

# *City Of Horseshoe Bay*

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TEXAS



## FY 2022 Budget



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Cover image courtesy of Renee Hagen  
Finance Administrative Assistant, City of Horseshoe Bay

# **CITY OF HORSESHOE BAY, TEXAS**

## **ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2021-2022**

This budget will raise more revenue from property taxes than last year's budget by an amount of \$677,760, which is a 10.74% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$201,713.

### 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,  
Elaine Waddill

AGAINST:

PRESENT and not voting:

ABSENT: Cynthia Clinesmith

Tax Rate	Proposed FY 2021-2022	Adopted 2020-2021
Property Tax Rate	.27000	.27000
No New Revenue Tax Rate	.24830	.26004
No New Revenue M&O Tax Rate	.20727	.22531
Voter Approval Tax Rate	.26739	.28158
Debt Tax Rate	.04103	.03473

The total amount of municipal debt obligations secured by property taxes for the City of Horseshoe Bay is \$11,600,000.





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Horseshoe Bay  
Texas**

For the Fiscal Year Beginning

**October 01, 2020**

*Christopher P. Morill*

**Executive Director**







# Elected Officials

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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



Bottom Row: Elaine Waddill, Cynthia Clinesmith, and Elsie Thurman

# Administrative Officials

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



# CITY OF HORSESHOE BAY



October 1, 2021

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 2021-2022, beginning October 1, 2021. 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 2021-2022, 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 2021 property tax rate is \$0.27000 per \$100 valuation and is unchanged from the previous year. This rate is effectively an 8.7% increase in the tax rate, as compared to the no new revenue tax rate.

## GENERAL FUND

In FY 2022, General Fund revenues are projected to be \$1,134,000 or 11.66% higher than the FY 2021 Amended Budget for a total of \$10,857,500. The large increase in budgeted revenue is attributed to funds from the American Rescue Plan Act and the increase in property taxes due to the growth in residential builds.

At a total of \$9,931,250, General Fund expenditures are \$328,750, or 3.4% higher than the FY 2021 Amended Budget. The biggest factor in the expenditure increase is a 3% increase to salaries. The FY 2022 Budget also added two new studies to be conducted on Transportation and Drainage.

## CAPTIAL IMPROVEMENTS FUND

The FY 2022 Capital Improvements Fund has two major projects totaling \$1,150,000. The first is the Street Upgrade project in the amount of \$900,000 for improvements to various streets in the City. The second is the infrastructure for broadband internet access at an estimated cost of \$250,000. Both projects are to be funded by Certificates of Obligations supported by ad valorem taxes.

## DEBT SERVICE FUND

No new debt is planned for FY 2022. 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 2021 is \$0.04103 per \$100 valuation. Most of this 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 2022 are \$133,000, or 1.03% higher than the FY 2021 Amended Budget. The revenue increase is mainly due to the new growth of added rooftops. For Budget FY 2022 we



did not increase rates on water or wastewater. The garbage rates were increased at 3.25% which coincide with our solid waste contract.

In FY 2022, Utility Fund expenditures are \$654,000 or 7.6% higher than the FY 2021 Amended Budget. The expenditure increase is mainly due to the costs associated with taps, grinders, and contract services on new construction, and 3% increase to salaries. The FY 2022 Budget also adds one new full-time position to Field Operations.

The Utility Fund has a budget of \$1,199,750 for FY 2022 routine capital purchases and projects, which is a decrease of \$1,028,750 or 46.1%, from the FY 2021 Amended Budget. These routine capital purchases and projects include purchasing generators for the West Water Plant, purchasing a backup motor for Slickrock lift station, road work at the Wastewater Treatment Plant, pond liner for the Wastewater Treatment Plant and rehabilitation of Lakawana lift station.

## 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

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Although the FY 2022 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.

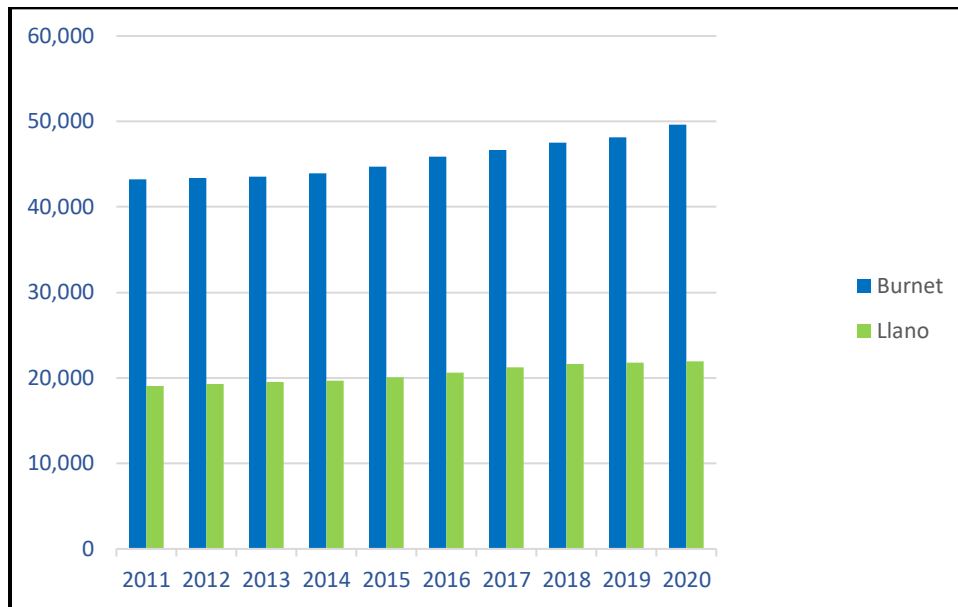


## ECONOMY OF HORSESHOE BAY

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 2020 US Census and remains very rural.

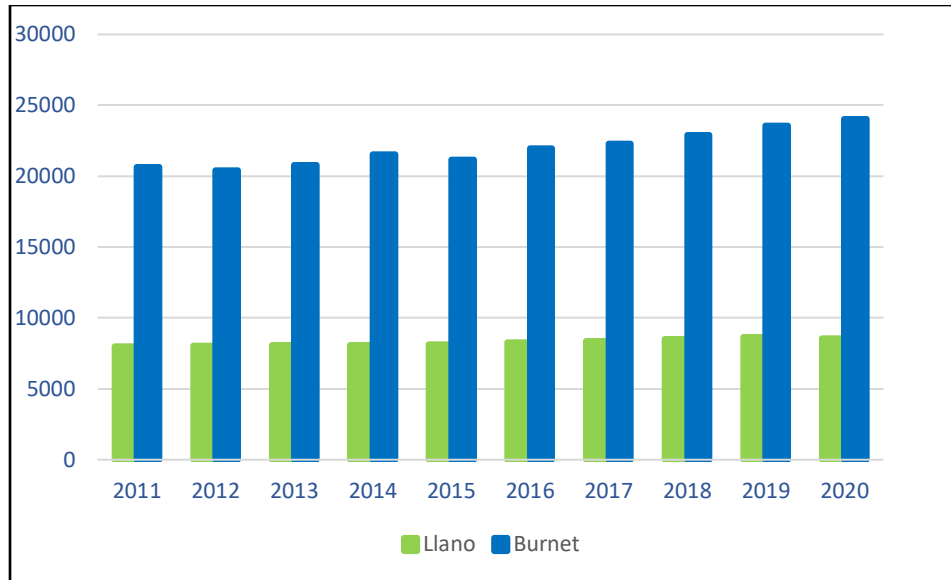


Graph 1 – Population Trends in Burnet County and Llano County – 2011 to 2020  
Source: Texas Association of Counties

### 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 2020 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 10 years.

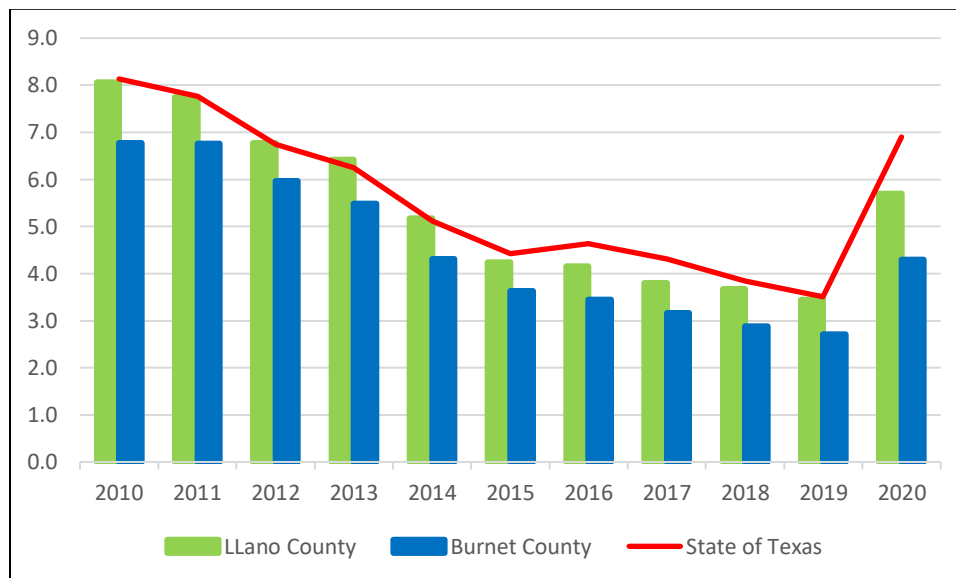




Graph 2 – Size of the labor force – Burnet County and Llano County – January 2011 to December 2020  
Source: Texas Workforce Commission

### Unemployment

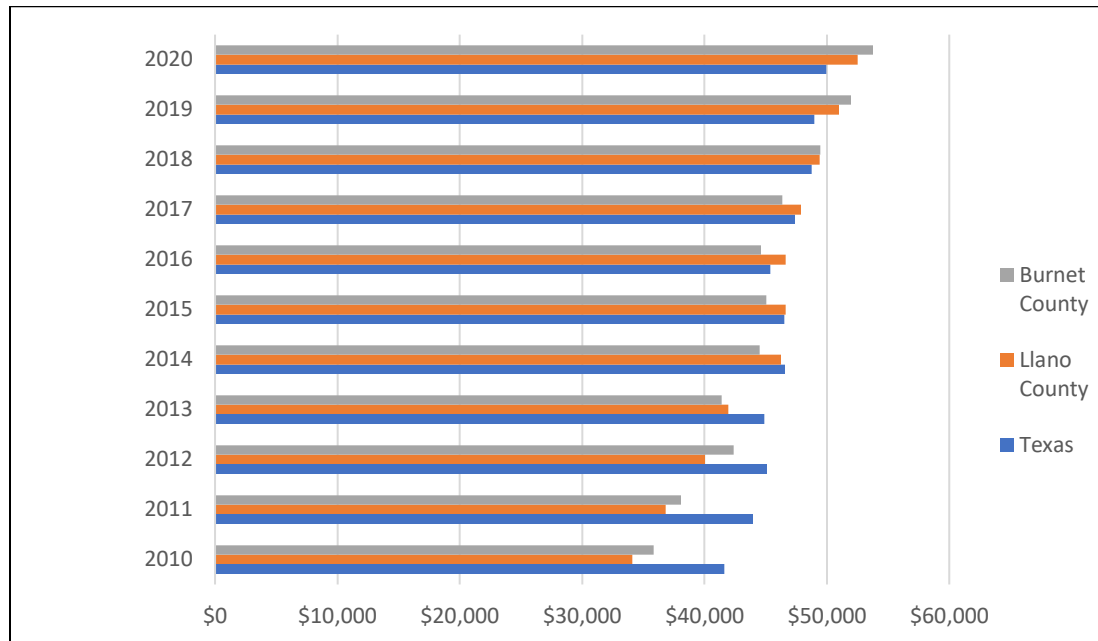
The unemployment rate in Burnet County has consistently been lower than the State of Texas, during 2010 Llano County has been close to the State levels throughout the years. Most recently, both Burnet and Llano County have had a continued increase in unemployment rate, they both have remained below the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



Graph 3 – Unemployment Rate of Burnet County, Llano County, and State of Texas – Not Seasonally Adjusted  
January 2010 to December 2020  
Source: Texas Workforce Commission

## Income

The per capita income of Burnet County has remained just below the State's level until 2018 and then has surpassed Llano County and the State's per capita. While Llano County was significantly lower than the State's per capita, in 2015 it surpassed the State's level and has continued to increase by over 16% in 2020.



Graph 4 – Per capita income of Burnet County, Llano County, and the State of Texas – 2010 – 2020  
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	169	1,106	48,075,000
Retail Trade	169	2,166	57,304,000
Health Care and Social Assistance	119	1,766	80,093,000
Accommodation and Food Services	112	1,599	31,082,000
Professional, Scientific, and Technical Services	91	427	16,240,000

Table 1 – Burnet County Industrial Clusters – 2018  
Source: County Business Patterns [www.census.gov](http://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	71	287	11,060,000
Retail Trade	69	535	13,610,000
Health Care and Social Assistance	32	544	18,180,000
Accommodation and Food Services	48	1,177	25,514,000
Professional, Scientific, and Technical Services	40	132	5,672,000

Table 2 – Llano County Industrial Clusters – 2018  
Source: County Business Patterns [www.census.gov](http://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 2010	15	5,018
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

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

# Strategic Plan

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## **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.

# Short Term Factors and Budget Guidelines

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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 2022 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 2022 tax rate at 0.27, this is the third 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 3% increase to salaries for merit raises effective January 1, 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 2022. The increase was 5% in FY 2021. City Council has not made any changes to employee benefits.

# Long Range Financial Forecast

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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 2022 are certified and provided by the Llano County Appraisal District (LCAD) and the Burnet County Appraisal District (BCAD).
- The net taxable values for FY 2023 through FY 2026 are calculated at a 6% 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 \$60,000 for years FY 2023 and FY 2024, then it increases to approximately \$80,000 each year through the forecast period. Sales tax revenues increased 11% in FY 2021. Covid-19 impacted the sales tax revenue during 2020. Mixed beverage tax revenues are projected to increase by approximately \$2,500 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 second year we analyzed the true costs associated with the administration of the Utility Department and the amount was increased by \$66,250 for FY 2022. 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, Development Services, Emergency Services, Mowing and Clearing, Street Maintenance, Interest, and Miscellaneous are all expected to be stable with little variation over the forecast period.

#### 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 2022. 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. Water service rates are estimated to increase 2.5% in FY 2023, 4% in FY 2024, and 0% in FY 2025-FY 2026. Rates are reviewed annually.
- Wastewater rates are not budgeted to increase in FY 2022. The wastewater service fee rates are estimated to increase 2.5% in FY 2023, 4% in FY 2024, and 0% in FY 2025-FY 2026.
- Solid Waste revenues will increase 2.25% in FY 2022 and 3% 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 2018 Actual	FY 2019 Actual	FY 2020 Actual	Estimated FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Property Taxes	3,922,322	4,672,160	5,055,693	5,382,000	5,874,000	6,351,456	6,796,187	7,261,992	7,762,198
Property Taxes - P&I	24,229	34,687	40,318	34,000	38,000	38,830	39,662	40,495	41,330
Sales Taxes	932,331	1,581,453	1,427,303	1,589,000	1,636,750	1,702,310	1,770,312	1,858,815	1,951,644
Mixed Beverage Taxes	84,114	109,964	68,696	80,000	85,000	87,500	90,250	93,000	95,750
Emergency Services	449,244	420,113	394,122	402,750	397,000	397,140	415,309	444,262	454,251
Franchise Fees	200,870	241,446	240,383	234,000	238,500	242,845	247,192	249,753	252,315
Development Services	136,718	281,024	382,938	387,750	355,250	363,250	377,137	395,419	418,103
Municipal Court	107,095	95,067	84,912	51,500	53,750	55,490	57,214	58,818	60,182
Transfers	617,184	702,333	749,000	552,000	618,250	636,698	655,710	675,293	695,444
Interest	42,670	113,604	43,300	5,000	5,000	5,200	5,346	5,436	5,719
Mowing & Clearing	501,963	625,403	521,730	460,000	460,000	460,000	510,000	520,000	520,000
Street Maintenance	588,624	512,255	513,669	512,000	517,250	537,950	559,448	581,746	605,096
Miscellaneous	19,069	47,438	68,538	214,250	578,750	30,250	30,250	30,250	30,250
<b>TOTAL</b>	<b>7,626,434</b>	<b>9,436,947</b>	<b>9,590,602</b>	<b>9,904,250</b>	<b>10,857,500</b>	<b>10,908,918</b>	<b>11,554,018</b>	<b>12,215,279</b>	<b>12,892,281</b>

**General Fund Expenditure Forecast**

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	Estimated FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Personnel Costs	4,507,495	5,359,684	5,948,152	6,363,000	6,599,250	6,917,824	7,263,370	7,626,698	8,105,191
Operating Expenses	2,258,083	4,104,164	3,509,921	3,254,500	3,332,000	3,004,502	3,101,197	3,206,106	3,328,483
Routine Capital Expenses	88,860	519,060	351,769	241,750	370,500	437,500	287,000	923,500	247,500
<b>TOTAL</b>	<b>6,854,438</b>	<b>9,982,908</b>	<b>9,809,842</b>	<b>9,859,250</b>	<b>10,301,750</b>	<b>10,359,826</b>	<b>10,651,566</b>	<b>11,756,305</b>	<b>11,681,174</b>

**General Fund Excess/(Deficit) Forecast**

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	Estimated FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Revenues less Expenditures	771,996	(545,961)	(219,240)	45,000	555,750	549,093	902,452	458,975	1,211,106
Less: Transfer to Capital Improvements Fund for Capital Projects				-			(750,000)	(750,000)	(900,000)
Less: Transfer to UF (Zebra Mussel Treatment)									
<b>Estimated Ending Fund Balance</b>			<b>3,394,863</b>	<b>3,439,863</b>	<b>3,995,613</b>	<b>4,544,705</b>	<b>4,697,157</b>	<b>4,406,131</b>	<b>4,717,237</b>
Less: Restricted Fund Balance			(2,500,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,591,142)	(2,708,201)	(2,858,419)
Less: Restricted PEG Reserve Fund Balance				(70,829)	(76,829)	(82,829)	(88,829)	(94,829)	(100,829)
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)				
<b>Estimated Ending Unassigned Fund Balance</b>			<b>894,863</b>	<b>869,034</b>	<b>883,270</b>	<b>1,926,362</b>	<b>1,981,672</b>	<b>1,567,587</b>	<b>1,722,476</b>
 <b>Est. Property Tax Rate:</b>			<b>0.26702</b>	<b>0.27000</b>	<b>0.27000</b>	<b>0.27000</b>	<b>0.27000</b>	<b>0.27000</b>	<b>0.27000</b>

### Utility Fund Revenue Forecast

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	Final FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Water Service Revenues	3,670,188	4,166,948	5,046,684	5,323,500	5,228,000	5,374,875	5,579,797	5,602,766	5,625,719
Wastewater Service Revenues	2,526,791	3,059,028	9,447,076	3,868,500	3,628,250	3,729,191	3,860,705	3,887,030	3,914,486
Solid Waste Service Revenues	891,037	997,728	1,101,201	1,144,250	1,179,000	1,217,500	1,257,250	1,298,250	1,340,751
Other Revenues	186,697	248,070	358,469	802,750	263,750	140,350	141,445	141,537	141,872
<b>TOTAL</b>	<b>7,274,713</b>	<b>8,471,774</b>	<b>15,953,430</b>	<b>11,139,000</b>	<b>10,299,000</b>	<b>10,461,916</b>	<b>10,839,198</b>	<b>10,929,582</b>	<b>11,022,827</b>

### Utility Fund Expenditure Forecast

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	Final FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026
Personnel Costs	1,952,734	2,128,724	2,378,678	2,526,000	2,681,750	2,820,418	3,045,277	3,234,685	3,434,389
Operating Expenses	3,871,572	4,248,159	4,206,021	4,611,000	4,816,751	4,535,569	4,589,843	4,678,516	4,763,524
Debt Service Obligations	1,324,806	1,327,056	1,628,036	1,434,250	1,713,000	1,711,750	1,709,250	1,721,500	1,721,000
Routine Capital Expenses	458,250	618,394	486,088	753,000	684,750	1,132,000	532,000	738,000	523,000
<b>TOTAL</b>	<b>7,607,362</b>	<b>8,322,333</b>	<b>8,698,823</b>	<b>9,324,250</b>	<b>9,896,251</b>	<b>10,199,737</b>	<b>9,876,370</b>	<b>10,372,700</b>	<b>10,441,913</b>

<b># of months Personnel, Operating &amp; Routine Cap</b>	<b>0.37</b>	<b>4.27</b>	<b>4.61</b>	<b>4.28</b>	<b>3.42</b>	<b>3.70</b>	<b>4.03</b>	<b>4.23</b>
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### Utility Fund Excess/(Deficit) Forecast

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	Final FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025	Projected FY 2026							
Less: Major Capital Projects	\$	(242,366)	\$	(5,071,750)	\$	(1,477,000)	\$	(515,000)	\$	(965,000)	\$	(620,000)	\$	(300,000)	\$	(300,000)
Revenues less Expenditures	(332,649)	(92,925)	2,182,857	337,750	(112,250)	(702,822)	342,828	256,882	280,914							
Estimated Ending Fund Balance		219,944	2,804,485	3,142,235	3,029,985	2,327,163	2,669,991	2,926,873	3,207,787							
Less: Restricted Fund Balance (3 months expenditures)					(2,045,750)	(2,122,000)	(2,041,780)	(2,162,800)	(2,180,228)							
Estimated Ending Unrestricted Fund Balance					984,235	205,163	628,211	764,073	1,027,559							

<b>Est. Annual Rate Increase %:</b>	<b>15%</b>	<b>9%</b>	<b>0%</b>	<b>2.50%</b>	<b>4%</b>	<b>0%</b>	<b>0%</b>
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## 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. City Council recognizes it will take several years to create the cash reserve in the Utility Fund without exorbitant increases to water and wastewater rates. The Utility Fund will reach the targeted reserves balance of 3 months of annual expenditures.

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 to refund the 2011 CO's. The only 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
2021	304,696	122,350	383,650	58,003	868,699
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



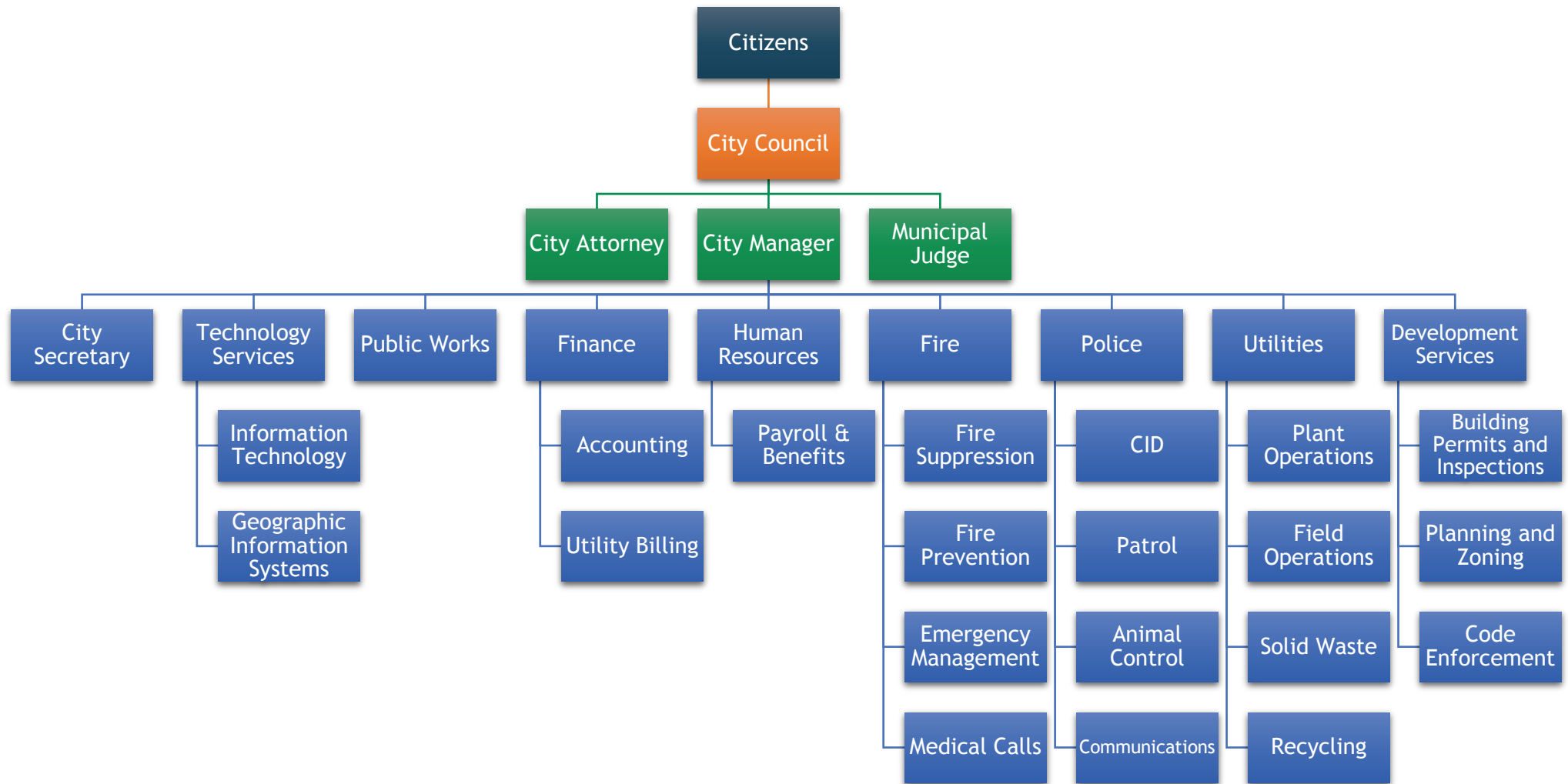
### Utility Fund Debt

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

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# Staffing Chart

Department	Job Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>GENERAL FUND</b>						
<b>Administration</b>	City Manager	1	1	1	1	1
	City Secretary	1	1	1	1	1
	Records & Information Manager	0	0	0	1	1
	Finance Director	1	1	1	1	1
	Accounting Supervisor	1	1	1	1	1
	Accounting Clerk	2	0.5	0.5	0.5	0.5
	Finance Administrative Assistant	0	0	1	1	1
	HR Administrator	0	1	1	1	1
	HR Director	1	1	1	1	1
	Municipal Court Clerk	0.5	0.5	0.5	0.5	0.5
	<b>Subtotal - Administration</b>	<b>7.5</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>
<b>Technical Services</b>	IT Administrator	1	1	1	1	1
	GIS Administrator	1	1	1	1	1
	<b>Subtotal - Technical Services</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Fire Department</b>	Fire Chief	1	1	1	1	1
	Assistant Fire Chief	1	1	1	1	1
	Captain	3	3	3	3	3
	Lieutenants	3	3	3	3	3
	Engineer	6	6	6	6	6
	Firefighter	3	6	9	9	9
	Part Time Firefighter	7.5	2	1.5	0	0
	<b>Subtotal - Fire Department</b>	<b>24.5</b>	<b>22</b>	<b>24.5</b>	<b>23</b>	<b>23</b>
<b>Police Department</b>	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
	Detective	3	3	3	3	3
	Police Sergeant	2	2	2	2	2
	Police Officer	8	8	8	10	10
	Animal Control Officer	1.5	1.5	1.5	1.5	1.5
	Dispatcher	2.5	2.5	3	3	3
	<b>Subtotal - Police Department</b>	<b>22</b>	<b>22</b>	<b>22.5</b>	<b>24.5</b>	<b>24.5</b>
<b>Development Services</b>	Development Services Director	1	1	1	1	1
	Assistant Planner	1	1	1	1	1
	Dev. Services Superv./Dep. Bldg Official	0	0	0	1	1
	Code Enforcement Officer	1	1	1	1	1
	Code Compliance Officer	0	0	1	1	1
	Dev. Services Admin. Assistant	0	0	0	1	1
	Development Services Technician	1.5	2	2	1	1
	<b>Subtotal - Development Services</b>	<b>4.5</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>7</b>
<b>Public Works</b>	Public Works Director	1	1	1	1	1
	Public Works Assistant	0	0	1	1	1
	Project Manager	0	0	0	0	0
	<b>Subtotal - Street Maintenance</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>TOTAL GENERAL FUND</b>		<b>61.5</b>	<b>59</b>	<b>65</b>	<b>67.5</b>	<b>67.5</b>

Department	Job Title	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>UTILITY FUND</b>						
<b>Administration</b>	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	0	1	1	1
	Dispatcher	0	0	1	1	1
	Utilities Office Manager	1	1	1	1	1
	Customer Service Clerk	2	2	2	2	2
	Administrative Assistant	0	0	0	1	1
<b>Subtotal - Administration</b>		<b>6</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>9</b>
<b>Plant Operations</b>	Plant Operations Supervisor	1	1	1	1	1
	Plant Operator	4	4	4	4	4
	Water Quality Technician	1	1	1	1	1
	Chief Operator	1	1	1	1	1
	Maintenace Operator	0	0	0	1	1
	SCADA Technician	1	1	1	1	1
	Recycle Monitor - Full Time	1	1	1	1	1
	Recycle Monitor - Part Time	0.5	0.5	0.5	1	1
<b>Subtotal - Plant Operations</b>		<b>9.5</b>	<b>9.5</b>	<b>9.5</b>	<b>11</b>	<b>11</b>
<b>Field Operations</b>	Field Operations Supervisor	1	1	1	1	1
	Crew Lead	2	2	2	2	2
	Field Operator	9	9	9	9	10
	Field Technician	1	1	1	1	1
	Warehouse Tehnician	0	0	0	1	1
<b>Subtotal - Field Operations</b>		<b>13</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>15</b>
<b>TOTAL UTILITY FUND</b>		<b>28.5</b>	<b>28.5</b>	<b>30.5</b>	<b>34</b>	<b>35</b>
<b>TOTAL FULL-TIME &amp; PART-TIME CITY EMPLOYEES (101 full time, 3 part time)</b>		<b>90</b>	<b>87.5</b>	<b>95.5</b>	<b>101.5</b>	<b>102.5</b>

# Budget Format

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The budget format for the FY 2022 Budget is the fifth year of the 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 2019 Final Actuals** – Actual revenues, expenditures, and fund balances recorded for the period ending September 30, 2019.

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

**FY 2021 Amended Budget** – The budget as approved and amended by the City Council for the current fiscal year ending September 30, 2021, including revenues, expenditures, and fund balances.

**FY 2021 Projected Actuals** – Estimated revenues, expenditures, and fund balances recorded for the period ending September 30, 2021.

**FY 2022 Adopted Budget** – Budgeted amounts for each category for the fiscal year ending September 30, 2022.

## 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.

### Budget Calendar

April 9, 2021 – Draft budget format sent to Department Heads

May 10, 2021 – Department Heads return first departmental drafts to Finance Director

May 17 - 21, 2021 – Department Heads meet with Finance Director to discuss submissions, make revisions as necessary

June 3, 2021 – Final department budget drafts due to City Manager

June 7 – 18, 2021 – City Manager and Finance Director review budget data with Department Heads; Budget book development begins

June 21 – 25, 2021 – City Manager reviews budget data with Mayor

June 28, 2021 – Final consolidated proposed budget is provided to City Council

July 19, 2021 – City Council holds the first budget workshop

August 13, 2021 – Proposed budget is filed with the City Secretary and is available for public review

August 24, 2021 – City Council holds the second budget workshop

September 21, 2021 – City Council adopts tax levy and proposed budget

October 1, 2021 – 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](http://www.horseshoe-bay-tx.gov).



# Budget Philosophy

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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. 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

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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.

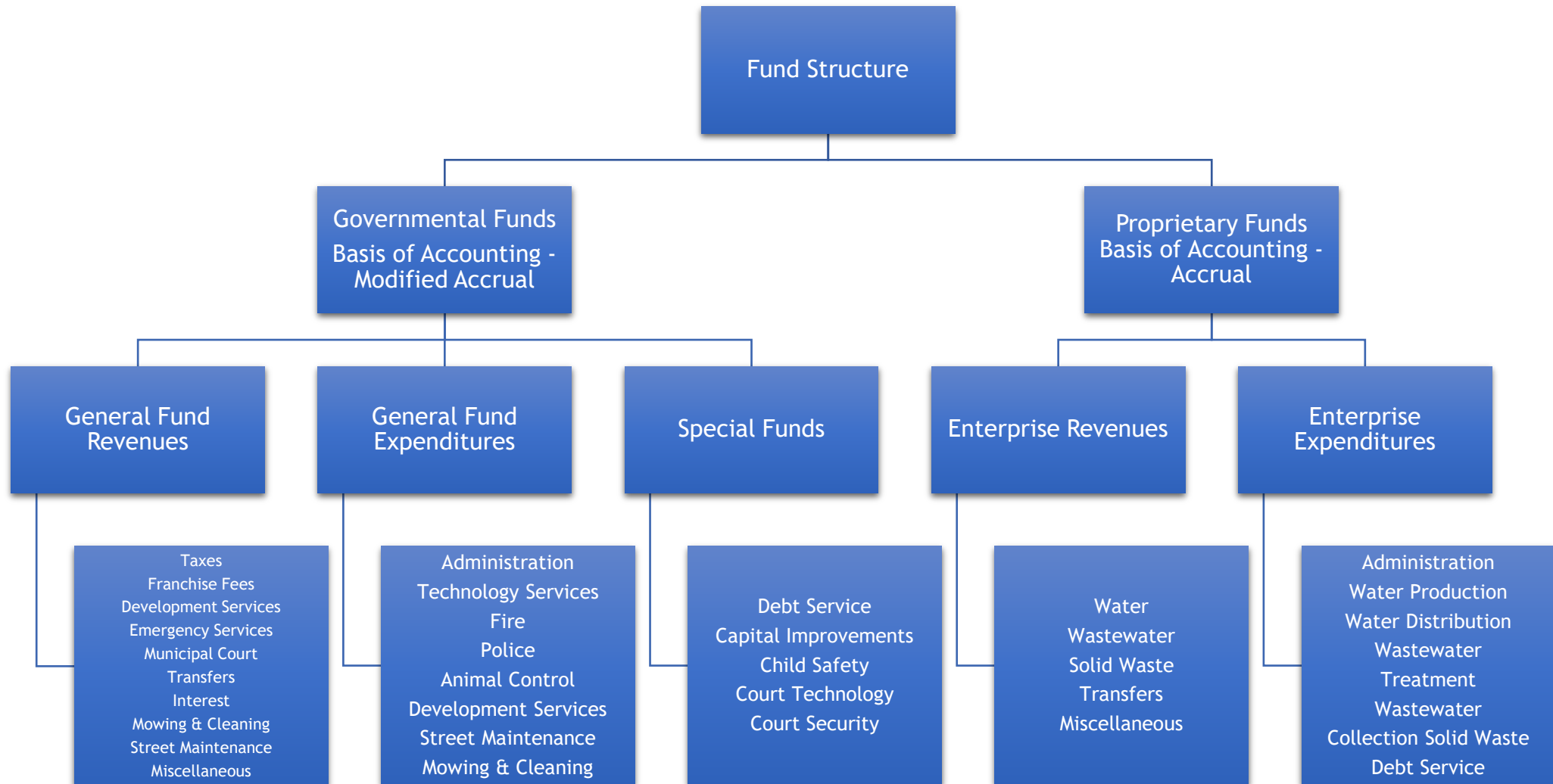
## Basis of Accounting

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	
<b>BEGINNING BALANCE</b>	\$ 3,439,863	\$ 82,093	\$ 1,156,036	\$ 29,592	\$ 5,139	\$ 6,506	\$ 3,142,235	\$ 7,861,464
<b>REVENUES:</b>								
Property Taxes	7,633,750	1,057,250						8,691,000
Permits & Licenses	355,250							355,250
Charges for Services	1,593,000						10,035,250	11,628,250
Fines and Penalties	53,750			6,500	1,000	1,000		62,250
Interest	5,000	500	500				5,750	11,750
Miscellaneous Receipts	598,500						258,000	856,500
Bond Proceeds								-
Transfers	618,250							618,250
<b>TOTAL REVENUES</b>	\$ 10,857,500	\$ 1,057,750	\$ 500	\$ 6,500	\$ 1,000	\$ 1,000	\$ 10,299,000	\$ 22,223,250
<b>EXPENDITURES:</b>								
Personnel	6,754,250						2,707,250	9,461,500
Supplies	398,750						721,000	1,119,750
Contractual	1,991,500						2,151,250	4,142,750
Utilities	74,000						384,000	458,000
Sundry	417,500			6,000	1,500	-	180,750	605,750
Maintenance	295,250						736,000	1,031,250
Capital	370,500		1,150,000				1,199,750	2,720,250
Fund Transfers	-						618,250	618,250
Debt Service	-	1,061,750					1,713,000	2,774,750
<b>TOTAL EXPENDITURES</b>	\$ 10,301,750	\$ 1,061,750	\$ 1,150,000	\$ 6,000	\$ 1,500	\$ -	\$ 10,411,250	\$ 22,932,250
<b>REVENUE OVER/(UNDER) EXPENDITURES</b>	555,750	(4,000)	(1,149,500)	500	(500)	1,000	(112,250)	(709,000)
<b>ENDING BALANCE</b>	\$ 3,995,613	\$ 78,093	\$ 6,536	\$ 30,092	\$ 4,639	\$ 7,506	\$ 3,029,985	\$ 7,152,464



# CITY OF HORSESHOE BAY

## FY 2022 General Fund Budget - 02

<b>Estimated Beginning Fund Balance:</b>	<b>\$ 4,160,064</b>	<b>\$ 3,614,103</b>	<b>\$ 3,394,863</b>	<b>\$ 3,394,863</b>	<b>\$ 3,439,863</b>
	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Proposed Budget</b>
<b>Revenues:</b>					
Administration	\$ 843,734	\$ 902,426	\$ 874,500	\$ 817,500	\$ 1,250,500
Fire	\$ 369,399	\$ 348,529	\$ 372,000	\$ 373,000	\$ 367,500
Emergency Service District	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
Tax	\$ 6,414,893	\$ 6,628,526	\$ 6,972,500	\$ 7,095,250	\$ 7,641,750
Police	\$ 41,714	\$ 36,593	\$ 20,500	\$ 20,750	\$ 20,500
Development Services	\$ 281,024	\$ 382,938	\$ 318,250	\$ 387,750	\$ 355,250
Public Works	\$ 738,176	\$ 717,560	\$ 696,750	\$ 736,000	\$ 748,000
Mowing & Clearing	\$ 625,403	\$ 521,730	\$ 455,000	\$ 460,000	\$ 460,000
Interest Income	\$ 113,604	\$ 43,300	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Revenues</b>	<b>\$ 9,436,947</b>	<b>\$ 9,590,602</b>	<b>\$ 9,723,500</b>	<b>\$ 9,904,250</b>	<b>\$ 10,857,500</b>
<b>Expenditures:</b>					
Administration	\$ 3,224,505	\$ 2,771,949	\$ 2,349,250	\$ 2,291,000	\$ 2,201,750
Technology Services	\$ 212,644	\$ 199,345	\$ 319,250	\$ 288,250	\$ 351,500
Fire	\$ 2,382,627	\$ 2,511,747	\$ 2,540,500	\$ 2,535,500	\$ 2,683,000
Police	\$ 1,881,470	\$ 2,114,975	\$ 2,196,250	\$ 2,276,750	\$ 2,334,500
Animal Control	\$ 193,249	\$ 159,735	\$ 200,750	\$ 179,750	\$ 206,500
Development Services	\$ 500,258	\$ 635,531	\$ 787,000	\$ 795,000	\$ 818,750
Public Works	\$ 419,957	\$ 465,908	\$ 624,500	\$ 626,250	\$ 710,250
Mowing & Clearing	\$ 649,138	\$ 598,883	\$ 585,000	\$ 625,000	\$ 625,000
<b>Total Expenditures</b>	<b>\$ 9,463,848</b>	<b>\$ 9,458,073</b>	<b>\$ 9,602,500</b>	<b>\$ 9,617,500</b>	<b>\$ 9,931,250</b>
<b>Capital Purchases</b>	<b>519,060</b>	<b>351,769</b>	<b>286,000</b>	<b>241,750</b>	<b>370,500</b>
<b>Total Capital Purchases</b>	<b>\$ 519,060</b>	<b>\$ 351,769</b>	<b>\$ 286,000</b>	<b>\$ 241,750</b>	<b>\$ 370,500</b>
<b>Revenues Less Expenditures</b>	<b>\$ (545,961)</b>	<b>\$ (219,240)</b>	<b>\$ (165,000)</b>	<b>\$ 45,000</b>	<b>\$ 555,750</b>
<b>Estimated Ending Fund Balance:</b>	<b>\$ 3,614,103</b>	<b>\$ 3,394,863</b>	<b>\$ 3,229,863</b>	<b>\$ 3,439,863</b>	<b>\$ 3,995,613</b>
<b>Less: Restricted Reserve Fund Balance</b>			<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>	<b>\$ 2,500,000</b>
<b>Less: Restricted PEG Reserve Fund Balance</b>			<b>\$ 64,829</b>	<b>\$ 70,829</b>	<b>\$ 76,829</b>
<b>Less: Restricted Friends of Fuchs House Fund Balance</b>			<b>\$ 35,514</b>	<b>\$ 35,514</b>	<b>\$ 35,514</b>
<b>Less: Restricted for Building</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,000</b>
<b>Estimated Ending Unrestricted Fund Balance:</b>			<b>\$ 629,520</b>	<b>\$ 833,520</b>	<b>\$ 883,270</b>

# General Fund Revenue Overview

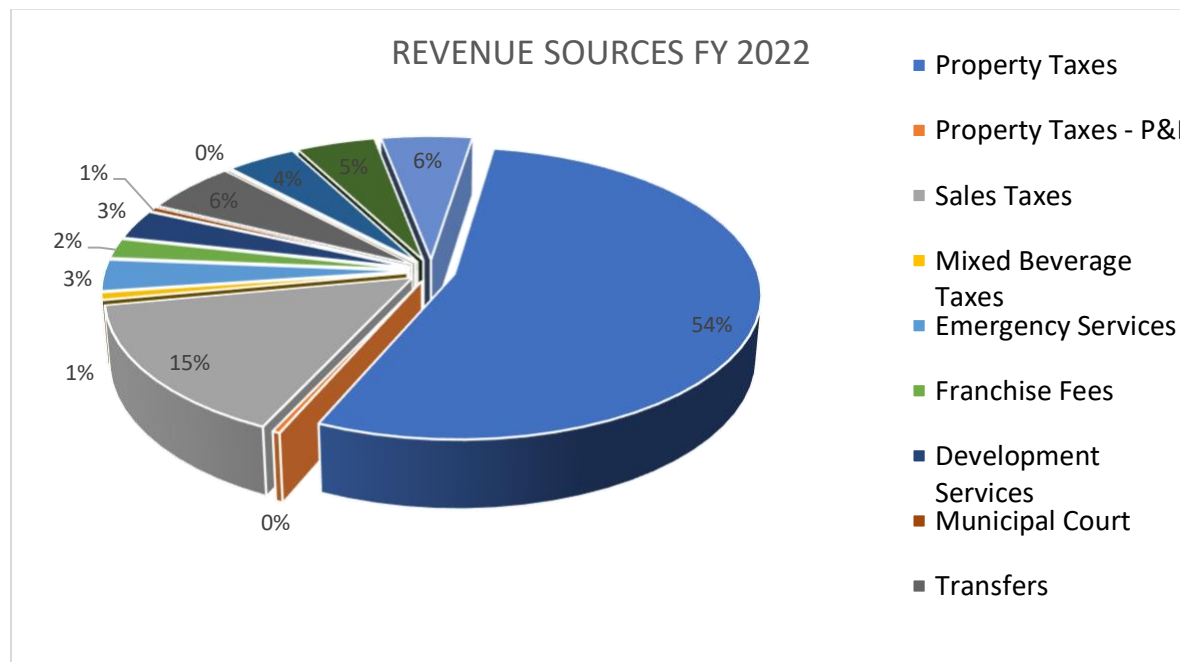
The General Fund provides financing for the City’s governmental services, which excludes water, wastewater, and solid waste operations. General Fund services consist of all public safety functions, including police, animal control and fire services; community services, including streets, parks, inspections, planning, and code enforcement; and administrative functions, which includes general management, 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 2022 Budget – Revenue Sources



**Top Revenue Sources**

Property Taxes	5,874,000	54.1%
Sales Taxes	1,636,750	15.1%
Transfers	618,250	5.7%
Miscellaneous	598,500	5.5%
<b>Total</b>	<b>8,727,500</b>	<b>80.4%</b>

**Total Revenue                    10,857,500**

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.

<b>Tax Year</b>	<b>Tax Rate</b>	<b>Llano County Appraised Taxable Value</b>	<b>Burnet County Appraised Taxable Value</b>	<b>Total Appraised Taxable Value</b>
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

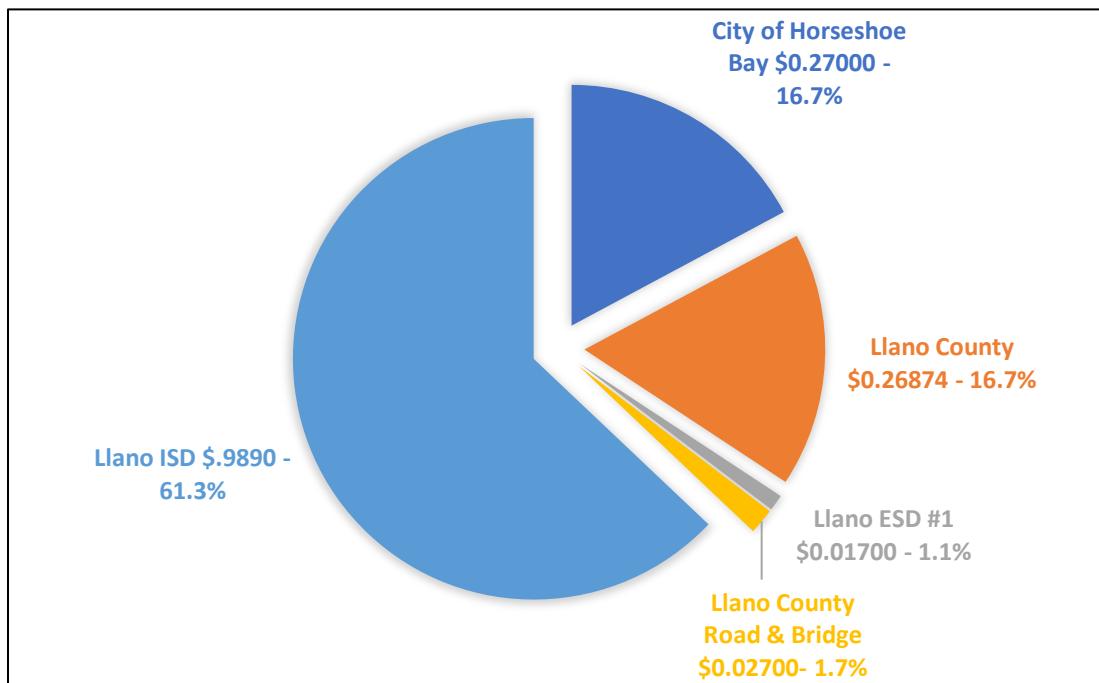
Table 2 – City Tax Rate History

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 balance.

<b>Tax Year</b>	<b>M&amp;O Rate</b>	<b>I&amp;S Rate</b>	<b>Total Tax Rate</b>
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

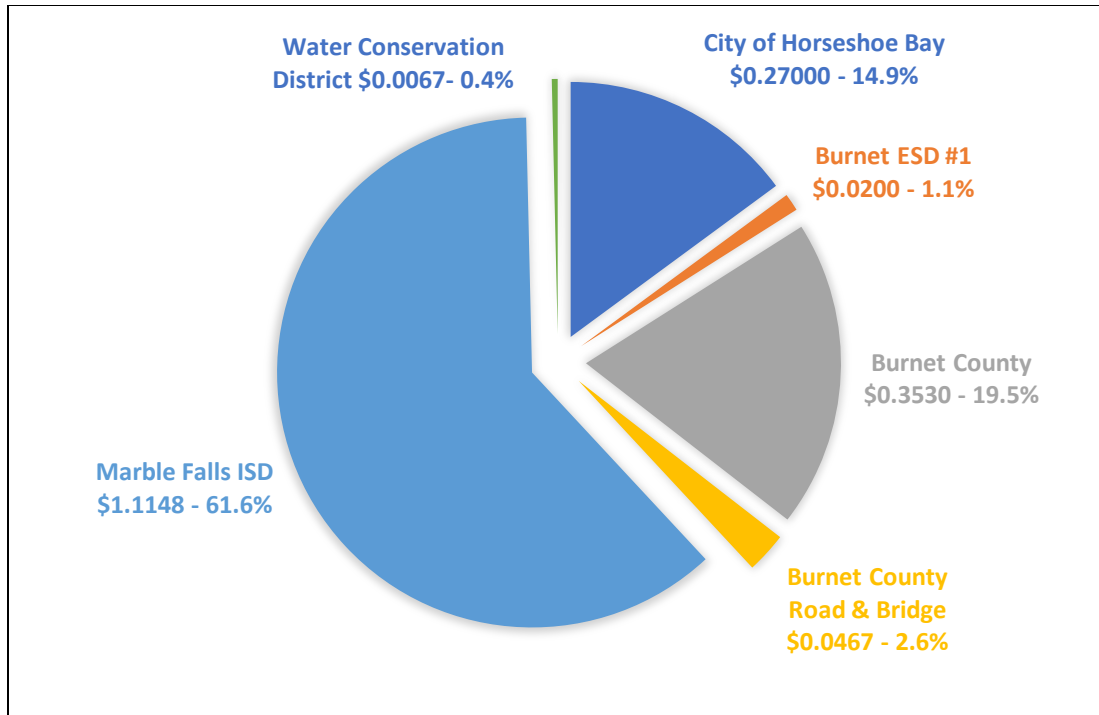
Table 3 – City M&O and I&S Rate History

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 2021 tax rates and how the City's rate stands in comparison.



Graph 2 – City of Horseshoe Bay (Llano County) tax rate comparison – 2021

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 2021 tax rates and how the City's rate stands in comparison.



Graph 3 – City of Horseshoe Bay (Burnet County) tax rate comparisons – 2021

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	0.22897	0.04103	0.27000
Kerrville	0.43580	0.07350	0.50930
Jonestown	0.51540	0.05020	0.56560
Marble Falls	0.24770	0.35130	0.59900
Burnet	0.52160	0.09150	0.61310
Lago Vista	0.33730	0.26970	0.60700
Llano	0.37344	0.14756	0.52100

Table 4 – Surrounding cities tax rate comparisons – 2021

### 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 \$22.57 per month, at the proposed \$0.27000 tax rate.

Of that monthly amount, they will pay:

- \$5.30 for 24/7 police protection
- \$6.10 for 24/7 fire protection
- \$0.46 for animal control services
- \$3.04 for streets and maintenance services
- \$1.87 for building inspections and code enforcement
- \$5.80 for the general administration of the City

## Sales Taxes

The second largest source of City revenues is from sales tax receipts. FY 2022 sales tax revenues are budgeted at \$1,636,750, which is a 13.8% increase from the FY 2021 budget. Table 5 shows a description of historic total sales tax receipts, which is the 1.75% local option collected by the City.

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 Projected	1,589,000
FY 2022 Proposed	1,657,750

Table 5 – Total City sales tax receipts

Total City sales tax receipts are split three ways to fund different activities. One cent, or 57% of total receipts, is dedicated to the City's General Fund operations. One half cent, or 29% of total receipts, is dedicated to providing property tax relief for Horseshoe Bay taxpayers and is included in the General Fund sales tax totals above. One quarter cent, or 14% of total receipts, is dedicated to maintenance and repairs of City streets.



**CITY OF HORSESHOE BAY**  
**FY 2022 General Fund Budget - 02**

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>OPERATING REVENUE</b>							
<b>1000</b>	<b>ADMINISTRATION</b>						
40170	Administrative Fees	702,333	749,000	552,000	552,000	618,250	12.0%
40175	Insurance Proceeds	-	-	50,000	18,000	32,000	77.8%
40179	Milfoil Reimb Llano County	-	-	18,000	-	18,000	100.0%
40180	Other Income	11,022	42,851	30,000	20,000	20,000	0.0%
40186	Other Income - Donations	35,312	25,659	-	-	-	0.0%
40188	Coronavirus Relief Fund	-	-	174,500	174,500	-	-100.0%
40189	Donations - Fuchs House	-	-	-	1,250	-	-100.0%
40193	Municipal Court Revenue	9,375	16,641	6,000	6,000	10,000	66.7%
40194	Traffic Fines	58,793	45,801	30,000	30,000	40,000	33.3%
40196	Court Technology Fees	1,411	760	-	-	-	0.0%
40197	Court Security Fees	1,058	638	-	-	-	0.0%
40198	Court Collection Agency Fees	13,518	11,098	1,000	1,000	-	-100.0%
40199	Warrant Fees	4,201	3,212	2,000	2,000	3,000	50.0%
40200	Child Safety Fees	6,711	6,590	-	-	-	0.0%
40201	Local Truancy Prevention Fee	-	172	500	500	500	0.0%
40202	Local Municipal Jury Fee	-	3	500	250	250	0.0%
40203	American Rescue Plan Act	-	-	-	-	498,500	100.0%
40212	Mailbox Fee Revenue	-	-	10,000	12,000	10,000	-16.7%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>843,734</b>	<b>902,426</b>	<b>874,500</b>	<b>817,500</b>	<b>1,250,500</b>	<b>53.0%</b>
<b>5000</b>	<b>FIRE</b>						
40175	Insurance Proceeds	16,320	-	-	-	-	0.0%
40180	Other Income	14,894	1,356	500	500	500	0.0%
40182	Sale of Property	-	-	16,000	16,000	10,000	-37.5%
40186	Other Income-Pub/Sfty Donation	24,835	5,350	16,500	16,500	5,000	-69.7%
40506	Fire Fighting Services	313,350	341,823	339,000	340,000	352,000	3.5%
<b>Total</b>	<b>FIRE</b>	<b>369,399</b>	<b>348,529</b>	<b>372,000</b>	<b>373,000</b>	<b>367,500</b>	<b>-1.5%</b>
<b>6000</b>	<b>EMERGENCY SERVICE DISTRICT</b>						
40191	Llano Co. ESD #1 - Rent	9,000	9,000	9,000	9,000	9,000	0.0%
<b>Total</b>	<b>EMERGENCY SERVICE DISTRICT</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>	<b>0.0%</b>
<b>7000</b>	<b>TAX</b>						
40160	Property Tax Collected (M & O)	4,672,160	5,055,693	5,382,000	5,382,000	5,874,000	9.1%
40162	Penalty & Interest (M & O)	34,687	40,318	34,000	34,000	38,000	11.8%
40163	Mixed Beverage Tax	109,964	68,696	85,000	80,000	85,000	6.3%
40165	Sales Tax	1,355,532	1,223,412	1,232,250	1,365,000	1,406,000	3.0%
40166	PEC Franchise Tax	184,395	187,496	183,500	183,500	187,250	2.0%
40167	Telephone Franchise Fees	7,611	7,820	9,500	8,500	8,500	0.0%
40180	Other Income	1,104	25	250	250	250	0.0%
40211	Cable Franchise Fees	39,614	37,556	40,000	37,000	37,750	2.0%
40213	PEG Channel Fees	9,826	7,511	6,000	5,000	5,000	0.0%
<b>Total</b>	<b>TAX</b>	<b>6,414,893</b>	<b>6,628,526</b>	<b>6,972,500</b>	<b>7,095,250</b>	<b>7,641,750</b>	<b>7.7%</b>



# CITY OF HORSESHOE BAY

## FY 2022 General Fund Budget - 02

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>8000</b>	<b>POLICE</b>						
40175	Insurance Proceeds	12,558	11,116	2,500	3,000	2,500	-16.7%
40180	Other Income	2,956	377	1,000	750	500	-33.3%
40181	Grant Revenue	16,000	-	-	-	-	0.0%
40182	Sale of Property	-	20,000	12,000	12,000	12,500	4.2%
40186	Other Income-Pub/Sfty Donation	10,200	5,100	5,000	5,000	5,000	0.0%
<b>Total</b>	<b>POLICE</b>	<b>41,714</b>	<b>36,593</b>	<b>20,500</b>	<b>20,750</b>	<b>20,500</b>	<b>-1.2%</b>
<b>9500</b>	<b>DEVELOPMENT SERVICES</b>						
40171	CC Convenience Fee	-	1,392	8,000	5,000	5,000	0.0%
40180	Other Income	336	4	250	250	250	0.0%
40182	Sale of Property	-	-	-	-	3,000	100.0%
40183	Building Permit Fees	268,312	363,037	290,000	362,000	330,000	-8.8%
40184	Plat Fees	4,200	3,600	4,000	4,500	4,500	0.0%
40185	Irrigation Permits	4,876	5,305	5,000	5,000	5,000	0.0%
40187	Contractor Registration	2,600	8,800	10,000	9,500	6,500	-31.6%
40192	Zoning Fees	700	800	1,000	1,500	1,000	-33.3%
<b>Total</b>	<b>DEVELOPMENT SERVICES</b>	<b>281,024</b>	<b>382,938</b>	<b>318,250</b>	<b>387,750</b>	<b>355,250</b>	<b>-8.4%</b>
<b>9600</b>	<b>PUBLIC WORKS</b>						
40165	Sales Tax	225,921	203,891	205,500	224,000	230,750	3.0%
40175	Insurance Proceeds	-	-	4,000	4,000	-	-100.0%
40180	Other Income	1,333	-	-	750	-	-100.0%
40206	The Hills POA	6,537	5,217	5,250	5,250	5,250	0.0%
40207	Pecan Creek Association	4,073	4,179	4,250	4,250	4,250	0.0%
40208	Applehead POA	6,350	6,515	6,500	6,500	6,500	0.0%
40209	Applehead Island POA	1,143	1,173	1,250	1,250	1,250	0.0%
40210	HSB POA	486,719	486,585	470,000	490,000	500,000	2.0%
40212	Mailbox Fee Revenue	6,100	10,000	-	-	-	0.0%
<b>Total</b>	<b>Public Works</b>	<b>738,176</b>	<b>717,560</b>	<b>696,750</b>	<b>736,000</b>	<b>748,000</b>	<b>1.6%</b>
<b>9800</b>	<b>MOWING &amp; CLEARING</b>						
40215	Mowing	625,403	519,345	450,000	450,000	450,000	0.0%
40216	Clearing	-	2,385	5,000	10,000	10,000	0.0%
<b>Total</b>	<b>MOWING &amp; CLEARING</b>	<b>625,403</b>	<b>521,730</b>	<b>455,000</b>	<b>460,000</b>	<b>460,000</b>	<b>0.0%</b>
<b>9900</b>	<b>INTEREST INCOME</b>						
40220	Interest on Investments	113,604	43,300	5,000	5,000	5,000	0.0%
<b>Total</b>	<b>INTEREST INCOME</b>	<b>113,604</b>	<b>43,300</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUE</b>		<b><u>9,436,947</u></b>	<b><u>9,590,602</u></b>	<b><u>9,723,500</u></b>	<b><u>9,904,250</u></b>	<b><u>10,857,500</u></b>	<b>9.6%</b>



# General Fund Expenditure Overview

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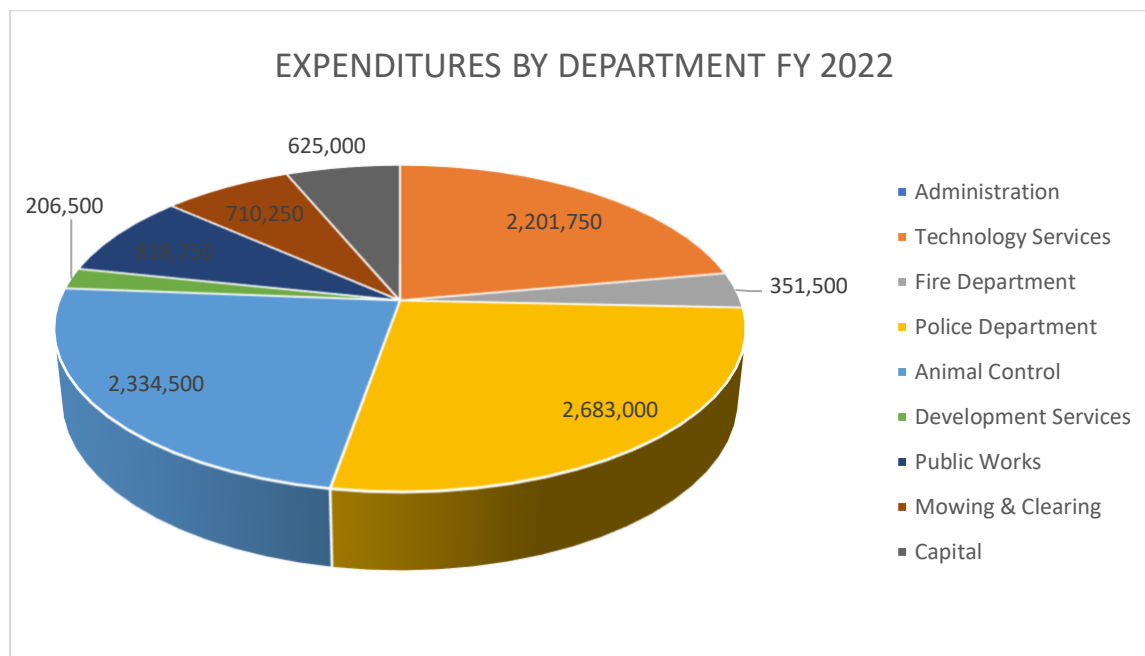
The City of Horseshoe Bay General Fund is organized into eight different departments. For the purposes of this document, each department will have its own section describing its mission statement, what their function is within the organization, some of their achievements for the past fiscal year, and 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 3% 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 2021 Amended Budget and FY 2022 Adopted Budget.

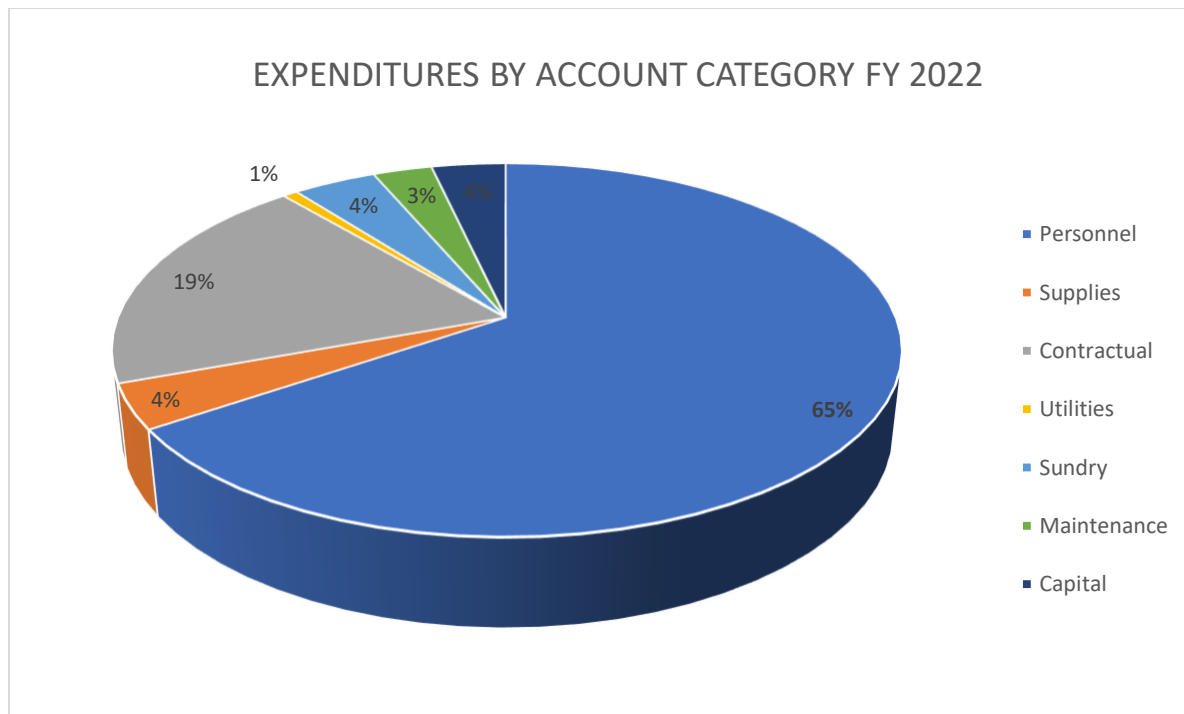
## FY 2022 BUDGET EXPENDITURES – BY DEPARTMENT

	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Adopted Budget
<b>BY DEPARTMENT</b>					
Administration	3,224,505	2,771,949	2,349,250	2,291,000	2,201,750
Technology Services	212,644	199,345	319,250	288,250	351,500
Fire Department	2,382,627	2,511,747	2,540,500	2,535,500	2,683,000
Police Department	1,881,470	2,114,975	2,196,250	2,276,750	2,334,500
Animal Control	193,249	159,735	200,750	179,750	206,500
Development Services	500,258	635,531	787,000	795,000	818,750
Public Works	419,957	465,908	624,500	626,250	710,250
Mowing & Clearing	649,138	598,883	585,000	625,000	625,000
Capital	<u>519,060</u>	<u>351,769</u>	<u>286,000</u>	<u>241,750</u>	<u>370,500</u>
<b>TOTAL</b>	<b>9,982,908</b>	<b>9,809,842</b>	<b>9,888,500</b>	<b>9,859,250</b>	<b>10,301,750</b>



## FY 2022 BUDGET EXPENDITURES – BY ACCOUNT CATEGORY

BY ACCOUNT CATEGORY	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Adopted Budget
Personnel	5,477,212	5,638,220	6,404,000	6,512,500	6,754,250
Supplies	274,271	261,907	311,250	312,000	398,750
Contractual	1,586,675	1,643,826	1,697,500	1,727,000	1,991,500
Utilities	67,949	76,312	72,000	72,000	74,000
Sundry	153,453	281,400	477,750	437,500	417,500
Maintenance	190,402	171,864	181,000	171,250	295,250
Capital	449,022	351,769	286,000	241,750	370,500
Fund Transfers	<u>1,511,480</u>	<u>908,502</u>	<u>309,000</u>	<u>298,500</u>	=
<b>TOTAL</b>	<b>9,710,464</b>	<b>9,333,800</b>	<b>9,738,500</b>	<b>9,772,500</b>	<b>10,301,750</b>



# Administration

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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 2021 Accomplishments**

- Official custodial transfer of historical Lake LBJ Municipal Utility District records to the Texas State Comptroller's Office
- Completed audit of the city's records management program to ensure compliance with the City's Charter, Ordinances, state and federal laws, and regulations of the Texas State Library and Archives Commission
- Instituted the initial stages of a city-wide records inventory
- Completed initial phase of digitizing and archiving commercial and residential plans for the Development Services department
- Completed the digitization and migration of the City Secretary's office records into the Laserfiche Records Management software system
- Created a collaborative Records Management Team involving all city departments
- New LMS – PiiQ by Cornerstone with new courses
- Improved Performance Assessment Workflow
- Conversion to Caselle
- Conversion to Online Connect – Online Timesheets
- New/Modified Personnel Policies:
  - Article III. Recruitment – Employment Categories
  - Article VI. Payroll, Section 4 – Payment for Overtime Services
  - Article VII. Leaves of Absences, Section 2 – Holiday Leave
- Utilizing HR webpage for better communication and transparency
  - Salary ranges posted
  - Job descriptions forthcoming
  - Access to forms and links
- Employee address audit
- Earned GFOA Distinguished Budget Award
- Created a Budget video for the FY 2021 budget
- Maintained Comptroller star for financial transparency

- Issued Certificates of Obligations for street projects in the amount of \$4 million.
- Reaffirmed the City's AA+ bond rating with Standard & Poor's

### **FY 2022 Goals**

- Collaboratively develop a new city-wide Records Management Plan and Policy
- Implement an electronic Agenda Management software system
- Conduct salary survey
- Job descriptions review and modifications (where applicable)
- Shift from Personnel Policies to a Culture Guide
- Earn Comptroller star for debt transparency
- Maintain Comptroller star for financial transparency
- Earn GFOA Distinguished Budget Award
- Begin work towards earning GFOA Distinguished Audit Award

### **Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
ADMINISTRATION					
Personnel	893,455	917,872	1,024,500	1,026,250	1,076,250
Supplies	69,265	78,038	80,500	81,500	85,000
Contractual	438,892	587,139	529,000	533,000	693,250
Utilities	67,949	76,312	72,000	72,000	74,000
Sundry	100,395	111,469	194,500	179,750	91,250
Maintenance	66,881	76,933	87,750	80,000	96,000
Capital	76,188	15,684	52,000	20,000	86,000
Fund Transfers	<u>1,511,480</u>	<u>908,502</u>	<u>309,000</u>	<u>298,500</u>	<u>-</u>
<b>TOTAL</b>	<b>3,224,505</b>	<b>2,771,949</b>	<b>2,349,250</b>	<b>2,291,000</b>	<b>2,201,750</b>

### **HIGHLIGHTS - FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$51,750
- Increased Accounting & Auditing Expense by \$1,500
- Increased Professional Services by \$13,000
- Increased Election Contracts by \$1,000
- Increased Appraisal District Fees – Llano by \$5,000
- Added new expense line item for Drainage Study for \$100,000
- Added new expense line item for Transportation Study for \$60,000
- Decreased Maintenance Contracts by \$11,500
- Decreased Codification by \$2,000
- Decreased Advisory Committees by \$30,000
- Increased Dues, Fees, and Subscriptions by \$4,000
- Increased Travel, Training, Schools by \$4,000
- Increased Employee Awards Program by \$1,250
- Increased Property & Liability Insurance by \$21,250

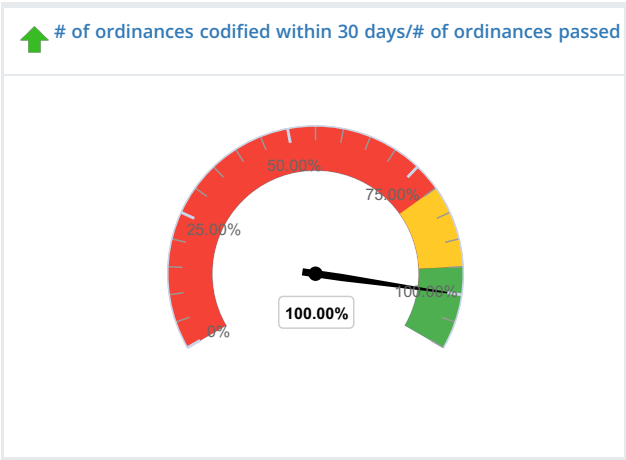
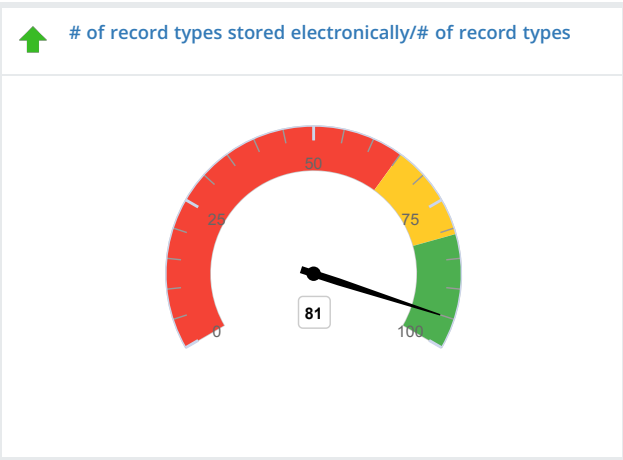
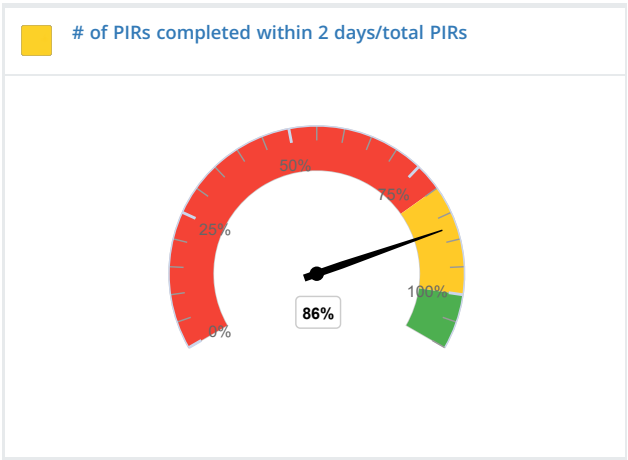
- Increased Workers Comp Insurance by \$18,000
- Decreased Legal Expense by \$25,000
- Decreased M&R – Buildings by \$7,000
- Increased M & R – Grounds by \$15,250
- Increased Other Expense by \$1,000
- Increased Communications by \$2,000
- Decreased Court Collection Agency Fee by \$12,500
- Decreased Transfer to Utility Fund by \$309,000

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%	86.00%	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	81	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





## Balanced Scorecard - Finance Department

Finance Dept

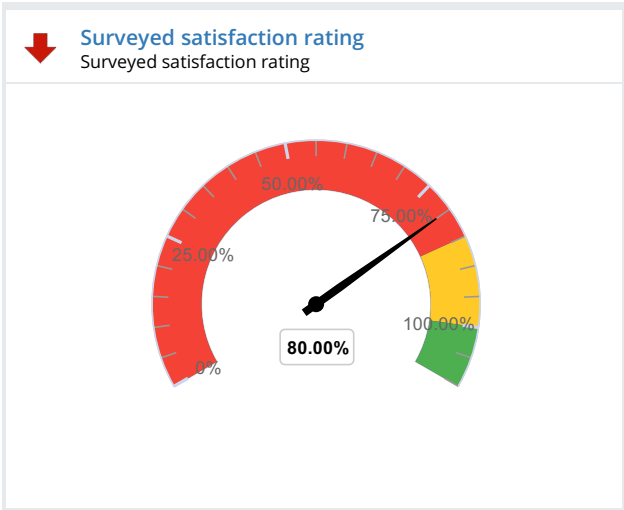
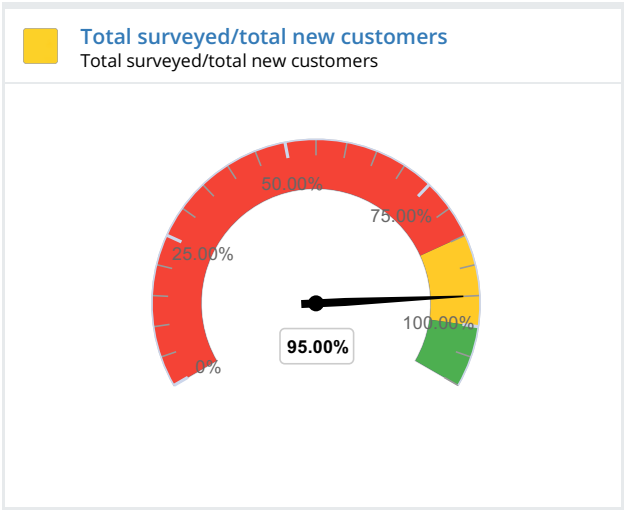
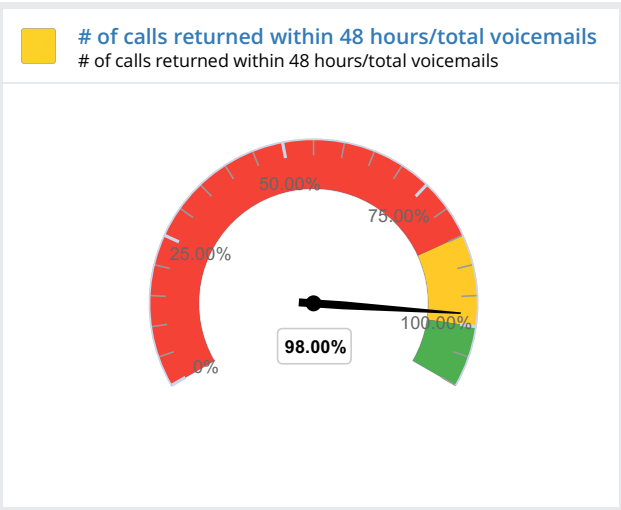
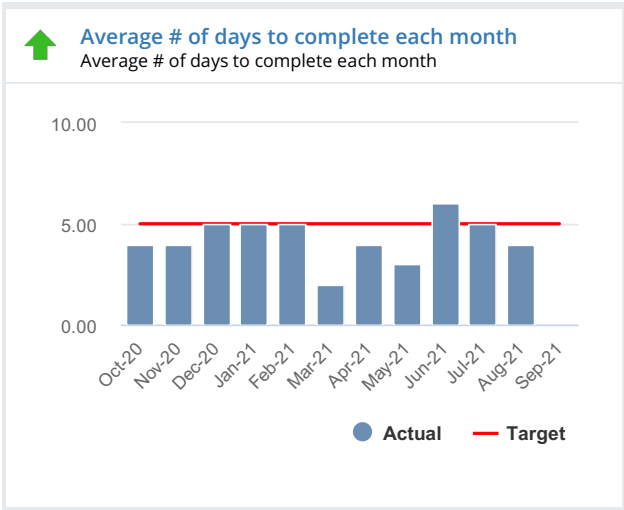
### Vision Statement

**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 2021 Targets	FY 2021 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	3.92	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%	98.00%	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	100.00%	95.00%	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
		Surveyed satisfaction rating	100.00%	80.00%	

Dashboard  
Finance Dept



## Balanced Scorecard - Human Resources

Human Resources

### 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

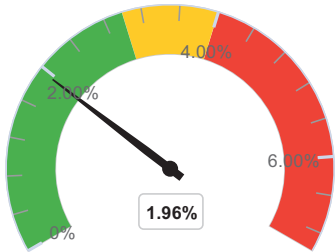
Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
Operations	Increase productivity by reducing unscheduled absences	Number of unscheduled hours away from work/total scheduled hours	3.00%	1.96%	Hold individuals accountable for unscheduled absences/disruptions; 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	100.00%	96.04%	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	100.00%	9.04%	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%	79.65%	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

Balanced Scorecard

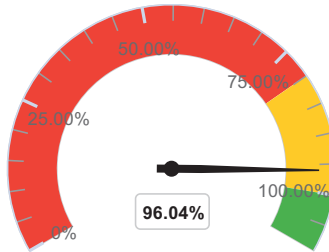
Human Resources



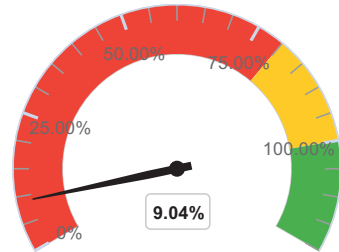
**Number of unscheduled hours away from work**  
Number of unscheduled hours away from work/total scheduled hours



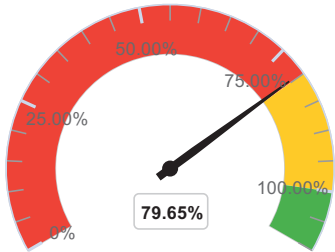
**Number of fully completed timesheets/total timesheets**  
Number of fully completed timesheets/total timesheets



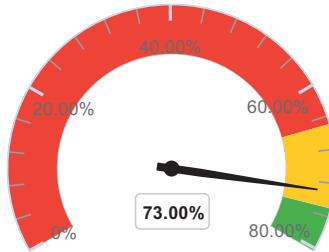
**Number of hours in voluntary HR training.**  
Percentage of employees utilizing LMS for voluntary training



**Number of completed courses / courses required**  
Number of completed courses/courses required



**EQ score for the city**  
Gallup engagement score for the city



# Technology Services

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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 2021 Accomplishments**

- Complete implementation of Caselle Enterprise Software solution across multiple departments
- Complete migrating city online bill pay services to Xpress Bill Pay
- Implement "real time" payments within Caselle via Xpress Bill Pay
- Migrate TrueBill attachments to AWS and link Caselle
- Implement utilities paperless billing option
- Replace / upgrade Dell SonicWall to Cisco Meraki HA pair
- Replace / upgrade Dell Network switches to Cisco Meraki pair
- Data Security, Disaster Recovery and Compliance ongoing and enhanced
- Employee Cyber Security Training and Awareness ongoing and enhanced
- Upgrade and migrate all city email accounts to Microsoft 365 Exchange
- Migrate local Laserfiche to Laserfiche Cloud
- Migrate TrueBill server to AWS for historical access
- Migrate Abila server to AWS for historical access
- Updated aerial mosaic and image service Winter 2020-2021
- Updated Web Maps and Map Selections
- Implemented IWORQS Software for Development Services and Code Enforcement
- Completed GIS Data Cleanup (Parcel, Address, Street)
- Process improvement of Lot Mowing Caselle/GIS

## **FY 2022 Goals**

- GIS to CarteGraph link up and Go Live
- As-Built Mapping Application and Plan Search
- Finish GIS cleanup and move to maintenance mode
- Assist departments on automating reporting procedures
- Migrate city server data to Microsoft Azure Teams

**Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
TECHNOLOGY SERVICES					
Personnel	162,019	154,761	184,500	208,750	211,250
Supplies	4,210	1,290	1,000	750	3,500
Contractual	5,782	2,818	4,000	-	8,000
Sundry	8,992	14,385	31,750	12,000	36,250
Maintenance	31,641	26,091	98,000	66,750	92,500
Capital	-	-	16,000	13,750	-
<b>TOTAL</b>	<b>212,644</b>	<b>199,345</b>	<b>335,250</b>	<b>302,000</b>	<b>351,500</b>

**HIGHLIGHTS - FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

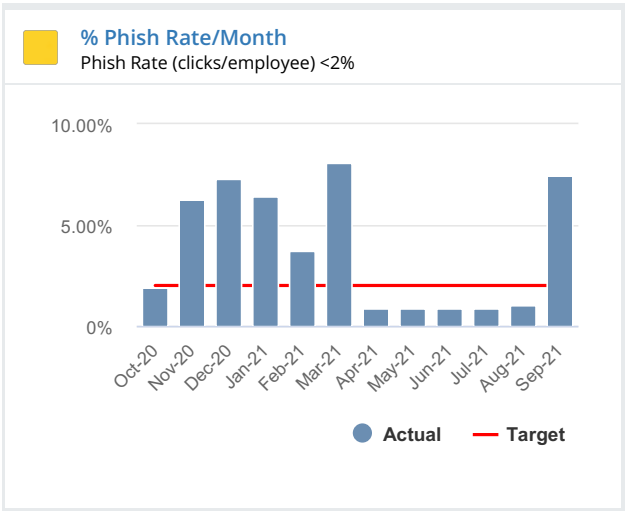
- Increased salary and benefit expenses by \$26,750
- Increased Professional Services by \$4,000
- Decreased Maintenance Contracts by \$5,500
- Increased Dues, Fees, & Subscriptions by \$4,750
- Increased Travel, Training, Schools by \$2,500

## Vision Statement

The IT Department is dedicated to building and promoting a “digital city” to connect citizens to their government by implementing technology that is flexible and responsive to the city employees and the citizens we serve.

## Strategic Alignment

Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
Key Stakeholder	Reduce citizen contacts regarding "digital city" issues per month	Contacts/Month <5	5.00	6.58	Maintain uptime, access and ease of use to online resources
					Develop / improve citizen tools to be powerful but simple
					Online bill pay for city services: monthly utility services, court fees, building permits, lot mowing etc.
Operations	Reduce # antivirus detected threats per month	Threats/Month <20	20.00	13.75	Reduce detected threats through physical and human firewall
Learning & Growth	Employee cyber security training. (HB 3834)	Phish Rate (clicks/employee) <2%	2.00%	3.82%	Strengthen human firewall to protect city from cyber threats and ensure compliance with HB3834





# Fire Department

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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 2021 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
  - Test all fire hose, ladders, pumping apparatus
- Completed department-wide Live Fire training
- Completed Citizens Emergency Response Team training
- Purchase and install truck mounted radio repeater system
- Fire apparatus fire hose replaced on all front-line vehicles
- Completed fire gear replacement program
- Complete hiring and on-boarding for two open firefighter positions

## **FY 2022 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 eight multi-company training evolutions at training tower
- Finish purchase and implementation of wildland firefighting gear

**Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
FIRE DEPARTMENT					
Personnel	2,166,378	2,298,317	2,331,000	2,322,000	2,443,000
Supplies	75,867	60,224	56,000	56,000	79,250
Contractual	6,111	9,328	7,000	7,000	17,500
Sundry	79,706	84,255	96,250	100,750	90,000
Maintenance	54,565	59,623	50,250	49,750	53,250
Capital	<u>233,404</u>	<u>152,500</u>	<u>-</u>	<u>-</u>	<u>85,000</u>
<b>TOTAL</b>	<b>2,616,031</b>	<b>2,664,247</b>	<b>2,540,500</b>	<b>2,535,500</b>	<b>2,768,000</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$112,000
- Increased Contract Services by \$3,000
- Added new line item for Copier Lease for \$4,500
- Increased Equipment & Supplies by \$10,000
- Increased Travel, Training, Schools by \$13,250
- Decreased Fuel & Lubricants by \$3,000
- Increased M&R Vehicles by \$3,000
- Decreased Public Safety Donations by \$6,500
- Increased Capital Expenditures by \$85,000

## Vision Statement

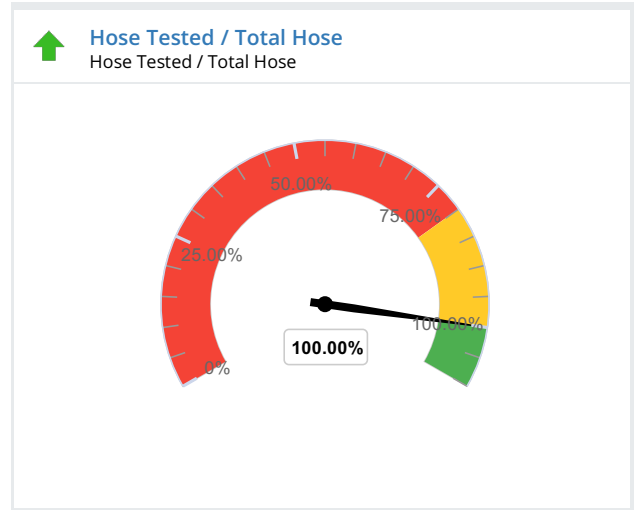
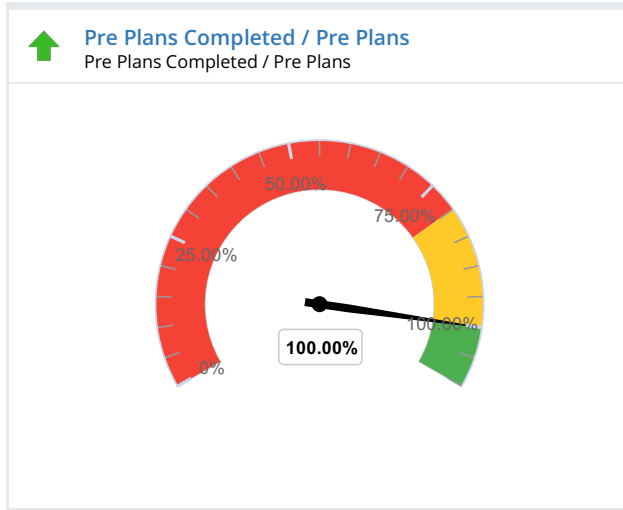
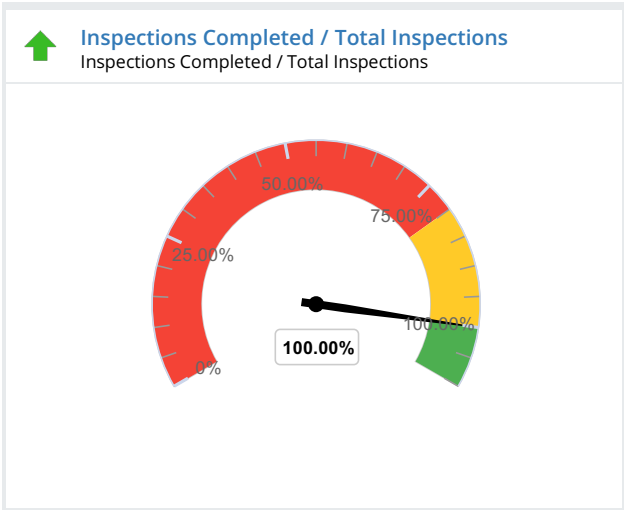
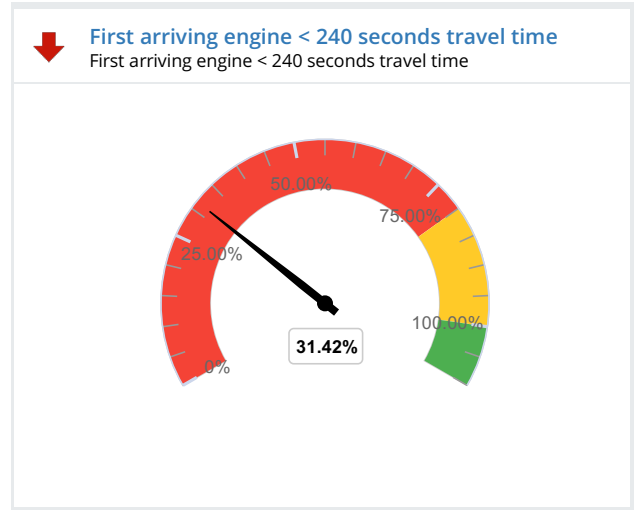
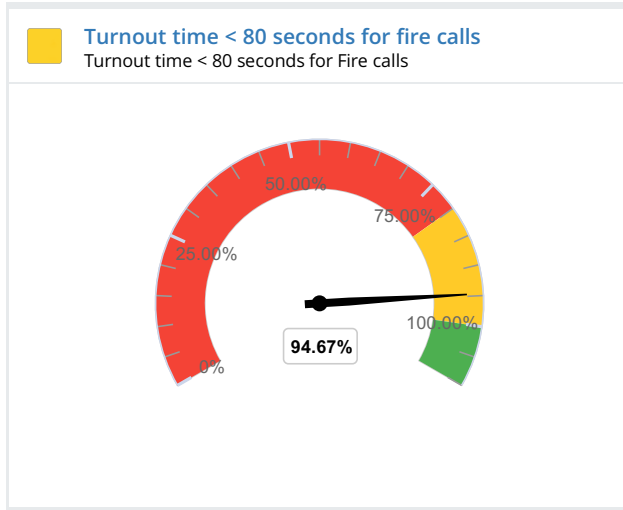
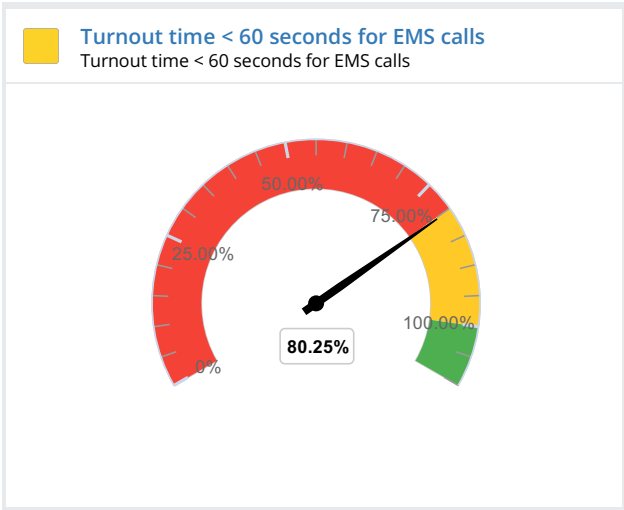
**The Horseshoe Bay Fire Department is committed to creating and leading the way toward a safer community through fire and health risk-reduction, preparedness, and efficient emergency response.**

## Strategic Alignment

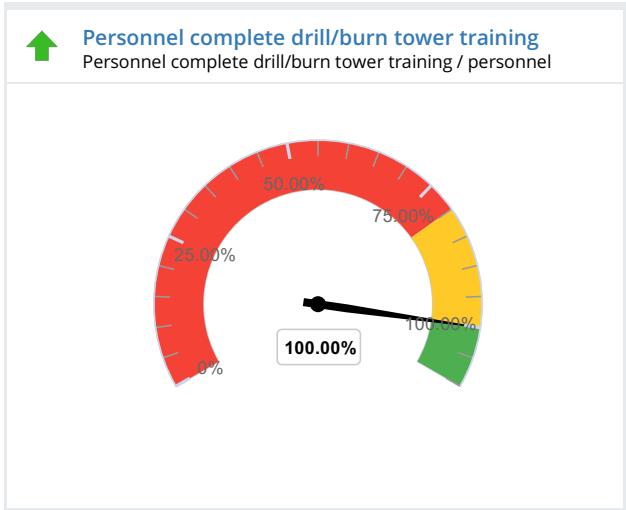
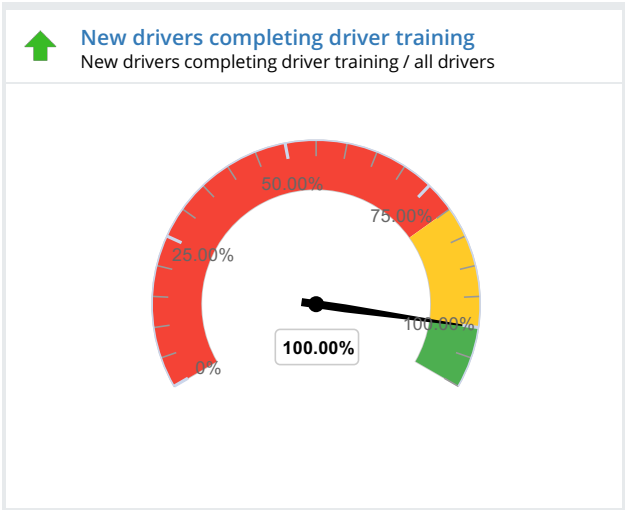
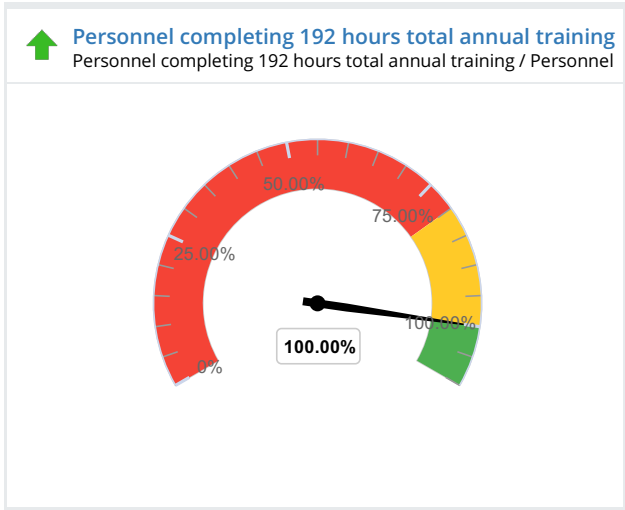
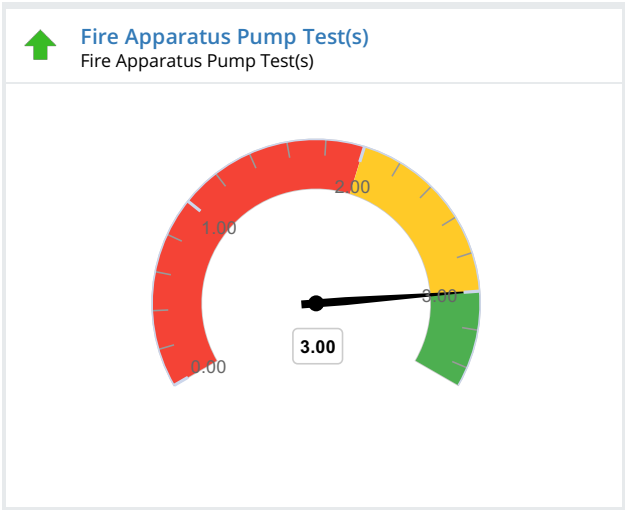
Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021	Strategic Initiatives
Operations	Respond to emergency incidents quickly and efficiently by achieving response times that are within the recommendations of NFPA 1910 and ISO standards.	Turnout time < 60 seconds for EMS calls	100.00%	80.25%	Monitor through Continuous Process Improvement FD response times
		Turnout time < 80 seconds for Fire calls	100.00%	94.67%	Participate in monthly district map study
		First arriving engine < 240 seconds travel time	90.00%	31.42%	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%	100.00%	Conduct Fire inspections with Fire Companies
		Pre Plans Completed / Pre Plans	100.00%	100.00%	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%	100.00%	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 2021 Targets	FY 2021	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%	100.00%	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	23.00	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)
	Improve Emotional Intelligence	Complete Blue EQ training	12.00	0.00	Send all personnel through Blue EQ training

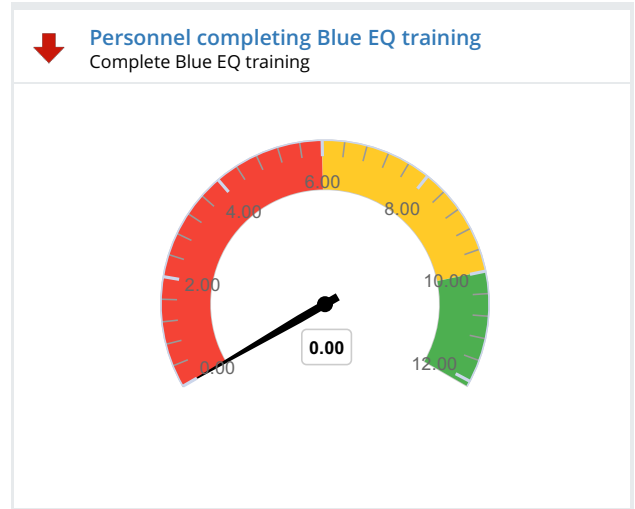
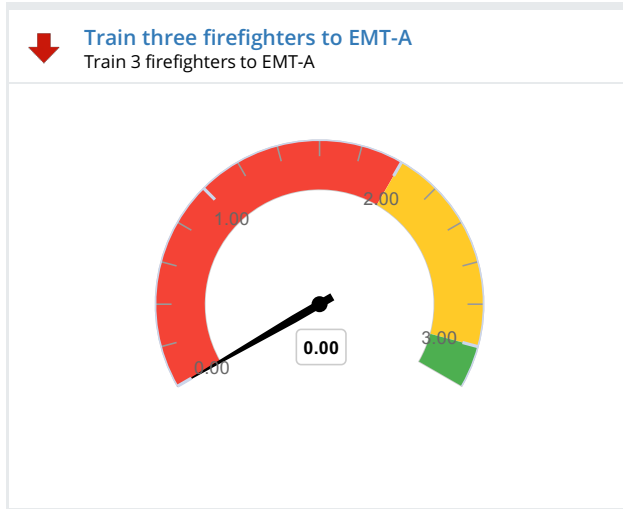
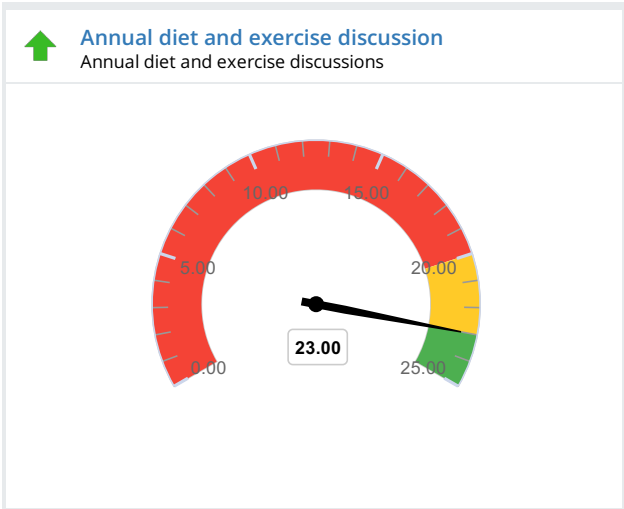
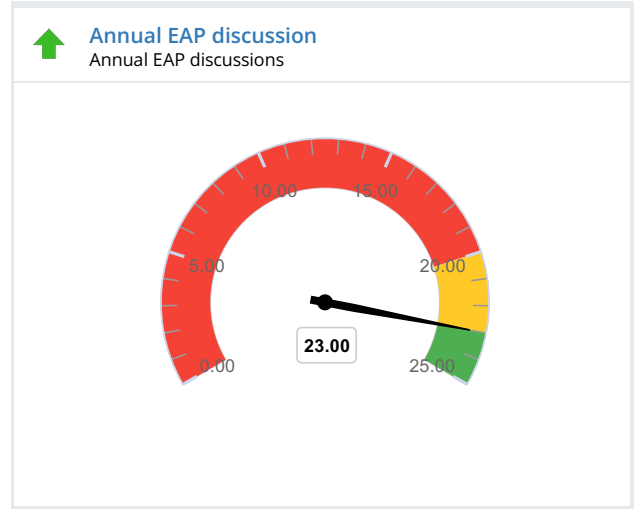
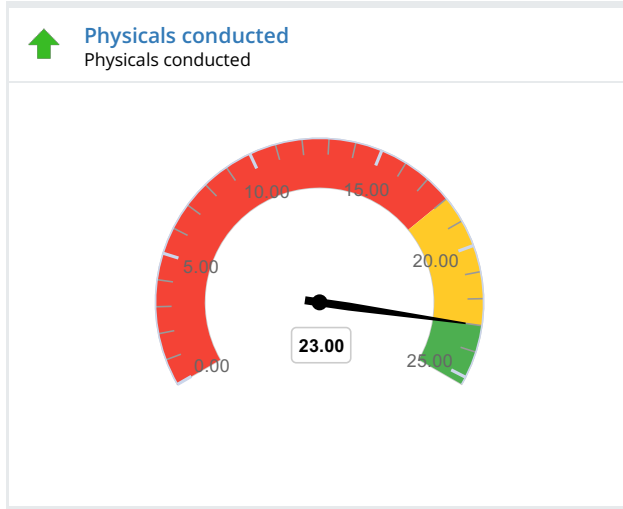
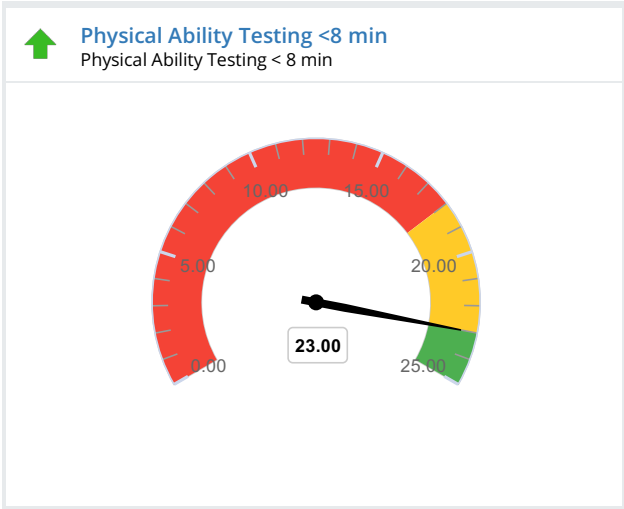
Dashboard  
Fire Dept



Dashboard  
Fire Dept



Dashboard  
Fire Dept



# Police Department

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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 2021 Accomplishments**

- Obtained \$90,000 in CIP funding and replaced two (2) department patrol vehicles and all related vehicle equipment.
- Obtained \$45,000 in CIP funding and replaced six (6) Mobile Data Computers for six (6) police patrol vehicles.
- Obtained approval for funding to enter into a lease agreement to replace the Department main printing machine.
- Obtained free gun locks for citizens as part of a firearms safety program aimed at reducing child gunshot accidents.
- Secured funding to add a smaller drone capable of indoor operations.
- Met the challenges presented by a severe and extended winter snow/ice storm to ensure the public safety needs of our residents.
- Maintained a healthy work environment for police employees during the Covid-19 Pandemic with minimal cases contracted by Department members despite numerous exposures while carrying out their duties.
- Continued to recruit, train, and maintain an excellent and professional workforce.
- Recognized by the Texas Commission on Law Enforcement (TCOLE) for the formatting of the annual racial profiling report.
- Maintained a 100% level of patrol officers certified by the State as Mental Health Officers (MHO).
- Continued the Department Consumer Information Program directed toward residents with varying mental impairments.
- Continued the patrol division Community Contact/Outreach program to solicit feedback from within the community and maintain the trust of residents.



## **FY 2022 Goals**

- To obtain \$59,800 in CIP funding for the replacement of one (1) department vehicle capable of towing our existing enclosed trailer or the new, larger and heavier Police, Fire, and Rescue boat planned for FY 2023.
- To obtain \$10,500 in CIP funding for the addition of one (1) traffic radar trailer with a message board for motorists.
- To obtain \$6,500 in CIP funding to add fencing to a portion of the west parking lot to screen the view of Department equipment such as a boat and various trailers from the residential neighborhood on Cardinal Lane.
- Continue to promote the consumer information program to better address the needs of those faced with deteriorating mental health issues.
- Research and implement additional less than lethal force options for officers.
- Obtain 100% level of all officers certified as Marine Safety Enforcement Officers.
- 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.
- Continue to recruit and train an excellent and professional police workforce.
- Conduct joint training exercises with other departments and other agencies for critical incident responses.
- Continue the patrol division Community Contact Outreach to solicit feedback from within the community and maintain the trust of our residents.
- Complete specifications for a joint operations Police/Fire/Rescue patrol and response watercraft platform.

## **Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
POLICE DEPARTMENT					
Personnel	1,702,322	1,979,232	2,034,500	2,117,250	2,156,000
Supplies	78,030	59,321	72,000	72,000	88,500
Contractual	16,522	15,332	25,000	25,000	26,000
Sundry	41,904	28,227	35,250	34,000	35,500
Maintenance	42,692	32,863	29,500	28,500	28,500
Capital	139,430	177,309	148,000	148,000	70,500
<b>TOTAL</b>	<b>2,020,900</b>	<b>2,292,284</b>	<b>2,344,250</b>	<b>2,424,750</b>	<b>2,405,000</b>

## **HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$121,500
- Increased Contract Services by \$1,000
- Increased Dues, Fees, & Subscriptions by \$1,500
- Increased Travel, Training, Schools by \$13,500
- Increased Fuel & Lubricants by \$3,000
- Increased Investigation Expense by \$2,500
- Decreased M & R – Equipment by \$1,000

- Decreased Uniforms by \$2,000
- Decreased Capital Expenditures by \$77,500

#### **Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
ANIMAL CONTROL					
Personnel	61,462	63,702	82,500	75,000	89,250
Supplies	4,940	4,212	3,750	3,750	5,500
Contractual	113,911	88,073	110,000	98,500	109,250
Sundry	2,162	1,943	2,500	1,000	1,000
Maintenance	10,775	1,805	2,000	1,500	1,500
Capital	-	-	-	-	-
<b>TOTAL</b>	<b>193,250</b>	<b>159,735</b>	<b>200,750</b>	<b>179,750</b>	<b>206,500</b>

#### **HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$6,750
- Increased Travel, Training, Schools by \$1,000

## Vision Statement

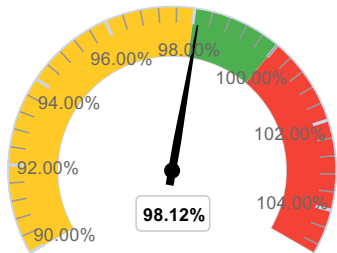
**To provide world class police services, protect our community, and ensure the highest quality of life standards for those who live, work, or visit through partnerships and community policing.**

## Strategic Alignment

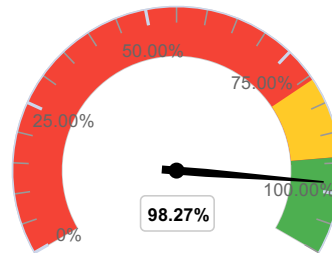
Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 YTD	Strategic Initiatives
Financial	To keep overall department expenditures at 2% or less below the FY budget	Total dept. operating expenditures / FY budget	98.00%	98.12%	Review and monitor budget expenditures on a weekly 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	98.27%	Minimum of 24 residents surveyed per month as part of the COP program
					Negative responses triggers phone call from Chief/Asst Chief to determine a course of action to respond accordingly in order to maintain positive levels of satisfaction
Operations	To keep response time avg to all CFS below 4.0 minutes monthly	Response time to all CFS	4.00	1.60	Consistent use of MDC to log arrival times
					Keep officer station time to a minimum by supervisory staff monitoring individual officer station activity during shifts

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%	97.55%	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	92.30%	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

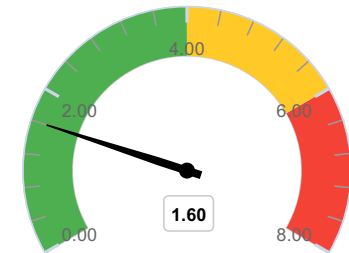
↑ **Total Dept. expenditures / FY budget**  
Total dept. operating expenditures / FY budget



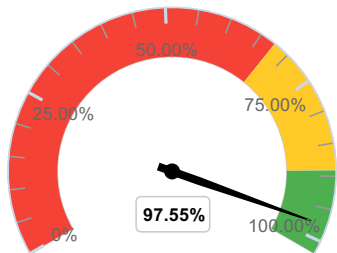
■ **# of residents that responded positively / by total # queried**  
# of residents that responded positively / by total # queried



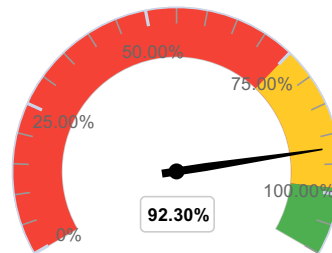
↑ **Response time to all CFS**  
Response time to all CFS



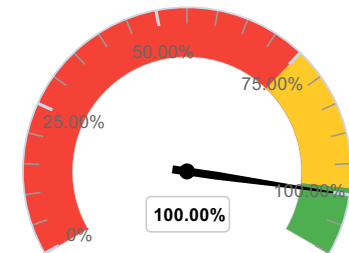
■ **Total # cases closed / by total # of cases received**  
Total # cases closed / by total # of cases received



■ **Total # officers certified as MHO / by total # of patrol officers**  
Total # officers certified as MHO / by total # of patrol officers



■ **Total # of officers compliant in bi-annual firearms qualification**  
Total # of officers compliant in bi-annual firearms qualification / by



# Development Services

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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 2021 ACCOMPLISHMENTS**

- Transitioned to a new Department Director.
- Hired and trained an Administrative Technician.
- Code Enforcement Officer assigned as Municipal Court Bailiff
- International Code Council Permit Technician Certification – Development Services Tech II
- Development Services staff combined in taking over 168 hours of new training on building codes, permit technician, legal aspects, development planning & zoning, and code enforcement with national and state recognized organizations. (Texas A&M University, SPEER, City Hall Essentials, & ICC).
- Texas LBJ School – Government Quality and Improvement – Director
- HR PiiQ education classes
- New Manufactured Housing Ordinance
- Reviewed and Revised Sign Ordinance, Zoning Ordinance, Subdivision Ordinance, Building Ordinance, Health and Sanitation Ordinance
- Developed Implementation Strategies for the Long-Range Plan
- Contractor Registration Process implemented
- Land Use Map and Zoning Map up to date and collaborate with GIS Department on mapping analytics to improve public facing data and method to continually update city maps.
- Implemented digital building permit and major project plan submissions.
- 1701 Fox Foot Court Ordered Demolition (Substandard Building)
- Department remodel of reception area for administrative technician
- Implemented iWorQ- Permitting, Inspection, Code Enforcement and Plan Review Software
- Trained/Utilize the 2020/2021 City-Wide Process Software Implementations

- 24 Informational Web Blasts
- Comprehensive Trash Bin Notification Program that included flyer via City Utility Bill, Article in Beacon “Let us Talk Trash, informational web blasts.
- Code Enforcement spearheaded an initiative to partner with HSB POA for alternative remedies for homeowner Trash Bin concealment and new construction requirements from ACC for trash bin containment/concealment areas.
- Major clean-up and information initiatives for HSB South.
- Code Enforcement designed City Code Compliance and Enforcement webpage.
- Partnership with Animal Control in the largest singular effort to control nuisance animals in the city in response to a citizen civil complaint.
- Code Enforcement Officer assisted in development of enforcement policies and procedures for city backflow prevention and irrigation systems.
- Participation in Mayor’s POA, Realtor, Builders, and Town Hall outreach meetings.

## **FY 2022 GOALS**

- Implement Long Range Plan strategies and initiatives and ensure consistency between plan and development code.
  - Proactively identify and develop code amendments.
  - Utilize the plan when prioritizing development in the city.
  - Report to City Council on implementation of the plan.
- 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.
  - iWorQ permitting software refinements for tracking and reporting.
  - Utilize iWorQ development service software for interdepartmental plan reviews and communication.
  - Review and improve development applications and processes for clarity and relevance to new development and changing regulations.
  - Continue to refine the DRC applications, communications, processes.
  - Review and Revise Development Services Fee Schedule and develop methods of communication to development community and citizens.
  - Continue to refine and improve the contractor registration process.
  - Purchase Code Compliance Officer truck.
- Seek to explain the purpose of local regulations and long-range plans and associated development services processes.
  - Create and implement instructional/informational video on the Development Service webpages.
  - Hold quarterly informational workshops with various groups, I.e. contractor/builders, relators, POA’s and on topics such as Oak Wilt.
  - Present important information at Citizens Academy.
  - Support and participate in Mayor’s outreach forums such as Town Hall meetings, Quarterly POA, relator, and builders' meetings.
  - Implement new methods to educate new residents on Code Compliance.
  - Purchase new public hearing signs.

- Promote high quality, cost-effective training designed to expand individual and organizational productivity and enrichment.
  - Attend Professional Association Annual State Conferences
  - Continuing Education Classes for Licensees
  - Plans Examiner Certification Course
  - 2018 ICC International Residential Code Classes
  - Arborist Oak Tree ID and Oak Wilt Classes
  - City Hall Essentials – Various Municipal Topics

#### **Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
DEVELOPMENT SERVICES					
Personnel	350,596	434,267	520,500	530,000	537,750
Supplies	10,857	11,635	23,500	23,500	25,500
Contractual	123,444	147,868	180,000	186,000	200,000
Sundry	14,872	41,121	61,500	54,000	54,000
Maintenance	489	640	1,500	1,500	1,500
Capital	-	-	10,000	-	34,000
<b>TOTAL</b>	<b>500,258</b>	<b>635,531</b>	<b>797,000</b>	<b>795,000</b>	<b>852,750</b>

#### **HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$17,250
- Increased Professional Services by \$15,000
- Increased Engineering Fees by \$5,000
- Increased Travel, Training, Schools by \$2,000
- Decreased City Banking Fees by \$3,000
- Decreased Code Enforcement Actions by \$4,000
- Increased Uniforms by \$1,000
- Increased Capital Expenditures by \$24,000



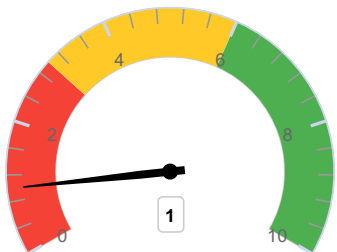
## Vision Statement

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.

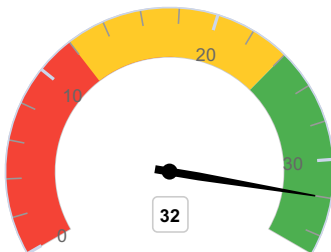
## Strategic Alignment

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	1	Develop innovative ways to provide education to stakeholders in Covid-era such as video information.
		No. of Web-based Information Blasts	24	32	
Operations	Improve compliance of single family trash can ordinance offenders	Number of Offenders, Target of <= 20 per month	20	24	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	100.00%	91.67%	1.Track the number of subdivision or zoning changes 2.Track the number of days for updates to the GIS map related to subdivision or zoning change/review.
Learning & Growth	Increase Staff Education to Provide World Class Services	Average Hours in Training per Person per Month	2	4.14	Take advantage of reduced education fees due to no travel in Covid era.

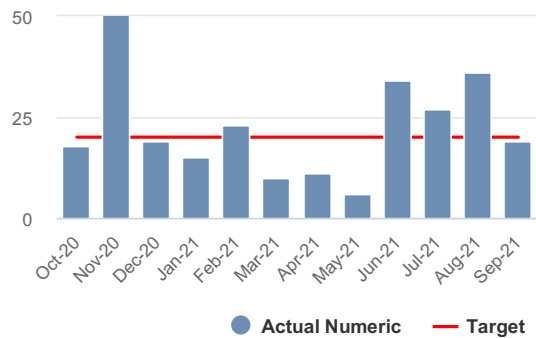
↓ No. of Educational Workshops to Contractors and the Public  
No. of Educational Workshops to Contractors and the Public



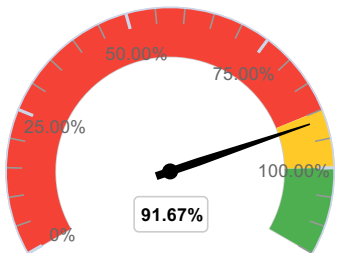
↑ No. of Web-based Information Blasts  
No. of Web-based Information Blasts



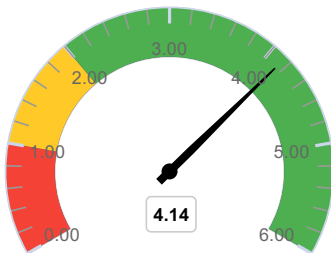
■ The Number of Trash Can Offenders  
Number of Offenders, Target of  $\leq 20$  per month



■ Number of Map Updates Completed  
Number of Map Updates Completed in  $\leq 14$  days



↑ Average Hours in Training per Person per Month  
Average Hours in Training per Person per Month



# Public Works

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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 2021 Accomplishments

- Planned out and bid two capital projects, Sealcoating and Street Upgrade Project.
- Worked closely with Assistant Public Works Director to develop the skills needed to grow in Public Works
- Continued to work and improve maintenance plan developed in 2020
- Continued to educate the public through articles and door to door meetings on upcoming projects

## FY 2022 Goals

- Complete the two capital projects awarded this year pave and curb on approximately 1.6 miles of new road construction and sealcoat Horseshoe Bay South and Ferguson and Fairways.
- Continue to work closely with Assistant Public Works Director to develop his skills needed to grow in Public Works
- Fine tune and implement the street maintenance program developed in 2020
- Continue to educate the public through articles and door to door meetings on upcoming projects

## Department Summary

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
PUBLIC WORKS					
Personnel	140,980	224,336	226,500	233,250	240,750
Supplies	31,102	47,187	74,500	74,500	111,500
Contractual	232,875	194,385	257,500	252,500	312,500
Sundry	-	-	56,000	56,000	23,500
Maintenance	15,000	-	10,000	10,000	22,000
Capital	-	6,276	60,000	60,000	95,000
<b>TOTAL</b>	<b>419,957</b>	<b>472,184</b>	<b>684,500</b>	<b>686,250</b>	<b>805,250</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$14,250
- Increased Equipment & Supplies by \$4,000
- Increased Fuel & Lubricants by \$3,000
- Added new expense line item for M&R Vehicles for \$2,000
- Increased Street Patching Contract by \$30,000
- Increased Street Patching Materials by \$25,000
- Increased Drainage by \$10,000
- Decreased Traffic Signs Contract by \$5,000
- Increased Traffic Signs Materials by \$5,000
- Increased ROW Maintenance by \$30,000
- Decreased Golden Nugget Nature Park by \$30,000
- Decreased Martin Park by \$2,500
- Increased Capital Expenditures by \$35,000

**Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
MOWING & CLEARING					
Contractual	649,138	598,883	585,000	625,000	625,000
<b>TOTAL</b>	<b>649,138</b>	<b>598,883</b>	<b>585,000</b>	<b>625,000</b>	<b>625,000</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased Lot Clearing contracts by \$40,000

Vision Statement

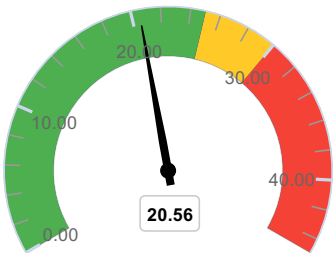
To provide a World Class Partnership with the Employees and Residents of our City.

Strategic Alignment

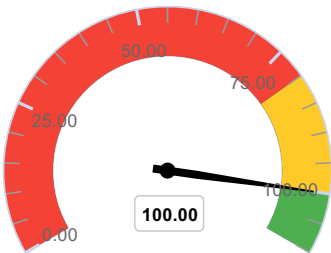
Categories	Strategic Objectives	Key Performance Indicators	FY 2021 Targets	FY 2021 FYTD	Strategic Initiatives
Operations	Reduce number of complaints	Number of calls and email complaints per month	25.00	20.56	Answer all calls/emails within 8 hours, achieving customer support and public relations
	Be more proactive on maintenance issues	> or = 100 hours per month of maintenance	100.00	100.00	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	362.50	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	3.00	Complete at least 1 certification or renewal in first 6 months of FY



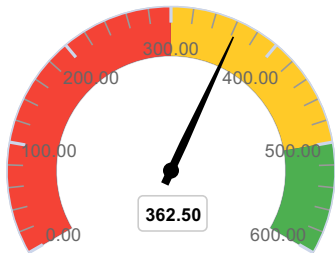
**Reduce number of complaints**  
Number of calls and email complaints per month



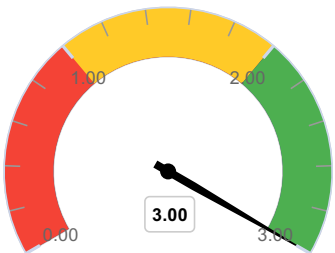
**Proactive on maintenance issues**  
> or = 100 hours per month of maintenance



**Manage a monthly street repair plan**  
Install 500 sq ft of asphalt patching/sealcoating as needed per mor



**Acquiring Training Certification**  
Certifications or certification renewals per FY





# CITY OF HORSESHOE BAY

## FY 2022 General Fund Budget - 02

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>8000</b>	<b>POLICE</b>						
40175	Insurance Proceeds	12,558	11,116	2,500	3,000	2,500	-16.7%
40180	Other Income	2,956	377	1,000	750	500	-33.3%
40181	Grant Revenue	16,000	-	-	-	-	0.0%
40182	Sale of Property	-	20,000	12,000	12,000	12,500	4.2%
40186	Other Income-Pub/Sfty Donation	10,200	5,100	5,000	5,000	5,000	0.0%
<b>Total</b>	<b>POLICE</b>	<b>41,714</b>	<b>36,593</b>	<b>20,500</b>	<b>20,750</b>	<b>20,500</b>	<b>-1.2%</b>
<b>9500</b>	<b>DEVELOPMENT SERVICES</b>						
40171	CC Convenience Fee	-	1,392	8,000	5,000	5,000	0.0%
40180	Other Income	336	4	250	250	250	0.0%
40182	Sale of Property	-	-	-	-	3,000	100.0%
40183	Building Permit Fees	268,312	363,037	290,000	362,000	330,000	-8.8%
40184	Plat Fees	4,200	3,600	4,000	4,500	4,500	0.0%
40185	Irrigation Permits	4,876	5,305	5,000	5,000	5,000	0.0%
40187	Contractor Registration	2,600	8,800	10,000	9,500	6,500	-31.6%
40192	Zoning Fees	700	800	1,000	1,500	1,000	-33.3%
<b>Total</b>	<b>DEVELOPMENT SERVICES</b>	<b>281,024</b>	<b>382,938</b>	<b>318,250</b>	<b>387,750</b>	<b>355,250</b>	<b>-8.4%</b>
<b>9600</b>	<b>PUBLIC WORKS</b>						
40165	Sales Tax	225,921	203,891	205,500	224,000	230,750	3.0%
40175	Insurance Proceeds	-	-	4,000	4,000	-	-100.0%
40180	Other Income	1,333	-	-	750	-	-100.0%
40206	The Hills POA	6,537	5,217	5,250	5,250	5,250	0.0%
40207	Pecan Creek Association	4,073	4,179	4,250	4,250	4,250	0.0%
40208	Applehead POA	6,350	6,515	6,500	6,500	6,500	0.0%
40209	Applehead Island POA	1,143	1,173	1,250	1,250	1,250	0.0%
40210	HSB POA	486,719	486,585	470,000	490,000	500,000	2.0%
40212	Mailbox Fee Revenue	6,100	10,000	-	-	-	0.0%
<b>Total</b>	<b>Public Works</b>	<b>738,176</b>	<b>717,560</b>	<b>696,750</b>	<b>736,000</b>	<b>748,000</b>	<b>1.6%</b>
<b>9800</b>	<b>MOWING &amp; CLEARING</b>						
40215	Mowing	625,403	519,345	450,000	450,000	450,000	0.0%
40216	Clearing	-	2,385	5,000	10,000	10,000	0.0%
<b>Total</b>	<b>MOWING &amp; CLEARING</b>	<b>625,403</b>	<b>521,730</b>	<b>455,000</b>	<b>460,000</b>	<b>460,000</b>	<b>0.0%</b>
<b>9900</b>	<b>INTEREST INCOME</b>						
40220	Interest on Investments	113,604	43,300	5,000	5,000	5,000	0.0%
<b>Total</b>	<b>INTEREST INCOME</b>	<b>113,604</b>	<b>43,300</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUE</b>		<b><u>9,436,947</u></b>	<b><u>9,590,602</u></b>	<b><u>9,723,500</u></b>	<b><u>9,904,250</u></b>	<b><u>10,857,500</u></b>	<b>9.6%</b>



# CITY OF HORSESHOE BAY

## FY 2022 General Fund Budget - 02

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>OPERATING EXPENDITURES</b>							
<b>1000</b>	<b>ADMINISTRATION</b>						
50410	Salaries & Wages	564,303	591,362	661,750	650,000	687,000	5.7%
50411	Overtime	12,850	1,684	5,000	5,000	5,000	0.0%
50415	Employers FICA Expense	39,483	42,543	51,000	50,250	53,000	5.5%
50420	Group Insurance Premiums	101,632	95,463	101,750	104,750	104,750	0.0%
50430	401(A) Money Purchase	31,204	32,888	37,750	37,250	40,000	7.4%
50432	401(A) Match	26,455	27,292	30,250	29,500	31,500	6.8%
50435	Employers Unemployment Expense	-	2,306	5,000	-	5,000	100.0%
50500	Accounting & Auditing Expense	17,565	14,395	18,000	18,000	19,500	8.3%
50505	Professional Services	51,102	58,368	68,000	60,000	55,000	-8.3%
50506	Election Contracts	4,614	3,788	5,000	250	6,000	2300.0%
50509	Appraisal District Fees - Burnet	9,537	10,649	12,000	11,000	12,000	9.1%
50510	Appraisal District Fees - Llano	100,192	102,904	110,000	130,000	115,000	-11.5%
50511	Drainage Study	-	-	-	-	100,000	100.0%
50514	Transportation Study	-	-	-	-	60,000	100.0%
50545	Maintenance Contracts	29,004	37,945	66,500	66,500	55,000	-17.3%
50564	Codification	8,564	3,652	7,000	7,000	5,000	-28.6%
50565	City Council Expense	3,539	3,533	5,000	6,000	5,000	-16.7%
50568	Advisory Committees	-	24,282	30,000	20,000	-	-100.0%
50570	Dispatch Expense	104,956	111,107	116,500	116,500	116,500	0.0%
50575	Dues, Fees, & Subscriptions	35,520	39,804	22,000	28,000	26,000	-7.1%
50576	Copier Lease	-	-	4,500	4,500	4,500	0.0%
50585	Electricity	32,626	30,596	34,000	34,000	34,000	0.0%
50591	EOC Training & Supplies	2,039	4,288	5,000	5,000	5,000	0.0%
50593	Travel, Training, Schools	42,040	41,771	38,000	38,000	42,000	10.5%
50596	Employee Awards Program	440	1,208	750	750	2,000	166.7%
50597	Special Events- Employees	3,994	3,573	9,000	9,000	9,000	0.0%
50610	Property & Liability Ins.	91,322	93,049	97,750	95,500	119,000	24.6%
50611	Workers' Comp Insurance	117,528	124,334	132,000	149,500	150,000	0.3%
50620	Legal Expense	47,228	61,938	85,000	85,000	60,000	-29.4%
50625	Fireworks	10,000	10,000	10,000	-	10,000	100.0%
50630	M & R - Building	54,163	56,956	72,000	60,000	65,000	8.3%
50650	M & R - Grounds	12,718	19,977	15,750	20,000	31,000	55.0%
50753	City Banking Fees	3,032	661	3,500	3,000	3,000	0.0%
50765	Other Expense	27,105	28,389	7,000	9,000	8,000	-11.1%
50766	COVID - 19 Disaster Expense	-	26,928	5,500	3,000	-	-100.0%
50775	Postage	5,663	4,986	5,000	5,000	5,000	0.0%
50780	Printing & Office Supplies	21,647	28,446	25,500	25,500	26,000	2.0%
50781	General Supplies	-	-	7,000	7,000	7,000	0.0%
50810	Communications	35,323	45,716	38,000	38,000	40,000	5.3%
50820	Child Safety Fund Expense	125	6,000	-	-	-	0.0%
50821	Court Technology Fund Expense	480	1,500	-	-	-	0.0%
50823	Court Collection Agency Fees	12,975	11,721	12,500	-	-	0.0%
50824	Warrant Fees	2,150	1,650	2,250	1,000	2,250	125.0%
50826	Municipal Court Judicial Staff	30,600	30,600	30,750	30,750	30,750	0.0%





**CITY OF HORSESHOE BAY**  
**FY 2022 General Fund Budget - 02**

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
50841	Central Texas Water Coalition	-	-	5,000	5,000	5,000	0.0%
50842	Workforce Network	10,000	10,000	10,000	10,000	10,000	0.0%
50843	Sponsorship	-	-	5,000	5,000	5,000	0.0%
50844	Friends of The Marble Falls Library	-	-	5,000	5,000	5,000	0.0%
50861	Mailbox POA Refund	-	-	4,000	4,000	4,000	0.0%
50866	Tree Removal	1,008	760	-	-	-	0.0%
50867	Golden Nugget Nature Park	-	10,150	-	-	-	0.0%
50868	Martin Park	3,075	3,670	-	-	-	0.0%
50870	Fox House	5,224	-	-	-	-	0.0%
50871	Milfoil Treatment	-	-	18,000	-	18,000	100.0%
50872	Hiking Trail Park	-	615	-	-	-	0.0%
50831	Transfer to Capital Improv. Fund	1,511,480	857,062	-	-	-	0.0%
50831	Transfer to Utility Fund	-	51,440	309,000	298,500	-	-100.0%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>3,224,505</b>	<b>2,771,949</b>	<b>2,349,250</b>	<b>2,291,000</b>	<b>2,201,750</b>	<b>-3.9%</b>
<b>3000</b>	<b>TECHNOLOGY SERVICES</b>						
50410	Salaries & Wages	121,928	115,329	134,500	155,000	157,000	1.3%
50415	Employers FICA Expense	8,592	7,961	10,250	12,000	12,500	4.2%
50420	Group Insurance Premiums	23,103	23,594	29,750	29,750	29,750	0.0%
50430	401(A) Money Purchase	5,728	5,576	6,500	8,000	8,000	0.0%
50432	401(A) Match	2,668	2,301	3,500	4,000	4,000	0.0%
50505	Professional Services	5,782	2,818	4,000	-	8,000	100.0%
50545	Maintenance Contracts	31,641	26,091	98,000	66,750	92,500	38.6%
50575	Dues, Fees, & Subscriptions	8,754	14,172	31,500	12,000	36,250	202.1%
50592	Equipment & Supplies	456	1,164	1,000	-	1,000	100.0%
50593	Travel, Training, Schools	3,754	126	-	750	2,500	233.3%
50765	Other Expense	-	-	-	-	-	0.0%
50830	Uniforms	238	212	250	-	-	0.0%
<b>Total</b>	<b>TECHNOLOGY SERVICES</b>	<b>212,644</b>	<b>199,345</b>	<b>319,250</b>	<b>288,250</b>	<b>351,500</b>	<b>21.9%</b>
<b>5000</b>	<b>FIRE</b>						
50410	Salaries & Wages	1,502,776	1,544,593	1,543,500	1,551,000	1,685,500	8.7%
50411	Overtime	90,636	145,861	130,000	123,000	98,000	-20.3%
50412	Salaries - P/T Firefighters	861	-	20,000	20,000	10,000	-50.0%
50415	Employers FICA Expense	108,537	119,184	125,000	127,500	137,250	7.6%
50420	Group Insurance Premiums	304,580	322,670	339,500	334,500	334,500	0.0%
50430	401(A) Money Purchase	90,532	94,000	98,000	89,500	99,000	10.6%
50432	401(A) Match	68,456	72,009	75,000	76,500	78,750	2.9%
50437	Relocation Expense	-	6,848	-	-	-	0.0%
50505	Professional Services	6,000	6,000	6,000	6,000	6,000	0.0%
50545	Maintenance Contracts	5,262	23,406	12,750	12,250	12,750	4.1%
50548	Contract Services	111	3,328	1,000	1,000	4,000	300.0%
50575	Dues, Fees, & Subscriptions	4,344	5,028	5,000	5,000	5,000	0.0%
50576	Copier Lease	-	-	-	-	4,500	100.0%
50592	Equipment & Supplies	37,015	36,136	30,000	30,000	40,000	33.3%
50593	Travel, Training, Schools	31,943	21,126	20,000	20,000	33,250	66.3%
50594	Fire Protection Gear	22,962	23,632	25,000	25,000	25,000	0.0%
50595	Fuel & Lubricants	15,498	11,971	12,000	12,000	15,000	25.0%



# CITY OF HORSESHOE BAY

## FY 2022 General Fund Budget - 02

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
50598	Wellness Program	10,450	8,075	13,500	13,250	13,500	1.9%
50640	M & R - Equipment	14,653	10,639	17,500	17,500	17,500	0.0%
50685	M & R - Vehicles	34,650	25,578	20,000	20,000	23,000	15.0%
50765	Other Expense	14,368	11,977	13,000	13,000	13,000	0.0%
50775	Postage	47	557	500	250	250	0.0%
50780	Printing & Office Supplies	3,107	917	2,000	2,000	1,500	-25.0%
50800	Safety Equipment & Supplies	3,802	2,045	4,000	4,000	4,500	12.5%
50811	Telecare Program	621	185	750	750	750	0.0%
50829	Public Safety Donations	2,865	4,895	11,500	16,500	5,000	-69.7%
50830	Uniforms	8,551	11,087	15,000	15,000	15,500	3.3%
<b>Total</b>	<b>FIRE</b>	<b>2,382,627</b>	<b>2,511,747</b>	<b>2,540,500</b>	<b>2,535,500</b>	<b>2,683,000</b>	<b>5.8%</b>
<b>8000</b>	<b>POLICE</b>						
50410	Salaries & Wages	1,302,150	1,465,833	1,497,000	1,531,000	1,582,750	3.4%
50411	Overtime	14,203	19,915	30,000	30,000	18,000	-40.0%
50415	Employers FICA Expense	94,034	108,102	116,250	120,750	122,500	1.4%
50420	Group Insurance Premiums	162,129	237,406	229,000	262,000	262,000	0.0%
50430	401(A) Money Purchase	73,343	83,516	90,750	92,500	96,000	3.8%
50432	401(A) Match	56,463	64,460	71,500	81,000	74,750	-7.7%
50548	Contract Services	16,531	15,332	20,500	20,500	21,500	4.9%
50575	Dues, Fees, & Subscriptions	8,776	8,774	11,500	11,000	11,500	4.5%
50576	Copier Lease	-	-	4,500	4,500	4,500	0.0%
50592	Equipment & Supplies	9,171	12,473	16,000	16,000	16,000	0.0%
50593	Travel, Training, Schools	17,606	7,012	5,000	5,000	18,500	270.0%
50595	Fuel & Lubricants	33,652	26,035	37,000	37,000	40,000	8.1%
50615	Investigation Expense	6,658	2,616	3,500	3,500	6,000	71.4%
50616	Jail Expense	100	100	500	250	250	0.0%
50640	M & R - Equipment	3,064	240	3,000	2,000	2,000	0.0%
50685	M & R - Vehicles	36,875	29,195	25,000	25,000	25,000	0.0%
50686	M & R - Weapons	2,753	3,428	1,500	1,500	1,500	0.0%
50760	Medical	705	1,696	1,000	1,000	1,000	0.0%
50765	Other Expense	14,261	4,577	5,000	5,000	5,000	0.0%
50775	Postage	175	114	250	250	250	0.0%
50780	Printing & Office Supplies	7,211	4,586	5,500	5,500	5,500	0.0%
50800	Safety Equipment & Supplies	2,657	4,318	3,500	3,500	3,500	0.0%
50829	Public Safety Donations	7,733	4,897	5,000	5,000	5,000	0.0%
50830	Uniforms	11,220	10,352	13,500	13,000	11,500	-11.5%
<b>Total</b>	<b>POLICE</b>	<b>1,881,470</b>	<b>2,114,975</b>	<b>2,196,250</b>	<b>2,276,750</b>	<b>2,334,500</b>	<b>2.5%</b>



# CITY OF HORSESHOE BAY

## FY 2022 General Fund Budget - 02

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>9000</b>	<b>ANIMAL CONTROL</b>						
50410	Salaries & Wages	42,132	44,385	56,500	50,500	63,750	26.2%
50411	Overtime	2,954	1,010	2,000	1,000	1,000	0.0%
50415	Employers FICA Expense	3,049	3,149	4,500	4,000	5,000	25.0%
50420	Group Insurance Premiums	10,474	13,256	15,500	15,500	15,500	0.0%
50430	401(A) Money Purchase	1,665	951	2,000	2,000	2,000	0.0%
50432	401(A) Match	1,188	951	2,000	2,000	2,000	0.0%
50502	Animal Shelter	11,760	13,500	15,000	13,500	14,250	5.6%
50592	Equipment & Supplies	1,516	1,058	1,000	1,000	1,000	0.0%
50593	Travel, Training, Schools	446	368	500	1,000	1,500	50.0%
50595	Fuel & Lubricants	2,978	2,786	3,500	1,750	3,000	71.4%
50685	M & R - Vehicles	10,775	1,805	2,000	1,500	1,500	0.0%
50765	Other Expense	1,431	1,461	750	500	500	0.0%
50830	Uniforms	731	483	500	500	500	0.0%
50862	Deer Management	102,151	74,573	95,000	85,000	95,000	11.8%
<b>Total</b>	<b>ANIMAL CONTROL</b>	<b>193,249</b>	<b>159,735</b>	<b>200,750</b>	<b>179,750</b>	<b>206,500</b>	<b>14.9%</b>
<b>9500</b>	<b>DEVELOPMENT SERVICES</b>						
50410	Salaries & Wages	255,635	314,685	371,500	384,000	388,500	1.2%
50411	Overtime	591	-	1,500	1,500	1,500	0.0%
50415	Employers FICA Expense	17,783	22,426	28,500	29,500	30,000	1.7%
50420	Group Insurance Premiums	51,464	66,644	83,000	80,500	80,500	0.0%
50430	401(A) Money Purchase	14,876	18,516	21,750	20,500	21,250	3.7%
50432	401(A) Match	10,247	11,996	14,250	14,000	16,000	14.3%
50505	Professional Services	119,190	137,464	155,000	156,000	170,000	9.0%
50545	Maintenance Contracts	4,254	10,404	5,500	5,500	5,500	0.0%
50575	Dues, Fees, & Subscriptions	7,539	4,390	8,000	8,000	8,000	0.0%
50576	Copier Lease	-	-	4,500	4,500	4,500	0.0%
50590	Engineering Fees	-	-	15,000	20,000	20,000	0.0%
50592	Equipment & Supplies	1,706	2,140	8,000	8,000	8,000	0.0%
50593	Travel, Training, Schools	6,010	5,809	12,000	12,000	14,000	16.7%
50595	Fuel & Lubricants	904	1,121	2,000	2,000	2,000	0.0%
50685	M & R - Vehicles	489	640	1,500	1,500	1,500	0.0%
50753	Citi Banking Fees	-	999	8,000	5,000	5,000	0.0%
50765	Other Expense	1,817	362	1,500	1,500	1,500	0.0%
50777	Advertisements/Notices	3,965	2,356	3,500	3,000	2,500	-16.7%
50780	Printing & Office Supplies	2,237	2,565	1,500	1,500	1,500	0.0%
50828	Code Enforcement Actions	-	31,889	37,500	33,500	33,500	0.0%
50830	Uniforms	1,551	1,125	3,000	3,000	3,500	16.7%
<b>Total</b>	<b>DEVELOPMENT SERVICES</b>	<b>500,258</b>	<b>635,531</b>	<b>787,000</b>	<b>795,000</b>	<b>818,750</b>	<b>3.0%</b>



**CITY OF HORSESHOE BAY**  
**FY 2022 General Fund Budget - 02**

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>9600</b>	<b>PUBLIC WORKS</b>						
50410	Salaries & Wages	107,129	170,421	169,000	171,500	177,750	3.6%
50411	Overtime	-	541	750	750	750	0.0%
50415	Employers FICA Expense	7,345	12,387	13,000	13,250	13,750	3.8%
50420	Group Insurance Premiums	14,569	22,634	24,750	26,500	26,500	0.0%
50430	401(A) Money Purchase	7,162	11,012	10,750	12,250	12,750	4.1%
50432	401(A) Match	4,775	7,341	8,250	9,000	9,250	2.8%
50590	Engineering Fees	-	-	5,000	5,000	5,000	0.0%
50592	Equipment & Supplies	-	-	5,000	5,000	9,000	80.0%
50593	Travel, Training, Schools	-	-	3,000	3,000	3,000	0.0%
50595	Fuel & Lubricants	-	-	4,000	4,000	7,000	75.0%
50685	M&R Vehicles	-	-	-	-	2,000	100.0%
50830	Uniforms	-	-	1,000	1,000	1,000	0.0%
50853	Street Striping	-	5,790	10,000	10,000	10,000	0.0%
50854	Street Patching Contract	40,637	45,699	70,000	70,000	100,000	42.9%
50855	Street Patching Materials	26,975	39,704	45,000	45,000	70,000	55.6%
50856	Drainage	15,000	-	10,000	10,000	20,000	100.0%
50857	Traffic Signs Contract	1,107	2,923	12,500	12,500	7,500	-40.0%
50858	Traffic Signs Materials	4,127	1,693	7,500	7,500	12,500	66.7%
50859	Litter Control Contract	47,256	44,920	50,000	45,000	50,000	11.1%
50860	Mailbox Installation	37,403	-	-	-	-	0.0%
50865	ROW Maintenance	106,472	100,844	120,000	120,000	150,000	25.0%
50867	Golden Nugget Nature Park	-	-	40,000	40,000	10,000	-75.0%
50868	Martin Park	-	-	10,000	10,000	7,500	-25.0%
50872	Hiking Trail Park	-	-	5,000	5,000	5,000	0.0%
<b>Total</b>	<b>PUBLIC WORKS</b>	<b>419,957</b>	<b>465,908</b>	<b>624,500</b>	<b>626,250</b>	<b>710,250</b>	<b>13.4%</b>
<b>9800</b>	<b>MOWING &amp; CLEARING</b>						
50863	Lot Mowing	649,138	574,253	550,000	590,000	590,000	0.0%
50864	Lot Clearing	-	24,630	35,000	35,000	35,000	0.0%
<b>Total</b>	<b>MOWING &amp; CLEARING</b>	<b>649,138</b>	<b>598,883</b>	<b>585,000</b>	<b>625,000</b>	<b>625,000</b>	<b>0.0%</b>
<b>TOTAL OPERATING EXPENDITURES</b>		<b><u>9,463,848</u></b>	<b><u>9,458,073</u></b>	<b><u>9,602,500</u></b>	<b><u>9,617,500</u></b>	<b><u>9,931,250</u></b>	<b>3.3%</b>



**CITY OF HORSESHOE BAY**  
**FY 2022 General Fund Budget - 02**

<b>Account Code</b>		<b>FY 2021 Projected Actual</b>	<b>FY 2022 Proposed Budget</b>
<b>FY 2021 CAPITAL PURCHASES</b>			
1000	ADMINISTRATION		
50955-999	Emergency Equipment Replacement	20,000	
3000	TECHNOLOGY SERVICES		
50955-211	MS 365 Government Exchange Migration	10,000	
50955-212	CAPCOG Ortho Imagery	3,750	
5000	FIRE		
50955	Radio Grant - Llano County Fire Dept. (matching grant)	-	
8000	POLICE		
50955-214	Mobile Data Terminal (MDT) 6 units	40,000	
50956-055	Replacement of 2 Units w/ equipment	90,000	
50955-216	Utility Terrain Vehicle	18,000	
9500	DEVELOPMENT SERVICES		
50957-215	Large Format Scanner	-	
9600	PUBLIC WORKS		
50956-106	New Service Truck	60,000	
<b>FY 2022 CAPITAL PURCHASES</b>			
1000	ADMINISTRATION		
50955-100	Emergency Equipment Replacement		52,000
50955-315	Laser Fiche Software		34,000
5000	FIRE		
50956-316	2 Brush Truck Replacements (5 yr lease purchase)		85,000
8000	POLICE		
50955-317	Radar Trailer		10,500
50956-055	Replacement Vehicle with boat towing capacity		60,000
9500	DEVELOPMENT SERVICES		
50956-318	Vehicle Replacement		34,000
9600	PUBLIC WORKS		
50959-319	Storage Building (40x40)		95,000
<b>TOTAL CAPITAL PURCHASES</b>		<b>241,750</b>	<b>370,500</b>

# Capital Improvements Fund

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The City's Capital Improvements Fund is for major capital projects and purchases that are non-utility. The majority of these major capital projects and purchases are street-related but have been other projects and purchases in the past, such as construction of a police department building and purchase of two brand new 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 2022 City Council and staff reviewed the 5 year projections and determined not to borrow any funds and use the balance from the bond proceeds issued in FY 2021. In FY 2021 it made financial sense to borrow the money needed for the capital projects instead of using unassigned fund balances in the General Fund. This method allows the City to keep healthy reserve balances while borrowing at an all-time low interest rate and maintain the same property tax rate as prior year. The City borrowed \$4,000,000 through Certificates of Obligations in FY 2021 and the remainder funds will be used in FY 2022.

The first project for FY 2022 is street upgrades in the amount of \$900,000. This project is a continuation from FY 2021, for new pavement and curb on approximately 1.6 miles of streets. There are an estimated 20 streets being considered for improvement throughout the City, many of the streets are in the south and west side of Horseshoe Bay.

The second project is infrastructure for broadband internet access at an estimated cost of \$250,000. This project is in the planning stages and the construction phase will begin in FY 2022. This project would address the lack of wireless internet service for the northern section of HWB West due to geography limitations, i.e., line of sight. The plan entails to have a wireless internet provider (WISP) construct an antenna apparatus to reach this area of HSB West. The City's potential cost could possibly be for limited cost sharing getting fiber to this projected location.



**CITY OF HORSESHOE BAY**  
**FY 2022 Capital Projects Budget - 07**  
**(Streets)**

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget
<b>Estimated Beginning Fund Balance:</b>		<b>\$ 1,353,882</b>	<b>\$ 185,607</b>	<b>\$ 36</b>	<b>\$ 36</b>	<b>\$ 1,156,036</b>
<b>REVENUES</b>						
<b>REVENUES</b>						
40220	Interest Income	11,652	1,945	2,500	2,500	500
40300	Bond Proceeds	0	-	4,000,000	4,078,500	-
40310	Transfer In from General Fund	1,511,480	857,062	-	-	-
<b>TOTAL REVENUES</b>		<b>1,523,132</b>	<b>859,007</b>	<b>4,002,500</b>	<b>4,081,000</b>	<b>500</b>
<b>EXPENDITURES</b>						
<b>EXPENDITURES</b>						
50534	2020 Series Bond Issuance Cost	-	-	235,000	75,000	-
50961-990	Sealcoating	-	-	-	-	-
50961-984	Street Upgrades	2,691,407	1,044,578	1,000,000	1,160,000	900,000
50965-962	HSB South Seal Coating	-	-	500,000	500,000	-
50965-982	Ferguson & Fairways Seal Coating	-	-	1,265,000	1,265,000	-
50965-983	Internet Infrastructure	-	-	250,000	-	250,000
<b>TOTAL EXPENDITURES</b>		<b>2,691,407</b>	<b>1,044,578</b>	<b>3,250,000</b>	<b>2,925,000</b>	<b>1,150,000</b>
<b>Estimated Ending Fund Balance</b>		<b>\$ 185,607</b>	<b>\$ 36</b>	<b>\$ 752,536</b>	<b>\$ 1,156,036</b>	<b>\$ 6,536</b>

# 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
<b>Average</b>			<b>0.4437837</b>	<b>22,838,749</b>	<b>2.80%</b>	<b>2,119</b>
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 2022 City tax rate is \$0.27000 per \$100 of taxable value. The interest and sinking rate is \$0.04103. The projected amount to be raised from ad valorem taxes for debt payments is approximately \$1,051,250. 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 four outstanding debt service obligations in the Debt Service Fund, totaling \$11,600,000. 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.

### 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 2022 Debt Service Budget - 08

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget
<b>Estimated Beginning Fund Balance:</b>		\$ 62,898	\$ 79,297	104,593	\$ 104,593	\$ 82,093
<b>REVENUES</b>						
<b>7000</b>	<b>TAX</b>					
40150	Property Tax Collected (I & S)	851,658	838,175	811,000	840,000	1,051,250
40152	Penalty & Interest (I & S)	4,541	5,552	4,500	6,000	6,000
40180	Other Income	-	2,590	-	-	-
<b>9900</b>	<b>INTEREST INCOME</b>					
40220	Interest on Investments	6,699	2,783	4,500	500	500
<b>TOTAL REVENUES</b>		<b>862,898</b>	<b>849,100</b>	<b>820,000</b>	<b>846,500</b>	<b>1,057,750</b>
<b>EXPENDITURES</b>						
<b>9994</b>	<b>DEBT SERVICE (General Fund Projects)</b>					
50518	Debt Service Interest - Series 2011	134,353	65,364	-	-	-
50520	Debt Service Principal - Series 2011	290,000	295,000	-	-	-
50521	Debt Service Interest - Series 2014	145,996	142,896	139,750	139,750	136,250
50522	Debt Service Principal - Series 2014	155,000	155,000	165,000	165,000	170,000
50523	Debt Service Interest - Series 2016	26,150	24,250	22,500	22,500	19,500
50524	Debt Service Principal - Series 2016	95,000	95,000	100,000	100,000	100,000
50530	Debt Service Interest - Ref Series 2020	-	46,294	108,750	108,750	97,500
50529	Debt Service Principal - Ref Series 2020	-	-	275,000	275,000	290,000
50531	Debt Service Interest - Series 2020	-	-	51,722	58,000	78,500
50532	Debt Service Principal - Series 2020	-	-	10,000	-	170,000
50998	Issuance Costs	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>		<b>846,499</b>	<b>823,804</b>	<b>872,722</b>	<b>869,000</b>	<b>1,061,750</b>
<b>Estimated Ending Fund Balance</b>		<b>79,297</b>	<b>\$ 104,593</b>	<b>\$ 51,871</b>	<b>\$ 82,093</b>	<b>\$ 78,093</b>



# CITY OF HORSESHOE BAY

## FY 2022 Utility Fund Budget - 01

<b>Estimated Beginning Fund Balance:</b>				<b>\$ 2,804,485</b>	<b>\$ 3,142,235</b>
	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Proposed Budget</b>
<b>Revenues:</b>					
Administration	\$ 239,947	\$ 311,803	\$ 309,500	\$ 797,000	\$ 258,000
Water Service Charges	\$ 4,166,948	\$ 5,046,684	\$ 5,262,250	\$ 5,323,500	\$ 5,228,000
Wastewater Service Charges	\$ 3,059,028	\$ 9,447,076	\$ 3,471,000	\$ 3,868,500	\$ 3,628,250
Solid Waste Service Charges	\$ 997,728	\$ 1,101,201	\$ 1,117,500	\$ 1,144,250	\$ 1,179,000
Standby	\$ 677	\$ -	\$ 750	\$ 750	\$ 750
Interest Income	\$ 7,446	\$ 46,666	\$ 5,000	\$ 5,000	\$ 5,000
<b>Total Revenues</b>	<b>\$ 8,471,774</b>	<b>\$ 15,953,430</b>	<b>\$ 10,166,000</b>	<b>\$ 11,139,000</b>	<b>\$ 10,299,000</b>
<b>Expenditures:</b>					
Administration	\$ 1,907,471	\$ 2,128,758	\$ 2,199,250	\$ 2,130,250	\$ 2,315,500
Water - Production	\$ 878,394	\$ 898,110	\$ 1,039,000	\$ 1,015,750	\$ 1,038,000
Water - Distribution	\$ 1,030,756	\$ 966,741	\$ 1,064,000	\$ 1,077,750	\$ 1,153,250
Wastewater - Treatment	\$ 353,172	\$ 447,120	\$ 534,250	\$ 504,500	\$ 540,750
Wastewater - Collection	\$ 1,405,840	\$ 1,285,142	\$ 1,386,500	\$ 1,501,500	\$ 1,532,750
Solid Waste - Recycling	\$ 801,251	\$ 858,828	\$ 901,500	\$ 907,250	\$ 918,250
Debt Service	\$ 1,327,056	\$ 1,628,036	\$ 1,433,000	\$ 1,434,250	\$ 1,713,000
<b>Total Expenditures</b>	<b>\$ 7,703,939</b>	<b>\$ 8,212,735</b>	<b>\$ 8,557,500</b>	<b>\$ 8,571,250</b>	<b>\$ 9,211,500</b>
 Routine Capital Purchases	 \$ 618,394	 \$ 486,088	 \$ 751,500	 \$ 753,000	 \$ 684,750
Major Capital Projects	\$ 242,366	\$ 5,071,750	\$ 1,477,000	\$ 1,477,000	\$ 515,000
<b>Total Capital Expenditures</b>	<b>\$ 860,760</b>	<b>\$ 5,557,838</b>	<b>\$ 2,228,500</b>	<b>\$ 2,230,000</b>	<b>\$ 1,199,750</b>
 Revenues Less Expenditures				<b>\$ 337,750</b>	<b>\$ (112,250)</b>
<b>Estimated Ending Fund Balance:</b>				<b>\$ 3,142,235</b>	<b>\$ 3,029,985</b>
 Less: Restricted Reserves (3 months expenditures)				<b>1,972,625</b>	<b>2,045,750</b>
<b>Estimated Ending Unrestricted Fund Balance:</b>				<b>\$ 1,169,610</b>	<b>\$ 984,235</b>

# Utility Fund Overview

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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 3% 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 3.25% 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 97% 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.

TML SURVEY RESULTS - WATER - Residential and Commercial Cost										
WATER				Residential			Commercial			
Year	City	City Population	Total Customers	Fee for:			Fee for:		Fee for:	
2020				5,000 Gal.	City	10,000 Gal.	City	50,000 Gal.	City	200,000 Gal.
2020	Fredericksburg	11,446	6,086	\$23.85	Fredericksburg	\$41.98	Lago Vista	\$203.20	Round Rock	\$669.51
2020	Round Rock	123,678	35,190	\$29.32	Round Rock	\$42.12	Fair Oaks Ranch	\$220.21	Lago Vista	\$743.20
2020	Horseshoe Bay	6,400	3,297	\$31.95	Boerne	\$53.69	Fredericksburg	\$238.27	Fredericksburg	\$809.77
2020	Boerne	17,106	6,843	\$37.69	Horseshoe Bay	\$55.00	Round Rock	\$249.51	Lampasas	\$952.00
2020	San Marcos	63,509	14,569	\$44.67	Burnet	\$68.04	Lampasas	\$266.60	Taylor	\$1,199.82
2020	Burnet	7,100	2,581	\$44.64	Lampasas	\$69.50	Burnet	\$359.68	Burnet	\$1,228.18
2020	Lampasas	7,909	3,483	\$47.25	Taylor	\$69.90	Taylor	\$368.12	Fair Oaks Ranch	\$1,377.71
2020	Marble Falls	6,932	3,352	\$49.11	Fair Oaks Ranch	\$70.60	Granite Shoals	\$466.46	Marble Falls	\$1,539.27
2020	Taylor	17,167	6,263	\$49.64	Marble Falls	\$73.01	Marble Falls	\$468.27	Boerne	\$1,556.58
2020	Granbury	10,410	5,880	\$52.07	San Marcos	\$78.27	Boerne	\$457.08	Granite Shoals	\$1,721.96
2020	Lago Vista	7117	4162	\$52.27	Granite Shoals	\$83.32	Horseshoe Bay	\$500.45	San Marcos	\$1,887.79
2020	Granite Shoals	5117	2262	\$54.61	Granbury	\$90.07	San Marcos	\$546.79	Granbury	\$1,975.18
2020	Fair Oaks Ranch	9700	3007	\$55.36	Lago Vista	\$84.77	Granbury	\$625.18	Horseshoe Bay	\$2,523.95
	Average			\$47.21		\$69.86	Average	\$382.29		\$1,305.08

Table 1 – 2020 Water Rate Comparison  
Source: Texas Municipal League 2020 Annual Utility Rate Survey

TML SURVEY RESULTS - WASTE WATER - Residential and Commercial Cost										
WASTE WATER				Residential			Commercial			
Year	City	City Population	Total Customers	Fee for:			Fee for:		Fee for:	
2020				5,000 Gal.	City	10,000 Gal.	City	50,000 Gal.	City	200,000 Gal.
2020	Round Rock	128,739	34,367	\$30.22	Fair Oaks Ranch	\$45.35	Fair Oaks Ranch	\$45.35	Fair Oaks Ranch	\$45.35
2020	Fredericksburg	11,446	5,720	\$30.75	Round Rock	\$47.17	Lampasas	\$205.50	Lampasas	\$738.00
2020	Lampasas	7,909	2,780	\$41.75	Fredericksburg	\$49.95	Granbury	\$236.88	Round Rock	\$747.79
2020	Fair Oaks Ranch	9,700	1,824	\$45.35	Horseshoe Bay	\$54.54	Round Rock	\$239.29	Granbury	\$824.88
2020	Granbury	9,923	4,463	\$46.48	Lampasas	\$59.50	Fredericksburg	\$264.60	Fredericksburg	\$999.60
2020	Boerne	17,106	6,075	\$50.65	Granbury	\$66.08	Burnet	\$280.00	Burnet	\$1,030.00
2020	San Marcos	63,509	11,754	\$49.02	Boerne	\$78.95	Taylor	\$374.34	Taylor	\$1,410.84
2020	Horseshoe Bay	6,400	3,297	\$54.54	Burnet	\$80.00	Horseshoe Bay	\$432.09	Horseshoe Bay	\$1,690.59
2020	Burnet	7,100	2,341	\$55.00	San Marcos	\$86.92	San Marcos	\$448.37	San Marcos	\$1,585.37
2020	Westlake	1,300	540	\$63.00	Taylor	\$97.94	Boerne	\$509.60	Boerne	\$1,876.10
2020	Taylor	17,167	5,943	\$63.39	Westlake	\$99.75	Westlake	\$688.35	Westlake	\$2,015.85
	Average			\$52.13		\$69.65	Average	\$338.58		\$1,178.58

Table 2 – 2020 Wastewater Rate Comparison  
Source: Texas Municipal League 2020 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
2012	\$2,876,831
2013	\$2,806,975
2014	\$2,525,158
2015	\$2,620,553
2016	\$2,947,336
2017	\$3,128,101
2018	\$3,343,743
2019	\$3,352,500
2020	\$4,586,981
2021	\$5,025,000

Table 3 – Annual amount of water sales



# CITY OF HORSESHOE BAY

## FY 2022 Utility Fund Budget - 01

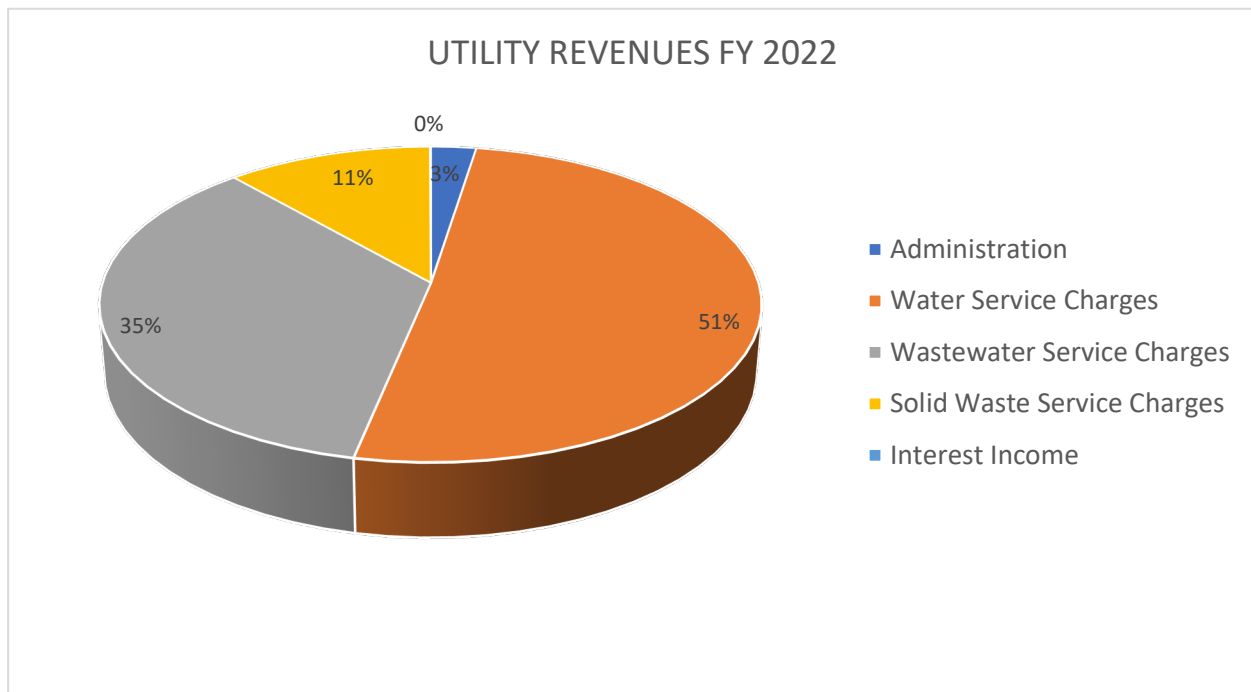
Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>OPERATING REVENUE</b>							
<b>1000</b>	<b>ADMINISTRATION</b>						
40173	Reimbursables-3rd Party Inspections	-	-	10,000	8,000	5,000	-37.5%
40175	Insurance Proceeds	4,321	7,596	6,500	6,500	-	-100.0%
40180	Other Income	11,673	46,395	10,000	1,000	1,000	0.0%
40181	Grant Revenue	-	14,000	-	-	-	0.0%
40182	Sale of Property	-	-	33,000	33,000	2,000	-93.9%
40188	Coronavirus Relief Fund	-	18,000	-	-	-	0.0%
40203	American Rescue Plan Act	-	-	-	498,500	-	-100.0%
40225	PID Revenue - Summit Rock PID	-	44,766	100,000	100,000	100,000	0.0%
40226	Interest Revenue - Summit Rock PID	223,953	181,046	150,000	150,000	150,000	0.0%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>239,947</b>	<b>311,803</b>	<b>309,500</b>	<b>797,000</b>	<b>258,000</b>	<b>-67.6%</b>
<b>1001</b>	<b>WATER - PRODUCTION</b>						
40110	Water District Service Fees	3,628,752	4,329,952	4,305,500	4,100,000	4,486,000	9.4%
40111	Water Non-District Service Fee	181,907	257,031	261,500	270,000	275,500	2.0%
40112	Water Tap Connection Fees	271,371	309,700	290,000	550,000	360,000	-34.5%
40115	Reconnection Fees	6,568	5,700	6,500	6,000	6,500	8.3%
40117	Water & Sewer P & I Service	11,724	18,483	15,000	20,000	20,000	0.0%
40171	CC Convenience Fee	38,334	60,898	62,000	62,000	63,000	1.6%
40178	Other Income - Leases	11,750	11,750	11,750	15,000	15,000	0.0%
40180	Other Income	16,534	1,727	1,000	1,000	1,000	0.0%
40185	Miscellaneous Permits	8	-	-	1,000	1,000	0.0%
40310	Transfer In from General Fund	-	51,443	309,000	298,500	-	-100.0%
<b>Total</b>	<b>WATER - PRODUCTION</b>	<b>4,166,948</b>	<b>5,046,684</b>	<b>5,262,250</b>	<b>5,323,500</b>	<b>5,228,000</b>	<b>-1.8%</b>
<b>2001</b>	<b>WASTEWATER - TREATMENT</b>						
40117	Water & Sewer P & I Service	13,388	15,245	15,500	16,500	16,500	0.0%
40120	Sewer Customer Service Fees	2,280,588	2,653,148	2,659,500	2,684,000	2,737,750	2.0%
40122	Sewer Tap Connection Fees	252,100	261,600	260,000	520,000	308,000	-40.8%
40124	Sewer Service - Cottonwood Shores	146,058	185,425	185,000	185,000	202,000	9.2%
40125	Sewer Service - LCMUD#1	51,236	62,375	60,000	62,000	67,000	8.1%
40127	Grinder Sales	315,658	261,893	290,000	400,000	296,000	-26.0%
40180	Other Income	-	3,400	1,000	1,000	1,000	0.0%
40300	Bond Proceeds	-	6,003,990	-	-	-	0.0%
<b>Total</b>	<b>WASTEWATER - TREATMENT</b>	<b>3,059,028</b>	<b>9,447,076</b>	<b>3,471,000</b>	<b>3,868,500</b>	<b>3,628,250</b>	<b>-6.2%</b>
<b>3001</b>	<b>SOLID WASTE - RECYCLING</b>						
40126	Brush Disposal	12,034	18,797	15,000	22,000	20,000	-9.1%
40130	Garbage Fees - Commercial	129,514	175,353	175,000	165,000	170,500	3.3%
40135	Garbage Fees - Residential	854,673	906,916	927,000	956,750	988,000	3.3%
40180	Other Income	1,507	135	500	500	500	0.0%
<b>Total</b>	<b>SOLID WASTE - RECYCLING</b>	<b>997,728</b>	<b>1,101,201</b>	<b>1,117,500</b>	<b>1,144,250</b>	<b>1,179,000</b>	<b>3.0%</b>



# CITY OF HORSESHOE BAY

## FY 2022 Utility Fund Budget - 01

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
4000	STANDBY						
40140	Standby Customer Service Fees	238	-	250	250	250	0.0%
40142	Penalty & Interest - Standby	439	-	500	500	500	0.0%
<b>Total</b>	<b>STANDBY</b>	<b>677</b>	<b>-</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>0.0%</b>
9900	INTEREST INCOME						
40220	Interest on Investments	7,446	46,666	5,000	5,000	5,000	0.0%
<b>Total</b>	<b>INTEREST INCOME</b>	<b>7,446</b>	<b>46,666</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>0.0%</b>
<b>TOTAL OPERATING REVENUE</b>		<b>8,471,774</b>	<b>15,953,430</b>	<b>10,166,000</b>	<b>11,139,000</b>	<b>10,299,000</b>	<b>-7.5%</b>



# Utility Fund Expenditure Overview

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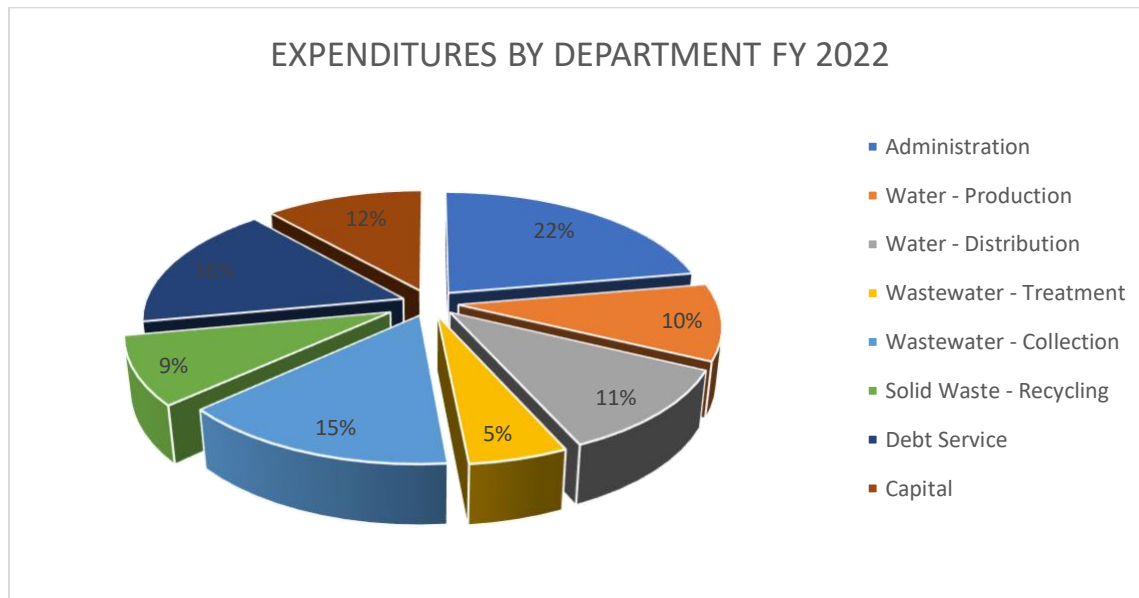
The Utility Fund, also referred to as Community Services, is divided into six departments: Administration, Water – Production, Water – Distribution, Wastewater – Treatment, Wastewater – Collection, and Solid Waste – Recycling.

This budget includes increases in operational department budgets relating to personnel services. All salary expenses are increased by 3% 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.



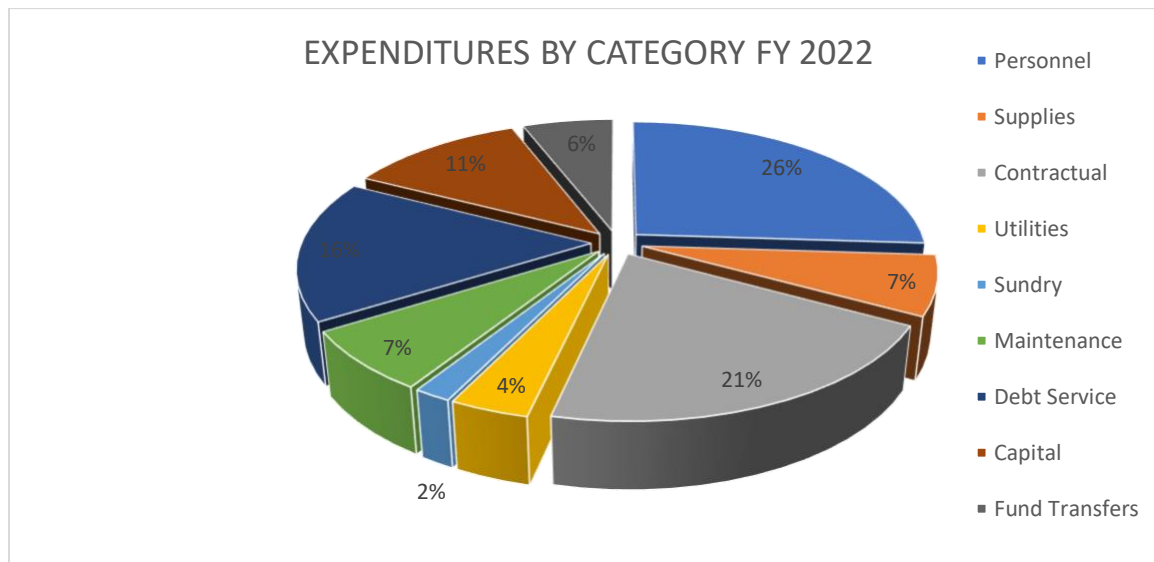
## FY 2022 BUDGET – UTILITY EXPENDITURES BY DEPARTMENT

	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Adopted Budget
<b>BY DEPARTMENT</b>					
Administration	1,907,471	2,128,758	2,199,250	2,130,250	2,315,500
Water - Production	878,394	898,110	1,039,000	1,015,750	1,038,000
Water - Distribution	1,030,756	966,741	1,064,000	1,077,750	1,153,250
Wastewater - Treatment	353,172	447,120	534,250	504,500	540,750
Wastewater - Collection	1,405,840	1,285,142	1,386,500	1,501,500	1,532,750
Solid Waste - Recycling	801,251	858,828	901,500	907,250	918,250
Debt Service	1,327,056	1,628,036	1,433,000	1,434,250	1,713,000
Capital	<u>860,760</u>	<u>5,557,838</u>	<u>2,228,500</u>	<u>2,230,000</u>	<u>1,199,750</u>
<b>TOTAL</b>	<b>8,564,700</b>	<b>13,770,573</b>	<b>10,786,000</b>	<b>10,801,250</b>	<b>10,411,250</b>



## FY 2022 BUDGET – UTILITY EXPENDITURES BY ACCOUNT CATEGORY

BY ACCOUNT CATEGORY	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Adopted Budget
Personnel	2,213,383	2,270,924	2,642,501	2,564,500	2,707,250
Supplies	578,042	563,238	634,500	640,750	721,000
Contractual	1,798,395	1,924,517	2,077,750	2,066,000	2,151,250
Utilities	352,652	319,985	379,500	349,000	384,000
Sundry	162,901	150,363	175,250	175,750	180,750
Maintenance	569,178	606,617	663,000	789,000	736,000
Debt Service	1,327,056	1,628,036	1,433,000	1,434,250	1,713,000
Capital	860,760	5,557,838	2,228,500	2,230,000	1,199,750
Fund Transfers	<u>702,333</u>	<u>749,055</u>	<u>552,000</u>	<u>552,000</u>	<u>618,250</u>
<b>TOTAL</b>	<b>8,564,700</b>	<b>13,770,573</b>	<b>10,786,001</b>	<b>10,801,250</b>	<b>10,411,250</b>



# Community Services

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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.

**Departmental Vision** Continuous innovation towards exceptional services with a focus on long term customer relationships

## **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 2021 Accomplishments**

- Completed the 18-month capital improvements construction phase to expand and rehabilitate the City's Wastewater Treatment Facilities and the replacement of the east effluent pond's synthetic liner.
- Applied for and received FEMA Flood Mitigation Grant to provide flood protection for the City's Drinking water intake pump stations. Began Phase I design.
- Oversight of utility design and construction of Phase II of the new Tuscan Village, Phoenix Center, three new Waters Towers building project and The Parks Subdivisions utilities infrastructure expansion.
- Implemented online WaterSmart Customer Portal System to provide improved customer ability to have access to their hourly water usage and billing history. Sent out leak alerts to all customers.
- Completion of city-wide conversion from manual water meters to Automated Metering Infrastructure (AMI). Launch customer education campaign on Customer WaterSmart Customer Portal system that will provide access and monitoring capabilities for their own individual watering usage data.
- Received approval from TCEQ to install a Copper Ion injections equipment to mitigate Zebra Mussels from entering the drinking water intake infrastructure and treatment facilities. Completed installation of equipment and piping to intakes screens.
- Rehabilitated South Sewer Lift-station pumps, motors, piping and electrical and installed a non – corrosive liner in existing wet well.
- Complete EPA required vulnerability assessment related the American Infrastructure Act.

- Completed upgrade of the water and wastewater plant supervisory control and data management system.

### **FY 2022 Goals**

- Complete EPA required emergency response plan revisions founded by the FY2021 vulnerability assessment related the American Infrastructure Act.
- Continued oversight of utility design and construction of Phase II of the new Tuscan Village, Phoenix Center, three new Waters Towers building project and The Parks Subdivisions utilities infrastructure expansion.
- Rehabilitated Lackawanna Sewer Lift-station pumps, motors, piping and electrical and installed a non –corrosive liner in existing wet well.
- Upgrade the communications network radios and other related systems to have a higher level of capacity and cyber security.
- Continue to advance customer utilization of WaterSmart Customer Portal System through engaging customer base and training.
- Complete FEMA Flood Mitigation Grant Phase I design work. Project for flood protection of the City’s Drinking water intake pump stations. Complete design and all federal and state requirements for construction approval. Prepare for bidding and contract award in FY2023.

### **Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
ADMINISTRATION					
Personnel	459,622	687,163	751,750	747,750	789,750
Supplies	63,400	45,983	70,000	64,000	71,000
Contractual	177,703	186,472	278,250	232,250	276,000
Utilities	352,652	319,985	379,500	349,000	384,000
Sundry	109,818	110,748	118,750	119,250	121,500
Maintenance	41,943	29,352	49,000	66,000	55,000
Fund Transfers	702,333	749,055	552,000	552,000	618,250
<b>TOTAL</b>	<b>1,907,471</b>	<b>2,128,758</b>	<b>2,199,250</b>	<b>2,130,250</b>	<b>2,315,500</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$37,750
- Decreased Professional Services by \$6,250
- Increased Utility Billing Expense by \$1,000
- Decreased Maintenance Contracts by \$2,000
- Increased Electricity by \$7,500
- Added new line item for Impact Fee Study for \$27,000
- Decreased Master Plan Study by \$37,000
- Increased Engineering Fees by \$15,000
- Increased M & R – Building by \$5,000
- Increased M & R – Grounds by \$1,000
- Increased Citi Merchant Fees by \$7,000
- Decreased Other Expense by \$1,000
- Increased Printing & Office Supplies by \$1,000
- Decreased Communications by \$3,000
- Increased Administrative Fees by \$66,250

**Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
WATER PRODUCTION (PLANT)					
Personnel	270,343	302,909	383,500	362,000	362,250
Supplies	183,856	143,469	159,500	158,000	182,000
Contractual	342,485	335,416	352,000	352,000	353,000
Sundry	1,789	1,767	2,000	1,750	1,750
Maintenance	79,921	114,549	142,000	142,000	139,000
<b>TOTAL</b>	<b>878,394</b>	<b>898,110</b>	<b>1,039,000</b>	<b>1,015,750</b>	<b>1,038,000</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Decreased salary and benefit expenses by \$21,250
- Increased Bulk Water Purchases by \$10,000
- Increased Chemicals/Water by \$25,000
- Decreased Lab Expense by \$8,000
- Decreased Fuel & Lubricants Expense by \$1,000
- Decreased M & R – Plant by \$3,000
- Decreased Rent/Lease expense by \$1,000
- Decreased Safety Equipment & Supplies by \$1,500

**Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
WATER DISTRIBUTION (FIELD)					
Personnel	546,323	427,384	511,500	494,500	541,250
Supplies	145,967	174,313	170,000	175,250	187,500
Contractual	272,852	309,637	302,000	327,250	342,000
Sundry	47,539	33,997	52,000	51,750	54,000
Maintenance	<u>18,075</u>	<u>21,410</u>	<u>28,500</u>	<u>29,000</u>	<u>28,500</u>
<b>TOTAL</b>	<b>1,030,756</b>	<b>966,741</b>	<b>1,064,000</b>	<b>1,077,750</b>	<b>1,153,250</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$29,750
- Added full time position for Maintenance Operator (50% of cost)
- Decreased Contract Services by \$2,000
- Increased Contract Services – Taps/New Service by \$32,000
- Increased Contract Services Leak Detect/GPS by \$10,000
- Increased Equipment & Supplies by \$3,000
- Increased M & R Materials – Line by \$5,500
- Increased M & R Materials – WT Tap by \$7,000
- Increased Meter Expense – New Svc by \$2,000
- Increased Safety Equipment & Supplies by \$1,000
- Increased Uniforms by \$1,000

**Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
WASTEWATER TREATMENT (PLANT)					
Personnel	281,332	316,255	378,250	350,000	362,750
Supplies	26,512	26,607	64,000	63,000	82,000
Contractual	20,076	42,672	45,000	44,500	47,000
Sundry	1,180	1,711	1,000	1,000	1,000
Maintenance	<u>24,072</u>	<u>59,875</u>	<u>46,000</u>	<u>46,000</u>	<u>48,000</u>
<b>TOTAL</b>	<b>353,172</b>	<b>447,120</b>	<b>534,250</b>	<b>504,500</b>	<b>540,750</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$15,500
- Increased Chemicals/WW Treatment by \$20,000
- Decreased Contract Services by \$3,000
- Increased M & R – Plant by \$2,000
- Increased Rent/Lease by 5,000
- Decreased Safety Equipment & Supplies by \$1,500

### **Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
WASTEWATER COLLECTION (FIELD)					
Personnel	568,143	444,443	511,500	494,000	540,250
Supplies	158,307	172,866	171,000	180,500	198,500
Contractual	271,648	284,262	305,000	319,000	326,000
Sundry	2,575	2,140	1,500	2,000	2,500
Maintenance	<u>405,167</u>	<u>381,431</u>	<u>397,500</u>	<u>506,000</u>	<u>465,500</u>
<b>TOTAL</b>	<b>1,405,840</b>	<b>1,285,142</b>	<b>1,386,500</b>	<b>1,501,500</b>	<b>1,532,750</b>

### **HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefit expenses by \$28,750
- Added full time position for Maintenance Operator (50% of cost)
- Decreased Contract Services by \$13,000
- Increased Contract Services – Taps/New Services by \$34,500
- Increased Equipment & Supplies by \$6,000
- Decreased M & R – Equipment by \$2,500
- Increased Grinder Purchases by \$65,000
- Increased M & R Materials – GP Tap by \$15,000
- Increased M & R Materials – Line by \$5,000
- Increased Other Expense by \$1,000
- Increased Safety Equipment & Supplies by \$1,000

**Department Summary**

	<b>FY 2019 Final Actuals</b>	<b>FY 2020 Final Actuals</b>	<b>FY 2021 Amended Budget</b>	<b>FY 2021 Projected Actuals</b>	<b>FY 2022 Adopted Budget</b>
SOLID WASTE RECYCLING					
Personnel	87,620	92,770	106,000	116,250	111,000
Contractual	<u>713,631</u>	<u>766,058</u>	<u>795,500</u>	<u>791,000</u>	<u>807,250</u>
<b>TOTAL</b>	<b>801,251</b>	<b>858,828</b>	<b>901,500</b>	<b>907,250</b>	<b>918,250</b>

**HIGHLIGHTS – FY 2022 Adopted Budget Changes from FY 2021 Amended Budget**

- Increased salary and benefits expenses by \$5,000
- Increased Garbage Service – Commercial by \$4,500
- Increased Garbage Service – Residential by \$18,250
- Decreased Recycling Service by \$3,000
- Decreased M & R Brush Site by \$8,000



Vision Statement



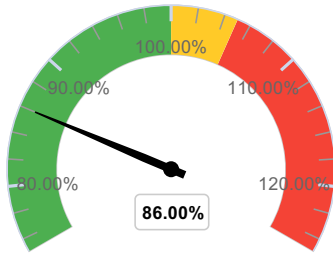
**Our Vision is for continuous innovation towards exceptional services  
with a focus on long term customer relationships.**



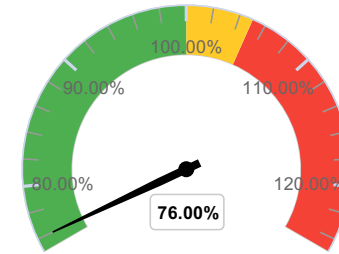
Strategic Alignment

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)	80.00%	93.00%	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%	36.18%	Operation Control Data Analysis
Learning & Growth	Improve utilities employee retention rate	Average years of tenure (Monthly)	5.00	5.54	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 Water Rate as percentage of Regional Average at 10,000 gallons**  
 % of City Water Rate to Regional Average

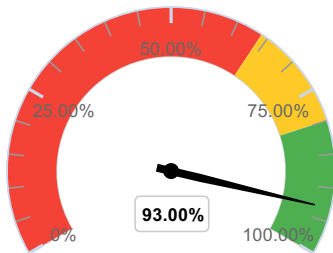


**City Wastewater Rate as a Percentage of Regional Average at 10,000 gallons**  
 % of City Wastewater Rate to Regional Average



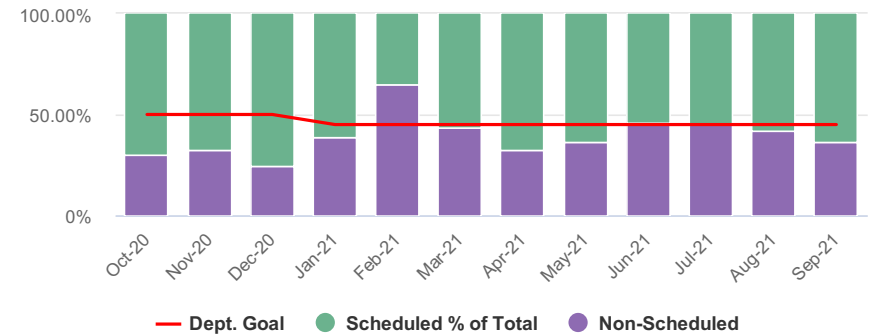
**Average Customer Survey Score (Monthly)**

Score more than a 80% out of a possible 100% on the Average Customer Survey Score (FYTD)



**Emergency Service Orders / Total Service Work Orders**

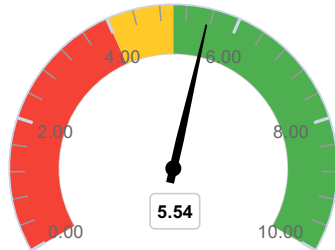
(Emergency Service Orders / Total Utility Service Orders) to be less than 45%





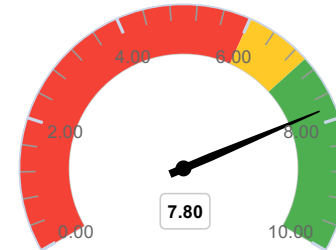
### Average years of tenure; Employee turnover/total employees

Average Employee Tenure Rate



### Employee Engagement and Satisfaction Survey

Score more than a 7 out of a possible 10 on the Average Employee Engagement Survey (Quarterly)





**CITY OF HORSESHOE BAY**  
**FY 2022 Utility Fund Budget - 01**

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>OPERATING EXPENDITURES</b>							
<b>1000</b>	<b>ADMINISTRATION</b>						
50410	Salaries & Wages	343,884	497,175	536,750	537,000	574,500	7.0%
50411	Overtime	6,389	3,911	8,750	8,750	5,000	-42.9%
50415	Employers FICA Expense	24,127	35,634	41,500	41,750	44,750	7.2%
50420	Group Insurance Premiums	50,772	96,192	103,750	101,000	103,500	2.5%
50430	401(A) Money Purchase	20,476	32,162	36,000	36,000	38,000	5.6%
50432	401(A) Match	13,974	22,089	25,000	23,250	24,000	3.2%
50505	Professional Services	40,693	50,177	56,250	56,250	50,000	-11.1%
50512	Utility Billing	27,208	40,901	32,000	33,000	33,000	0.0%
50513	Reimbursable Exp.- 3rd Party Inspect	-	-	10,000	10,000	10,000	0.0%
50545	Maintenance Contracts	35,321	41,718	60,000	58,000	58,000	0.0%
50575	Dues, Fees, & Subscriptions	22,587	18,750	24,000	24,000	24,500	2.1%
50581	Electricity/Recycle Center	951	919	1,000	1,000	1,000	0.0%
50582	Electricity/WW Treatment Plant	125,344	87,722	140,000	110,000	122,000	10.9%
50583	Electricity/West WTP	65,026	70,306	67,000	70,000	80,000	14.3%
50585	Electricity/Field Maintenance Facilities	6,166	5,215	6,500	6,000	7,000	16.7%
50586	Electricity / CWTP	114,311	113,595	120,000	120,000	132,000	10.0%
50587	Impact Fee Study	-	-	-	-	27,000	100.0%
50589	Master Plan Study	-	-	60,000	20,000	23,000	15.0%
50590	Engineering Fees	74,481	53,676	60,000	55,000	75,000	36.4%
50593	Travel, Training, Schools	41,116	26,155	45,000	38,000	45,000	18.4%
50596	Employee Awards Program	309	222	2,750	2,750	3,000	9.1%
50598	Wellness Program	-	2,425	4,500	4,500	4,000	-11.1%
50630	M & R - Building	7,814	10,731	16,000	16,000	21,000	31.3%
50650	M & R - Grounds	34,129	18,621	33,000	50,000	34,000	-32.0%
50753	City Banking Fees	67,309	66,552	71,000	76,000	78,000	2.6%
50765	Other Expense	6,788	12,706	9,000	8,000	8,000	0.0%
50766	Covid-19 Disaster Expenses	-	8,403	4,000	250	-	-100.0%
50775	Postage	317	508	500	500	500	0.0%
50780	Printing & Office Supplies	22,284	19,828	25,000	26,000	26,000	0.0%
50810	Communications	40,854	42,228	45,000	42,000	42,000	0.0%
50825	Uncollectable Accounts	57	84	500	500	500	0.0%
50830	Uniforms	1,385	1,100	2,500	2,750	3,000	9.1%
50840	Administrative Fees	702,333	749,055	552,000	552,000	618,250	12.0%
	Bad Debt Expense	11,067	-	-	-	-	0.0%
<b>Total</b>	<b>ADMINISTRATION</b>	<b>1,907,471</b>	<b>2,128,758</b>	<b>2,199,250</b>	<b>2,130,250</b>	<b>2,315,500</b>	<b>8.7%</b>
<b>1001</b>	<b>WATER - PRODUCTION (PLANT OPERATIONS)</b>						
50410	Salaries Water	179,246	188,920	240,250	228,000	238,250	4.5%
50411	Overtime	20,040	36,640	39,000	39,000	25,000	-35.9%
50415	Employers FICA Expense	14,162	16,539	20,250	19,750	20,500	3.8%
50420	Group Insurance Premiums	37,985	42,716	59,750	54,500	54,500	0.0%
50430	401(A) Money Purchase	11,268	10,344	14,750	12,500	14,500	16.0%
50432	401(A) Match	7,642	7,750	9,500	8,250	9,500	15.2%



**CITY OF HORSESHOE BAY**  
**FY 2022 Utility Fund Budget - 01**

		FY 2019	FY 2020	FY 2021	FY 2021	FY 2022	% Variance
Account Code	Account Title	Final Actuals	Final Actuals	Amended Budget	Projected Actuals	Proposed Budget	from FY21 Projected to FY22
50535	Bulk Water Purchases	297,060	321,865	315,000	321,000	325,000	1.2%
50540	Chemicals / Water	165,559	135,677	135,000	135,000	160,000	18.5%
50548	Contract Services	4,494	-	4,000	4,000	4,000	0.0%
50555	Lab Expense	35,457	13,551	30,000	25,000	22,000	-12.0%
50592	Equipment & Supplies	5,483	2,880	8,500	8,500	8,500	0.0%
50595	Fuel & Lubricants	6,615	4,362	7,500	6,500	6,500	0.0%
50640	M & R - Equipment	8,327	7,513	7,000	7,000	7,000	0.0%
50675	M & R - Plant	67,217	98,608	130,000	130,000	127,000	-2.3%
50685	M & R - Vehicles	4,377	8,428	5,000	5,000	5,000	0.0%
50765	Other Expense	1,790	1,767	2,000	1,750	1,750	0.0%
50785	Rent / Lease	5,474	-	3,000	2,000	2,000	0.0%
50800	Safety Equipment & Supplies	2,508	449	4,500	4,000	3,000	-25.0%
50830	Uniforms	3,691	101	4,000	4,000	4,000	0.0%
<b>Total</b>	<b>WATER - PRODUCTION</b>	<b>878,394</b>	<b>898,110</b>	<b>1,039,000</b>	<b>1,015,750</b>	<b>1,038,000</b>	<b>2.2%</b>
<b>1002</b>	<b>WATER - DISTRIBUTION (FIELD OPERATIONS)</b>						
50410	Salaries Water	351,417	263,913	315,000	287,500	343,000	19.3%
50411	Overtime	45,666	42,324	64,750	64,750	42,000	-35.1%
50415	Employers FICA Expense	27,714	21,433	27,250	27,500	29,750	8.2%
50420	Group Insurance Premiums	87,833	77,815	77,000	86,000	93,000	8.1%
50430	401(A) Money Purchase	18,793	13,640	17,500	18,500	20,500	10.8%
50432	401(A) Match	14,900	8,259	10,000	10,250	13,000	26.8%
50545	Maintenance Contracts	-	15,467	18,000	16,250	18,000	10.8%
50548	Contract Services	11,662	10,598	14,000	14,000	12,000	-14.3%
50549	Contract Services - Taps/New Service	241,716	259,135	243,000	275,000	275,000	0.0%
50550	Contract Serv-Leak Detect/GPS	-	18,804	7,000	7,000	17,000	142.9%
50592	Equipment & Supplies	19,510	20,503	25,000	27,000	28,000	3.7%
50595	Fuel & Lubricants	12,727	9,961	16,000	12,500	16,000	28.0%
50640	M & R - Equipment	9,619	13,446	16,500	16,000	16,000	0.0%
50685	M & R - Vehicles	8,456	7,964	12,000	13,000	12,500	-3.8%
50725	M & R Materials - Line	44,396	56,898	52,000	52,000	57,500	10.6%
50726	Street Repair - Paving	19,474	5,633	20,000	15,000	20,000	33.3%
50730	M & R Materials - WT Tap	58,458	74,996	68,000	74,000	75,000	1.4%
50755	Meter Expense - New Svc	39,370	31,010	48,000	48,000	50,000	4.2%
50765	Other Expense	3,747	2,326	2,500	2,500	2,500	0.0%
50785	Rent / Lease	4,422	660	1,500	1,250	1,500	20.0%
50800	Safety Equipment & Supplies	4,321	4,214	4,500	4,500	5,500	22.2%
50830	Uniforms	6,555	7,741	4,500	5,250	5,500	4.8%
<b>Total</b>	<b>WATER - DISTRIBUTION</b>	<b>1,030,756</b>	<b>966,741</b>	<b>1,064,000</b>	<b>1,077,750</b>	<b>1,153,250</b>	<b>7.0%</b>
<b>2001</b>	<b>WASTEWATER - TREATMENT (PLANT OPERATIONS)</b>						
50410	Salaries Sewer	186,562	197,360	240,250	228,000	238,250	4.5%
50411	Overtime	20,858	38,135	35,000	27,000	26,000	-3.7%
50415	Employers FICA Expense	14,741	17,264	21,250	20,000	20,000	0.0%
50420	Group Insurance Premiums	39,489	44,630	57,500	54,500	54,500	0.0%
50430	401(A) Money Purchase	11,728	10,798	14,750	12,750	14,500	13.7%



# CITY OF HORSESHOE BAY

## FY 2022 Utility Fund Budget - 01

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
50432	401(A) Match	7,954	8,068	9,500	7,750	9,500	22.6%
50543	Chemicals / WW Treatment	11,074	16,911	40,000	40,000	60,000	50.0%
50548	Contract Services	950	7,040	8,000	7,500	5,000	-33.3%
50555	Lab Expense	8,274	16,138	12,000	12,000	12,000	0.0%
50592	Equipment & Supplies	4,295	2,222	8,500	8,500	8,000	-5.9%
50595	Fuel & Lubricants	5,993	6,118	8,000	7,000	8,000	14.3%
50640	M & R - Equipment	4,672	8,004	6,000	6,000	6,000	0.0%
50675	M & R - Plant	17,146	43,436	35,000	35,000	37,000	5.7%
50685	M & R - Vehicles	2,254	8,435	5,000	5,000	5,000	0.0%
50742	Bio Solids - Compost	-	19,494	22,000	22,000	22,000	0.0%
50765	Other Expense	1,180	1,713	1,000	1,000	1,000	0.0%
50785	Rent / Lease	10,852	-	3,000	3,000	8,000	166.7%
50800	Safety Equipment & Supplies	2,042	279	4,000	4,000	2,500	-37.5%
50830	Uniforms	3,108	1,077	3,500	3,500	3,500	0.0%
<b>Total</b>	<b>WASTEWATER - TREATMENT</b>	<b>353,172</b>	<b>447,120</b>	<b>534,250</b>	<b>504,500</b>	<b>540,750</b>	<b>7.2%</b>
<b>2002</b>	<b>WASTEWATER - COLLECTION (FIELD OPERATIONS)</b>						
50410	Salaries Sewer	365,761	274,382	315,000	287,500	343,000	19.3%
50411	Overtime	47,536	44,006	64,250	64,250	41,000	-36.2%
50415	Employers FICA Expense	28,849	22,297	27,250	27,500	29,750	8.2%
50420	Group Insurance Premiums	90,925	80,978	79,000	86,000	93,000	8.1%
50430	401(A) Money Purchase	19,562	14,190	16,000	18,500	20,500	10.8%
50432	401(A) Match	15,510	8,590	10,000	10,250	13,000	26.8%
50542	Chemicals/Collection System	10,787	14,467	13,500	13,500	13,500	0.0%
50548	Contract Services	-	3,330	25,000	25,000	12,000	-52.0%
50549	Contract Services - Taps/New Service	247,752	259,135	240,500	270,000	275,000	1.9%
50550	Contract Serv-Leak Detect/GPS	-	15,504	17,500	7,500	17,000	126.7%
50592	Equipment & Supplies	20,251	22,134	22,000	26,500	28,000	5.7%
50595	Fuel & Lubricants	13,124	10,579	16,000	15,000	16,000	6.7%
50640	M & R - Equipment	12,223	13,447	18,500	15,000	16,000	6.7%
50645	M & R - Grinder Pump	120,307	123,214	120,000	120,000	125,000	4.2%
50646	Grinder Purchases	234,381	195,920	215,000	325,000	280,000	-13.8%
50670	M & R - Lift Station	30,045	40,963	32,000	32,000	32,000	0.0%
50685	M & R - Vehicles	8,211	7,887	12,000	14,000	12,500	-10.7%
50715	M & R Materials - GP Tap	63,911	80,917	70,000	75,000	85,000	13.3%
50725	M & R Materials - Line	39,787	32,876	40,000	40,000	45,000	12.5%
50726	Street Repair - Paving	19,474	5,633	20,000	15,000	20,000	33.3%
50765	Other Expense	2,576	2,139	1,500	2,000	2,500	25.0%
50785	Rent / Lease	4,422	660	2,000	1,500	2,000	33.3%
50800	Safety Equipment & Supplies	3,966	4,214	4,500	5,000	5,500	10.0%
50830	Uniforms	6,481	7,679	5,000	5,500	5,500	0.0%
<b>Total</b>	<b>WASTEWATER - COLLECTION</b>	<b>1,405,840</b>	<b>1,285,142</b>	<b>1,386,500</b>	<b>1,501,500</b>	<b>1,532,750</b>	<b>2.1%</b>



**CITY OF HORSESHOE BAY**  
**FY 2022 Utility Fund Budget - 01**

Account Code	Account Title	FY 2019 Final Actuals	FY 2020 Final Actuals	FY 2021 Amended Budget	FY 2021 Projected Actuals	FY 2022 Proposed Budget	% Variance from FY21 Projected to FY22
<b>3001</b>	<b>SOLID WASTE - RECYCLING</b>						
50410	Salaries - Monitor	64,387	67,995	78,000	87,000	82,000	-5.7%
50411	Overtime	776	158	1,000	1,000	1,000	0.0%
50415	Employers FICA Expense	4,430	4,668	6,000	6,750	6,500	-3.7%
50420	Group Insurance Premiums	14,202	15,826	16,500	16,750	16,750	0.0%
50430	401(A) Money Purchase	3,010	3,255	3,500	3,750	3,750	0.0%
50432	401(A) Match	815	868	1,000	1,000	1,000	0.0%
50599	Compactor Service	9,100	9,750	11,500	11,000	11,500	4.5%
50600	Garbage Service - Commercial	99,602	127,609	121,500	122,000	126,000	3.3%
50605	Garbage Service - Residential	565,736	595,810	611,000	611,000	629,250	3.0%
50606	Recycling Service	20,050	17,850	20,500	17,000	17,500	2.9%
50676	M & R Brush Site	19,144	15,039	26,000	28,000	18,000	-35.7%
50785	Rent / Lease	-	-	5,000	2,000	5,000	150.0%
<b>Total</b>	<b>SOLID WASTE - RECYCLING</b>	<b>801,251</b>	<b>858,828</b>	<b>901,500</b>	<b>907,250</b>	<b>918,250</b>	<b>1.2%</b>
<b>9994</b>	<b>DEBT SERVICE</b>						
50515	Debt Service - Principal Series 2007	380,000	395,000	415,000	415,000	430,000	3.6%
50516	Debt Service - Interest Series 2007	163,418	148,066	132,000	132,000	115,500	-12.5%
50518	Debt Service Interest-Series 2011	85,153	41,420	-	-	-	0.0%
50520	Debt Service Principal - Series 2011	185,000	190,000	-	-	-	0.0%
50521	Debt Service Interest-Series 2014	128,685	125,935	122,750	122,750	120,000	-2.2%
50522	Debt Service Principal - Series 2014	135,200	140,000	145,000	145,000	150,000	3.4%
50523	Debt Service Interest-Series 2016	89,400	86,200	82,750	82,750	77,750	-6.0%
50524	Debt Service Principal - Series 2016	160,200	165,000	165,000	165,000	170,000	3.0%
50527	Debt Service Principal - Series 2019	-	-	-	-	250,000	100.0%
50528	Debt Service Interest - Series 2019	-	121,232	156,750	156,750	157,000	0.2%
50529	Debt Service Principal - Series 2020	-	-	175,000	175,000	180,000	2.9%
50530	Debt Service Interest - Series 2020	-	29,281	38,750	38,750	61,500	58.7%
50533	Bond Agent Fees	-	400	-	1,250	1,250	0.0%
50534	2020 Series Bond Issuance Cost	-	49,530	-	-	-	0.0%
50536	2019 Series Bond Issuance Cost	-	135,972	-	-	-	0.0%
<b>Total</b>	<b>DEBT SERVICE</b>	<b>1,327,056</b>	<b>1,628,036</b>	<b>1,433,000</b>	<b>1,434,250</b>	<b>1,713,000</b>	<b>19.4%</b>
<b>TOTAL OPERATING EXPENDITURES</b>		<b>7,703,940</b>	<b>8,212,735</b>	<b>8,557,500</b>	<b>8,571,250</b>	<b>9,211,500</b>	<b>7.5%</b>



**CITY OF HORSESHOE BAY**  
**FY 2022 Utility Fund Budget - 01**

<b>Account Code</b>		<b>FY 2021 Projected Actual</b>	<b>FY 2022 Proposed Budget</b>
<b>FY 2021 ROUTINE CAPITAL PURCHASES/PROJECTS</b>			
50955-218	CWTP and West SCADA System Upgrade	150,000	
50955-217	Clarifier for Central Water Treatment Plant	15,000	
50955-219	Mixer for Central Plant	22,000	
50955-220	Water Quality Auto Flushing Devices	10,000	
50955-999	Emergency Equipment Replacement	85,000	
50956-118	Replace Service Trucks (3)	113,750	
50955-221	Valve Out Flange Spreader	7,250	
50955-112	Ditch Witch	10,500	
50959-222	Alarm System for Central Water Plant	17,500	
50968-082	South Lift Station Rehabilitation	97,000	
50955-023	Water Meter Replacement & AMI System Upgrade	181,500	
50959-223	Fencing	43,500	
<b>TOTAL ROUTINE CAPITAL PURCHASES/PROJECTS</b>		<b>\$ 753,000</b>	
<b>FY 2021 MAJOR CAPITAL PROJECTS</b>			
50968-095	Wastewater Reclamation Plant Expansion	1,325,000	
50968-119	Zebra Mussel Treatment	152,000	
<b>TOTAL MAJOR CAPITAL PROJECTS</b>		<b>\$ 1,477,000</b>	
<b>FY 2022 ROUTINE CAPITAL PURCHASES/PROJECTS</b>			
50955-300	Safety Equipment		25,000
50955-301	Water Quality Auto Flushing Devices		8,000
50955-302	Emergency Backup Motor Slickrock Lift Station		60,000
50955-023	Water Meter Replacement & AMI System Upgrade		45,000
50956-118	Replace Service Trucks (2)		80,000
50957-303	Computer/Tablet/Printers Replacement		45,000
50959-304	Covered Pole Barn Repairs		25,000
50959-305	Expansion of Field Office		15,000
50969-306	Mainline Extensions/Upgrades		30,000
50969-307	Replace Fire Hydrant Program		25,000
50969-308	Transfer Switch for Central Raw Generator		10,000
50969-309	WWTP Emergency Backup Pump		56,000
50969-310	Emergency Generator for West WTP		160,750
50969-311	Emergency Generator for Raw Water Intake West WTP		100,000
<b>TOTAL ROUTINE CAPITAL PURCHASES/PROJECTS</b>			<b>\$ 684,750</b>
<b>FY 2022 MAJOR CAPITAL PROJECTS</b>			
50959-312	Road Project at WWTP		90,000
50968-313	Lackawanna Lift Station Rehab		125,000
50968-314	Pond Liner - WWTP		300,000
<b>TOTAL MAJOR CAPITAL PROJECTS</b>			<b>\$ 515,000</b>
<b>TOTAL CAPITAL PROJECTS</b>		<b><u>\$ 2,230,000</u></b>	<b><u>\$ 1,199,750</u></b>



# 5-Year Capital Improvement Plan

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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 2021, 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 2021 through FY 2025.

## Impact on Operating Budget

There are 3 major capital projects that impact the utility budget in FY 2022 outlined below.

The road rehabilitation project at the recycle center, is proposed to improve site safety conditions for residents utilizing the brush recycling site. This project is estimated to be completed in spring of calendar year 2022.

The Wastewater Treatment Plant effluent pond liner project is budgeted for FY 2022 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 Lakawanna lift station rehabilitation capital project is budgeted for FY 2022, its primary purpose is to replace end of service life pump systems, and wet well coatings with newer more efficient products as the current lift station components have reached the end of their effective service life. This project has an estimated completion time of early summer for calendar year 2022. The improved lift station will provide more effective pumping, and reduced odor concerns for nearby residents.

**5 YEAR CAPITAL IMPROVEMENT/NEEDS ASSESSMENT PLAN  
FY 2022- FY 2026**

<b>GENERAL FUND</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Emergency Equipment Replacement - Admin	20,000	20,000	20,000	20,000	20,000
Laser Fiche Software	34,000				
Replacement Vehicles - Police (1 in FY22)	60,000	47,500	95,000	95,000	142,500
Radar Trailer - Police	10,500	-	-	8,500	-
Replace Patrol/Fire Rescue Boat - Police & Fire	-	140,000	-	-	-
Storage Building - Public Works	95,000	-	-	-	-
Replace Large Format Scanner - Development Service	-	10,000	-	-	-
Vehicle Replacement - Development Service	34,000	50,000			
Computers/Technology Upgrades - Development Service	-	-	7,000	-	-
Brush Truck Replacement (2)- Fire Dept	85,000	85,000	85,000	85,000	85,000
Vehicle Replacement - Fire Dept	-	85,000	-	-	-
Rescue Tool Replacement - Fire Dept	-	-	80,000	-	-
Replace Reserve Engine 13 - Fire Dept	-	-	-	715,000	-
<b>TOTAL ANNUAL CIP REQUIREMENTS</b>	<b>\$ 338,500</b>	<b>\$ 437,500</b>	<b>\$ 287,000</b>	<b>\$ 923,500</b>	<b>\$ 247,500</b>

<b>UTILITY FUND</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b><u>Routine Capital Purchases &amp; Projects:</u></b>					
Water Meter Replacement Program	45,000	60,000	100,000	125,000	125,000
Vehicle Replacement (2 in FY22)	80,000	120,000	75,000	90,000	95,000
Maintenance Technician Truck	-	111,000			
Heavy Equipment Replacement	-	-	105,000	-	60,000
Transfer Switch for Central Raw Generator	10,000	-	-	-	-
WWTP Emergency Backup Pump	56,000	-	-	-	-
Clarifier Rehabilitation	-	60,000	-	60,000	-
Emergency Generator for West WTP	160,750	-	-	-	-
Emergency Generator for Raw Water Intake West WTP	100,000	-	-	-	-
Sludge Pump & Motor - Central Decant Ponds	-	-	9,000	-	-
Computer/Tablet/ Printers Replacement	45,000	-	25,000	-	-
Safety Equipment	25,000	8,000	-	-	-
Water Quality Auto Flushing Devices (2 every year)	8,000	8,000	8,000	8,000	8,000
Mainline Extensions/Upgrades	30,000	50,000	85,000	120,000	30,000
Replace Obsolete Grinder Systems - 35 Units	-	60,000	60,000	60,000	60,000
Replace Fire Hydrant Program	25,000	30,000	35,000	40,000	45,000
Valve Replacement Program	-	25,000	30,000	35,000	40,000
Covered Pole Barn Repairs for Equipment & Vehicles	25,000	-	-	-	-
Expansion of Field Office	15,000	-	-	-	-
Expansion of Warehouse	-	500,000	-	-	-
Expansion for Office of Plant Maintenance Tech	-	50,000			
Security System	-	50,000	-	-	-
Vac System	-	-	-	-	60,000
Emergency Backup Motor Slickrock Lift Station	60,000	-	-	60,000	-
Backhoe	-	-	-	140,000	-
<b>Total Routine Capital Purchases &amp; Projects:</b>	<b>684,750</b>	<b>1,132,000</b>	<b>532,000</b>	<b>738,000</b>	<b>523,000</b>

<b>UTILITY FUND</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b><u>Major Capital Purchases &amp; Projects:</u></b>					
Road Project at WWTP	90,000				
Pond Liner - WWTP	300,000	-	-	-	-
Summit Rock Lift Station	-	-	650,000	-	-
Lakawanna Lift Station Rehabilitation	125,000	-	-	-	-
Blister Gold Lift Station Rehabilitation	-	110,000	-	-	-
Trails Lift Station Rehabilitation	-	-	120,000		
Water Storage Tanks (3 tanks & 1 elevated) Rehabilitation	-	155,000	500,000	300,000	300,000
<b>Total Major Capital Purchases &amp; Projects:</b>	<b>515,000</b>	<b>265,000</b>	<b>1,270,000</b>	<b>300,000</b>	<b>300,000</b>
<b>TOTAL ANNUAL CIP REQUIREMENTS</b>	<b>\$ 1,199,750</b>	<b>\$ 1,397,000</b>	<b>\$ 1,802,000</b>	<b>\$ 1,038,000</b>	<b>\$ 823,000</b>

<b>CAPITAL PROJECTS FUND</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
Sealcoating Projects	-	-	750,000	750,000	900,000
Street Upgrades	900,000	-	-	-	-
Internet Infrastructure	250,000	-	-	-	-
<b>TOTAL ANNUAL CIP REQUIREMENTS</b>	<b>\$ 1,150,000</b>	<b>\$ -</b>	<b>\$ 750,000</b>	<b>\$ 750,000</b>	<b>\$ 900,000</b>

# Budget Glossary

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**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:**

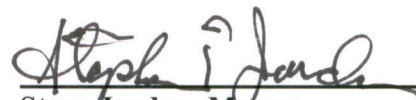
The City Council requires that all projected annual budgets for General Fund result in a cash flow reserve equal to the greater of \$2,500,000 or three months of total operating expense, plus debt service reserves as required by debt indentures.

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 15<sup>th</sup> 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. 2021-33**

**ADOPTING THE FY 2022 BUDGET**

**AN ORDINANCE ADOPTING A BUDGET FOR THE FISCAL YEAR BEGINNING 10-1-2021 AND ENDING 9-30-2022 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 20, 2021; 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 24, 2021; and

**WHEREAS**, the Mayor conducted the Public Hearing on the Proposed Budget on September 21, 2021; and

**WHEREAS**, the Final Budget for FY 2022 reflects more property tax revenue compared to the Final Budget for FY 2021; and

**WHEREAS**, the total City proposed property tax rate for FY 2022 is \$0.27000 per \$100 valuation. The following are data related to the tax rate for FY 2022: Adopted rate - \$0.27000; No new revenue tax rate - \$0.24830; Voter-approval tax rate - \$0.26739; Maintenance and operations tax rate - \$0.20727; and debt rate - \$0.04103.

**WHEREAS**, the total amount of City Certificates of Obligation secured by property taxes aggregated \$11,600,000 at September 21, 2021.

**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, 2021 and ending September 30, 2022 is hereby approved and adopted, thereby providing in summary for the following:

**I.**

**All Funds Revenues**

\$10,857,500	General Fund ad valorem maintenance and operations tax levy and other revenues
\$10,299,000	Utility Fund estimated water, wastewater, and solid waste service fees, other revenues
\$ 500	Capital Projects Fund proceeds from bond series 2020
\$ 1,057,750	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
<b>\$22,223,250</b>	<b>Total All Funds Revenues</b>

**All Funds Expenditures**

\$10,301,750	General Fund estimated total maintenance and operations and capital
\$10,411,250	Utility Fund estimated operations, debt service, capital, and major projects expenditures
\$ 1,150,000	Capital Projects Fund estimated street improvements expenditures
\$ 1,061,750	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
<b>\$22,932,250</b>	<b>Total All Funds Expenditures</b>

A copy of the FY 2022 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 FY22 will be 100 full-time employees and 3 part-time employees. They are broken down as follows: 30 full-time and 2 part-time in Utility Services; 23 Police Dept.; 23 Fire Dept.; 7 Development Services/Code Enforcement; 7 Finance Dept.; 1 full-time and 1 part-time in Animal Control; 2 Public Works; 2 Technology Services; and 5 City Manager's Office.

### III.

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

### IV.

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

### V.

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.

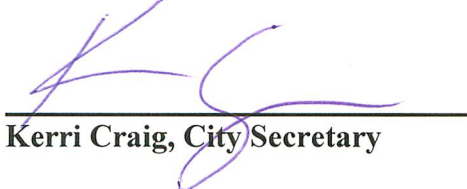
**ADOPTED AND APPROVED** on this 21<sup>st</sup> day of September 2021.

**CITY OF HORSESHOE BAY, TEXAS**



**Cynthia Clinesmith, Mayor**

**ATTEST:**

  
**Kerri Craig, City Secretary**

**CITY OF HORSESHOE BAY**

**ORDINANCE NO. 2021-34**

**ORDINANCE ADOPTING 2021 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 2021 - 2022; 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 21, 2021; 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, \$0.22897 on each One Hundred Dollars (\$100) valuation of property, and
- (2) For the Interest and Sinking Fund, \$0.04103 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 10.46 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$21.70.**

**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 2021-2022, 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, 2021 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 21<sup>st</sup> day of September 2021.

**CITY OF HORSESHOE BAY, TEXAS**



**Cynthia Clinesmith, Mayor**

**ATTEST:**

  
**Kerri Craig, City Secretary**

