



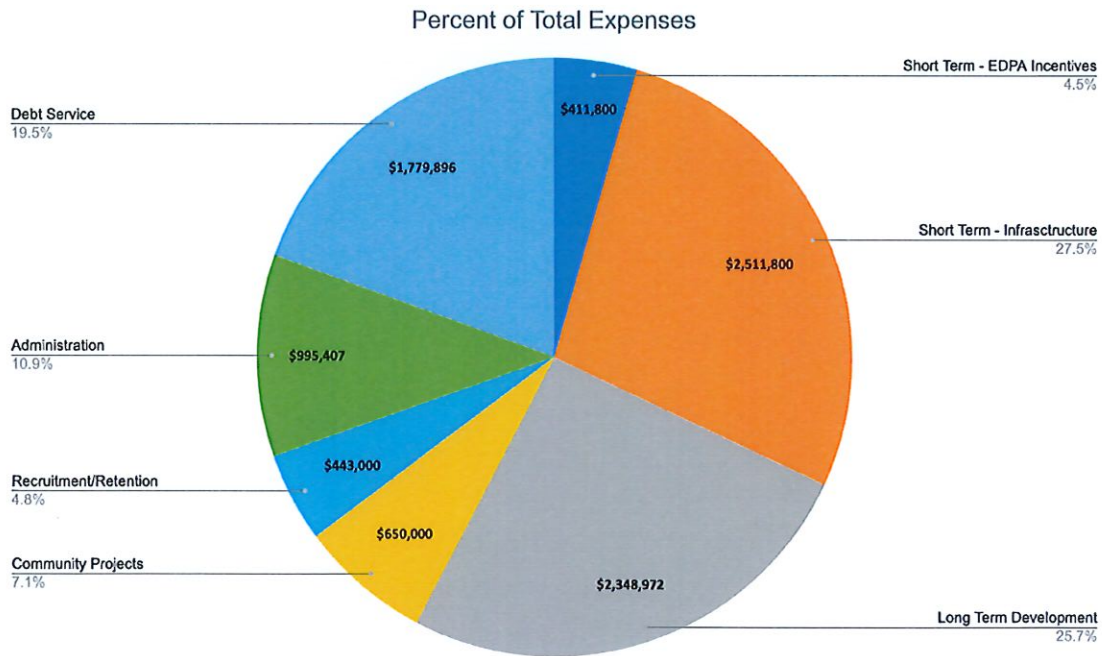
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The Honorable Mayor, Mayor Pro-Tem, and City Council  
 City of Pflugerville, Texas

Dear Mayor Gonzales, Mayor Pro-Tem Peña and Members of the Council:

We are pleased to present the Pflugerville Community Development Corporation (PCDC) proposed annual budget for Fiscal Year 2022 to the Pflugerville City Council. This budget serves as the foundation for all anticipated revenues, expenses, and obligations while still maintaining a required reserve fund balance. PCDC's financial plan was reviewed by the City Manager and the City Director of Finance prior to the Board of Directors workshop review on June 26. The Board of Directors approved the FY2022 Budget on August 18, 2021. The board and staff were guided by the Comprehensive Economic Development Strategic Plan 2.0 (CEDs) adopted in January 2020. The PCDC FY2022 packet includes an Executive Letter, the FY2022 Proposed Budget Summary, Major Changes Highlights, Incentives and Obligations Report and Summary, and Projects Exhibit A. Additionally, we are including the Investment Policy, Budget and Reserve Policy, and the associated approved Resolution that is required annually for all financial policies, along with the most current Balance Sheet for PCDC.



## PCDC Revenue

Sales Tax - Sales Tax Revenue is budgeted at \$8,904,000 based on a 12% increase over an *estimated* FY21 actual sales tax revenue of \$7,950,000. Additionally, income from the Typhoon Texas Lease is budgeted at \$1,298,218 in FY2022 bringing total income to \$10,202,218. Other income is for interest and is budgeted at \$10,000.

## PCDC Expenditures

Short-term projects are expected to be completed in the current fiscal year or are only funded in the current or future fiscal years if the applicant meets contractual obligations annually. For FY22, the total budgeted is \$2,511,800 or 27.4% of expenses for the extension of Impact Way and purchase of associated right-of-way. The remaining 4.5% reflects \$411,800 in Economic Development Performance Agreements including two new incentive contracts and nine ongoing incentive contracts that are eligible for funding in FY2022.

Long-term projects are expected to be completed in more than one fiscal year and require future annual payments for debt service or construction costs. For FY22, the total budgeted is \$2,348,972 or 25.7% of expenses to fund the City of Pflugerville's annual bond debt for Pflugger Farm Lane Series 2013, 130 Commerce Impact Way Series 2014, Renewable Energy Park Series 2009A, along with the second year of construction costs for improvements at Pecan and 685.

Recruitment and Retention is 4.8% of budgeted expenses and includes the Business Pfirst Program funding for marketing, business retention, workforce education, recruitment and associated events.

Administrative Expenses account for 10.9% of the total PCDC Expenses. Administrative Expenses include: Personnel Costs of \$641,260 for 6 full-time positions plus 3% merit, city administrative services contract of \$32,063, professional development costs of \$18,000, and office and overhead costs of \$304,084.

Community Engagement Projects are 7.1% of the budget and include workforce education, public parks and related community improvement grants.

## PCDC Debt Service

The PCDC has one loan with Hancock Whitney Bank to finance the water park. The PCDC will pay \$870,000 in principal and \$909,895.25 in interest payments, accounting for 19.5% of our total FY2022 Expenses.

## Fund Reserve Contributions

The PCDC continues setting aside funds for an annual contingency reserve to meet the requirements of the PCDC Fund Reserve Policy to set aside one full year of Debt Service of the Water Park plus 25% of all other expenses, not including long term infrastructure. In FY2022, the total contingency reserve will be \$2,949,947.

We look forward to working with the City of Pflugerville to achieve common goals of economic prosperity for our business owners and citizens with a special focus on our Vision Statement:

Pflugerville is a thriving job center in Central Texas –  
built on core values of inclusion, family, exemplary education and  
purposeful investment in the community.

Respectfully,

  
George Vande Werken, Treasurer

  
Amy Madison, Executive Director



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PCDC Major Budget Changes FY2021 – FY2022

Revenue:	<u>FY21 Budget</u>	<u>Increase/(Decrease)</u>
<ul style="list-style-type: none"> <li>● Sales Tax – FY22 based on FY21 anticipated + 12%</li> <li>● Increase in Typhoon Lease Payment per FY20 Amendment</li> <li>● Interest Earned – decreased due to reduced interest rates</li> </ul>	\$5,413,500 \$1,150,000 \$ 50,000	\$3,490,500 \$ 148,218 \$ (40,000)
Short-term Projects:		
<ul style="list-style-type: none"> <li>● 4 new and/or amended EDPAs</li> </ul>	\$2,399,500	\$ 112,300
Long Term Development: Creating Space CEDS 2.0 Goals		
<ul style="list-style-type: none"> <li>● Increase in budget to allow for next estimated payment for road work at FM685/Pecan</li> </ul>	\$1,000,000	\$ 422,134
Community Engagement Projects: Education/Alignment CEDS 2.0 Goals		
<ul style="list-style-type: none"> <li>● Combined Challenge Grants and Community Engagement To account for additional City Parks Initiatives, Community Economic Development Partners</li> <li>● Workforce Development: new Entrepreneur Initiatives; Upskilling Partnerships with WFSCA/PFISD Programs/ Equipment</li> </ul>	\$ 125,000 \$ 201,700	\$ 175,000 \$ 148,300
Business Retentions/Expansion/Marketing Recruitment: Jobs/Story CEDS 2.0 Goals		
<ul style="list-style-type: none"> <li>● Increase Advertising/National Magazine Articles</li> <li>● Increase in Site Visits</li> <li>● Lead Development and Lead Consulting</li> </ul>	\$ 47,000 \$ 2,000 \$ 75,000	\$ 3,000 \$ 18,000 \$ 75,000
Personnel:		
<ul style="list-style-type: none"> <li>● Increase in annual salary estimates for add one Executive Assistant salary plus benefits and filling an open budgeted Accounting position, and potential merit</li> </ul>	\$ 624,465	\$ 66,858
Total Office		
<ul style="list-style-type: none"> <li>● 3% Increase in Office Lease and IT Services</li> </ul>	\$ 120,494	\$ 6,090
Net Income: 236% budget increase in net income over last year's budgeted	(\$1,089,508)	\$ 2,572,651

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Total Reserve Required for FY22: \$ 2,336,664 \$ 2,929,947  
*Per the policy, total expenses – (total debt service – long term development) x 25% + plus debt service = total reserve required.*

<b>Summary Level Budget</b>	<b>FY20 Final Budget</b>	<b>FY20 Actuals</b>	<b>FY21 Budget Amended 10/27/2020</b>	<b>FY21 Actuals as of 7/31/2021</b>	<b>FY22 Draft Budget</b>
<b>Revenue</b>	\$6,563,500	\$6,114,639	\$6,563,500	\$6,223,886	\$10,202,218
<b>Expenses</b>					
Projects					
Short-term Projects	\$374,500	\$380,175	\$2,399,500	\$149,373	\$2,511,800
Long-term Development	\$926,838	\$1,926,838	\$1,926,838	\$1,670,805	\$2,348,972
Community Projects	\$2,126,700	\$1,129,770	\$326,700	\$81,560	\$650,000
Marketing	\$342,000	\$198,969	\$347,000		\$443,000
Recruitment/Retention				\$134,977	
Administration	\$908,906	\$717,468	\$922,459	\$556,538	\$995,407
Debt Service	\$1,781,622	\$1,699,822	\$1,780,511	\$1,317,221	\$1,779,896
<b>Total Expenses</b>	\$6,801,789	\$4,241,906	\$3,049,970	\$3,961,840	\$8,729,074
<b>Net Operating Income</b>	-\$238,289	\$1,872,733	\$3,513,530	\$2,262,046	\$1,473,143
Other Revenue	\$50,000	\$90,236	\$50,000	\$9,723	\$10,000
Other Expenses	\$50,000	\$90,236	\$0	\$0	\$0
<b>Net Income</b>	-\$238,289	\$1,872,733	\$3,563,530	\$2,271,769	\$1,483,143

<b>Reserve Required</b>	<b>FY21</b>	<b>FY22</b>
PCDC Policy:( Op exp *.25 (excludes Debt Service & Long Term Dev.)) + Debt Service = Total Reserve	\$2,336,664	\$2,929,947

# Pflugerville Community Development Corporation

## Balance Sheet As of July 31, 2021

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
11110 First Texas Bank - Checking (1089)	236,027
11130 First Texas Bank - Debt Service Reserve (4887)	1,378,022
11140 First Texas Bank - Money Market (1097)	936,023
11170 TexPool Prime	10,788,966
<b>Total Bank Accounts</b>	<b>\$13,339,038</b>
Other Current Assets	
11310 Sales Tax Receivable	1,164,365
<b>Total Other Current Assets</b>	<b>\$1,164,365</b>
<b>Total Current Assets</b>	<b>\$14,503,403</b>
Fixed Assets	
12110 Fixtures & Furniture	3,800
<b>Total Fixed Assets</b>	<b>\$3,800</b>
Other Assets	
13110 Typhoon Texas Lease	21,850,000
13140 Security Deposit - Cortec	4,718
13150 Due from One Thirty Business Park POA	700
<b>Total Other Assets</b>	<b>\$21,855,419</b>
<b>TOTAL ASSETS</b>	<b>\$36,362,621</b>

# Pflugerville Community Development Corporation

## Balance Sheet As of July 31, 2021

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Credit Cards	
21250 Whitney Credit Cards	10,549
<b>Total Credit Cards</b>	<b>\$10,549</b>
Other Current Liabilities	
21320 Accrued Interest Payable - Whitney	-464,290
<b>Total Other Current Liabilities</b>	<b>\$ -464,290</b>
<b>Total Current Liabilities</b>	<b>\$ -453,741</b>
Long-Term Liabilities	
22140 Whitney Bank Loan Payable	0
22160 Unavailable Revenue - Direct Financing Lease	21,850,000
<b>Total Long-Term Liabilities</b>	<b>\$21,850,000</b>
<b>Total Liabilities</b>	<b>\$21,396,260</b>
Equity	
30100 Retained Earnings	3,427,569
31000 Fund Balances	0
31100 Unrestricted	6,155,860
31300 Reserve Funds	2,336,664
<b>Total 31000 Fund Balances</b>	<b>8,492,524</b>
31501 Prior Period Adjustment	774,500
Net Income	2,271,768
<b>Total Equity</b>	<b>\$14,966,362</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$36,362,621</b>

### Note

13110 - On 12/31/2016 PCDC entered into a direct financing lease with Typhoon Texas for land and improvements for a water park. The total cumulative amount of lease payments over the term of the lease is \$23 million. The amount shown at any point in time on the balance sheet for this lease asset is the cumulative amount of all remaining lease payments due to PCDC.



*EXHIBIT A*  
Projects/Community/  
Infrastructure

1. Community Engagement/Parks/Challenge Grants: Annual amount set aside for Community Engagement/Parks/Trails improvements and Challenge Grants - \$300,000.
2. Workforce Development Grants: Annual amount set aside for workforce development to include: Library Career Center Technology/Entrepreneurship and Small Business resources and programming; Texas Workforce Grants, Pflugerville Independent School District trade skills programs and other partner training programs. \$350,000.

Resolution No. 2021-003

**A RESOLUTION OF THE PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION REGARDING REVIEW OF THE FUND RESERVE & BUDGET POLICY AND THE PUBLIC FUNDS INVESTMENT POLICY OF THE PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION, PFLUGERVILLE, TEXAS**

**WHEREAS**, the Pflugerville Community Development Corporation ("PCDC") recognizes the need for relevant and updated policies; and

**WHEREAS**, the PCDC maintains two policies, namely the Fund Reserve and Budget Policy (originally adopted on the 13<sup>th</sup> day of June 2016) and the Public Funds Investment Policy (adopted pursuant to Texas Government Code, Chapter 2256); and

**WHEREAS**, Section 7.05 of the By-laws of the Pflugerville Community Development Corporation provides that the Corporate Investment Policy and the Annual Budget shall be reviewed by the PCDC Board on an annual basis and presented to City Council; and

**WHEREAS**, the Board of Directors of the PCDC has reviewed the Fund Reserve and Budget Policy and the Public Funds Investment Policy and desires to present the same to the City Council of Pflugerville for consideration of approval;


**NOW THEREFORE BE IT RESOLVED BY PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION that:**

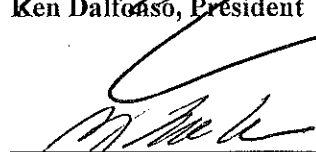
The Fund Reserve and Budget Policy and the Public Funds Investment Policy of the PCDC have been reviewed and approved by the Board of Directors of the PCDC and are attached to this Resolution; and

The Executive Director of the PCDC is directed to present the same to the City Council of the City of Pflugerville for consideration of approval.

**APPROVED** this 28th day of July 2021.

**PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION.**

  
\_\_\_\_\_  
Ken Dalfovo, President

  
\_\_\_\_\_  
George Vande Werken, Treasurer



## PCDC Fund Reserve & Budget Policy

08.16.21

### **PCDC Economic Development Reserve Funds consist of two components: 1) General Reserves and 2) Contingent Reserves**

**General Reserves Policy:** General Reserves are cash reserves not otherwise budgeted for operations or required for any Contingent Reserves. These reserves may be used in any fiscal year for (a) “projects” as defined by Chapters 501 and 505 of the Texas Local Government Code for Type B Economic Development Corporations, and (b) for any other types of operational expenses that are authorized by the Board and City Council.

**Contingent Reserve Policy:** PCDC will build and maintain a Contingent Reserve in the aggregate amount equivalent to twelve months of the current debt service under current finance arrangements -- plus 25% of its other operating budget -- to cover unanticipated costs.

The Executive Director is responsible for monitoring and reporting PCDC’s reserve balances. The Executive Director is directed to make recommendations to the PCDC Board on the use of reserve funds both as an element of the annual operating budget submission and from time to time throughout the fiscal year as needs may arise.

Compliance with the provisions of the policy shall be reviewed as part of the annual operating budget adoption process and subsequent review will be included in the annual audit and financial statement preparation procedures.

In the event the Contingent Reserve falls below the required amount, or if it is anticipated that the balance will be less than the required amount at the close of the fiscal year, the Executive Director shall prepare and submit a plan to the PCDC Board to restore the minimum required level as soon as economic and anticipated cash flow conditions allow and provide an estimated timeline for restoring the balance.

**Annual Operating Budget Policy:** Anticipated sales tax revenue is the primary source of PCDC revenue. It is measurable and sustainable. Anticipated long-term lease payments from the Typhoon Texas Project are a second source of PCDC revenue. It is also measurable and sustainable. Other short and intermediate term lease payments and land sales are a third source of PCDC revenue and are generally considered more contingent and uncertain. Recurring general operating and maintenance payments, such as personnel, rent, utilities, PCDC loan payments and annual debt service reimbursement payments due the city, will be budgeted in an amount not to exceed anticipated sales tax revenues and long-term lease payments from the Typhoon Texas Project. As a general rule, the annual total expenditures of PCDC should not exceed the budgeted measurable and sustainable revenues of PCDC and shall be in accordance with the City Council approved budget and the PCDC Bylaws.

**Long-term Project Policy:** Long-term projects are expected to be completed in more than one fiscal year and require future annual payments for debt service or construction costs.

**Short-term Project Policy:** Short-term projects are expected to be completed in the current fiscal year or are only funded in the current or future fiscal years if the applicant meets contractual obligations annually.

07.28.2021

**Executive Director Spending:** The Executive Director shall be authorized to spend up to \$20,000 without prior Board approval for purposes contained in a current budget that has been approved by the City Council, provided that any expenditure of more than \$5000 is reported to the Board in a written weekly report to all Board members. The Board of Directors shall review and approve the Executive Director's spending authority annually as part of the preparation and adoption of the Corporation's budget for each fiscal year.

**Pflugerville Community Development Corporation Investment Policy**  
**DRAFT 07-28-21**

**POLICY STATEMENT**

It is the policy of the Pflugerville Community Development Corporation (PCDC) that the administration of its funds and the investment of those funds shall be handled in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the PCDC and conforming to statutes and ordinances governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the PCDC to be in complete compliance with local law and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended.

**SCOPE**

This investment policy applies to all the financial assets and funds held by the PCDC. These funds are defined in the PCDC's Comprehensive Annual Financial Report (CAFR) and include:

General Fund

New funds created by the PCDC, unless specifically exempted by the PCDC Board and this policy.

**OBJECTIVES AND STRATEGY**

A. General Fund

It is the policy of the PCDC that all funds shall be managed and invested with three primary objectives, listed in order of their priority: safety, liquidity, and yield. These objectives encompass:

Safety of Principal

Safety of principal is the foremost objective of the PCDC. Investments of the PCDC shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition. The suitability of each investment decision will be made based on these objectives.

Liquidity

The PCDC's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements which might be reasonably anticipated.

Yield

The PCDC's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the PCDC's

investment risk constraints and the cash flow characteristics of the portfolio.

## **LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY**

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"), as amended. The public Funds Collateral Act, Chapter 2257, Texas Government Code, as amended, specifies collateral requirements for all public fund deposits.

The Interlocal Cooperation Act, Chapter 791, Texas Government Code, as amended, authorizes local governments in Texas to participate in an investment pool established thereunder. That statute and reference to authorize investment in investment pools in the Act is primary authority for use of investment pools by political subdivisions of the State of Texas.

## **DELEGATION OF INVESTMENT AUTHORITY**

The Executive Director, acting on behalf of the PCDC, is designated as the Investment Officer of the PCDC and is responsible for investment management decisions and activities. The PCDC Board is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this investment policy. Procedures will include reference to safekeeping, require and include PSA Master Repurchase Agreements, wire transfer agreements, banking services contracts, and other investment related activities.

The Investment Officer shall attend a training session(s) that include instruction relating to investment responsibilities. Within the first 12 months of assuming investment duties, the Officer shall attend not less than 10 aggregate hours of instruction. Thereafter, the Investment Officer shall attend not less than eight (8) aggregate hours of instruction once in a two-year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date.

The investment Officer shall be responsible for all transactions and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officer shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officer is not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer and approved by the PCDC Board.

## **PRUDENCE**

The standard of prudence to be used in the investment function shall be the “prudent Person” standard and shall be applied in the context of managing the overall portfolio. The standard states: “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.”

### Limitation of Personal Liability

The Investment Officer and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner and then appropriate action is taken to control adverse market effects.

## **INTERNAL CONTROLS**

The Investment Officer shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the PCDC in accordance with accepted industry practices. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the PCDC.

The Investment Officer shall monitor the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by policy, the Investment Officer shall immediately solicit bids for and sell the security, if possible, regardless of a loss of principal.

### Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the PCDC. Supplemental to the financial and budgetary systems, the Investment Officer will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes. Cash Flow will include the historical researching and monitoring of specific cash flow items, payables and receivables as well as overall cash positions and patterns.

## **AUTHORIZED INVESTMENTS**

Acceptable investments under this policy shall be limited to the instruments listed below. The investments are to be chosen in a manner which promotes diversity or market sector and maturity.

Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed two years to the stated maturity;

Direct obligations of the State of Texas or its agencies.

Certificates of deposit issued by an FDIC insured financial institution, not to exceed the current FDIC limit per institution and with a maximum maturity length of one year.

Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.

Repurchase agreements and reverse repurchase agreements as defined by the Public Funds Investment Act, as amended, not to exceed ninety (90) days to stated maturity, provided an executed PSA Master Repurchase Agreement is on file with the PCDC and the counterparty bank or primary dealer.

Texas Local Government Investment Pools as defined by the Public Funds Investment Act, as amended. The maximum dollar-weighted maturity for the pool may not exceed ninety (90) days and the pool must maintain a minimum rating of AAAM.

Interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor.

#### **AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS**

All investments made by the PCDC will be made through either the PCDC's banking services bank or a primary dealer. The PCDC shall maintain a list of financial institutions which are authorized to provide investment services. Banks shall continuously provide their most recent "Consolidated Report of Condition" (call report). Securities broker/dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve as primary dealers. The following criteria must be met by those firms on the list: provision of an audited financial statement for the most recent period, proof of certification by the National Association of Securities Dealers (NASD), and proof of current registration with the State Securities Commission.

Every business organization that conducts investment transactions for PCDC will be provided a copy of this Investment Policy to assure that they are familiar with the goals and objectives of the investment program. The business organization will be required to return a signed copy of a certification form certifying that the policy has been received and reviewed.

#### **DIVERSIFICATION AND MATURITY LIMITATIONS**

It is the policy of the PCDC to diversify its investment portfolio. Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Except for U.S. Treasury securities and authorized investment pools, no more than 50% of the PCDC's total investment portfolio will be invested in a single security type or with a single financial institution.

The Investment Officer shall be required to diversify maturities. The Investment Officer, to the extent possible, will attempt to match investment with anticipated cash flow requirements. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to specific requirements such as semiannual or annual bond payments, the Investment Officer may not invest more than 20% of the portfolio for a period greater than one (1) year. The Investment Officer may not invest any portion of the portfolio for a period greater than two (2) years.

#### **SAFEKEEPING AND COLLATERALIZATION**

All security transactions, including collateral for repurchase agreements, entered into by the PCDC shall be conducted on a delivery-versus-payment DVP basis. Securities will be held by a third-party custodian designated by the Investment Officer and evidenced by safekeeping receipts.

#### **PERFORMANCE EVALUATION AND REPORTING**

The Investment Officer shall submit quarterly reports to the PCDC Board containing sufficient information to permit an informed outside reader to evaluate the performance of the investment program. This report shall contain:

Beginning and ending market value of the portfolio by market sector and total portfolio;  
Beginning and ending carrying (Book) value of the portfolio by market sector and total portfolio;  
Transactions which change market and book value;  
Detail reporting on each asset (book, market, and maturity dates); Overall current yield of the portfolio;  
Overall weighted average maturity of the portfolio;  
Maximum maturities in the portfolio; and,  
The signature of the investment officer.

#### **INVESTMENT POLICY ADOPTION BY THE BOARD AND CITY COUNCIL**

The PCDC investment policy shall be adopted by the PCDC Board. The policy shall be reviewed on an annual basis by the PCDC Board and presented to City Council for approval with the Annual Budget in accordance with the PCDC Bylaws, Section 7.05 Investment and Reserve Policies.

**AUTHORIZED FINANCIAL INSTITUTIONS AND GOVERNMENT POOLS**

**Financial Institutions Authorized To Do Business with PCDC**

Hancock Whitney Bank  
First Texas Bank

**Government Pools Authorized To Do Business with PCDC**

TexPool 449  
TexPool Prime 590



# INCENTIVES AND OBLIGATIONS REPORT AS OF 8/118/21

The **Incentives and Obligations Report** is a management tool that provides tracking of incentive performance agreements and any other obligations owed in future years to include debt service, lease payments, reserve payments per policy, and community grants.

**Performance Agreements (PA)** - For each PA, we note the Maximum Incentive, Paid in Prior Years, and Budgeted amounts for the current year. All contracts are eligible for payout through September 30. Payments made in the current fiscal year are moved to Paid in Prior Years as part of our year end close out in October (new fiscal year). In the interim, we color code the current budget year to provide anticipated payment through September 30. Please see schedule below.

Project in 2015-2037	Project Status	Contract End	Maximum Incentive	Paid Prior Years	Paid in FY 2020	Budgeted to be paid in 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
Medway Plastics	A	November 2020	\$ 150,000	\$ 88,000	\$ 18,000	\$ 31,000	\$ 31,000															
LifeLast	A	January 2022	\$ 155,720	\$ 17,500	\$ -	\$ -																
Marriott Courtyard (Village Holdings)	A	July 2022	\$ 125,000	\$ 100,000	\$ 25,000	\$ 25,000																
Sisu	A	September 2021	\$ 72,000	\$ 22,400	\$ 17,600	\$ 24,800	\$ 24,800															
Accent	A	July 2022	\$ 150,000	\$ 60,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000														
TESCOM	A	2021	\$ 25,000	\$ -	\$ -	\$ 24,800	\$ 24,800															
MW Builders	A	July 2022	\$ 75,000	\$ 50,000	\$ 25,000	\$ 25,000																
Flooring Services	A	July 2022	\$ 50,000	\$ 50,000	\$ -																	
Heatherwilde 45 (See Below)	A	2023	\$ 250,000	\$ -																		
Austin Foam Plastics	A	2024	\$ 105,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000															
Essentium	A	2023	\$ 525,000	\$ 225,000	\$ 125,000	\$ 100,000	\$ 75,000	\$ 75,000	\$ 50,000													
Rosendin	A	2022	\$ 60,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000															
RNDC	A	2029	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Amazon	A	2022	\$ 3,800,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000															
PFTT	A	2023	\$ 450,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Walker Engineering	A	2024				\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000													
GT Distributors	A	2024				\$ 150,000	\$ 150,000	\$ 75,000	\$ 75,000													
<b>Project Liabilities</b>			\$ 7,192,720	\$ 667,900	\$ 295,600	\$ 1,375,600	\$ 1,450,600	\$ 360,000	\$ 255,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ -	\$ -	\$ -	\$ -
Remaining Payments (FY21-FY37)							\$ 4,041,200															

RED : Payments owed in future years.

BLUE : Payment anticipated to be paid in current year but not yet paid

BLACK : Payment made in current fiscal year.

## Rental/Lease Agreements

Cortec Lease for PCDC					\$ 59,007	\$ 60,777	\$ 62,600	\$ 64,478	\$ 66,412	\$ 68,405	\$ 70,457											
<b>Rental/Lease Liabilities</b>					\$ 59,007	\$ 60,777	\$ 62,600	\$ 64,478	\$ 66,412	\$ 68,405	\$ 70,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Remain Lease (FY21-FY37)					\$ 393,130																	

## Debt Liability

Contingency Fund	A				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CO Debt Service																						
Pfluger Farm Ln Series 2013	P	August 2033	\$ 6,812,635	\$ 747,222	\$ -	\$ 227,206	\$ 224,206	\$ 221,206	\$ 118,206	\$ 218,206	\$ 515,206	\$ 493,206	\$ 471,506	\$ 550,106	\$ 490,419	\$ 447,138	\$ 396,338	\$ 754,638				
130 Commerce Center/Impact Way Series 2014	P	August 2033	\$ 7,131,135	\$ 865,797	\$ -	\$ 362,631	\$ 361,031	\$ 362,031	\$ 362,631	\$ 362,831	\$ 362,631	\$ 362,031	\$ 361,031	\$ 359,631	\$ 362,831	\$ 360,431	\$ 362,631	\$ 359,231				
Renewable Energy Park-130 ComCtr Series 2009A	P	August 2035	\$ 4,667,798	\$ 690,717	\$ -	\$ 183,501	\$ 184,701	\$ 185,701	\$ 181,501	\$ 182,495	\$ 182,550	\$ 182,300	\$ 186,675	\$ 185,600	\$ 183,775	\$ 181,700	\$ 184,388	\$ 181,588	\$ 183,538			
<b>Debt Liability</b>			\$ 2,303,737	\$ -	\$ 773,338	\$ 769,939	\$ 768,939	\$ 662,339	\$ 763,208	\$ 1,060,333	\$ 1,037,788	\$ 1,014,838	\$ 1,096,413	\$ 1,038,850	\$ 991,344	\$ 940,669	\$ 1,298,256	\$ 181,588	\$ 183,538			
Estimated Remaining DS Payments (FY21-FY37)							\$ 12,581,376															

## Infrastructure Projects/Waterpark Debt.

Helios	A		\$ 159,123	\$ 110,702	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 75,000									
Heatherwilde 45 (sewer)	A	2023	\$ 250,000	\$ -	\$ -	\$ 125,000	\$ 125,000															
Refinance Loan Payment	A	March 15, 2031	\$ 24,000,000	\$ 5,966,326	\$ 1,799,442	\$ 1,798,579	\$ 1,796,213	\$ 1,797,343	\$ 1,796,755	\$ 1,799,449	\$ 3,255,211	\$ 3,256,547	\$ 3,248,159	\$ 3,250,262	\$ 3,252,210	\$ 3,248,789						
FM685 Improvements	C	September 30, 2017	\$ 250,000	\$ 1,316,625.90	\$ 956,625.90																	
			\$ 7,442,075	\$ 2,866,770	\$ 1,948,579	\$ 2,071,213	\$ 2,072,343	\$ 1,946,755	\$ 1,949,449	\$ 3,405,211	\$ 3,406,547	\$ 3,398,159	\$ 3,325,262	\$ 3,252,210	\$ 3,248,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Remaining Loan Payments (FY21-FY37)							\$ 30,024,516															

<b>TOTAL</b>			\$ 3,221,377	\$ 4,158,294	\$ 4,354,351	\$ 3,265,760	\$ 2,930,506	\$ 2,901,062	\$ 4,656,000	\$ 4,564,335	\$ 4,532,997	\$ 4,541,674	\$ 4,411,060	\$ 4,360,133	\$ 1,060,669	\$ 1,298,256	\$ 181,588	\$ 183,538				
Estimated Remaining Total Payments (FY21-FY37)							\$ 47,040,222															

Project Status Notes: A-Active, C-Complete, P-Postponed, T-Terminated

ccc:PCDCShared:Incentive Obligations:Incentive Obligations Reports:05/04/2021