



# City of Pflugerville

## Legislation Text

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Discussion regarding the 5-year Capital Improvement Plan for FY 2023-2027 related to drainage, information technology, facilities, parks, transportation, traffic signals and traffic operations, reclaimed water, water, and wastewater projects.

City staff presents the 5-Year Capital Improvement Plan (CIP) for FY2023-2027 for consideration by City Council, as previously submitted to the Planning and Zoning Commission on April 4, 2022. Planning and Zoning Commission, voted unanimously on April 4th to approve the proposed 5-Year CIP as presented.

As required by the City Charter, the Planning and Zoning (P&Z) Commission annually reviews and submits a 5-year Capital Improvement Plan to the City Council and City Manager at least 120 days before the beginning of the budget year that starts in October. The plan must include a prioritized list of projects that are programmed with a recommended year of construction. Please refer to the CIP Memorandum for specific project and details on funding source and timing of each proposed project.

The proposed Capital Improvement Plan (CIP) for FY2023 to FY2027 provides a roadmap to the upcoming capital improvements in the City and helps define available project resources as well as upcoming project funding needs. The CIP traditionally covers a five year period and is updated every year. The appropriation of funding for a project is made either in conjunction with the Operating Budget as a General Fund project or as a Utility Fund Project or by adopting a Budget Amendment. The presentation as provided includes a project timeline, project descriptions, funding sources, and projects listed by year for the next five years. The presentation also includes analysis of the process used to select the proposed projects using defined priorities, funding sources, and capacity limitations.

Staff requests Council review the proposed Capital Improvement Plan 2023 - 2027 and provide direction on any desired adjustments. Staff will return at a future meeting with a proposed Budget and schedule appropriating funding for the first year and corresponding years up to 2027 as necessary for each CIP identified.

CIP has collaborated with City Departments (Parks, Planning & Development Services, Streets, Public Works, Facilities, IT and the Police Department) for Capital projects and ensure that Finance staff is on-board in collaboration with the City Manager for a schedule developed to integrate capital planning into the Annual Operating Budget process. The CIP discusses funding sources, upcoming projects, and implications of future capital improvements throughout the City. There are 169 capital improvement projects being proposed for planning or implementation during the upcoming five year period, totaling approximately \$1,123,451,662 billion dollars.

There are different funding mechanisms for capital improvement projects; two of which are Certificates of Obligation (CO) and General Obligation (GO) bonds. A Certificate of Obligation (CO) is a bond secured by property tax in which does not require voter approval. Unlike a CO, a General

Obligation (GO) bond is required to be approved by the voters, and the debt service typically placed on top of the tax rate. Currently, the City uses CO and GO bonds to fund roadway, drainage, signals, sidewalk and park projects. Smaller projects may even be funded out of the General Fund or Utility Fund if the project is a high priority to the citizens and City Council.

Voters approved the \$61 million in general obligation bonds in 2014 and 2015 for parks (\$25 million) and roadway improvement (\$28 million in 2014 and an additional \$9 million in 2015 for Weiss Lane) projects. In 2018 voters approved \$21.1 million for roadway projects. 2020 voters approved a bond package totally \$191.3 million for transportation (\$101.7M), parks (\$42.3M) and recreation and senior center (47.3M). Utility projects are typically funded by the Utility Fund, capital recovery fees (impact fees from new development) and COs. Utility COs are funded through utility revenue guaranteed by the tax rate.

In order to assess the projects staff assigned a priority label based on the following criteria:

- A. Prior committed Bond Funded project
- B. Prior project design completed and shovel-ready
- C. Prior prioritized Master Plan
- D. Previously approved project (Council, Bond or Committee)
- E. High priority 2020 Master Plan (Water or Wastewater)
- F. Address Growth, efficiencies, regulation, replacement or ahead of growth shift
- G. Development and economic needs

The 5-YR CIP packed as provided in the handout, separated into nine sections, which includes a preamble, letter from City Manager, Capital Improvement Plan Overview, Capital Projects Summary, Tax-Supported CIP, Revenue-Supported CIP, including Tables and Figures for corresponding capital project program categories (refer to Attachment). CIP document includes both Summary Level Information as well as detail for each of the projects.

A PowerPoint presentation has been prepared to further present an overview of the projects being proposed. As part of the project selection process staff referenced plans already approved by Council such as (but not limited to): Transportation Master Plan; Water and Wastewater Master Plan; Parks Master Plan; Voter-Approved General Obligation Bonds; Parks Commission projects, Development coordinated projects, etc.

## ANALYSIS

In addition to referencing the planning documents listed above, staff used the following to analyze which projects to include in the proposed five-year CIP.

1. Priorities - As described above: safety; legal mandates; and community enhancement.
2. Funding Sources - For many funds only certain projects are eligible. For example, bond measures, lighting and landscape districts, gas tax, vehicle registration fees, etc are legally limited to certain types of projects (please see funding descriptions in section II in the attachment, which includes both

capital and operating funds).

3. Capacity Limitations - The number of projects to be completed in the next five years will be demanding and staff time to oversee projects as well a coordination of projects among City departments must be taken into consideration. The CIP effort is in addition to meeting the daily needs for public services. There are practical limits on the number of activities that can be realistically supported during a fiscal year.

4. In an effort to further analyze capacity limitations, the following should be considered. Even if the City had additional funds at this time to bring more projects online, more staff or more contracted consultants would need to be hired for such tasks as engineering and project management, which would ultimately decrease the available funds for construction. Moreover, if project management and/or engineering are contracted out there would remain a need to oversee the projects by City staff to ensure the project is being constructed according to the approved plans and budget. The projects proposed in this five year plan represent staffs best attempt, based on the information currently available, to balance priorities, funding, and capacity limitations.

CIP has already begun to collaborate and coordinate with Finance and other Departments for project timing, beginning with FY23, which will anticipate each quarters in which projects are in the planning/design phase and the construction phase. This allows staff a visual tool to analyze how many projects in a single quarter are coming online. Although funding may be available for projects, some projects have been pushed out on the calendar in an effort to avoid having more projects online than staff can oversee and coordinate.

#### Next Steps

Staff is requesting direction from City Council to approve the 2023-2027 5-YR CIP and The FY2023 Projects will be included in the City Council approval of the Comprehensive Budget. As projects get closer to the planning, design and construction implementation phases staff will request Council approval to authorize contracts.

#### Prior City Council Action

N/A

#### Deadline for City Council Action

N/A

**Funding Expected:** Revenue  Expenditure  N/A

**Budgeted Item:** Yes  No  N/A

**Amount:** N/A

**1295 Form Required?** Yes  No

**Legal Review Required:** N/A  Required  Date Completed: \_\_\_\_\_

#### Supporting documents attached:

5-year Capital Improvement Plan for FY 2023-2027  
Draft Presentation

#### Recommended Action

Discuss only