

Frequently Asked Questions

1. With all the growth, why aren't my taxes being lowered?

The growth and increased valuations of property the last year certainly generated some additional funds. Here are the factors considered:

- a. **The pendulum swings** (as it always has) and in years when the city does have additional funds, the city takes advantage of the opportunity to attend to Capital Project needs. This year, the additional funds allowed for the use of municipal bonds to add a **\$2.8 million dollar water line upgrade** from the Central water zone high storage to Summit Rock to increase the dependability and capacity of flow for HSB West for increasingly high irrigation demand and related pressure challenges. This approach ensures future users will also pay for this line **AND any new development on Hwy 71 will pay an impact fee to offset much of the cost**. This bond also includes 1.5 miles of new roads and completes the West Fire Station upgrade. The bond will be less than the equivalence of .02 of the .267 tax.
- b. **Our tax rate is among the lowest in the entire region** (half of the tax rate of Marble Falls which is about the same size geographically and in population), especially given that HSBay does not have the commercial sales tax comparable to others. **A \$500K home (the average) pays about \$112 a month in city taxes- essentially less than \$5 a day** (twice that for \$1million home). For that amount, citizens each receive 24/7 stellar police, fire, and utility service. The city has exceptional roads and annual resurfacing, code enforcement, public works, lot management, and multi-million-dollar water and wastewater facilities. There is essential support work (payroll/ benefit for staff, accounts payable and budget oversight, public information requests/ legislative services, municipal court, IT cyber-security, city website, communications and general facility care.

A reduction in taxes of 2 cents (from .27 to .25) would save a \$500K home owner about \$8 a month. Instead, by putting this money to work on forward thinking projects, the city can invest in high need infrastructure for the future while spreading the cost out to new residents over the years and through impact fees to developers.

- c. Maintaining a stable low tax rate, **the staff can plan 5-10, even 20 years out to ensure high standards are maintained**. By taking advantage of revenue+ years – and holding firm in lean years (and the city has had many, many), consistent services are provided at rates residents can count on. It also allows the city to 'get ahead' on major capital purchases, leveraging AA+ credit rating to meet inflated costs. For example, **many of the capital costs doubled in the past year** (tripled in road

materials, fuel, replacement parts). This year council was able to contract for a new fire engine that will be needed in the future (it takes 3 years to deliver) – and the city is able to begin an ‘equipment savings fund’ so that by the time the \$1.2 million engine is delivered, the city will have half of it /saved paid for – and can assign the remaining costs to new residents to share in the expense over time. By pre-ordering now, the city received a \$50K rebate on overall cost.

As large projects are accomplished, the trend toward somewhat lowered taxes is likely – but they will never be zero. To retain quality service providers (whose salary/benefits account for 80% of the maintenance and operation budget), and to continue excellent streets, equipment for 1st responders, and effective **management of all city operations - a cost less than many pay for a cup of coffee a day.**

2. Why can't the city just put a moratorium on growth?

A moratorium is not legal without cause (Texas Public Law 212.133) and even then, it is temporary with an expectation the city rectifies the cause. The city would be requiring people to pay taxes for land that the city is denying use without any reason other than the city just doesn't want to grow. There has to be a verified health/safety /danger to community resources to warrant forbidding people to build on their property. Our city cannot say it does not have capacity to meet needs for water, utilities, emergency services. Early on there were a couple of properties (actually ‘reserve’ resort spaces) called ‘in moratorium’ but these were not literal moratorium with denial of services/right to build.

HSBay has thousands of lot owners who have been paying annual taxes and POA fees with the anticipation of one day moving here/building just as all current citizens did. To tell them they cannot build on their own property would essentially be a “taking of their property”. The state would not approve this action. **But as importantly it is unethical....and a gross government manipulation.** The city certainly could not put a moratorium on development on Hwy 71 since those properties are not in our city limits and the city has no authority over development there until the city annexes them.

The city intentionally put development agreements in place along Hwy 71 to protect our borders when the city realized more growth was moving our way – especially the expansion of rock quarries all along Hwy 71. The city respected ranches wanting to be left alone, so the agreement is the city does not annex them unless the property chooses to develop.

The city could opt to not annex these when they decide to develop, but then **the city would have no control over what is developed there** (high density housing/mobile home parks, rock crushing plant, strip centers, apartments). They would still be able to our get water rights (from Marble Falls, LCRA, or their own MUD formation). They would draw from the same river source HSBay uses but without our restrictions – paying Marble Falls instead of HSBay for their water. The county ensures fire/police protection (without them having to pay city taxes) in these areas so these properties would welcome not having to be annexed,

have no restrictions on what they build, and not have to pay for city services (as the well as avoid the impact fees the city requires). Growth in these areas would still impact our city with the fallout of traffic, uncontrolled development, and lack of the greenspace/image corridor HSBay requires for development. That was the point of putting in the control factors of development agreements for our border protection.

3. Then if people have a right to build, how does the city protect our water supply?

The fear that the city is at risk in its water capacity is unfounded, except with regard to the broader issue of the overall Colorado River basin which is a source to all communities from west Texas down to the Coastal areas. All HSBay can do is manage our 'straw in the pond' and secure our city water rights - and advocate with LCRA to protect the main water source.

Keep in mind that for HSBay, over 70% of our water usage is for landscape/irrigation. The effort to conserve water will always need to focus on changing our irrigation patterns – less 'lawns', more native plants or at least drought tolerant grass. While the city respects residents' desire to protect landscape investments, a Texas hill country community does not lend itself to large grassy spaces requiring tons of water in hot Texas summers. The standards for new development will reduce the irrigation space so that less water is used unnecessarily. As of now, **the city uses just 55% of its LCRA contracted water allocation, with 70% of that usage for landscape/irrigation.** If all residents reduced their irrigation consumption by half through native planting/drought tolerant grasses, our usage would be <1/3 of our available water supply. Our focus for water availability has to be with LCRA to take actions to ensure our actual supply – the Lower Colorado river – is managed.

The reality is that even in just **HSBay West, only 30% of the lots owned have been developed.** This planned development assumed all lots would one day be developed...so the infrastructure was installed (now > 40 years old). Homeowners are encouraged to buy adjoining lots to allow for greenspace/less congestion, but also because it limits growth overall. Some lots are not 'build friendly' which helps, but the decision to build is still legally at owner discretion.

In the interim, **the city has put plans in place to use the best water conservation strategies** feasible. Since 2011, the City has provided free irrigation system audits, encouraged WaterSmart meter technology - (www.horseshoe-bay-tx.gov/718/WaterSmart) to provide customers with the ability to follow their usage, much like a "speedometer", so a resident can help manage usage and do their part in ensuring a long-term water supply. In 2016, the city committed to constant Stage 2 conservation levels (2x a week watering) and advocated successfully with LCRA to require new contracts with other cities/entities drawing from our river source must include similar water conservation approaches. The city has put in justifiable building restrictions, limited speculative building, and has a city-wide drainage study underway to ensure the city avoid flooding and redirect water flow back to Lake LBJ. The new water line expansion project this year will also address constant small leaks that are losing water into the rock fractures below...and other upgrades are increasing water use efficiency.

Our frustration and real challenge is with the many other cities/county communities drawing from the same river without limitations. Our formation of a Hill Country Leadership

Coalition/HCLC brings together mayors, county judges/commissioners, and industry leaders to share solutions for multiple common challenges – the protection of the Colorado River water source will be a high priority. But the city is also looking at ways to collaborate with areas to the south with large water source access potential as backup/alternatives for the future.

4. We talk about water, but how secure is our electricity?

The city obtains electrical power from the PEC (Pedernales Electrical Company). We have a solid connection with PEC, but it is ultimately dependent upon the ERCOT (state electrical grid).

After the black out during the snowpocalypse in 2021, the city took advantage of federal rescue funds to purchase two generators to immediately shift our power in case of another shutdown. This \$500K purchase did not use local tax payer dollars, and has already been put to the test. On two occasions, the utility team has shifted to the generators (even as recently as last month when the PEC ‘rolled’ power off our grid). The seamless transition worked fully.

(Note: **Remember to be thankful** to our utility team who during 2021, moved quickly in freezing weather to literally hand pump our water system to restore pressure/access as we unexpectedly lost power AND experienced a critical component break that required a parts replacement.)

We respect our PEC provider and rely on prompt, clear communication, but **have put in our own self-sustaining back up plan**. To be prepared in case of surprise outages, the city is investing in technology to automatically signal a power depression – and shift to generator power. The city manager also ensured that our primary needs, the water/wastewater plants are now part of the “do not touch”/protected facilities to be last in a shutdown (similar to hospitals, emergency resources). This ensures that future rolling outages would put our most critical infrastructure as last resort reduction in power. By then our generators will have taken over.

We are fortunate our community responds quickly to alerts to reduce usage so in extreme events, our generators can sustain us until power is restored.

5. How can the city control the spread of growth onto Hwy 71 and the traffic impact?

This is an area where the mayor/council and its relationship with the HCLC and industry leaders such as TxDot is critical. **The city team has worked hard to establish a solid relationship with TxDot in their long-range planning**. It takes years to get onto the state budget/decision making for master planned traffic controls as the city competes with demands from large cities (such as Houston, Dallas), interstate highway needs, and rural crumbling roads/bridges. Getting them to see the urgency of our potential growth on Hwy 71 comes only through those relationships.

Showing them that the city is making every effort to reduce traffic on their highways by increasing ways for residents to move internally throughout the community via alternate paths is one good faith effort to do what the city can within our control.

It has taken three years to arrive at a collaborative plan with TxDot, Burnet County, Cottonwood Shores ETJ, ranch owners, and the City of Marble Falls that now has promise to address concerns of traffic potential from the Wirtz Dam Bridge project. The city sees the desire to defuse traffic on Hwy 281 in Marble Falls as a real need, but knows that the answer cannot

be to redirect traffic through Horseshoe Bay. It appears that our concerns have finally demonstrated the safety/emergency response challenge on Hwy 2147 if the anticipated thousands of daily cars were to diverge onto this two-lane road. Commercial developers along Hwy 281 have stepped into the conversation as potential partners as they see the financial benefit of moving bridge traffic across Hwy 2147 to Hwy 281. It will also allow for greater hospital access for those crossing the Wirtz Dam bridge from Hwy 1431 communities.

Fortunately, the city joined the conversation (with TxDot, CAPCOG and county officials) several years ago as they forecasted the intersection of Hwy 281 and 71 as fast growth areas so the city does have a head start. **The push will be to use the relationship influence (and the HCLC) to leverage action, using data** showing the drastic anticipated increase of through-truck traffic, commercial traffic, and residential cars from the thousands of new homes being built in the Marble Falls Hwy 281 corridor. While the addition of a full center turn-lane along with deceleration lanes will be priorities, the city will seek a strategic plan to address all traffic management options along Hwy 71. The city does not own Hwy 71 nor Hwy 2147 so any work requires TxDot collaboration – and the city will need to partner with Marble Falls, Spicewood, and the Mayor in Double Horn (which also formed a city to forestall rock quarries and uncontrolled growth as the city did with our ETJ). But already having a seat at the table helps.

Internally, **the city verified TxDot put in place requirements that any new development (such as Monarch Ridge and Silver Rock) will install turn lanes off Hwy 71 at their own cost.** This would be true for any new developments in our ETJ. The city cannot stop property rights growth, but the city can proactively manage it. Already the city sees the new building permits in our community returning to earlier pace levels (based on number of utility hookups approved). The ‘gold rush’ of 2022 (for all of Central Texas) has settled down as has the bidding wars for homes. But with only two main corridors, the city has to be steadfast in working with external partners to get the best results for the long-term traffic management.

6. Why does a city our size need 20+ police/fire service providers?

There are never twenty 1st responders on duty at any given time at a location. Each shift at both fire stations and the police has 3-4 staff members to respond/patrol for each of 3 shifts. This provides for 24 hr. service. Officers receive the same ‘weekend’ hours, sick days, training time as any employee so rotational staff is in place to keep us served 7 days a week. There are also fire and police chiefs, fire marshal, investigator, and dispatcher roles. It is a lean department to service the entire city and our borders, including lake shoreline patrol. Officers also conduct safety checks for resident homes who leave for 2nd homes, vacations, cooler climates. They also respond to wellness calls to check on some of our most fragile. In an emergency, with only 4 entrances into HSBay, officers can be deployed to secure all entries.

The police/code enforcement, fire, and utility field services departments account for over 75% of all staff. Developmental Services has 6 employees, but 70% of their costs are paid for through building permit fees. The remaining staff (city manager-1, human resources-2 to cover payroll/benefits/hiring/workers comp/evaluations, etc., finance – 3, which includes municipal court, manages millions of local/state/bond/federal funds as well as accounts payable, contract labor, etc., a state required legislative city secretary- 1 and public information clerk -1

responding to over a thousand requests and document management each year, IT security -1, communications/webpage – 1 comprise the entire fiscally conservative staffing.

7. Does the City of HSBay own land?

Yes, but not lots for development. The city owns varied small parcels of land throughout the community. These serve as storage yards for equipment, gravel, and staging areas in times of emergency. Other small lot areas offer drainage easements – and following our comprehensive drainage study this year will be examined for potential detention areas (to reduce flooding) and/or embankment locations. Currently, most greenspace/drainage is owned by POAs. There are a few small areas that the city may collaborate with future POA or private donor plans for hiking paths or ‘pocket parks’/rest stations. Other property may serve for expanded utility needs such as the utility yard, wastewater facilities, and future water storage tanks. It may be that the city will partner with our EMS if requested for future needs.

The city intentionally does not own public land for parks or lake access. By law, any such land is ‘public’ for all – not just the residents of that community. This would mean that people from outside our city could launch boats into Lake LBJ from our shoreline or use our park facilities. Already the city has people daily bringing children from outside our city to Martin Park which sits on public land. The children are joyful and not a problem – but a reminder that any expanded public use facilities will just increase potential traffic to our city **and increase facility management costs paid by taxpayers in Horseshoe Bay.**

8. What does a mayor actually do?

The City of Horseshoe Bay was formed as a ‘city manager-city council’ form of government, with home rule authority. This means that a ‘board’ (city council) is elected by the citizens with a ‘board president’ (Mayor). **This council does not manage the day-to-day operation of the city.** Just as a school board president would not impose on the daily running of a school district (or a company Board president) – which would be disruptive and disrespectful, the mayor (nor council) does not intrude on daily city operations. The city has leadership at every level who are fully capable – and busy – who would not benefit from someone interrupting daily work.

The board (council) has three functions: 1) Set policy/ordinances (within state restrictions) to reflect the community expectations for their city, 2) Fund a budget based upon a board approved tax rate and accepted operations cost to support those policies; and 3) Hire a City Manager to implement the policy and associated budget. The City Manager is evaluated each year by the council (Board) who can retain him/her or fire him/her if the city is not operating as expected. Some cities (usually large cities) have a “mayor” form of government where they hire/pay a mayor to manage the city. But Horseshoe Bay intentionally recognized the mobility of our community and the potential for new to city perspectives to create a continuous change. For HSBay (and most all small-mid size cities), an elected Board/Council with oversight of a consistent City Manager is the best approach to strategic long-range planning.

Horseshoe Bay has had 3 Mayors over our brief life as a city – and each has understood their role clearly....to hire the best City Manager to have full oversight responsibility. Our current

City Manager has over 25-years background in our region and decades of public service leadership in our city as a Director of our Utilities before moving to overall manager. He is respected by peers in the industry and the department heads/Chiefs who operate our city.

This is why the mayor does not have an office at City Hall. The City Manager, and Chiefs/Department Heads are charged with managing the city within the parameters of the budget and policies established by the Board. The mayor works through the City Manager to bring concerns/suggestions forward and respects the leadership team to do their job. The mayor meets weekly with the City Manager and does meet with staff as warranted. The mayor (and council) has deep awareness of the performances through monthly department data, financial reports, workshops, and completion of identified goals. Each month the council (like a Board) holds an open, transparent meeting in public where departments provide their updates, any budget or policy implications are clarified, and questions/concerns brought from the perspective of the taxpayers/residents may be addressed. The monthly data/packets are posted on the city the website for full access. **On a daily basis, the mayor works remotely** and contacts the city manager if a need arises from citizens or external governmental actions. The City Manager reaches out to the mayor if any issue arises that requires council or community engagement. It is working with efficiency and effectiveness with mutual respect for their roles.

The mayor's larger role is to serve as the liaison for the city with community and external leaders who may impact the city. That is why the mayor meets regularly throughout the year with POA presidents, builders, realtors, business alliance, ministers, and ad hoc committees. Each council member serves as a liaison to citizen-based committees for transportation, communication, historical preservation, internet, parks, and financial management. Further, the Mayor engages regularly with county officials, surrounding city Mayors, and industry leaders such as LCRA, TxDot, PEC, Texas Parks and Wildlife and CAPCOG. The mayor also works with elected officials at the state and national level on legislation that could impact our city – as well as with the Texas Municipal League/TML advocacy efforts. **These collaborations have resulted in millions of dollars of benefit to the safety and viability of our city.**

The city has been successful in building our relationships with our Senators/Representatives so that our unique needs have resulted in legislative changes to our benefit. The city was disappointed with the recent vote to remove Home Rule which allows cities like HSBay to set standards higher than the basic state statutes, particularly with regard to building standards. The bill passed, but was overturned in court as unconstitutional. **Since Home Rule was established by citizen vote and became part of the constitution, it would have to be on the state ballot for a vote to remove the right to Home Rule.** It is likely to arise again, but the city will leverage our collective voices to advocate for the law to exclude cities of smaller populations who would be significantly impacted. Unfortunately, there is also legislation under review that would limit the authority of POAs/HOAs to set standards – which will remove some of the self- governance decisions all take pride in for our community. The mayor/council will also be deeply engaged in our efforts with TxDot(roads), LCRA(river protection), and PEC (energy communications). The city is inviting Senator Flores to join our regional coalition meeting focused on federal grant options and to hear his perspective on our area growth.

The mayor (and council) brings any and all concerns from citizens to the City Manager who works with the appropriate department to get answers/resolutions. The City Manager is charged to bring the status of resolution of these concerns/needs/suggestions back to the mayor/council as a part of his/her on-going evaluation expectations. In this way, no one small group or individual brings an isolated 'agenda' forward with 6 different council/Mayors intruding into the daily work of the city. **Rather, a process is in place that values the taxpayer dollars by supporting efficient and effective workplace practice.**

The residents of Horseshoe Bay have consistently shared their pride in their city, their appreciation for the quality of the city staff. The product of work of the staff results in a highly recognized city using a preferred model of government: City Manager – Council.

9. Could the city use the Quail Point facility as a collaborative City Hall?

Quail Point was built and funded by homeowners in the HSBay POA for their private use (though they share a lot of events). Just as other POAs (Escondido, Trails, Applehead, Applehead Island, and soon Summitt Rock) have their own 'club houses', **the HSB POA residents who pay annual fees have the right to expect their facility is available** for daily socials, game groups, meetings, large group events, and POA business. The entire current ballrooms would have to be retrofitted as secure office space and daily operations would be limited to allow for city work.

More importantly is to **recognize the function of a City Hall**. It is "the people's house" of our city so citizens from all POAs can (and do) come daily for information and personal needs. It is where small and large meetings are held daily (Staff meetings, city council meetings, budget workshops, citizen committee meetings, Municipal Court, mayor meetings with stakeholders). The facility houses all departments managing the finances (your tax dollars), personnel matters (private benefits/salary/worker's comp, recruitment/evaluations), municipal court governing documents, ordinance development, and daily operations oversight. **The IT Director ensures the backbone of electronic activities are cyber-secure** to protect the city and the privacy of residents. While the city posts all allowable documents on the website for full transparency (budget, monthly activity data by department, etc.), staff is vigilant in honoring the security of citizen information. By law, access to some information from city documents must be through a Public Information Request process (and there are hundreds each year). Keeping this process secure requires document management storage electronically and/or in paper.

In short, **the daily business of your city could not operate efficiently and with full confidence and professionalism in a setting designed for daily social and community events** such as Quail Point. And it would not be fair to the HSB POA residents who pay monthly for their club house to enjoy the daily space for games, exercise, and special interest groups. Currently, the old Municipal Utility District (MUD) facility has served to house the work of the city. But with our population literally quadrupling over the years, staff housing is no longer feasible and as the city nears its 20th anniversary, it is time to build a true City Hall. **The MUD building will continue** to house the Developmental Services staff (70% of whom are not paid with city taxes, but through builder fees) which has a high traffic workday with permitting and platting. It will also house

some of the utility and public works staff. This will allow many staff members currently officed in former closets, converted hall space, or remote sites to move into respectable work spaces that promote better efficiency and employee pride/retention.

When the new city center is completed (on donated land), it will allow for evening and outdoor community events to make it as multi-functional as possible. The Holiday, Market Days, Veteran Days, Earth Days, and other events can be held in a space for all citizens – while the business of the city can operate indoors during the day with full citizen access as appropriate. There will be times when the Council Chambers may serve for community workshops and or events, with administrative offices cordoned off safely.

10. Can the city collaborate with the POAs on some projects to share costs?

The city is required to use tax dollars paid by all citizens toward work/projects that are accessible and purposeful to all citizens. **There are many such opportunities for the city to join in community-wide efforts.** Each year, the city provides dedicated funds to the Nature Park, a privately-funded space which helped address one of the long-range plan/park committee goals. There is also maintenance dedicated to varied donated efforts such as the Hurd Hiking Trail and Martin Park. The city dedicates some funds to the 4th of July events held at Quail Point and the Fireworks as well as a collaboration with the Business Alliance for the Boogie at the Bay concerts. There is an annual donation to the Hill Country 100 Club who raises funds for 1st responder families in times of need. **There is a council committee that reviews special requests** for small funding, making determinations if the project is to the benefit of the whole community and justifiable (as required by law) for the use of all tax payer dollars. For example, the Workforce Development Network which works to train/certify high demand jobs in nursing, construction (electrical, plumbing) AND retrain adults currently in low paying work to move to life sustaining career paths can benefit the community with future workers to meet our needs.

The city does not participate in individual POA projects as these are paid by each community's maintenance and association fees. An example is the entrances, monuments and landscaping of each POA. All residents appreciate and enjoy the entrances that line roadways provided by the POAs, i.e., Trails, Summitt Rock, Escondido, Bay Country, HSB Proper and West, the Hills, Bay Country, Applehead, Applehead Island, etc. These are built to the size and style determined by each POA. The city cannot use taxpayer funds to support one POA entry using the tax dollars of other POAs. Similarly, all POAs either own/sustain their own roads – or they contract with the city to manage this for them. HSBPOA is an exception in that it does contract with the city, but the POA contribution to the cost pays for less than half the cost of full road maintenance. City tax dollars pay the remainder, recognizing that some of the HSB POA roads serve as main corridors used by all residents (Bay West Blvd, Horseshoe Bay Blvd, etc.) and are thoroughfares for the entire community.

11. Why is zoning such an issue sometimes?

When the city formed in 2005, it adopted the zoning that was in place by the original resort developers. Every lot was 'platted' with their best estimate of how that property would be used (residential, multi-family, townhomes/condos, commercial, etc.) with some 'undefined'

areas zoned A-1 (agricultural/ recreational) until final determinations were made. Over the years most of the A-1 has been rezoned for varied uses, mostly residential or for some resort facilities golf courses, or as POA land. There remain some areas still zoned A-1 that is understandably confusing for residents who build a home near a natural landscape only to discover it is private property that may be rezoned. A-1 is one of the few times ‘up-zoning’ is approved. This is after much negotiation to ensure it does not negatively impact the surrounding property owners. The goal is to respect that A-1 will be developed, but not to the detriment of others.

‘Down zoning’ is always preferable. The city has worked with many multi-family zoned property owners with positive results for less density. The Hidden Cove on Fault Line was frustrating for neighbors who had enjoyed a greenspace and water view. The property was actually zoned commercial and the owner had the right to put in a small marina/bar/shop that would make no sense for the community profile. Fortunately, the owner agreed to ‘down zone’ to R-1 single homes. The greenspace was reduced...but the R-1 was a better option.

This is similar to the Azurite property that was zoned for a higher density condominium development. The owner agreed to reduce this to 1/3 of the allowed build so instead of 90 condos/ apartments , they agreed to 30 garden homes. There are still some lots in the city zoned commercial in illogical locations that will be part of future negotiations, but overall, the original developer made fairly close estimates about appropriate zoning.

The original developer’s goal was to have amenities (like Cap Rock, Slick Rock, Yacht Club) serve as ‘hubs’ for activity with townhomes/condos on their borders and estate or single-family homes on the outer ring of the ‘hubs’. For the most part, you will see that is how the development has progressed, and how the remaining lots are zoned. **The city does not have the right to rezone (down zone) a property since someone purchased it with full expectation of their investment potential.** But conversations with developers usually result in a compromise to support the neighbors and community as a whole. The city has requested owners of A-1 lots to determine long-term intents so prospective lot buyers are fully informed.

12. Are there schools in Horseshoe Bay?

Horseshoe Bay began as and continues to be a unique “oasis” in the hill country. It has intentionally strived for high quality living that offers a different lifestyle than many suburban communities. Most who move to HSBay come as recent empty nesters or those seeking an early retirement/second home with a slower pace than the hustle, bustle they just left. There are more ‘work from home’ opportunities that may appeal to families, but the social engagement for school age children is limited by the nature of Horseshoe Bay’s lifestyle goals.

Lakeway experienced the shift from a resort community to a high standard suburb with exemplary schools, but also gained traffic, after-school activities, sprawling suburban amenities. It changed the unique character of the Lakeway community and accelerated its growth.

For a public school to invest in HSBay, there would have to be enough students (hundreds) to warrant the cost. It may be that Marble Falls will add a school/s to its growing corridor near

Hwy 281/Hwy 71 in the future. For now, residents who move to HSBay are aware of the distance to any public schools in Llano ISD and Marble ISD when they choose to move here. There are bus routes to both districts. **We do have some families who ‘home school’ and connect with other similar learning approaches** and there are private schools in the area. It may be that a private program would be developed here by interested residents in the future.

13. What is the relationship of the city and the resort?

Horseshoe Bay began as a private lakeside golf resort and for 35 years served the small population of full-time residents through the Municipal Utility District/MUD and volunteer/resort/county/private safety entities. When the city incorporated in 2005, it gradually took over the functions of city services, including the development of ordinances aligned to the desires of the growing population. The resort now serves as a primary commercial tax base with full obligations to meet the same standards as any other developer, business owner, or resident.

Since the majority of large projects over the years have been part of the resort expansions, there has been a higher profile of interactions, even as ownership and structures changed. There were lean years where bankruptcies were filed (affecting city revenue), and there have been boom years where the city saw amenities upgraded, membership grow and tax revenue renewed. During CoVid the resort operations recognized their strength lies in their membership and they indicate they are working hard to solidify this priority. The membership dept has expanded member focused activities, and shifted some resort restaurants to member only (no hotel guests). A new feature will include the **Waterfront** restaurant remaining open year-round (with lunch). **This will be the one venue open to the public during the fall-winter season to support a year-round staff. So, citizens who are not members will also be able to access this local restaurant.** This all comes after the ownership infused \$170 million+ into the infrastructure which translates to a commercial sales tax asset for the city tax base. **Like any business, it benefits the city (and all taxpayers) to have successful businesses.** (Note: Sales tax are largely directed to support road maintenance.)

The resort was the original development owner, **so some factors are grandfathered** that were in place before the city formed. That may appear as special treatment. For example, one of the reasons the original citizen committee decided to incorporate was to set standards for the vertical growth with the onset of the hotel and Waters development. The new city put height restrictions in place to protect skyline views. However, the pre-city approved Waters Towers plan retained the right to complete the overall project. That is why you see new Waters Towers going up (as part of the originally approved project) – with 1-2 more potential sites.

The resort follows the same construction and operation guidelines as anyone else in the city.

Over the years, like all business constructions - there have been some resort staff/procedural problems– and ‘red card’ stop work orders were issued by the city. Sometimes this is the result of sub-contractors from outside the city not recognizing the stricter HSB ordinances. Once clarified, most all of our local builders demonstrate competence and full commitments to compliance for an elevated community. The resort success translates to increased sales tax to offset property tax – and elevated resort services for 80% of our citizens who are members.

14. What is one of the biggest challenges for our city?

The city is the well positioned with success in its operational responsibilities, including:

- Dedicated leaders in each department, deeply knowledgeable/respected by their teams.
- Excellent financial status with long-range plans in place to be proactive in acquiring equipment, staffing, resources when needed with low tax rate. A solid reserve fund (as expected by the state and financial advisors) to sustain the city in times of emergency.
- A city-wide emergency plan in place for most seasonal challenges – with everyone knowing their role in providing for the safety of all citizens.
- Highly trained 1st responders in fire, police, water safety; industry recognized/awards
- Ordinances and processes to limit growth without disrespecting property rights.
- Future land use planning with ordinances supporting scenic city and low growth goals
- Effective road asset plans for new and annual resurfacing long-range plans
- Secure firm water LCRA contract in place, with plans to hold future developers accountable for their part of future water use (paying the city impact fees for infrastructure access AND for the water reserved over the years for their use)
- Utility infrastructure upgrade plan in place for long-term stability
- Comprehensive Drainage study of all 7 watersheds for flood management
- Exceptional citizen volunteer spirit on varied committees/council/outreach efforts
- Commitment to hill country natural life: tree ordinance, image corridors, and park plan
- And on and on.... all with a lean staff/scrubbed budget & upbeat teams!

But the challenge is always communication so residents can rest easy in the security of their quality of life. The city upgraded its website. The city increased options for alerts and information texts. The city added a weekly “City Corner” of seasonal information to the local paper. The city continues notifications of open meetings and public hearings beyond the requirements of the law. The city posts openly on-line, including all council packets with department activities and financial ‘check book’ for full transparency. The city opens its doors and phones to anyone with questions/needs. Staff are always seeking improved awareness, including this **annual FAQ provided at Town Hall and in the November Fiscal Year Report.**

And still, the city has people who don’t have needed information. Even worse, the city has people sharing misinformation that leads to unnecessary concerns. The city is continually striving for better and clearer communication methods. The coming year will look at utilizing some social media options (though this is a moving target). The city relies on (and is thankful for) POA presidents who disseminate the mayor’s message each month....and for the business alliance who monthly assists in getting the word out about relevant actions in the city. But.... **the city staff always want to do better where needed and welcome suggestions.**

As new questions arise, citizens are encouraged to reach out to the City Manager or Council members so that clear communication remains the basis of the community success.