

FY 17 PCDC Budget Amendments Narrative

April 20, 2017

Summary:

After all amendments are made, Expenses increase \$352,404 and Other Incomes increase \$926,363. All amendments create an increase in Net Income of \$573,959. Projected FY17 Net Income after amendments is \$2,476,361.

Reserve Fund:

The FY17 Budget expenses \$120,000 from operations and earmarks an additional \$69,802 out of Other Income for a FY17 Debt Service and Operations Contingency Reserve contribution of \$189,802. Additionally, the Typhoon Texas lease agreement requires a \$4.5MM contingency fund within 5 years. FY17 contributions to this fund are \$900,000. At the end of the year, the remaining non-encumbered funds are anticipated to be \$2,406,559.

Amendment Details:

41100 Sales Tax Revenue - (Income) The PCDC Water Park loan with Capital One was refinanced with Whitney Bank on March 15, 2017. The restructure does not require participation by the City of Pflugerville to divert debt service payments to the new bank. The total sales tax the City collects on behalf of PCDC will be forwarded monthly. The amendment reflects PCDCs total income for sales tax including the former revenue that was diverted. (\$924,184)

41200 Tax Revenue Diverted to HF Loan Payments - (Income) Account is discontinued and funds are reverted to 41100 Sales Tax Revenue. (-\$924,184)

61010 Vehicle Lease/Purchase - (Expense) Vehicle lease ends September 28, 2017. PCDC will exercise an option to purchase the vehicle on or before that date. PCDC Board of Directors unanimously approved purchase April 20, 2017. (\$30,000)

64070 Tradeshow Fees - (Expense) Tradeshow fees included in regional partnership events and sponsorships. Funds reallocated to Marketing travel. (-\$6,000)

64080 Marketing Travel - (Expense) Reallocated funds from Tradeshow Fees unanimously approved by PCDC Board of Directors on April 20, 2017.. (\$6,000)

67100 CapitalOne Loan Interest Expense - (Expense) CapitalOne Loan interest account no longer relevant due to refinancing of loan. CapitalOne loan was paid off March 15, 2017. (\$-484,815)

67800 Whitney Bank Interest Payment (new account) - (Expense) The Water Park loan was refinanced as of March 15, 2017 with Whitney Bank. A new account was created to record interest payments accruing monthly, per the resolution, for the bi-annual interest payments, to be made October 15 and April 15 every year. (\$601,300)

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67900 Loan Refinance Expense (new account) – (Expense) One-time expenses associated with the Water Park loan refinancing that were not budgeted for in original Fiscal Year 2017 Budget (\$105,919)

69160 Water Park Expense (new account) – (Expense) Added the account and funding for anticipated participation in Typhoon Texas permit expenses per the First Amended and Restated Water and Adventure Park Ground Lease and Operating Agreement executed on December 28, 2016. (\$100,000)

70100 Gain on Sale of Land - (Other Income) New account established in January 2017 to record proceeds from land sales in the 130 Commerce Center. Adjustment being made to add for land sale that closed February 1, 2017 and properly account for prior land sale gains in October and November. Gains for any future land sales will be added to this budget line item. (\$926,363)