



**Proposed  
2020**



**Bond Program  
Item 8B | 2020-8518**





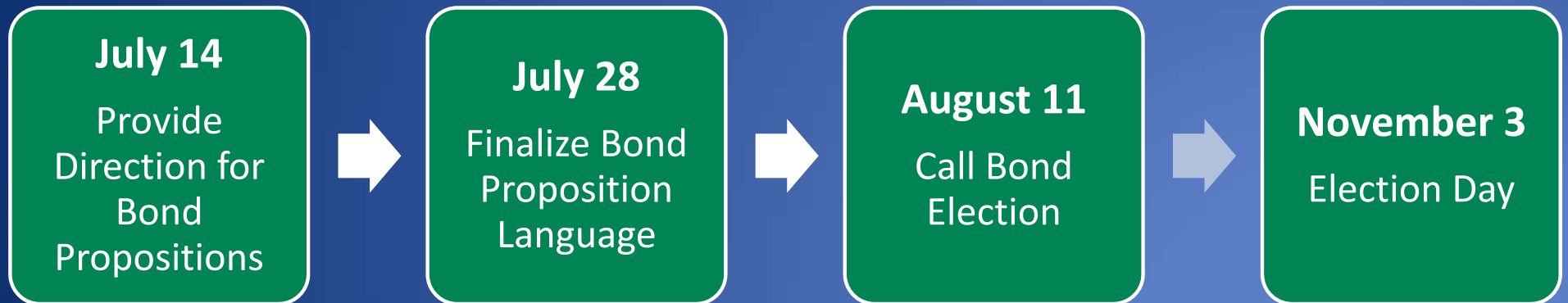
# 2020 Bond Program Presentation Outline

- Bond Election Schedule
- Citizen Survey
- Transportation Bond Projects
- Park Bond Projects
- Financial Considerations
- Next Steps/ Direction
- City Council Action





# Bond Election Schedule



Project	Description	Cost Estimate in Bond	Updated Project Estimates	Estimate with PM & BIC*	Citizen Advisory Committee Rank
City Intersection Improvements	SH 130 at CR 138; E Pflugerville Pkwy. at FM 685; Heatherwilde Blvd. at Pecan St.; FM 685 at Pecan St.; FM 685/Copper Mine Dr. Overpass; Hodde/Weiss at Cele Rd	\$14.4 M	\$14.4 M	\$15.1 M	1
City Neighborhood Street Reconstruct	10th Street, Algreg Street, Applewood Drive, Bushmills Road, Butler National Drive/Diablo Drive, Caldwell's Lane, Cedar Ridge Drive, Dalshank Road, Edgemere Drive, Grand National Avenue, Great Basin, Kay Lane, Lincoln Avenue, Mashburn Street, Meadow Creek Drive, Mountain View Drive, Oak Ridge Drive, Option Avenue, Picadilly Drive, Pflugerville Loop, Plumbago Drive, Rowe Loop, Russell Street, Sullivan Street, Taylor Avenue, W. Custers Creek Bend, Windermere Drive, Yellow Sage Street.	\$15.6 M	\$19.3 M	\$20.3 M	2
Immanuel Rd	widen to an urban three-lane roadway	\$8.9 M	\$12.0 M	\$12.6 M	3
FM 685 Corridor Improvements	corridor study and preliminary engineering and design. The project includes lane alignment, right-of-way acquisition, utility relocation and coordination and surveying.	\$5.0 M	\$5.5 M	\$5.8 M	4
SH 45 Frontage Roads	connect frontage road gaps	\$9.4 M	\$8.6 M	\$9.0 M	5
Kelly Ln Phase 3	widen to an urban four-lane section	\$13.6 M	\$13.6 M	\$14.3 M	6
Pflugger Farm Ln North	extend the urban three-lane roadway north to SH 45	\$5.3 M	\$5.4 M	\$5.7 M	7
Main St	engineering and design for a future urban two-lane section	\$1.6 M	\$2.1 M	\$2.2 M	8
Central Commerce Dr	widen to an urban three-lane section	\$5.1 M	\$2.5 M	\$2.6 M	9
Picadilly Dr	widen to an urban three-lane section	\$4.9 M	\$3.6 M	\$3.8 M	10
Cameron Rd Realignment	two-lane urban section from the Pecan Street and Weiss Lane intersection to Cameron Road South.	\$3.4 M	\$4.2 M	\$4.4 M	11
E Pflugerville Pkwy	engineering and design to create a four-lane, divided street between Colorado Sand Drive and Weiss Lane	\$3.5 M	\$2.2 M	\$2.3 M	12
E Pecan St	preliminary engineering and design to widen to six lanes across SH 130	\$4.0 M	\$3.5 M	\$3.7 M	13
Project Management Cost (2%)		\$2.0 M	-	-	
<b>Total Bond Costs</b>		\$96.7 M	\$96.9 M	\$101.7 M	

\* PM = Project Management (3% of project)  
 BIC = Bond Issuance Costs (2% of project)





# Financial Considerations

City of Pflugerville – Managing the Tax Rate

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## Is the City of Pflugerville managing its Interest & Sinking (I&S) Tax Rate or is the I&S Tax Rate managing the City of Pflugerville?

- Important changes occurred in the last legislative session in Austin. The passage of SB2 imposed significant limitations on Cities and Counties to raise revenues in the future, at least as it pertains to ad valorem taxes
- It is widely suggested that it may take 2-3 fiscal years for most local governments to fully realize the impact of these limitations on their operations. The impacts will have a "compounding impact"
- This makes it important that the City closely manage both its Maintenance & Operations (M&O) and I&S tax rates
- Management of the M&O rate, by comparison, is relatively easy; until the full impact of the legislation is realized, the City should maximize its very limited opportunities to raise its M&O rate. Its authority to do so is clear



# Financial Considerations

## Managing the Tax Rate (continued)

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### The I&S Tax Rate may appear to be more complicated....

- As a rule (actually, a matter of law), an entity may not levy an I&S tax in excess of that required to meet its current tax secured debt service
- For schools, which by law are limited to voted tax bonds as a vehicle for tax secured debt, this can be problematic, though not insurmountable
- For cities, this is generally not an issue because most cities in Texas, including Pflugerville, has substantial tax-secured debt in the form of Combination Tax and Revenue Certificates of Obligation that are typically paid from, just that, a combination of tax and utility system revenue sources
- Pursuant to State law, City Councils and administration have complete discretion over how to allocate the payment of debt service between taxes and system revenues
  - While Pflugerville has traditionally allocated debt service based on the use of proceeds of each debt issue, it is not required to do so
- However, as a function of the basic rule, most Cities simply allow the I&S tax rate to fluctuate with changes in the tax base rather than actively manage the rate



# Financial Considerations

## Managing the Tax Rate (continued)

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**Given the impact of SB2 and the need for future capital improvement funding, the City may wish to consider more actively managing the I&S tax rate**

- The benefits of actively managing the tax rate are multiple
  - The City reduces the effect of the limited compounding impact of SB2
  - The City avoids citizen frustration with fluctuating I&S tax rates
  - The City maximizes debt capacity for capital improvement funding within the parameters of the already existing tax and utility rates
  - The City, in the absence of new capital funding, can pre-pay currently outstanding debt early and reduce the interest citizens have to pay on debt





## Direction Needed for Bond Election

- Which projects should be included in bond propositions?
- How many propositions?
- What dollar amount?





## Possible City Council Action

- Approve the preparation of bond language for \_\_\_#\_\_\_ proposition(s) to include the following projects:
  - Proposition #: \_\_\_\_\_ (List Projects) \_\_\_\_\_ for the total amount of \$\_\_\_\_\_.
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