

Thursday, August 27, 2015

The Honorable Mayor, Mayor Pro-Tem and City Council:

We are pleased to present the annual budget for fiscal year 2015-16 to the Pflugerville City Council to serve as the foundation for all anticipated income, expenses, short-term obligations and reserve fund balance for the Pflugerville Community Development Corporation (PCDC) in the coming year.

PCDC Revenue

Sales Tax - Total Income is based on a 10% increase in Sales Tax Revenue in the City of Pflugerville as compared to the same period last year. This year, we account for the Tax Revenue Diverted to HF Loan Payments and the remainder of the Sales Tax Revenue as our Total Income. Sales Tax Revenues are 93.4% of Total Income, and 82.9% of Total Income and Other Income.

Other Income - Other Income is anticipated from a \$277,000 real estate tax refund, a \$162,000 refund from a settlement agreement, a \$30,000 tax refund from City of Pflugerville, and \$2,500 interest income.

PCDC Expenditures

The fiscal year 2016 total budgeted expenses for Expenses are reduced by 6.4% over last year in spite of a 10% anticipated increase in Total Income. Personnel Costs account for 8.9% of the total budget, and include three full-time positions. Bond repayment and debt service on loans account for the majority of expenditures at 24.2%. Recruitment/Retention Projects are notable at 12.2%. These project expenditures are estimated based on contract agreements and are subject to businesses meeting established criteria. They are monitored quarterly for any budget amendments.

PCDC Debt Service

PCDC Banking is 33.6% of the total budget and includes Bond Repayment to the City of Pflugerville for three projects: Pfluger Farm Lane, 130 Commerce Center / Impact Way and the Renewable Energy Park – 130 Commerce Center Improvements. Other projects include a Hawaiian Falls Capital Investment and Land Loan, T/P Tenant improvement Loan, Land Loan for 130 Commerce Center, and a Comerica Loan Guarantee for Project BullsEye.

16225 Impact Way, Suite 2
Pflugerville, TX 78660

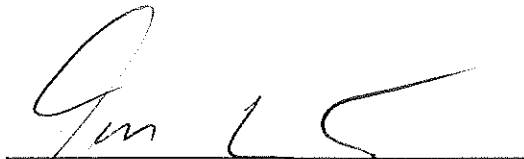
P.O. Box 1160
Pflugerville, TX 78691

T: 512-990-3725 | F: 512-990-3183


Fund Reserve Contributions

The PCDC is setting aside funds from Other Income and Expense Accounts to create a Fund Reserve: a fund reserve policy is underway to formalize this process. Anticipated Other Income funds set aside for the reserve include a \$277,000 real estate tax refund, a \$162,000 settlement agreement rebate, and a \$30,000 tax refund from the City of Pflugerville. Additionally, Expense Accounts in our operating budget set aside include an additional \$120,000 and a Hawaiian Falls interest contingency of \$500,000 if not expended during the calendar year. These funds, as available, are designated for a Reserve Fund by FY16 year-end. Total Fund Reserve, if fully achieved, is estimated at \$1,089,000.

We look forward to working with the City of Pflugerville to achieve common goals of economic prosperity for our business owners and citizens.



Doug Weiss, President



Amy Madison, Interim Executive Director