

***CITIZENS
FACILITIES
ADVISORY COMMITTEE***



**Meeting #6
June 21, 2022**

Agenda

1. Meeting #5 Recap
2. Bonding Capacity
3. Bond Amount Activity - Where is the Line?
4. 2018 Bond Update & District Needs with Dr. Killian
5. Capital Improvement Needs
6. Small Group Discussion & Share
7. Covid & General Inflation and Market Challenges
8. Looking Ahead, Questions & Closing



MEETING 5 RECAP



Meeting 5 Recap

In meeting 5, we

- Finished departmental presentations
 - CTE
 - Technology
 - Fine Arts
 - Athletics
 - Curriculum & Instruction
 - Safety & Security
 - Transportation
- Finished Elementary School Tours



Tour Feedback

	First Impressions	Safety	Access (ADA/ease of traversing the campus)	Engaging Learning Environments	Opportunities for Creativity	Collaborative Learning and Teaching Opportunities	Community Access	Overall Score
Windermere ES	4	4	3.8	3.5	3.8	3	3.4	3.67
Pflugerville ES	3.1	3.3	3.3	3.5	3.6	2.6	3	3.23
Carpenter ES	4.6	4	4.7	4.6	4.6	4.6	4.1	4.5



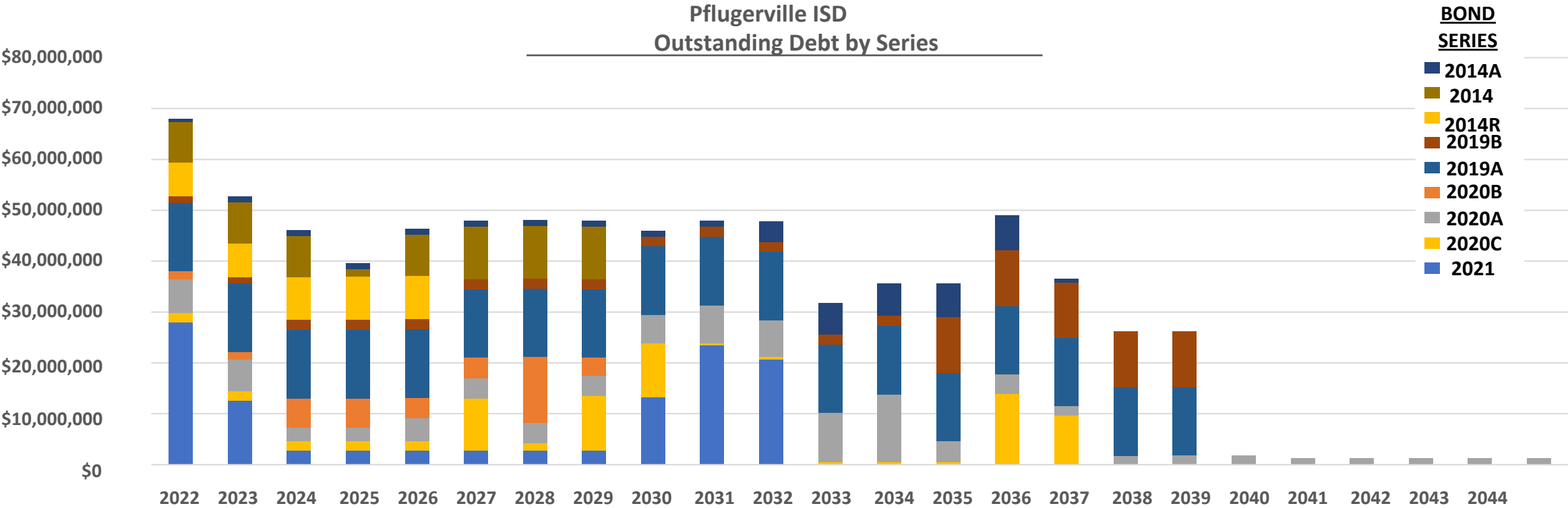
PfISD BONDING CAPACITY



EXISTING GENERAL OBLIGATION DEBT*

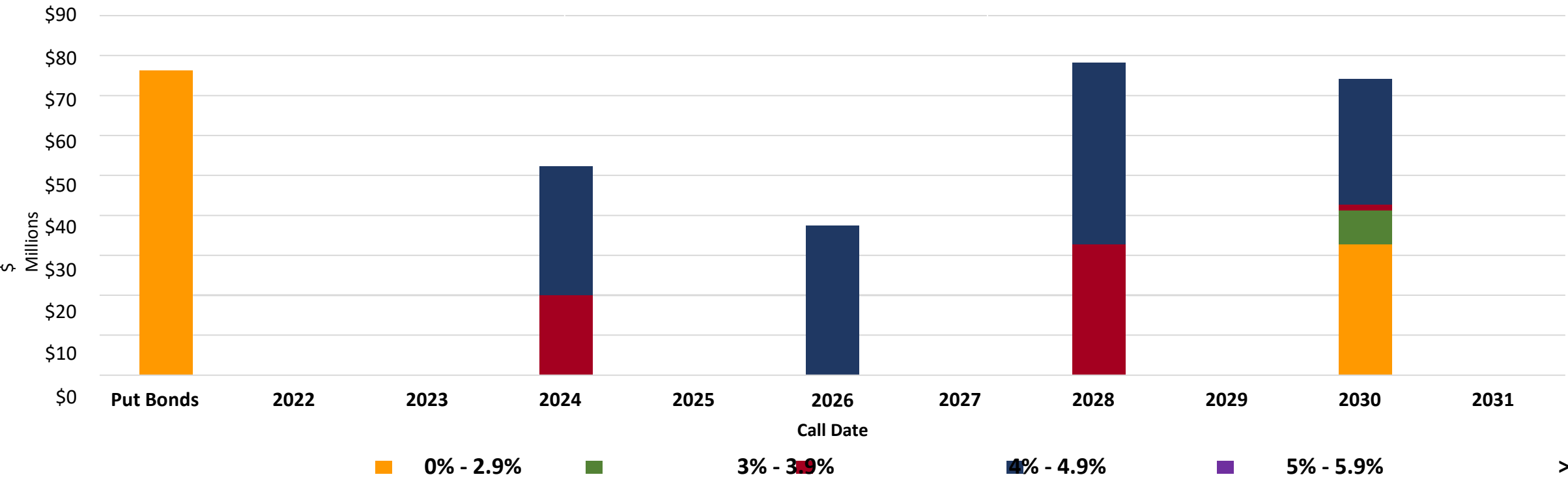
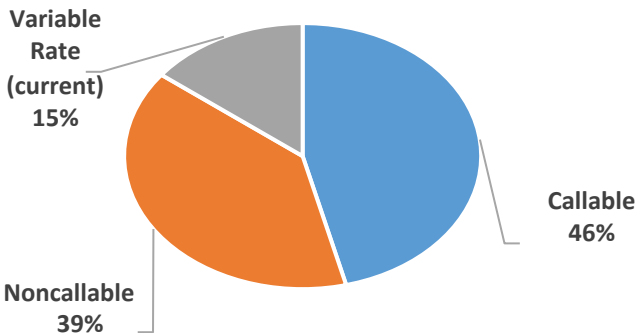
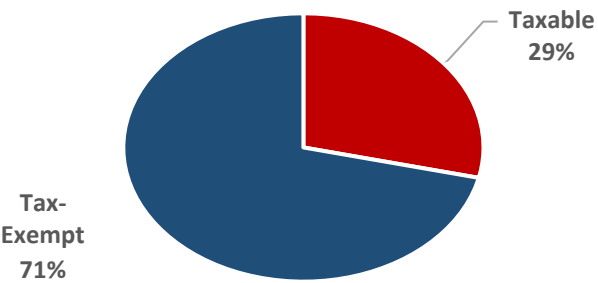
Outstanding Bonds								
Series	Series	Tax Status	Call Provisions	\$ Outstanding Par	\$ Callable	% Callable	Non Callable	Variable Rate
U/L Tax Ref Bds Taxable Ser 2021	2021	Taxable	Non Callable	\$ 66,685,000	\$ -	-	\$ 66,685,000	\$ -
U/L Tax Ref Bds Taxable Ser 2020C	2020C	Taxable	2/15/2030	51,640,000	23,575,000	45.7%	28,065,000	-
U/L Tax Sch Bldg Bds Ser 2020A	2020A	Tax-Exempt	2/15/2030	64,010,000	50,610,000	79.1%	13,400,000	-
U/L Tax Ref Bds Taxable Ser 2020B	2020B	Taxable	Non Callable	32,150,000	-	-	32,150,000	-
U/L Tax Bds Ser 2019A	2019A	Tax-Exempt	2/15/26 & 28	157,300,000	115,700,000	73.6%	41,600,000	-
Var Rate U/L Tax Sch Bds Ser 2019B	2019B	Tax-Exempt	8/15/2023	49,430,000	-	-	-	-
U/L Tax Ref Bds Ser 2014R	2014R	Tax-Exempt	2/15/2024	28,850,000	16,095,000	55.8%	12,755,000	-
U/L Tax Sch Bldg Bds Ser 2014	2014	Tax-Exempt	2/15/2024	48,420,000	36,110,000	74.6%	12,310,000	-
Variable Rate U/L Tax Sch Bldg Bds Ser 2014A	2014A	Tax-Exempt	8/15/2022	26,925,000	-	-	-	-
TOTAL				\$ 525,410,000	\$ 242,090,000		\$ 206,965,000	\$ -

Pflugerville ISD
Outstanding Debt by Series



2045The Variable Rate Series 2019B Bonds and Variable Rate Series 2014A Bonds each have a put date of 8/15/2023 and 8/15/2022 respectively. Interest on the 2019B Bonds is estimated at 4.00% after the Initial Rate Period of 2.50%. Interest on the 2014A Bonds is calculated at the New Term Rate of 2.25% then 4.00% thereafter.

CALL ANALYSIS*



*Note: Call dates may vary throughout the year. The Variable Rate Series 2019B Bonds and Variable Rate Series 2014A Bonds each have a put date of 8/15/2023 and 8/15/2022 respectively.

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This document is intended for discussion purposes only and, in conjunction with oral presentations and further negotiations, is subject to the final terms of definitive transaction related written agreements, if appropriate, and is not a commitment to lend money, underwrite or purchase securities or commit capital, nor does it obligate this firm to enter into written agreements. Terms and conditions described herein are an indicative summary which may be amended or replaced by subsequent summaries.

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BOND AMOUNT ACTIVITY - WHERE IS THE LINE?



Bond Amount Activity - Where is the Line?

At your table, discuss the possible bond package amounts (\$375M, \$425M, and \$475M) and where you feel a threshold for approval from the community might be.

- Consider what the district can afford and what you think voters would approve.

Select a spokesperson to share your group's level of comfort with the larger group.



10
minutes



2018 BOND UPDATE & DISTRICT NEEDS

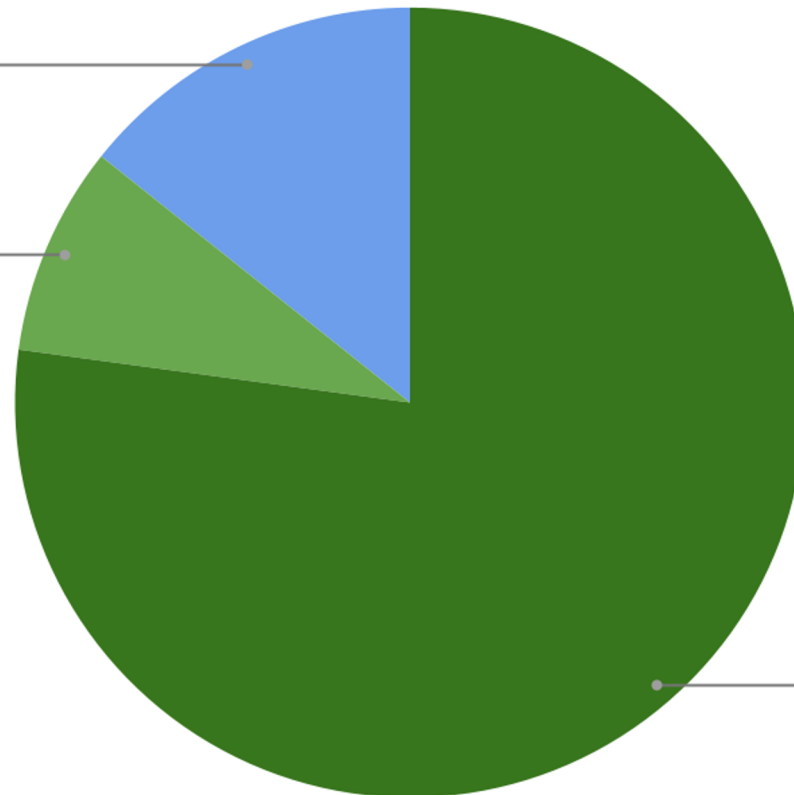


2018 Bond Update - Project Status

2018 Bond Projects

In Progress
14.3%

Completed by Sept 22
8.6%



Completed
77.1%



2018 Bond Update - Project Status

85% Completion by September 2022

Projects in progress:

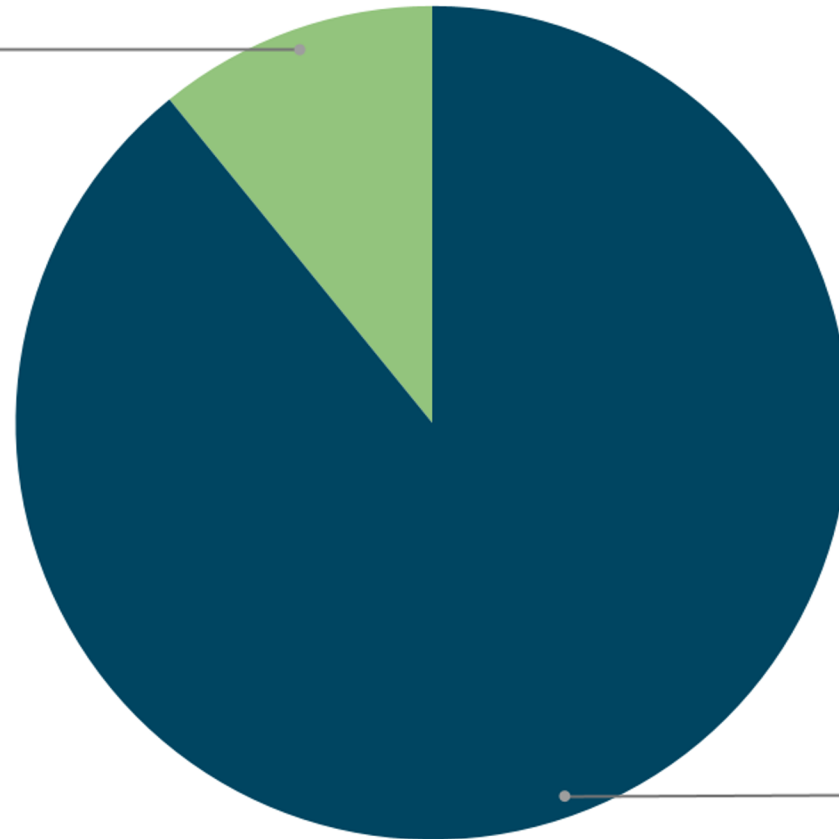
- MS Band Hall Expansions - All complete but CMS
 - **Projected Completion July 2022**
- New Hidden Lake ES
 - **Projected Completion Sept 2022**
- Classroom Additions
 - **Projected Completion July 2022**
- Fine Arts Lighting & Sound Upgrades
 - **Projected Completion July 2022**
- Mechanical (heating & AC) Improvements
- Campus Fencing & Pedestrian Safety Features
- Weiss High School Agricultural Science Addition
- ADA Accessibility Improvements for MES & PES



2018 Bond Update - Budget Status

2018 Bond Budget

Dollars Remaining
10.9%



Dollars Spent
89.1%



Highlights of Current Bond items Completed or will Complete this Summer

- Middle School and Elementary 1 are occupied and 99% complete.
- Elementary 2 will be complete in Sept/Oct will be occupied in 2023-24. It will relieve Riojas and VMES. Small relief to JCES.
- Additions for Delco ES and Dessau ES will be complete this summer. Delco will need the space first and will slow the need for a new elementary in that area after rezoning.
- WHS AG facility is awaiting TCO.
- PHS additions, including interior walk area are complete.
- The big HVAC projects are going on this summer. These are whole campuses (including Caldwell, Copperfiled and partial for HHS). Next summer will include DMS, WVMS, PLES (Partial), PHS (partial) and PMS.
- Technology laptops done.
- Bus fleet done.
- Operations (bus facility) done.
- Upgrades on fine arts/band done. We did not do Cele (except for lighting) since it was so new and needed more work in other fine arts facilities



Pending Items, Some Going Now.

- Security fencing, vestibules and blocks. We had to part ways with the construction company. Issues with quality and timeliness. Took over two years of fighting to separate.
- Fencing is moving this summer.
- Blocks are being relocated and located now.
- Second vestibules are going to the board next month. We are trying to make two controlled entrances on our elementary campuses.
- The rest of the HVAC projects. Can only do when campuses are closed.
- MES and PES. MES ADA/Accessibility will be moving forward. PES is awaiting a decision with you



2018 Bond Status Report

VOTER-APPROVED	STATUS	Cumulative Exp w/Encumbered \$ (as of 6-3-22)	Remaining
Growth (49%) \$163,145,000		\$ 164,842,875	\$ (1,697,875)
Proposed Projects:			
New Schools			
Elementary School #22 (<i>Jessica Carpenter ES</i>)	Complete		
Elementary School #23 (<i>Hidden Lake ES</i>)	Projected completion Sept, 2022		
Middle School #7 (<i>Bohls MS</i>)	Complete		
Land Purchases	Complete		
Delco Elementary and Dessau Elementary Classroom Additions	Projected completion July, 2022		
District Support Services Facility Updates	Transportation Complete		
Aging Systems (26%) \$85,783,000		\$ 43,350,809	\$ 42,432,191
Proposed Projects:			
Accessibility (ADA) Improvements	Complete, except MES and PES		
Mechanical (heating & AC) Improvements	In progress		
Roofing & Repairs to Building Exteriors	Complete		
Plumbing & Electrical Improvements	Complete		
Fire Alarm Systems	Complete		
Kitchen Renovations	Complete		
Playground Improvements	Complete		



Technology (7%) \$24,300,000		\$ 24,296,571	\$ 3,429
Proposed Projects:			
Computer Replacement Cycle	Complete		
Student Devices	Complete		
Classroom Projectors	Complete		
Network Security & Equipment	Complete		
Fine Arts (6%) \$18,543,000		\$ 21,343,214	\$ (2,800,214)
Proposed Projects:			
Middle School Band Hall Expansions	Complete, except CMS		
Choir Room Additions	Complete		
Dance Studios & Locker Room Renovations	Complete		
Theater Arts Renovations	Complete		
Lighting & Sound Upgrades	95% complete - projected completion July, 2022		
Theater Stage Lighting and Sound Upgrades at Elementary Schools	Complete		
Transportation (4%) \$14,000,000		\$ 16,322,353	\$ (2,322,353)
Proposed Projects:			
New fleet of school buses	Completed		



Safety & Security (3%) \$8,613,000		\$	5,281,597	\$	3,331,403
Proposed Projects:					
Security Cameras	Complete				
Intrusion Detection & Access Controls	Complete				
Campus Fencing & Pedestrian Safety Features	In progress				
Athletics (2%) \$8,225,000		\$	8,125,636	\$	99,364
Proposed Projects:					
Resurface Middle School Tracks	Complete				
Replace Aging Weight Room Equipment	Complete				
Renovate Aging Locker Rooms	Complete				
Career & Technical Education (CTE) (2%) \$5,391,000		\$	5,866,566	\$	(475,566)
Proposed Projects:					
Agricultural Sciences Additions					
<i>Hendrickson High School</i>	Complete				
<i>Pflugerville High School</i>	Complete				
<i>Weiss High School</i>	In progress				
Automotive Tech Addition/Renovation					
<i>Pflugerville High School</i>	Complete				
Culinary Arts Expansion/Renovation					
<i>Connally High School</i>	Complete				



Totals

Contingency (1%) \$4,000,000		\$ 6,497,890	\$ (2,497,890)
	Grand total	\$ 295,927,511	\$ 36,072,489



ISSUES TO ADDRESS



Delays and Shortages Still Issues

- Ordered in October and November for Hidden Lake tech, still not all in.
- Delco/Dessau tech equipment still not here. Will exhaust our spares to open.
- Elementary schools taking 12-15 months, pre-pandemic are taking closer to 18 months. That's how long a middle school took.



Issues

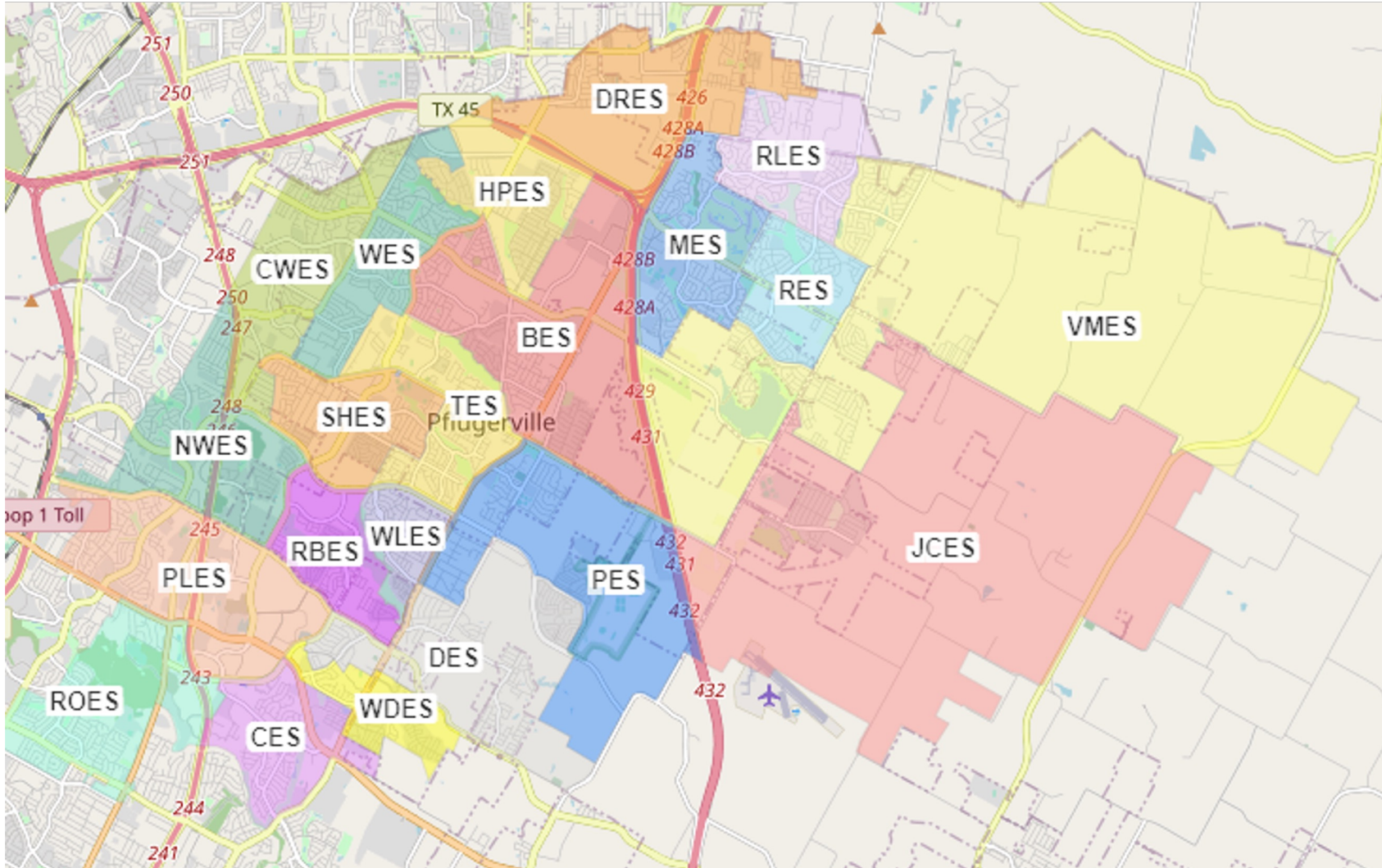
- We are tapped out on the M&O side. Inflationary costs and staff costs will prevent us from staffing new schools without reductions elsewhere. VATRE may be necessary.
- With increases in property values, we don't need as high of a tax rate to pay debt. Can do a bond without increase in rate. Can reduce the rate too.
- We don't have land next to some of the growth areas. Need to land bank.

BOUNDARIES

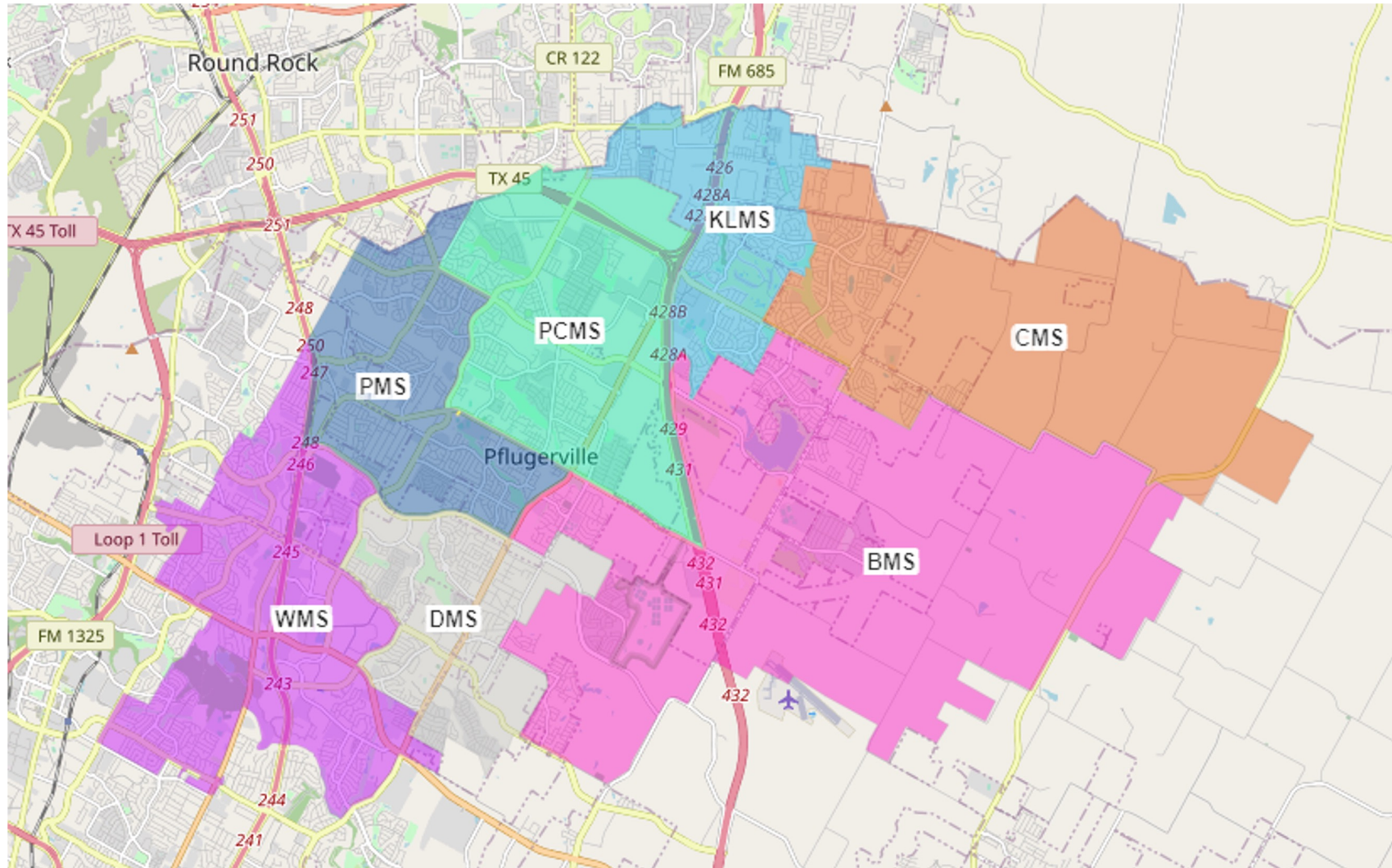
- We will need to redraw attendance zones again to help maximize low enrolled campuses and relieve overcrowded ones.
- To address all the low enrolled elementary and middle schools, we would need to flip school after school.
- WHS is getting over capacity. To delay building another high school, rezoning to HHS, PHS and CHS will need to happen.



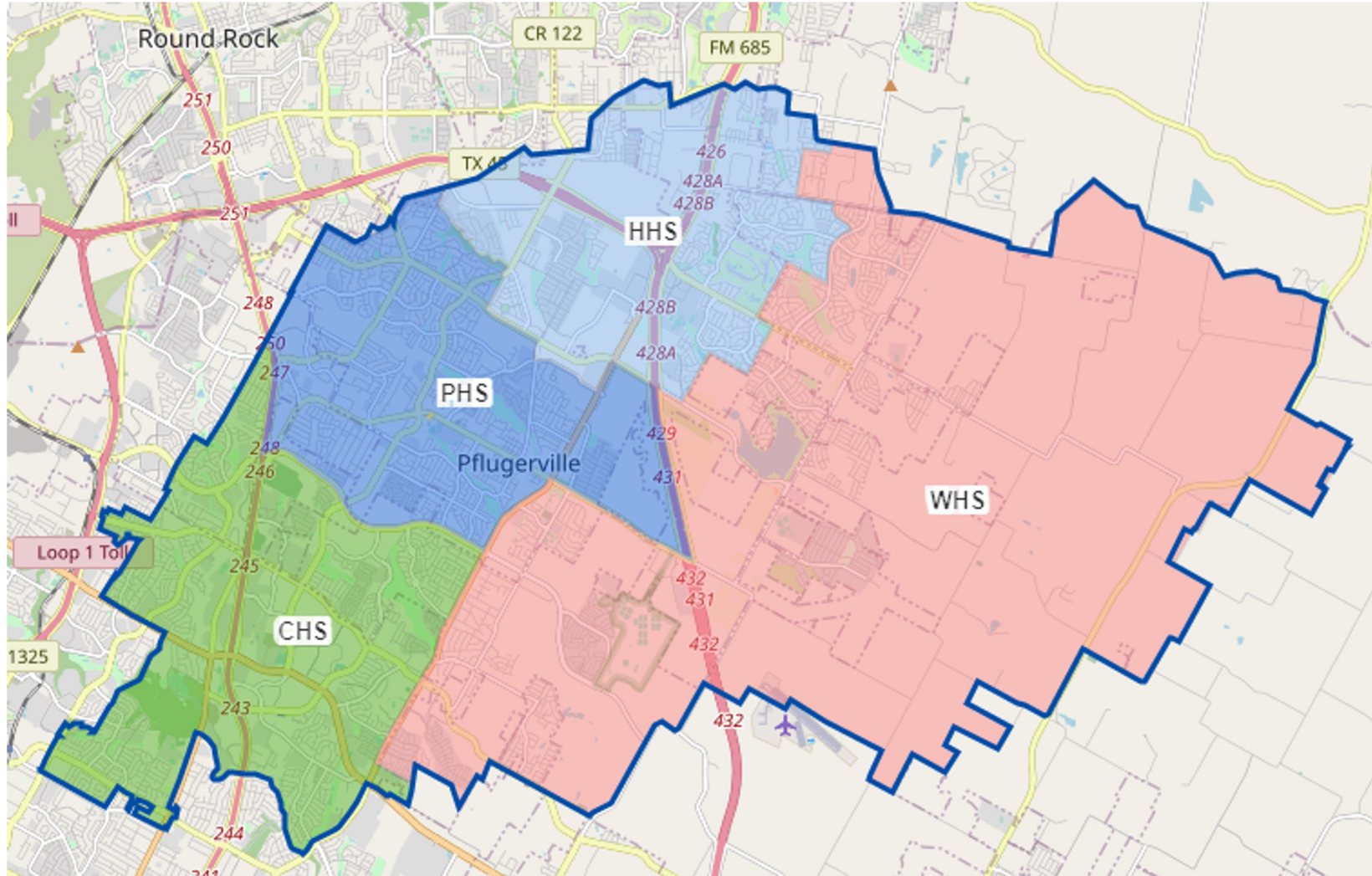
Elementary School Map



Middle School Map



High School Map



Recommendations:

- Need recommendations from CFAC on any construction items for a bond.

Looking at building landscape my recommendations are:

- Land purchase funds. Around \$21 million.
- Recommendation for VATRE (2 golden pennies and 2 copper)
- Recommend lowering debt service rate in response to VATRE and to give debt relief. We can comfortably do 10 pennies for a total reduction of 6 verses the VATRE. We may be able to do more in August of 2023 and I would recommend we do so once we see what rates we get on construction bonds and payment structure.
- Recommend we adjust boundaries again for 2023-24 school year to maximize attendance zones, delay a fifth high school.
- Recommend a bond oversight committee



Recommendations:

- Recommend an elementary
- Recommend a rebuild of existing elementary to increase capacity
- Recommend additions on two small elementary schools to make them more efficient.
- Recommend new fall surfaces at all elementary campuses without them.
- Recommend solar packages on several schools to help M&O expenses.
- Recommend including Calvary Church debt payment as separate item on bond.
- Recommend you stay under \$300 million on the bond package with these and any other items chosen. Any controversial items should be separate on bond call.



Consider:

- Consider separate item for acquiring or building teacher housing.
- Consider separate items for other facilities:
 - partnership with City for Nat
 - CTE center
 - Fine Arts projects (i.e. PAC, etc)
 - Athletic projects (WHS Weight Room, PMS Track rebuild, etc.)



CAPITAL IMPROVEMENT NEEDS



Capital Improvement Items for Consideration

In addition to projects identified in Departmental presentations, consider the following long-term (15+ years) investments:

- Mechanical (Heating & Cooling) Systems
 - 2019-2020 Mechanical Assessment Identified & Prioritized Needs
 - More than \$135 million of needs over the next 15 years
 - Priority 1 and 2 projects (equipment needing replacement within 5 years) totals \$58 million
 - \$11 million of replacement is scheduled for Summer 2023
 - \$47 million of Priority 1 & 2 work is recommended to be included in this next bond cycle



Capital Improvement Items for Consideration

- Lighting Upgrades/ Replacement
 - LED lighting that is more efficient, reduces maintenance, and provides better quality lighting
- Sidewalks, Drives and Parking
 - Life-cycle replacement, improved access & ADA compliance
- Roofing
 - Life-cycle replacement
- Awnings/ Canopies at Exterior Doors
 - Protect doorways from weather, where protection does not exist



GROUP DISCUSSION & SHARE



Small Group Discussion & Share

At your table, share any key takeaways from the District Needs and Capital Improvement Presentations.

- Are there needs you hadn't considered?
- Take note of any recurring observations.
- Discuss similarities and differences in your responses.

Select a spokesperson to share the key messages from your discussion with the larger group.



10
minutes



COVID & GENERAL INFLATION MARKET CHALLENGES



Covid & General Inflation

Due to inflation and supply chain shortages, project cost estimates are higher than ever.

Forbes

BUSINESS

Skyrocketing Construction Costs Threatening Full Recovery

FB

Chip Merlin ForbesBooks Author
ForbesBooks AUTHOR POST | Paid Program

Apr 19, 2022, 12:10pm EDT



Table 1

Price increases for construction inputs Year-over-year change in December PPI

<u>Construction materials</u>	2020	2021
Steel mill products	5.2%	127%
Plastic construction products	5.4%	34%
Aluminum mill shapes	-1.7%	30%
Copper and brass mill shapes	24%	23%
Gypsum products	3.6%	21%
Lumber and plywood	37%	18%
Architectural coatings	1.9%	14%
Asphalt felts and coatings	2.1%	12%
<u>Used by contractors</u>		
Diesel fuel	-2.8%	55%
Truck transport of freight	2.2%	18%
Construction machinery and equipment	1.1%	10%
Truck and offroad tires	0.3%	11%

Source: Bureau of Labor Statistics, producer price indexes, www.bls.gov/ppi



AGC
THE CONSTRUCTION
ASSOCIATION

2022

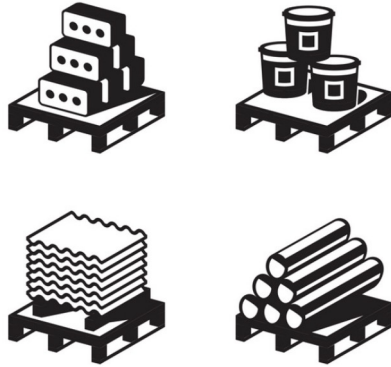
**CONSTRUCTION
INFLATION ALERT**

Two years after the coronavirus pandemic struck, the U.S. construction industry is still experiencing multiple impacts. Unprecedented increases in materials costs, supply-chain disruptions, and an increasingly tight labor market have made life difficult for contractors and project owners alike.

Today's Market Challenges



**Increased
Costs**



Materials



Labor



Timelines

LOOKING AHEAD



Next Meetings

Meeting #7

Tuesday, July 12

6 p.m.

PfISD Admin Building
1401 West Pecan

Meeting #8

Monday, July 18

6 p.m.

PfISD Admin Building
1401 West Pecan

Recommendation to PfISD Board of Trustees

Thursday, August 4

7 p.m.

PfISD Admin Building
1401 West Pecan



Questions?



Thank you!

