensure approved ordinances are codified within 30 days of being adopted

Dashboard

City Secretary



Balanced Scorecard - Finance Department

Finance Dept

Vision Statement

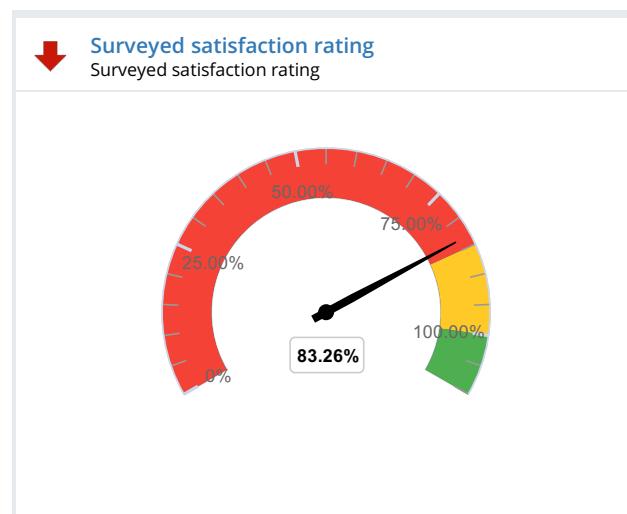
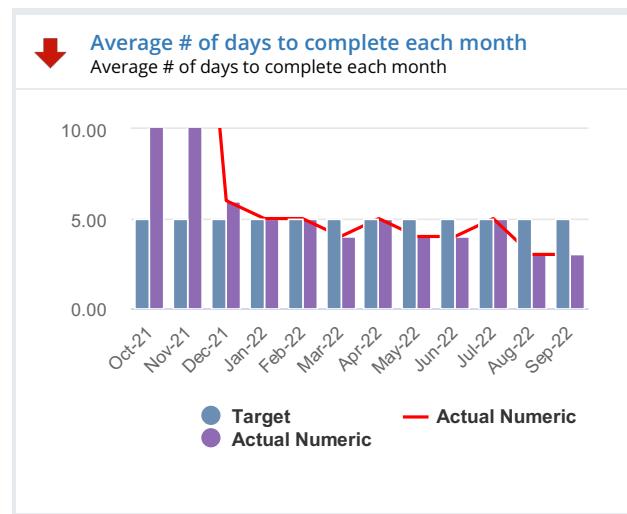
We value high quality service to our stakeholders and sound financial management to maintain the public trust through transparency and accountability of the City's valued resources.

Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2022 Targets	FY 2022 YTD	Strategic Initiatives
Financial	Provide monthly financial information to City Manager within the first 5 working days of each month	Average # of days to complete each month	5.00	8.67	Close out each month and provide reports to City Manager, allowing ample time for review, questions, planning and/or decisions prior to issuance to Council.
Key Stakeholder	Lot Mowing: Return all voicemail calls within 48 hours	# of calls returned within 48 hours/total voicemails	100.00%	100.00%	Maintain a call log with date and time initial message was left along with the date and time call was returned.
	Survey new utility customers 90 days after service application to ask for feedback about their experience	Total surveyed/total new customers Surveyed satisfaction rating	100.00% 100.00%	100.00% 83.26%	Send a short survey via the email address provided on the new service address application to rate service received, process and information provided and ask for feedback and/or suggestions. Follow up with phone calls to all customers with non-satisfactory ratings

Dashboard

Finance Dept

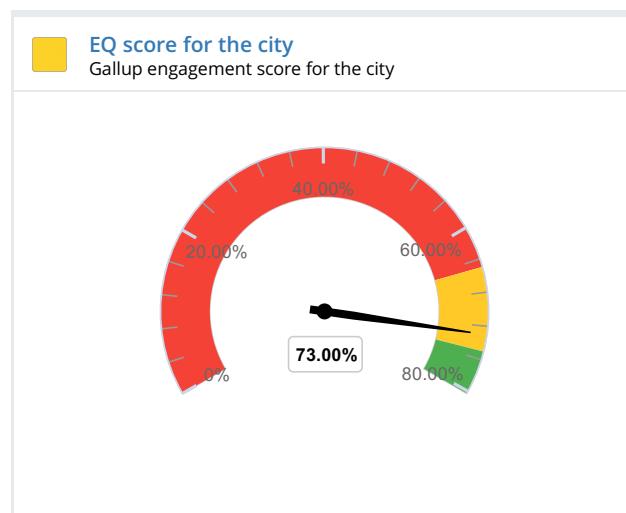
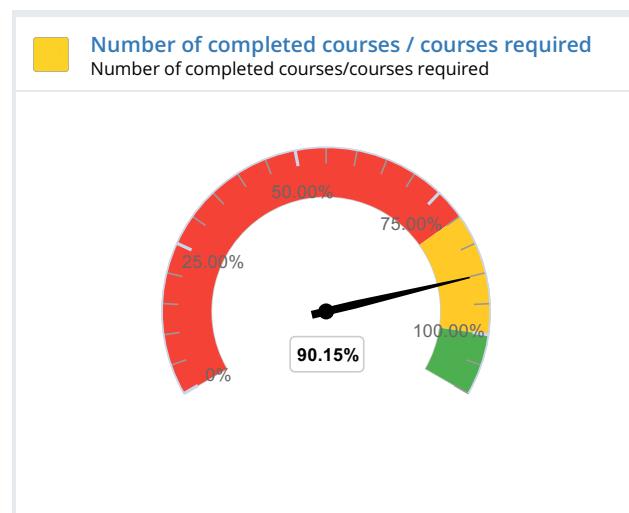
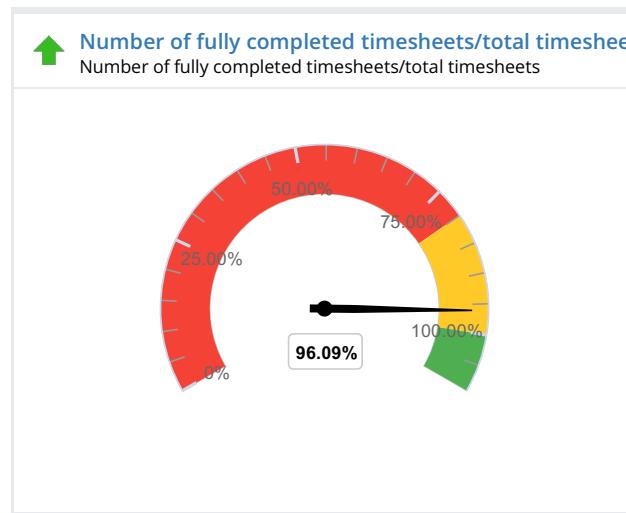
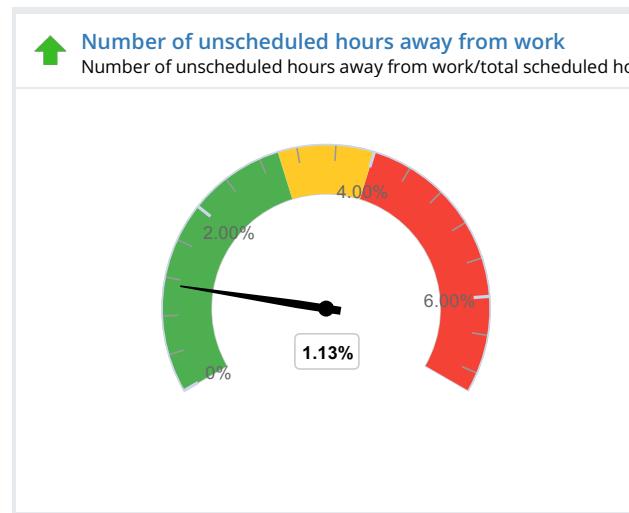


Vision Statement

To be a value-adding partner in leadership, employee growth, employee development, and employee engagement while being good stewards of community resources.

Strategy Overview

Categories	Strategic Objectives	Key Performance Indicators	FY 2022 Targets	FY 2022 YTD	Strategic Initiatives
Operations	Increase productivity by reducing unscheduled absences	Number of unscheduled hours away from work/total scheduled hours		1.41%	Hold individuals accountable for unscheduled absences/disruptions; Measure time by unscheduled hours
Operations	Increase the number of fully completed time sheets to allow a more efficient payroll process	Number of fully completed timesheets/total timesheets		96.09%	Hold individuals accountable for incomplete time sheets; Require information in performance assessment; Provide annual training
Learning & Growth	Increase training effectiveness and utilization	Percentage of employees utilizing LMS for voluntary training		20.19%	Utilize LMS and classroom options to allow for greater learning opportunities; Provide incentives for voluntary participation
Learning & Growth	Increase mandatory compliance training rate	Number of completed courses/courses required	100.00%	90.15%	Utilize LMS and classroom options for mandatory compliance; Hold individuals accountable for non-compliance
Learning & Growth	Strengthen the culture, increase emotional intelligence, empower people and accelerate performance, teamwork, and engagement	Gallup engagement score for the city	75.00%	73.00%	Emotional Intelligence (EQ) course to all employees by October 1, 2021



Technology Services

Responsible for implementing and maintaining all computer hardware and software systems and Geographic Information Systems (GIS) for the City of Horseshoe Bay.

Description

- First and primary point of contact for the activities associated with the City's server and computer network, help desk, and assigned specialty systems
- Responsible for all storage and backup management by performing, monitoring, documenting, and verifying information storage systems, schedules, and tests
- Maintains organizational service levels and business targets for the use of Information Technology Systems, including LAN/WAN networks, hardware, software, infrastructure, security, and other specialty systems

FY 2022 Accomplishments

- Data Security, Disaster Recovery and Compliance ongoing and enhanced
- Employee Cyber Security Training and Awareness ongoing and enhanced
- Migrate TrueBill local server to Microsoft Azure and link with VPN for historical access
- Migrate city server data to Microsoft Azure Teams / SharePoint
- Setup third party backup for all SharePoint sites
- Install Scada firewall with dedicated Internet at Central Water Plant for additional security
- Install Caselle Document management software and Fujitsu scanners onto numerous workstations

FY 2023 Goals

- Strengthen human firewall through ongoing cybersecurity training and obtain phish rate of less than 2 percent.
- Decommission Dell VRTX Hypervisor
- Upgrade City broadband connection and install 5G failover service

Department Summary

TECHNOLOGY SERVICES	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	154,761	205,449	211,250	190,170	112,600
Supplies	1,290	4,485	3,500	1,200	2,000
Contractual	2,818	-	8,000	4,000	4,000
Sundry	14,385	21,732	36,250	36,000	38,300
Maintenance	26,091	38,472	92,500	92,000	62,200
Capital	-	15,689	-	-	-
TOTAL	199,345	285,827	351,500	323,370	219,100

HIGHLIGHTS - FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Decreased salary and benefit expenses by \$98,650
- Moved GIS Administrator position to Development Services Dept.
- Decreased Professional Services by \$4,000
- Decreased Maintenance Contracts by \$30,300
- Increased Dues, Fees, & Subscriptions by \$2,050
- Decreased Travel, Training, Schools by \$1,500

Vision Statement

The IT Department is dedicated to building a "digital city" to connect people and government with technology that is flexible and responsive to the city employees and the citizens we serve.

Strategic Alignment

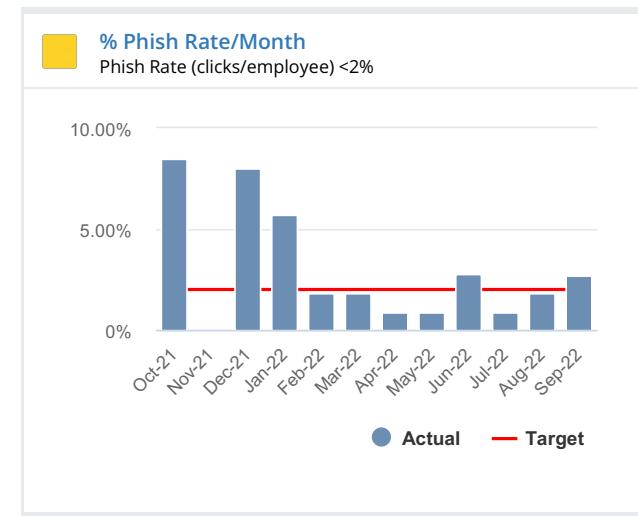
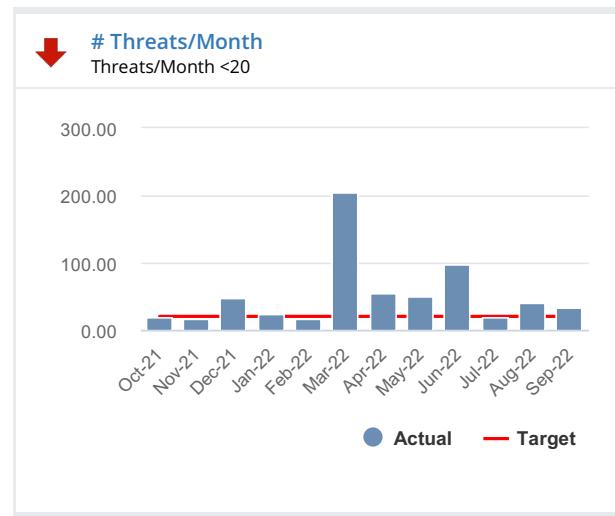
Categories	Strategic Objectives	Key Performance Indicators	FY 2022 Targets	FY 2022 YTD (AVERAGE)	Strategic Initiatives
Key Stakeholder	Reduce citizen contacts regarding "digital city" issues per month	Contacts/Month <5	5.00	0.67	Maintain uptime, access and ease of use to online resources
Operations	Reduce # antivirus detected threats per month	Threats/Month <20	20.00	52.08	Reduce detected threats through physical and human firewall
Learning & Growth	Employee cyber security training. (HB 3834)	Phish Rate (clicks/employee) <2%	2.00%	2.98%	Strengthen human firewall to protect city from cyber threats and ensure compliance with HB3834

Project Activity

- Microsoft Azure Migration/Setup
 - TEAMS/SharePoint
 - Upload files and begin sharing of departmental files via Teams ongoing (phase 2 of 3)
 - Teams / Sharepoint migration and training ongoing
 - Implement 3rd Party SharePoint BU (phase 1 of 3)
 - Integrate Adobe Cloud into SharePoint for increased PDF functionality (phase 1 of 2)
- Meraki VPN between Central Water Plant and West Water Plant
 - Equipment Ordered (phase 2)
- Network Infrastructure
 - Expand Network infrastructure to provide additional connectivity for growth within City Hall

Target versus Monthly Actual

Jules Martin



Fire Department

The mission of the Fire Department is to provide a safe, professional, and courteous team that strives to exceed the expectations of the community. Our team will maintain a capable, aggressive, all-hazard Fire Department that is focused on “Serving and protecting our citizens while preserving our heritage and planning for our future.”

Description

- Department is staffed by 23 full-time firefighters and 3 part-time firefighters; this staff includes a Fire Chief, Assistant Fire Chief, and 3 Shift Captains
- Department operates out of 2 fire stations. Central fire station is located next to City Hall and station 2 is in Horseshoe Bay West. There is a minimum of 6 firefighters on duty 24 hours a day.
- Horseshoe Bay is an all-hazard fire department. We respond to structure fires, brush fires, vehicle fires, technical rescues, and medical incidents
- Conducts fire safety inspections on all commercial properties annually
- Coordinates all planning and preparedness activities for emergency management
- Conducts fire investigations to determine cause and origin

FY 2022 Accomplishments

- Completed all ISO reduction efforts by doing the following:
 - Completed 192 hours of training per person
 - Completed all inspections and pre-plans of commercial buildings/facilities
 - Tested all fire hose, ladders, pumping apparatus
 - Reduced response times
- Purchased and deployed wildland firefighting gear.
- Completed hiring and on-boarding for one open firefighter position

FY 2023 Goals

- Complete all ISO reduction efforts by doing the following
 - Complete 192 hours of training per person
 - Reduce response times to NFPA 1910 standards
 - Complete all inspections and pre-plans of commercial buildings/facilities
 - Test all fire hose, ladders, pumping apparatus
- Complete specifications and order two brush firefighting vehicles per budget
- Implement “Squad” first response program
- Conduct department-wide Live Fire training

Department Summary

FIRE DEPARTMENT	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	2,298,317	2,352,695	2,522,250	2,441,550	2,652,301
Supplies	60,224	21,143	89,500	89,500	83,250
Contractual	9,328	7,000	13,000	10,000	40,000
Sundry	84,255	75,158	89,000	92,000	97,799
Maintenance	59,623	49,579	60,250	60,250	61,750
Capital	152,500	-	97,750	97,750	85,000
TOTAL	2,664,247	2,505,575	2,871,750	2,791,050	3,020,100

HIGHLIGHTS – FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$130,050
- Added 3 part time Firefighter positions
- Increased Professional Services by \$30,000
- Increased Maintenance Contract by \$1,000
- Increased Copier Lease by \$1,500
- Decreased Equipment & Supplies by \$8,750
- Increased Travel, Training, Schools by \$1,500
- Increased Fuel & Lubricants by \$3,000
- Increased Wellness Program by \$4,000
- Increased Other Expenses by \$2,000
- Increased Safety Equipment & Supplies by \$1,000
- Decreased Public Safety Donations by \$5,000
- Decreased Capital Expenditures by \$12,750

Balanced Scorecard - Fire Department

Fire Dept

Vision Statement

The Horseshoe Bay Fire Department is committed to creating and leading the way toward a safer community through fire and health risk-reduction, preparedness, and efficient emergency response.

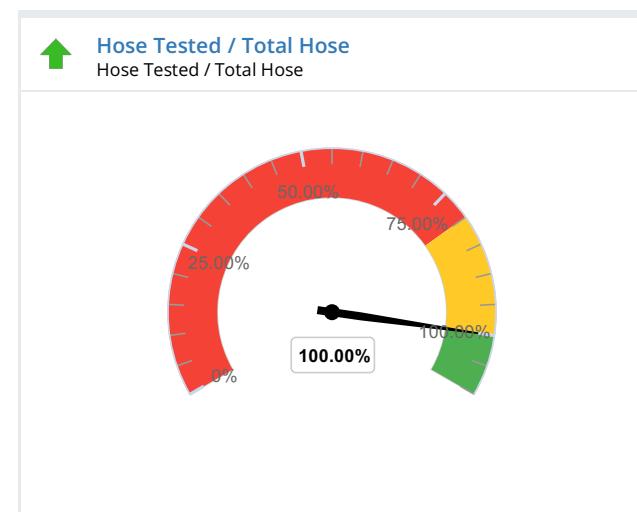
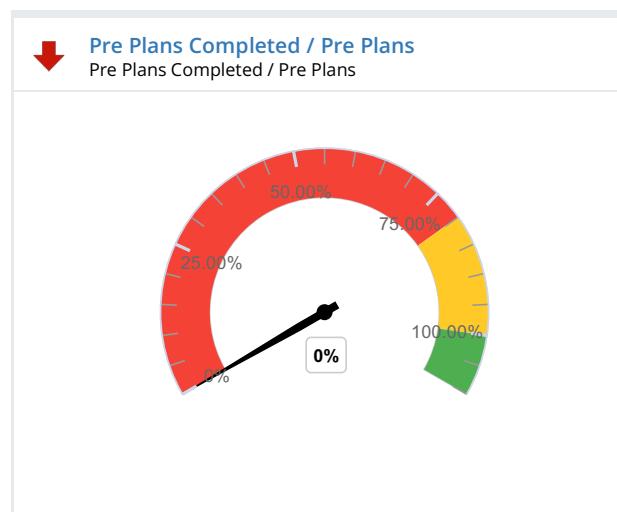
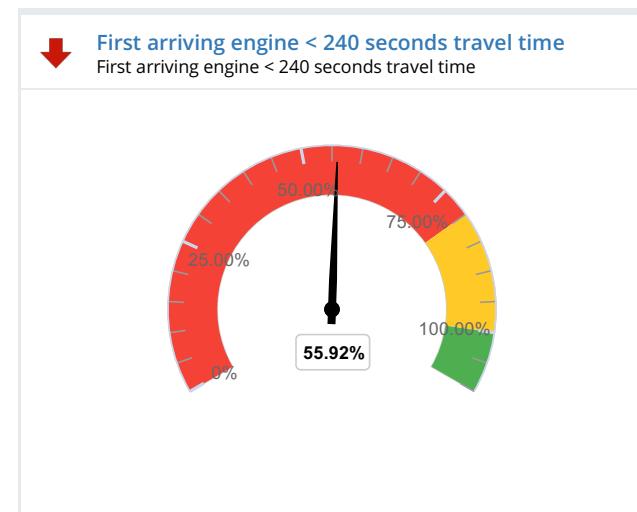
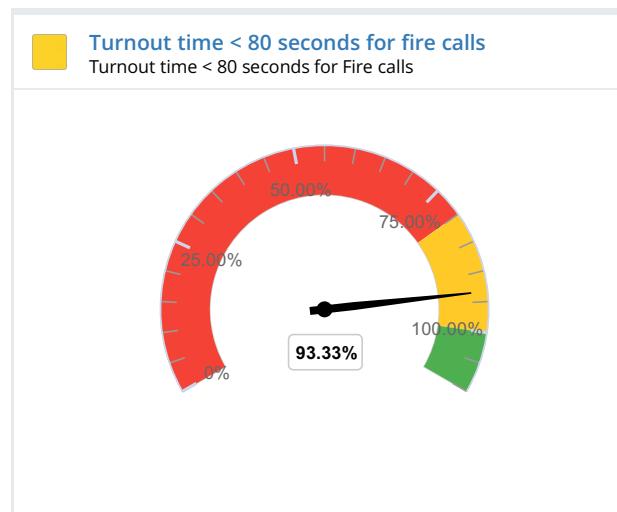
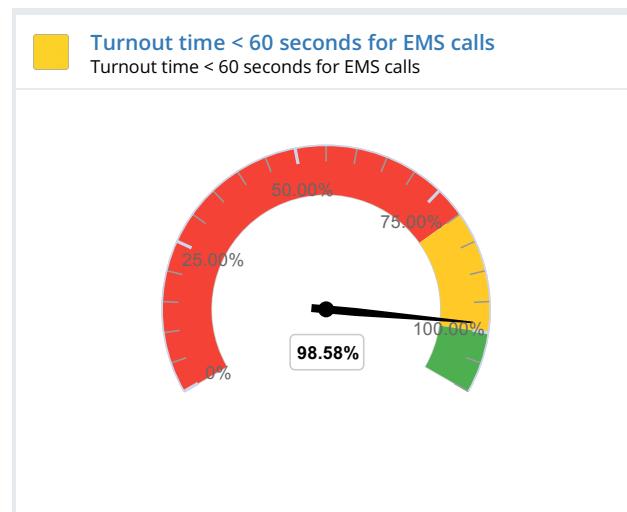
Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2022 Targets	FY 2022	Strategic Initiatives
Operations	Respond to emergency incidents quickly and efficiently by achieving response times that are within the recommendations of NFPA 1910 and ISO standards.	Turnout time < 60 seconds for EMS calls	100.00%	98.58%	Monitor through Continuous Process Improvement FD response times
		Turnout time < 80 seconds for Fire calls	100.00%	93.33%	Participate in monthly district map study
		First arriving engine < 240 seconds travel time	90.00%	55.92%	Engineers and Acting Engineers will participate in two driving destination challenges a month
					Participate in two minute drills
	Decrease ISO rating from 4 to 3 without additional budgetary requests	Inspections Completed / Total Inspections	100.00%	3.75%	Conduct Fire inspections with Fire Companies
		Pre Plans Completed / Pre Plans	100.00%	0%	Conduct Pre Fire Plans with Fire Companies
		Hose Tested / Total Hose	100.00%	100.00%	Test all Fire Hose Annually
		Fire Apparatus Pump Test(s)	3.00	3.00	Pump Test all Fire Apparatus Annually
Learning & Growth	Train to ISO 1 Standards	Personnel completing 192 hours total annual training / Personnel	100.00%	50.00%	All members to complete 192 hours of training
		Fire officers completing officer training / total officers	100.00%	100.00%	All Fire Officers complete 12 hours of officer development training
		New drivers completing driver training / all drivers	100.00%	100.00%	All Drivers complete 12 hours of driver training

Categories	Strategic Objectives	Key Performance Indicators	FY 2022 Targets	FY 2022	Strategic Initiatives
		Haz Mat training completed / all personnel	100.00%	100.00%	All personnel complete 6 hours of Hazardous Materials training annually
		Personnel complete drill/burn tower training / personnel	100.00%	90.00%	All personnel complete 18 hours of training in Drill Tower or Live Burn Facility
	Improve FF Health/Wellness	Physical Ability Testing < 8 min	23.00	21.00	Conduct Physical Ability Test quarterly with a goal of 8 minutes or less
		Physicals conducted	23.00	23.00	Schedule required firefighter fit for duty physicals
		Annual EAP discussions	23.00	23.00	Conduct annual discussions on EAP
		Annual diet and exercise discussions	23.00	23.00	Conduct annual discussions on Diet and Exercise
	Increase First Response Capabilities from BLS to ALS	Train 3 firefighters to EMT-A	3.00	0.00	Train EMT's to EMT-A (Complete 200 of 396 hours)

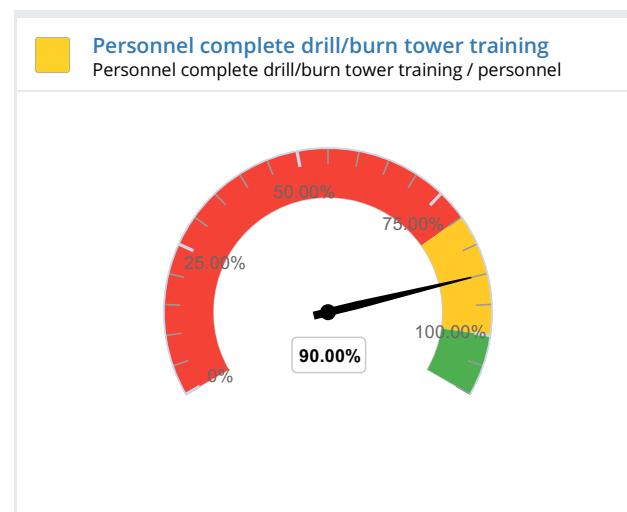
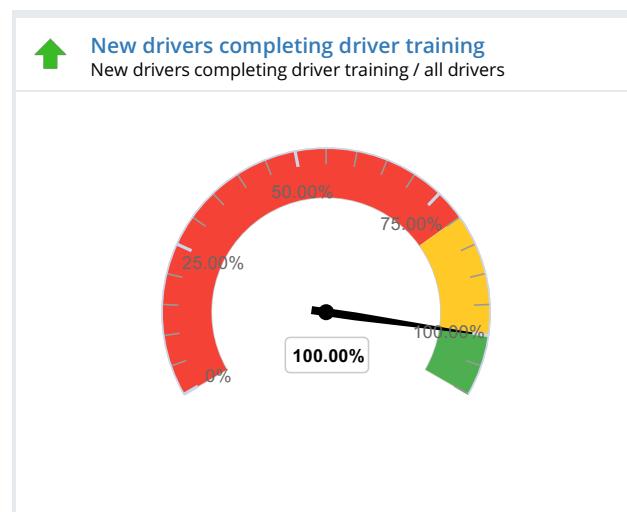
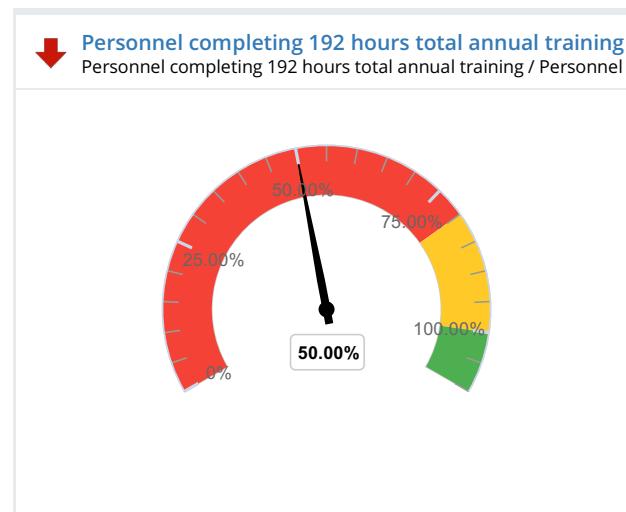
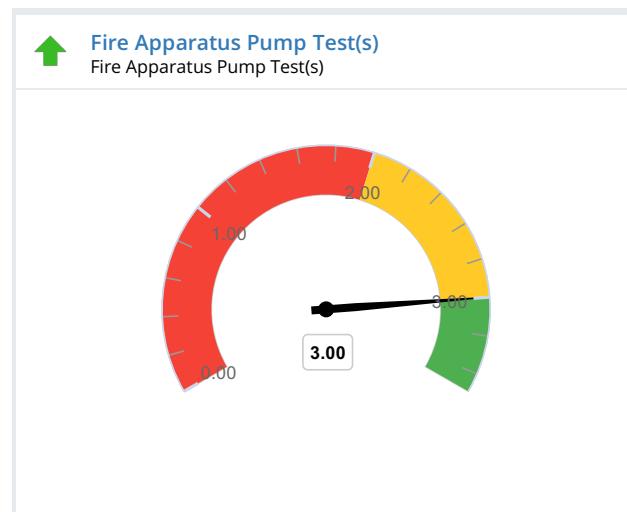
Dashboard

Fire Dept



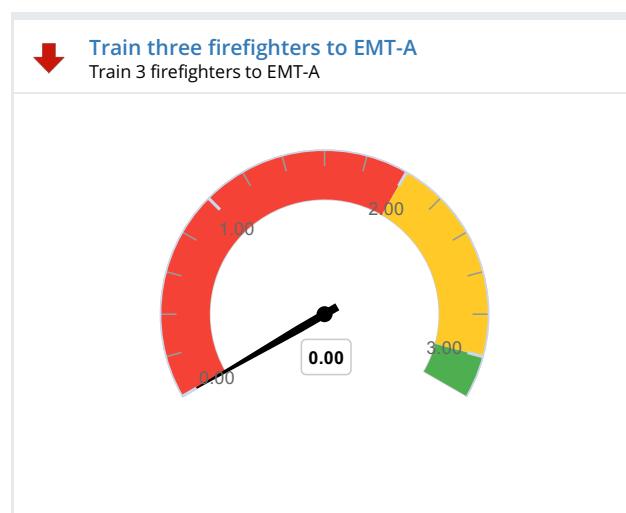
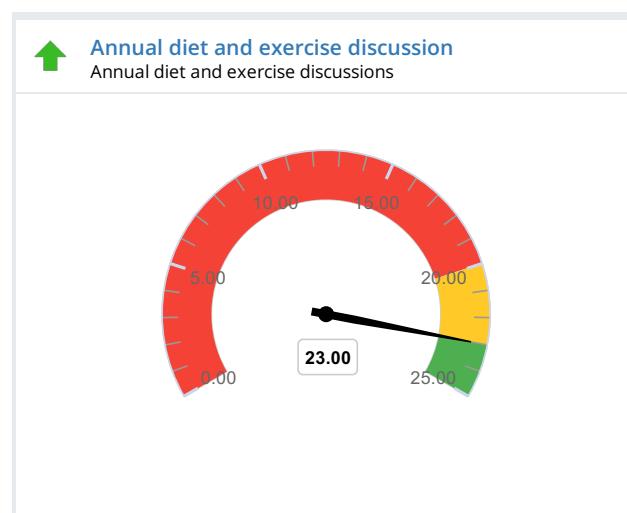
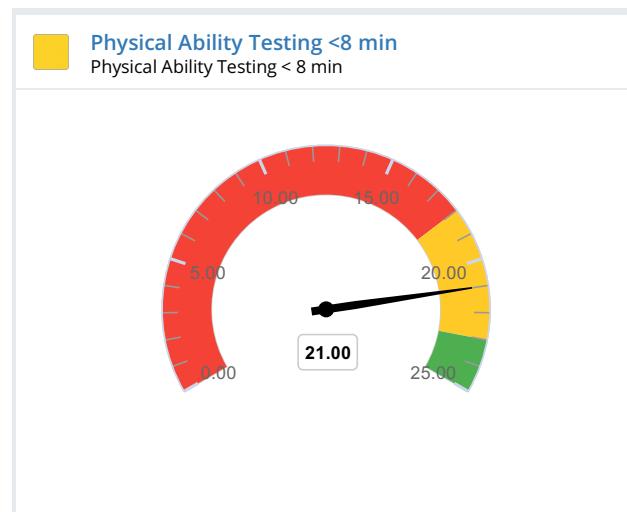
Dashboard

Fire Dept



Dashboard

Fire Dept



Police Department

To work cooperatively with the public to preserve the peace, protect life and property, and reduce a fear of crime within the community through a fair and equal enforcement of the law within the framework of the Constitution of the United States.

Description

- Oversee all major criminal investigations within the City
- Respond to calls from the public requesting police emergency and non-emergency services
- Respond to traffic-related incidents and accidents, issue warnings and citations for traffic violations
- Respond to calls from the public requesting animal services
- Provide assistance to victims of crime or persons in distress
- Provide assistance to surrounding law enforcement agencies

FY 2022 Accomplishments

- Obtained \$60,000 in CIP funding for the replacement of one (1) department vehicle and all related equipment with a 4X4 vehicle capable of towing large EOC command post trailer and larger boats.
- Obtained \$16,000 in adjusted funding to replace the department golf cart with an all-wheel drive side by side to increase mobility during floods, ice storms, or other natural disasters.
- Recognized by the Texas Commission on Law Enforcement for the creation of a racial profiling data reporting system.
- Obtained \$10,500 in CIP funding to add an additional radar trailer with the enhanced capability to capture speed related data and a messaging board.
- Two department members received the meritorious service award, the highest award given by the Texas Hill Country 100 Club.
- Obtained a public donation for the purchase and installation of a new highly advanced side scan sonar.
- Maintained a healthy work environment for Police employees during the Covid-19 Pandemic with minimal cases contracted by department employees.
- Continued to recruit, train, and maintained an excellent and professional workforce.
- Continued the departmental state certified home security inspection program for the community.
- Continued to promote and expand the departmental consumer information program aimed at helping those faced with deteriorating mental health concerns.
- Maintained a 100% level of patrol officers certified by the State as Mental Health Officers (MHO)
- Continued the patrol division Community Contact/Outreach program designed to solicit feedback from within the community and maintain the trust of residents.

FY 2023 Goals

- The addition of one (1) communication officer/administrative assistant
- To obtain \$96,000 in CIP funding for the replacement of two (2) department vehicles and all related vehicle equipment.
- To obtain \$9,500 in CIP funding to equip a 4x4 SUV anticipated to be donated to the department.
- To obtain \$17,000 in CIP funding for four (4) Motorola hand-held portable radios
- To train and certify additional patrol officers as drone pilots
- To replace the larger, original drone with a newer, upgraded version
- Continue to promote the consumer information program to better address the needs of those faced with deteriorating mental health issues.
- Maintain a 100% level of patrol officers certified by the State as Mental Health Officers (MHO).
- Continue to promote the state certified home security inspection program.
- Maintain and train an excellent and professional workforce.
- Conduct joint training exercises with other departments and other agencies for critical incident responses.
- Continue the patrol division Community Contact Outreach program to solicit feedback from within the community and maintain the trust of our residents.

Department Summary

POLICE DEPARTMENT	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	1,979,232	2,115,627	2,173,000	2,172,950	2,552,100
Supplies	59,321	60,639	94,750	94,500	135,000
Contractual	15,332	20,752	27,500	27,500	208,500
Sundry	28,227	30,789	35,500	27,350	26,950
Maintenance	32,863	22,539	28,500	27,000	33,500
Capital	177,309	148,156	70,500	70,500	60,000
TOTAL	2,292,284	2,398,502	2,429,750	2,419,800	3,016,050

HIGHLIGHTS – FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$379,100
- Added Communication Operator position
- Increased Contract Services by \$15,000
- Added line item for Dispatch Expense for \$166,000, moved from Admin dept.
- Decreased Dues, Fees, & Subscriptions by \$6,000
- Increased Equipment & Supplies by \$27,000
- Increased Travel, Training, Schools by \$9,500
- Increased Fuel & Lubricants by \$18,500
- Decreased Investigation Expense by \$1,000
- Increased M & R – Vehicles by \$6,000

- Decreased Printing & Office Supplies by \$2,000
- Decreased Public Safety Donations by \$12,750
- Decreased Uniforms by \$1,500
- Decreased Capital Expenditures by \$10,500

Department Summary

ANIMAL CONTROL	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	63,702	74,335	89,250	88,350	100,650
Supplies	4,212	3,439	4,500	4,500	7,750
Contractual	88,073	97,160	109,250	57,250	100,000
Sundry	1,943	954	2,000	1,000	1,250
Maintenance	1,805	934	1,500	1,500	2,000
Capital	—	—	—	—	—
TOTAL	159,735	176,822	206,500	152,600	211,650

HIGHLIGHTS – FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$11,400
- Added line item for Contract Services for \$10,000
- Decreased Travel, Training, Schools by \$750
- Increased Fuel & Lubricants by \$3,000
- Decreased Deer Management by \$20,000

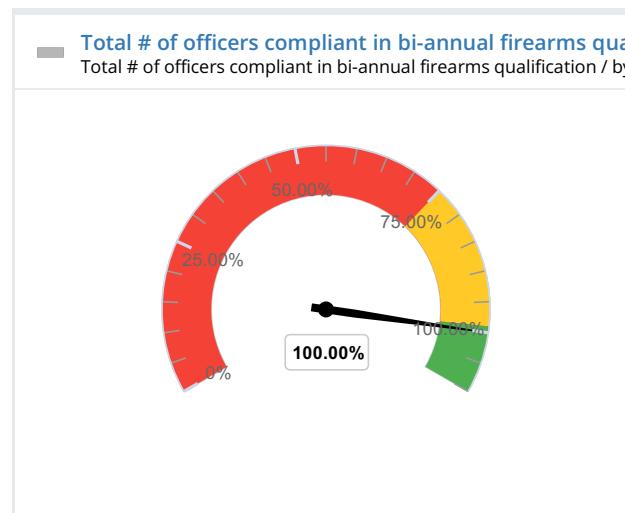
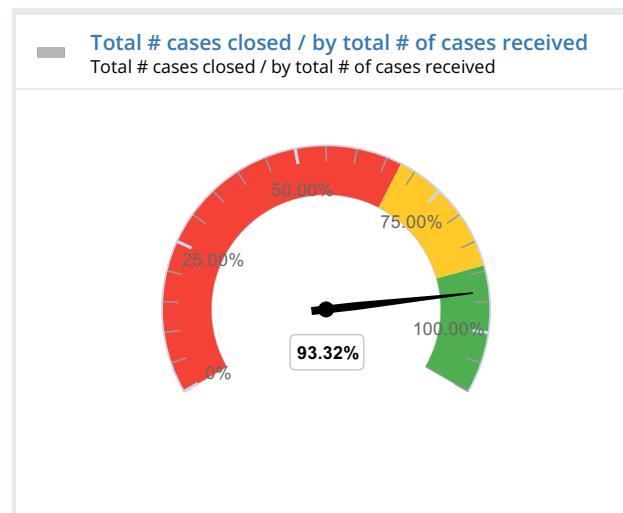
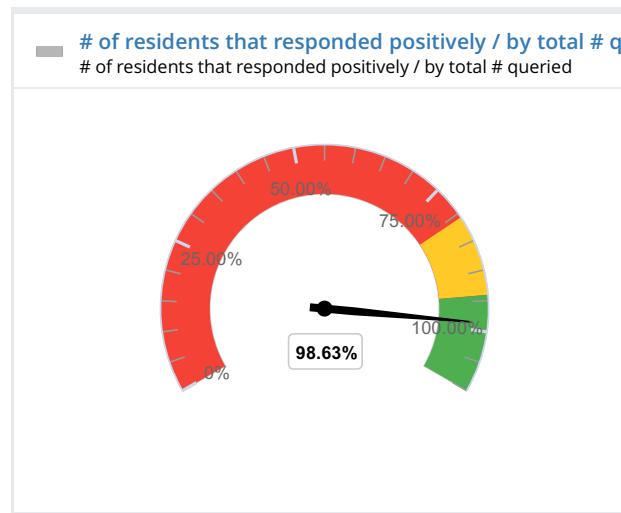
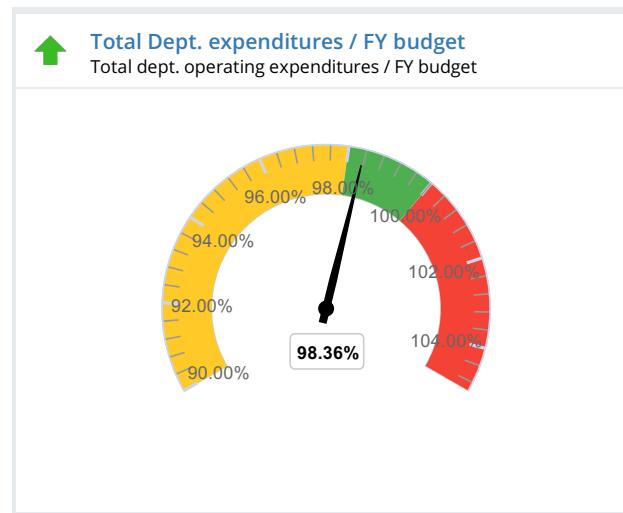
Vision Statement

To provide world class police services, protect our community, and ensure the highest quality of life standards for those who live, work, or visit through partnerships and community policing.

Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
Financial	To keep overall department expenditures at 2% or less below the FY budget	Total dept. operating expenditures / FY budget	98.00%	98.36%	Review and monitor budget expenditures on a weekly basis to determine needed adjustments; implement measures to reduce expenditures ie. reducing fuel consumption, uniform recycling, reschedule non-mandated training, and evaluating severity of equipment needs vs. remaining budget
Key Stakeholder	To maintain a 95% level sense of safety & security sense from residents surveyed	# of residents that responded positively / by total # queried	95.00	98.63%	Minimum of 24 residents surveyed per month as part of the COP program
Operations	To keep response time avg to all CFS below 4.0 minutes monthly	Response time to all CFS	4.00	1.87	Consistant use of MDC to log arrival times

Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
	To maintain a case clearance rate above 90% monthly	Total # cases closed / by total # of cases received	90.00%	93.32%	Use of case tracker computer program to monitor status of active and suspended cases in order to adjust resources to address open cases
Learning & Growth	To maintain 100% MHO certification by all patrol officers monthly	Total # officers certified as MHO / by total # of patrol officers	100.00	85.71%	Schedule and train any new officers not certified as MHO schedule and send to school within 180 days of employment
	To maintain 100% of bi-annual firearms qualification of all officers	Total # of officers compliant in bi-annual firearms qualification / by total # of officers	100.00	100.00%	Schedule and conduct bi-annual firearms qualification along with necessary make up sessions so all officers are compliant each 6 month period



Development Services

We strive to continually provide world class customer service working as partners with the development community to help our property owners and residents to maintain and enhance the community's quality of life. We assist them in understanding the process and application requirements for development and building construction which comply with applicable codes and regulations, which we continually strive to keep updated for increased standards for public health and safety and hazard mitigation.

DESCRIPTION

- Maintain world class customer service through increasing staff knowledge of regulatory and procedural practices through ongoing staff training.
- Maintain an average response time of 5 – 6 days for plan reviews.
- Maintain an average response time of one day for inspections.
- Respond quickly to complaints regarding Code violations, focusing primarily on education and compliance, and process them through Municipal Court when necessary.
- Provide quality administrative services and monthly reports to City Council regarding building permits, inspections, planning activities and code enforcement.
- Provide advice and assistance to the City Council, Planning and Zoning Commission, and Board of Adjustment.

FY 2022 ACCOMPLISHMENTS

- Effectively managed a 33% increase in permit activity over FY21
- Developed and implemented a revised development fee schedule
- Scenic Cities Recertification
- Master Drainage Study of 3 of 6 waterways thru Horseshoe Bay
- Image Corridor/Gateway Zoning Overlay
- DRC designed and developed Drainage Criteria Manual, Transportation Criteria Manual, and Utilities Manual for inclusion in Subdivision Ordinance
- Implemented Tree Preservation Ordinance
- Managed and implemented Monarch Ridge PID
- Hired new GIS Administrator and move position into Development Services.
- Implemented digital building permit and major project plan submissions.
- Code Enforcement effectively managed over 260 building sites
- Implemented MGO Permitting, Inspection, Code Enforcement and Plan Review Software.
- Participation in Mayor's POA, Realtor, Builders, and Town Hall outreach meetings

FY 2023 GOALS

- Implement Long Range Plan strategies and initiatives and ensure consistency between plan and development code.
- Provide efficient and effective customer service. Provide world class customer service by building and maintaining internal and external relationships through effective communications and predictable service.
- Communicate the purpose of local regulations and long-range plans and associated development services processes.
- Promote high quality, cost-effective training designed to expand individual and organizational productivity and enrichment.

Department Summary

DEVELOPMENT SERVICES	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	434,267	527,485	544,250	521,200	751,400
Supplies	11,635	15,320	25,500	18,500	21,000
Contractual	147,868	159,109	264,500	259,500	307,000
Sundry	41,121	45,734	59,500	67,500	96,050
Maintenance	640	3,027	1,500	1,500	2,000
Capital	-	-	34,000	34,000	57,000
TOTAL	635,531	750,675	929,250	902,200	1,234,450

HIGHLIGHTS – FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$207,150
- Added a Code Compliance Officer position
- Increased Professional Services by \$15,000
- Increased Monarch Ridge Expense by \$10,000
- Increased Maintenance Contract by \$31,800
- Increased Copier Lease by \$7,500
- Decreased Engineering Fees by \$5,000
- Decreased Equipment & Supplies by \$2,000
- Decreased Travel, Training, Schools by \$5,000
- Increased Fuel & Lubricants by \$2,000
- Increased City Banking Fees by \$1,250
- Increased Other Expense by \$2,000
- Increased Code Enforcement Actions by \$1,500
- Increased Capital Expenditures by \$23,000

Balanced Scorecard - Development Services

Development Services

Vision Statement

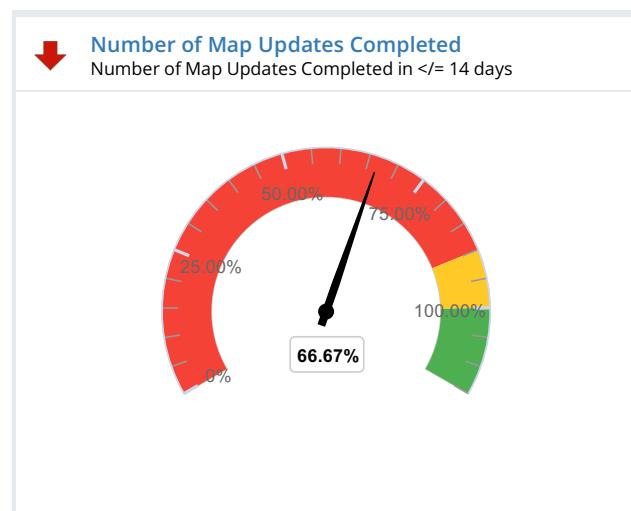
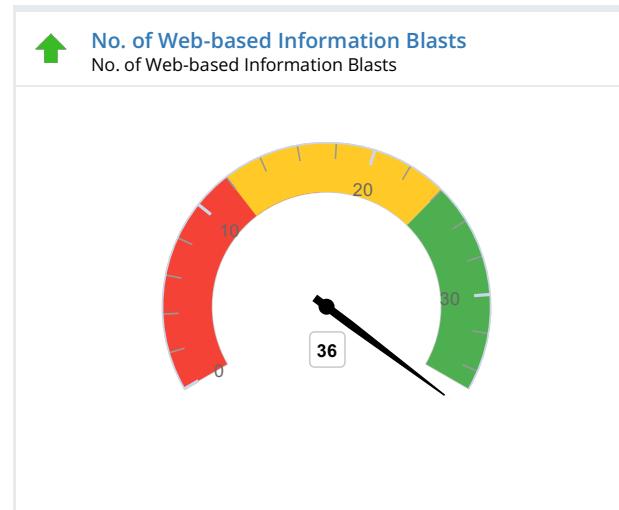
The Mission of the Development Services Department is to provide outstanding customer service while helping our property owners and residents and the development community maintain and enhance the community's quality of life by assisting them in understanding the process and application requirements for development and building construction which comply with applicable codes and regulations.

Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
Key Stakeholder	Collaborate with Stakeholders to Provide Educational Opportunities Resulting in Voluntary Compliance and Self Service Initiatives	No. of Educational Workshops to Contractors and the Public	6	3	Develop innovative ways to provide education to stakeholders in Covid-era such as video information.
		No. of Web-based Information Blasts	24	36	
Operations	Improve compliance of single family trash can ordinance offenders	Number of Offenders, Target of </= 20 per month		29	1. Clarify Health & Sanitation Ordinance related to trash pickup 2. Inform the Community of changes through utility bills, website, & newspaper 3. Issue friendly reminder on day after trash pickup 4. Issue violation on day 2 after trash pickup
	Improve Customer Service with map updates to GIS online map	Number of Map Updates Completed in </= 14 days		66.67%	
Learning & Growth	Increase Staff Education to Provide World Class Services	Average Hours in Training per Person per Month	2	11.59	Take advantage of reduced education fees due to no travel in Covid era.

Dashboard

Development Services



Public Works

To provide and maintain a transportation system of streets for safe and efficient vehicular traffic, and to provide clean, safe, and well-maintained rights-of-way and vacant lots.

Description

- Repair streets for damage caused by water line breaks and failure of road base material
- Install and maintain traffic control signs
- Mow rights-of-way and maintain vacant lots
- Maintain city property such as City Hall

FY 2022 Accomplishments

- Completed 1.6 of new road construction
- Assistant Public Works Director has completed two assigned courses in development education.
- Continuing to improve the street maintenance program
- Successfully continue to inform residents on street projects

FY 2023 Goals

- Plan out and execute the next road upgrade area in various locations within the City
- Plan and execute street seal coat project of the defined area – Hi Circle South location
- Plan career education with public works director
- Complete new public works storage facility

Department Summary

PUBLIC WORKS	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	224,336	236,113	240,750	237,750	240,900
Supplies	47,187	51,187	111,500	109,000	142,000
Contractual	194,385	250,482	312,500	312,500	350,000
Sundry	-	52,209	25,500	24,000	38,350
Maintenance	-	5,650	20,000	15,000	26,500
Capital	6,276	60,000	135,000	135,000	-
TOTAL	472,184	655,641	845,250	833,250	797,750

HIGHLIGHTS – FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$150
- Increased Engineering Fees by \$5,000
- Increased Equipment & Supplies by \$3,000
- Decreased Travel, Training & Schools by \$1,000
- Increased Fuel & Lubricants by \$1,000
- Added line item M&R Building for \$5,000
- Increased M&R Vehicles by \$4,500
- Increased Uniforms by \$1,000
- Increased Other Expense by \$1,500
- Increased Street Striping by \$10,000
- Increased Street Maintenance by \$15,000
- Increased Street Patching Materials by \$15,000
- Increased Traffic Signs Contract by \$2,500
- Increased Traffic Signs Materials by \$2,500
- Increased Litter Control Contract by \$5,000
- Increased ROW Maintenance by \$10,000
- Decreased Golden Nugget Nature Park by \$10,000
- Increased Martin Park by \$5,000
- Decreased Capital Expenditures by \$135,000

Department Summary

MOWING & CLEARING	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Contractual	598,883	646,029	625,000	590,000	655,000
TOTAL	598,883	646,029	625,000	590,000	655,000

HIGHLIGHTS – FY 2023 Adopted Budget Changes from FY 2022 Amended Budget

- Increased Lot Clearing contracts by \$30,000

Vision Statement

To provide a World Class Partnership with the Employees and Residents of our City.

Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2022 Targets	FY 2022 FYTD	Strategic Initiatives
Operations	Reduce number of complaints	Number of calls and email complaints per month	25.00	18.83	Answer all calls/emails within 8 hours, achieving customer support and public relations
	Be more proactive on maintenance issues	> or = 100 hours per month of maintenance	100.00	99.75	2 hours every morning and 2 hours every afternoon inspecting streets, signs, easements and safety cuts plus all other management programs
	Manage a monthly street repair plan	Install 500 sq ft of asphalt patching/sealcoating as needed per month	500.00	495.83	Locate and fix max number potholes/sealcoating per budget each month, get contractor, fixed within 30 days
Learning and Growth	Acquiring Training Certification	Certifications or certification renewals per FY	2.00	1.00	Complete at least 1 certification or renewal in first 6 months of FY

Dashboard

Public Works

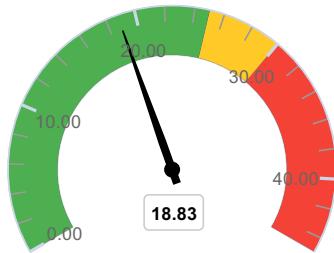
Home

Scorecard

Key
Performance
Indicators

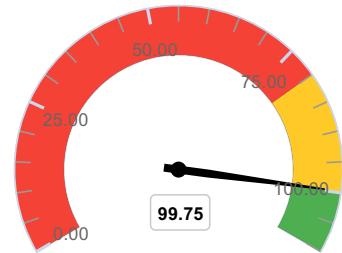
Reduce number of complaints

Number of calls and email complaints per month



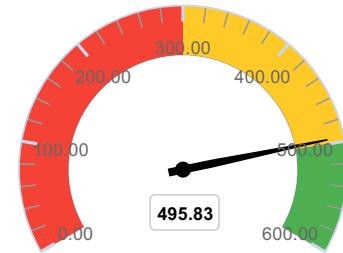
Proactive on maintenance issues

> or = 100 hours per month of maintenance



Manage a monthly street repair plan

Install 500 sq ft of asphalt patching/sealcoating as needed per month



Acquiring Training Certification

Certifications or certification renewals per FY





CITY OF HORSESHOE BAY
FY 2023 General Fund Budget - 02

Account Code	Account Title	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected	FY 2023 Adopted Budget	% Variance from FY22 Projected to FY23
OPERATING EXPENDITURES							
1000	ADMINISTRATION						
50410	Salaries & Wages	591,362	652,266	687,000	674,000	853,350	26.6%
50411	Overtime	1,684	5,306	8,500	8,000	5,000	-37.5%
50415	Employers FICA Expense	42,543	49,530	53,000	52,200	65,700	25.9%
50420	Group Insurance Premiums	95,463	104,122	104,750	99,500	107,500	8.0%
50430	401(A) Money Purchase	32,888	37,482	40,000	44,000	12,100	-72.5%
50432	401(A) Match	27,292	29,554	31,500	32,000	10,500	-67.2%
50433	TMRS	0	0	0	0	54,400	100.0%
50435	Employers Unemployment Expense	2,306	0	5,000	1,000	1,000	0.0%
50500	Accounting & Auditing Expense	14,395	17,915	19,500	19,500	21,500	10.3%
50505	Professional Services	58,368	66,032	55,000	100,000	69,200	-30.8%
50506	Election Contracts	3,788	75	6,000	3,200	10,000	212.5%
50509	Appraisal District Fees - Burnet	10,649	10,344	12,000	12,000	14,000	16.7%
50510	Appraisal District Fees - Llano	102,904	110,208	115,000	110,000	122,000	10.9%
50511	Drainage Study	0	0	100,000	40,000	487,000	1117.5%
50514	Transportation Study	0	0	60,000	7,500	52,500	600.0%
50545	Maintenance Contracts	37,945	54,443	55,000	55,000	74,100	34.7%
50564	Codification	3,652	8,051	7,500	10,000	10,000	0.0%
50565	City Council Expense	3,533	5,054	7,500	7,000	7,000	0.0%
50568	Advisory Committees	24,282	12,654	0	0	15,000	0.0%
50570	Dispatch Expense	111,107	112,250	116,500	116,500	0	-100.0%
50575	Dues, Fees, & Subscriptions	39,804	31,253	26,000	34,000	35,400	4.1%
50576	Copier Lease	0	3,905	4,500	4,500	6,800	51.1%
50585	Electricity	30,596	29,677	34,000	34,000	37,000	8.8%
50591	EOC Training & Supplies	4,288	5,007	5,000	5,000	5,000	0.0%
50592	Equipment & Supplies	0	1,330	0	0	15,000	100.0%
50593	Travel, Training, Schools	41,771	21,303	42,000	30,000	30,000	0.0%
50596	Employee Engagement	1,208	445	2,000	2,000	19,250	862.5%
50597	Special Events-Employees	3,573	8,254	9,000	9,000	12,000	33.3%
50610	Property & Liability Ins.	93,049	95,248	119,000	115,000	120,000	4.3%
50611	Workers' Comp Insurance	124,334	149,315	150,000	157,000	157,000	0.0%
50620	Legal Expense	61,938	87,260	120,000	120,000	93,500	-22.1%
50625	Fireworks	10,000	0	10,000	10,000	12,500	20.0%
50630	M & R - Building	56,956	66,693	65,000	65,000	70,000	7.7%
50650	M & R - Grounds	19,977	24,643	31,000	33,000	36,500	10.6%
50753	City Banking Fees	661	814	3,000	3,000	3,000	0.0%
50765	Other Expense	28,389	9,125	8,000	10,000	10,000	0.0%
50766	COVID - 19 Disaster Expense	26,928	4,095	0	0	0	0.0%
50775	Postage	4,986	6,181	5,000	5,000	7,000	40.0%
50780	Printing & Office Supplies	28,446	26,568	26,000	26,000	25,700	-1.2%
50781	General Supplies	0	7,596	7,000	7,000	9,000	28.6%
50810	Communications	45,716	44,366	40,000	48,000	53,000	10.4%
50820	Child Safety Fund Expense	6,000	0	0	0	0	0.0%
50821	Court Technology Fund Expense	1,500	0	0	0	0	0.0%
50823	Court Collection Agency Fees	11,721	1,350	0	0	0	0.0%
50824	Warrant Fees	1,650	400	2,250	1,000	2,000	100.0%
50826	Municipal Court Judicial Staff	30,600	30,600	30,750	30,750	36,000	17.1%



CITY OF HORSESHOE BAY
FY 2023 General Fund Budget - 02

Account Code	Account Title	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget	% Variance from FY22 Projected to FY23
50841	Central Texas Water Coalition	0	0	5,000	5,000	0	-100.0%
50842	Workforce Network	10,000	10,000	10,000	10,000	10,000	0.0%
50843	Sponsorship	0	3,500	8,000	8,000	8,000	0.0%
50844	Friends of The Marble Falls Library	0	5,000	5,000	5,000	5,000	0.0%
50861	Mailbox POA Refund	0	0	16,750	16,700	0	0.0%
50866	Tree Removal	760	0	0	0	0	0.0%
50867	Golden Nugget Nature Park	10,150	0	0	0	12,500	-100.0%
50868	Martin Park	3,670	0	0	0	0	0.0%
50870	Fuchs House	0	1,886	0	0	0	0.0%
50871	Milfoil Treatment	0	0	18,000	18,000	18,000	0.0%
50872	Hiking Trail Park	615	0	0	0	0	0.0%
50873	HSB POA- Park Contribution	0	0	0	0	20,000	100.0%
50831	Transfer Out		39,739	150,000	0	0	0.0%
50831	Transfer to Capital Improv. Fund	857,062	0	0	0	0	0.0%
50831	Transfer to Utility Fund	51,440	310,640	0	0	0	0.0%
Total	ADMINISTRATION	2,771,949	2,301,479	2,436,000	2,203,350	2,861,000	29.8%
3000	TECHNOLOGY SERVICES						
50410	Salaries & Wages	115,329	152,785	157,000	139,500	82,950	-40.5%
50415	Employers FICA Expense	7,961	11,292	12,500	10,700	6,350	-40.7%
50420	Group Insurance Premiums	23,594	29,866	29,750	27,800	15,500	-44.2%
50430	401(A) Money Purchase	5,576	7,653	8,000	8,370	1,550	-81.5%
50432	401(A) Match	2,301	3,853	4,000	3,800	1,000	-73.7%
50433	TMRS	0	0	0	0	5,250	
50505	Professional Services	2,818	0	8,000	4,000	4,000	0.0%
50545	Maintenance Contracts	26,091	38,472	92,500	92,000	62,200	-32.4%
50575	Dues, Fees, & Subscriptions	14,172	21,732	36,250	36,000	38,300	6.4%
50592	Equipment & Supplies	1,164	3,847	1,000	1,000	1,000	0.0%
50593	Travel, Training, Schools	126	638	2,500	200	1,000	100.0%
50765	Other Expense	0	0	0	0	0	0.0%
50830	Uniforms	212	0	0	0	0	0.0%
Total	TECHNOLOGY SERVICES	199,345	270,138	351,500	323,370	219,100	-32.2%
5000	FIRE						
50410	Salaries & Wages	1,544,593	1,580,323	1,733,500	1,685,000	1,839,600	9.2%
50411	Overtime	145,861	123,887	116,750	116,000	116,000	0.0%
50412	Salaries - P/T Firefighters	0	21,297	10,000	10,000	60,000	500.0%
50415	Employers FICA Expense	119,184	129,367	142,500	138,550	154,200	11.3%
50420	Group Insurance Premiums	322,670	332,802	334,500	310,000	310,000	0.0%
50430	401(A) Money Purchase	94,000	92,100	102,250	102,000	27,600	-72.9%
50432	401(A) Match	72,009	72,919	82,750	80,000	21,100	-73.6%
50433	TMRS	0	0	0	0	123,800	100.0%
50437	Relocation Expense	6,848	0	0	0	0	0.0%
50505	Professional Services	6,000	6,000	6,000	6,000	36,000	500.0%
50545	Maintenance Contracts	23,406	12,254	12,750	12,750	13,750	7.8%
50548	Contract Services	3,328	1,000	4,000	4,000	4,000	0.0%
50575	Dues, Fees, & Subscriptions	5,028	4,970	5,000	5,000	5,300	6.0%
50576	Copier Lease	0	0	3,000	3,000	4,500	33.3%
50592	Equipment & Supplies	36,136	8,333	51,750	51,750	43,000	-16.9%
50593	Travel, Training, Schools	21,126	9,413	31,750	31,750	33,250	4.7%
50594	Fire Protection Gear	23,632	18,763	25,000	25,000	25,000	0.0%
50595	Fuel & Lubricants	11,971	12,175	15,000	15,000	18,000	20.0%
50598	Wellness Program	8,075	12,450	9,500	9,500	13,500	42.1%



CITY OF HORSESHOE BAY
FY 2023 General Fund Budget - 02

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2022	% Variance from FY22
		Final Actuals	Final Actuals	Amended Budget	Projected Actuals	Projected to FY23
50640	M & R - Equipment	10,639	12,991	17,500	17,500	18,000 2.9%
50685	M & R - Vehicles	25,578	24,334	30,000	30,000	30,000 0.0%
50765	Other Expense	11,977	12,776	13,000	13,000	15,000 15.4%
50775	Postage	557	17	250	250	250 0.0%
50780	Printing & Office Supplies	917	376	1,500	1,500	1,500 0.0%
50800	Safety Equipment & Supplies	2,045	3,021	4,500	4,500	5,500 22.2%
50811	Telecare Program	185	0	750	750	750 0.0%
50829	Public Safety Donations	4,895	5,586	5,000	5,000	0 -100.0%
50830	Uniforms	11,087	8,421	15,500	15,500	15,500 0.0%
Total	FIRE	2,511,747	2,505,575	2,774,000	2,693,300	2,935,100 9.0%
8000	POLICE					
50410	Salaries & Wages	1,465,833	1,545,622	1,596,750	1,595,000	1,944,600 21.9%
50411	Overtime	19,915	27,154	18,500	18,500	18,500 0.0%
50415	Employers FICA Expense	108,102	121,740	123,500	123,450	150,200 21.7%
50420	Group Insurance Premiums	237,406	261,327	262,000	262,500	262,500 0.0%
50430	401(A) Money Purchase	83,516	90,652	96,750	101,000	28,600 -71.7%
50432	401(A) Match	64,460	69,132	75,500	72,500	23,400 -67.7%
50433	TMRS	0	0	0	0	124,300 100.0%
50548	Contract Services	15,332	20,752	23,000	23,000	38,000 65.2%
50570	Dispatch Expense	0	0	0	0	166,000 100.0%
50575	Dues, Fees, & Subscriptions	8,774	7,321	11,500	7,000	5,500 -21.4%
50576	Copier Lease	0	4,082	4,500	4,500	4,500 0.0%
50592	Equipment & Supplies	12,473	13,855	14,500	16,000	41,500 159.4%
50593	Travel, Training, Schools	7,012	2,814	8,500	6,000	18,000 200.0%
50595	Fuel & Lubricants	26,035	36,202	50,000	50,000	68,500 37.0%
50615	Investigation Expense	2,616	2,778	6,000	5,000	5,000 0.0%
50616	Jail Expense	100	0	250	200	250 25.0%
50640	M & R - Equipment	240	965	2,000	1,000	1,500 50.0%
50685	M & R - Vehicles	29,195	21,079	25,000	25,000	31,000 24.0%
50686	M & R - Weapons	3,428	495	1,500	1,000	1,000 0.0%
50760	Medical	1,696	367	1,000	500	1,000 100.0%
50765	Other Expense	4,577	3,485	5,000	5,000	5,000 0.0%
50775	Postage	114	83	250	150	200 33.3%
50780	Printing & Office Supplies	4,586	2,255	5,500	3,000	3,500 16.7%
50800	Safety Equipment & Supplies	4,318	1,991	3,500	3,500	3,500 0.0%
50829	Public Safety Donations	4,897	3,522	12,750	16,000	0 -100.0%
50830	Uniforms	10,352	12,673	11,500	9,500	10,000 5.3%
Total	POLICE	2,114,975	2,250,346	2,359,250	2,349,300	2,956,050 25.8%



CITY OF HORSESHOE BAY
FY 2023 General Fund Budget - 02

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2022	FY 2023	% Variance from FY22
		Final Actuals	Final Actuals	Amended Budget	Projected Actuals	Adopted Budget	Projected to FY23
9000 ANIMAL CONTROL							
50410	Salaries & Wages	44,385	50,113	63,750	62,500	72,450	15.9%
50411	Overtime	1,010	1,393	1,000	1,000	1,000	0.0%
50415	Employers FICA Expense	3,149	3,682	5,000	4,850	5,600	15.5%
50420	Group Insurance Premiums	13,256	15,171	15,500	15,500	15,500	0.0%
50430	401(A) Money Purchase	951	1,988	2,000	2,250	700	-68.9%
50432	401(A) Match	951	1,988	2,000	2,250	700	-68.9%
50433	TMRS	0	0	0	0	4,700	100.0%
50502	Animal Shelter	13,500	13,500	14,250	13,750	15,000	9.1%
50548	Contract Services	0	0	0	0	10,000	100.0%
50592	Equipment & Supplies	1,058	325	1,000	1,000	1,000	0.0%
50593	Travel, Training, Schools	368	999	1,500	500	750	50.0%
50595	Fuel & Lubricants	2,786	2,115	3,000	3,000	6,000	100.0%
50685	M & R - Vehicles	1,805	934	1,500	1,500	2,000	33.3%
50765	Other Expense	1,461	144	500	500	750	50.0%
50830	Uniforms	483	810	500	500	500	0.0%
50862	Deer Management	74,573	83,660	95,000	43,500	75,000	72.4%
Total	ANIMAL CONTROL	159,735	176,822	206,500	152,600	211,650	38.7%
9500 DEVELOPMENT SERVICES							
50410	Salaries & Wages	314,685	384,653	393,750	377,500	568,200	50.5%
50411	Overtime	0	428	1,500	1,500	1,500	0.0%
50415	Employers FICA Expense	22,426	29,465	30,500	29,000	43,600	50.3%
50420	Group Insurance Premiums	66,644	80,101	80,500	78,000	89,000	14.1%
50430	401(A) Money Purchase	18,516	20,298	21,500	21,000	7,000	-66.7%
50432	401(A) Match	11,996	12,540	16,500	14,200	6,000	-57.7%
50433	TMRS	0	0	0	0	36,100	100.0%
50505	Professional Services	137,464	139,583	190,000	175,000	220,000	25.7%
50510	Monarch Ridge Expenses	0	0	40,000	50,000	50,000	0.0%
50545	Maintenance Contracts	10,404	4,284	5,500	5,500	37,300	578.2%
50575	Dues, Fees, & Subscriptions	4,390	8,030	8,000	8,000	8,000	0.0%
50576	Copier Lease	0	3,807	4,500	4,500	12,000	166.7%
50590	Engineering Fees	0	15,026	30,000	30,000	25,000	-16.7%
50592	Equipment & Supplies	2,140	7,368	8,000	6,000	6,000	0.0%
50593	Travel, Training, Schools	5,809	5,081	14,000	8,000	9,000	12.5%
50595	Fuel & Lubricants	1,121	1,624	2,000	3,000	4,000	33.3%
50685	M & R - Vehicles	640	3,027	1,500	1,500	2,000	33.3%
50753	Citi Banking Fees	999	3,132	5,000	5,000	6,250	25.0%
50765	Other Expense	362	540	1,500	1,500	3,500	133.3%
50777	Advertisements/Notices	2,356	1,525	2,500	2,000	2,000	0.0%
50780	Printing & Office Supplies	2,565	1,247	1,500	1,500	2,000	33.3%
50828	Code Enforcement Actions	31,889	26,078	33,500	42,000	35,000	-16.7%
50830	Uniforms	1,125	2,838	3,500	3,500	4,000	14.3%
Total	DEVELOPMENT SERVICES	635,531	750,675	895,250	868,200	1,177,450	35.6%



CITY OF HORSESHOE BAY
FY 2023 General Fund Budget - 02

Account Code	Account Title	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget	% Variance from FY22 Projected to FY23
9600	PUBLIC WORKS						
50410	Salaries & Wages	170,421	175,349	177,750	177,000	193,200	9.2%
50411	Overtime	541	0	750	0	2,000	100.0%
50415	Employers FICA Expense	12,387	13,740	13,750	13,550	14,950	10.3%
50420	Group Insurance Premiums	22,634	26,836	26,500	25,000	25,000	0.0%
50430	401(A) Money Purchase	11,012	12,113	12,750	13,200	3,450	-73.9%
50432	401(A) Match	7,341	8,075	9,250	9,000	2,300	-74.4%
50433	TMRS	0	0	0	0	12,350	100.0%
50590	Engineering Fees	0	5,000	5,000	5,000	10,000	100.0%
50592	Equipment & Supplies	0	2,585	9,000	9,000	12,000	33.3%
50593	Travel, Training, Schools	0	2,416	3,000	2,500	2,000	-20.0%
50595	Fuel & Lubricants	0	1,091	7,000	5,000	8,000	60.0%
50630	M&R Buildings	0	0	0	0	5,000	100.0%
50685	M&R Vehicles	0	0	2,000	500	6,500	92.3%
50765	Other Expense	0	0	0	1,000	1,500	33.3%
50830	Uniforms	0	624	1,000	0	2,000	100.0%
50853	Street Striping	5,790	12,550	10,000	10,000	20,000	100.0%
50854	Street Maintenace	45,699	35,700	100,000	100,000	115,000	15.0%
50855	Street Patching Materials	39,704	27,300	70,000	70,000	85,000	21.4%
50856	Drainage	0	5,650	20,000	15,000	20,000	33.3%
50857	Traffic Signs Contract	2,923	1,356	7,500	7,500	10,000	33.3%
50858	Traffic Signs Materials	1,693	8,752	12,500	12,500	15,000	20.0%
50859	Litter Control Contract	44,920	40,800	50,000	50,000	55,000	10.0%
50865	ROW Maintenance	100,844	167,626	150,000	150,000	160,000	6.7%
50867	Golden Nugget Nature Park	0	40,000	10,000	10,000	0	-100.0%
50868	Martin Park	0	6,424	7,500	7,500	12,500	0.0%
50872	Hiking Trail Park	0	1,654	5,000	5,000	5,000	0.0%
Total	PUBLIC WORKS	465,909	595,641	710,250	698,250	797,750	14.2%
9800	MOWING & CLEARING						
50863	Lot Mowing	574,253	613,729	590,000	590,000	620,000	5.1%
50864	Lot Clearing	24,630	32,300	35,000	0	35,000	100.0%
Total	MOWING & CLEARING	598,883	646,029	625,000	590,000	655,000	11.0%
TOTAL OPERATING EXPENDITURES		<u>9,458,074</u>	<u>9,496,705</u>	<u>10,357,750</u>	<u>9,878,370</u>	<u>11,813,100</u>	<u>19.6%</u>



**CITY OF HORSESHOE BAY
FY 2023 General Fund Budget - 02**

Account Code		FY 2023 Adopted Budget
FY 2023 CAPITAL PURCHASES		
1000	ADMINISTRATION	
50955-100	Emergency Equipment Replacement	20,000
5000	FIRE	
50956-316	2 Brush Truck Replacements (5 yr lease purchase)	85,000
8000	POLICE	
50956-055	Replacement Vehicle	60,000
9500	DEVELOPMENT SERVICES	
50956-325	Code Compliance Officer Truck/Equipment	57,000
TOTAL CAPITAL PURCHASES		<u>222,000</u>

Capital Improvements Fund

The City's Capital Improvements Fund is for major capital projects and purchases that are non-utility. The majority of these major capital projects are for street-related projects or major construction projects, such as the police building or fire station. The major purchases in the past have included fire trucks.

The items in the Capital Improvements Fund are typically funded through two sources – by issuing tax-backed debt (either Certificates of Obligation or General Obligation Bonds) or by transferring and using unassigned fund balances in the General Fund. For FY 2023 City Council and staff reviewed the 5-year projections and determined to borrow \$4.1 million of Certificate of Obligation Bonds instead of drawing down reserves to fund the projects. This method allows the City to keep healthy reserve balances while borrowing at moderate interest rate and maintain the same property tax rate as prior year. The City plans to borrow \$4,100,000 through Certificates of Obligations in FY 2023 and majority of funds will be used in FY 2023.

The first project for FY 2023 is street upgrades and sealcoating in the amount of \$2,900,000. This project is a continuation of our street upgrade program, on approximately 1 mile of new pavement and concrete ribbon curb. There are an estimated 15 streets being considered for improvement throughout the City for street upgrades. The sealcoating project will be done at the Horseshoe Bay Proper area.

The second project is an expansion and renovation of the West Fire Station #2 at an estimated cost of \$1,200,000. This project is in the planning and design stages, and the construction phase will begin in FY 2024. This project will renovate current staff quarters, increase the size of the apparatus bays to accommodate all necessary fire apparatus, and expand the fire station capability to meet future staffing needs as Horseshoe Bay West continues to experience rapid growth.



CITY OF HORSESHOE BAY
FY 2023 Capital Projects Budget - 07

Account Code	Account Title	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
	Estimated Beginning Fund Balance:	\$ 185,607	\$ 36	\$ 2,058,992	\$ 2,058,992	\$ 310,992
REVENUES						
REVENUES						
40220	Interest Income	1,945	2,107	500	2,000	-
40300	Bond Proceeds	0	3,925,000	-	-	4,100,000
40301	Bond Premium	0	197,343			150,000
40310	Transfer In from General Fund	857,062	-	150,000	150,000	-
	TOTAL REVENUES	859,007	4,124,450	150,500	152,000	4,250,000
EXPENDITURES						
EXPENDITURES						
50534	2020 Series Bond Issuance Cost	-	118,180	-	-	-
50535	2022 Series Bond Issuance Cost					150,000
50959-335	Fire Station #2 Improvements					1,200,000
50961-990	Sealcoating	-	-	-	-	750,000
50961-984	Street Upgrades	1,044,578	182,567	1,892,000	1,900,000	2,100,000
50965-962	HSB South Seal Coating	-	320,989	-	-	-
50965-982	Ferguson & Fairways Seal Coating	-	1,443,758	-	-	-
50965-983	Internet Infrastructure	-	-	317,000	-	-
	TOTAL EXPENDITURES	1,044,578	2,065,494	2,209,000	1,900,000	4,200,000
	Estimated Ending Fund Balance	\$ 36	\$ 2,058,992	\$ 492	\$ 310,992	\$ 360,992

Debt Service Fund

From time to time, cities will often incur various amounts of debt to fund major capital expenses. Capital expenses are typically classified in one of two ways: either they are assets that have a large purchase price or a long-life expectancy. The City of Horseshoe Bay has incurred debt to pay for projects in both categories.

Why Debt?

In today's economic environment, there is a great debate over debt and its place in government operations. In short, debt to pay for daily governmental operations is irresponsible; this is a value that the leadership of the City of Horseshoe Bay does not subscribe to. The responsible uses of debt to pay for items that will improve quality of life in the City or to contribute further to economic and community development are, however, values that City leadership upholds.

The justification for issuing debt to make these purchases fall under a pay-as-you-use perspective. This view holds that future citizens who enjoy the use of certain infrastructure have an obligation to pay for it. For example, a family living in the City of Horseshoe Bay five years from now should help pay for the improvements to the streets they drive on. The following sections will illustrate how the City of Horseshoe Bay is being responsible with the debt it has issued and intends to issue.

Measures of Capacity – Peer Comparisons

City	Population	Total Taxable Value	Total Tax Rate	Total Debt	% Total Debt to Taxable	Debt per Capita
Lakeway	15,981	5,124,808,209	0.1645000	26,595,000	0.52%	1,664
Fredericksburg	11,496	2,366,192,610	0.2207750	23,310,000	0.99%	2,028
Lampasas	7,982	385,025,804	0.3952180	12,015,000	3.12%	1,505
Burnet	7,100	632,539,765	0.6181000	29,403,520	4.65%	4,141
Lago Vista	8,896	1,035,412,830	0.6475000	32,347,000	3.12%	3,636
Bee Cave	9,144	2,643,018,783	0.0200000	20,020,000	0.76%	2,189
Marble Falls	7,038	857,346,323	0.6100000	50,320,000	5.87%	7,150
Granite Shoals*	5,121	557,942,217	0.5986000	6,099,505	1.09%	1,191
Llano*	3,422	176,696,850	0.7193600	5,438,716	3.08%	1,589
Average			0.4437837	22,838,749	2.80%	2,119
Horseshoe Bay	7,200	2,339,099,492	0.2700000	8,215,000	0.35%	1,141

*2021 data

Table 1 – Peer City Comparison
Source: 2021 Texas Municipal League Annual Tax and Debt Survey

Table 1 of this section provides a comparison of other cities in the region who have incurred debt, most of which are of a comparable size. The table indicates that Horseshoe Bay has one of the lowest levels of debt, a tax rate that is below the average of the comparison cities, a lower debt per capita ratio, and a debt to taxable value ratio that is much lower than that of the comparison cities.

Revenue

The proposed FY 2023 City tax rate is \$0.27000 per \$100 of taxable value. The interest and sinking rate is \$0.056391. The projected amount to be raised from ad valorem taxes for debt payments is approximately \$1,697,750. The City uses a 99% collection rate to project the amount of revenue raised from the interest and sinking rate.

Expenditures

The City currently has five outstanding debt service obligations in the Debt Service Fund. The total payments for the year are \$1,716,200. This debt is secured by property tax collections. Certificates of Obligation Series 2014 were issued for street capital projects. Certificates of Obligation Series 2016 was issued to purchase 2 new fire trucks for the Fire Department. General Obligations Refunding Series 2020 was to refund Series 2011 strictly for cost savings. Certificates of Obligations Series 2020 was issued for street and internet projects. The 2022 series will be issued in November of 2022 in the amount of \$4,100,000 for the street projects and renovation of the West Fire Station #2.

Legal Debt Margin

The state of Texas limits the maximum debt service to \$2.50 for \$100 assessed valuation. The Texas Attorney General has adopted an administrative policy that prohibits the issuance of debt that would result in a total debt service tax rate that exceeds \$1.50 of the allowable \$2.50. The City of Horseshoe Bay follows these guidelines for debt limitation. The City Charter of Horseshoe Bay requires a public hearing before the issuance of any debt.



CITY OF HORSESHOE BAY
FY 2023 Debt Service Budget - 08

Account Code	Account Title	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Estimated Beginning Fund Balance:		\$ 79,297	\$ 104,593	64,823	\$ 64,823	\$ 75,573
REVENUES						
7000	TAX					
40150	Property Tax Collected (I & S)	838,175	821,915	1,051,250	1,065,000	1,697,750
40152	Penalty & Interest (I & S)	5,552	6,932	6,000	7,000	7,000
40180	Other Income	2,590	-	-	-	-
9900	INTEREST INCOME					
40220	Interest on Investments	2,783	177	500	500	500
TOTAL REVENUES		849,100	829,024	1,057,750	1,072,500	1,705,250
EXPENDITURES						
9994	DEBT SERVICE (General Fund Projects)					
50518	Debt Service Interest - Series 2011	65,364	-	-	-	-
50520	Debt Service Principal - Series 2011	295,000	-	-	-	-
50521	Debt Service Interest - Series 2014	142,896	139,696	136,250	136,250	132,700
50522	Debt Service Principal - Series 2014	155,000	165,000	170,000	170,000	515,000
50523	Debt Service Interest - Series 2016	24,250	22,350	19,500	19,500	16,350
50524	Debt Service Principal - Series 2016	95,000	100,000	100,000	100,000	105,000
50529	Debt Service Principal - Ref Series 2020		275,000	290,000	290,000	300,000
50530	Debt Service Interest - Ref Series 2020	46,294	108,650	97,500	97,500	85,550
50531	Debt Service Interest - Series 2020	-	58,003	78,500	78,500	75,100
50532	Debt Service Principal - Series 2020	-	-	170,000	170,000	175,000
50533	Bond Agent Fees					1,000
50534	Debt Service Interest - Series 2022					135,000
50535	Debt Service Principal - Series 2022					175,500
50998	Issuance Costs	-	95	-	-	-
TOTAL EXPENDITURES		823,804	868,794	1,061,750	1,061,750	1,716,200
Estimated Ending Fund Balance		104,593	\$ 64,823	\$ 60,823	\$ 75,573	\$ 64,623



CITY OF HORSESHOE BAY
FY 2023 Utility Fund Budget - 01

Estimated Beginning Fund Balance:		\$ 3,145,155	\$ 3,884,140			
		FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Revenues:						
Administration		\$ 267,037	\$ 1,066,526	\$ 314,000	\$ 842,800	\$ 805,000
Water Service Charges		\$ 5,046,555	\$ 5,126,282	\$ 5,588,000	\$ 5,675,550	\$ 5,781,400
Wastewater Service Charges		\$ 3,443,086	\$ 4,274,725	\$ 4,232,250	\$ 4,393,750	\$ 4,561,900
Solid Waste Service Charges		\$ 1,101,200	\$ 1,203,978	\$ 1,179,000	\$ 1,265,000	\$ 1,328,600
Standby		\$ -	\$ 629	\$ 750	\$ 1,400	\$ 750
Interest Income		\$ 46,666	\$ 2,820	\$ 5,000	\$ 7,000	\$ 3,500
Total Revenues		\$ 9,904,544	\$ 11,674,960	\$ 11,319,000	\$ 12,185,500	\$ 12,481,150
Expenditures:						
Administration		\$ 2,102,022	\$ 1,994,950	\$ 2,326,500	\$ 2,268,700	\$ 2,393,150
Water - Production		\$ 874,977	\$ 925,479	\$ 1,123,000	\$ 1,194,049	\$ 1,489,750
Water - Distribution		\$ 966,740	\$ 1,048,925	\$ 1,435,250	\$ 1,326,650	\$ 1,480,850
Wastewater - Treatment		\$ 436,415	\$ 508,121	\$ 540,750	\$ 575,550	\$ 700,250
Wastewater - Collection		\$ 1,268,774	\$ 1,645,980	\$ 2,027,750	\$ 1,890,450	\$ 2,015,850
Solid Waste - Recycling		\$ 853,248	\$ 950,446	\$ 918,250	\$ 1,010,868	\$ 1,122,300
Debt Service		\$ 1,628,036	\$ 1,465,249	\$ 1,713,000	\$ 1,713,250	\$ 1,710,820
Total Expenditures		\$ 8,130,211	\$ 8,539,150	\$ 10,084,501	\$ 9,979,515	\$ 10,912,970
Routine Capital Purchases		\$ 486,088	\$ 708,660	\$ 752,000	\$ 752,000	\$ 478,000
Major Capital Projects		\$ 5,071,750	\$ 1,533,169	\$ 515,000	\$ 715,000	\$ 2,275,000
Total Capital Expenditures		\$ 5,557,838	\$ 2,241,829	\$ 1,267,000	\$ 1,467,000	\$ 2,753,000
Revenues Less Expenditures					\$ 738,985	\$ (1,184,820)
Estimated Ending Fund Balance:					\$ 3,884,140	\$ 2,699,320
Less: Restricted Reserves (3 months expenditures)					2,254,691	2,420,037
Estimated Ending Unrestricted Fund Balance:					\$ 1,629,449	\$ 279,283

Utility Fund Overview

The Utility Fund is an enterprise fund that includes all water and wastewater system operations and solid waste operations. The City provides water and wastewater services within its designated CCN area to all visitors, businesses, and approximately 7,200 full-time and part-time residents, as well as various contracted customers outside City limits.

The City obtains untreated (raw water) from Lake LBJ on the Colorado River under a purchasing contract with the Lower Colorado River Authority. The City operates two water treatment plants, West Water Treatment Plant and Central Water Treatment Plant.

The City operates one wastewater treatment plant, located west of Horseshoe Bay. The City's sewer system is a low-pressure sewer system and was the first to be installed in Texas. This is now a popular option for many areas where rock or groundwater problems exist. Customers have grinder pump system basins on their property, in which the wastewater is collected, ground up, and pumped into the City's sewer mainline. The City utilizes 8 wastewater lift stations and has over 88 miles of wastewater mainlines.

The City of Horseshoe Bay operates a reclamation center where residents can bring their recyclables. The reclamation center also has a brush disposal site available to residents of Horseshoe Bay and to permitted commercial customers that are hauling brush from within the corporate boundaries of Horseshoe Bay.

As the City has been experiencing rapid growth, there has been a corresponding expansion of the City's utility services area. The City now provides more water and wastewater services and solid waste services to more households and businesses than ever before.

This budget provides funding for all positions with a 5% merit increase to all employees and 0% increase to health insurance costs. The budget also considers increases in operating costs such as utilities and chemicals. The water and wastewater rates for residents and businesses have a 0% increase and the solid waste rates have a 3.5% increase, which is included in our contract with our solid waste provider.

UTILITY FUND REVENUE

Utility revenue is collected by the City through water sales to customers, fees for wastewater collections and treatment, and fees for solid waste services. Approximately 94% of total revenues into this fund originate from water sales, wastewater fees, and solid waste fees.

Water sales are calculated based on metered water consumption. Wastewater fees and solid waste fees are monthly flat rates for residential customers. Wastewater fees for commercial customers are charged based on water consumption each month and solid waste fees are monthly flat fees.

It is also helpful to explore how the City's residential utility rates compare with other communities in the region. Table 1 and Table 2 provide this information which shows that Horseshoe Bay's residential utility rates are competitive with other cities. This information is significant as surface water is much more expensive to treat than groundwater, which most cities in Texas have some access to. It is also important to note that the City charges a flat fee for residential wastewater no matter how much usage while all the other area cities except one charge based on the level of usage.

WATER RATES

City	Population	Total Customers	RESIDENTIAL		COMMERCIAL	
			5,000 gallons	10,000 gallons	50,000 gallons	200,000 gallons
Burnet	7,100	2,669	\$19.64	\$45.36	\$287.18	\$1,155.68
Fredericksburg	11,496	6,176	\$23.85	\$41.98	\$238.27	\$809.77
Horseshoe Bay	7,200	3,646	\$34.83	\$59.93	\$545.43	\$2,750.43
Boerne	18,232	7,240	\$37.69	\$53.69	\$457.08	\$1,556.58
Taylor	17,383	6,386	\$45.82	\$78.92	\$605.73	\$2,339.23
Lampasas	7,982	3,564	\$47.25	\$69.50	\$264.00	\$952.00
Marble Falls	7,038	3,432	\$50.57	\$75.17	\$482.11	\$1,584.61
Granbury	10,730	6,233	\$52.07	\$90.07	\$625.18	\$1,975.18
Lago Vista	9,348	4,162	\$52.27	\$88.52	\$795.02	\$3,840.52
Fair Oaks Ranch	10,042	3,100	\$52.92	\$68.16	\$217.77	\$1,375.27
Granite Shoals	5,162	7,466	\$54.61	\$89.64	\$484.40	\$1,653.00
AVERAGE			\$42.87	\$69.18	\$454.74	\$1,817.48

Table 1 – 2021 Water Rate Comparison
Source: Texas Municipal League 2021 Annual Utility Rate Survey

WASTEWATER RATES

City	Population	Total Customers	RESIDENTIAL		COMMERCIAL	
			5,000 gallons	10,000 gallons	50,000 gallons	200,000 gallons
Burnet	7,100	2,382	\$55.00	\$80.00	\$280.00	\$1,030.00
Fredericksburg	11,496	5,801	\$30.75	\$49.95	\$264.60	\$999.60
Horseshoe Bay	7,200	3,646	\$59.45	\$59.45	\$471.20	\$1,843.70
Boerne	18,232	6,342	\$50.65	\$78.95	\$509.60	\$1,876.10
Taylor	17,383	6,034	\$63.39	\$97.94	\$374.74	\$1,410.84
Lampasas	7,982	2,851	\$41.75	\$59.50	\$205.50	\$738.00
Marble Falls	7,038	2,711	\$36.68	\$60.38	\$241.30	\$793.30
Granbury	10,730	5,067	\$46.48	\$66.08	\$236.88	\$824.88
Lago Vista	9,348	3,950	\$72.75	\$126.50	\$556.50	\$2,169.00
Fair Oaks Ranch	10,042	1,921	\$46.80	\$46.80	\$46.80	\$46.80
AVERAGE			\$50.37	\$72.56	\$318.71	\$1,173.22

Table 2 – 2021 Wastewater Rate Comparison
Source: Texas Municipal League 2021 Annual Utility Rate Survey

The total amount of water sales is illustrated in Table 3, which provides historical data on the amount of water revenue.

Fiscal Year	Gross Water Sales
FY 2011	\$ 3,054,320
FY 2012	\$ 2,876,831
FY 2013	\$ 2,806,975
FY 2014	\$ 2,525,158
FY 2015	\$ 2,620,553
FY 2016	\$ 2,947,336
FY 2017	\$ 3,128,101
FY 2018	\$ 3,343,743
FY 2019	\$ 3,352,500
FY 2020	\$ 4,586,983
FY 2021	\$ 4,425,163
FY 2022	\$ 4,761,500

Table 3 – Annual amount of water sales



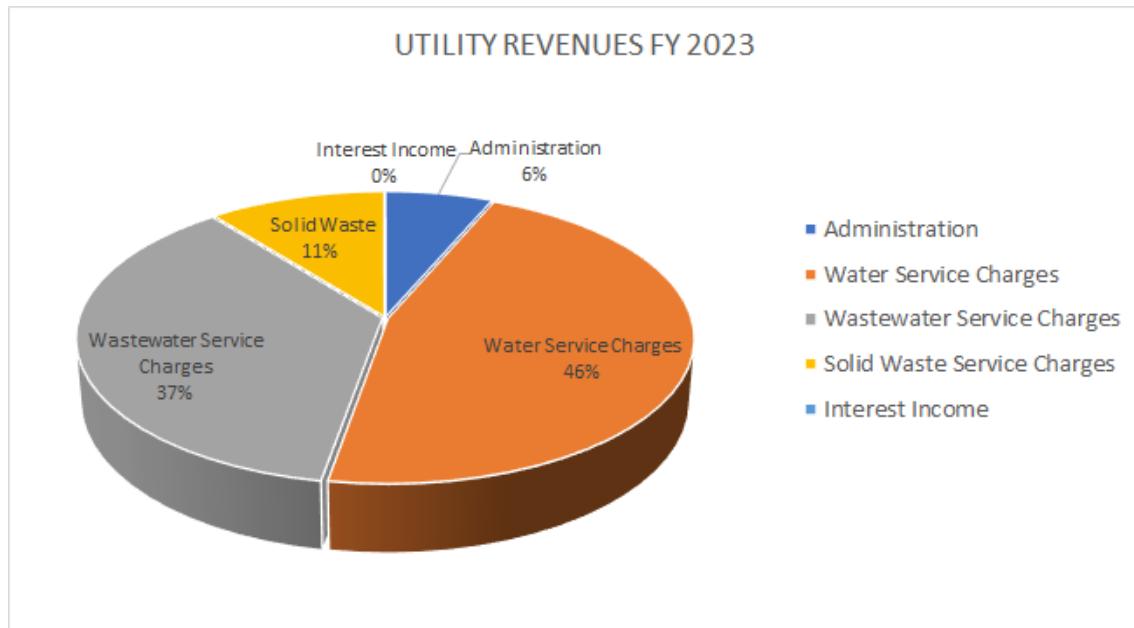
CITY OF HORSESHOE BAY
FY 2023 Utility Fund Budget - 01

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2023	% Variance from FY22	
		Final Actuals	Final Actuals	Amended Budget	2022 Actuals	Adopted Budget	
OPERATING REVENUE							
1000 ADMINISTRATION							
40173	Reimbursables-3rd Party Inspections	-	7,558	5,000	0	2,000 100.0%	
40175	Insurance Proceeds	7,596	6,450	5,000	5,000	0.0%	
40180	Other Income	46,395	1,958	12,000	11,000	1,000 -90.9%	
40181	Grant Revenue	14,000	0	0	0	0 0.0%	
40182	Sale of Property	-	39,014	7,000	7,000	12,000 71.4%	
40188	Coronavirus Relief Fund	18,000	0	0	0	0 0.0%	
40195	Transfers In	-	310,640	0	0	0 0.0%	
40203	American Rescue Plan Act	-	498,545	0	0	0 0.0%	
40204	FEMA Grant - Winter Storm 21	-	55,649	0	11,800	0 0.0%	
40205	American Rescue Plan Act- Llano County	-	0	0	500,000	500,000 0.0%	
40225	PID Revenue - Summit Rock PID	-	0	50,000	73,000	50,000 -31.5%	
40226	Interest Revenue - Summit Rock PID	181,046	146,712	235,000	235,000	235,000 0.0%	
Total	ADMINISTRATION	267,037	1,066,526	314,000	842,800	805,000 -4.5%	
1001 WATER - PRODUCTION							
40110	Water District Service Fees	4,329,952	4,170,533	4,486,000	4,486,000	4,620,600 3.0%	
40111	Water Non-District Service Fee	257,031	254,630	275,500	275,500	283,800 3.0%	
40112	Water Tap Connection Fees	309,700	608,120	720,000	820,000	783,000 -4.5%	
40115	Reconnection Fees	5,700	4,650	6,500	9,500	10,000 5.3%	
40117	Water & Sewer P & I Service	18,483	15,258	20,000	8,000	10,000 25.0%	
40171	CC Convenience Fee	60,898	57,430	63,000	59,000	61,000 3.4%	
40178	Other Income - Leases	11,750	15,050	15,000	15,000	12,000 -20.0%	
40180	Other Income	1,727	611	1,000	2,550	1,000 -60.8%	
40185	Miscellaneous Permits	(129)	0	1,000	0	0 0.0%	
40310	Transfer In from General Fund	51,443	0	0	0	0 0.0%	
Total	WATER - PRODUCTION	5,046,555	5,126,282	5,588,000	5,675,550	5,781,400 1.9%	
2001 WASTEWATER - TREATMENT							
40117	Water & Sewer P & I Service	15,245	16,050	16,500	12,000	14,000 16.7%	
40120	Sewer Customer Service Fees	2,653,148	2,947,887	2,737,750	2,737,750	2,819,900 3.0%	
40122	Sewer Tap Connection Fees	261,600	591,265	616,000	700,000	700,000 0.0%	
40124	Sewer Service - Cottonwood Shores	185,425	194,283	202,000	202,000	202,000 0.0%	
40125	Sewer Service - LCMUD#1	62,375	65,948	67,000	90,000	75,000 -16.7%	
40127	Grinder Sales	261,893	459,294	592,000	650,000	750,000 15.4%	
40180	Other Income	3,400	0	1,000	2,000	1,000 100.0%	
40300	Bond Proceeds	6,003,990	-	-	-	- 0.0%	
Total	WASTEWATER - TREATMENT	3,443,086	4,274,725	4,232,250	4,393,750	4,561,900 3.8%	
3001 SOLID WASTE - RECYCLING							
40126	Brush Disposal	18,797	28,258	20,000	20,000	40,000 100.0%	
40130	Garbage Fees - Commercial	175,353	177,253	170,500	195,000	201,850 3.5%	
40135	Garbage Fees - Residential	906,916	998,466	988,000	1,050,000	1,086,750 3.5%	
40180	Other Income	135	0	500	-	- 100.0%	
Total	SOLID WASTE - RECYCLING	1,101,200	1,203,978	1,179,000	1,265,000	1,328,600 5.0%	



CITY OF HORSESHOE BAY
FY 2023 Utility Fund Budget - 01

Account Code	Account Title	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Actuals	FY 2023 Adopted Budget	% Variance from FY22
4000	STANDBY						
40140	Standby Customer Service Fees	-	185	250	900	250	-72.2%
40142	Penalty & Interest - Standby	-	444	500	500	500	0.0%
Total	STANDBY	-	629	750	1,400	750	-46.4%
9900	INTEREST INCOME						
40220	Interest on Investments	46,666	2,820	5,000	7,000	3,500	-50.0%
Total	INTEREST INCOME	46,666	2,820	5,000	7,000	3,500	-50.0%
TOTAL OPERATING REVENUE		<u>9,904,544</u>	<u>11,674,960</u>	<u>11,319,000</u>	<u>12,185,500</u>	<u>12,481,150</u>	2.4%



Utility Fund Expenditure Overview

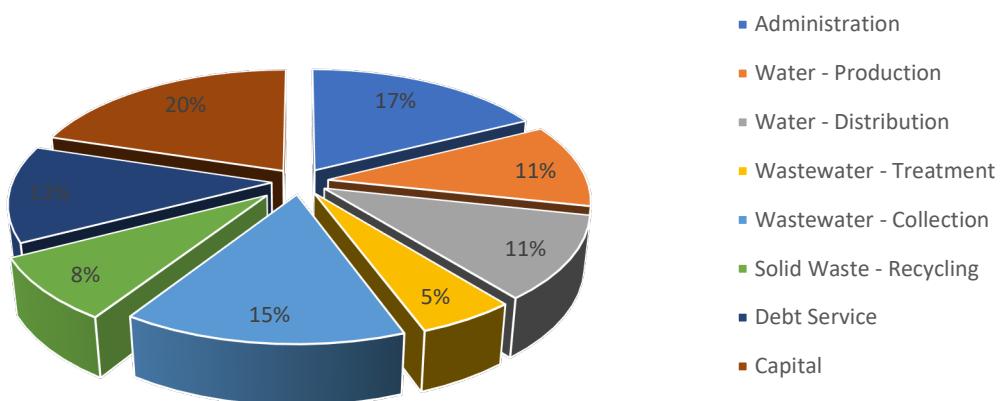
The Utility Fund, also referred to as Utility Services, is divided into six departments: Administration, Water – Production, Water – Distribution, Wastewater – Treatment, Wastewater – Collection, and Solid Waste – Recycling.

This budget includes increases in operational department budgets relating to personnel services. All salary expenses are increased by 5% for annual merit increases. The City employee compensation package also includes retirement pension funding and a 0% increase to health insurance costs. All other notable items are specifically listed for each department.

FY 2023 BUDGET – UTILITY EXPENDITURES BY DEPARTMENT

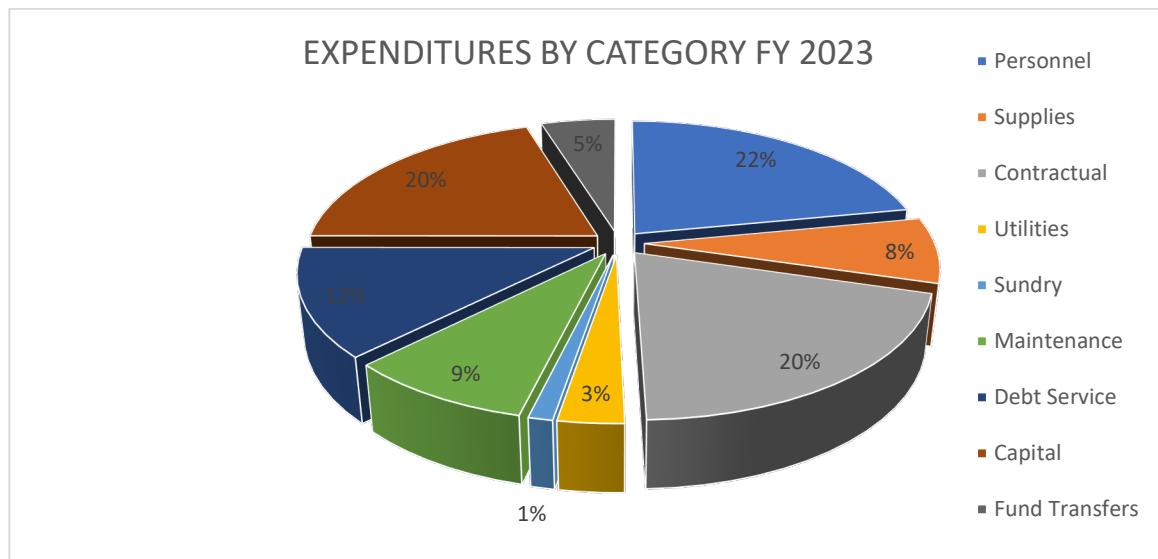
	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
BY DEPARTMENT					
Administration	2,102,022	1,994,950	2,326,500	2,268,700	2,393,150
Water - Production	874,977	925,479	1,123,000	1,194,050	1,489,750
Water - Distribution	966,740	1,048,925	1,435,250	1,326,650	1,480,850
Wastewater - Treatment	436,415	508,121	540,750	575,550	700,250
Wastewater - Collection	1,268,774	1,645,980	2,027,750	1,890,450	2,015,850
Solid Waste - Recycling	853,248	950,446	918,250	1,010,868	1,122,300
Debt Service	1,628,036	1,465,249	1,713,000	1,713,250	1,710,820
Capital	<u>5,557,838</u>	<u>2,241,829</u>	<u>1,267,000</u>	<u>1,467,000</u>	<u>2,753,000</u>
TOTAL	13,688,050	10,780,979	11,351,500	11,446,516	13,665,970

EXPENDITURES BY DEPARTMENT FY 2023



FY 2023 BUDGET – UTILITY EXPENDITURES BY ACCOUNT CATEGORY

BY ACCOUNT CATEGORY	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	2,270,924	2,561,201	2,707,250	2,454,898	3,001,200
Supplies	563,238	628,563	925,500	1,023,950	1,037,000
Contractual	1,892,200	2,089,999	2,524,750	2,495,768	2,741,500
Utilities	319,985	310,990	384,000	381,500	416,700
Sundry	150,362	123,152	132,750	115,050	154,750
Maintenance	556,412	808,102	1,079,000	1,176,850	1,190,500
Debt Service	1,628,036	1,465,249	1,713,000	1,713,250	1,710,820
Capital	5,557,838	2,241,829	1,267,000	1,467,000	2,753,000
Fund Transfers	<u>749,055</u>	<u>551,893</u>	<u>618,250</u>	<u>618,250</u>	<u>660,500</u>
TOTAL	13,688,050	10,780,979	11,351,500	11,446,516	13,665,970



Utility Services

To protect the public health, safety, and environment of the communities served by ensuring safe and adequate water, wastewater, and solid waste services are performed in a reliable, professional, and economical manner.

Description

- Provide safe and potable water through effective treatment and distribution to customers
- Rapid response to customer calls for services to support community health and wellbeing
- Ensure compliance with regulatory mandates and reporting as required by state and federal regulators
- Manage Capital Improvement Projects for existing and future demands on infrastructure and operations
- Provide programs and services to support conservation and education related to utilities and the environment

FY 2022 Accomplishments

- Completed EPA required emergency response plan revisions founded by the FY2021 vulnerability assessment related the American Infrastructure Act.
- Rehabilitation of Lackawana lift station
- Upgrade of secure communications in SCADA system
- Complete FEMA Flood Mitigation Grant Phase I design work. Project for flood protection of the City's Drinking water intake pump stations.
- Complete Utility master plan for future growth projections
- Engage in water system analysis by HDR engineering for capital improvement and maintenance plan update
- Executed succession plan for senior utility staff turnover/advancement

FY 2023 Goals

- Rehab of sewer treatment plant pond liner
- Replacement of Central water plant clear well tanks, increase life span additional 25 years
- Rehab of Blister gold lift station
- Rehab of central water plant clarifiers, increase life span additional 25 years
- Begin plans to expand west water plant pumping, and filter capacity for future growth expectations
- Complete phase 2 FEMA Flood Mitigation Grant, construction of central raw water pump station
- Complete engineering for Sienna Creek (summit rock) Lift station, plans to build in F.Y. 24 as needed

Administration Summary

ADMINISTRATION	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	687,163	742,793	789,750	705,150	744,200
Supplies	45,983	63,056	71,000	69,000	71,000
Contractual	159,735	173,857	276,000	312,000	279,500
Utilities	319,985	310,990	384,000	381,500	416,700
Sundry	110,749	110,186	121,500	105,800	143,750
Maintenance	29,352	42,175	66,000	77,000	77,500
Fund Transfers	<u>749,055</u>	<u>551,893</u>	<u>618,250</u>	<u>618,250</u>	<u>660,500</u>
TOTAL	2,102,022	1,994,950	2,326,500	2,268,700	2,393,150

HIGHLIGHTS – FY 2023 Proposed Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$39,050
- Increased Professional Services by \$5,000
- Increased Utility Billing by \$4,500
- Decreased Reimbursable Exp – by \$8,000
- Increased Maintenance Contracts by \$7,000
- Increased Dues, Fees, & Subscriptions by \$1,000
- Increased Electricity by \$32,700
- Increased Impact Fee Study by \$3,000
- Decreased Master Plan Study by \$23,000
- Increased Engineering Fees by \$10,000
- Increased Employee Awards Program by \$4,500
- Decreased Wellness Program by \$4,000
- Increased M & R – Building by \$9,000
- Increased M & R – Grounds by \$2,500
- Increased Citi Merchant Fees by \$3,000
- Increased Uniforms by \$500
- Increased Administrative Fees by \$42,250

Water – Production Summary

	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
WATER PRODUCTION (PLANT)					
Personnel	302,909	380,408	362,250	386,050	463,250
Supplies	143,469	89,319	182,000	183,000	208,000
Contractual	335,416	326,773	425,000	386,500	588,000
Sundry	1,767	1,223	1,750	1,000	1,500
Maintenance	<u>91,416</u>	<u>127,755</u>	<u>152,000</u>	<u>237,500</u>	<u>229,000</u>
TOTAL	874,977	925,479	1,123,000	1,194,050	1,489,750

HIGHLIGHTS – FY 2023 Proposed Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$101,000
- Added full time position for Maintenance Foreman (50% of cost)
- Increased Bulk Water Purchases by \$200,000
- Increased Chemicals/Water by \$16,000
- Decreased Contract Services by \$48,500
- Increased Lab Expense by \$11,000
- Added new line item for Water Quality \$8,000
- Increased Equipment & Supplies by \$1,000
- Increased Fuel & Lubricants by \$1,000
- Increased M & R – Equipment by \$500
- Increased M & R – Plant by \$75,000
- Increased M & R – Vehicles by \$1,500
- Increased Rent/Lease by \$500
- Decreased Safety Equipment & Supplies by \$500
- Increased Uniforms by \$500

Water – Distribution Summary

WATER DISTRIBUTION (FIELD)	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	427,384	473,868	541,250	439,900	586,850
Supplies	174,313	183,177	367,500	397,000	371,000
Contractual	309,637	358,103	492,000	456,000	452,000
Sundry	33,996	6,978	6,000	6,250	6,000
Maintenance	21,410	26,800	28,500	27,500	65,000
TOTAL	966,740	1,048,925	1,435,250	1,326,650	1,480,850

HIGHLIGHTS – FY 2023 Proposed Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$45,600
- Increased Maintenance Contract by \$2,000
- Decreased Contract Services – Taps/New Service by \$425,000
- Decreased Contract Services- Leak Detection by \$17,000
- Increased Equipment & Supplies by \$4,000
- Increased Fuel & Lubricants by \$6,000
- Increased M & R – Equipment by \$4,000
- Added new line item M & R – Fire Hydrants \$30,000
- Increased M & R – Vehicles by \$2,500
- Increased M & R Materials – Line by \$12,500
- Decreased Meter Expense – New Svc by \$20,000
- Increased Uniforms by \$1,000

Wastewater – Treatment Summary

WASTEWATER TREATMENT (PLANT)	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	316,255	373,756	362,750	386,050	463,250
Supplies	26,607	70,459	82,000	95,450	106,000
Contractual	42,672	24,366	47,000	45,000	46,000
Sundry	1,711	1,145	1,000	-	1,000
Maintenance	49,170	38,396	48,000	49,050	84,000
TOTAL	436,415	508,121	540,750	575,550	700,250

HIGHLIGHTS – FY 2023 Proposed Budget Changes from FY 2022 Amended Budget

- Increased salary and benefit expenses by \$100,500
- Added full time position for Maintenance Foreman (50% of cost)
- Increased Chemicals/WW Treatment by \$20,000
- Increased Equipment & Supplies by \$1,000
- Increased Fuel & Lubricants by \$2,000
- Increased M & R – Equipment by \$1,500
- Increased M & R – Plant by \$33,000
- Increased M & R – Vehicles by \$1,500
- Decreased Rent/Lease by \$1,000
- Increased Uniforms by \$1,000

Wastewater – Collection Summary

WASTEWATER COLLECTION (FIELD)	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	444,443	480,115	540,250	439,900	586,850
Supplies	172,866	222,552	223,000	279,500	281,000
Contractual	284,262	366,717	477,500	383,250	410,500
Sundry	2,139	3,620	2,500	2,000	2,500
Maintenance	365,064	572,976	784,500	785,800	735,000
TOTAL	1,268,774	1,645,980	2,027,750	1,890,450	2,015,850

HIGHLIGHTS – FY 2023 Proposed Budget Changes from FY 2022 Amended Budget

- Decreased salary and benefit expenses by \$46,600
- Increased Chemicals/Collection System by \$4,000
- Decreased Contract Services – Taps/New Services by \$50,000
- Decreased Contract Services – Leak Detection by \$17,000
- Increased Equipment & Supplies by \$4,000
- Increased Fuel & Lubricants by \$6,000
- Increased M & R – Equipment by \$4,000
- Decreased Grinder Purchases by \$75,000
- Increased M & R – Lift Station by \$19,000
- Increased M & R – Vehicles by \$2,500
- Increased M & R Materials – GP Tap by \$43,000
- Increased Uniforms by \$1,000

Solid Waste – Recycling Summary

SOLID WASTE RECYCLING	FY 2020 Final Actuals	FY 2021 Final Actuals	FY 2022 Amended Budget	FY 2022 Projected Actuals	FY 2023 Adopted Budget
Personnel	92,770	110,262	111,000	97,850	156,800
Contractual	760,478	840,183	807,250	913,018	965,500
TOTAL	853,248	950,446	918,250	1,010,868	1,122,300

HIGHLIGHTS – FY 2023 Proposed Budget Changes from FY 2022 Amended Budget

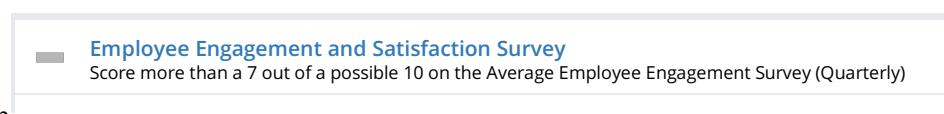
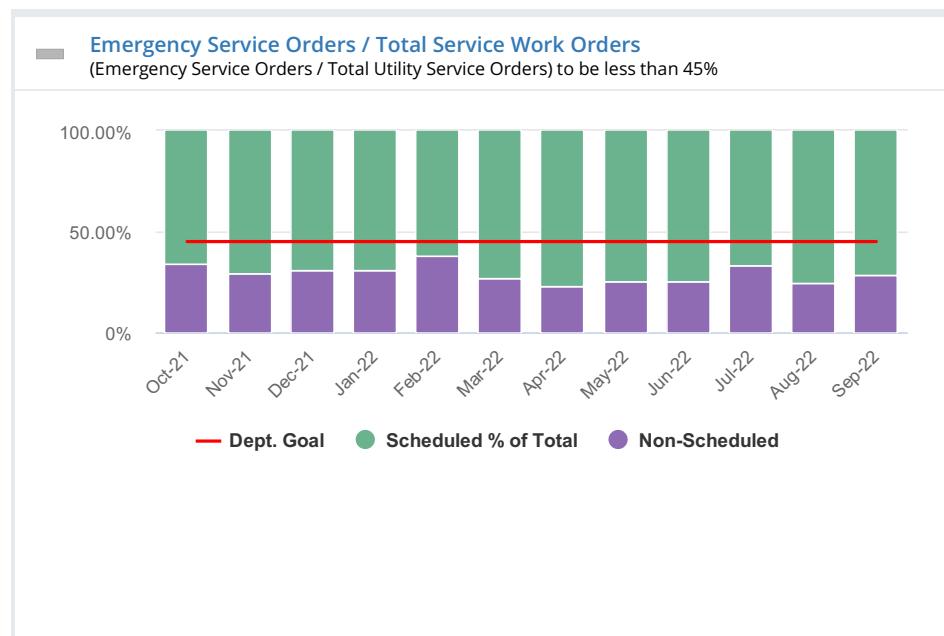
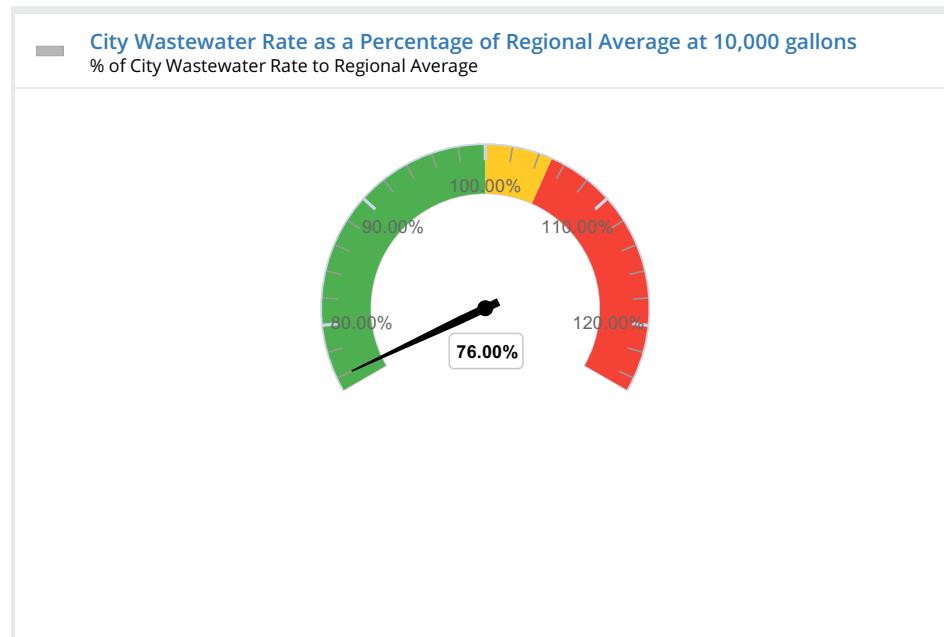
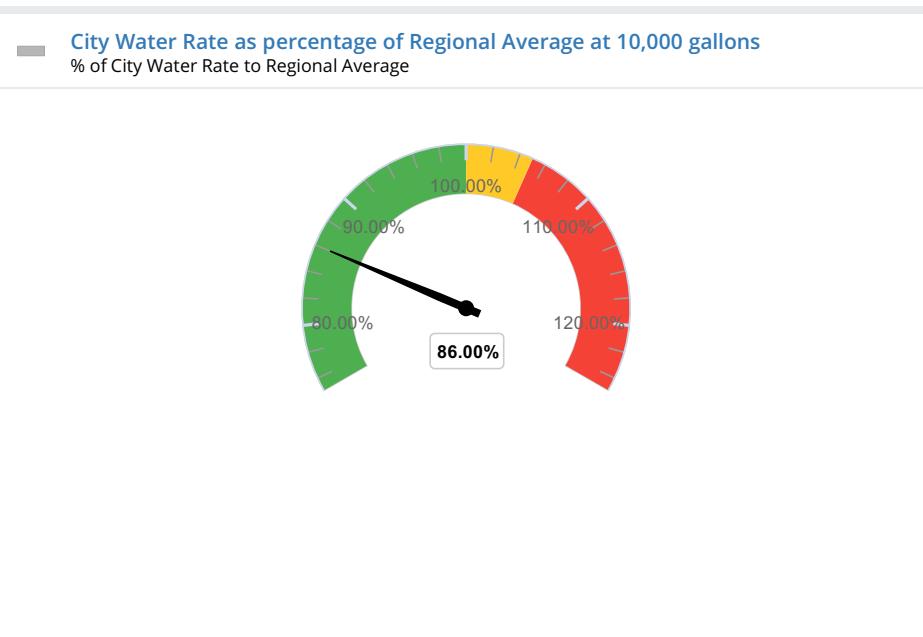
- Increased salary and benefits expenses by \$45,800
- Reclassified part time Reclamation Monitor to full time
- Increased Compactor Service by \$1,000
- Increased Garbage Service – Commercial by \$36,000
- Increased Garbage Service – Residential by \$71,750
- Increased Recycling Service by \$17,500
- Increased M & R Brush Site by \$32,000

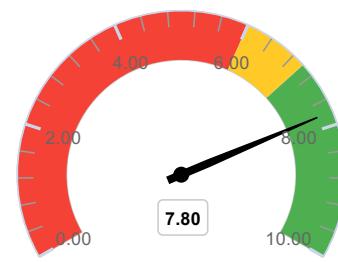
Vision Statement

Our Vision is for continuous innovation towards exceptional services with a focus on long term customer relationships.

Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
Financial	Provide competitive Water Rates (Less than 100% Median of Regional Cities based on 10,000 gallons of usage)	% of City Water Rate to Regional Average	100.00%	86.00%	Water and Wastewater rate comparisons with regional and similar communities.
Financial	Provide competitive Wastewater Rates (Less than 100% Median of Regional Cities based on 10,000 gallons of usage)	% of City Wastewater Rate to Regional Average	100.00%	76.00%	Water and Wastewater rate comparisons with regional and similar communities.
Key Stakeholders	Exceed stakeholder's expectations on utility work provided for customer.	Score more than a 80% out of a possible 100% on the Average Customer Survey Score (FYTD)	85.00%	90.00%	Customer Communication and Education
Operations	Reduce emergency activities while increasing scheduled activities.	(Emergency Service Orders / Total Utility Service Orders) to be less than 45%	45.00%	28.85%	Operation Control Data Analysis
Learning & Growth	Improve utilities employee retention rate	Average years of tenure (Monthly)	5.00	4.80	Employee Career Development
Learning & Growth	Improve Employment Engagement and Job Satisfaction Rate	Score more than a 7 out of a possible 10 on the Average Employee Engagement Survey (Quarterly)	7.00	7.80	Utility employee team to develop a system to track important events and accolades in employees life. Plan annual recognition and celebration banquet.







CITY OF HORSESHOE BAY
FY 2023 Utility Fund Budget - 01

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2023	% Variance from FY22	
		Final Actuals	Final Actuals	Amended Budget	Adopted Budget	Projected to FY23	
OPERATING EXPENDITURES							
1000	ADMINISTRATION						
50410	Salaries & Wages	497,175	535,540	574,500	505,000	581,700 15.2%	
50411	Overtime	3,911	7,331	5,000	3,500	2,500 -28.6%	
50415	Employers FICA Expense	35,634	41,617	44,750	38,900	44,700 14.9%	
50420	Group Insurance Premiums	96,192	100,896	103,500	99,500	99,500 0.0%	
50430	401(A) Money Purchase	32,162	35,367	38,000	35,750	9,300 -74.0%	
50432	401(A) Match	22,089	22,042	24,000	22,500	6,500 -71.1%	
50433	TMRS	-	-	-	-	37,000 100.0%	
50505	Professional Services	50,177	55,306	50,000	50,000	60,000 20.0%	
50512	Utility Billing	40,901	33,596	33,000	34,000	37,500 10.3%	
50513	Reimbursable Exp.- 3rd Party Inspect	-	8,988	10,000	-	2,000 100.0%	
50545	Maintenance Contracts	41,718	63,213	58,000	58,000	65,000 12.1%	
50575	Dues, Fees, & Subscriptions	18,750	23,081	24,500	24,000	25,500 6.3%	
50581	Electricity/Recycle Center	919	883	1,000	1,000	1,200 20.0%	
50582	Electricity/WW Treatment Plant	87,722	104,662	122,000	122,000	135,000 10.7%	
50583	Electricity/West WTP	70,306	56,552	80,000	80,000	85,000 6.3%	
50585	Electricity/Field Maintenance Facilities	5,215	4,595	7,000	6,500	7,500 15.4%	
50586	Electricity / CWTP	113,595	108,209	132,000	132,000	146,000 10.6%	
50587	Impact Fee Study	-	-	27,000	-	30,000 100.0%	
50589	Master Plan Study	-	-	23,000	60,000	-	-100.0%
50590	Engineering Fees	26,939	21,742	75,000	110,000	85,000 -22.7%	
50593	Travel, Training, Schools	26,155	37,330	45,000	45,000	45,000 0.0%	
50596	Employee Awards Program	222	1,545	3,000	3,000	7,500 150.0%	
50598	Wellness Program	2,425	1,039	4,000	4,500	-	-100.0%
50630	M & R - Building	10,731	13,776	26,000	35,000	35,000 0.0%	
50650	M & R - Grounds	18,621	28,400	40,000	42,000	42,500 1.2%	
50753	City Banking Fees	66,552	68,342	78,000	61,300	61,000 -0.5%	
50765	Other Expense	12,706	3,852	8,000	8,000	8,000 0.0%	
50766	Covid-19 Disaster Expenses	8,403	100	-	-	-	0.0%
50775	Postage	508	625	500	1,000	1,250 25.0%	
50780	Printing & Office Supplies	19,828	25,726	26,000	24,000	26,000 8.3%	
50810	Communications	42,228	36,090	42,000	40,000	42,000 5.0%	
50825	Uncollectable Accounts	84	41	500	1,000	-	-100.0%
50830	Uniforms	1,100	2,575	3,000	3,000	3,500 16.7%	
50840	Administrative Fees	749,055	551,893	618,250	618,250	660,500 6.8%	
Total	ADMINISTRATION	2,102,022	1,994,950	2,326,500	2,268,700	2,393,150 5.5%	
1001	WATER - PRODUCTION (PLANT OPERATIONS)						
50410	Salaries Water	188,920	234,169	229,250	245,000	296,650 21.1%	
50411	Overtime	36,640	46,559	34,000	34,000	40,000 17.6%	
50415	Employers FICA Expense	16,539	21,681	20,500	21,350	25,800 20.8%	
50420	Group Insurance Premiums	42,716	57,057	54,500	60,500	65,500 8.3%	
50430	401(A) Money Purchase	10,344	13,251	14,500	15,200	8,000 -47.4%	
50432	401(A) Match	7,750	7,691	9,500	10,000	6,000 -40.0%	
50433	TMRS	-	-	-	-	21,300 100.0%	



CITY OF HORSESHOE BAY
FY 2023 Utility Fund Budget - 01

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2023	% Variance from FY22
		Final Actuals	Final Actuals	Amended Budget	Adopted Budget	Projected to FY23
50535	Bulk Water Purchases	321,865	303,734	325,000	325,000	525,000 61.5%
50540	Chemicals / Water	135,677	76,682	160,000	160,000	176,000 10.0%
50548	Contract Services	-	1,984	54,000	5,500	5,500 0.0%
50555	Lab Expense	13,551	20,887	44,000	54,000	55,000 1.9%
50560	Water Quality	-	-	-	8,000	100.0%
50592	Equipment & Supplies	2,880	2,779	8,500	8,500	9,500 11.8%
50595	Fuel & Lubricants	4,362	7,437	6,500	7,500	7,500 0.0%
50640	M & R - Equipment	7,513	1,887	7,000	7,000	7,500 7.1%
50675	M & R - Plant	75,475	123,934	140,000	225,000	215,000 -4.4%
50685	M & R - Vehicles	8,428	1,934	5,000	5,500	6,500 18.2%
50765	Other Expense	1,767	1,224	1,750	1,000	1,500 50.0%
50785	Rent / Lease	-	169	2,000	2,000	2,500 25.0%
50800	Safety Equipment & Supplies	449	130	3,000	3,000	2,500 -16.7%
50830	Uniforms	101	2,291	4,000	4,000	4,500 12.5%
Total	WATER - PRODUCTION	874,977	925,479	1,123,000	1,194,049	1,489,750 24.8%
1002	WATER - DISTRIBUTION (FIELD OPERATIONS)					
50410	Salaries Water	263,913	269,991	343,000	265,000	376,950 42.2%
50411	Overtime	42,324	72,174	42,000	49,700	55,000 10.7%
50415	Employers FICA Expense	21,433	25,552	29,750	24,100	33,050 37.1%
50420	Group Insurance Premiums	77,815	81,427	93,000	78,000	78,000 0.0%
50430	401(A) Money Purchase	13,640	15,476	20,500	14,200	9,700 -31.7%
50432	401(A) Match	8,259	9,249	13,000	8,900	6,800 -23.6%
50433	TMRS	-	-	-	-	27,350 100.0%
50545	Maintenance Contracts	15,467	16,248	18,000	17,000	20,000 17.6%
50548	Contract Services	10,598	11,689	12,000	11,000	12,000 9.1%
50549	Contract Services - Taps/New Service	259,135	317,996	425,000	410,000	400,000 -2.4%
50550	Contract Serv-Leak Detect/GPS	18,804	1,984	17,000	-	- 0.0%
50592	Equipment & Supplies	20,503	25,092	28,000	28,000	32,000 14.3%
50595	Fuel & Lubricants	9,961	15,874	16,000	20,000	22,000 10.0%
50640	M & R - Equipment	13,446	12,963	16,000	16,000	20,000 25.0%
50650	M & R - Fire Hydrants	-	-	-	-	30,000 100.0%
50685	M & R - Vehicles	7,964	13,836	12,500	11,500	15,000 30.4%
50725	M & R Materials - Line	56,898	25,677	57,500	57,500	70,000 21.7%
50726	Street Repair - Paving	5,633	10,186	20,000	18,000	20,000 11.1%
50730	M & R Materials - WT Tap	74,996	105,407	175,000	200,000	175,000 -12.5%
50755	Meter Expense - New Svc	31,010	1,253	80,000	80,000	60,000 -25.0%
50765	Other Expense	2,326	3,548	2,500	2,000	2,500 25.0%
50785	Rent / Lease	660	2,177	3,500	4,250	3,500 -17.6%
50800	Safety Equipment & Supplies	4,214	4,719	5,500	5,500	5,500 0.0%
50830	Uniforms	7,741	6,407	5,500	6,000	6,500 8.3%
Total	WATER - DISTRIBUTION	966,740	1,048,925	1,435,250	1,326,650	1,480,850 11.6%
2001	WASTEWATER - TREATMENT (PLANT OPERATIONS)					
50410	Salaries Sewer	197,360	234,875	238,250	245,000	296,650 21.1%
50411	Overtime	38,135	40,342	26,000	34,000	40,000 17.6%
50415	Employers FICA Expense	17,264	21,374	20,000	21,350	25,800 20.8%
50420	Group Insurance Premiums	44,630	56,158	54,500	60,500	65,500 8.3%
50430	401(A) Money Purchase	10,798	13,291	14,500	15,200	8,000 -47.4%



CITY OF HORSESHOE BAY
FY 2023 Utility Fund Budget - 01

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2022	FY 2023	% Variance from FY22
		Final Actuals	Final Actuals	Amended Budget	Actuals	Adopted Budget	Projected to FY23
50432	401(A) Match	8,068	7,716	9,500	10,000	6,000	-40.0%
50433	TMRS	-	-	-	-	21,300	
50543	Chemicals / WW Treatment	16,911	56,589	60,000	73,450	80,000	8.9%
50548	Contract Services	7,040	994	5,000	5,000	5,000	0.0%
50555	Lab Expense	16,138	9,373	12,000	12,000	12,000	0.0%
50592	Equipment & Supplies	2,222	2,619	8,000	8,000	9,000	12.5%
50595	Fuel & Lubricants	6,118	8,669	8,000	8,000	10,000	25.0%
50640	M & R - Equipment	8,004	1,345	6,000	6,000	7,500	25.0%
50675	M & R - Plant	32,731	31,725	37,000	38,050	70,000	84.0%
50685	M & R - Vehicles	8,435	5,326	5,000	5,000	6,500	30.0%
50742	Bio Solids - Compost	19,494	13,830	22,000	20,000	22,000	10.0%
50765	Other Expense	1,713	1,145	1,000	-	1,000	100.0%
50785	Rent / Lease	-	169	8,000	8,000	7,000	-12.5%
50800	Safety Equipment & Supplies	279	290	2,500	2,500	2,500	0.0%
50830	Uniforms	1,077	2,291	3,500	3,500	4,500	28.6%
Total	WASTEWATER - TREATMENT	436,415	508,121	540,750	575,550	700,250	21.7%
2002	WASTEWATER - COLLECTION (FIELD OPERATIONS)						
50410	Salaries Sewer	274,382	276,049	343,000	265,000	376,950	42.2%
50411	Overtime	44,006	72,360	41,000	49,700	55,000	10.7%
50415	Employers FICA Expense	22,297	25,654	29,750	24,100	33,050	37.1%
50420	Group Insurance Premiums	80,978	81,257	93,000	78,000	78,000	0.0%
50430	401(A) Money Purchase	14,190	15,524	20,500	14,200	9,700	-31.7%
50432	401(A) Match	8,590	9,271	13,000	8,900	6,800	-23.6%
50433	TMRS	-	-	-	-	27,350	100.0%
50542	Chemicals/Collection System	14,467	14,794	16,000	15,000	20,000	33.3%
50548	Contract Services	3,330	34,374	12,000	11,000	12,000	9.1%
50549	Contract Services - Taps/New Service	259,135	317,997	425,000	350,000	375,000	7.1%
50550	Contract Serv-Leak Detect/GPS	15,504	1,984	17,000	-	-	0.0%
50592	Equipment & Supplies	22,134	25,835	28,000	28,000	32,000	14.3%
50595	Fuel & Lubricants	10,579	17,144	16,000	20,000	22,000	10.0%
50640	M & R - Equipment	13,447	13,145	16,000	16,000	20,000	25.0%
50645	M & R - Grinder Pump	106,847	114,940	125,000	115,000	125,000	8.7%
50646	Grinder Purchases	195,920	421,414	575,000	575,000	500,000	-13.0%
50670	M & R - Lift Station	40,963	10,077	56,000	68,300	75,000	9.8%
50685	M & R - Vehicles	7,887	13,400	12,500	11,500	15,000	30.4%
50715	M & R Materials - GP Tap	80,917	107,579	92,000	155,000	135,000	-12.9%
50725	M & R Materials - Line	32,876	46,244	60,000	50,000	60,000	20.0%
50726	Street Repair - Paving	5,633	10,185	20,000	18,000	20,000	11.1%
50765	Other Expense	2,139	3,620	2,500	2,000	2,500	25.0%
50785	Rent / Lease	660	2,177	3,500	4,250	3,500	-17.6%
50800	Safety Equipment & Supplies	4,214	4,549	5,500	5,500	5,500	0.0%
50830	Uniforms	7,679	6,408	5,500	6,000	6,500	8.3%
Total	WASTEWATER - COLLECTION	1,268,774	1,645,980	2,027,750	1,890,450	2,015,850	6.6%



CITY OF HORSESHOE BAY
FY 2023 Utility Fund Budget - 01

Account Code	Account Title	FY 2020	FY 2021	FY 2022	FY 2023	% Variance from FY22
		Final Actuals	Final Actuals	Amended Budget	Adopted Budget	Projected to FY23
3001 SOLID WASTE - RECYCLING						
50410	Salaries - Monitor	67,995	82,716	82,000	72,500	114,000 57.2%
50411	Overtime	158	336	1,000	1,000	1,500 50.0%
50415	Employers FICA Expense	4,668	6,151	6,500	5,650	8,900 57.5%
50420	Group Insurance Premiums	15,826	16,665	16,750	14,000	23,000 64.3%
50430	401(A) Money Purchase	3,255	3,470	3,750	3,700	1,400 -62.2%
50432	401(A) Match	868	925	1,000	1,000	700 -30.0%
50433	TMRS	-	-	-	-	7,300
50599	Compactor Service	9,750	9,680	11,500	11,500	12,500 8.7%
50600	Garbage Service - Commercial	127,609	139,169	126,000	156,450	162,000 3.5%
50605	Garbage Service - Residential	595,810	643,685	629,250	677,500	701,000 3.5%
50606	Recycling Service	17,850	19,315	17,500	22,567	35,000 55.1%
50676	M & R Brush Site	9,459	28,334	18,000	40,000	50,000 25.0%
50785	Rent / Lease	-	-	5,000	5,000	5,000 0.0%
Total	SOLID WASTE - RECYCLING	853,248	950,446	918,250	1,010,868	1,122,300 11.0%
9994 DEBT SERVICE						
50515	Debt Service - Principal Series 2007	395,000	415,000	430,000	430,000	445,000 3.5%
50516	Debt Service - Interest Series 2007	148,066	132,108	115,500	115,500	97,970 -15.2%
50518	Debt Service Interest-Series 2011	41,420	-	-	-	- 0.0%
50520	Debt Service Principal - Series 2011	190,000	-	-	-	- 0.0%
50521	Debt Service Interest-Series 2014	125,935	122,885	120,000	120,000	117,000 -2.5%
50522	Debt Service Principal - Series 2014	140,000	145,000	150,000	150,000	150,000 0.0%
50523	Debt Service Interest-Series 2016	86,200	82,700	77,750	77,750	72,650 -6.6%
50524	Debt Service Principal - Series 2016	165,000	165,000	170,000	170,000	175,000 2.9%
50527	Debt Service Principal - Series 2019	-	-	250,000	250,000	260,000 3.8%
50528	Debt Service Interest - Series 2019	121,232	156,850	157,000	157,000	147,000 -6.4%
50529	Debt Service Principal - Series 2020	-	175,000	180,000	180,000	190,000 5.6%
50530	Debt Service Interest - Series 2020	29,281	68,700	61,500	61,500	54,200 -11.9%
50533	Bond Agent Fees	400	2,006	1,250	1,500	2,000 33.3%
50534	2020 Series Bond Issuance Cost	49,530	-	-	-	- 0.0%
50536	2019 Series Bond Issuance Cost	135,972	-	-	-	- 0.0%
Total	DEBT SERVICE	1,628,036	1,465,249	1,713,000	1,713,250	1,710,820 -0.1%
TOTAL OPERATING EXPENDITURES						
		8,130,212	8,539,150	10,084,501	9,979,515	10,912,970 9.4%



CITY OF HORSESHOE BAY FY 2023 Utility Fund Budget - 01

Account Code	FY 2023 Adopted Budget
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FY 2023 ROUTINE CAPITAL PURCHASES/PROJECTS

50955-023	Water Meter Replacement Program	75,000
50956-118	Vehicle Replacement	60,000
50956-326	Maintenance Technician 2 Ton Truck (3 yr lease purchase)	45,000
50955-327	Heavy Equipment Replacement	80,000
50955-328	Replace Obsolete Grinder Systems - 35 Units	70,000
50959-330	Security System	25,000
50955-100	Emergency Equipment Replacement	60,000
50969-331	Hazard Mitigation Grant - Elevation of Water Intake	63,000

TOTAL ROUTINE CAPITAL PURCHASES/PROJECTS **\$ 478,000**

FY 2023 MAJOR CAPITAL PROJECTS

50968-314	Pond Liner - WWTP	1,100,000
50968-332	Blister Gold Lift Station Rehabilitation	125,000
50968-334	Water Storage Tanks Rehabilitation	550,000
50969-xxx	Towers for Internet - (Llano County ARPA)	500,000

TOTAL MAJOR CAPITAL PROJECTS **\$ 2,275,000**

TOTAL CAPITAL PROJECTS **\$ 2,753,000**

5-Year Capital Improvement Plan

Unlike the City's operating budget, the capital improvement budget does not conclude at the end of each fiscal year. Many of the larger projects remain in progress for multiple years. As economic conditions and the needs of the Horseshoe Bay community change, it is often necessary to re-prioritize which projects, or portions of projects, receive funding. Staff and City Council continually re-evaluate the projects and City Council approves the updated 5-year plan each September.

Capital improvements are defined as facilities, infrastructure, or equipment that have a life expectancy of three or more years and are owned and operated by or on behalf of a political subdivision. As of FY 2023, all items in the Capital Improvement Program are significant non-recurring items. The City of Horseshoe Bay separates capital improvement projects into three categories: General Fund, Utility Fund, and Capital Projects Fund. The Capital Projects Fund generally consists of street-related projects.

General Fund capital improvements are typically paid for with General Fund revenues and are treated as part of the annual General Fund operating budget. Utility Fund capital improvements are typically paid for with utility service revenues for smaller items and issuing debt for major capital projects. Capital Project Fund capital improvements are usually paid for by issuing debt or by using unassigned fund balances.

The City's 5-Year Capital Improvement Plan is updated and revised each year during the budget planning stages and budget workshops with City Council. During the budget workshops, City Council discusses the available funding sources or options for each item on the Capital Improvement Plan. The final version is brought to City Council for approval at the same time as the budget. The current 5-Year Capital Improvement Plan is for FY 2023 through FY 2027.

Impact on Operating Budget

There are 3 major capital projects that impact the utility budget in FY 2023 outlined below.

The Blister Gold lift station rehabilitation project is budgeted for FY 2023. The lift station has been in service for 25+ years and needs normal maintenance of the protective interior coating, as well as replacement of pumps with newer more efficient technology. This tech will help to reduce time out of service and reduce electrical consumption.

The Wastewater Treatment Plant effluent pond liner project is budgeted for FY 2023 to conduct routine rehabilitation and replacement of the pond liner. TCEQ requires the pond liner to effectively prevent effluent water from escaping the containment basin in non-permitted discharge areas. The pond currently is fulfilling this requirement, but staff and engineering analysis has shown that it will reach its effective service life soon.

The Central Water Plant Clearwell rehabilitation is budgeted for FY 2023, this project will replace the 2 existing clear wells at the central plant facility. The clear wells have been in service for 15+ years and are nearing end of service life. These tanks were indicated to have minor leaks in a recent inspection and were temporarily patched. New tanks will resolve leak situations, as well as incorporate new coatings more resistant to corrosion, and with added technology mixers, to reduce formation of T.T.H.M.'s, and improve water quality. Replacement of these tanks was estimated to be a cost savings of \$75,000 over repair, due to the newer construction methods and technology.

5 YEAR CAPITAL IMPROVEMENT/NEEDS ASSESSMENT PLAN
FY 2023- FY 2027

GENERAL FUND	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Emergency Equipment Replacement - Admin	20,000	20,000	20,000	20,000	20,000
Replacement of Police Vehicle	60,000	104,000	106,000	116,000	118,000
Replace one Radar Trailer	0	0	11,500	0	0
Re-engine Existing Patrol Boat	0	30,000	0	0	0
Replacement of 7 Patrol MDCs	0	0	0	0	60,000
Code Compliance Officer Truck/Equipment	55,000	0	55,000	0	0
Inspector Vehicle	0	0	65,000	0	0
Brush Truck Replacement (2)- Fire Dept	85,000	85,000	85,000	85,000	85,000
Vehicle Replacement - Fire Dept	0	0	0	84,000	0
Rescue Tool Replacement - Fire Dept	0	35,000	38,000	0	0
Consideration of Fire Apparatus Purchase	0	0	0	0	940,000
TOTAL ANNUAL CIP REQUIREMENTS	220,000	274,000	380,500	305,000	1,223,000
UTILITY FUND	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Routine Capital Purchases & Projects:					
Water Meter Replacement Program	75,000	100,000	125,000	125,000	125,000
UTV for recyclce center	-	-	-	-	15,000
Vehicle Replacement (1 in FY23)	60,000	135,000	150,000	100,000	120,000
Vehicle Purchase (Truck-3 Year Lease Purchase)	45,000	45,000	45,000	-	-
Heavy Equipment Replacement	80,000	105,000	140,000	150,000	95,000
Replace Obsolete Grinder Systems - 35 Units	70,000	70,000	75,000	75,000	80,000
Expansion for Office of Plant Maintenance Tech	-	-	100,000	-	-
SCADA comms upgrades	-	25,000			50,000
Security System	25,000	25,000	25,000	-	-
Emergency equipment replacement	60,000	60,000	60,000	60,000	50,000
Hazard Mitigation Grant - Elevation of water system intake	63,000	-	-	-	-
Utility Capital Reserve Fund	-	-	75,000	75,000	75,000
Total Routine Capital Purchases & Projects:	478,000	565,000	795,000	585,000	610,000
UTILITY FUND	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Major Capital Purchases & Projects:					
Pond Liner & Sludge Removal - WWTP	1,100,000	400,000	-	-	-
Summit Rock Lift Station	-	-	1,800,000	-	-
Blister Gold Lift Station Rehabilitation	125,000	-	-	-	-
Trails Lift Station Rehabilitation	-	-	175,000	-	-
Clarifier Rehabilitation	-	450,000	-	-	-
WWTP chemical storage and pumping upgrades		250,000			
Filter rack replacement WWTP					150,000
Utility/P.W. service center				750,000	
Towers for Internet Project (Llano County ARPA)	500,000	-			
Water Storage Tanks Rehabilitation	550,000	175,000	300,000	550,000	550,000
Total Major Capital Purchases & Projects:	2,275,000	1,275,000	2,275,000	1,300,000	700,000
TOTAL ANNUAL CIP REQUIREMENTS	2,753,000	1,840,000	3,070,000	1,885,000	1,310,000
CAPITAL PROJECTS FUND	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Sealcoating Projects	750,000	820,000	820,000	850,000	850,000
Street Upgrades	2,100,000	0	2,100,000	0	2,100,000
TOTAL ANNUAL CIP REQUIREMENTS	\$ 2,850,000	\$ 820,000	\$ 2,920,000	\$ 850,000	\$ 2,950,000

Budget Glossary

Account Number: A code made up of numbers used to classify how specific dollar amounts are categorized as revenue or expenditures. Typically, similar revenues or expenditures are classified into the same account.

Accounting Standards: The generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board that guide the recording and reporting of financial information by the state and local governments. The standards establish such guidelines as when transactions are recognized (accrual, modified accrual, or cash basis), the types and purposes of funds, and the content and organization of the annual financial report. At the federal level, accounting standards are developed by the Federal Accounting Standards Advisory Board.

Accounting System: The methods and records established to identify, assemble, analyze, classify, record, and report the City's transactions and to maintain accountability for the related assets and liabilities.

Accounts Payable: A short term (one year or less) liability reflecting amounts owed for goods and services received by the City.

Accounts Receivable: An asset reflecting amounts due from other entities for goods and services provided by the City.

Accrual Accounting: A system of accounting in which revenues and expenditures are recorded at the time they occur, rather than the time cash is received or disbursed by the City.

Ad Valorem Taxes: Also known as property taxes; the taxes levied on all real and certain personal property according to the assessed value of the property and the established tax rate.

Amortization: The process of paying the principal amount of an issue of bonds by the periodic payments either directly to bondholders or to a sinking fund for the benefit of bondholders. Payments are usually calculated to include interest in addition to a partial payment of the original principal amount.

Amortization Schedule: A table showing the gradual repayment of an amount of indebtedness, such as a bond, over a period of time.

Appraised Value: An evaluation of a property's value based on a given point in time that is performed by Llano Central Appraisal District or Burnet Central Appraisal District.

Appropriation: An authorization made by the City Council which permits the City staff to make expenditures and incur financial obligations.

Audit: An examination of the City's financial accounts and records. The City is required by law to have an audit completed each year by an independent certified public accountant.

Available Fund Balance: Money remaining from prior years that is not committed for other purposes and can be allocated in the upcoming budget.

Balanced Budget: A balanced budget is where total revenues are equal or greater than total expenses; a budget that has no budget deficit.

Bond: A written promise to pay a specified amount of money (the principal) at a specified date or dates in time (maturity dates) and carrying interest at a specified rate. The most common form of bonds are general obligation bonds and certificates of obligation. Bonds are usually used to fund large construction projects

that have a long lifespan and/or are too expensive for the City to pay for with cash. Some examples are public buildings, water and sewer infrastructure, and streets.

Bond Contract: The legal agreement between the issuer and the debt holder, which defines the security and terms of the debt.

Bond Covenant: An agreement that governs the use of the borrowed money when a governmental agency sells a bond. The covenant becomes a legally enforceable agreement with the bondholders.

Bonded Debt: The portion of indebtedness represented by unpaid bonds. Or, the amount of principal on all bonds issued by the City.

Bondholder: The owner of a municipal bond, to whom payments of principal and interest are made. The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person whose name is noted on the bond register.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter for a new issue of municipal bonds, used to finance the project or purpose for which the bonds were issued and to pay certain costs of issuance, as may be provided in the bond contract.

Bond Purchase Agreement: The contract between the underwriter and the issuer setting forth the final terms, prices, and conditions upon which the underwriter purchases a new issue of municipal bonds for reoffering to the investing public.

Budget: A financial plan for a specified period of time (the fiscal year for the City) that includes an estimate of proposed revenues, an estimate of anticipated expenditures, and an analysis of the undedicated fund balance.

Budget Amendment: The budget may be formally amended after it has been approved. Amendments may be required, for example, with the incorporation of a new labor contract or if revenues fall or grow beyond projections.

Budget Calendar: A time table with deadlines when particular tasks must be completed in order for City Council to approve the spending plan before the beginning of the next fiscal year.

Budget Process: The budget process includes preparation of budget requests, legislative approval of the budget requests, budget implementation, and summary reporting on actual budget transactions.

Budget Transmittal Letter: Written to the City Council by the City Manager and provides a high-level preview of the City Manager's proposed budget. It contains hard numbers including the proposed tax rate and proposed fund summaries as well as overview of the departmental business plans. The letter helps tie together the core elements which make up the proposed budget and illustrates how those elements further the City's goals found within the strategic management system.

Capital Improvements: Expenditures for the construction, purchase, or renovation of City facilities or property, usually those projects which have a lifespan of greater than five to seven years.

Capital Outlay: Expenditures resulting in the acquisition of or addition to the City's fixed assets.

Cash: Currency on hand and demand deposits with banks and other financial institutions.

Cash Basis: A method of accounting in which transactions are recorded when cash is received or disbursed.

Cash Flow: A sufficient amount of cash on hand to cover disbursements or payments that are coming due.

Certificates of Obligation (CO): A form of bond used to finance capital improvement projects or purchases. CO's are backed by the full faith and credit of the government issuing them. CO's can be issued by a vote of the City Council and are not necessarily voter approved.

Chart of Accounts: A way of recording revenues and expenditures that includes all transactions and that fits the organizational structure. A chart of accounts assigns a unique number to each type of transaction (e.g. salaries or property taxes) and to each budgetary unit in the organization.

Contingency: A budgeted account set aside to meet unforeseen circumstances.

Current Assets: Those assets that can be easily converted to cash within the current year.

Current Taxes: Taxes that are levied and due within the ensuing fiscal year.

Date of Acquisition: The date on which an asset is purchased as indicated on a contract or certificate.

Debt Service Fund: A fund established to account for funds needed to make principal and interest payments on outstanding bonds.

Debt Service Requirements: The amount of money required to pay interest and principal on outstanding bonds. Sometimes the bond covenants (terms of the bond) may require special requirements such as cash reserves in the debt service fund.

Delinquent Taxes: Property taxes remaining unpaid after the due date. Delinquent taxes incur penalties and interest at rates specified by law.

Department: A functional group of the City with related activities aimed at accomplishing a major City service or program.

Depreciation: The proration of the cost of a fixed asset over the estimated service life of the asset. Each period is charged with a portion of such cost, and through this process, the entire cost of the asset is ultimately charged off as an expense.

Disbursement: Payment for goods or services that have been delivered and invoiced.

Effective Tax Rate: The rate that produces the same amount of property tax revenues compared to the prior year. Based on the total property valuation for the City and how much property tax was levied, the rate is determined by the laws of the State of Texas.

Encumbrance: The commitment of appropriated funds to purchase an item or service. Once an encumbrance is made, a purchase order is issued for the expenditure.

Enterprise Fund: See Proprietary Fund.

Expense: Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which are made within the current fiscal year.

Equity: The difference between assets and liabilities of the fund.

Financial Advisor: With respect to a new issue of municipal bonds, a consultant who advises the issuer on matters pertinent to the issue, such as structure, timing, fairness of pricing, terms, and bond ratings. Such consultant may be employed in a capacity unrelated to a new issue of municipal securities, such as advising on cash flow and investment matters.

Fiscal Year: The period designated by the City signifying the beginning and ending period for recording financial transactions of the City. The City of Horseshoe Bay's fiscal year begins on October 1 of each year and ends on September 30 of the following year.

Fixed Assets: Assets of a long-term character which are intended to be held or used, such as land, buildings, machinery, furniture, and equipment.

Fund: A separate fiscal and accounting entity with their own resources and budgets necessary to carry out specific duties or programs to accomplish certain objectives.

Fund Accounting: A system of accounting used primarily by non-profit and government organizations. The accounting records take the form of a collection of funds, each fund having a distinct purpose, ranging from operating expenses to funding the various activities of the organization.

Fund Balance: The difference between a fund's assets and its liabilities. Portions of the fund balance may be reserved for various purposes such as contingencies or encumbrances at the end of the fiscal year.

General Fund: The largest fund within the City. It accounts for all resources except those that are required to be in a special fund. The General Fund contains the activities commonly associated with municipal government, such as police, fire, and streets.

General Obligation Bonds: Bonds that finance a variety of public capital improvements projects. The repayment of these bonds is typically pledged against property tax revenues. They are backed by the full faith and credit of the City. Voters must approve the issuance of general obligation bonds through a special called bond election.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards for financial recording and reporting established by the accounting profession through such independent entities as the Governmental Accounting Standards Board.

Generally Accepted Auditing Standards (GAAS): A set of systematic guidelines used by auditors when conducting audits on companies' finances, ensuring the accuracy, consistency, and verifiability of auditors' actions and reports.

Government Finance Officers Association (GFOA): An organization that represents public finance officials throughout the United States and Canada.

Governmental Accounting Standards Board (GASB): The body that sets accounting standards specifically for governmental entities at the state and local level.

Governmental Fund: A grouping used in accounting for tax-supported activities completed by the government entity.

Grant: Contributions or gifts of cash or other assets from another government to be used for a specific purpose, activity, or facility.

Home Rule: A limited grant of discretion from state governments to local governments, concerning either the organization functions or the raising of revenue. Without home rule, local governments are restricted to whatever functions, organization, and revenues sources are specified by the state government, and are bound by whatever limits in revenue or borrowing that state requires.

Infrastructure: Long-term capital assets that normally are stationary in nature (fixed as compared to rolling stock) and can be preserved for a great number of years. Examples include water and sewer lines, roads, bridges, buildings, etc.

Inter-Fund Transfers: An amount of money transferred from one fund to another fund. For example, transferring money from the Utility Fund to the General Fund.

Intergovernmental Revenue: Revenues received from another governmental entity, such as county, state, or federal governments.

Internal Controls: Systematic measures (such as review, checks and balances, methods and procedures) instituted by an organization.

Investment Policy: A document that outlines general rules for investing, and provides the general investment goals and objectives.

Liability: The City's legal debts or obligations that arise during business operations. Liabilities are settled over time through the transfer of economic benefits including money, goods, or services.

Line-Item Budget: A format for budgeting in which departmental outlays are grouped according to the items that will be purchased.

Liquidity: The ability to convert assets into cash.

Machinery and Equipment: Property that does not lose its identity when removed from its location and is not changed materially or consumed immediately by use.

Mission: The basic purpose of a department, the reason for its existence, what the department aims to accomplish.

Municipal Bonds: A general term referring to bonds of local governmental subdivisions such as cities, towns, villages, counties, and special districts as well as states and subdivisions thereof, where are exempt from federal income taxation.

Operating Budget: Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most financing activities of the City are controlled.

Operating Expense: Proprietary fund expenses related directly to the fund's primary activities.

Operating Income: The excess of proprietary fund operating revenues over operating expenses.

Operating Revenue: Proprietary fund revenues directly related to the fund's primary activities. They consist primarily of user charges for goods and services.

Ordinance: A formal legislative enactment by the Horseshoe Bay City Council.

Principal: The face value of a bond, payable on stated dates of maturity.

Property Taxes: See Ad Valorem Taxes.

Proprietary Fund: Also referred to as an Enterprise Fund. A governmental accounting fund in which the services provided, such as water and sewer service, are financed and operated similarly to those in a private business. The intent is that the costs of provide these services be recovered through user charges.

Public Hearings: Open meetings regarding proposed budget allocations – either operating or capital – that provide citizens an opportunity to voice their views on the merits of proposals.

Purchase Orders: An agreement drawn up to buy goods and services from a specific vendor with a promise to pay when delivered.

Refunding: The issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (advanced refunding).

Resolution: A special or temporary order of the Horseshoe Bay City Council. Requires less formality than an ordinance and does not carry with it the force of law.

Revenue Bonds: Bonds whose principal and interest are payable exclusively from the earnings of a proprietary fund.

Special Revenue Fund: Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Taxable Value: The assessed value of property less any exemptions available on that specific property. The tax rate is applied to the taxable value to calculate a total tax levy.

Tax Base: The total taxable value of all real and personal property in the City as of January 1 of each year as certified by the Llano Central Appraisal District or Burnet Central Appraisal District, less any exemptions.

Tax Levy: The resulting product when the tax rate per one hundred dollars is multiplied by the tax base.

Texas Municipal League (TML): The Texas Municipal League is a voluntary coalition of Texas municipalities created for the purpose of furthering and enhancing causes of mutual interest to Texas cities. TML offers educational and training opportunities, legislative activities, and legal advisement to its members. Additionally, TML has intergovernmental risk pools that offer insurance coverage.

User Charges: The payment of a fee for direct receipt of a public service by the party benefiting from the service, such as water and sewer fees.

CITY OF HORSESHOE BAY

FISCAL ADMINISTRATION POLICY

Title: **Fiscal Administration.**

Policy directives of the City of Horseshoe Bay (City) applicable to any and all fiscal responsibilities of the City, including, but not limited to, budget assumptions and reviews, rates, cash flow projections, and cash reserves.

Statement:

The City hereby adopts a Policy of Fiscal Responsibilities to conform to the City Charter, Local Government Code and generally accepted accounting principles as applicable to governments and orders the implementation of the following policy directives.

Responsibility:

The City Manager shall serve as the Budget Officer for the City and shall be responsible for establishing operating procedures that implement and manage the following Directives. The Staff will be responsible for providing the Budget Officer with information necessary to properly implement and manage the following Directives. City Council shall be responsible for approving the annual budget each year.

Directives:

Budget:

The City philosophy is to plan water and wastewater operating rates based on population and experience. The annual utility budget will be prepared to support the planned operating rates. Budgets for General Fund functions will be prepared based on approved staffing levels and other operating needs.

The annual expense for employee benefits shall not exceed 40% of the annual expense for total employee salaries. Employee benefits for the purpose of this calculation are defined as FICA, health and dental insurance, life insurance, and pension.

Water and Wastewater revenue will be projected to result in operating revenue to cover operating expenses for the purpose of providing the water and wastewater services, and to cover routine capital purchases, projects, and improvements and debt service.

Garbage revenue will be projected to result in operating revenue exceeding operating expenses by 10%.

Tax revenue will be based on the Central Appraisal District's estimate of value and the previous year's historical data for collection rate.

The City Council will consider issuing debt on a case-by-case basis to fund major capital improvement projects in excess of \$500,000.

Budget Review:

The City Council will be given financial information at each monthly meeting. Quarterly financial presentations on all funds and capital projects will be given to the City Council at the regularly scheduled meeting immediately following the end of each quarter.

Rates:

Utility Rates for water and wastewater and garbage will be reviewed annually. During the annual budget process each year, the City Manager will make a recommendation concerning any changes in the rates for water and wastewater to the Mayor and City Council.

Tax rates will be reviewed annually and will be set to result in revenue sufficient to cover General Fund operations and debt service.

Cash Flow Projections/Reserves:

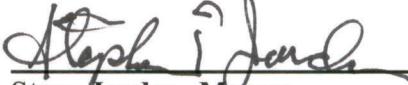
The City Council requires that all projected annual budgets for General Fund result in a cash flow reserve equal to the greater of \$2,500,000 or three months of total operating expense, plus debt service reserves as required by debt indentures.

The Utility Fund shall reserve excess funds each year to create a cash reserve ("Utility Reserve Fund"). The target amount of the Utility Reserve Fund will be three months of personnel and operating expenses. It is recognized that the Utility Fund may not be able to achieve the target level in a single year. Utility Reserve funds in excess of the three months may be used to reduce future utility rates/increases or for any other purpose approved by the City Council.

The Utility Rate Stabilization Account shall have a balance no greater than \$300,000. The City Council is not required to replenish these funds after any use. There is no required minimum balance.

The City's Fiscal Administration Policy and any modifications made thereto shall be approved by the City Council.

Reviewed and Adopted by vote of the City Council on September 18, 2018.



Steve Jordan, Mayor

ATTEST:



Kerri Craig, City Secretary

CITY OF HORSESHOE BAY

RESOLUTION NO. 2018-18

Adopting a Fixed Assets and Capitalization Policy

**A RESOLUTION OF THE CITY OF HORSESHOE BAY, TEXAS,
ADOPTING A FIXED ASSETS AND CAPITALIZATION POLICY THAT
PROVIDES GUIDELINES AND PROCEDURES FOR THE CITY'S FIXED
ASSETS IN COMPLIANCE WITH THE CITY'S CHARTER AND THE
STATE OF TEXAS**

WHEREAS, the City of Horseshoe Bay recognizes the importance of properly identifying and accounting for capital and non-capital fixed assets purchased and donated; and

WHEREAS, the Fixed Assets and Capitalization Policy replaces the current Capitalization Policy, which was adopted by the City of Horseshoe Bay City Council on June 19, 2007; and

WHEREAS, the purpose of the Fixed Assets and Capitalization Policy (attached as *Exhibit A*) is to have a policy in place to give guidance for the identification and monitoring of capital and non-capital fixed assets.

NOW, THEREFORE, BE IT RESOLVED by the City of Horseshoe Bay City Council:

- 1) The Fixed Assets and Capitalization Policy is hereby approved and adopted by the City of Horseshoe Bay; and
- 2) The City Council directs City staff to implement the Fixed Assets and Capitalization Policy to the extent reasonably possible, effective immediately; and
- 3) The meeting at which this Resolution was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

PASSED & APPROVED this, the 15th day of May 2018, by a vote of the City Council of Horseshoe Bay, Texas.

CITY OF HORSESHOE BAY



Stephen T. Jordan, Mayor

Attest:



Kerri Craig, City Secretary

City of Horseshoe Bay

Fixed Assets and Capitalization Policy

I. Introduction

The purpose of the Fixed Assets and Capitalization Policy is to present a uniform method of maintaining and updating the City's fixed asset records. Principles and processes incorporated into this policy are in accordance with generally accepted accounting principles (GAAP) and state law.

This policy encompasses all fixed assets at the City: land, land improvements, buildings, building improvements, infrastructure, machinery and equipment, and vehicles. Fixed assets are further distinguished as capital assets and non-capital assets.

Capital assets are those fixed assets that meet the capitalization threshold as identified in Section III. The City shall maintain a current listing of capital assets and require **that an annual physical inventory is conducted**. GAAP requires proper accounting for the acquisition and disposal of capital assets. Proper record keeping of the City's capital assets also provides a management tool for budget and rate setting decisions.

Non-capital assets are those fixed assets that fall below the capitalization threshold and may include furniture, small tools and equipment (hand mowers, trimmers, etc.), and various telecommunications and computer equipment. Although not required, it may be important for departments to maintain inventories of non-capital fixed assets for many reasons, including theft prevention and conducting condition assessments.

II. Duties and Responsibilities

The Finance Department and various other City Departments have a role in the successful maintenance of the City's fixed asset records.

The Finance Department shall be responsible for the oversight of all duties and functions related to capital assets, including:

- A. Update and maintain detailed records of all capital assets of the City.
- B. Oversee annual physical inventories of capital assets.
- C. Provide education and act as a resource for departments in the compliance of this policy.
- D. Generate capital asset reports as required or requested.

Other City Departments have the following responsibilities:

- A. Custodianship of assets for the department.
- B. **Complete annual physical inventory of capital assets** within the department.
- C. Updating and maintaining inventories of departmental non-capital fixed assets.
- D. On a timely basis, report to the Finance Department all changes, transfers, surpluses, relevant alterations, acquisitions, and dispositions of capital assets (including lost or stolen items).

III. Capitalization Threshold

The current criteria requiring the capitalization of a fixed asset is a cost or fair market value of \$5,000 or more and a useful life of one year or more.

IV. Building/Facility Improvements

The determination of whether an expenditure to replace part of a building/facility or major equipment associated with a building/facility is considered to be an improvement or a maintenance item shall be addressed on a case-by-case basis. Examples of potential improvements are HVAC, boilers, roofs, etc. In general, any such expenditures exceeding \$50,000 should be considered capitalized improvements, under \$50,000 would be an operating maintenance item.

V. Acquisition of Capital Assets

The purchase of capital assets is subject to the provisions of the City's Purchasing Policy and Procedures Manual. All costs associated with the purchase of the asset shall be charged to a capital account within the City's accounting system. Ancillary costs (shipping, installation, design, etc.) shall be included in the capitalized cost of the asset.

Donated assets shall be capitalized at the estimated fair value of the asset at the time of the donation. The Finance Department shall determine the fair value of the asset based on the best information available, which may include original cost, age of the item, assessment of current condition, etc. Departments shall notify the Finance Department within two business days of the acquisition of any donated assets.

VI. Classification of Capital Assets

Capital assets are personal and real property used in the operations of the City that have estimated useful lives of one year or more. Capital assets are to include any item that falls into one of the following categories:

- Land and land improvements held by the City.
- Construction/Buildings structures which are permanent in nature with useful lives that exceed one year or more and are subject to depreciation.
- Improvements other than Buildings used for permanent improvements that add value to land, but do not have an indefinite useful life (e.g., fences, retaining walls, parking lots, irrigation systems). The City does not capitalize landscaping.
- Machinery and Equipment/Vehicles includes all tangible property other than land and buildings.
- General Infrastructure includes long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets (e.g., roads, bridges, draining systems, water and sewer systems).
- Other Capital Assets is a class of capital assets available for all items not property included in one of the other major classes.
- Construction in Progress is the accumulation of costs related to the construction of tangible assets that are not substantially ready to be placed in service.

VII. Estimated Useful Lives of Capital Assets

Capital assets have estimated useful lives of one year or more. Below are general ranges of estimated useful life:

• Land	Non-depreciable
• Buildings/Construction	20 to 50 years
• Improvements other than Buildings	20 years
• Machinery and Equipment	5 to 20 years
• Vehicles	5 years to 15 years
• General Infrastructure	10 to 50 years
• Other Capital Assets	5 years
• Construction in Progress	Non-depreciable

VIII. Depreciation Method of Capital Assets

Capital assets shall be depreciated over their estimated useful lives using straight-line depreciation.

IX. Annual Physical Inventory

Finance staff shall provide the various departments with the most recent list of capitalized assets assigned to their respective departments/divisions. Each department shall conduct an inventory to confirm the accuracy of the report and note all changes and discrepancies to the list. Departments shall return the completed inventories, complete with all notations, to the Finance Department in a timely manner (typically within two weeks).

X. Disposition of Fixed Assets

All Departments must review their assets and supplies each year and determine whether any items are no longer needed. **A Department must submit a list of any surplus, obsolete, or unused supplies, materials, or equipment** to the Finance Department, and include a description, make, model, and serial number. The Finance Department, in coordination with a Department, may transfer items between Departments based upon needs. Where equipment or durable goods are deemed to be surplus, obsolete, or unused, the Department will present the list to City Council for approval to dispose of such equipment or durable goods. The Department may attempt to sell surplus, obsolete, or unused supplies, materials, or equipment in a manner that attempts to secure a fair market value price for the City or donate such items to a local nonprofit organization. Funds received from a sale of surplus items will be returned to the appropriate City fund.

CITY OF HORSESHOE BAY

ORDINANCE NO. 2022-21

ADOPTING THE FY 2023 BUDGET

AN ORDINANCE ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING 10-1-2022 AND ENDING 9-30-2023 IN ACCORDANCE WITH LAWS OF THE STATE OF TEXAS, APPROPRIATING THE VARIOUS AMOUNTS THEREOF, AND REPEALING ALL ORDINANCES IN CONFLICT THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, pursuant to Chapter 102.001 (b) of the Texas Local Government Code, the City Manager of a municipality may serve as Budget Officer for the governing body of the municipality and shall prepare each year a municipal budget to cover the proposed expenditures of the municipal government for the succeeding year; and

WHEREAS, the City Manager of the City of Horseshoe Bay serves as the Budget Officer for the City and has submitted to the City Council a Proposed Budget of the revenues of said City and the expenses of conducting the affairs thereof; and

WHEREAS, said Proposed Budget and all supporting schedules was filed with the City Secretary on August 19, 2022; and

WHEREAS, required Notice of Public Hearing was published in the Horseshoe Bay Beacon and in the Highlander Newspaper and also posted on the City's website in accordance with Section 102.0065 of the Local Government Code; and

WHEREAS, the City Manager has submitted to the City Council a Final Budget consistent with the changes to the revenues and expenditures of the Proposed Budget that the City Council recommended at the Public Meeting held on August 30, 2022; and

WHEREAS, the Mayor conducted the Public Hearing on the Proposed Budget on September 20, 2022; and

WHEREAS, the Final Budget for FY 2023 reflects more property tax revenue compared to the Final Budget for FY 2022; and

WHEREAS, the total City proposed property tax rate for FY 2023 is \$0.27000 per \$100 valuation. The following are data related to the tax rate for FY 2023: Adopted rate - \$0.27000; No new revenue tax rate - \$0.23280; Voter-approval tax rate - \$0.26205; Maintenance and operations tax rate - \$0.17641; and debt rate - \$0.05639.

WHEREAS, the total amount of City Certificates of Obligation secured by property taxes aggregated \$10,870,000 at September 20, 2022.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HORSESHOE BAY, TEXAS:

That the Final Budget for the fiscal year beginning October 1, 2022 and ending September 30, 2023 is hereby approved and adopted, thereby providing in summary for the following:

I.

All Funds Revenues

\$12,586,400	General Fund ad valorem maintenance and operations tax levy and other revenues
\$12,481,150	Utility Fund estimated water, wastewater, and solid waste service fees, other revenues
\$ 4,250,000	Capital Projects Fund proceeds from bond series 2022
\$ 1,705,250	Debt Service Fund ad valorem interest and sinking tax levy and interest
\$ 6,500	Child Safety Fund citation fees for specific offenses
\$ 1,000	Technology Fund an assessed court cost on citations
<u>\$ 1,000</u>	Court Security Fund an assessed court cost on citations

\$31,031,300 Total All Funds Revenues

All Funds Expenditures

\$12,035,100	General Fund estimated total maintenance and operations and capital
\$13,665,970	Utility Fund estimated operations, debt service, capital, and major projects expenditures
\$ 4,200,000	Capital Projects Fund estimated street improvements expenditures
\$ 1,716,200	Debt Service fund payment of principal and interest
\$ 6,000	Child Safety Fund expenditures related to programs designed to enhance child safety, health, or nutrition.
<u>\$ 1,500</u>	Court Technology expenditures related to technology expenses for the municipal court

\$31,624,770 Total All Funds Expenditures

A copy of the FY 2023 Final Budget Summary for the above funds are attached hereto and made a part hereof for all purposes.

The Final Budget includes funding for the following approved City Staff:

The total City Staff for FY23 will be 104 full-time employees and 5 part-time employees. They are broken down as follows: 33 full-time and 1 part-time in Utility Services; 23 Police Dept.; 23 full time and 3 part-time in Fire Dept.; 8 Development Services/Code Enforcement; 7 Finance Dept.; 1 full-time and 1 part-time in Animal Control; 2 Public Works; 1 Technology Services; and 6 City Manager's Office.

II.

This Ordinance shall take effect and be in force from and after its approval and publication, as may be required by law.

City of Horseshoe Bay
September 20, 2022

Adopt FY 2023 Budget
Page 2 of 3

III.

Should any part of this Ordinance be declared invalid, for any reason, such invalidity shall not affect the remainder of this Ordinance.

IV.

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

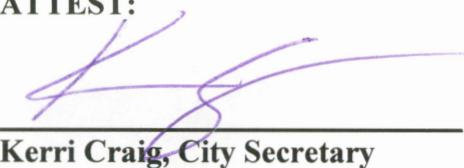
ADOPTED AND APPROVED on this 20th day of September 2022.

CITY OF HORSESHOE BAY, TEXAS



Cynthia Cline Smith, Mayor

ATTEST:



Kerri Craig, City Secretary



CITY OF HORSESHOE BAY

ORDINANCE NO. 2022-22

ORDINANCE ADOPTING 2022 TAX RATE

AN ORDINANCE LEVYING AD VALOREM TAXES FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF HORSESHOE BAY, TEXAS, AND PROVIDING FOR THE INTEREST AND SINKING FUND FOR THE FISCAL YEAR 2022 - 2023; DIRECTING THE COLLECTION THEREOF; AND, PROVIDING FOR THE TIME OF PAYING THE AD VALOREM TAXES LEVIED AND PROVIDING THAT TAXES BECOME DELINQUENT IF NOT PAID

WHEREAS, pursuant to section 302.001(c) of the Texas Tax Code, a home-rule municipality, such as the City of Horseshoe Bay, Texas (“City”), may levy special or general property taxes for lawful purposes; and

WHEREAS, the City Council of the City of Horseshoe Bay scheduled a meeting to adopt the tax rate on September 20, 2022; and

WHEREAS, all required notices have been published and posted on the City’s website; and

WHEREAS, the City Council of the City of Horseshoe Bay (“City Council”) finds that the tax hereinafter levied for current expenses of the City and for permanent improvements and/or other specific purposes of the City as named herein must be levied to provide the revenue requirement of the budget for the ensuing year; and

WHEREAS, state law, including but not limited to Chapters 31, 32 and 33 of the Texas Tax Code, provides the due date, delinquency date, penalty, interest, and collections provisions for such taxes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HORSESHOE BAY, TEXAS:

I.

That there is hereby levied and there shall be collected for the current expenses of the City, its permanent improvements, and/or other specific purposes of the City as named herein, a tax upon all property, real, personal and mixed, within the corporate limits of said City, and subject to taxation at the rate of \$0.27000 on each One Hundred Dollars (\$100.00) of assessed valuation. Assessed valuation is hereby set at One Hundred Percent (100%) of fair market value of all real property. Said tax being so levied is apportioned to the specific purposes here set forth:

- (1) For the Maintenance and Operation of general government, \$0.21361 on each One Hundred Dollars (\$100) valuation of property, and
- (2) For the Interest and Sinking Fund, \$0.05639 on each One Hundred Dollars (\$100) valuation of property.

THIS TAX RATE WILL RAISE MORE TAX REVENUE FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR’S TAX RATE.

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 21.08 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$37.20.

II.

That all monies collected under this Ordinance be and the same are hereby appropriated and set apart for the specific purposes indicated herein and in each item of the Annual Budget for the Fiscal Year 2022-2023, and that the Assessor and Collector of Taxes, and the Investment Officer shall keep these accounts so as to readily and distinctly show the amount collected, the amounts expended, and the amount on hand at any time belonging to such accounts. It is hereby made the duty of the Tax Assessor and Collector and the Investment Officer and every person collecting money for the City of Horseshoe Bay to deliver to the Investment Officer at the time of depositing any monies, a statement showing to what fund such deposit should be made and from what source received. All receipts for the City not specifically apportioned by this Ordinance are hereby made payable to the General Fund of the City.

III.

That the ad valorem taxes herein levied shall, unless otherwise excepted by state law, including but not limited to Chapter 31 of the Texas Tax Code, become due on the 1st day of October, 2022 or upon receipt of the tax bill, whichever is earlier, and may be paid up to and including the following January 31st, without penalty, but if not so paid, such taxes shall become delinquent and incur penalties and interest as provided by state law including, but not limited to, Chapter 33 of the Texas Tax Code.

IV.

That the taxes herein levied shall, except as otherwise provided by state law, including but not limited to Chapter 32 of the Texas Tax Code, be a first and prior lien against the property upon which they are assessed and the said first lien shall be superior and prior to all other liens, charges, and encumbrances, and this lien shall be attached to personal property to the same extent and with the same priorities as to real estate.

V.

This Ordinance shall take effect and be in force from and after its approval and publication, as may be required by law.

VI.

Should any part of this Ordinance be declared invalid, for any reason, such invalidity shall not affect the remainder of this Ordinance.

VII.

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

ADOPTED AND APPROVED on this 20th day of September 2022.

CITY OF HORSESHOE BAY, TEXAS

ATTEST:


Kerri Craig, City Secretary




Cynthia Cline Smith, Mayor

