



City of Killeen

Agenda

City Council

Tuesday, September 27, 2016

5:00 PM

Killeen City Hall
City Council Chambers
101 North College Street
Killeen, Texas 76541

Call to Order and Roll Call

___ Jose Segarra, Mayor ___ Brockley Moore
___ Shirley Fleming ___ Jonathan Okray
___ Gregory Johnson ___ Juan Rivera
___ Jim Kilpatrick ___ Dick Young

Invocation

Pledge of Allegiance

Approval of Agenda

Minutes

[MN-16-025](#) Consider Minutes of Regular City Council Meeting of September 13, 2016.

Attachments: [Minutes](#)

[Statement for the Record - Johnson](#)

[Memorandum for Record - Okray](#)

Resolutions

[RS-16-108](#) Consider a memorandum/resolution approving the investment report for the quarter ended June 30, 2016.

Attachments: [Council Memorandum](#)

[Quarterly Investment Report](#)

[RS-16-109](#) Consider a memorandum/resolution approving the revised City of Killeen Investment Policy.

Attachments: [Council Memorandum](#)

[City of Killeen Investment Policy - Proposed](#)

[RS-16-110](#) Consider a memorandum/resolution accepting a Texas Department of Transportation Routine Airport Maintenance Program (RAMP) Grant for Skylark Field.

Attachments: [Council Memorandum](#)
[Killeen RAMP Grant](#)

[RS-16-111](#) Consider a memorandum/resolution accepting a Texas Department of Transportation Routine Airport Maintenance Program (RAMP) Grant for Killeen-Fort Hood Regional Airport.

Attachments: [Council Memorandum](#)
[Killeen RAMP Grant](#)

[RS-16-112](#) Consider a memorandum/resolution approving the Genesis Flight Academy, L.L.C. lease agreement extension at Skylark Field.

Attachments: [Council Memorandum](#)
[Lease Agreement Addendum No. 2](#)
[Certificate of Interested Parties](#)

[RS-16-113](#) Consider a memorandum/resolution approving Killeen-Fort Hood Regional Airport rental car lease agreement renewals.

Attachments: [Council Memorandum](#)
[Checker Leasing Addendum No. 1](#)
[Clearwater Transportation Addendum No. 1](#)
[EAN Holdings LLC #1 Addendum No. 1](#)
[EAN Holdings LLC #2 Addendum No. 1](#)
[The Hertz Corporation Addendum No. 1](#)
[Certificate of Interested Parties](#)

[RS-16-114](#) Consider a memorandum/resolution approving Killeen-Fort Hood Regional Airport airline lease agreement extensions.

Attachments: [Council Memorandum](#)
[American Airlines Addendum No. 3](#)
[Delta Air Lines Addendum No. 7](#)
[United Airlines Addendum No. 3](#)
[Certificate of Interested Parties](#)

[RS-16-115](#) Consider a memorandum/resolution approving an update to the City of Killeen Purchasing Manual.

Attachments: [Council Memorandum](#)
[Purchasing Manual - Updated](#)

[RS-16-116](#) Consider a memorandum/resolution for fiber installation at Fire Station #9.

Attachments: [Council Memorandum](#)
[Statement of Work](#)
[Estimate](#)

[RS-16-117](#) Consider a memorandum/resolution appointing members to various boards, commissions, and commissions sub-committees.

Attachments: [Council Memorandum](#)

[RS-16-118](#) Consider a memorandum/resolution for a City/Owner Agreement to oversize public drainage infrastructure within the Cosper Ridge Estates, Phase Five Subdivision.

Attachments: [Council Memorandum](#)

[Agreement](#)

[Cost Proposal](#)

Ordinances

[OR-16-020](#) Consider an ordinance to approve, for FY 17, suspension of compensation step increases for all city employees, including civil service employees.

Attachments: [Council Memorandum](#)

[Ordinance](#)

Public Hearings

[PH-16-034A](#) HOLD a public hearing and consider an ordinance to amend the Comprehensive Plan's Future Land Use Map (FLUM) from 'Rural' to 'Suburban Commercial' (FLUM# Z16-16) for approximately 11 acres, being part of the T. Robinett Survey, Abstract No. 686. The property is addressed as 3901 and 4001 Robinett Road, Killeen, Texas.

Attachments: [Council Memorandum](#)

[Attachment to CCMO](#)

[Minutes](#)

[Ordinance](#)

[Application](#)

[PH-16-034B](#) HOLD a public hearing and consider an ordinance requested by Thayne and Rikki Bright (Case #Z16-16) to rezone approximately 11 acres, being part of the T. Robinett Survey, Abstract No. 686, from "A-R1" (Agricultural Single-Family Residential District) to "B-3" (Local Business District) for prospective commercial uses. The property is addressed as 3901 and 4001 Robinett Road, Killeen, Texas.

Attachments: [Council Memorandum](#)
[Attachment to CCMO](#)
[Minutes](#)
[Ordinance](#)
[Application](#)
[Location map](#)
[Buffer map](#)
[Considerations](#)
[Opposition](#)

[PH-16-035](#) HOLD a public hearing and consider an ordinance amending the FY 2016 Annual Budget and Plan of Municipal Services of the City of Killeen.

Attachments: [Council Memorandum](#)
[Ordinance](#)

Adjournment

I certify that the above notice of meeting was posted on the Internet and on the bulletin boards at Killeen City Hall and at the Killeen Police Department on or before 5:00 p.m. on September 23, 2016.

Dianna Barker, City Secretary

The public is hereby informed that notices for City of Killeen meetings will no longer distinguish between matters to be discussed in open or closed session of a meeting. This practice is in accordance with rulings by the Texas Attorney General that, under the Texas Open Meetings Act, the City Council may convene a closed session to discuss any matter listed on the agenda, without prior or further notice, if the matter is one that the Open Meetings Act allows to be discussed in a closed session.

This meeting is being conducted in accordance with the Texas Open Meetings Law [V.T.C.A., Government Code, § 551.001 et seq.]. This meeting is being conducted in accordance with the Americans with Disabilities Act [42 USC 12101 (1991)]. The facility is wheelchair accessible and handicap parking is available. Requests for sign interpretive services are available upon requests received at least 48 hours prior to the meeting. To make arrangements for those services, please call 254-501-7700, City Manager's Office, or TDD 1-800-734-2989.

Notice of Meetings

The Mayor and/or City Council have been invited to attend and/or participate in the following meetings/conferences/events. Although a quorum of the members of the City Council may or may not be available to attend this meeting, this notice is being posted to meet the requirements of the Texas Open Meetings Act and subsequent opinions of the Texas Attorney General's Office. No official action will be taken by Council.

- *Hispanic American Chamber Banquet, September 24, 2016, 6:00 p.m., Courtyard Marriott*

Dedicated Service -- Every Day, for Everyone!



City of Killeen

Legislation Details

File #: MN-16-025 **Version:** 1 **Name:** Minutes of Regular City Council Meeting of September 13, 2016
Type: Minutes **Status:** Minutes
File created: 9/12/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider Minutes of Regular City Council Meeting of September 13, 2016.
Sponsors: City Secretary
Indexes:
Code sections:
Attachments: [Minutes](#)
[Statement for the Record - Johnson](#)
[Memorandum for Record - Okray](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

City of Killeen
Regular City Council Meeting
Killeen City Hall
September 13, 2016 at 5:00 p.m.

Presiding: Mayor Jose L. Segarra

Attending: Mayor Pro-Tem Brockley Moore, Councilmembers Jim Kilpatrick, Juan Rivera, Shirley Fleming, Gregory Johnson, Jonathan Okray, and Richard Young

Also attending were Interim City Manager Lillian Ann Farris, City Attorney Kathryn Davis, City Secretary Dianna Barker, and Sergeant-at-Arms Gillman.

Councilmember Young gave the invocation, and Councilmember Johnson introduced two young men from the community to lead everyone in the Pledge of Allegiance.

Approval of Agenda

Motion was made by Mayor Pro-Tem Moore to approve the agenda as written but moving OR-16-019 up to just before Resolutions. Motion seconded by Councilmember Fleming. The motion carried unanimously.

Minutes

Motion was made by Councilmember Kilpatrick to approve the minutes of the August 23rd Regular City Council Meeting. Motion was seconded by Councilmember Rivera. Motion carried unanimously.

Motion was made by Councilmember Okray to approve the minutes of the August 30th Special City Council Meeting. Motion was seconded by Councilmember Kilpatrick. Motion carried unanimously.

Motion was made by Councilmember Rivera to approve the minutes of the September 6th Special City Council Meeting. Motion was seconded by Mayor Pro-Tem Moore. Motion carried unanimously.

Item was moved up on agenda.

OR-16-019 Consider an ordinance adding additional citizen members to the Animal Advisory Committee.

The City Secretary read the caption of the ordinance.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING CHAPTER 6 "ANIMALS," ARTICLE II "ANIMAL SERVICES," SECTION 6-34 "ANIMAL ADVISORY COMMITTEE"; PROVIDING A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

Staff comments: Kathy Davis

At its workshop of September 6, 2016, Council reached a consensus to add four additional citizen representatives, as well as two ex-officio voting members.

Staff recommends that the City Council adopt the amendment, as attached.

Motion was made by Councilmember Rivera to approve OR-16-019. Motion was seconded by Councilmember Fleming. Motion carried unanimously.

Resolutions

RS-16-083 Consider a memorandum/resolution appointing citizens/members to various boards, commissions, and commission sub-committees.

Staff comments: Kathy Davis

Based on discussion in council workshop, it is recommended City Council appoint the citizens on the attached chart to the respective boards.

Councilmember Johnson requested to add Andre Owens to Community Development Advisory committee (CDAC).

Citizen Bubba Purser requested to address the council and expressed his concern about members exceeding their term limit on the Planning & Zoning Board and requested the council appoint new members to the board instead of reappointing current members.

Motion was made by Councilmember Young to approve RS-16-083 with the addition of Andre Owens to the CDAC board. Motion was seconded by Councilmember Kilpatrick. Motion carried unanimously.

Councilmember Johnson made a statement for the record. See attached.

RS-16-102 Consider a memorandum/resolution approving a termination agreement with Subway Real Estate, LLC for leased premises at Killeen-Fort Hood Regional Airport.

Staff comments: Matthew Van Valkenburgh

Subway Real Estate, LLC, formally notified the City of its intent to cease operation on or about June 30, 2016, and requested formal termination of the lease agreement. The Agreement of Termination provides for a one-time payment of \$15,000.00 to the City in exchange for a release of all obligations from the lease agreement. Staff recommends City Council approve the attached Agreement of Termination and Mutual Release of Lease with Subway Estate, LLC and authorize the City Manager to execute same.

Motion was made by Councilmember Okay to approve RS-16-102. Motion was seconded by Councilmember Fleming. Motion carried unanimously.

RS-16-103 Consider a memorandum/resolution authorizing Change Order No. 61 with James Construction Group, LLC to the US 190/FM 2410/Rosewood Drive project.

Staff comments: David Olson

Change Order No. 61 is necessary to reconcile or balance line item quantities, overruns and underruns. These are items that are typically paid as measured in place. City staff recommends that the City Council authorize Change Order No. 61 with James Construction Group, LLC, increasing the cost of the contract by \$260,109.67 and request that the Interim City Manager be expressly authorized to execute the same.

Motion was made by Councilmember Kilpatrick to approve RS-16-103. Motion was seconded by Councilmember Young. Motion carried 5 to 2 with Councilmember Johnson and Councilmember Fleming in opposition.

RS-16-104 Consider a memorandum/resolution approving an agreement with the Killeen Economic Development Corporation to provide economic development services.

Staff comments: Jonathan Locke

The City Council has authorized an allocation in the past of no less than the equivalent to two cents (2¢) of the net ad valorem tax collections each fiscal year.

A consensus among City Council members was reached at the September 6, 2016 workshop to reduce the FY 2017 KEDC allocation by 50% which equates to \$386,354.

Staff recommends that the City Council authorize the Interim City Manager to execute the agreement on behalf of the City and set the FY 2017 allocation for KEDC at \$386,354.

Motion was made by Councilmember Young to approve RS-16-104. Motion was seconded by Councilmember Rivera. Motion carried 5 to 2 with Councilmember Okray and Mayor Pro-Tem Moore in opposition.

RS-16-105 Consider a memorandum/resolution approving an agreement with the Greater Killeen Chamber of Commerce to provide economic development services.

Staff comments: Jonathan Locke

The proposed agreement is for a two-year term, and funding in an amount up to \$677,400 is included in the proposed budget. A consensus among City Council members was reached at the September 6, 2016 workshop to reduce the FY 2017 GKCC allocation by 50% which equates to \$338,700. Staff recommends that the City Council authorize the Interim City Manager to execute the agreement on behalf of the City and set the FY 2017 allocation for GKCC at \$338,700.

Motion was made by Councilmember Kilpatrick to approve RS-16-105. Motion was seconded by Councilmember Fleming. Motion carried 5 to 2 with Councilmember Okray and Mayor Pro-Tem Moore in opposition.

RS-16-106 Consider a memorandum/resolution amending rates and fees for the Killeen Civic and Conference Center complex.

Staff comments: Leslie Hinkle

The proposed rates reflect a new rate for a ½ day rental for the board room and meeting rooms, a reduced fee for military functions, and the listing of the fees for the special event center parking lot and the rodeo arena and its grounds. The amendment provides for an effective date of October 1, 2016. In addition, the following language is being added for consideration: "Council grants the city manager the authority to temporarily change rates from time to time for promotional purposes." Staff recommends the City Council approve the increase in rates and fees at the Killeen Civic and Conference Center Complex and the city manager or designee be authorized to temporarily change rates for promotional purposes.

Motion was made by Councilmember Young to approve RS-16-106. Motion was seconded by Mayor Pro-Tem Moore. Motion carried unanimously.

RS-16-107 Consider a memorandum/resolution accepting ratification of an Airport Improvement Program (AIP) Grant.

Staff comments: Matthew Van Valkenburgh

The Federal Aviation Administration (FAA) has offered the City of Killeen a Federal Airport Improvement Program (AIP) Grant in the amount of \$540,000.00 to provide FY 2016 federal funding for eligible capital improvement projects at Killeen-Fort Hood Regional Airport and Robert Gray Army Airfield. Staff recommends City Council ratify the City Managers' acceptance of Federal Aviation Administration Grant 3-48-0361-026-2016 in the amount of \$540,000.00; ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements incorporated into this grant agreement; and authorize the City Manager to execute all necessary grant documents and any and all amendments within the amounts set by state and local law.

Motion was made by Councilmember Fleming to approve RS-16-107. Motion was seconded by Councilmember Kilpatrick. Motion carried unanimously.

Public Hearings

PH-16-032 HOLD a public hearing and consider an ordinance requested by Kay Hedden (Case #Z16-15) to rezone 1.691 acres, being Lot 2, Block 1, Kay H. Addition, from "R-1" (Single-Family Residential District) and "B-3" (Local Business District) to "B-3" (Local Business District). The property is located at 107 W. Stan Schlueter Loop (FM 3470), Killeen, Texas.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF KILLEEN BY CHANGING THE ZONING OF CERTAIN PROPERTY OUT OF THE CITY OF KILLEEN, BELL COUNTY, TEXAS, FROM "R-1" (SINGLE-FAMILY RESIDENTIAL DISTRICT) AND "B-3" (LOCAL BUSINESS DISTRICT) TO "B-3" (LOCAL BUSINESS DISTRICT); PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE.

Staff comments: Tony McIlwain

The staff notified seventeen (17) surrounding property owners regarding this request. Staff received one opposition, the owner of 201 James Loop, on Tuesday, August 16th. The Planning & Zoning Commission recommended approval of the applicant's request for "B-3" zoning by a vote of 7 to 0. As written earlier in this report, the additional area of new "B-3" zoning would amount to approximately .279 acre.

Mayor Segarra opened the public hearing.
With no one appearing the public hearing was closed.

Motion was made by Councilmember Okray to approve PH-16-032. Motion was seconded by Councilmember Rivera. Motion carried unanimously.

PH-16-033 HOLD a public hearing on the FY 2017 Proposed Annual Budget and Plan of Municipal Services for the fiscal year October 1, 2016, through September 30, 2017, and proposed changes to such budget. (2nd of 2 Public Hearings)

Staff comments: Jonathan Locke

Proposed changes to the City Manager's proposed budget fiscal year 2017 were read aloud and discussed. A public hearing is being held to discuss these changes.

Mayor Segarra opened the public hearing.

Diane Hodyniak, 10151 Rocking H Rd. - spoke against closing Copper Mountain Library and read a letter from the American Library Association.

Mary Helton 2407 Henry Dr. - spoke against closing the Copper Mountain Library and read a letter from the Texas Library Association.

Claudia Brown, 2502 Waterfall Dr. - spoke against closing Copper Mountain Library; spoke against cutting citizen services and passing costs of other services on to citizens.

Peter Jobin, 3327 Darin Ave. - presented city secretary with a petition to not close the library and spoke to the library's value to the community.

Bob Blair, 1307 Ruiz Dr. - spoke against closing Copper Mountain Library.

Mellisa Brown, 6105 Melanie Dr. - requested an extra minute to speak; requested council take time and consider budget items carefully before voting on the budget.

Larry Smith, 4306 Teal Dr. - feels staff is not considering citizens' concerns and wants council to handle situations, not the staff.

Brigitte Roman, 1302-A Loyal Ln. - concerned about possible increase in fees and spoke against closing the library.

Robert Vanderlinde, 729 S. Chandler - spoke against closing the library.

Unknown citizen - spoke against closing the library.

Samantha Unit, 610 Consolation Dr. - spoke against closing library.

Stephanie Moody, 710 Atlas Ave. - currently working on petition to not close the library and suggest council carefully consider budget problems.

Jack Esquenazi, 1216 Ridgemont Dr. - spoke against closing the library.

Brenda Wesley, 218 June St. - spoke against closing the library.

Sherry Everett, 2704 Larrisa Dr. - spoke against closing or cutting funding to library.

Arnie Willington, 212 Daffodil Dr. - doesn't want library closed and thanked council for not cutting tax benefits for disabled people.

Araceli Cook, 2803 Derby Dr. - suggested the city stop living above their means.

Chalitta Moore, 2212 Silver Hill Dr. - spoke against letting emergency service workers go and closing the library, and suggested a reassessment of the budget.

Thomas Wilhite, 202 Peach Hollow Cove - wants council to think outside the box to fix budget and spoke against closing the library.

Daniel Chavez, 4913 Parkwood Dr. - does not want council to do away with early tax discounts and wants council to do some sacrificing to fix the budget and watch expenditures closely.

Unknown citizen - Knows the council is not mismanaging funds and believes there's no corruption among the council.

James Crossman, 1509 Zephyr Rd. - spoke against closing the library.

Susan Vasantez - spoke against closing the library.

With no one else appearing the public hearing was closed.

Ordinances

OR-16-012 Consider an ordinance approving Killeen Arts Commission recommendations for grant allocations of FY17 Hotel Occupancy Tax funds.

The City Secretary read the caption of the ordinance.

AN ORDINANCE PROVIDING FOR THE SPECIFIC DISBURSEMENT OF THE PROCEEDS OF THE MUNICIPAL HOTEL OCCUPANCY TAX REVENUES; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

Staff comments: Ralph Cossey

Ten (10) applicants presented their grant applications to the Arts Commission regarding funding requests. At the June 10, 2016 meeting, the Arts Commission recommended allocation of funding for all ten (10) applicants and administrative costs for the Commission, totaling \$187,167. Mr. Cossey read the commission's dollar amount recommendation for each applicant. City Staff recommends that City Council review, discuss, and approve the Killeen Arts Commission's proposed recommendations.

Motion was made by Councilmember Kilpatrick to approve OR-16-012. Motion was seconded by Mayor Pro-Tem Moore. Motion carried unanimously.

OR-16-013 Consider an ordinance amending Chapter 2 (Fees) and Chapter 30 (Water, Sewers and Sewage Disposal) of the City of Killeen Code of Ordinances by adjusting Community Service Fees and implementing a Water Rate Design Change.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE VI, OF THE CITY OF KILLEEN CODE OF ORDINANCES, BY AMENDING SECTION 2-150 (c) CEMETERY, (g) GOLF COURSE, (j) PARKS AND (o) SWIMMING POOLS AND CHAPTER 30, ARTICLE IV, OF THE CITY OF KILLEEN CODE OF ORDINANCES, BY AMENDING DIVISION 2, SUBDIVISION B, WATER RATES, SECTION 30-136 (a); PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

Staff comments: Scott Osburn and Brett Williams

The proposed amendments to Chapter 2 of the City's Code of ordinances represent an opportunity for increasing revenue as necessary to support the provision of services currently provided. Similarly, in relation to the proposed changes to Chapter 30, Public Works assisted by the Finance Department, revisited the rate models utilizing the model development expert consultants, NewGen Strategies and Solutions (NewGen) and SCS Engineers, in order to determine the financial sustainability of the Solid Waste, Water & Sewer, and Drainage funds and to make projections and recommend rate adjustments to ensure the continuous financial soundness of these funds. NewGen did recommend the implementation of a residential water rate design change to add an additional tier to the residential water rate design for the purpose of encouraging conservation of this most precious resource. Implementing the recommendation requires an ordinance revision that adds another tier (10,000 - 25,000 gallons) to the current volumetric charge increments and establish costs associated with the new tier and the final tier (25,000 +). City staff recommends that City Council adopt the ordinance amending Community Services Fees and implementing the residential water rate design change.

Councilmember Okray made a statement for the record. See attached.

Motion was made by Councilmember Johnson to disapprove the proposed changes to Chapter 30, fees. Motion was seconded by Councilmember Fleming. Motion carried 4 to 3 with Councilmember Rivera, Councilmember Kilpatrick, and Councilmember Young in opposition to disapproving the proposed changes to Chapter 30.

Motion was made by Mayor Pro-Tem Moore to approve the proposed changes to Chapter 2, fees. Motion was seconded by Councilmember Kilpatrick. Motion carried unanimously.

- OR-16-014** Consider an ordinance repealing the discount for early payment of ad valorem taxes, installment payment plan and penalties for delinquent payment of ad valorem taxes.

The City Secretary read the caption of the ordinance.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, REPEALING ORDINANCE 56-O THAT PROVIDED FOR DISCOUNTS FOR EARLY PAYMENT OF CITY OF KILLEEN AD VALOREM TAXES, ESTABLISHED AN INSTALLMENT PAYMENT PLAN AND PENALTIES FOR DELINQUENT PAYMENT OF AD VALOREM TAXES; PROVIDING A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

Staff comments: Jonathan Locke

It is recommended that Council adopt the ordinance repealing Ordinance 56-O, discontinuing the discount for early payment of ad valorem taxes, as well as the installment plan option and penalties for delinquent payment of ad valorem taxes, which are now determined by state law.

Motion was made by Councilmember Young to approve OR-16-014. Motion was seconded by Councilmember Okray. Motion carried 6 to 1 with Councilmember Johnson in opposition.

- OR-16-015** Consider an ordinance adopting a budget for operating the municipal government of Killeen for the fiscal year October 1, 2016, through September 30, 2017.

The City Secretary read the caption of the ordinance.

AN ORDINANCE APPROVING AND ADOPTING A BUDGET FOR OPERATING THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2016 AND ENDING ON SEPTEMBER 30, 2017; APPROPRIATING MONEY FOR THE VARIOUS FUNDS AND PURPOSES OF SUCH BUDGET INCLUDING APPROPRIATIONS OF MONEY TO PAY INTEREST AND PRINCIPAL SINKING FUND REQUIREMENTS ON ALL INDEBTEDNESS; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND APPROPRIATIONS IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE.

Staff comments: Jonathan Locke

The City Manager has presented the FY 2017 Annual Budget and Plan of Municipal Services to the City Council. One Public Forum, several budget workshops, and multiple public hearings were held so that the City Council, citizens, and staff could discuss the proposed budget. A record vote is required for adoption of the FY 2017 budget. It is recommended that the attached ordinance be approved and the budget for Fiscal Year 2017 be adopted.

A separate vote on each of the following budget changes was taken as follows:

Closure of 1 Library:

Motion was made by Councilmember Young to reduce the library budget by \$129,171.00, making the new budget amount \$1,482,722.00. Motion was seconded by Councilmember Kilpatrick. Motion carried unanimously.

2.5% Reduction:

Motion was made by Councilmember Young to reduce expenses by 2.5%, or \$2,044,171.00. Motion was seconded by Councilmember Rivera. Motion carried unanimously.

Council Consensus:

Motion was made by Councilmember Young to approve adjustments in the amount of \$91,809. Motion was seconded by Councilmember Fleming. Motion carried unanimously.

Fleet Replacement:

Motion was made by Councilmember Johnson to reduce the General Fund’s contribution to fleet replacement by \$1,236,100.00. Motion was seconded by Councilmember Kilpatrick. Motion carried 5 to 2 with Councilmember Okray and Mayor Pro-Tem Moore opposing.

KEDC/Chamber:

Motion was made by Councilmember Young to reduce the city contribution by \$362,527.00. Motion was seconded by Councilmember Rivera. Motion carried 5 to 2 with Councilmember Okray and Mayor Pro-Tem Moore opposing.

Killeen Volunteers Inc.:

Motion was made by Councilmember Fleming to reduce the city contribution by \$60,000.00. Motion was seconded by Councilmember Young. Motion carried unanimously.

Overtime Reduction:

Motion was made by Mayor Pro-Tem Moore to reduce overtime expenses across the board by \$111,626.00. Motion was seconded by Councilmember Kilpatrick. Motion carried unanimously.

Vacant Positions:

Motion was made by Councilmember Kilpatrick to unfund vacant positions by \$571,372.00. Motion was seconded by Councilmember Fleming. Motion carried unanimously.

Mayor Segarra called for a vote on adopting OR-16-015.

Motion was made by Councilmember Kilpatrick to approve OR-16-015 adopting the budget ordinance, incorporating the changes as voted on above, and taking any deficit from the Balance Fund. Motion was seconded by Councilmember Rivera. A record vote was called for by the City Secretary.

Councilmember Okray voted yes

Councilmember Fleming voted yes

Mayor Pro-Tem Moore voted yes

Councilmember Rivera voted yes

Councilmember Kilpatrick voted yes

Councilmember Johnson voted yes

Councilmember Young voted yes

Motion carried unanimously.

Councilmember Okray made a motion to amend the budget by decreasing city staff pay by 1.75%, for a

total reduction of \$931,903.11. Motion failed for lack of a second.

OR-16-016 Consider a memorandum/resolution ratifying the property tax increase reflected in the Annual Budget and Plan of Municipal Services for the fiscal year October 1, 2016, through September 30, 2017.

Staff comments: Jonathan Locke

The FY 2017 budget will raise more revenues from property taxes than last year's budget by an amount of \$1,653,368, or 4.3%, and of that amount \$1,103,025 is tax revenue to be raised from new property added to the tax roll this year. It is recommended that the property tax increase reflected within the budget for Fiscal Year 2017 be ratified.

Motion was made by Councilmember Okray to approve OR-16-016. Motion was seconded by Councilmember Young. Motion carried unanimously.

OR-16-018A Consider a memorandum/resolution approving the interest and sinking tax rate for FY 2017.

Staff comments: Jonathan Locke

The proposed tax rate is 0.7498 and the interest and sinking component is 0.3031. The interest and sinking component will generate \$15,853,159 at the City's estimated collection rate of 98%. It is recommended City Council approve the proposed interest and sinking rate of 0.3031.

Motion was made by Councilmember Kilpatrick to approve OR-16-018A. Motion was seconded by Mayor Pro-Tem Moore. Motion carried unanimously.

OR-16-018B Consider a memorandum/resolution approving the Maintenance and Operations Tax Rate for FY 2017.

Staff comments: Jonathan Locke

The proposed tax rate is 0.7498 and the maintenance and operations component is 0.4467. It is recommended City Council approve the proposed maintenance and operations rate of 0.4467.

Motion was made by Councilmember Okray to approve OR-16-018B. Motion was seconded by Councilmember Young. Motion carried unanimously.

OR-16-017 Consider an ordinance setting the Tax Rate for Fiscal Year 2017.

The City Secretary read the caption of the ordinance.

AN ORDINANCE SETTING THE TAX RATE AND LEVYING A TAX UPON ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CITY LIMITS OF THE CITY OF KILLEEN, TEXAS, FOR THE 2016 TAX YEAR AND FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2016, AND ENDING SEPTEMBER 30, 2017; APPORTIONING SAID LEVY AMONG THE VARIOUS FUNDS AND ITEMS FOR WHICH REVENUE MUST BE RAISED INCLUDING PROVIDING A SINKING FUND FOR THE RETIREMENT OF THE BONDED DEBT OF THE CITY; AND ESTABLISHING AN EFFECTIVE DATE.

Staff comments: Jonathan Locke

On August 16, 2016, the Killeen City Council set the preliminary tax rate at the current rate of 74.98¢ per \$100 valuation. The rollback rate for the 2016 tax year is 84.25¢. Adopting the current tax rate of 74.98¢ per \$100 valuation will generate ad valorem tax revenues in the amount of \$39,217,085, at the City’s expected collection ratio of 98%. It is recommended that the attached ordinance be approved and that the tax rate for the City of Killeen for FY 2017 be set at 74.98¢ per \$100 of taxable valuation on non-exempt real and personal property.

Motion was made by Mayor Pro-Tem Moore that the property tax rate be increased by the adoption of a tax rate of .7498, which is effectively a 1.76 percent increase in the tax rate. Motion was seconded by Councilmember Fleming. A record vote was called for by the City Secretary.

Councilmember Okray voted yes

Councilmember Fleming voted yes

Mayor Pro-Tem Moore voted yes

Councilmember Rivera voted yes

Councilmember Kilpatrick voted yes

Councilmember Johnson voted yes

Councilmember Young voted yes

Motion carried unanimously.

Adjournment

With no further business, upon motion being made by Councilmember Kilpatrick, seconded by Councilmember Okray, and unanimously approved, the meeting was adjourned at 8:11 p.m.

RS-16-083 Chart

Animal Advisory Committee (City Manager)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Petra Cannon	Term Expired	Petra Cannon	Citizen Rep	N	Y
Katherine Fischer	Term Expired	Katherine Fischer	Citizen Rep	N	Y
George Fox	Term Expired	Linda Knotts	Humane Society Rep	Y(12)	Y
Lynette Broughton	Term Expired	Lynette Broughton	Citizen Rep	N	Y
New Position		Peter Stanonik	Citizen Rep		
New Position		Natalie Pittman	Citizen Rep		
New Position		Melinda Harkin-Hensley	Citizen Rep		
New Position		Michael Joyner	Citizen Rep		
New Position		George Fox	Ex Officio		
New Position		Linda Marzi	Ex Officio		

Arts Commission (All Council)

Current Members	Status	New Member	Comment	Termed Out?	Reappoint?
John Doranski	Term Expired	John Doranski	Member-at-Large	N	Y
Mike Bartoszek	Term Expired	Mike Bartoszek	Music/Radio/TV	N	Y
Fatima Fortenberry	Resigned	Darlene Golden	Dance/Drama/Writing		
Anthony Cooper	Resigned	Morris Melton	Member-at-Large	N	Y

Ralph Cossey	Term Expired	Ralph Cossey	Member-at-Large	N	Y
Nina Cobb	Term Expired	Nina Cobb	Member-at-Large	N	Y

Board of Adjustment - Construction (Sub-Comm: J. Okray, B. Moore)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Eugene Kim	Term Expired	Jim Scaff	Alt General Contractor	N	N
Lee Mitchell	Term Expired	Lee Mitchell	General Contractor	Y(10)	Y

Board of Adjustment - Fire Prevention Code (Sub-Comm: J. Kilpatrick, Jonathan Okray)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Michael Neujahr	Term Expired	Michael Neujahr		N	Y
Charles Guidry	Resigned	Sean Payton			
Tommy Litton	Term Expired	Tommy Litton	Alternate	N	Y
Clifford Pinkerton	Term Expired	Clifford Pinkerton		N	Y

Board of Adjustment - Airport Hazard Zoning (Sub-Comm: S. Fleming, B. Moore)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Phil Haggerty	Term Expired	Phil Haggerty		Y(12)	Y
George Loffert	Resigned	Charlie Watts			
Barbara Taylor	Term Expired	Barbara Taylor		N	Y
Former HH Rep		Glenn Birmingham	Aviation Experience	N	
Former Bell Co Rep		Robert Harmon		N	

Board of Adjustment - Zoning (Sub-Comm: J. Kilpatrick, J. Okray)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Millie Cotto	Term Expired	Millie Cotto		Y(6)	Y
Sandra Johnson	Term Expired	Sandra Johnson		N	Y
Joel Steine	Term Expired	Joel Steine		N	Y
Ursula Rushing	Term Expired	Claudia Bentley	Alternate	N	N
Tad Dorroh	Term Expired	Tad Dorroh	P&Z Rep	N	Y

Civil Service Commission (City Manager)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Dirk Davis	Term Expired	Dirk Davis		N	Y

Community Development Advisory Committee (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Richard Banta	Term Expired	Richard Banta		N	Y
Kim Barr	Term Expired	Kim Barr		Y(7)	Y
Angelia Batie	Term Expired	Angelia Batie		N	Y
Alvin Dillard	Term Expired	Nick Guajardo		N	N
Vacant	Resigned	Riakos Adams			
Eric McConaughy	Term Expired	Andre Owens		N	No Response

Heritage Preservation Board (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Chian Chi	Term Expired		Member-at-Large	N	N

Michelle Lee	Term Expired			Y(8)	No Response
--------------	--------------	--	--	------	-------------

Killeen Housing Authority (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Erma Taylor	Term Expired	Erma Taylor	Resident Member	N	Y
Fredrick Bee	Term Expired	Fredrick Bee		N	Y
VACANT (G. Johnson)	Term Expired	Daryl Peters			
Minerva Trujillo	Term Expired	Minerva Trujillo		Y(6)	Y

Killeen Sister Cities (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
VACANT		Angel Rivera	San Juan Committee Rep		
Aimee Nazarilo-Ovalle	Jeremiah Belser	YAC Rep			

Killeen Volunteers, Inc. (Sub-Comm: J. Kilpatrick, B. Moore)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Elizabeth McDaniel	Term Expired	Elizabeth McDaniel	Citizen Rep	N	Y
AnaLuisa Carrillo-Tapia	Term Expired	AnaLuisa Carrillo-Tapia	Citizen Rep	N	Y
Debbie Nash-King	Term Expired	Debbie Nash-King	Citizen Rep	N	Y
Raquel Watkins	Term Expired	Raquel Watkins	Citizen Rep	N	Y
Brian Sunshine	Term Expired	Brian Sunshine	CTC Rep	N	Y

Planning & Zoning Commission (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Ramon Alvarez	Term Expired	Kirk Latham		N	Y
Anthony Cooper	Term Expired	Anthony Cooper		N	Y
Alvin Dillard	Term Expired	Tyrone McLaurin		N	N
VACANT (G. Johnson)	Unexpired Term (2017)	Daryl Peters			
Peter Beronio	Resigned	Ben Purser		N	N

Senior Citizen Advisory Board (Sub-Comm: S. Fleming, J. Okray)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Pat Adam	Resigned	Kim Harris			
Marjorie Banta	Term Expired	Marjorie Banta		N	Y
Sean Payton	Term Expired	Sean Payton		N	Y
Klaus Adam	Term Expired	Lisa Kerschner		Y(6)	Y
Larry Egly	Term Expired	Larry Egly		N	Y

Tax Increment Reinvestment Zone #2 (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Patton Kaufman	Term Expired	Patton Kaufman	City Rep	Y(8)	Y
John Fisher	Term Expired	John Fisher	Bell County Rep	Y(8)	Y
Rex Weaver	Term Expired	Rex Weaver	CTC Rep	Y(6)	Y

RS-16-083 09-13-16

Statement for the Record:

I would like to thank Commissioner Ramon Alvarez for his three years of dedicated service to our City while serving on the Planning & Zoning Commission.

His passion for our City speaks through his efforts of ensuring Killeen is the place where people want to work, play and grow their families.

I am disappointed that Commissioner Alvarez wasn't reappointed and this action just proves that we have a long ways to go as a City of unbinding ourselves from the status quo and negative politics that continue to hinder our growth.

Best,

Gregory Johnson
Killeen At Large City Council Member

MEMORANDUM FOR RECORD

OR-16-3

9/13/16

I stated earlier in the year (around July) that the rate models developed during the 2013-2015 period realizes rate increases only on rates payers within the corporate city limit. The model of the rate study accounts for annexation agreements, but it does not account for real-time or current participation in rate payments for water, sewer, and drainage rates competitive to the rates that the services are procured or delivered. The rates should be reevaluated to ensure that annexation agreements account for payment of all services we will provide, not only Solid Waste, Waters, Sewage, and Drainage, but also public safety service calls. The reevaluation of models and fees should reflect fee rates preceding them, specifically the recent 2.5% increase of them, so that council may be presented a “trued up” versions of proposed Solid Waste, Waters, Sewage, and Drainage Fees and models.

Jonathan L. Okray

A handwritten signature in cursive script that reads "Jonathan L. Okray".

Councilmember at-Large



City of Killeen

Legislation Details

File #: RS-16-108 **Version:** 1 **Name:** Quarterly Investment Report, June 30, 2016
Type: Resolution **Status:** Resolutions
File created: 8/5/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution approving the investment report for the quarter ended June 30, 2016.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Quarterly Investment Report](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Quarterly Investment Report, June 30, 2016

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

The City of Killeen's investment policy requires that a quarterly report of investment activity be submitted to the City Council within a reasonable time after the end of each quarter. The quarterly report shall include a detailed description of the investment position of the City, summarize the investment activity in each pooled fund group, state the total rate of return on the investment portfolio, and contain information regarding the market value and book values of each separately invested asset. The report also states the compliance of the investment portfolio of the City as it relates to the investment strategy expressed in the City's policy and the relevant provisions of the Public Funds Investment Act.

DISCUSSION/CONCLUSION

The attached investment report summarizes all investment activity for the quarter that ended June 30, 2016. The highlights of the report are as follows:

	Jan - Mar 2016	Apr - Jun 2016	Change
Interest Income	\$105,174	\$117,241	11.47%
Investment Balance	\$109,776,060	\$92,447,715	-15.79%
Average Yield	0.46%	0.53%	0.07%

FISCAL IMPACT

Our investment portfolio directly impacts our interest earnings and aligns with current budgeted amounts.

RECOMMENDATION

Staff recommends that the City Council approve the attached investment report for the quarter that ended June 30, 2016.



City of Killeen

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

June 30, 2016

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Killeen is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.



Executive Director of Finance



Assistant Director of Finance

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	June 30, 2016		March 31, 2016	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.32%	\$ 11,305,826	\$ 11,305,826	\$ 11,166,518	\$ 11,166,518
Pools/MMA	0.44%	48,998,463	48,998,463	64,984,932	64,984,932
Securities/CDs	0.74%	32,143,425	32,143,425	33,624,610	33,624,610
Totals		\$ 92,447,715	\$ 92,447,715	\$ 109,776,060	\$ 109,776,060

Current Quarter Average Yield (1)

Total Portfolio 0.53%

Rolling Three Mo. Treas. Yield 0.26%

Rolling Six Mo. Treas. Yield 0.42%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.44%

Rolling Three Mo. Treas. Yield 0.23%

Rolling Six Mo. Treas. Yield 0.35%

Quarterly TexPool Yield 0.29%

	Interest Income	Bank Fees Offset
Quarterly \$	117,241	\$ 11,192
Year-to-date \$	306,181	\$ 32,513

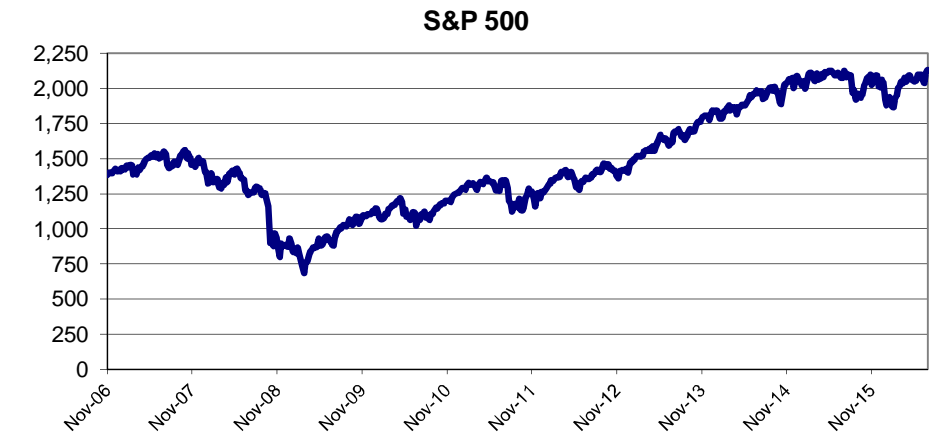
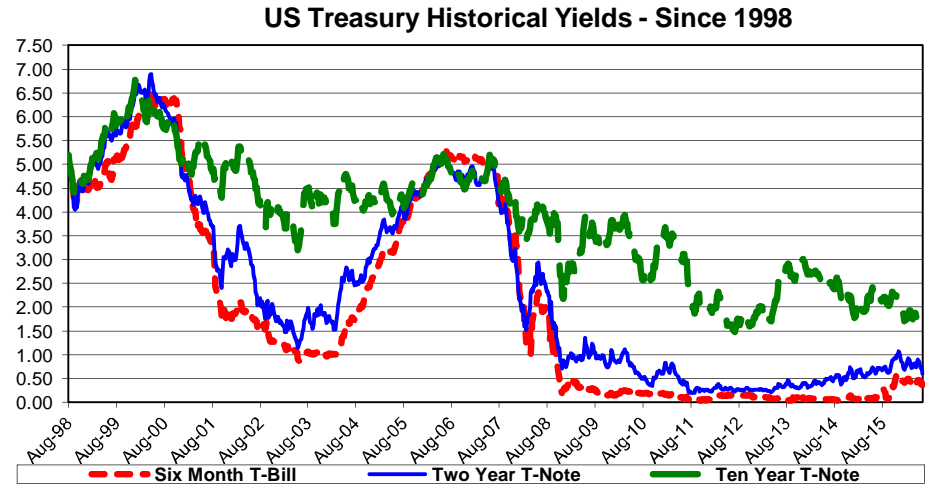
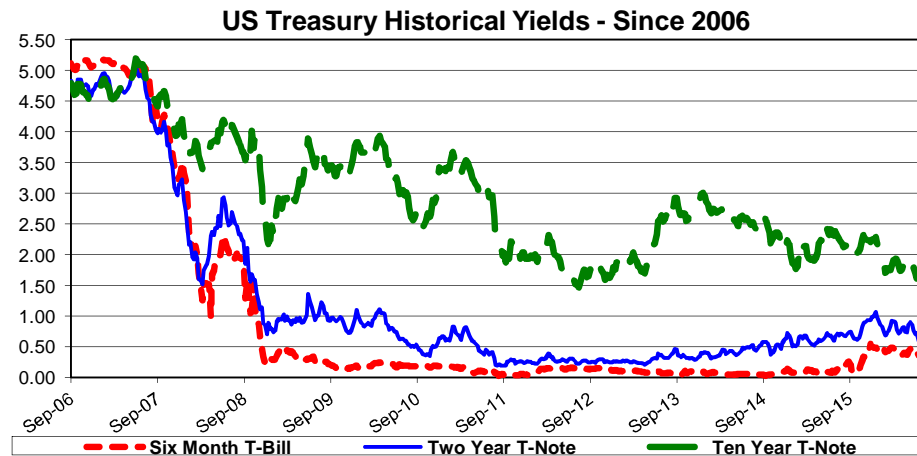
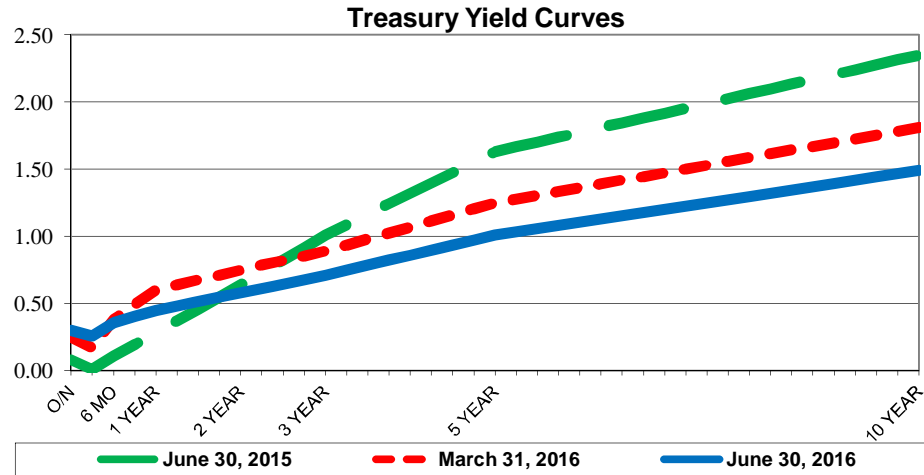
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

(2) Fiscal Year-to-Date Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

6/30/2016

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 0.25% - 0.50% (actual Fed Funds trading +/-35 to 40 bps). The June FOMC meeting expressed concerns over reduced economic expectation. First Quarter US GDP was revised up to +1.1% (final revision). The June Non-Farm Payroll surged 287k new jobs, although other unemployment data remained modest. The British "Brexit" vote to leave the European Union Global jolted the markets. The US Stock markets plunged, then recovered. Treasury yields dove on the flight to quality. Taxable municipal bonds or CDs offer the best interest earnings opportunity, if available.



Investment Holdings

June 30, 2016

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
BBVA Demand Account (3)		0.32%	07/01/16	06/30/16	\$ 11,283,440	\$ 11,283,440	1.00	\$ 11,283,440	1	0.32%
Cash on Hand		0.00%	07/01/16	06/30/16	11,280	11,280	1.00	11,280	1	0.00%
Union State Bank		0.00%	07/01/16	06/30/16	11,106	11,106	1.00	11,106	1	0.00%
FILA (IDP)		0.45%	07/01/16	06/30/16	6,072,781	6,072,781	1.00	6,072,781	1	0.45%
Southside Bank MMA		0.51%	07/01/16	06/30/16	4,602,951	4,602,951	1.00	4,602,951	1	0.51%
LegacyTexas Bank MMA		0.40%	07/01/16	06/30/16	12,649,216	12,649,216	1.00	12,649,216	1	0.40%
Green Bank MMA		0.55%	07/01/16	06/30/16	9,011,668	9,011,668	1.00	9,011,668	1	0.55%
TexasDaily	AAAm	0.44%	07/01/16	06/30/16	4,777,038	4,777,038	1.00	4,777,038	1	0.44%
TexPool	AAAm	0.36%	07/01/16	06/30/16	6,449,113	6,449,113	1.00	6,449,113	1	0.36%
TexSTAR	AAAm	0.39%	07/01/16	06/30/16	5,435,697	5,435,697	1.00	5,435,697	1	0.39%
LegacyTexas Bank CD		0.60%	08/01/16	01/29/16	4,009,802	4,009,802	100.00	4,009,802	32	0.60%
LegacyTexas Bank CD		0.60%	08/01/16	01/29/16	1,002,451	1,002,451	100.00	1,002,451	32	0.60%
LegacyTexas Bank CD		0.60%	08/01/16	01/29/16	1,002,451	1,002,451	100.00	1,002,451	32	0.60%
Wallis State Bank CD		0.63%	09/01/16	02/02/16	1,001,553	1,001,553	100.00	1,001,553	63	0.63%
Wallis State Bank CD		0.63%	09/01/16	02/02/16	1,001,553	1,001,553	100.00	1,001,553	63	0.63%
Southside Bank CD		0.70%	09/08/16	09/08/14	1,012,319	1,012,319	100.00	1,012,319	70	0.70%
Comerica Bank CD		0.72%	09/08/16	09/08/14	2,025,362	2,025,362	100.00	2,025,362	70	0.72%
Central National Bank CD		0.56%	09/30/16	03/07/16	1,000,000	1,000,000	100.00	1,000,000	92	0.56%
LegacyTexas Bank CD		0.65%	10/03/16	01/29/16	1,002,655	1,002,655	100.00	1,002,655	95	0.65%
Central National Bank CD		0.61%	10/31/16	03/07/16	2,000,000	2,000,000	100.00	2,000,000	123	0.61%
Wallis State Bank CD		0.70%	11/01/16	02/02/16	1,001,726	1,001,726	100.00	1,001,726	124	0.70%
Wallis State Bank CD		0.71%	12/01/16	02/02/16	1,001,751	1,001,751	100.00	1,001,751	154	0.71%
Central National Bank CD		0.71%	12/29/16	03/07/16	1,000,000	1,000,000	100.00	1,000,000	182	0.71%
Central National Bank CD		0.80%	01/03/17	02/01/16	1,001,973	1,001,973	100.00	1,001,973	187	0.80%
Central National Bank CD		0.85%	02/01/17	02/01/16	1,002,096	1,002,096	100.00	1,002,096	216	0.85%
Comerica Bank CD		0.80%	03/02/17	03/02/15	2,020,171	2,020,171	100.00	2,020,171	245	0.80%
Central National Bank CD		1.01%	03/09/17	09/09/15	3,015,230	3,015,230	100.00	3,015,230	252	1.01%
Central National Bank CD		0.95%	04/26/17	04/26/15	2,040,371	2,040,371	100.00	2,040,371	300	0.95%
LegacyTexas Bank CD		0.75%	05/01/17	05/06/16	1,000,637	1,000,637	100.00	1,000,637	305	0.75%
LegacyTexas Bank CD		0.86%	05/01/17	06/21/16	1,000,000	1,000,000	100.00	1,000,000	305	0.86%
LegacyTexas Bank CD		0.77%	06/01/17	05/06/16	1,000,654	1,000,654	100.00	1,000,654	336	0.77%
LegacyTexas Bank CD		0.90%	06/01/17	06/21/16	1,000,000	1,000,000	100.00	1,000,000	336	0.90%
LegacyTexas Bank CD		0.79%	07/03/17	05/06/16	1,000,671	1,000,671	100.00	1,000,671	368	0.79%
					\$ 92,447,715	\$ 92,447,715			58	0.53%
									(1)	(2)

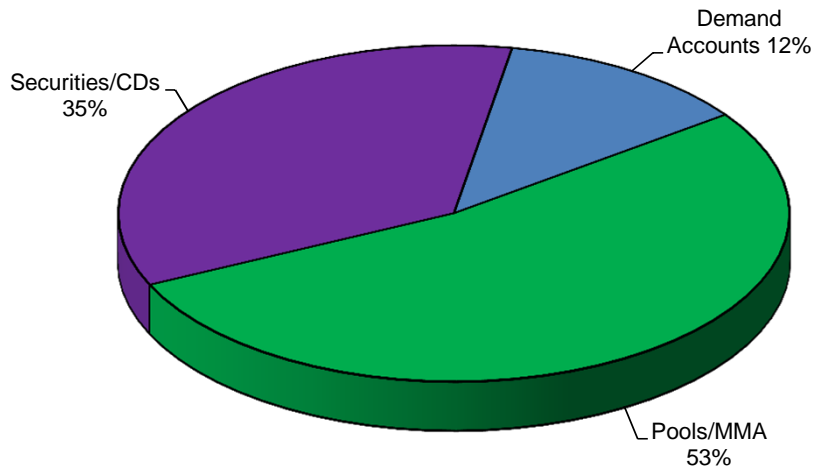
(1) **Weighted average life** - For purposes of calculating weighted average life, cash equivalent investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for cash equivalent investments.

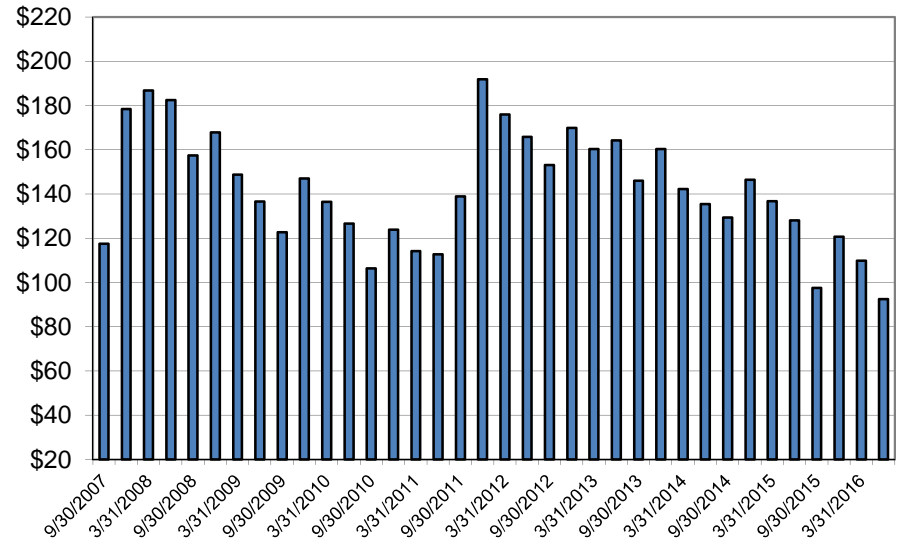
(3) **Bank Fees Offset Equivalent Yield** - Compensating balance in bank operating account yielded a blended equivalent investment yield as a result of Bank fees offset.

Valley View Consulting, L.L.C.

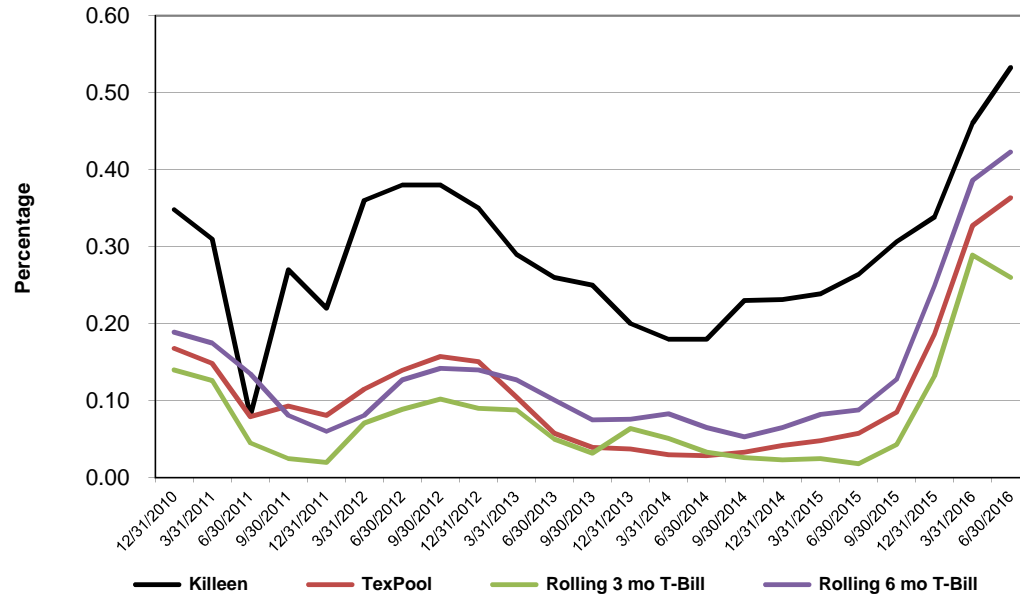
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2016		Purchases/ Adjustments	Sales/Adjust/ Maturities	June 30, 2016	
			Par Value	Book Value			Par Value	Book Value
BBVA Demand Account	0.32%	07/01/16	\$ 11,144,135	\$ 11,144,135	\$ 139,306	\$ -	\$ 11,283,440	\$ 11,283,440
Cash on Hand	0.00%	07/01/16	11,280	11,280			11,280	11,280
Union State Bank	0.00%	07/01/16	11,103	11,103	3		11,106	11,106
FILA (IDP)	0.45%	07/01/16	17,064,535	17,064,535		(10,991,754)	6,072,781	6,072,781
Southside Bank MMA	0.51%	07/01/16	4,597,277	4,597,277	5,673		4,602,951	4,602,951
LegacyTexas Bank MMA	0.40%	07/01/16	12,636,644	12,636,644	12,572		12,649,216	12,649,216
Green Bank MMA	0.55%	07/01/16	-	-	9,011,668		9,011,668	9,011,668
TexasDaily	0.44%	07/01/16	5,370,852	5,370,852		(593,814)	4,777,038	4,777,038
TexPool	0.36%	07/01/16	24,882,995	24,882,995		(18,433,882)	6,449,113	6,449,113
TexSTAR	0.39%	07/01/16	432,629	432,629	5,003,068		5,435,697	5,435,697
Central National Bank CD	0.55%	05/06/16	2,510,412	2,510,412		(2,510,412)	-	-
Independent Bank CD	0.55%	06/04/16	2,513,816	2,513,816		(2,513,816)	-	-
LegacyTexas Bank CD	0.60%	06/21/16	1,502,192	1,502,192		(1,502,192)	-	-
LegacyTexas Bank CD	0.60%	08/01/16	4,003,810	4,003,810	5,992		4,009,802	4,009,802
LegacyTexas Bank CD	0.60%	08/01/16	1,000,952	1,000,952	1,498		1,002,451	1,002,451
LegacyTexas Bank CD	0.60%	08/01/16	1,000,952	1,000,952	1,498		1,002,451	1,002,451
Wallis State Bank CD	0.63%	09/01/16	1,000,000	1,000,000	1,553		1,001,553	1,001,553
Wallis State Bank CD	0.63%	09/01/16	1,000,000	1,000,000	1,553		1,001,553	1,001,553
Southside Bank CD	0.70%	09/08/16	1,010,536	1,010,536	1,783		1,012,319	1,012,319
Comerica Bank CD	0.72%	09/08/16	2,021,691	2,021,691	3,671		2,025,362	2,025,362
Central National Bank CD	0.56%	09/30/16	1,000,000	1,000,000			1,000,000	1,000,000
LegacyTexas Bank CD	0.65%	10/03/16	1,001,032	1,001,032	1,623		1,002,655	1,002,655
Central National Bank CD	0.61%	10/31/16	2,000,000	2,000,000			2,000,000	2,000,000
Wallis State Bank CD	0.70%	11/01/16	1,000,000	1,000,000	1,726		1,001,726	1,001,726
Wallis State Bank CD	0.71%	12/01/16	1,000,000	1,000,000	1,751		1,001,751	1,001,751
Central National Bank CD	0.71%	12/29/16	1,000,000	1,000,000			1,000,000	1,000,000
Central National Bank CD	0.80%	01/03/17	1,000,000	1,000,000	1,973		1,001,973	1,001,973
Central National Bank CD	0.85%	02/01/17	1,000,000	1,000,000	2,096		1,002,096	1,002,096
Comerica Bank CD	0.80%	03/02/17	2,016,103	2,016,103	4,068		2,020,171	2,020,171
Central National Bank CD	1.01%	03/09/17	3,007,564	3,007,564	7,666		3,015,230	3,015,230
Central National Bank CD	0.95%	04/26/17	2,035,550	2,035,550	4,821		2,040,371	2,040,371
LegacyTexas Bank CD	0.75%	05/01/17	-	-	1,000,637		1,000,637	1,000,637
LegacyTexas Bank CD	0.86%	05/01/17	-	-	1,000,000		1,000,000	1,000,000
LegacyTexas Bank CD	0.77%	06/01/17	-	-	1,000,654		1,000,654	1,000,654
LegacyTexas Bank CD	0.90%	06/01/17	-	-	1,000,000		1,000,000	1,000,000
LegacyTexas Bank CD	0.79%	07/03/17	-	-	1,000,671		1,000,671	1,000,671
TOTAL			\$ 109,776,060	\$ 109,776,060	\$ 19,217,525	\$ (36,545,870)	\$ 92,447,715	\$ 92,447,715

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2016		Qtr to Qtr Change	June 30, 2016	
			Par Value	Market Value		Par Value	Market Value
BBVA Demand Account	0.32%	07/01/16	\$ 11,144,135	\$ 11,144,135	\$ 139,306	\$ 11,283,440	\$ 11,283,440
Cash on Hand	0.00%	07/01/16	11,280	11,280		11,280	11,280
Union State Bank	0.00%	07/01/16	11,103	11,103	3	11,106	11,106
FILA (IDP)	0.45%	07/01/16	17,064,535	17,064,535	(10,991,754)	6,072,781	6,072,781
Southside Bank MMA	0.51%	07/01/16	4,597,277	4,597,277	5,673	4,602,951	4,602,951
LegacyTexas Bank MMA	0.40%	07/01/16	12,636,644	12,636,644	12,572	12,649,216	12,649,216
Green Bank MMA	0.55%	07/01/16	–	–	9,011,668	9,011,668	9,011,668
TexasDaily	0.44%	07/01/16	5,370,852	5,370,852	(593,814)	4,777,038	4,777,038
TexPool	0.36%	07/01/16	24,882,995	24,882,995	(18,433,882)	6,449,113	6,449,113
TexSTAR	0.39%	07/01/16	432,629	432,629	5,003,068	5,435,697	5,435,697
Central National Bank CD	0.55%	05/06/16	2,510,412	2,510,412	(2,510,412)	–	–
Independent Bank CD	0.55%	06/04/16	2,513,816	2,513,816	(2,513,816)	–	–
LegacyTexas Bank CD	0.60%	06/21/16	1,502,192	1,502,192	(1,502,192)	–	–
LegacyTexas Bank CD	0.60%	08/01/16	4,003,810	4,003,810	5,992	4,009,802	4,009,802
LegacyTexas Bank CD	0.60%	08/01/16	1,000,952	1,000,952	1,498	1,002,451	1,002,451
LegacyTexas Bank CD	0.60%	08/01/16	1,000,952	1,000,952	1,498	1,002,451	1,002,451
Wallis State Bank CD	0.63%	09/01/16	1,000,000	1,000,000	1,553	1,001,553	1,001,553
Wallis State Bank CD	0.63%	09/01/16	1,000,000	1,000,000	1,553	1,001,553	1,001,553
Southside Bank CD	0.70%	09/08/16	1,010,536	1,010,536	1,783	1,012,319	1,012,319
Comerica Bank CD	0.72%	09/08/16	2,021,691	2,021,691	3,671	2,025,362	2,025,362
Central National Bank CD	0.56%	09/30/16	1,000,000	1,000,000		1,000,000	1,000,000
LegacyTexas Bank CD	0.65%	10/03/16	1,001,032	1,001,032	1,623	1,002,655	1,002,655
Central National Bank CD	0.61%	10/31/16	2,000,000	2,000,000		2,000,000	2,000,000
Wallis State Bank CD	0.70%	11/01/16	1,000,000	1,000,000	1,726	1,001,726	1,001,726
Wallis State Bank CD	0.71%	12/01/16	1,000,000	1,000,000	1,751	1,001,751	1,001,751
Central National Bank CD	0.71%	12/29/16	1,000,000	1,000,000		1,000,000	1,000,000
Central National Bank CD	0.80%	01/03/17	1,000,000	1,000,000	1,973	1,001,973	1,001,973
Central National Bank CD	0.85%	02/01/17	1,000,000	1,000,000	2,096	1,002,096	1,002,096
Comerica Bank CD	0.80%	03/02/17	2,016,103	2,016,103	4,068	2,020,171	2,020,171
Central National Bank CD	1.01%	03/09/17	3,007,564	3,007,564	7,666	3,015,230	3,015,230
Central National Bank CD	0.95%	04/26/17	2,035,550	2,035,550	4,821	2,040,371	2,040,371
LegacyTexas Bank CD	0.75%	05/01/17	–	–	1,000,637	1,000,637	1,000,637
LegacyTexas Bank CD	0.86%	05/01/17	–	–	1,000,000	1,000,000	1,000,000
LegacyTexas Bank CD	0.77%	06/01/17	–	–	1,000,654	1,000,654	1,000,654
LegacyTexas Bank CD	0.90%	06/01/17	–	–	1,000,000	1,000,000	1,000,000
LegacyTexas Bank CD	0.79%	07/03/17	–	–	1,000,671	1,000,671	1,000,671
TOTAL			\$ 109,776,060	\$ 109,776,060	\$ (17,328,345)	\$ 92,447,715	\$ 92,447,715

Allocation

June 30, 2016

Book & Market Value	Maturity Date	Total	Pooled Investments	General Fund	Special Revenue	Interest & Sinking	Enterprise Funds	Capital Projects	KEDC	Employee Benefit Trust
BBVA Demand Account	07/01/16	\$ 11,283,440	\$ 10,308,236	\$ -	\$ 364,729	\$ -	\$ 301,165	\$ 261,190	\$ -	\$ 48,120
Cash on Hand	07/01/16	11,280		5,080	2,000		4,200			
Union State Bank	07/01/16	11,106						11,106		
FILA (IDP)	07/01/16	6,072,781	6,072,781							
Southside Bank MMA	07/01/16	4,602,951	4,602,951							
LegacyTexas MMA	07/01/16	12,649,216	12,649,216							
Green Bank MMA	07/01/16	9,011,668	9,011,668							
TexasDaily	07/01/16	4,777,038	4,777,038							
TexPool	07/01/16	6,449,113	6,449,113							
TexSTAR	07/01/16	5,435,697	5,435,697							
LegacyTexas Bank CD	08/01/16	4,009,802				4,009,802				
LegacyTexas Bank CD	08/01/16	1,002,451		1,002,451						
LegacyTexas Bank CD	08/01/16	1,002,451					1,002,451			
Wallis State Bank CD	09/01/16	1,001,553		1,001,553						
Wallis State Bank CD	09/01/16	1,001,553					1,001,553			
Southside Bank CD	09/08/16	1,012,319					1,012,319			
Comerica Bank CD	09/08/16	2,025,362					2,025,362			
Central National Bank CD	09/30/16	1,000,000	1,000,000							
LegacyTexas Bank CD	10/03/16	1,002,655		1,002,655						
Central National Bank CD	10/31/16	2,000,000	2,000,000							
Wallis State Bank CD	11/01/16	1,001,726		1,001,726						
Wallis State Bank CD	12/01/16	1,001,751		1,001,751						
Central National Bank CD	12/29/16	1,000,000	1,000,000							
Central National Bank CD	01/03/17	1,001,973		1,001,973						
Central National Bank CD	02/01/17	1,002,096		1,002,096						
Comerica Bank CD	03/02/17	2,020,171		2,020,171						
Central National Bank CD	03/09/17	3,015,230						3,015,230		
Central National Bank CD	04/26/17	2,040,371						2,040,371		
LegacyTexas Bank CD	05/01/17	1,000,637	1,000,637							
LegacyTexas Bank CD	05/01/17	1,000,000	1,000,000							
LegacyTexas Bank CD	06/01/17	1,000,654	1,000,654							
LegacyTexas Bank CD	06/01/17	1,000,000	1,000,000							
LegacyTexas Bank CD	07/03/17	1,000,671	1,000,671							
Totals		\$ 92,447,715	\$ 68,308,661	\$ 9,039,455	\$ 366,729	\$ 4,009,802	\$ 5,347,050	\$ 5,327,897	-	\$ 48,120

Allocation

March 31, 2016

Book & Market Value	Maturity Date	Total	Pooled Investments	General Fund	Special Revenue	Interest & Sinking	Enterprise Funds	Capital Projects	KEDC	Employee Benefit Trust
BBVA Demand Account	04/01/16	\$ 11,144,135	\$ 10,380,271	\$ -	\$ 439,240	\$ -	\$ 116,383	\$ 122,159	\$ -	\$ 86,082
Cash on Hand	04/01/16	11,280		5,080	2,000		4,200			
Union State Bank	04/01/16	11,103						11,103		
FILA (IDP)	04/01/16	17,064,535	17,064,535							
Southside Bank MMA	04/01/16	4,597,277	4,597,277							
LegacyTexas MMA	04/01/16	12,636,644	12,636,644							
TexasDaily	04/01/16	5,370,852	5,370,852							
TexPool	04/01/16	24,882,995	20,404,887						4,478,107	
TexSTAR	04/01/16	432,629	432,629							
Central National Bank CD	05/06/16	2,510,412						2,510,412		
Independent Bank CD	06/04/16	2,513,816						2,513,816		
LegacyTexas Bank CD	06/21/16	1,502,192						1,502,192		
LegacyTexas Bank CD	08/01/16	4,003,810				4,003,810				
LegacyTexas Bank CD	08/01/16	1,000,952		1,000,952						
LegacyTexas Bank CD	08/01/16	1,000,952					1,000,952			
LegacyTexas Bank CD	09/01/16	1,000,000		1,000,000						
LegacyTexas Bank CD	09/01/16	1,000,000					1,000,000			
Southside Bank CD	09/08/16	1,010,536					1,010,536			
Comerica Bank CD	09/08/16	2,021,691					2,021,691			
Central National Bank CD	09/30/16	1,000,000	1,000,000							
LegacyTexas Bank CD	10/03/16	1,001,032		1,001,032						
Central National Bank CD	10/31/16	2,000,000	2,000,000							
Wallis State Bank CD	11/01/16	1,000,000		1,000,000						
Wallis State Bank CD	12/01/16	1,000,000		1,000,000						
Central National Bank CD	12/29/16	1,000,000	1,000,000							
Central National Bank CD	01/03/17	1,000,000		1,000,000						
Central National Bank CD	02/01/17	1,000,000		1,000,000						
Comerica Bank CD	03/02/17	2,016,103		2,016,103						
Central National Bank CD	03/09/17	3,007,564						3,007,564		
Central National Bank CD	04/26/17	2,035,550						2,035,550		
Totals		\$ 109,776,060	\$ 74,887,095	\$ 9,023,167	\$ 441,240	\$ 4,003,810	\$ 5,153,762	\$ 11,702,796	\$ 4,478,107	\$ 86,082



City of Killeen

Legislation Details

File #: RS-16-109 **Version:** 1 **Name:** City of Killeen Investment Policy
Type: Resolution **Status:** Resolutions
File created: 8/5/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution approving the revised City of Killeen Investment Policy.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[City of Killeen Investment Policy - Proposed](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

City of Killeen Investment Policy

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

The investment policy applies to the investment activities of the City of Killeen. It serves to satisfy the statutory requirements of Texas Government Code Chapter 2256 (the "Public Funds Investment Act") and Chapter 2257 (the "Public Funds Collateral Act") to define and adopt a formal investment policy. The City Council must approve the investment policy, with any necessary revisions, at least annually. Because the City of Killeen has complied by maintaining this policy and updating it in accordance with legislative mandate, we have received the Certificate of Distinction for Investment Policy from the Government Treasurer's Organization of Texas (GTOT) multiple years since 2003.

DISCUSSION/CONCLUSION

The Investment Committee met and reviewed investment policy adjustments suggested by the City's Investment Advisor, Valley View Consulting. The primary adjustments were revisions needed to align the City's Investment Policy with statutory requirements.

RECOMMENDATION

Staff recommends approval of the revised City of Killeen Investment Policy.

CITY OF KILLEEN INVESTMENT POLICY

Approved: ~~September 2015~~September 2016

TABLE OF CONTENTS

I.	Investment Authority <u>and Scope of Policy</u>	4
	1. Funds Included	
	2. Funds Excluded	
II.	Investment Objectives.....	4
	1. Safety	
	2. Liquidity	
	3. Public Trust	
	4. Yield	
III.	Investment Committee	4
	1. Members	
	2. Scope	
	3. Procedures	
IV.	Responsibilities and Controls	5
	1. Delegation	
	2. Management and Internal Controls	
	3. <u>Investment Management Firm</u>	
	4. Transaction Authority	
	5. Prudence	
	6. Training, Quality and Capability of Investment Management	
V.	Ethics.....	6
	1. Conflicts of Interest	
	2. Disclosure	
VI.	Reporting Investment Earning Evaluation.....	6
	1. Quarterly Reports	
	2. Annual Report	
	3. Notification of Investment Changes	
	4. <u>Performance Standards</u>	
VII.	Investment Types	7
	1. Active Portfolio Management	
	2. Eligible Investments	
	3. Credit Ratings	
	4. Length of Investments	
	5. Diversification	
	6. Prohibited Investments	
VIII.	Selection of Banks and <u>Broker/Dealers</u>	9

	1. Selection Process	
	2. Insurability	
	3. <u>Collateralized Deposits</u>	
	4. <u>Primary Broker</u> /Dealers and Approved List	
	5. Competitive Environment	
	6. <u>Investment Policy Certification</u>	
IX.	Safekeeping and Custody.....	10
	1. Insurance or Collateral	
	2. Pledged Collateral <u>Safekeeping-Custodial</u> Agreement	
	3. Collateral Defined	
	4. Subject to Audit	
	5. Delivery vs. Payment	
	6. Standards of Operation	
X.	Internal Controls	11
XI.	Investment Strategies	12
XII.	Policy	15
	1. Exemptions	
	2. Amendment	
	3. Glossary	
	ATTACHMENT A – Sample Investment Policy Certifications	16

**CITY OF KILLEEN, TEXAS
INVESTMENT POLICY**

I. INVESTMENT AUTHORITY AND SCOPE OF POLICY

The Investment Policy applies to the investment activities of the Government of the City of Killeen (the “City”). These policies serve to satisfy the statutory requirements of the Texas Government Code Chapters 2256 (the “Public Funds Investment Act” or the “Act”) and 2257 (the “Collateral Act”) to define and adopt a formal investment policy. This Policy will be reviewed and adopted by resolution of the City Council at least annually according to the Act.

Funds Included. All financial assets of all funds of the City, including the General Fund, Drainage Utility Fund, Water and Sewer Utility Fund, Airport Fund, Sanitation Fund, Capital Projects Funds, Special Revenue Funds, Debt Service Funds, and all other funds that may be created by the City from time to time, and any funds held in the City’s custody, unless expressly prohibited by law or unless it is in contravention of any depository contract between the City and any depository bank. The Killeen Economic Development Corporation shall be incorporated as a component unit.

Funds Excluded. This Policy does not apply to funds invested in the City’s Deferred Compensation Plan nor to investments in the Firemen’s Pension Fund, which is covered by a separate investment policy adopted by the Firemen’s Pension Board.

II. INVESTMENT OBJECTIVES

Safety. Safety of principal is the foremost objective of the City. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of investments. Diversification strategies shall be determined and revised periodically.

Liquidity. The investment portfolio will remain sufficiently liquid to enable the City to pay current obligations as they become due. Portfolio maturities will be structured to meet the obligations of the City first, and then to achieve the highest return of interest consistent with the objectives of this Policy. When the City has funds that will not be needed to meet current-year obligations, maturity restraints will be imposed based upon the investment strategy for each fund.

Public Trust. Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the City’s ability to govern effectively.

Yield. It will be the objective of the City to earn the optimum rate of return allowed on its investments within the constraints imposed by its safety and liquidity objectives, investment strategies for each fund, and state and federal law governing investment of public funds.

III. INVESTMENT COMMITTEE

Members. The members of the City’s Investment Committee shall be the Mayor of the City (or his/her designee), the City Manager (or his/her designee), the Executive Director of Finance, the Assistant Director of Finance and a member designated by the Executive Director of Finance. The Investment Committee shall receive

quarterly reports, as outlined in this Policy, and monitor the results and performance of the investment portfolio.

Scope. The Investment Committee shall include in its deliberations such topics as: investment strategy, return on investments, economic outlook, portfolio diversification, maturity structure, potential risk to the City's funds, independent training sources, and authorized broker/dealers.

Procedures. The Investment Committee shall provide for minutes of its meetings. Any member may request a special meeting, and three members shall constitute a quorum. The Investment Committee shall establish its own rules of procedure.

IV. RESPONSIBILITY AND CONTROL

Delegation. Management responsibility for the investment program is hereby delegated to the Executive Director of Finance, who is responsible for all investment decisions and activities. The Executive Director of Finance and Assistant Director of Finance shall be the City's Investment Officers. Investment Officers are authorized to deposit, withdraw, invest, transfer, execute documentation, and otherwise manage City funds according to this Policy. The Executive Director of Finance may designate specific City personnel to assist with various investment-related activities. The Executive Director of Finance shall be responsible for all transactions and compliance with the internal controls, to insure that the safekeeping, custodial, and collateral duties are consistent with this Investment Policy.

Management and Internal Controls. The Executive Director of Finance shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Investment Committee and with the independent auditor. The controls shall be designed to reasonably prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City. Dual control of all investment activities will consistently be maintained by the Executive Director of Finance.

Investment Management Firm. The City Council may contract with an investment management firm, registered under the Investment Advisor's Act of 1940 (15 U.S.C. Section 80b-1 et seq.) to provide for the investment and management of the funds of the City. The contract will be for a term no longer than two (2) years. Renewal or extension of the contract must be in compliance with the Act.

Transaction Authority. Certain signatory responsibilities are required to transact investments. Positions authorized as depository signatories shall be the City Manager and the Investment Officers.

The persons holding these positions are also designated as authorized to transact wire transfers, buy/sell, and trade investments in accordance with the goals and objectives of the City's investment strategy.

Bonding of all those individuals authorized to place, purchase, or sell investment instruments shall be required.

Prudence. In accordance with the Act, investments shall be made with the exercise of due care, 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 own capital as well as the probable income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority: preservation and safety of principal; maintenance of adequate liquidity; and achievement of risk-appropriate yield. This investment principle shall be applied in the context of managing the overall investment portfolio.

An Investment Officer, when acting in accordance with written procedures and exercising due diligence,

shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration: (1) the investment of all funds, or funds under the control of the City, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and (2) whether the investment decision was consistent with the written Investment Policy.

Training, Quality and Capability of Investment Management. It is the City's policy to provide training as required by the Act for the Investment Officers. Authorized Investment Officers will be required to complete 10 hours of training within 12 months of assuming duties. In order to insure the quality, capability and competency of all Investment Officers in making investment decisions training shall be provided through courses and seminars offered by the independent sources approved by the Investment Committee. After the initial training requirement, at a minimum, all Investment Officers must attend a training session once every two years and receive 8 hours of training. The two-year period shall begin on the first day of the City's fiscal year and consist of the two consecutive fiscal years after that date.

V. ETHICS

Conflicts of Interest. Officers and employees directly involved in the investment process, including members of the Investment Committee and those authorized as depository signatories, shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Disclosure. Such employees shall disclose to the City Manager any material financial interests they have in business organizations that conduct business with the City, and shall further disclose any large personal financial or investment positions, as defined by the Public Funds Investment Act, that could be related to the performance of the City's portfolio. Disclosure items include:

1. the employee owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
2. funds received by the employee from the business organization exceed 10 percent of the employee's gross income for the previous year; or
3. the employee has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the employee.

Such employees shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

If any Investment Officer has a personal business relationship with an entity or is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the City, the Investment Officer must file a statement disclosing that personal business interest or relationship with the City Council and with the Texas Ethics Commission in accordance with the Act.

VI. REPORTING INVESTMENT EARNING EVALUATION

Quarterly Reports. In accordance with the Act, not less than quarterly, the Investment Officers shall prepare and submit to the City Council a written report of investment transactions for all funds for the preceding reporting period within a reasonable time after the end of the period. The report must:

1. describe in detail the investment position of the City on the date of the report;
2. be prepared jointly by all Investment Officers;
3. be signed by each Investment Officer;
4. contain a summary statement of each pooled fund group that states the:
 - A. beginning market value for the reporting period;
 - B. ending market value for the period; and
 - C. fully accrued interest for the reporting period.
5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; market valuations obtained by the City shall be from sources believed to be accurate and representative of the investment's true value;
6. state the maturity date of each separately invested asset that has a maturity date;
7. state the account or fund or pooled group fund in the City for which each individual investment was acquired;
8. state the compliance of the investment portfolio of the City as it relates to:
 - A. the investment strategy expressed in the City's Investment Policy; and
 - B. relevant provisions of the Act; and
9. state the rate of return on the investment portfolio.

The quarterly investment reports shall be reviewed by the City's independent auditors as part of the City's annual audit and the result of this review shall be reported to the City Council.

Annual Report. Within a reasonable time after the end of the fiscal year, the Executive Director of Finance shall present an annual report on the investment program activity. The annual report shall include 12-month performance information, and shall suggest improvements that might be made in the investment program.

Notification of Investment Changes. It shall be the duty of the Executive Director of Finance to notify the City Council of any significant changes in current investment methods and procedures prior to their implementation, regardless of whether they are authorized by this Policy or not.

Performance Standards. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles that is consistent with risk limitations and cash flow needs of the City. Given this strategy, the basis used by Investment Officers to determine whether market yields are being achieved shall be the average return on 90-day or 180-day U.S. Treasury Bills. "Weighted average yield to maturity" shall be the portfolio performance measurement standard.

VII. INVESTMENT TYPES

Active Portfolio Management. The City intends to pursue an active vs. a passive portfolio management philosophy. That is investments may be sold before they mature if market conditions present an opportunity for the City to benefit from the trade.

Eligible Investments. Financial assets of the City may be invested in:

1. Obligations of the United States or its agencies and instrumentalities;

2. Direct obligations of the State of Texas or its agencies and instrumentalities;
3. Financial institution deposits with a state or national bank, savings and loan association, or credit union, that meets the requirements of the Act and are fully collateralized in accordance with Section IX. SAFEKEEPING AND CUSTODY.
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent;
6. A fully collateralized repurchase agreement, as defined in the Act, if it:
 - A. has a defined termination date;
 - B. is secured by cash and obligations described by Section 2256.009 (a) (1) of the Act; and
 - C. requires the securities being purchased by the City to be pledged to the City, held in the City's account, and deposited at the time the investment is made with the City or with a third party selected and approved by the City; and
 - D. is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.

Notwithstanding any law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by the City under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

7. Eligible investment pools if the City Council by resolution authorizes investment in the particular pool. An investment pool shall invest the funds it receives from the City in authorized investments permitted by the Act. Investment pools must be continuously rated AAAM or the equivalent by at least one nationally recognized rating service.
8. Money market mutual funds continuously rated AAAM or the equivalent that are registered with and regulated by the Securities and Exchange Commission, whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. The money market mutual funds must provide the City with a prospectus and other information required by federal law. The City may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund, ~~excluding bond proceeds and reserves and other funds held for debt service in money market mutual funds.~~

Credit Ratings. Not less than quarterly, the Investment Officers will monitor the current credit rating of each held investment that has an Act required minimum rating. Any investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. All prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating. The City is not required to liquidate investments that were authorized investments at the time of purchase.

Length of Investments. The City shall invest in instruments with scheduled maturity not to exceed the

limitation of the specific investment strategy at the time of purchase.

Diversification. It shall be the policy of the City to diversify the investment portfolio. Diversification strategies shall be determined and revised periodically by the Investment Committee. In establishing specific diversification strategies, the following general constraints shall apply:

1. Limiting investments to avoid over concentration in investments from a specific issuer or business sector, where appropriate,
2. Limiting investments with higher credit risk,
3. Investing in instruments with varying maturities and in accordance with the City's cash flow projections, and
4. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools, financial institution deposits, money market mutual funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Prohibited Investments. The following investment instruments are strictly prohibited:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
3. Collateralized Mortgage Obligations with a stated final maturity greater than ten years;
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index;
5. The City will not invest in derivatives. For the purposes of this Policy, the definition of derivatives includes instruments which have embedded features that alter their character or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer, or are not correlated on a one-to-one basis to the associated index or market.

VIII. SELECTION OF BANKS AND BROKER/DEALERS

Selection Process. Primary Depositories shall be selected through the City's banking services procurement process, which shall include a formal request for application (RFA) as per State legislation and the City's purchasing policy. In selecting primary depositories, the credit worthiness of institutions shall be considered, and the Executive Director of Finance shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history.

Insurability. Banks seeking to establish eligibility for the City's depository contract shall submit financial statements, evidence of Federal insurance and other information as required by the Executive Director of Finance.

Collateralized Deposits. All financial institution deposits shall be insured or collateralized in compliance with applicable State law. The City reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards depository deposits. Financial institutions serving as the City's depositories will be required to sign a depository agreement with the City. The collateralized deposit portion of the agreement shall define the City's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the depository and the City contemporaneously with the acquisition of the asset;

- The agreement must be approved by the Board of Directors or designated committee of the depository and a copy of the meeting minutes must be delivered to the City; and
- The agreement must be part of the depository’s “official record” continuously since its execution.

The Killeen Economic Development Corporation, where applicable, shall also comply with these requirements.

Broker/Dealers and Approved List. All broker/dealers who desire to become qualified for investment transactions with the City must be recommended by the Executive Director of Finance and approved by the Investment Committee. Applications will be reviewed on a periodic basis and submitted to the Investment Committee for approval. The Executive Director of Finance will maintain a list of broker/dealers authorized to provide investment services to the City. The authorized list of broker/dealers will, at a minimum, be reviewed and approved on an annual basis, and any broker/dealers who fail to meet the standards of this Policy shall be removed from the list. All broker/dealers who desire to become qualified for investment transactions must supply the following, as appropriate:

1. Completed Investment Policy Certification
2. Proof of registration with the Texas State Securities Board.
3. Proof of Financial Industry Regulatory Authority (FINRA) membership.
4. Audited financial statements.

Competitive Environment. All trades, purchases and sales, executed for the City, excluding transactions with money market mutual funds, and local government investment pools which are deemed to be made at prevailing market rates, will be done through a documented competitive solicitation process. Competitive quotes must be solicited from at least three qualifying institutions for any investment transaction. For those situations where it may be impractical or unreasonable to receive three quotes for a transaction due to rapidly changing market conditions, initial security offering, or limited secondary market availability, documentation of a competitive market survey of comparable investments or an explanation of the specific circumstance must be included with the transaction record.

Investment Policy Certification. In accordance with the Act, a written copy of this Investment Policy shall be presented to any person seeking to sell to the City an authorized investment or act as Investment Advisor. A qualified representative of the business organization seeking to sell an authorized investment or perform investment advisory services shall execute a written instrument substantially to the effect that the qualified representative has:

1. Received and thoroughly reviewed the Investment Policy; and
2. Acknowledged that the organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the City and the organization.

The City may not buy any investments from a person who has not delivered to the City an instrument in substantially the form provided above according to the Act.

IX. SAFEKEEPING AND CUSTODY

The City shall contract with a third party for the safekeeping and custody of securities either owned by the City as a part of its investment portfolio or held as collateral to secure financial institution deposits, share certificates or repurchase agreements. The securities will be held in the name of the City as evidenced by safekeeping receipts of the institution with which the securities are deposited.

Insurance or Collateral. All deposits of City funds with financial institutions shall be secured by pledged collateral with a market value equal to no less than 102% of the uninsured deposits, including accrued interest. Repurchase agreements shall be documented by a specific agreement noting the collateral pledged in each agreement. Collateral shall be reviewed at least monthly to assure the market value equals or exceeds the collateralization requirement for the related bank balances.

Pledged Collateral Custodial Agreement. All custodial arrangements shall be in accordance with a Custodial Agreement approved by the Investment Officers, which clearly defines the procedural steps for gaining access to the collateral should the City determine that the City's funds are in jeopardy. The custodian institution, or Custodian, shall be the Federal Reserve Bank or an institution not a branch of the firm pledging the collateral. The custodial agreement shall include the signatures of the City and the firm pledging the collateral, and may include the Custodian. The custodial agreement shall address acceptance, substitution, release and valuation of collateral.

Collateral Defined. The City shall accept only the following as collateral:

1. Cash.
2. FDIC and NCUSIF insurance coverage.
3. A bond, certificate of indebtedness, or note of the United States or its agencies and instrumentalities, or other evidence of indebtedness that is guaranteed as to the principal and interest by the United States or its agencies and instrumentalities.
4. Obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or its agencies and instrumentalities.
5. A bond of the State of Texas or of a county, city or other political subdivision of the State of Texas having been rated as investment grade (investment rating no less than "A" or its equivalent) by a nationally recognized rating agency, with a remaining maturity of ten (10) years or less.

The use of a letter of credit issued to the City by a Federal Home Loan Bank may be considered by the City to meet the required bank depository collateral requirements.

Subject to Audit. All collateral shall be subject to inspection and audit by the City or the City's independent auditors.

Delivery vs. Payment. All security transactions shall be purchased using the delivery vs. payment method. That is, funds shall not be wired or paid until verification has been made that the security was received by the City's Safekeeping Agent or the Trustee. The security shall be held in the account of the City. The Trustee's or Safekeeping Agent's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City.

Standards of Operation. The Executive Director of Finance shall develop and maintain written administrative procedures for the operation of the investment program, consistent with this Investment Policy.

X. INTERNAL CONTROLS

Internal Controls. The Executive Director of Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to

be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, as part of the annual audit, the Executive Director of Finance shall establish a process for independent review by the external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

1. Control of collusion - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. Separation of transaction authority from accounting and record keeping - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. Custodial safekeeping - Securities purchased from any bank or broker/dealer, including appropriate collateral shall be placed with an independent third party for custodial safekeeping.
4. Avoidance of physical delivery securities - Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. Clear delegation of authority to subordinate staff members - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. Written confirmation of telephone transactions for investments and wire transfers - Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax or email if on letterhead and the custodial safekeeping institution has a list of authorized signatures.

XI. INVESTMENT STRATEGIES

Investment Strategies. In accordance with the Act, a separate written investment strategy will be developed for each of the fund-types under the City's control. Each investment strategy must describe the investment objectives for the particular fund-type using the following priorities of importance:

1. Understanding of the suitability of the investment to the financial requirements of the City;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio;
6. Yield; and
7. Maturity restrictions.

The investment strategies to be employed by the City are:

A. Operating Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Operating Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, managing the weighted average days to maturity of each fund's portfolio to less than 270 days and restricting the maximum allowable maturity to two years will minimize the price volatility of the portfolio.

Liquidity - Operating Funds require the greatest short-term liquidity of any of the fund-types. Short-term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market “spreads” between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

~~Liquidity—Operating Funds require the greatest short term liquidity of any of the fund types. Short term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.~~

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated operating needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable security-types and portfolio restrictions is the desired objective. The yield of an ~~an equally weighted~~, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

B. Debt Service Funds

Suitability - Any investment eligible in the Investment Policy is suitable for ~~the~~ Debt Service Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Debt Service Funds to not exceed the debt service payment schedule the market risk of the overall portfolio will be minimized.

Liquidity - Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Short-term financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement, or similar structured investment, may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are not necessary as the event of an unanticipated cash flow requirement is not probable.

~~Liquidity—Debt Service Funds have predictable payment schedules. Therefore, investment maturities should not exceed the anticipated cash flow requirements. Short term financial institution deposits, investments pools and money market mutual funds may provide a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement, or similar structured investment, may be utilized if disbursements are allowed in the amount necessary to satisfy any debt service payment. This investment structure is commonly referred to as a flexible repurchase agreement.~~

Diversification - Market conditions influence the attractiveness of fully extending maturity to the next “unfunded” payment date. Generally, if investment rates are anticipated to decrease over time, the City is

best served by locking in most investments. If the interest rates are potentially rising, then investing in shorter and larger amounts may provide an advantage. At no time shall the debt service schedule be exceeded in an attempt to bolster yield.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of ~~an equally weighted~~, rolling three-month Treasury-Bill portfolio shall be the minimum yield objective.

C. Special Revenue Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Special Revenue Funds.

Safety of Principal -- All investments will be of high quality with no perceived default risk. Market fluctuations will occur. However, by managing Special Revenue Funds to balance the short-term and long-term anticipated cash flow requirements of the specific revenue/expense plan, the market risk of the Fund's portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated cash flow requirement or two years.

~~Liquidity - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures. Short-term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.~~

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

~~Liquidity - A portion of the Special Revenue Funds are reasonably predictable. However, unanticipated needs or emergencies may arise. Selecting investment maturities that provide greater cash flow than the anticipated needs will reduce the liquidity risk of unanticipated expenditures. Short term financial institution deposits, investment pools and money market mutual funds will provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.~~

Diversification - Investment maturities should be staggered throughout the budget cycle to provide cash flow based on the anticipated -needs of the City. Diversifying the appropriate maturity structure up to the two-year maximum will reduce interest rate risk.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio structures is the desired objective. The yield of ~~an equally weighted~~, rolling three-month Treasury-Bill portfolio will be the minimum yield objective.

D. Capital Project Funds

Suitability - Any investment eligible in the Investment Policy is suitable for Capital Project Funds.

Safety of Principal - All investments will be of high quality with no perceived default risk. Market price fluctuations will occur. However, by managing Capital Project Funds to not exceed the anticipated

expenditure schedule the market risk of the overall portfolio will be minimized. No stated final investment maturity shall exceed the shorter of the anticipated expenditure schedule, the IRS temporary period for tax-exempt bond proceeds, or five years.

Liquidity - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Short-term financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to at least one month's anticipated cash flow needs, or a competitive yield alternative for short-term fixed maturity investments. A singular repurchase agreement, or similar investment structure, may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.

Marketability - Securities with active and efficient secondary markets are necessary in the event of an unanticipated cash flow requirement. Historical market "spreads" between the bid and offer prices of a particular security-type of less than a quarter of a percentage point will define an efficient secondary market.

~~Liquidity - Most capital improvements programs have reasonably predictable draw down schedules. Therefore, investment maturities should generally follow the anticipated cash flow requirements. Short-term financial institution deposits, investment pools and money market mutual funds will provide readily available funds generally equal to at least one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement, or similar investment structure, may be utilized if disbursements are allowed in the amount necessary to satisfy any expenditure request. This investment structure is commonly referred to as a flexible repurchase agreement.~~

Diversification - Market conditions and arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds. Generally, if investment rates exceed the applicable cost of borrowing, the City is best served by locking in most investments. If the cost of borrowing cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger amounts. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

Yield - Achieving a positive spread to the cost of borrowing is the desired objective, within the limits of the Investment Policy's risk constraints. The yield of an ~~equally weighted~~, rolling six-month Treasury-Bill portfolio will be the minimum yield objective ~~for non-borrowed funds~~.

XII. POLICY

Exemption. Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy.

Amendment. The City Council shall review the Investment Policy, and incorporated investment strategies, annually. Amendments must be approved by the Investment Committee and adopted by the City Council. The City Council shall annually adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed and approved the Investment Policy and investment strategies, even if there are no changes from the previous document.

Appendix A

Sample Investment Policy Certification

This certification is executed on behalf of the **City of Killeen** (the Investor) and _____ (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

1. The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the Investor as such terms are used in the Public Funds Investment Act, Chapter 2256, Texas Government Code and
2. The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the Investor and
3. The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the Investor that are not authorized by the Investor's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Investor's entire portfolio or requires an interpretation of subjective investment standards.

(Firm)

Qualified Representative of the Business Organization

(Signature)

(Name)

(Title)

(Date)

City of Killeen

Approved Broker/Dealer List

August 18, 2015 June 7, 2016 August 29, 2016

Bonwick Capital

Carol Mackoff

135 S. LaSalle St., Ste. 1930

Chicago, IL 60603

844-708-0850

Coastal Securities

Tony Sekaly

5555 San Felipe St., Ste. 2200

Houston, TX 77056-2725

800-681-4121

Duncan Williams, Inc.

Stephen Capoferi

11458 W. Travelers Way Circle

Houston, TX 77065-4982

866-394-0236

Mutual Securities, Inc.

Michael Swan

220 Park Avenue, Suite One

Laguna Beach, CA 92651

855-400-4825

Rice Financial Products Co.

Carol Mackoff**Jared Fragin**

208 S LaSalle St., Ste 1338

Chicago, IL 60604-1319

877-855-2739

Raymond James

Polly Moore

2801 Via Fortuna, Ste. 650

Austin, TX 78746-7907

512-306-2503

**Wells Fargo Brokerage Services,
L.L.C.**

Chuck Landry

1445 Ross Ave., Ste. 210

MAC T9216-025

Dallas, TX 75202

214-777-4018

FTN Financial Capital Markets

Taylor Howell

5949 Sherry Ln., #610

Dallas, TX 75223

214-890-6309

JPMorgan Chase

Brad Neimer

320 N. New Road

Waco, TX 76710

254-751-2914

Vining Sparks

Andy Lamanna

775 Ridge Lake Blvd.

Memphis, TN 38120

800-829-0321

Cantor Fitzgerald

Don La Piana

14185 Dallas Parkway, Suite 870

Dallas, TX 75254

800-883-6332

First Southwest Company**Hilltop
Securities**

Linda Callaway

300 W. 6th St., Ste. 1940

Austin, TX

512-481-2040

Great Pacific Securities

Jason Pham

151 Kalmus Dr, Suite H8

Costa Mesa, CA 92626

714-619-3000

City of Killeen

Approved Independent Training Sources

~~August 18, 2015~~ June 7, 2016

- Government Finance Officers' Association
- Government Finance Officers' Association of Texas
- Government Treasurers' Organization of Texas
- City Managers' Association
- American Institute of Certified Public Accountants
- Texas Municipal League
- University of North Texas Center for Public Management



City of Killeen

Legislation Details

File #: RS-16-110 **Version:** 1 **Name:** TxDOT RAMP Grant-M1709KILE-Skylark Field
Type: Resolution **Status:** Resolutions
File created: 8/31/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution accepting a Texas Department of Transportation Routine Airport Maintenance Program (RAMP) Grant for Skylark Field.
Sponsors: Aviation Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Killeen RAMP Grant](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Acceptance of TxDOT Routine Airport Maintenance Program (RAMP) for Skylark Field

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

Texas Department of Transportation (TxDOT) Aviation Division works directly with airports in the state to assist in maintaining FAA safety standards and ensure vital aviation links to all parts of Texas are maintained for commerce and emergency air transport. One form of assistance available to airports through TxDOT is the Routine Airport Maintenance Program (RAMP) which can provide up to \$50,000 each year for eligible airport maintenance and minor capital funding on a 50/50 match basis.

DISCUSSION/CONCLUSION

TxDOT has offered to the City of Killeen a RAMP grant of \$15,000 for use at Skylark Field. This grant will be used to match an equal amount of airport enterprise funds to finance up to \$30,000 of airport maintenance expenses or minor capital improvements at Skylark Field. The City's FY 2017 line item budget assumes receipt of a portion of this grant and authorizes expenditures in repair, maintenance, and professional service accounts. Some of the specific work anticipated for 50% funding with this grant offer includes perimeter fence and gate repairs, T-hangar and General Aviation terminal building maintenance, fuel farm repairs, surveillance camera system maintenance, erosion control, and storm water consultant professional services. It also can fund the purchase of airfield lighting parts (bulbs, globes, transformers, etc), herbicide, pesticide, pavement marking paint, reflective beads, and security camera licenses. In the event that eligible airport expenses exceed \$30,000, this grant may be amended up to the \$50,000 annual limit.

FISCAL IMPACT

Revenue from this grant will be deposited in account number 527-0000-386.05-01 TxDOT Projects. Conditions of the grant require that the City first pay 100% of the eligible project work and submit copies of receipts for the 50% reimbursement. The reimbursement typically occurs on a quarterly basis.

RECOMMENDATION

Recommend the City Council accept the TxDOT Routine Airport Maintenance Program grant, TxDOT Project No. M1709KILE, in the amount of \$15,000; adopt all assurances, statements, representations, covenants, and agreements incorporated into this grant agreement; and authorize the City Manager to execute the agreement as accepted by the City. The City

Manager is expressly authorized to execute any and all amendments to the grant within the amounts set by state and local law.

**TEXAS DEPARTMENT OF TRANSPORTATION
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM**

(State Assisted Airport Routine Maintenance)

TxDOT Project ID: M1709KILE

Part I - Identification of the Project

TO: The City of Killeen, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Killeen, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the Skylark Field Airport.

Part II - Offer of Financial Assistance

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or \$50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

Work shall be accomplished by August 31, 2017, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.
5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

Part III - Sponsor Responsibilities

1. In accepting this Grant, if applicable, the Sponsor guarantees that:
 - a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and
 - b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and
 - c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and
 - d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and
 - e. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and
 - f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and
 - g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and
 - h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and
 - i. an Airport Fund shall be established by resolution, order or ordinance in the

treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and

- j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
 - k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.
 - l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.
2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.
3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.
5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.
6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.
7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.

PART IV - Nomination of the Agent

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.
2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:
 - a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;
 - b. enter into contracts as necessary for execution of scope of services;
 - c. if State enters into a contract as Agent: exercise supervision and direction of the project work as the State reasonably finds appropriate. Where there is an

irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;

- d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;
- e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
- f. reimburse sponsor for approved contract maintenance costs no more than once a month.

PART V - Recitals

- 1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
- 2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.
- 3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
 - a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these remedies shall not limit the State's authority to enforce its rules, regulations or

orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.

- b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.
4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
 5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
 6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

Part VI - Acceptances

Sponsor

The City of Killeen, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this _____ day of _____, 20__.

The City of Killeen, Texas
Sponsor

Witness Signature

Sponsor Signature

Witness Title

Sponsor Title

Certificate of Attorney

I, _____, acting as attorney for the City of Killeen, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at _____, Texas, this _____ day of _____, 20__.

Witness Signature

Attorney's Signature

Witness Title

Acceptance of the State

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS
TEXAS DEPARTMENT OF TRANSPORTATION

By: _____

Date: _____

**Attachment A
Scope of Services
TxDOT Project ID: M1709KILE**

Eligible Scope Item:	Estimated Costs Amount A	State Share Amount B	Sponsor Share Amount C
GENERAL MAINTENANCE	\$30,000.00	\$15,000.00	\$15,000.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
TOTAL	\$30,000.00	\$15,000.00	\$15,000.00

Accepted by: The City of Killeen, Texas

Signature

Title: _____

Date: _____

GENERAL MAINTENANCE: As needed, Sponsor may contract for services/purchase materials for routine maintenance/improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide/application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

CERTIFICATION OF AIRPORT FUND

TxDOT Project ID: M1709KILE

The City of Killeen does certify that an Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.

The City of Killeen, Texas
(Sponsor)

By: _____

Title: _____

Date: _____

Certification of State Single Audit Requirements

I, _____, do certify that the City of Killeen will comply with all
(Designated Representative)

requirements of the State of Texas Single Audit Act if the City of Killeen spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of Killeen will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

Signature

Title

Date

DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE

TxDOT Project ID: M1709KILE

The City of Killeen designates, _____

(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

The City of Killeen, Texas

(Sponsor)

By: _____

Title: _____

Date: _____

DESIGNATED REPRESENTATIVE

Mailing Address: _____

Overnight Mailing Address: _____

Telephone/Fax Number: _____

Email address: _____



City of Killeen

Legislation Details

File #: RS-16-111 **Version:** 1 **Name:** TxDOT RAMP Grant-M1709FHOO-KFHRA
Type: Resolution **Status:** Resolutions
File created: 8/31/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution accepting a Texas Department of Transportation Routine Airport Maintenance Program (RAMP) Grant for Killeen-Fort Hood Regional Airport.
Sponsors: Aviation Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Killeen RAMP Grant](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Acceptance of TxDOT Routine Airport Maintenance Program (RAMP) for Killeen-Fort Hood Regional Airport

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

Texas Department of Transportation (TxDOT) Aviation Division works directly with airports in the state to assist in maintaining FAA safety standards and ensure vital aviation links to all parts of Texas are maintained for commerce and emergency air transport. One form of assistance available to airports through TxDOT is the Routine Airport Maintenance Program (RAMP) which can provide up to \$50,000 each year for eligible airport maintenance and minor capital funding on a 50/50 match basis.

DISCUSSION/CONCLUSION

TxDOT has offered to the City of Killeen a RAMP grant of \$50,000 for use at Killeen-Fort Hood Regional Airport. This grant will be used to match an equal amount of airport enterprise funds to finance up to \$100,000 worth of airport maintenance at Killeen-Fort Hood Regional Airport. The City's FY 2017 line item budget assumes receipt of this grant and authorizes expenditures in repair, maintenance, and professional service accounts that qualify for the 50% grant augmentation. Some of the specific work anticipated for 50% funding with this grant offer includes runway rubber removal, pavement crack seal, perimeter fence and gate maintenance, fuel farm repairs, surveillance camera system maintenance, corporate aviation and terminal building repair and painting, landscaping, erosion control, and storm water consultant professional services. It also can fund the purchase of airfield lighting parts (bulbs, globes, transformers, etc), herbicide, pesticide, pavement marking paint, and reflective beads.

FISCAL IMPACT

Revenue from this grant will be deposited in the K-FHRA enterprise fund (account number 525-0000-386.05-01 TxDOT Projects). Conditions of the grant require that the City first pay 100% of the eligible project work and submit copies of receipts for the 50% reimbursement. The reimbursement typically occurs on a quarterly basis.

RECOMMENDATION

Recommend the City Council accept the TxDOT Routine Airport Maintenance Program grant, TxDOT Project No. M1709FHOO, in the amount of \$50,000; adopt all assurances, statements, representations, covenants, and agreements incorporated into this grant agreement; and authorize the City Manager to execute the agreement as accepted by the City. The City Manager is expressly authorized to execute any and all amendments to the grant within the amounts set by state and local law.

**TEXAS DEPARTMENT OF TRANSPORTATION
GRANT FOR ROUTINE AIRPORT MAINTENANCE PROGRAM**

(State Assisted Airport Routine Maintenance)

TxDOT Project ID: M1709FHOO

Part I - Identification of the Project

TO: The City of Killeen, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Grant is made between the Texas Department of Transportation, (hereinafter referred to as the "State"), on behalf of the State of Texas, and the City of Killeen, Texas, (hereinafter referred to as the "Sponsor").

This Grant Agreement is entered into between the State and Sponsor shown above, under the authority granted and in compliance with the provisions of the Transportation Code Chapter 21.

The project is for **airport maintenance** at the Killeen-Fort Hood /Robert Gray Army Airfield Airport.

Part II - Offer of Financial Assistance

1. For the purposes of this Grant, the annual routine maintenance project cost, Amount A, is estimated as found on Attachment A, Scope of Services, attached hereto and made a part of this grant agreement.

State financial assistance granted will be used solely and exclusively for airport maintenance and other incidental items as approved by the State. Actual work to be performed under this agreement is found on Attachment A, Scope of Services. State financial assistance, Amount B, will be for fifty percent (50%) of the eligible project costs for this project or \$50,000.00, whichever is less, per fiscal year and subject to availability of state appropriations.

Scope of Services, Attachment A, of this Grant, may be amended, subject to availability of state funds, to include additional approved airport maintenance work. Scope amendments require submittal of an Amended Scope of Services, Attachment A.

Services will not be accomplished by the State until receipt of Sponsor's share of project costs.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

Work shall be accomplished by August 31, 2017, unless otherwise approved by the State.

2. The State shall determine fair and eligible project costs for work scope. Sponsor's share of estimated project costs, Amount C, shall be as found on Attachment A and any amendments.

It is mutually understood and agreed that if, during the term of this agreement, the State determines that there is an overrun in the estimated annual routine maintenance costs, the State may increase the grant to cover the amount of the overrun within the above stated percentages and subject to the maximum amount of state funding.

The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Sponsor, by accepting this Grant certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify expended funds.

Upon execution of this Agreement and written demand by the State, the Sponsor's financial obligation (Amount C) shall be due in cash and payable in full to the State. State may request the Sponsor's financial obligation in partial payments. Should the Sponsor fail to pay their obligation, either in whole or in part, within 30 days of written demand, the State may exercise its rights under Paragraph V-3. Likewise, should the State be unwilling or unable to pay its obligation in a timely manner, the failure to pay shall be considered a breach and the Sponsor may exercise any rights and remedies it has at law or equity.

The State shall reimburse or credit the Sponsor, at the financial closure of the project, any excess funds provided by the Sponsor which exceed Sponsor's share (Amount C).

4. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount B) as stated in Paragraph II-1.
5. Scope of Services may be accomplished by State contracts or through local contracts of the Sponsor as determined appropriate by the State. All locally contracted work must be approved by the State for scope and reasonable cost. Reimbursement requests for locally contracted work shall be submitted on forms provided by the State and shall include copies of the invoices for materials or services. Payment shall be made for no more than 50% of allowable charges.

The State will not participate in funding for force account work conducted by the Sponsor.

6. This Grant shall terminate upon completion of the scope of services.

Part III - Sponsor Responsibilities

1. In accepting this Grant, if applicable, the Sponsor guarantees that:
 - a. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State in connection with this Grant; and
 - b. the Airport or navigational facility which is the subject of this Grant shall be controlled by the Sponsor for a period of at least 20 years; and
 - c. consistent with safety and security requirements, it shall make the airport or air navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Grant; and
 - d. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and
 - e. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and
 - f. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and
 - g. the Sponsor shall submit to the State annual statements of airport revenues and expenses when requested; and
 - h. all fees collected for the use of the airport shall be reasonable and nondiscriminatory. The proceeds from such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility; and

- i. an Airport Fund shall be established by resolution, order or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in the Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and
 - j. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
 - k. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain aviation easements or other property interests in or rights to use of land or airspace, unless sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State.
 - l. mowing services will not be eligible for state financial assistance. Sponsor will be responsible for 100% of any mowing services.
2. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting claim or liabilities which might be imposed on the State as the result of those activities by the Sponsor, the Sponsor's agents or employees.
3. The Sponsor's acceptance of this Offer and ratification and adoption of this Grant shall be evidenced by execution of this Grant by the Sponsor. The Grant shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport.

If it becomes unreasonable or impractical to complete the project, the State may void this agreement and release the Sponsor from any further obligation of project costs.

4. Upon entering into this Grant, Sponsor agrees to name an individual, as the Sponsor's Authorized Representative, who shall be the State's contact with regard to this project. The Representative shall receive all correspondence and documents associated with this grant and shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor, and coordinate schedule for work items as required.
5. By the acceptance of grant funds for the maintenance of eligible airport buildings, the Sponsor certifies that the buildings are owned by the Sponsor. The buildings may be leased but if the lease agreement specifies that the lessee is responsible for the upkeep and repairs of the building no state funds shall be used for that purpose.
6. Sponsor shall request reimbursement of eligible project costs on forms provided by the State. All reimbursement requests are required to include a copy of the invoices for the materials or services. The reimbursement request will be submitted no more than once a month.
7. The Sponsor's acceptance of this Agreement shall comprise a Grant Agreement, as provided by the Transportation Code, Chapter 21, constituting the contractual obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the airport maintenance and compliance with the assurances and conditions as provided. Such Grant Agreement shall become effective upon the State's written Notice to Proceed issued following execution of this agreement.

PART IV - Nomination of the Agent

1. The Sponsor designates the State as the party to receive and disburse all funds used, or to be used, in payment of the costs of the project, or in reimbursement to either of the parties for costs incurred.
2. The State shall, for all purposes in connection with the project identified above, be the Agent of the Sponsor. The Sponsor grants the State a power of attorney to act as its agent to perform the following services:
 - a. accept, receive, and deposit with the State any and all project funds granted, allowed, and paid or made available by the Sponsor, the State of Texas, or any other entity;
 - b. enter into contracts as necessary for execution of scope of services;
 - c. if State enters into a contract as Agent: exercise supervision and direction of the

project work as the State reasonably finds appropriate. Where there is an irreconcilable conflict or difference of opinion, judgment, order or direction between the State and the Sponsor or any service provider, the State shall issue a written order which shall prevail and be controlling;

- d. receive, review, approve and pay invoices and payment requests for services and materials supplied in accordance with the State approved contracts;
- e. obtain an audit as may be required by state regulations; the State Auditor may conduct an audit or investigation of any entity receiving funds from TxDOT directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.
- f. reimburse sponsor for approved contract maintenance costs no more than once a month.

PART V - Recitals

- 1. This Grant is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
- 2. It is the intent of this grant to not supplant local funds normally utilized for airport maintenance, and that any state financial assistance offered under this grant be in addition to those local funds normally dedicated for airport maintenance.
- 3. This Grant is subject to the applicable provisions of the Transportation Code, Chapters 21 and 22, and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Grant or with the rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
 - a. Of primary importance to the State is compliance with the terms and conditions of this Grant. If, however, after all reasonable attempts to require compliance have failed, the State finds that the Sponsor is unwilling and/or unable to comply with any of the terms of this Grant, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended pursuant to this Grant, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to this Grant, provided however, these

remedies shall not limit the State's authority to enforce its rules, regulations or orders as otherwise provided by law, (4) declare this Grant null and void, or (5) any other remedy available at law or in equity.

- b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Grant, or for enforcement of any of the provisions of this Grant, is specifically set by Grant of the parties in Travis County, Texas.
4. The State reserves the right to amend or withdraw this Grant at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
5. This Grant constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
6. All commitments by the Sponsor and the State are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.

Part VI - Acceptances

Sponsor

The City of Killeen, Texas, does ratify and adopt all statements, representations, warranties, covenants, agreements, and all terms and conditions of this Grant.

Executed this _____ day of _____, 20__.

The City of Killeen, Texas
Sponsor

Witness Signature

Sponsor Signature

Witness Title

Sponsor Title

Certificate of Attorney

I, _____, acting as attorney for the City of Killeen, Texas, do certify that I have fully examined the Grant and the proceedings taken by the Sponsor relating to the acceptance of the Grant, and find that the manner of acceptance and execution of the Grant by the Sponsor, is in accordance with the laws of the State of Texas.

Dated at _____, Texas, this _____ day of _____, 20__.

Witness Signature

Attorney's Signature

Witness Title

Acceptance of the State

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

STATE OF TEXAS
TEXAS DEPARTMENT OF TRANSPORTATION

By: _____

Date: _____

**Attachment A
Scope of Services
TxDOT Project ID: M1709FHOO**

Eligible Scope Item:	Estimated Costs Amount A	State Share Amount B	Sponsor Share Amount C
GENERAL MAINTENANCE	\$100,000.00	\$50,000.00	\$50,000.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
Special Project	\$0.00	\$0.00	\$0.00
TOTAL	\$100,000.00	\$50,000.00	\$50,000.00

Accepted by: The City of Killeen, Texas

Signature

Title: _____

Date: _____

GENERAL MAINTENANCE: As needed, Sponsor may contract for services/purchase materials for routine maintenance/improvement of airport pavements, signage, drainage, AWOS systems, approach aids, lighting systems, utility infrastructure, fencing, herbicide/application, sponsor owned and operated fuel systems, hangars, terminal buildings and security systems; professional services for environmental compliance, approved project design. Special projects to be determined and added by amendment.

Only work items as described in Attachment A, Scope of Services of this Grant are reimbursable under this grant.

CERTIFICATION OF AIRPORT FUND

TxDOT Project ID: M1709FHOO

The City of Killeen does certify that an Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. The fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.

The City of Killeen, Texas
(Sponsor)

By: _____

Title: _____

Date: _____

Certification of State Single Audit Requirements

I, _____, do certify that the City of Killeen will comply with all
(Designated Representative)

requirements of the State of Texas Single Audit Act if the City of Killeen spends or receives more than the threshold amount in any grant funding sources during the most recently audited fiscal year. And in following those requirements, the City of Killeen will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold in grant receivables or expenditures, please submit a letter indicating that your entity is not required to have a State Single Audit performed for the most recent audited fiscal year.

Signature

Title

Date

DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE

TxDOT Project ID: M1709FHOO

The City of Killeen designates, _____
(Name, Title)

as the Sponsor's authorized representative, who shall receive all correspondence and documents associated with this grant and who shall make or shall acquire approvals and disapprovals for this grant as required on behalf of the Sponsor.

The City of Killeen, Texas
(Sponsor)

By: _____

Title: _____

Date: _____

DESIGNATED REPRESENTATIVE

Mailing Address: _____

Overnight Mailing Address: _____

Telephone/Fax Number: _____

Email address: _____



City of Killeen

Legislation Details

File #: RS-16-112 **Version:** 1 **Name:** Genesis Flight Academy, LLC Lease Extension
Type: Resolution **Status:** Resolutions
File created: 9/1/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution approving the Genesis Flight Academy, L.L.C. lease agreement extension at Skylark Field.
Sponsors: Aviation Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Lease Agreement Addendum No. 2](#)
[Certificate of Interested Parties](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**Skylark Field Genesis Flight Academy, L.L.C.
Lease Extension**

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

Council approved a lease agreement with Genesis Flight Academy L.L.C. on September 29, 2011, for use of hangar facilities at 1505 Stonetree Drive on Skylark Field. Genesis is authorized by the agreement to operate a Fixed Base Operator business which includes the activities of aircraft maintenance, flight training, aircraft rental, specialized flying services, and the sale of aviation charts, books, and various supplies. On September 9, 2014, Council approved Addendum #1 to the lease agreement extending the term through September 30, 2016.

DISCUSSION/CONCLUSION

Staff has negotiated an addendum with the tenant that will extend the term by one additional year at a monthly rate of \$854.27. This rate includes an increase that corresponds with the Consumer Price Index (CPI) rate of increase over the last two years.

FISCAL IMPACT

This lease agreement will provide for approximately \$10,251 in annual revenues to be deposited in the Skylark Field Airport Enterprise fund account number 527-0000-324.10-00 FIXED BASE OPERATIONS.

RECOMMENDATION

City Council approve Addendum No. 2 to the Genesis Flight Academy, L.L.C. lease agreement, extending the lease for a duration of one year from October 1, 2016, through September 30, 2017, and authorize the City Manager to execute same.

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 2

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and Genesis Flight Academy, L.L.C., hereby agree that the terms and conditions of the Lease Agreement dated September 29, 2011 between the City of Killeen and Genesis Flight Academy, L.L.C., and amended with Addendum No. 1 dated September 1, 2014, will remain in full force and effect, with the exception of the changes made and incorporated in Addendum No. 2 herein.

ARTICLE V
Terms of Agreement

1. The Airport hereby grants unto the said Tenant, for a period of one year beginning October 1, 2016 and ending September 30, 2017, the right to operate a Fixed Base Operator business, as previously described, at Skylark Field.
2. No change.
3. No change.
4. No change.

ARTICLE VI
Rentals, Fees, and Accounting Records

1. Beginning, October 1, 2016, Tenant shall pay to the Airport, \$854.27 per month for the Leased Premises in accordance with the fee schedule described in Exhibit "B" each and every month for the duration of the term of the lease agreement. Sundry charges of the previous month will be in accordance with the fee schedule described in Exhibit "B". Sundry charges are subject to change on an annual basis. Airport will provide a revised Rents and Fees Schedule to Tenant at least thirty (30) days before the effective date of any changes to sundry charges.
2. No change.
3. No change.
4. No change.
5. No change.

6. No change.

EXHIBIT "B"
Rents and Fees Schedule

Replace Exhibit "B" (Addendum No. 1) with new Exhibit "B" (Addendum No. 2)

IN WITNESS WHEREOF, the parties have executed this lease on this ____ day of _____, 2016.

ATTEST:

CITY OF KILLEEN:

Dianna Barker
City Secretary

Lillian Ann Farris
Interim City Manager

ATTEST:

TENANT
Genesis Flight Academy, L.L.C.

Lacy Keeling
Office Manager

Kyle T. Keeling
President

GenesisAd2

City of Killeen and Genesis Flight Academy, L.L.C.

Rents and Fees Schedule

BASIC RENT

Hangar (1505 Stonetree Dr) 6,400 sq. ft. @ \$.13348 per sq. ft.	\$854.27 per month
--	--------------------

SUNDRY CHARGES

Key replacement	\$15.00
Additional Aircraft Tie-downs	\$25.00 /month *

LATE PAYMENT PENALTY

Late payment penalties shall be assessed on the total monthly payment:

5% of total monthly fees if paid after the first day of the month.

An additional 5% of total outstanding amount for each additional month that Tenant's obligations remain unpaid.

* Additional tie-downs will be at the codified rate in accordance with Chapter 2 of the City of Killeen Code of Ordinances. At the time of the execution of this lease agreement addendum the rate is \$25.00 per month.

EXHIBIT "B" (Addendum No. 2)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2016-112411

Date Filed:
09/15/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Genesis Aero
Killeen, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Killeen

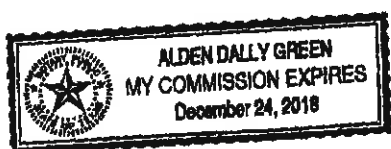
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

Lease Agreement 9-29-11
Payment for leased space

4	Name of interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO interested Party.

6 AFFIDAVIT I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



[Signature]
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Kyle Keeling, this the 15 day of Sept., 2016, to certify which, witness my hand and seal of office.

[Signature] Alden Dally Green member services
Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath



City of Killeen

Legislation Details

File #: RS-16-113 **Version:** 1 **Name:** Airport Rental Car Lease Renewals - KFHRA
Type: Resolution **Status:** Resolutions
File created: 9/1/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution approving Killeen-Fort Hood Regional Airport rental car lease agreement renewals.
Sponsors: Aviation Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Checker Leasing Addendum No. 1](#)
[Clearwater Transportation Addendum No. 1](#)
[EAN Holdings LLC #1 Addendum No. 1](#)
[EAN Holdings LLC #2 Addendum No. 1](#)
[The Hertz Corporation Addendum No. 1](#)
[Certificate of Interested Parties](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Killeen-Fort Hood Regional Airport Rental Car Lease Agreement Renewals

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

The Killeen-Fort Hood Regional Airport leases retail facilities in the terminal building to various businesses to provide appropriate services to the public as well as to provide revenue sources for the airport enterprise fund. Rental car company tenants were last selected as a result of Bid #11-28. On August 9, 2011, Council approved rental car concession lease agreements with Checker Leasing, Inc., Clearwater Transportation, Ltd., EAN Holdings, LLC (Lease #1) d/b/a Enterprise Rent-A-Car Company, EAN Holdings, LLC (Lease #2) d/b/a National Car Rental, and The Hertz Corporation. The initial agreements were for a period of five years and are set to expire on September 30, 2016.

DISCUSSION/CONCLUSION

Provisions in the initial lease agreements include an option for the tenants to extend the term of the lease agreements for an additional two years with the approval of the City Council. Staff has coordinated with each of the incumbent rental car company tenants and proposes to extend the terms of each of the tenants by two years at the current rate structure.

FISCAL IMPACT

Total annual revenue to the Killeen-Fort Hood Regional Airport Enterprise Fund represented by these lease agreements is estimated at approximately \$722,827 in account number 525-0000-324.05-00 AIRPORT RENT & CONCESSION, and \$252,000 in account number 526-0000-324.52-00 CUSTOMER FACILITY CHARGES.

RECOMMENDATION

City Council approve Addendum No. 1 to Checker Leasing, Inc., Addendum No. 1 to Clearwater Transportation, Ltd., Addendum No. 1 to EAN Holdings, LLC (Lease #1) d/b/a Enterprise Rent-A-Car Company, Addendum No. 1 to EAN Holdings, LLC (Lease #2) d/b/a National Car Rental, and Addendum No. 1 to The Hertz Corporation Rental Car Company Lease Agreements, extending the term for a period of two years beginning October 1, 2016, and ending September 30, 2018, and to authorize the City Manager to execute same.

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 1

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and Checker Leasing, Inc., hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated August 10, 2011 between the City of Killeen and Checker Leasing Inc., will remain in full force and effect with the exception of the changes made and incorporated in Addendum No. 1 herein.

ARTICLE IV
Obligations of the Tenant

1. No change.
2. No change.
3. No change.
4. No change.
5. No change.
6. No change.
7. No change.
8. No change.
9. No change.
10. No change.
11. No change.
12. No change.
13. Tenant is responsible to insure that every employee that has regular duty at the airport is submitted for airport electronic access cards appropriate for that employee and that all employee data remains current. The tenant will notify the appropriate representative of the Airport by telephone or other appropriate means as soon as possible following the termination of any employee, but will do so in writing no later than the end of the next working day after the employee's last day of employment at the airport. The Tenant is further responsible for returning the employee's electronic access cards no later than three working days after the last day of employment at the airport. Any lost electronic access cards must be reported in writing to the airport's representative as soon as possible, but no later than the end of the next working day from the date of the loss. Tenant is responsible for any charges or damages incurred by the use of electronic access cards issued to its employees unless more than 24 hours have passed from the time the Tenant provides written notification to the Airport's representative to cancel any access these electronic access cards allow. A monthly fee will be charged for active employee electronic access cards and for lost cards as indicated in Exhibit "E".
14. No change.

- 15. No change.
- 16. No change.

ARTICLE V
Terms of Agreement

- 1. The Airport hereby grants unto the said Tenant, for a period of two years, beginning October 1, 2016 and ending September 30, 2018 the right to operate a car rental agency, as previously described, at the Killeen-Ft Hood Regional Airport, Robert Gray Army Airfield.
- 2. Deleted.
- 3. No change.
- 4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this ____ day of _____, 2016.

ATTEST:

CITY OF KILLEEN:

Dianna Barker
City Secretary

Lillian Ann Farris
Interim City Manager

ATTEST:

CHECKER LEASING, INC.

Mike McGuire
President

CheckerLeasingInc-AD1f

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 1

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and Clearwater Transportation Ltd., hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated August 10, 2011 between the City of Killeen and Clearwater Transportation Ltd., will remain in full force and effect with the exception of the changes made and incorporated in Addendum No. 1 herein.

ARTICLE IV
Obligations of the Tenant

1. No change.
2. No change.
3. No change.
4. No change.
5. No change.
6. No change.
7. No change.
8. No change.
9. No change.
10. No change.
11. No change.
12. No change.
13. Tenant is responsible to insure that every employee that has regular duty at the airport is submitted for airport electronic access cards appropriate for that employee and that all employee data remains current. The tenant will notify the appropriate representative of the Airport by telephone or other appropriate means as soon as possible following the termination of any employee, but will do so in writing no later than the end of the next working day after the employee's last day of employment at the airport. The Tenant is further responsible for returning the employee's electronic access cards no later than three working days after the last day of employment at the airport. Any lost electronic access cards must be reported in writing to the airport's representative as soon as possible, but no later than the end of the next working day from the date of the loss. Tenant is responsible for any charges or damages incurred by the use of electronic access cards issued to its employees unless more than 24 hours have passed from the time the Tenant provides written notification to the Airport's representative to cancel any access these electronic access cards allow. A monthly fee will be charged for active employee electronic access cards and for lost cards as indicated in Exhibit "E".
14. No change.

- 15. No change.
- 16. No change.

ARTICLE V
Terms of Agreement

- 1. The Airport hereby grants unto the said Tenant, for a period of two years, beginning October 1, 2016 and ending September 30, 2018 the right to operate a car rental agency, as previously described, at the Killeen-Ft Hood Regional Airport, Robert Gray Army Airfield.
- 2. Deleted.
- 3. No change.
- 4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this _____ day of _____, 2016.

ATTEST:

CITY OF KILLEEN:

Dianna Barker
City Secretary

Lillian Ann Farris
Interim City Manager

ATTEST:

CLEARWATER TRANSPORTATION LTD.

Monty Merrill
President

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 1

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and EAN Holdings, LLC (Lease #1) d/b/a Enterprise Rent-A-Car, hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated August 10, 2011 between the City of Killeen and EAN Holdings, LLC (Lease #1) d/b/a Enterprise Rent-A-Car, will remain in full force and effect with the exception of the changes made and incorporated in Addendum No. 1 herein.

ARTICLE IV
Obligations of the Tenant

1. No change.
2. No change.
3. No change.
4. No change.
5. No change.
6. No change.
7. No change.
8. No change.
9. No change.
10. No change.
11. No change.
12. No change.
13. Tenant is responsible to insure that every employee that has regular duty at the airport is submitted for airport electronic access cards appropriate for that employee and that all employee data remains current. The tenant will notify the appropriate representative of the Airport by telephone or other appropriate means as soon as possible following the termination of any employee, but will do so in writing no later than the end of the next working day after the employee's last day of employment at the airport. The Tenant is further responsible for returning the employee's electronic access cards no later than three working days after the last day of employment at the airport. Any lost electronic access cards must be reported in writing to the airport's representative as soon as possible, but no later than the end of the next working day from the date of the loss. Tenant is responsible for any charges or damages incurred by the use of electronic access cards issued to its employees unless more than 24 hours have passed from the time the Tenant provides written notification to the Airport's representative to cancel any access these electronic access cards allow. A monthly fee will be charged for active employee electronic access cards and for lost cards as indicated in Exhibit "E".
14. No change.

- 15. No change.
- 16. No change.

ARTICLE V
Terms of Agreement

- 1. The Airport hereby grants unto the said Tenant, for a period of two years, beginning October 1, 2016 and ending September 30, 2018 the right to operate a car rental agency, as previously described, at the Killeen-Ft Hood Regional Airport, Robert Gray Army Airfield.
- 2. Deleted.
- 3. No change.
- 4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this _____ day of _____, 2016.

ATTEST:

CITY OF KILLEEN:

Dianna Barker
City Secretary

Lillian Ann Farris
Interim City Manager

ATTEST:

EAN Holdings, LLC (Lease #1)
d/b/a Enterprise Rent-A-Car

Howard Zaroff
Vice-President & General Manager

EANHoldingsLLC#1-AD1f

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 1

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and EAN Holdings, LLC (Lease #2) d/b/a National Car Rental, hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated August 10, 2011 between the City of Killeen and EAN Holdings, LLC (Lease #2) d/b/a National Car Rental, will remain in full force and effect with the exception of the changes made and incorporated in Addendum No. 1 herein.

ARTICLE IV
Obligations of the Tenant

1. No change.
2. No change.
3. No change.
4. No change.
5. No change.
6. No change.
7. No change.
8. No change.
9. No change.
10. No change.
11. No change.
12. No change.
13. Tenant is responsible to insure that every employee that has regular duty at the airport is submitted for airport electronic access cards appropriate for that employee and that all employee data remains current. The tenant will notify the appropriate representative of the Airport by telephone or other appropriate means as soon as possible following the termination of any employee, but will do so in writing no later than the end of the next working day after the employee's last day of employment at the airport. The Tenant is further responsible for returning the employee's electronic access cards no later than three working days after the last day of employment at the airport. Any lost electronic access cards must be reported in writing to the airport's representative as soon as possible, but no later than the end of the next working day from the date of the loss. Tenant is responsible for any charges or damages incurred by the use of electronic access cards issued to its employees unless more than 24 hours have passed from the time the Tenant provides written notification to the Airport's representative to cancel any access these electronic access cards allow. A monthly fee will be charged for active employee electronic access cards and for lost cards as indicated in Exhibit "E".
14. No change.

- 15. No change.
- 16. No change.

ARTICLE V
Terms of Agreement

- 1. The Airport hereby grants unto the said Tenant, for a period of two years, beginning October 1, 2016 and ending September 30, 2018 the right to operate a car rental agency, as previously described, at the Killeen-Ft Hood Regional Airport, Robert Gray Army Airfield.
- 2. Deleted.
- 3. No change.
- 4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this _____ day of _____, 2016.

ATTEST:

CITY OF KILLEEN:

Dianna Barker
City Secretary

Lillian Ann Farris
Interim City Manager

ATTEST:

EAN Holdings, LLC (Lease #2)
d/b/a National Car Rental

Howard Zaroff
Vice-President & General Manager

EANHoldingsLLC#2-AD1f

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 1

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and The Hertz Corporation, hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated August 10, 2011 between the City of Killeen and The Hertz Corporation, will remain in full force and effect with the exception of the changes made and incorporated in Addendum No. 1 herein.

ARTICLE IV
Obligations of the Tenant

1. No change.
2. No change.
3. No change.
4. No change.
5. No change.
6. No change.
7. No change.
8. No change.
9. No change.
10. No change.
11. No change.
12. No change.
13. Tenant is responsible to insure that every employee that has regular duty at the airport is submitted for airport electronic access cards appropriate for that employee and that all employee data remains current. The tenant will notify the appropriate representative of the Airport by telephone or other appropriate means as soon as possible following the termination of any employee, but will do so in writing no later than the end of the next working day after the employee's last day of employment at the airport. The Tenant is further responsible for returning the employee's electronic access cards no later than three working days after the last day of employment at the airport. Any lost electronic access cards must be reported in writing to the airport's representative as soon as possible, but no later than the end of the next working day from the date of the loss. Tenant is responsible for any charges or damages incurred by the use of electronic access cards issued to its employees unless more than 24 hours have passed from the time the Tenant provides written notification to the Airport's representative to cancel any access these electronic access cards allow. A monthly fee will be charged for active employee electronic access cards and for lost cards as indicated in Exhibit "E".
14. No change.

- 15. No change.
- 16. No change.

ARTICLE V
Terms of Agreement

- 1. The Airport hereby grants unto the said Tenant, for a period of two years, beginning October 1, 2016 and ending September 30, 2018 the right to operate a car rental agency, as previously described, at the Killeen-Ft Hood Regional Airport, Robert Gray Army Airfield.
- 2. Deleted.
- 3. No change.
- 4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this _____ day of _____, 2016.

ATTEST:

CITY OF KILLEEN:

Dianna Barker
City Secretary

Lillian Ann Farris
Interim City Manager

ATTEST:

THE HERTZ CORPORATION

Richard P. McEvily
Senior Vice President and
General Counsel

TheHertzCorporation-AD1f

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
 CERTIFICATION OF FILING**

Certificate Number:
 2016-107035

Date Filed:
 09/01/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Checker Leasing Inc
 Killeen, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Killeen

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.


8-10-11
 Payment for leased space

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Checker Leasing Inc	Killeen, TX United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



 Signature of authorized agent of contracting business entity



AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Constancia Helms Blair, this the 01 day of September, 20 16, to certify which, witness my hand and seal of office.

Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2016-107715

Date Filed:
09/02/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Clearwatertransportation, LTD
Killeen, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Killeen

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.


Lease Agreement 8/10/11
Leased Space

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Clearwater Transportation, LTD	Killeen, TX United States	X	

5 Check only if there is NO Interested Party.

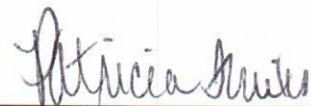
6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

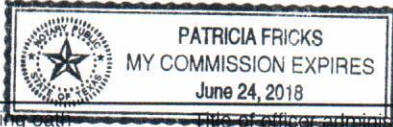

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the 2nd day of September 2016, to certify which, witness my hand and seal of office.


Signature of officer administering oath

PATRICIA FRICKS
Printed name of officer administering oath



Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2016-108334

Date Filed:
09/06/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

EAN Holdings, LLC dba Enterprise Rent-A-Car
Austin, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Killeen

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

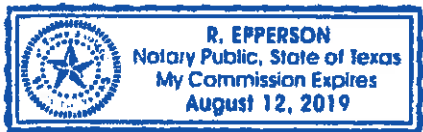
Lease Agreement 8-10-11
Payment for leased space

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Zaroff, Howard	Austin, TX United States	X	

5 Check only if there is NO interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



[Handwritten Signature]

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Howard Zaroff, this the 6th day of Sept, 2016, to certify which, witness my hand and seal of office.

[Handwritten Signature]

Signature of officer administering oath

R Epperson

Printed name of officer administering oath

Risk Supervisor

Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
EAN Holdings, LLC dba National Car Rental
Austin, TX United States

Certificate Number:
2016-108343

Date Filed:
09/06/2016

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
City of Killeen

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
Lease Agreement 8-10-11
Payment for leased space

4	Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
			Controlling	Intermediary
	Zaroff, Howard	Austin, TX United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT



I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

[Handwritten Signature]

Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Howard Zaroff, this the 6 day of Sept, 2016, to certify which, witness my hand and seal of office.

Rappasur R Epperson Risk Supervisor
Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2016-103469

Date Filed:
08/24/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

The Hertz Corporation
Estero, FL United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Killeen, Dept. of Aviation

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

Lease Agreement 8-10-11
rental car services

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Richard P. McEvily

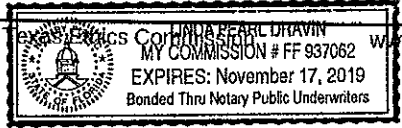
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Richard P. McEvily, this the 12th day of September, 2016, to certify which, witness my hand and seal of office.

Linda Dravin Linda Dravin Notary Public, State of Florida

Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath





City of Killeen

Legislation Details

File #: RS-16-114 **Version:** 1 **Name:** Airport Airline Lease Agreement Extensions
Type: Resolution **Status:** Resolutions
File created: 9/1/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution approving Killeen-Fort Hood Regional Airport airline lease agreement extensions.
Sponsors: Aviation Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[American Airlines Addendum No. 3](#)
[Delta Air Lines Addendum No. 7](#)
[United Airlines Addendum No. 3](#)
[Certificate of Interested Parties](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**Killeen-Fort Hood Regional Airport Airline
Lease Agreement Extensions**

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

Existing airline lease agreements for Killeen-Fort Hood Regional Airport were approved by Council in May 2004 becoming effective August 1, 2004. These agreements have either been extended for various term lengths or have been regenerated as new agreements due to airline mergers and restructuring. The agreements with American Airlines, Inc., Delta Air Lines, Inc., and United Airlines, Inc. were last extended in August 2014 and will expire on September 30, 2016.

DISCUSSION/CONCLUSION

Staff has reviewed the current airline lease agreements and negotiated with representatives of the three airlines for extensions of their respective lease agreements. The addendums provide for the lease agreements to be extended by one year through September 30, 2017, at the current rate, with an option for an additional one year extension.

FISCAL IMPACT

Estimated total annual revenue to the Killeen-Fort Hood Regional Airport Enterprise Fund represented by these agreements is approximately \$270,458 in account number 525-0000-324.20-00 AIR CARRIER OPERATIONS and \$158,377 in account number 525-0000-324.25-00 AIRPORT USER FEES.

RECOMMENDATION

City Council approve Addendum No. 3 to the American Airlines, Inc. lease agreement, Addendum No. 7 to the Delta Air Lines, Inc. lease agreement, and Addendum No. 3 to the United Airlines, Inc. lease agreement, extending all three airlines for a duration of one year from October 1, 2016, through September 30, 2017, and authorize the City Manager to execute same.

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 3

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and American Airlines, Inc., hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated September 12, 2012 between the City of Killeen and American Airlines, Inc., and amended with Addendum No. 1 dated September 10, 2013, and Addendum No. 2 dated August 26, 2014, will remain in full force and effect, with the exception of the changes made and incorporated in Addendum No. 3 herein.

ARTICLE V
Terms of Agreement

1. The Airport hereby grants unto the said Tenant, for a period of one year, beginning October 1, 2016 and ending September 30, 2017, the right to conduct air carrier services, as previously described, at the Killeen-Fort Hood Regional Airport.
2. If Tenant is not in default of the terms hereunder, the term of the Lease Agreement shall automatically extend for one (1) additional year unless Tenant gives Airport notice of its option not to extend at least sixty (60) days prior to the expiration of the initial term or corresponding successive term, as applicable.
3. No change.
4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this _____ day of _____, 2016.

ATTEST:

CITY OF KILLEEN:

Dianna Barker
City Secretary

Lillian Ann Farris
Interim City Manager

ATTEST:

AMERICAN AIRLINES, INC.

Name
Title

Christopher J. Collison
Director, Real Estate

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 7

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and Delta Air Lines, Inc., hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated September 24, 2009 between the City of Killeen and Delta Air Lines, Inc., and amended with Addendum No. 1 dated August 3, 2010, Addendum No. 2 dated September 15, 2011, Addendum No. 3 dated September 12, 2012, Addendum No. 4 dated September 10, 2013, Addendum No. 5 dated August 26, 2014, and Addendum No. 6 dated October 23, 2014, will remain in full force and effect, with the exception of the changes made and incorporated in Addendum No. 7 herein.

ARTICLE V

Terms of Agreement

1. The Airport hereby grants unto the said Tenant, for a period of one year, beginning October 1, 2016 and ending September 30, 2017, the right to conduct air carrier services, as previously described, at the Killeen-Fort Hood Regional Airport.
2. If Tenant is not in default of the terms hereunder, the term of the Lease Agreement shall automatically extend for one (1) additional year unless Tenant gives Airport notice of its option not to extend at least sixty (60) days prior to the expiration of the initial term or corresponding successive term, as applicable.
3. No change.
4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this ____ day of _____, 2016.

ATTEST:

Dianna Barker
City Secretary

ATTEST:

Blaine Peters
Regional Director,
Corporate Real Estate

CITY OF KILLEEN:

Lillian Ann Farris
Interim City Manager

DELTA AIR LINES, INC.

Henry Moody
General Manager, Corporate Real Estate

STATE OF TEXAS

COUNTY OF BELL

ADDENDUM NO. 3

The City of Killeen, a municipal corporation of Bell County, Texas, hereinafter referred to as "Airport"; and United Airlines, Inc., (successor-in-interest, by merger, to United Air Lines, Inc.), hereinafter referred to as "Tenant", hereby agree that the terms and conditions of the Lease Agreement dated September 12, 2012 between the City of Killeen and United Air Lines, Inc., and amended with Addendum No. 1 dated September 10, 2013, and Addendum No. 2 dated August 26, 2014 will remain in full force and effect, with the exception of the changes made and incorporated in Addendum No. 3 herein.

ARTICLE V
Terms of Agreement

1. The Airport hereby grants unto the said Tenant, for a period of one year, beginning October 1, 2016 and ending September 30, 2017, the right to conduct air carrier services, as previously described, at the Killeen-Fort Hood Regional Airport.
2. If Tenant is not in default of the terms hereunder, the term of the Lease Agreement shall automatically extend for one (1) additional year unless Tenant gives Airport notice of its option not to extend at lease sixty (60) days prior to the expiration of the initial term or corresponding successive term, as applicable.
3. No change.
4. No change.

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this ____ day of _____, 2016.

ATTEST:

Dianna Barker
City Secretary

CITY OF KILLEEN:

Lillian Ann Farris
Interim City Manager

ATTEST:

Joost Vlek
Manager, Airport Affairs
Corporate Real Estate

UNITED AIRLINES, INC.

Nathan Lopp
Managing Director, Airport Affairs
Corporate Real Estate

UnitedAd3GRKb

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
American Airlines
Ft. Worth TX, TX United States

Certificate Number:
2016-101050

Date Filed:
08/18/2016

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
City of Killeen

Date Acknowledged:

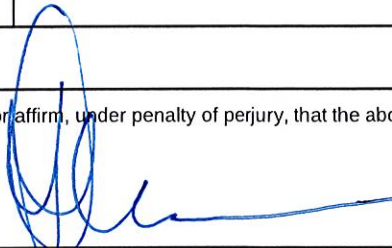
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
Lease Agreement 9-12-12
Lease of space at Killeen Airport

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	American Airlines Inc.	Ft. Worth, TX United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said LORINCARR, this the 7th day of SEPT., 2014, to certify which, witness my hand and seal of office.


Signature of officer administering oath

BRITTANY CARTER
Printed name of officer administering oath



Brittany Carter
Notary Public,
State of Texas
Expires: 10-17-2018

Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2016-111586

Date Filed:
09/13/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Delta Air Lines
Atlanta, GA United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Killeen - Ft Hood Regional Airport

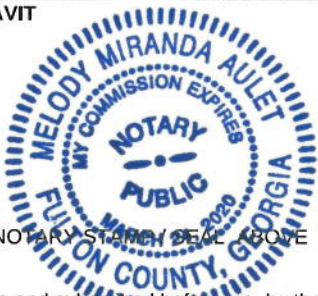
3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
Lease Agreement 9-24-09
Payment for Leased Space

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



[Signature]

Signature of authorized agent of contracting business entity

AFFIX NOTARY SEAL ABOVE

Sworn to and subscribed before me, by the said Blaine Peters, this the 14th day of September, 2016, to certify which, witness my hand and seal of office.

[Signature]

Signature of officer administering oath

Melody Miranda Aulet
Printed name of officer administering oath

Paralegal
Title of officer administering oath

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
 2016-112682

Date Filed:
 09/15/2016

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

United Airlines, *Inc.*
 Chicago, IL United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Killeen

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

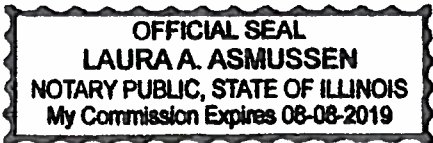
Lease Agreement 9-12-12
 Payment for leased space

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	United Continental Holdings, <i>Inc.</i>	Chicago, IL United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.



AFFIX NOTARY STAMP / SEAL ABOVE

[Signature]
 Signature of authorized agent of contracting business entity
 Peter Fröhlich, Managing Director,
 Airport Affairs - Corporate Real Estate

Sworn to and subscribed before me, by the said Peter Fröhlich, this the 15th day of September, 2016, to certify which, witness my hand and seal of office.

[Signature] Laura A. Asmussen *Associate Lease Admin. Corp. Real Estate*
 Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath



City of Killeen

Legislation Details

File #: RS-16-115 **Version:** 1 **Name:** Update Purchasing Manual
Type: Resolution **Status:** Resolutions
File created: 9/2/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution approving an update to the City of Killeen Purchasing Manual.
Sponsors: Purchasing, Support Services Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Purchasing Manual - Updated](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Approval of the City of Killeen Purchasing Manual

ORIGINATING DEPARTMENT

Support Services

BACKGROUND INFORMATION

The City of Killeen Purchasing Manual ensures that the City staff complies with requirements listed in the Texas Local Government Code and the City Charter. Staff published the current Purchasing Policy in October 2014. Support Services requested and consolidated feedback from City departments and generated an updated Purchasing Manual dated October 2016.

DISCUSSION/CONCLUSION

The attached updates and clarifies processes in the following areas:

- Obtaining Goods and Services
- Legal Requirements
- Purchasing Thresholds
- Competitive Procurement Process
- Professional Services
- Emergency Purchases
- Accountability of Fixed Assets
- Disposal of Equipment
- Procurement Card (P-Card) Program
- Sam's Club
- Historically Underutilized Businesses (HUB)
- Three-quote Exemptions
- Sole/Single Source Justification
- State Cooperative Purchasing Procedures

FISCAL IMPACT

There is no direct fiscal impact as a result of publishing the updated Purchasing Manual.

RECOMMENDATION

Staff recommends that the City Council approve the updated Purchasing Manual dated October 2016.

Purchasing Manual



City of Killeen, Texas

October 2016

TABLE OF CONTENTS

	<u>Page</u>
I. Purpose	3
II. Position Descriptions	3
III. Obtaining Goods and Services	4
IV. Legal Requirements	5
V. Purchasing Thresholds	6
VI. Competitive Procurement Process	7
VII. Professional Services	12
VIII. Emergency Purchases	13
IX. Accountability of Fixed Assets	15
X. Disposal of Equipment	16
XI. Procurement Ethics	17
XII. References	18
APPENDIX A Buy Killeen Initiative	19
APPENDIX B Procurement Card (P-Card) Program	20
APPENDIX C Sam's Club Direct Charge Card Account	31
APPENDIX D Historically Underutilized Businesses (HUB)	32
APPENDIX E City of Killeen Charter	33
APPENDIX F Three Quote Exemption Listing	34
APPENDIX G Sole/Single Source Justification	35
APPENDIX H Fixed Asset Accountability	37
APPENDIX I State Cooperative Purchasing Procedures	42
GLOSSARY	45

I. Purpose.

The City's goal is to comply with the laws of the State of Texas and to acquire the best value and highest quality goods and services for the lowest price. The City prefers to conduct business with local vendors when possible (see Appendix A).

The Purchasing division, hereafter referred to as Purchasing, is aligned with the Support Services Department and partners with the Finance Department to accomplish the following tasks:

- ✓ Establish procedures and controls that comply with Texas Government Code (TGC), Texas Local Government Code (TLGC) Title 8 (Chapters 252, 253 and 271), 2 CFR 200.317-326 (Uniform Federal Procurement Standards), and local policies.
- ✓ Submit requests for City Council approval before awarding any expenditure exceeding the dollar amount governed by the TLGC competitive bid law.
- ✓ Review departmental procurement actions and assist, manage, facilitate and provide high quality, team-based, value-added procurement and support services in compliance with federal, state, and local laws and internal control procedures.
- ✓ Assist the City Council and staff with making informed decisions on behalf of the citizens to procure supplies and services that provide the best value.

Purchasing is focused on high levels of customer service, ethical standards, fairness, and transparency and welcomes qualified, responsible, diverse and "green" vendors.

II. Position Descriptions.

Purchasing Manager: Oversees daily operations in Purchasing; manages the processing and approval of all purchase orders, change orders, and receiving reports; approves purchases and Purchase Orders (PO) over \$3,000 and below \$25,000.00; verifies accounts payable before they are forwarded to the accounting team in Finance for payment to our vendors; serves as point of contact for vendors seeking information on conducting business with the City; oversees the P-Card program and fixed asset/accountability program; and reports to the Executive Director of Support Services.

Senior Purchasing Specialist/ Purchasing Specialist: Processes requisitions forwarded by departments in the enterprise system (SunGard AS-400); manages flags and ensures the inventory is maintained at the lowest possible replenishment level; manages contracts, monitors renewal dates and ensures departments are informed in a timely manner of expiration dates; generates final competitive bid documents and ensures adherence to all policies, procedures, and laws; serves as the contact information center for questions relating to municipal acquisition; and reports to the Purchasing Manager.

Procurement Card Administrator: Manages P-Card program and processing; advises City staff; verifies account code discrepancies; coordinates semi-annual training for City staff; maintains the P-Card dashboard; manages P-Card accounts with merchants and Citibank; coordinates new card authorizations and limit increases; informs the Purchasing Manager of patterns of P-Card misconduct and misuse; and reports to the Purchasing Manager.

Supply Specialist: Establishes and coordinates the City's property accountability system; documents asset purchases and disposal; manages acquisitions via 46-xx (informally managed at department level using Excel) and 61-xx accounts (formally managed at Purchasing using asset sheets); maintains the Fixed Asset module within AS-400; sustains communication and coordination with City departments; schedules live and on-line auctions; informs the Purchasing Manager of accountability concerns; and reports to the Purchasing Manager.

III. Obtaining Goods and Services.

A. P-Cards are used to secure maintenance, repair and operational items and may be used at all accepting vendor locations. Department Heads designate employees to receive a P-Card. All P-Cards have a single transaction limit of \$3,000.00, unless the monthly cycle limit is less than \$3,000.00. As further explained in Appendix B, P-Card Program, purchases may not be split into smaller purchases or combined with other purchases to circumvent purchasing limits.

B. Sam's Club Direct Charge cards are issued to selected employees to secure bulk items that are required on a reoccurring basis. The Purchasing Manager will monitor and evaluate charges to maintain standard procurement practices. (See Appendix C)

C. P-Card users may also make purchases using the City's Amazon Prime account. P-Card users should contact Purchasing to get set up with Amazon.

D. Time-critical and emergency situations will occasionally arise that require departments to make purchases outside the normal purchasing policies. In these cases, departments will contact Purchasing as soon as possible, preferably in advance of the purchase. See Section VIII for detailed instructions on emergency purchases.

E. POs are required regardless of the total cost unless purchases are made with petty cash or a P-Card. Field POs are allowable for purchases under \$3,000. POs are generated after requisitions are approved in SunGard (AS-400 or NaviLine) and are the preferred method when placing orders with approved vendors. A PO is a legal contract and gives the vendor authorization to ship the materials. POs are designed to expedite and control procurement processes and may be used to obtain items unavailable through City inventories. POs are not required for payroll liabilities, debt service payments, distributions to non-profit organizations, utility invoices, and P-Card payments.

F. All operational POs still open at the end of the fiscal year will be closed annually on a date designated by Finance. Purchasing will restrict access to PO entry as of August 31 each fiscal year to facilitate end of year closure.

G. Departments will generate contract/service agreements as required for all services provided by manufacturers, vendors and authorized service providers. (e.g., HVAC systems, copiers and elevators). Agreements are managed like contracts and details may vary depending on services to be performed. The City Manager retains authority to sign contracts/agreements after review by an Assistant City Manager and the City Attorney, Executive Director of Finance, Executive Director of Support Services, Purchasing Manager, and respective Department Head.

H. Vendors who enter into a contractual agreement with the City that may result in copyrights, trademarks, or exclusive rights in conjunction with a request for hire will first transfer and assign those copyrights, trademarks or exclusive rights to the City before beginning projects.

I. Contracts protect pricing for the period specified in the agreement and may be awarded to vendors for supplies, equipment, and services required by one or more City departments. Departments will create a requisition, and once a PO is issued, place the order with the supplier and submit supporting documents to Purchasing. If the supported department is not the initiating department then the latter will forward a copy of the contract to Purchasing when the requisition is approved at Department Head level in SunGard. Payments will be processed against POs as needed, paying invoices as they are received.

J. Departments that initiate lease agreements will first secure approval using the process outlined above for contract/service agreements. Departments will budget appropriately and maintain the property/equipment in accordance with the terms of the lease. At the end of a lease agreement, departments are responsible for returning the property, renewing the lease, or establishing a new lease agreement. The City Council retains approval authority for all leases for real property and all other leases that exceed \$50,000.

K. Petty cash reimbursements will not exceed \$25.00. Employees may make non-routine, below-minimum purchases with vendors and be reimbursed provided the required form and receipts are presented to Finance.

IV. Legal Requirements.

The following statutes impact the acquisition of goods and services:

A. Unless specifically exempted under TLGC § 252.022(a), any expenditure for more than \$50,000.00 will comply with the competitive processes described in Chapter 252 of the TLGC.

B. Where required by statute, purchases will be advertised in accordance with the competitive bid process and awarded by the City Council. (TLGC, § 252.021)

C. TLGC, § 252.041 states, “If the competitive sealed bidding requirement applies to the contract, notice of the time and place at which the bids will be publicly opened and read aloud must be published at least once a week for two consecutive weeks in a newspaper published in the municipality. The date of the first publication must be before the 14th day before the date set to publicly open the bids and read them aloud. If no newspaper is published in the municipality, the notice must be posted at the City Hall for 14 days before the date set to publicly open the bids and read them aloud.”

D. Per TLGC § 252.0215, when making a procurement over \$3,000.00, and to the amount which, under state law triggers the competitive procurement process, the City will contact at least two Historically Under-utilized Businesses (HUB) on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code. The list is available at www.window.state.tx.us/procurement//cdbl/hubonly.html. If unable to identify a HUB in Bell County, the City is exempt from this requirement. (See Appendix D).

E. "Component", "separate", or "sequential" purchases to avoid the competitive bid process are prohibited. (TLGC, § 252.062) "Component purchases" are purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase. (TLGC, § 252.001(2)) "Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase. (TLGC, § 252.001(6)) "Sequential purchases" are purchases, made over a period of time, of items that in normal purchasing practices would be purchased in one purchase. (TLGC, § 252.001(7))

F. High technology services purchases may use the competitive sealed proposal procedure per TLGC § 252.021(b). This process provides a method to evaluate the procurement of equipment, goods, and services of a highly technical nature including data processing equipment, software and firmware used in conjunction with data processing equipment, telecommunications equipment and radio and microwave systems, electronic distributed control systems, including building energy management systems and technical services related to those items.

G. TLGC § 171.002, TLGC § 171.004, and City of Killeen charter prohibit the personal interest by a council member or City employee, either direct or indirect, in a company doing business with the City. If a local public official, or a close relative, has a substantial interest in a business entity or in real property, the official will file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation if in the case of a substantial interest in a business entity the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

H. Department/Division Heads will ensure, whenever federal funds are to be spent, that there is someone capable of accessing SAM.gov (System Awards Management). Each user has to register and it will display any vendor who has been barred from the federal procurement processes. Department/Division Heads will also check the state barred list.

I. Any procurement that involves Federal funds and awards will follow policy and procedures outlined in 2 CFR 200.317-326, Procurement Standards.

V. Purchasing Thresholds.

The following apply when purchasing and/or leasing goods, services or equipment for the City.

A. Purchases of \$3,000.00 or less: A request for payment for supplies and/or services via a P-Card may be issued by departments or Purchasing, or the department may use petty cash if less than \$25.00. Purchase orders under \$3,000 will be processed as a Field Purchase Order for items not purchased with a P-Card. Quotes are recommended, not required. Departments may place orders directly with vendors by telephone, fax, mail, or email.

B. Purchases over \$3,000.00 and up to \$49,999 will be processed as a Purchase Order. Field Purchase Orders will not be used for Purchases over \$3,000. Department will contact at least two (2) HUBs, on a rotating basis, based on information provided by the

comptroller (TLGC § 252.0215). Departments will identify the HUB in the comments section of the requisition. If a HUB is not available in Bell County then departments will state as such in the comments section. Three quotes are required, even if there are no HUBs available, for purchases up to the amount which, under State law, triggers the competitive procurement process. Departments will include quotes on the requisitions and also retain them for audit purposes for one year.

C. All contracts or purchases requiring expenditures from one or more municipal funds in an amount exceeding the dollar amount which, per TLGC § 252.021, or any successor statute thereto, triggers the competitive procurement process, will be let in compliance with the procedures prescribed by TLGC 252.

D. General exemptions from the bid/proposal process are specified in the *TLGC § 252.022* and further explained in this manual. Exemptions include procurements made because of a public calamity, to preserve public health or safety of residents, unforeseen damage to public machinery, equipment or other property, and professional services. Exemptions also include items that are only available from one source including:

- ✓ Items available from only one source because of patent, copyrights, secret processes or natural monopolies
- ✓ Films, manuscripts and books
- ✓ Gas, water, and other utility services
- ✓ Replacement parts or components for equipment
- ✓ Books, papers and other library materials for public libraries that are available only from the persons holding exclusive distribution rights to the materials
- ✓ Management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

See Appendix F for a list of exemption from the requirement to acquire three quotes.

VI. Competitive Procurement Process

A. Determining the Procurement Method.

Purchase of \$50,000 or more, by State law, triggers the competitive procurement process. It is important to determine the procurement method as it will be a major factor in the planning process. For example, the procurement lead time for an Invitation to Bid and a Request for Proposal differ significantly.

- Invitation to Bid (ITB) - The ITB uses the competitive sealed bid method. This method is used when the requirements are clearly defined, negotiations are not necessary and price is the major determining factor for selection. Best value considerations can also be used with the ITB method.
- Request for Proposal (RFP). Used when competitive sealed bidding is not practicable or advantageous. Generally this is when factors other than price are to be considered or when objective criteria cannot be defined. One of the key differences between an ITB

and an RFP is that negotiations are allowed in an RFP. Discussions are allowed with the respondents and best and final offers are solicited.

- Request for Qualifications (RFQ). Generally used for Professional Services wherein the respondents are evaluated based solely on their qualifications. Price is not considered until after selection is made by the agency based on qualifications. Professional Services are covered under Texas Government Code §2254 <http://www.capitol.state.tx.us/statutes/gv.toc.htm>.

The table below is provided to assist in making the appropriate choice in selection of a procurement method. As a reminder, Departments should first refer to any applicable statutory requirements which may direct them to use a specific procurement method.

Procurement Method	Use When	Advantages	Disadvantages
Competitive Bids (Invitations to Bids)	Lots of competition exists The product or service is available from more than one source	Award process is easier Award is made to the lowest responsive, responsible bidder providing the best value to the City	Defined specifications may be difficult to develop Does not encourage innovative solutions
Competitive Proposals (Request for Proposals, Request for Offer)	When factors other than price are evaluated When negotiations are desired Vendor is expected to provide innovative ideas	Allows factors other than price to be considered Allows for customized proposals suggesting different approaches to the same business need Allows for negotiations in order to obtain the best value for the City	Lead times for procurement are much greater Evaluations are more complex and subjective
Request for Qualifications This method is usually required by statute (e.g. Professional Services)	Selection is made solely on the skills and qualifications of the contractor Price is not a factor until after a vendor is selected	Emphasizes the competency of the proposed contractors	Contractor is selected before price is negotiated

B. Approval: The City Council awards all competitively sealed bids, qualifications and proposals. See Sections 76 and 77, City of Killeen Charter. (Appendix E)

C. Specifications: Departments will address performance oriented requirements to be met by the equipment, goods or services. Specifications should not inhibit the open market. Departments will construct bid packets in coordination with Purchasing and Fleet Services, if involving

vehicles or heavy equipment. Departments may retain consulting firms to provide expertise and/or assistance. Purchasing will approve specifications in order to ensure quality control and avoid the proliferation of conflicting specifications. For construction projects, consulting engineers and architects will normally prepare plans and specifications. Departments will route completed plans, specifications, and construction estimates to Purchasing and the City Attorney's office for review prior to bid letting.

D. Advertising: Purchasing will route the Permission to Advertise for the approval of the City Manager. For Invitation to Bid (ITB), Request for Proposal (RFP) and Request for Qualification (RFQ), notices will be advertised for two (2) consecutive weeks, with the first date of publication being at least fourteen (14) days prior to the opening of the bids and proposals, per TLGC § 252.041.

E. Pre-Bid Conference: Departments and/or a consulting engineer/architect may coordinate an optional pre-bid/proposal conference with Purchasing prior to the due date of ITBs or RFPs. This is typically done a minimum of one (1) week prior to documents being due to allow prospective vendors the opportunity to voice concerns in relation to the specifications. Purchasing will accept and manage all questions submitted via e-mail as addressed in the bid packets. There are no exceptions.

F. Processing: Purchasing will receive all bids. Department representatives will conduct or at least attend the sealed bid public opening. Departments are also responsible for the proper tabulating of all bid results. Purchasing will oversee the opening of bid packets in the council chambers at City Hall or other designated location.

Purchasing will provide RFPs/RFQs to applicable departments for evaluation and selection once the submission deadline has passed. Sealed proposals will be opened in a public setting; however the contents of the proposals are not disclosed until after the award of the proposal.

If vendors or others request in writing that the contents of proposals be made public prior to award, then the request will be treated as a Request for Public Information and forwarded to the City Attorney for processing.

G. Evaluation: The responsible department will tabulate and evaluate all bids and prepare a recommendation for City Council consideration. State law mandates bids be awarded to the lowest responsible bidder for most public works projects (see TLGC, § 252.043(d) (1)) or, for other types of projects, to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality, based on, but not limited to, one or more of the following factors:

- Purchase price
- Reputation of the bidder and of the bidder's goods or services
- The quality of the bidder's goods or services
- The extent to which the goods or services meet the municipality's needs

- The bidder’s past relationship with the municipality
- The impact on the ability of the municipality to comply with laws and rules relating to contracting with historically underutilized businesses and nonprofit organizations employing persons with disabilities
- The total long-term cost to the municipality to acquire the bidder’s goods or services
- Any relevant criteria specifically listed in the request for bids or proposals such as total bid price, unit price, terms and discounts, delivery date, conformity to specifications, product warranty, vendor’s past performance, past experience with product/service, est. costs of supplies, maintenance, etc., est. surplus value, life expectancy, results of testing samples, training requirements, location, etc., special needs and requirements of the City, City’s evaluation of the bidder’s ability, financial strengths, and ethical standards, and/or the location of maintenance facility/service person; ability to provide for minimum down time.

H. Local Preference: TLGC § 271.9051 defines local preference as the consideration of a bidder’s principal place of business for municipalities having a population of less than 250,000. “In purchasing under this title any real property, personal property that is not affixed to real property, or services, if a municipality receives one or more competitive sealed bids from a bidder whose principal place of business is in the municipality and whose bid is within five (5) percent of the lowest bid price received by the municipality from a bidder who is not a resident of the municipality, the municipality may enter into a contract for construction services in an amount of less than \$100,000 or a contract for other purchases in an amount of less than \$500,000 per 271.9051(b) with: (1) the lowest bidder; or (2) the bidder whose principal place of business is in the municipality if the governing body of the municipality determines, in writing, that the local bidder offers the municipality the best combination of contract price and additional economic development opportunities for the municipality created by the contract award, including the employment of residents of the municipality and increased tax revenues to the municipality.” This section of TLGC does not apply to the purchase of telecommunications services or information services.

I. Contract Preparation: Departments are responsible for preparing and submitting contracts to Purchasing. Contracts will route through an Assistant City Manager, the City Attorney, the Executive Director of Finance, the Executive Director of Support Services, and the Purchasing Manager for review to the City Manager for signature, and then to the City Council for approval. After City Council approval, Departments will then request that Purchasing generate a PO.

Purchasing will execute the PO after the required signatures are affixed and forward all documents to the respective department.

J. Follow-up: Based on the promised delivery date, departments will conduct follow-up actions to ensure the product or service is delivered in a timely manner and according to specification. Any contact by vendors concerning delivery after bid award will be referred to the department.

K. Contract Close-out: After receipt of the product or completion of service, department

processors will close out the contract by processing the final Receiving Report. Department Heads will sign the original copy of the PO and confirm that the project or service is complete. Processors will then forward all documents (PO, Receiving Report and final invoice) to Finance for payment. Funds encumbered and not liquidated will be returned to the account.

L. Protests: Departments will contact Purchasing if made aware of, or contacted by a vendor about, a protest relating to the advertising of bid notices, deadlines, bid opening or other related procedure. This includes protests relating to alleged improprieties or ambiguities in the specifications. Departments will also instruct the vendor to contact Purchasing. Purchasing will then determine the facts, and failing to satisfy the vendor, will instruct the vendor to prepare a written protest containing the following information:

- ✓ Name and address of the protester and/or vendor they represent, if different;
- ✓ Bid number and item; and
- ✓ Details on the grounds for protest and any supporting documentation.

Protests must be submitted within five (5) working days of bid opening. Purchasing will prepare a response to the protest in consultation with the department within ten (10) working days of receipt of the protest.

M. Withdrawal: Bids may not be withdrawn after bid closing without acceptable reason given in writing and with the approval of the Purchasing Manager. The vendor must be able to show:

- ✓ Calculable damage of a significant nature will result if they are required to abide by the bid; and/or
- ✓ A paperwork error in preparing the bid; and/or
- ✓ An obvious error when comparing the bid to other bids or the real value of the item.

N. Change Orders: Change Orders are required when changes in plans or specifications are required after the performance of the contract has begun or if it is necessary to decrease or increase the quantity of materials or work to be performed or equipment/supplies to be furnished. The City Council will approve Change Orders for contracts, if increasing or decreasing by more than \$50,000.00. See 252.048 and the City of Killeen Charter, Section 77.

Per TLGC § 252.048, Change Orders may never increase the contract price by more than 25% or decrease the contract price by more than 25% without the consent of the contractor. Contracts for professional services are exempt from this cap. See 252.048(d).

The City Manager will approve use of construction contingencies via the Change Order process.

O. Exemptions: Exemptions from the competitive bid/proposal process are referenced in TLGC § 252.022. Programs are defined below:

- ✓ Sole/Single Source Purchases: A local government may use Sole Source purchasing programs in order to satisfy the state law requiring competitive bids for the purchase of goods and services. Sole Source procurements are exceptions to normal purchasing procedures and are permitted only when the required item or service(s) is available from a single supplier. The City Manager is the approver of all sole/single source requests. A

requirement for a particular proprietary item does not justify sole/single source procurement if there is more than one potential vendor for that item. Sole/Single Source applies where it can be substantiated that a requirement involves a commodity or service provided by only one vendor or contractor which has exclusive rights (patent or copyrights, proprietary interest or secret processes) to the manufacturing of the product or service. Sole Source justification request must withstand the questions of (1) whether the commodity or service is the only of its kind which can fully satisfy the requirement, and (2) the commodity is available from one, and only one, source. In this context, “sole” means “the only one.” See Appendix G.

- ✓ Co-operative (Co-op): The City is a member of several co-op programs such as the State of Texas Co-Op CMBL, Central Texas Purchasing Co-op, Houston-Galveston Area Council (HGAC-Buy), The Co-op Purchasing Network (TCPN), Tarrant County Purchasing Co-op, Texas Association of School Boards (TASB) - BuyBoard, National Joint Powers Alliance (NJPA), The Interlocal Purchasing System (TIPS/TAPS) and Region 1 Education Service Center (ESC) (See Appendix I). TLGC § 271.102(c) establishes that purchases (including technology) under an interlocal contract for co-op purchasing administered by a commission established such as this, satisfies the City’s legal requirement to competitively bid the purchase. City Council approval is required to make expenditures for which the amount, under State law, triggers the competitive procurement process.

P. Interlocal Agreements: The City Council is authorized per TGC 791 to approve purchases from other governmental entities through interlocal agreements.

VII. Professional Services.

A. Professional Services: Texas Government Code 2254 and Attorney General Opinion JM-940 list professional services, how they may be hired, and which are exempt from bidding. These services are predominately mental or intellectual, rather than physical or manual.

TLGC § 252.022 exempts selected professional services from competitive bid requirements because the public is best served by requiring professionals to be judged by the responsiveness of services and the excellence, quality and effectiveness of past services and that selection based on price-only is not in the best interest of the public. The City may therefore enter into written agreements with service providers for each professional service contract. Compensation will be negotiated before the agreement is signed and after the service provider has been selected on the basis of his or her qualifications. Contracts over \$50,000 will be submitted to the City Council for approval.

B. RFQ: An RFQ is recommended for large scale public works projects or when a selection is based solely on skills and qualifications (such as professional services). If departments submit an RFQ, then it will include a list of desired services and/or specifications, a deadline for receipt of the RFQ, and an interview schedule.

C. Interviews: Departments may schedule interviews with the highest ranking firms after receiving and reviewing RFQs. Departments may ask each to make an experienced-based presentation and inquire as to capabilities and methods for furnishing the required services.

Compensation will not be discussed in these interviews. Questions will focus on the information requested in the RFQ and the criteria that the selection committee established for rating the various proposals. Departments will also notify firms not selected for an interview.

D. Negotiations: Departments will notify the first choice candidate and draft the contract. It will include compensation, time required and the scope of work to be performed. If a satisfactory agreement cannot be reached then negotiations will be terminated in writing and opened with the second choice candidate. If an agreement cannot be reached then the third choice candidate will be contacted and so on until an agreement is reached.

E. Contract Execution: For contracts and agreements less than the amount which, under state law, triggers the competitive procurement process, departments will submit the draft contract through channels to the City Manager. For contracts exceeding the amount which, under State law, triggers competitive bidding, the departments will obtain City Council approval.

Upon contract execution, the department will send a copy of the executed contract to Purchasing to be filed and contact the firm through a Notice to Proceed, giving them permission to initiate the contract. As referenced above, a requisition, followed by a PO, will be issued to encumber funds for the contract.

VIII. Emergency Purchases.

A. Time-critical and emergency situations will occasionally arise that require departments to make purchases outside the normal purchasing policies without obtaining three quotes or going through the competitive bid process. An emergency is an event that is assessed by the City Manager, Assistant City Manager and/or Department Head to pose an immediate threat/risk to human health/life, City equipment/property and/or the environment; has already caused human injury or loss of life, damage to City equipment/property and/or the environment; possesses a high probability of escalating to cause immediate danger to human health/life, damage to City equipment/property and/or the environment; and requires urgent intervention to prevent a worsening of the situation. The trigger for designating an emergency situation is a distinct event, regardless of how long or how much it costs to remedy the event. In these cases, departments will contact Purchasing as soon as possible. If this is not possible, departments will contact Purchasing on the next business day.

B. Departments may make emergency procurements without three quotes in excess of \$3,000.00 and less than \$50,000.00 if an event is assessed as an emergency and purchases are approved by the Department Head. Purchasing will review the circumstances for expenditures of \$50,000.00 or less and, if approved, will issue a PO or allow for P-Card use. The department will then prepare documentation explaining the purchase and forward it through Purchasing to Finance the next business day. Incremental expenditures during an emergency situation that together exceed \$50,000 require the staff to submit the total expense to the City Council for ratification as soon as possible.

C. The City Charter requires all purchases in excess of \$50,000 to be first approved by City Council. There are no exceptions to this rule, even for emergency purchases. However, as a matter of practical necessity, it is sometimes necessary to make a purchase prior to City Council's approval because of a true emergency. The City Manager, or designated Assistant City Manager,

will authorize, in writing, and prior to the emergency purchase, expenditures that exceed \$50,000.00. Purchasing will wait to receive said authorization, and then proceed to issue a PO upon receipt of the requisition. The department is solely responsible for preparing documentation explaining the need for the purchase and forwarding such documentation to the Purchasing office the next working day. The staff will submit the total expense to the City Council for ratification as soon as possible.

D. In addition to the requirements in paragraph C. above, emergency purchases exceeding \$50,000.00 will also meet one of the following qualifications for exemption from competitive bidding practices contained in TLGC § 252.022. Purchases meeting one or more of these criteria may be made after normal working hours or on holidays or weekends, by issuing a PO the next business day.

- ✓ The purchase is required to address a public calamity so severe that the prompt purchase of specified items and/or services is required to provide for the needs of the public or to preserve the property of the City.
- ✓ The purchase is necessary to preserve or protect the public health or safety of the residents of the City.
- ✓ The purchase is made necessary by unforeseen damage to public machinery, equipment or other property. If no exemption is satisfied then the items or services will be competitively bid.

E. Procedure for Making Emergency Purchases.

Departments making emergency purchases must adhere to the following procedures:

1. For emergency purchases over \$3,000 and under \$50,000.
 - a. The department obtains assessment that an event is an emergency from City Manager, Assistant City Manager, or Department Head.
 - b. The department will coordinate with Purchasing to issue a PO or allow for P-Card use. If Purchasing is not available (after work hours) or cannot be reached, then the department can make the emergency purchase without a PO and follow up with Purchasing the next business day.
 - c. The department prepares a justification memo documenting the nature of the emergency (for example hazard to life, welfare, safety or property) and what caused the emergency. The justification letter must detail the estimated impact or damage (financial or otherwise) that may result from following standard procurement procedures. The department will then forward documentation to Purchasing the next business day.
2. For emergency purchases \$50,000 and above.
 - a. The department obtains assessment that an event is an emergency from City Manager, Assistant City Manager, or Department Head.

- b. The department obtains authorization, in writing, from City Manager, or designated Assistant City Manager prior to the emergency purchase.
 - c. The department will provide Purchasing with the authorization and Purchasing will issue a PO. If Purchasing is not available (after work hours) or cannot be reached, then departments can make the emergency purchase without a PO and follow up with Purchasing the next business day.
 - d. The department prepares a justification memo documenting the nature of the emergency (for example hazard to life, welfare, safety or property) and what caused the emergency. The justification letter must detail the estimated impact or damage (financial or otherwise) that may result from following standard procurement procedures. The department will then forward documentation to Purchasing the next business day. Departments will obtain City Council ratification as soon as possible.
3. Purchasing will forward a copy of the justification memo and City Manager authorization to Finance and file the memo for audit purposes.

IX. Accountability of Fixed Assets.

State law requires the accountability of all assets purchased with City funds. Departments will not purchase fixed assets (major capital assets) unless approved by the City Manager and included in the current budget either through a budget transfer or budget amendment.

A. Fixed assets are defined as real or personal property that has a value equal to or greater than the capitalization threshold for the particular asset classification and have an estimated life of greater than one year. Departmental accountability documents (hand receipts) may be issued to the lowest level desired by the Department Head. This ensures lowest level responsibility for City property is constantly maintained.

B. Asset Categories.

Small Equipment: Items valued between \$250 and \$4,999.99 that are ready when purchased to be used for their intended purpose. (e.g., cameras, coffee makers, cell phones). Departments will ensure that they are using accounts from 46-xx series.

Capital Improvement Projects (CIP): Buildings and facilities valued at \$5,000 or more. Departments will use account numbers 60-xx for CIP and associated equipment acquisition and budgeting. These assets are considered major purchases and generally have a life cycle of 10 years or more.

Major Capital Equipment: Items valued at \$5,000 or more that are ready at the time of purchase to be used for their intended purpose (e.g., automobiles and tractors). These items and their components will be recorded with Purchasing for accountability purposes. Departments will ensure that they are using accounts from 61-xx series.

C. Purchasing will monitor and track all asset purchases. Asset sheets will accompany the purchase order, receiving report and invoice for these items. Departments will use the Asset

Deletion form when removing items from the asset management system and the Asset Transfer form when moving an item internally within the City. The City Manager is the final authority on all transfers out of the City, or within different departments.

X. Disposal of Equipment.

A. Departments will coordinate with Purchasing to dispose of property that is deemed to no longer be useful, has exceeded the industry standard life cycle, has been confiscated or abandoned, or is designated as unclaimed property by the Killeen Police Department (KPD) in accordance with City Ordinance, Chapter 2, Article III, Division 2, Section 2-87 through 2-91, and the Texas Code of Criminal Procedure § 18.17.

B. KPD will use the following process to dispose of property (except weapons) that has been determined to be abandoned or confiscated and no longer needed in the prosecution of an active judicial case.

- ✓ If the owner is unknown, KPD will hold the property for 30 days (per TCCP 18.17(a)) or if valued at \$500 or more, for 90-days after publication (per TCCP 18.17(c)).
- ✓ If the owner is known, KPD will send a certified letter to the last known address giving the owner 90 days to retrieve the property (per TCCP 18.17 (b)). If the owner acknowledges then KPD will return the item. If the owner does not acknowledge then KPD will dispose of the item per City of Killeen Ordinance, Chapter 2, Article III, Division 2: Disposition of Obsolete and Surplus Personal Property.

C. KPD will dispose of weapons and contraband in accordance with state law when retention of these items is deemed by judicial authority to no longer be required.

D. Departments will coordinate with Purchasing to dispose of surplus City property in accordance with City of Killeen Charter, Section 75 and Ordinance, Chapter 2, Article III, Division 2: Disposition of Obsolete and Surplus Personal Property.

E. Departments may dispose of property by trade-in if the replacement is secured through the budgeted purchase of a similar item. Departments are responsible for securing approval and for adhering to policies for acquiring and disposing of property.

F. The State of Texas prohibits municipalities from giving away items of value. Property or assets purchased by, or donated to, the City will be disposed of per this section when no longer required regardless of whether or not the items have residual value.

G. The City is a member of several on-line auction sites that facilitate the timely removal of surplus equipment through auction disposal methods. Departments will contact Purchasing to coordinate the site that best supports their need and meets the threshold for disposition if the item is scrap metal. Purchasing will also conduct an annual live auction to assist in the disposal of surplus and or unserviceable/excess items locally.

H. Disposition of Property procured through a Federal Award (CFR 200.313). When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding

agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the City must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

1. Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.
2. Except as provided in §200.312 Federally-owned and exempt property or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
3. The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.
4. In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.
[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75884, Dec. 19, 2014]

When real property is no longer needed for the originally authorized purpose, the City must obtain disposition instructions from the Federal awarding agency or pass-through entity. See 2 CFR 200.311.

- I. All Capital Asset disposals must be reported to Finance for accounting and reporting purposes.

XI. Procurement Ethics.

The following behaviors are expected of City employees when conducting procurement activities.

- A. Avoid the appearance of unethical or compromising practices in relationships, actions, and communications.
- B. Refrain from activities that could create a conflict between personal interests and City business interests.
- C. Refrain from soliciting or accepting money, loans, credits, preferential discounts, gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, procurement decisions. (Refer to CoK Handbook).
- D. Refrain from agreements that restrain competition.

E. Adhere to both the spirit and letter of the procurement policies and laws governing the procurement process and remain alert to the legal ramifications of purchasing decisions.

F. Encourage participation by the entire community by demonstrating support for small, minority, and woman-owned firms.

XII. References.

A. TLGC 252, 253 & 271

B. TGC 2155, 2161, 2254 & 2259

C. City Ordinance, Chapter 2, Article III, Division 2

D. City Charter, Article VII, Finance Administration

E. Appendix E

F. Glossary

G. 2 CFR 200.317-326

H. 2 CFR 200.310-216

Appendix A- “Buy Killeen” Initiative

The City of Killeen strives to support the local businesses with a “Buy Killeen” strategy that is in compliance with all State competitive laws / requirements. Purchasing will assist the City staff and City Council in procuring the best value, locally (when possible) with standard procedures and formats according to policy and law.

City staff can support this initiative as follows and when possible:

- ✓ Use a P-Card to procure items from local businesses.
- ✓ Include local vendors on mailing lists to receive bid packets.
- ✓ Consider local vendors to provide the required supply or service.
- ✓ Encourage local vendors to be involved by checking the website and newspaper for supplier opportunities.

It is important to award City business to local vendors whenever possible.

- ✓ Funds spent locally help improve job opportunities for local residents. Local procurement also provides economic stability.
- ✓ City of Killeen revenues generated from local procurement provide opportunities for new programs.

TLGC 271.9051 (Consideration of Location of Bidder’s principal Place of Business in certain Municipalities) applies to municipalities with a population under 250,000 that are authorized to purchase real or personal property not affixed to real property. If a municipality receives one or more competitive sealed bids from a bidder who’s place of business is in the municipality and whose bid is within five (5) percent of the lowest bid received, the municipality may enter into a contract for services with said vendor, if all other requirements are met. All vendors interested in competing for the business of supporting the mission of the City of Killeen, should register with Co-op purchasing sites and win a bid to be later awarded a contract number. This helps set the conditions required for the business to compete for City business.

Appendix B -Procurement Card (P-Card) Program

The purpose of the P-Card program is to implement a more efficient, cost effective method of conducting low dollar, high-volume transactions and repetitive purchases. The program is designed as an alternative to the traditional purchasing process for supplies and services and has the potential to significantly reduce the volume of purchase orders, invoices and checks. P-Cards will normally be accepted by vendors who accept MasterCard.

A. Scope and Applicability. Disciplined use of P-Cards results in substantial savings to the City through decreased paperwork generated after making small dollar purchases. Typically, 80% of City purchases are for \$1,000.00 or less and account for less than 20% of the funds spent for the purchase of goods and services. P-Cards are designed to delegate to user level the capability to purchase small dollar items.

B. Benefits. Benefits include: users are able to obtain goods and services faster and easier; reduced paperwork and processing time; and Purchasing, Finance, and departments are able to complete certification and approval more efficiently.

C. Administration. The P-Card program is monitored by a Procurement Card Administrator.

D. Controls.

1. External Controls

a. Single Transaction Limits

- Each card has a “Single Transaction Limit”.
- The limit is the lesser of \$3,000.00 or the cardholders monthly “Cycle Limit”, as requested on the P-Card application.

b. Cycle Limits

- Each card has a monthly “Cycle Limit”.
- Each monthly cycle begins on the fourth day of each month and ends on the third day of the following month. This means that your monthly “Cycle Limit” (dollars available) will reset on the 4th of each month.

If a user attempts to exceed either of these limits, the transaction will be declined when the merchant attempts to process it.

c. Temporary Increase to Limits

- Purchasing may increase Single Transaction and Cycle Limits for special cases and for limited time frames. The Purchasing Manager must approve all purchases over \$3,000. For emergencies see VIII. Emergency Purchases.
- Cardholder will obtain Department Head approval using the Procurement Card Request Form with temporary limit amount and dates.
- Cardholder will turn in form to Purchasing and Purchasing will then make the temporary adjustment to the limits.

d. Merchant Category Codes (MCC)

- MCC codes are assigned by the credit card company (e.g. Visa, MasterCard) and used to identify business types. MCC codes are useful because they can either restrict or grant access to a cardholder.
- Some MCCs are blocked because the merchants do not normally conduct business with the City. (e.g., liquor stores, bars and lounges, and tobacco stores).

2. Internal Controls

a. AS-400/SunGard

- Annual budgeted amounts and funds availability are reflected by department in the “Account Balance Inquiry” screen in SunGard.
- P-Card transactions are reflected as “Pending Transactions” until the actual day the check is cut from Accounting. In AS-400, to access “Pending Transactions” in “Account Balance Inquiry”, type Shift F4.
- Upon batching “approved” P-Card transactions, SunGard generates a notice of all transactions exceeding budget.

b. Citibank has delegated certain controls to Purchasing including the ability to:

- Place a procurement card in a “Hold” status.
- Raise or lower a “Cycle Limit”.
- Establish “Temporary” cycle limits.
- Open or close MCC Codes (real-time).

E. Eligibility & Guidelines. Department Heads may authorize employees to receive a P-Card based on the employees function within the department. This does not apply to temporary employees unless approved by the Assistant City Manager for Internal Services or designated representative.

Departments will limit the number of P-Cards to the minimum required to effectively accomplish the department’s mission and use the following criteria to determine employees to receive a P-Card:

- ✓ Will the employee’s use of a P-Card enhance productivity?
- ✓ Will the employee regularly use the P-Card to purchase goods and services?

a. Newly promoted or transferred employees are qualified based on their

original hire date. Departments will ensure that the hiring, promotion, and transfer dates are correctly annotated on the P-Card Request form.

b. Designated cardholders will:

- Make “approved” purchases for their department.
- Maintain accurate transaction records and provide receipts.
- Submit purchase transaction records and receipts to assigned department/division processors within seven days of purchase date or delivery date.

F. Obtaining a P-Card.

1. Departments will submit a “Procurement Card Request” form to Purchasing for each “New Card” or “Transfer of Card” desired. The form is located at CoK public\Purchasing\Forms\ P-Card\ P-Card Request Form.
2. Purchasing will annotate receipt of all P-Card requests, route for additional approvals as required and submit approved requests to Citibank.
3. Purchasing receives new cards approximately ten (10) working days after an application is submitted to Citibank. The cardholder and the processor will be notified when the new P-Card arrives and cardholders will then arrange to pick up their card from Purchasing.
4. Cardholders will receive an overview of the P-Card program from Purchasing prior to receiving the P-Card. Each P-Card has a unique account number and is embossed with the employee’s name and account number. Cardholders will sign a “City of Killeen P-Card Agreement” to confirm they understand the program and agree to comply with P-Card policies.

G. Making a Purchase.

1. Cardholders will call or visit the most competitive vendor available within reasonable travel distance and obtain the best possible price. The City is exempt from sales tax and many vendors offer government discounts.

City of Killeen’s Sales Tax Exemption ID
1-74-60015047 (Also located on the P-Card)

2. Cardholders will check to ensure the vendor has an “Active” status in AS-400 (denotes that a current W-9 is on file). If a vendor is not listed or their status is “Inactive” then cardholders will secure a completed W-9 form from the merchant and submit it to their department processor for entry into the system before make a purchase.
3. Cardholders will either present the vendor with a P-Card or make an order by phone or Internet. Cardholders will confirm pricing and tax-exempt status; provide their card number, address and department to the vendor; and ensure the supplier adds this information to the shipping label as required.
 - a. If ordering by phone or the Internet, request the vendor enclose a copy of the sales ticket listing price per item and applicable charges. Many websites give customers the option of printing an order confirmation at the end of the purchase. If provided, cardholders will select this option.
 - b. If the item is shipped, have the supplier select **FOB Destination** as this designates the seller pays shipping costs and remains responsible for the goods until the buyer takes possession. Unless shipped to the physical location of the ordering department, items will be shipped to the City’s billing address, 101 N. College Street, Killeen, Texas, 76541.
4. If the purchase is declined at a location during normal business hours, contact the P-Card Administrator. If no one is available, cardholders may contact Citibank Customer Service. Both phone numbers are located on the back of the P-Card.

5. Cardholders will obtain itemized receipts for each purchase. A credit card slip, generated by a credit card machine, is insufficient as the only form of receipt for P-Card purchases. If no other form of receipt is provided, either write purchase details on the receipt or on an attached 8-1/2 x 11 piece of paper.

6. Cardholders will refuse complimentary “free” gifts offered based on P-Card purchases unless they meet criteria in CoK Handbook.

H. Cardholder Duties & Responsibilities.

1. Cardholders will only use P-Cards for authorized City purchases. P-Cards will not be used to purchase personal items (e.g., employee meals, Kleenex for desk use, hand or body lotion, candy, and air fresheners). P-Card cannot be used for personal purchases and then reimbursed. State law does not allow the use of government property or the services of government employees by a public official for his or her private use even if the public entity is fully reimbursed for the value of the property or the services after the fact. (“2012 Texas Ethics, Gifts & Honorarium Laws Made Easy”, Attorney General Texas, Greg Abbott, Misuse of Government Property Statutes). Cardholders will coordinate reimbursement immediately for any “accidental” use of P-Cards. Repeated instances will result in disciplinary action up to and including loss of employment.

2. Cardholders are prohibited from using “component”, “separate”, or “sequential” purchases to avoid the competitive bid process. (TLGC 252.062).

a. “Component purchases” means purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase (TLGC 252.001 (2))

b. “Separate purchases” means purchases made separately of items that in normal purchasing practices would be purchased in one purchase (TLGC 252.001(6))

c. “Sequential purchases” means purchases made over a period of items that in normal purchasing practices would be purchased in one purchase (TLGC 252.001(7))

3. Cardholders will not split purchases into two or more smaller purchases, or combine purchases with other P-Cards, to circumvent purchasing limits or policy.

4. Cardholders will contact the following departments and receive written approval (email or memo) prior to purchasing listed goods or services. A copy of this approval will accompany the invoice/receipt when submitted for processing:

Purchasing	for	Flags
Fleet Services	for	Vehicle repairs, parts, and maintenance services
Printing Services	for	Replication services, paper, and supplies
Information Technology	for	Mobile devices, software, computer hardware, and related devices such as mice, keyboards, external storage, monitors, printers, and similar equipment

5. Cardholders will purchase office supplies only from vendors through the TASB-BuyBoard and TCPN. If the supplier cannot provide an item, cardholders may use other local stores. Receipts will include the rationale for this exception.

6. Cardholders will handle P-Cards with the same level of care and security as personal credit cards. It is their responsibility to store P-Cards in an accessible but secure location, guard the account numbers and not make them easily accessible to others.

7. Sharing P-Cards is prohibited. The only person entitled to use the P-Card is the person whose name appears on the face of the card.

I. Processing Returns & Disputes.

1. Returns: A refund is to be made to the P-Card used to make the initial purchase.

2. Disputes: Only disputes filed within 60 days from the billing cycle date of a transaction will be accepted for consideration by Citibank.

a. If after the weekly download of transactions from Citibank the cardholder determines that a charge is disputable, he/she will immediately investigate the charges and determine if abuse has occurred or if charges are valid. The cardholder will attempt to resolve the dispute (or return) with the vendor.

b. If a dispute is warranted, cardholder will notify Purchasing immediately. A "Dispute Form" will be provided for cardholder to complete and return to Purchasing. Citibank will normally credit the cardholder's account for all applicable charges while the dispute is being investigated.

c. Citibank will notify the cardholder when the matter has been resolved. For disputes not settled in the cardholder's favor, the account will be charged for the disputed transaction amount. If Citibank determines the transaction is either fraudulent or disputable, the cardholder will notify Purchasing and proceed as follows.

d. Fraudulent use.

-Cardholders (due to privacy requirements) will contact Citibank's Fraud Department at 800-945-3114 and initiate an investigation.

-Citibank will close the account and e-mail an affidavit to the cardholder. Note the password as it will be necessary to complete the form. Complete the form, make a copy and submit it to Purchasing via e-mail with an attached copy of the affidavit.

-Closed accounts cannot be reopened. Cardholders will cut the card in two and return it to Purchasing.

-If approved, Citibank will open a new account and mail a replacement P-Card to Purchasing.

J. Lost or Stolen Cards.

1. The city is financially liable for purchases if a P-Card is lost or stolen and then used by an unauthorized user. The City is not liable after the cardholders notify Citibank. When

cardholders report a loss, liability will be assessed at \$50 per card and be deducted from the department budget.

2. In the event a P-Card is lost or stolen, cardholders will immediately notify Citibank and then their Department Head and Purchasing. Citibank is available 24 hours a day, 7 days a week and will replace lost or stolen cards within fifteen (15) days after notification. The Customer Service Center (800-248-4553) is open 24 hours, 7 days a week. Cardholders will state that the call is regarding a lost or stolen P-Card and obtain the name of the customer service representative.

K. Acceptable Expenditures.

P-Cards may be used for approved travel and/or small dollar purchases that do not exceed the “single-transaction limit” or the cardholders established “cycle limit”.

1. Food purchases: Departments will submit a Food Purchase Form if they desire to purchase food for recurring events for which food has been budgeted. Purchases are only allowed to support City business or events approved in writing by a Department Head. Food Purchase Forms will be approved by a Department Head. Pot-luck is the default for employee office gatherings that involve a meal.

2. Business meal: Defined as conducting City business with a group of employees and/or external entities in situations when dispersing a group is impracticable (e.g., hiring panel, training/education seminar, conference or training, and public service missions). These expenditures require written Department Head approval annotated on the receipt.

L. Exceptions.

Purchasing will manage requests for non-emergency exceptions on a case-by case basis.

M. P-Card Management.

Each P-Card is electronically coded with the appropriate funding and supervisory information associated with the respective cardholder, therefore affecting which department/division pays for purchases and receives the respective reports.

1. Purchases made for other departments.

- a. When a request is received to purchase items for another department, the requesting department will be provided with a cost estimate and vendor to be used.
- b. The requesting department will at this time provide the purchaser with the appropriate account number to be charged for the items.
- c. Upon receipt of purchase, the purchaser will code the receipt with the account number provided by the requesting department, along with the name of the requesting individual. This account code will be used by the Purchasing Department to process the transaction, allocating costs as directed. If the P-Card processor is unable to use the account number provided due to possible security restrictions, please contact the P-Card Administrator.

2. Transfer Procedures: Use the P-Card Request Form to notify Purchasing prior to the effective date of a cardholder's internal transfer.
3. Resignation/Termination: Prior to a cardholder leaving the City, departments will secure P- Cards, cut them in half and return them to Human Resources or Purchasing. Purchasing will then close the account and monitor the monthly termination report to verify that all P-Cards are accounted for.
4. P-Card Cancellation: The Executive Director of Support Services may suspend an employee's P-Card after consulting with the appropriate executive director or Department Head. Cancellation requires the approval of the aligned Assistant City Manager or City Manager. The decision to cancel is permanent.
5. Inappropriate P-Card purchases are not the bank or vendor's responsibility. The vendor will be paid and the department's budget is charged, unless the merchandise is returned and a credit is issued to the P-Card.

N. Non-Compliance.

Failure to comply with P-Card policy or the P-Card User Agreement may result in one or more of the following consequences:

P-CARD VIOLATION	1ST OFFENSE	2ND OFFENSE	3RD OFFENSE
Perpetrate a fraud or theft. Card given to non-CoK employees to perpetrate fraud or theft	A	n/a	n/a
Card given to non-CoK employees to conduct standard CoK business	A	n/a	n/a
Component, Separate (Split Transactions) or Sequential Purchases (as defined in 8.2)	B	B	F
Failure of cardholder to turn in receipts within 30 days from transaction date	C	C	C
Excessive instances “in- Lieu-of- Receipt” form	D	C	C
Delays in processing (over 30 days from transaction date) due to W-9 information needed for vendor set- up	E	E	E
Purchases made for items that were not previously approved by I.T., Fleet Services or Print Services (as noted in card restrictions).	D	B	F
Multiple “accidental” Personal P- Card purchases	D	B	F

A: Card cancelled possible employment terminated, possible criminal charges

B: Exec Dir, SS may reduce transaction/cycle limits to \$0 for 30 days

C: Exec Dir, SS may reduce transaction/cycle limits to \$0 until receipts turned in

D: Purchasing notifies Cardholder of offense and records number of offenses

E: Exec Dir, SS may reduce transaction/cycle limits to \$0 until W-9 turned in

F: Card cancelled

* Acceptable P-Card Expenditures are outlined on page 30

** Purchasing will notify individuals and Department Heads when a transaction/cycle limit is reduce or when a card is cancelled.

P- CARD RESPONSIBILITIES

DEPT/DIV HEAD	PROCESSOR	CARDHOLDER
REVIEW P-CARD POLICY AND ABIDE BY DIRECTIVES	REVIEW P-CARD POLICY AND ABIDE BY DIRECTIVES	REVIEW P-CARD POLICY AND ABIDE BY DIRECTIVES
ENSURE - P-CARD PURCHASES ARE PROPERLY FUNDED PRIOR TO GIVING APPROVAL TO MAKE A PURCHASE	PROVIDE DIRECTION REGARDING THE POLICIES ASSOCIATED WITH THE P-CARD	MAKE ONLY PRIOR APPROVED PURCHASES REPORT LOST OR STOLEN P-CARDS IMMEDIATELY
CARDHOLDER SUPERVISOR ENSURE - CARDHOLDER CONFORMS TO P-CARD GUIDELINES & POLICY	VERIFY VENDORS ARE IN AN "ACTIVE" STATUS IN AS-400	VERIFY VENDOR IS SET UP IN AS-400 PRIOR TO USE SECURE A W-9 FROM MERCHANTS THAT HAVE NOT BEEN SET UP IN AS-400
WEEKLY "APPROVAL LISTS" REVIEW WEEKLY APPROVAL LISTS TO VERIFY VALIDITY AND ACCEPTABILITY OF P-CARD TRANSACTIONS WITH YOUR SIGNATURE/APPROVAL OBTAIN REQUIRED APPROVALS (I.E., "OUT OF STATE TRAVEL" ETC.) REVIEW " IN-LIEU-OF-RECEIPT " FORMS AND SIGN FOR ALL FORMS SUBMITTED	PREPARE WEEKLY "APPROVAL LIST". OBTAIN RECEIPTS FROM CARDHOLDERS WEEKLY FOR TIMELY PROCESSING AND MAINTAIN COPIES CHECK FOR SALES TAX AND NOTIFY CARDHOLDER IF REFUND IS DUE COK REQUEST MISSING RECEIPTS FROM CARDHOLDERS VERIFY CORRECT VENDOR # IS USED IN AS-400	SECURE A RECEIPT WITH DETAIL. OBTAIN DUPLICATE RECEIPT FROM VENDOR IF ORIGINAL RECEIPT IS LOST PREPARE AN "IN-LIEU-OF RECEIPT" FORM IF A RECEIPT CANNOT BE OBTAINED SUBMIT RECEIPTS WEEKLY DO NOT MAKE PURCHASES WITH SALES TAX (THE CITY IS EXEMPT FROM SALES TAX) IN THE EVENT THAT SALES TAX WAS CHARGED SECURE A REFUND BACK TO THE CARDHOLDERS P-CARD REPORT IMMEDIATELY ANY QUESTIONED OR DISPUTED CHARGES FOLLOW FRAUDULENT CHARGE PROCEDURE IMMEDIATELY UPON NOTICE
ADDRESS ANY CARDHOLDER ISSUES OF POLICY NON-COMPLIANCE OR FAILURE TO PROCESS TRANSACTIONS. ENFORCE DISCIPLINARY MEASURES AS APPROPRIATE	PROVIDE INFORMATION TO DEPT/DIV HEAD OF CARDHOLDERS THAT HAVE NOT COMPLIED	MAINTAIN ACCURATE, PERTINENT PURCHASE TRANSACTION INFORMATION ACCIDENTAL P-CARD USE FOR PERSONAL PURCHASES WILL BE REIMBURSED TO THE CITY IMMEDIATELY

P- CARD RESPONSIBILITIES (CONTINUED)

DEPT/DIV HEAD	PROCESSOR	CARDHOLDER
<p>RESIGNATION/TERMINATION-SECURE CARD FROM CARDHOLDER AND INITIATE NOTICE TO PURCHASING</p>	<p>PREPARE "P-CARD REQUEST FORM" TO NOTIFY PURCHASING OF RESIGNATION/TERMINATION AND FORWARD CARD (CUT IN HALF) TO PURCHASING OR H/R AS SOON AS POSSIBLE</p>	<p>RESIGNING EMPLOYEE SHOULD TURN IN P-CARD, NO LESS THAN ONE (1) WEEK PRIOR TO LEAVING EMPLOYMENT OF THE CITY</p>
<p>TRANSFER OUT- INITIATE NOTICE TO PURCHASING OF INTENDED TRANSFER OF A P-CARD CARDHOLDER, NO LESS THAN TWO WEEKS PRIOR TO DEPARTURE</p>	<p>NOTIFY PURCHASING OF AN INTENDED TRANSFER OF ONE OF YOUR DEPT/DIV CARDHOLDERS WITH THE COMPLETION OF A "P-CARD REQUEST FORM".</p>	<p>WILL REFRAIN FROM THE USE OF P-CARD AT LEAST ONE (1) WEEK PRIOR TO STATUS CHANGE</p>
<p>TRANSFER IN-INITIATE NOTICE TO PURCHASING PRIOR TO START DATE OF INTENDED NEED OF A P-CARD FOR AN INTENDED TRANSFER INTO DEPT/DIV</p>	<p>NOTIFY PURCHASING OF AN INTENDED TRANSFER INTO YOUR DEPT/DIV WITH THE COMPLETION OF A "P-CARD REQUEST FORM"</p>	<p>ENSURE TRANSFER IS COMPLETE BEFORE P-CARD USE</p>

ACCEPTABLE P-CARD EXPENDITURES	ALL PURCHASES ARE TO BE PREVIOUSLY BUDGETED FOR OR APPROVED ITEMS AS NOTED
OFFICE SUPPLIES	FROM CO-OP SUPPLIERS
SUBSCRIPTIONS	BOOKS AND MAGAZINES
MEMBERSHIPS	ORGANIZATIONS (AS APPROVED BY DEPT HEAD)
REQUIRED MAINTENANCE COSTS REPAIR COSTS	ONLY IN THE EVENT THAT THESE NECESSARY EXPENDITURES ARE APPROVED PRIOR
OPERATIONAL EXPENSES -expenses which are related to the operation of a Dept/Div , or to the operation of a device, component, piece of equipment or facility.	
MAINTENANCE AGREEMENT PAYMENTS AGREEMENT PAYMENTS OTHER CONTRACT ITEM PAYMENTS	PAYMENTS ALLOWED ON PREVIOUSLY CITY MANAGER APPROVED CONTRACTS AND AGREEMENTS NOT ALLOWED TO INITIATE A CONTRACT OR AGREEMENT WITHOUT CITY MANAGER SIGNATURE
SUPPLIES	
41-10	OFFICE SUPPLIES
41-15	POSTAGE
41-20	UNIFORMS AND CLOTHING
41-25	SUBSCRIPTIONS
41-30	VEHICLE SUPPLIES (AS APPROVED BY FLEET)
41-35	PRINT SUPPLIES (AS APPROVED BY PRINT SHOP)
41-50	FUEL SUPPLIES AND WATER
41-55	FREIGHT
41-60	FOOD SUPPLIES (AS ALLOWED PER POLICY)
41-65	MINOR TOOLS
41-70	CLEANING SUPPLIES
41-75	MEDICAL AND CHEMICAL
41-80	MECHANICAL SUPPLIES
41-85	EDUCATIONAL SUPPLIES
41-87	EXTINGUISHING CHEMICALS
41-90	AGRICULTURAL SUPPLIES
41-95	ANIMAL SUPPLIES
COMPUTER AND RELATED EQUIPMENT REGISTRATION COSTS	(AS APPROVED BY I.T.) SEMINARS/TRAINING AND CONFERENCE
TRAVEL EXPENSE (DOES NOT ALLOW FOR UPGRADES)	AIRFARE BAGGAGE CAR RENTAL HOTEL- ROOM EXPENSE AND OCCUPANCY TAXES PARKING (WITH ASSOCIATED SALES TAX) FUEL FOR RENTAL VEHICLE MEALS (IF RECEIPTS ARE PROVIDED)

Appendix C – Sam’s Club Direct Charge Account Cards

The City of Killeen allows a select number of employees to possess and make purchases using Sam’s Club direct charge account cards. These cards are for City business only and the sole form of payment authorized at Sam’s Club. Personal items will not be purchased using a City direct charge card.

Purchasing will manage this program.

Department Heads will submit employee names to Purchasing and ensure compliance with program policies. When these personnel depart City employment, directors will secure the Sam’s Club card as part of the exit interview process.

City employees may also leverage the promotional discount provided by Sam’s Club to City of Killeen employees. The discount only applies to personal accounts with Sam’ Club.

Appendix D–Historically Underutilized Businesses (HUB)

Per TLGC 252.0215, the City of Killeen is required to attempt to contact at least two (2) disadvantaged businesses on a rotating basis. City staff will do the following for expenditures over \$3,000.00 but less than \$50,000.00:

1. Log on to <https://mycpa.cpa.state.tx.us/tpasscmlsearch/index.jsp>. On the opening screen you can search HUBs by vendor names, zip codes, or City location.

Search For Vendors - Centralized Master Bidders List - HUB Directory Search

Window on State Government Glenn Hagar Texas Comptroller of Public Accounts

Search For Vendors

Help

Related Links

- CMBL/HUB Directory Search Tips
- Register For CMBL - HUB
- HUB Mentor Protege Agreement Listing
- System for Award Management (EPAS)
- Debarred Vendors List

The CMBL is a master database used by State of Texas purchasing entities to develop a mailing list for vendors to receive bids based on the products or services they can provide to the State of Texas. Manufacturers, suppliers, and other vendors wishing to furnish materials, equipment, supplies, and services to the state should register for the CMBL to receive bidding opportunities.

The CMBL/HUB Directory Search is automatically defaulted to "CMBL Only" to perform a search for vendors, including Texas certified HUBs who have elected to register on the CMBL. Purchasing entities use NIGP Class and Item Codes within the "Multiple Vendor Search" feature to identify vendors who can provide the products or services they want to purchase, and to develop mailing lists of vendors to receive bids.

For detailed explanations of the various search and data output features (i.e., Search For, Single Vendor Search, Multiple Vendor Search, Business Category / Vendor Location Search, Select Fields For Output, Output Options) that may be used to create lists of potential vendors as well as retrieve detailed information on a specific vendor, click [CMBL/HUB Directory Search Tip](#).

Search Clear Search

SEARCH FOR

CMBL Only HUBs Only HUBs On CMBL All Vendors

SINGLE VENDOR SEARCH

Vendor ID:

Vendor Number:

Vendor Name: contains

Include Inactive Vendors Note: If this box is checked, you must enter either a Vendor ID, Vendor Number or Vendor Name.

MULTIPLE VENDOR SEARCH

Selection	NIGP Class Code	Items	Highway District(s)
Selection 1	<input type="text"/>	<input type="text"/>	<input type="text"/>
Selection 2	<input type="text"/>	<input type="text"/>	<input type="text"/>
Selection 3	<input type="text"/>	<input type="text"/>	<input type="text"/>

BUSINESS CATEGORY / VENDOR LOCATION SEARCH

Business Category:

County Location:

City Location: begins with

12:27 PM 6/2/2016

Appendix E - City of Killeen Charter

Article VII - Finance Administration

SALE OF CITY PROPERTY

Section 75. Any sale or contract for the sale of any property belonging to the City, either in the form of land, real estate or other real or personal properties, shall be in accordance with the Texas Constitution, Texas Local Government Code, Chapters 252, 253, 271, 272, 273, and 280, and the acts amendatory thereof and supplementary thereto, now or hereafter enacted, and all other applicable State law. (Amend. of 5-4-91)

PURCHASE PROCEDURE

Section 76. The Director of Finance shall have authority to make expenditures from one or more municipal funds without the approval of the City Council for all budgeted items up to that amount which, under State law, triggers the competitive Procurement process. All contracts or purchases requiring expenditures from one or more municipal funds in the amount involving more than the dollar amount which, according to Section 252.021 of the Local Government Code, or any successor statute thereto, triggers the competitive procurement process, shall be let in compliance with the procedures prescribed by Chapter 252 of the Local Government Code and the acts amendatory thereof and supplementary thereto, now or hereafter enacted. (Amend. of 5-4-91; Amend. of 5-5-01; Amend. of 5-7-05)

CONTRACTS FOR IMPROVEMENTS

Section 77. Any City contract requiring an expenditure by, or imposing an obligation or liability on the City of more than the amount provided in Section 271.054 of the Texas Local Government Code and the acts amendatory thereof and supplementary thereto, must comply with the competitive bidding process of the Local Government Code. These contracts shall include contracts for the construction of public works or the purchase of materials, equipment, supplies, or machinery for which competitive bidding is required by the Local Government Code. (Amend. of 5-4-91; Amend. of 5-5-01; Amend. 5-11-13)

Appendix F – Three Quote Exemption Listing

Purchases above \$3,000 and up to \$50,000 require three quotes by policy and should include two searches from Historically Underutilized Businesses (HUB) located in Bell County, as applicable by law. (See Appendix D for HUB search directions)

A. The following transactions are City approved exemptions from the three-quote requirement:

- ✓ Confidential funds for the Killeen Police Department
- ✓ Election judges
- ✓ Employment drug testing
- ✓ Instructors for City events
- ✓ National cooperative purchases
- ✓ Non-profit budgeted appropriations
- ✓ Membership/dues
- ✓ Procurement through approved state cooperatives
- ✓ Renewal for software and equipment maintenance agreements (good for up to 2 years then quotes required)
- ✓ Rental of election equipment
- ✓ Rental of heavy equipment
- ✓ Repair to equipment, if equipment has to be disassembled for diagnosis and estimate
- ✓ Resale items
- ✓ Sponsorship for KCCC events
- ✓ Subscriptions
- ✓ Travel and training
- ✓ US postage
- ✓ Warranties on equipment or technical systems (good for up to 2 years, then quotes required)
- ✓ Water, electric and gas bills (utilities)

B. Per TLGC, the following transactions are exempt from the policy requiring three quotes and DO NOT require HUB searches:

- ✓ Rare books for Libraries
- ✓ Professional or Planning services
- ✓ Procurements made because of public calamity
- ✓ Procurements for the preservation of Public Health or Safety
- ✓ Unforeseen damages to public machinery, equipment or other property
- ✓ Goods or services purchased from another governmental entity
- ✓ Emergency Purchases
- ✓ Sole/Single Source items.
- ✓ Public Improvement projects
- ✓ Purchase of Personal Property
- ✓ Services by Blind or Disabled persons
- ✓ Electricity
- ✓ Advertising costs

Appendix G – Sole/Single Source Justification

Purpose – The City of Killeen’s Purchasing Manual requires that goods or services be procured with the maximum practicable competition. This manual enforces the requirement for competitive sealed bidding for goods and services costing more than \$50,000.00. Sole/single source procurements are exceptions to normal purchasing procedures and are permitted only when the required item or service is available from a single supplier. A requirement for a particular proprietary item does not justify sole source procurement if there is more than one potential supplier for that item. The purpose of this document is to outline responsibilities and procedures under circumstances when there is only one known source of supply capable of providing the goods or services required by the City.

Definitions – Sole source and single source purchases may be segregated in definition and use. The common thread is that a justification to procure from a sole or single source cannot be solely based on quality or price; “quality” can be a subjective evaluation and “pricing” is subject to the level of competition. “Sole Source” applies where it can be substantiated that a requirement involves a commodity or service provided by only one vendor or contractor which has exclusive rights (patents, copyrights, proprietary interest or secret processes) to the manufacturing of the product or service. Sole Source requirements will withstand the questions of (1) is the commodity or service is the only of its kind which can fully satisfy the requirement, and (2) is the commodity is available from one, and only one, source. In this context, “sole” means “the only one.” “Single Source” applies where it can be substantiated that a commodity or service can be obtained only from one vendor or contractor which often is the “single” representative of the manufacturer or principle company. “Single Source” purchases frequently involve a vendor or contractor whose product or service is discernibly distinguishable from all others in the market and singularly meets all significant elements of the City’s requirement. In this context, “single” means, “the one among others.” “Brand Name” specifically does not necessarily equate to a “Sole Source” nor a “Single Source” purchase. “Brand Name” requirements may not satisfy the criteria of either “Sole Source” or “Single Source” practices as several vendors or contractors may be able to provide the product or service and, therefore, the requirement can be competitively awarded. Purchasing specifications, in this instance, will provide for “Brand Name or Equal” specification, which identify the salient features of the requirement in a non-restrictive manner.

Request for Exception – Both “Sole Source” and “Single Source” purchases will be able to withstand the scrutiny of the test of ‘no alternatives’ by the City Manager. As such, the submittal of such a request and its documentation represents a good faith certification on behalf of the requesting department that the requirements have been met.

The determination as to whether to accept and act upon a “Sole Source” or “Single Source” request relies on the reasonableness of the request and the clear demonstration that the department has completed a comprehensive market survey where the investigation, evaluation and documentation of alternative sources and products or services leaves no doubt as to the course which the department has elected in the purchase. Key to this research is the use of specifications which only state the salient aspects of the requirement and can provide for the purchase of the minimally acceptable quality necessary to perform a given task.

Documentation of Sole Source Purchase Requests – When sole/single source purchases are requested, the fact that a sole source situation exists will need to be documented. The Sole Source Purchasing packet will be submitted by the Department Head along with a memorandum from the vendor to Purchasing. The packet accompanying the Sole Source Purchasing form will include the following:

1. A statement of fact they are the sole proprietary manufacturer of said equipment.
2. A description of the technical performance characteristics of the goods or services including a description of the unique properties of the goods or services specified. Explain why this is the only product or service that can meet the needs of the City.
3. A brief description of the intended use of the goods or services specified, establishing a requirement for the unique properties identified.
4. Explain why they are the sole practicable available source from which to obtain this product or service.
5. The vendor will explain why their price is considered reasonable.

Responsibilities and Review Procedures - When the Sole Source purchasing form and justification memo are received, they will be reviewed by the Purchasing Manager, Executive Director of Support Services, Assistant City Managers of Internal/External Services, Finance Director, and City Attorney before going to the City Manager for final approval. Purchasing will notify the requesting department of the City Manager's decision. If the sole source justification is approved, Purchasing will return the original document to the department and a requisition can be entered in SunGard.

Sole/Single Source Justifications

There are several reasons why a purchase may be possible or more practical from only one vendor.

- A. There is no competitive product. The item/service is a one-of-a-kind or patented product, such as computer hardware/software purchases/upgrades, which are available from only one-source.
- B. The product is only available from a regulated or natural monopoly. For example: utilities, gravel from the only pit in the area, etc.
- C. The product is a component of an existing system that is only available from one supplier.
- D. The vendor has already exercised a sale with the City and is the only one allowed to perform maintenance upgrades.

The Sole/Single Source form can be found on the Public Share drive under Purchasing in the Forms folder.

Appendix H – Fixed Asset Accountability

Fixed or capital assets are real or personal property that have a value equal to or greater than the capitalization threshold for the particular classification of the asset and have an estimated life of greater than one year.

The City has invested in a range of capital assets that are used in the City's operations:

- Land and land improvements
- Buildings and building improvements
- Improvements other than buildings
- Infrastructure
- Construction in progress
- Leasehold improvements
- Personal property
 - Furniture and equipment
 - Vehicles, boats and aircraft
 - Other assets
 - 1) Works of art and historical treasures
 - 2) Library books and materials
 - 3) Intangible assets

Standard capitalization thresholds for capitalizing assets have been established for each major class of assets.

Class of Asset	Threshold	Residual Value
Land/land improvements	Capitalize All	N/A
Buildings/building improvements	\$25,000	10%
Facilities and other improvements	\$25,000	10%
Infrastructure	\$25,000	10%
Personal property (equipment)	\$5,000	10%
Library books/materials (collections)	Capitalize All	N/A
Works of art/historical treasures	Capitalize All	N/A
Leasehold improvements	\$25,000	10%

Purchasing is tasked with monitoring and tracking all asset purchases. Assets valued at \$5,000.00 or greater will be budgeted and purchased out of a **61-XX** capital account. Asset sheets will accompany the PO and invoice for these items.

All components of a vehicle such as light bars, graphics, tool boxes, etc. will be budgeted and purchased out of a **61-XX** capital account in order to properly account for the asset (vehicle, for example) in its entirety. Asset sheets will accompany the PO and invoice for these items identifying the fleet unit number.

Purchasing is also tasked with monitoring and tracking all furniture, technical equipment and power operated tools/equipment purchased for \$250.00 or more as inventory. Examples of such items are power tools (drill, saw, impact, lawn mower, blower) audio-visual equipment, printer etc. Asset sheets will accompany the PO and invoice for these items as well. Items purchased to repair such tools or equipment do not have to be recorded as inventory. For example, a part to repair a printer that costs \$101.99 does not require an asset sheet. If something is purchased to enhance the tool or equipment, this does require an asset sheet.

Items that are properly donated to the City will become City property. Receiving departments will facilitate property accountability measures; plan, program and budget for maintenance and supplies as required; and coordinate disposal in accordance with City policy when donated items are no longer needed.

The supply specialist assigned to Purchasing is responsible for establishing an accountability system for all assets purchased with City funds. All equipment will be accounted for and Department Heads will determine the level of accountability – department, intermediate and/or user level. Departments will then use the Asset Accountability Receipt to assign property responsibility.

The supply specialist will coordinate property inventories with each department. An initial walk through will be conducted and the subsequent inventory may span several days or weeks, depending on the amount of property and personnel availability.

Once complete, the supply specialist will create and verify an inventory record prior to securing signatures. This record will be maintained in Purchasing and be updated as required.

Asset accountability is defined as follows:

Small Equipment items (\$250 to \$4,999.99): Small equipment items are minor City assets that are ready for their intended use at time of purchase. These items will not exceed the maximum cost of \$4,999.99, such as HD cameras, coffee makers, cell phones, radios, etc. The following are characteristics of small equipment items.

- ✓ Single purchase price that does not exceed \$4,999.99.
- ✓ Factory lifespan of one to five years.
- ✓ Unique identification number such as a serial number or service tag number.

All small equipment items that are utilized as part of a tool kit or toolbox will be accounted for as a set.

Departments will use account number 46-XX for budgeting these asset purchases and summarize the items on capital budget worksheets for each small equipment account. Departments will maintain an Excel spreadsheet inventory list that will be subject to audit by the City Auditor and review by Purchasing. Only items between \$250 and \$4,999.99 will be accounted for using account number 46-XX; however, departments will use their discretion when creating inventory listings as they are accountable for all purchases using City funds regardless of the account used to purchase the item. Departments will maintain Fixed Asset Transaction Form 1e for assets purchased from 46-XX. When departments deem that an asset is surplus or obsolete, they will submit a Fixed Asset Transaction Form

le to Purchasing and then coordinate to move the asset to auction or donation. The Fixed Asset Transaction Form is located on the public folders under Purchasing in the Asset Management Folder.

Major capital equipment (Over \$5,000.00): Major capital items are assets such as automobiles, 5-ton lawn mower, tracker, etc. Major capital items are items whose value exceeds the threshold of \$5,000.00. These items, including components, will be properly recorded with Purchasing for accountability purposes. The following are characteristics of major capital items:

- ✓ Single purchase price of \$5,000.00 or more, including accessories.
- ✓ Lifespan of two years or more.
- ✓ Unique identification number, such as serial numbers, vehicle identification number (VIN), parts number, etc.

Departments will use account number 61-XX for budgeting of major capital asset purchases. Assets in this category are considered major purchases and are formally managed by Purchasing. Upon receipt or acceptance of an asset, the “Additions-Fixed Asset Register Sheet” is required to be submitted to Purchasing with the PO and invoice. Once a new item has been receipted into a department, the department will inform the Supply Specialist that an inventory of a new piece of equipment is required. When departments deem that an asset is surplus or obsolete, they will submit a “Deletions-Asset Register Sheet” to Purchasing and then coordinate to move the asset to auction or donation.

Capital Improvements and Capital Outlay Projects

All assets classified as Capital Outlay Projects will be budgeted in a capital improvement or capital outlay account (**60-XX accounts**). If during the year, a department needs to purchase a capital item that is not budgeted appropriately, the department will prepare a budget transfer to the asset account.

Purchasing monitors all purchases to ensure compliance with policy and budget. If an item is deemed surplus, and another department could utilize it, a request for transfer must occur. The City Manager is the final authority on all transfers.

- ✓ Departments will submit a “Departmental Transfer Request – Fixed Asset Register” to Purchasing when the City Manager has approved a transfer. The losing department will contact the Supply Specialist and coordinate the transfer (physical and paperwork) and upon completion ensure that accountability documents have been properly adjusted.
- ✓ Documents need to be complete and submitted on time, and expenditures identified with correct account numbers, in order for Purchasing to reconcile the fixed asset register within SunGard at the end of each FY.

All Asset forms are located on the COK public drive under Purchasing.

Records Retention for Asset Documents

Purchasing will maintain the Asset Register in accordance to the Texas State Library and Archives Commission. The State requires the asset register to be kept on file for three (3) years.

Auction records will be retained for one (1) year in accordance to the Texas State Library and Archives Commission.

Disposal of Assets

Article III, Division 2 of the City Ordinance addresses the process for disposing of assets. The Purchasing Manual also addresses asset disposal.

The Ordinance is as follows:

Sec. 2-87. Selection and valuation of property; notice to City Manager.

When a Department Head of the City has property to dispose, the City Manager's office, or his designee, shall be notified, by "deletions - fixed asset register" form, of that fact. The information on the form shall fairly describe each item of personal property by make, model, year, size or other appropriate identifier, along with the Department Head's estimate of the present market value of the property, and the basis of that estimate. The form shall also state the proposed method of disposition (public sale, sealed bids, auction (live or Internet), exchange, donation, or other). If the property is to be exchanged, then the notice shall fully describe the property to be acquired in the exchange.

(Code 1963, Ch. 1, art. 9, § 1 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-88. Disposition approval.

- (1) If the estimated present market value of the property is between zero and two thousand dollars (\$2,000.00), then the purchasing division may proceed to dispose of the personal property, in accordance with the procedures stated below, no sooner than the third business day after giving notice to the City manager, unless the Manager objects to the disposition during that time period.
- (2) If the estimated present market value is more than two thousand (\$2,000.00), then the City Manager must approve the disposal of the property, in writing, before the purchasing division may proceed in accordance with the procedures stated below.

(Code 1963, Ch. 1, art. 9, § 2 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-89. Method of disposal.

The method of disposal shall be by public sale, sealed bid, auction, exchange, donation, or other as approved by the City Manager or his designee.

There is no requirement to advertise the disposition of City-owned surplus property prior to

disposal other than advertisement mechanisms provided by auctioneer and/or local newspaper for a minimum of two weeks. However, before disposing of abandoned or confiscated property seized by the Police Department, the notice requirements of article 18.17 of the Texas Code of Criminal Procedures must be complied with.

(Code 1963, Ch. 1, art. 9, § 4 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-90. Acceptance or rejection of bids and award.

In a disposition based on sealed bids or auction, at the Department Head's discretion, all bids may be rejected, if they do not represent adequate compensation to the City for the property involved. If the purchasing division desires to award the bid, it shall be awarded to the highest and best bid.

(Code 1963, Ch. 1, art. 9, § 5 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-91. Disposal of surplus library books.

- (1) When the Director of Library services has complied with sections 2-87 and 2-88, the City Manager shall declare that any books designated as “surplus” and of no further value, due to their condition, infrequency of use, or availability of other copies, be made available for sale by the “Killeen Friends of the Library.” The proceeds of the public sale shall be reported to the City Manager.
- (2) The City Manager shall provide the City Council an annual report of all benefits realized as a result of the work of the Killeen Friends of the Library.

(Code 1963, Ch. 1, art. 9, § 8 [Ord. No. 87-11, §1, 2-24-87]; Ord. No. 97-30, § I, 5-13-97)

***Charter reference**—Municipal finance, §§ 49-82.

Cross references— Licenses, permits and miscellaneous regulations, Ch. 15; taxation, Ch. 27.

State law reference—Municipal finances, V.T.C.A., Local Government Code §101.001 et seq.

****Charter reference**—Disposal of certain City property, § 75.

Appendix I – State Cooperative Purchasing Procedures

To procure products or services through the State Cooperatives, the following should be utilized for procedure. It is important to follow the procedures as outlined in order to receive the full benefit of using a co-op such as price, terms and conditions and support throughout the purchasing process.

Remember, *all purchases \$50,000.00 or more will require Council approval prior to issuing any POs.* Also, if at any time you have a question or need assistance with the process, please feel free to contact Purchasing!

Cooperative	Contact / Site Info	Purchase Procedure		
TASB BuyBoard	www.buyboard.com 800-695-2919 Contact Purchasing for password (7723)	Search the website for product or service you need. If needed, call BuyBoard for assistance in locating such at (800) 695-2919.	Issue a COK purchase order to the vendor for the product or service referencing the state contract information. Fax a copy of the PO to the BuyBoard at 1-800-211-5454. Hold PO until order is received.	BuyBoard will send the PO to the vendor on your behalf to order your product or service from the vendor.
TCPN – The Cooperative Purchasing Network	www.tcpn.org 888-884-7695	Search the website for product or service you need. If needed, call TCPN for assistance in locating such at (888) 884-7695	Issue a COK purchase order to the vendor for the product or service referencing the state contract information. Fax a copy of the PO to TCPN at 1-713-744-0648. Hold PO until order is received.	TCPN will send the PO to the vendor on your behalf to order your product or service from the vendor.

Central Texas Co-op	Contact Purchasing (7723) or (7729) for information	Search the list of items offered for what need.	When using a PO or P-Card to purchase items ensure that the vendor knows you are utilizing CTCP co-op prices.	
TBPC – Texas Building and Procurement Commission	www.tbpc.state.tx.us/cat_page/ 512-463-6363	Search the website for product or service you need. If needed, call TBPC for assistance in locating such at (512) 463-6363	Issue a COK purchase order to the vendor for the product or service referencing the state contract information. Send a copy of the PO to the Purchasing dept. Hold PO until order is received.	The Purchasing dept. will issue a state PO (using your COK PO). This PO will be faxed to the State. The State sends the PO to the vendor on your behalf to order your product or service from the vendor.
Tarrant County Cooperative	www.tarrantcounty.com (817) 212-3067 Click on Departments Tab, Then scroll down to Purchasing, click on Cooperative Purchasing Information Tab and select list of available contracts.	Search the list of contracts for the product or service you need. Call Tarrant County for copy of contract at (817) 212-3067	Notify Vendor, and Issue a COK purchase order to the vendor for the product or service referencing the contract.	Notify Tarrant County Purchasing as a courtesy to which items purchased and from which vendor and or contract used.

<p>TXMAS Texas Multiple Award Schedule</p>	<p>www.txsmartbuy.com (512) 463-3421</p>	<p>Departments must obtain quote from vendor, and send quote to purchasing.</p>	<p>Purchasing will contact TXMAS, who in return will send PO for purchase of product.</p>	<p>Purchasing will send TXMAS PO to departments as verification. Dept. will create a requisition to the vendor for the product or service referencing the contract.</p>
<p>NJPA National Joint Powers Alliance</p>	<p>www.njpacoop.org (218) 894-5490 Member ID 86944</p>			
<p>TIPS The Interlocking Purchasing system</p>	<p>www.tips-usa.com (866)839-8477</p>			
<p>DIR Department of Information Resources</p>	<p>www.dir.state.tx.us (800) 348-9157</p>			
<p>PSA Purchasing Solutions Alliance</p>	<p>www.bvcog.org/programs/purchasing-solutions-alliance/ 979-595-2800</p>			
<p>HGAC Buy</p>	<p>www.hgacbuy.org</p>			

Glossary

Advanced Check	Check request processed prior to services/goods being received. Process is not complete until the request is forwarded to Finance for processing.
A P	Accounts Payable. Processing of payments/invoices against a PO for payment to be made to vendors.
Assets	Real or personal property that has a value equal to or greater than the capitalization threshold for the particular classification of the asset.
Budget Code – Account #	A unique combination of 14 digits, divided into seven segments of one, two, or three digits, for example: 010-9501-491-41-10
Capital Account	All account numbers ending with 60-XX. Assets are purchased from these accounts for reporting purposes.
Command Line	Function key – F9 will create a line at the bottom of the screen that allows you to work directly with spooled files waiting to print or call a program.
Commodity Code	Codes that identify the products and services purchased by departments.
Encumber/Encumbrance	A reduction of the budgetary account for goods or services that have not yet been provided. The encumbrance is created and the encumbrance is liquidated when the PO is completed. The encumbrance is a commitment of funds while the pre-encumbrance is an allocation of funds.
Expense	Created when an invoice for goods or services is submitted by a vendor and processed against a PO. The encumbrance is liquidated and the expense or account payable transaction is created.
Liquidate	Once an invoice is paid against an encumbrance, the encumbrance will liquidate and reflect and expense in the ledger accounts.
Manual Check Request	Emergency request for a check to be processed prior to the weekly AP run.
Pre-Encumbrance	Allocation of funds for expenditure. Represents an intention to spend funds rather than an obligation, which occurs when a contract is signed or a PO is issued. These are created when a requisition has been approved. When the PO is created, the pre-encumbrance is liquidated and replaced with an encumbrance.
Purchase Order	A document submitted to a vendor for goods or services. A PO will be created from an approved requisition.
P.I – Purchasing/Inventory	Purchasing/Inventory application on SunGard. Requisitions are created and approved here. PO's are created and received and invoiced here.
Quote	Cost promised by vendor for particular goods or services.
Receipt	Written acknowledgement of goods or services delivered. Indicates an item has been delivered. When you receive an item, you will process it against the PO you used to purchase it.
Receiving Report	Processing receipt of items against the PO you used for the purchase. Acknowledgement of goods or services delivered/received.
Ship To	The location where items are to be delivered. Also can be the location/department using the goods or services purchased by the PO.
Un-Receive	To replace quantities back on to the PO. Items will not be received in order to cancel a PO or to cancel outstanding quantities. If items are received on the wrong PO, or if items are damaged and will be returned.
Vendor	Payee or Remit To: Companies or individuals who supply goods or services.



City of Killeen

Legislation Details

File #: RS-16-116 **Version:** 1 **Name:** Fire Station 9 Fiber Installation
Type: Resolution **Status:** Resolutions
File created: 9/2/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution for fiber installation at Fire Station #9.
Sponsors: Information Technology Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Statement of Work](#)
[Estimate](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

City of Killeen Fire Station #9 Fiber Installation Project

ORIGINATING DEPARTMENT

Information Technology Services

BACKGROUND INFORMATION

The Information Technology Services Department (ITS) and Bell County solidified an interlocal agreement for fiber installation projects April 2014 (CCMR 14-043R). Bell County IT has a contract with JC Communications through September 2017 for fiber installation. The interlocal agreement allows the city to purchase fiber installation and maintenance services from JC Communications at the same pricing offered to Bell County and satisfy the city's bidding requirements pursuant to Texas Government Code section 791.025. Fire Station #9 (FS#9) construction planning and funding included \$130,000 for computer equipment, network switching, and connectivity to the City Network. Of the funding, \$65,000 was set aside for fiber connectivity.

DISCUSSION/CONCLUSION

The ITS Department is seeking approval to use the contract with JC Communications to install fiber at the new Fire Station. This fiber installation to this location off Stan Schlueter Loop also provides an expansion site for future fiber runs along Stan Schlueter to support network connectivity.

FISCAL IMPACT

Funding for this fiber project in the amount of \$64,441.08 is available in the FS#9 budget, account number 347-3490-800.58-78. The remaining budget in this account is currently \$234,447.17.

RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to use the JC Communications contract through the Bell County IT interlocal agreement for the completion of the City of Killeen FS #9 fiber project in an amount not to exceed \$65,000.

Fire Station #9 Information Technology Statement of Work

Project Manager: Vanir
Sponsor: City of Killeen

Purpose: To provide network connectivity, computers, phones, Wi-Fi access to Fire Station #9. Also make building surveillance and access control-ready.

Scope:

Major project activities

1. Provide cost and time line for fiber optic cable installation to facility. Fiber optic cable will provide the building network connectivity.
2. Assemble and build communications room for network switches.
3. Provide cost and time line for in-building, category 6 network cabling and conduit. Category 6 cabling will provide network connectivity for all phones, computers, and Wi-Fi access points. Internal conduit will provide a pathway for future cameras and badge readers.
4. Provide phones, computers, and Wi-Fi access points to facility.

Cost Estimates:

	Cost Type	Amount
Fiber optic cable installation		\$65,000
Communications Room Equipment (rack, cable management, UPS, power distribution, etc.)		\$6,000
Network switching		\$5,000
Internal cabling and conduit		\$30,000
• Network and cable TV drops for entire facility		
• Conduit and cabling for Wi-Fi access points		
• Conduit and cabling for surveillance		
• Conduit and pull-string for access control		
Phones – qty ten with licensing		\$7,000
Computers		\$4,000
Wi-Fi access points		\$1,000
Surveillance		\$7,000
Total for Fire Station #9 Information Technology		\$130,000

Schedule Overview:

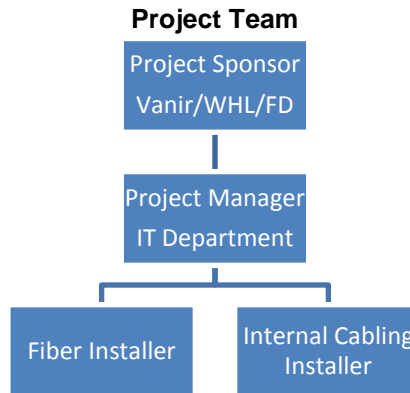
Major Milestones:

- Provide network connectivity to building via fiber optic cable
- Design, purchase, and build communications room rack and switching equipment
- Install interior conduit and network cabling, to include conduit for access control
- Configure and deploy network, to include Wi-Fi access
- Configure and deploy phones, computers, and surveillance.

Stakeholder Analysis:

Name & Role	Major Responsibility or Contribution
Fire Department Customer	Provide guidance to Project Coordination Team and subcontractors.
Vanir Construction Management, Inc./WHL	Oversee construction project.
Convergence Cabling Management	Install interior conduit and cabling from communications room to key locations, such as offices, Wi-Fi access points, surveillance points, and access control points.
JC Communications Fiber Contractor	Install fiber optic cable to facility. This will provide connectivity to the City of Killeen data/voice network.
IT Department Project Coordination Team	Manage the entire IT project. This includes coordination with subcontractors, procuring IT equipment, and overseeing the configuration and installation.

Chain of Command





J.C. Communications

(512) 670-1522 Office

(512) 267-5551 Fax

16504-1 Red Wagon Lane

Leander, TX 78641

Estimate

Date	Estimate #
8/16/2016	2376

Name / Address
City Of Killeen

Description	Qty	U/M	Cost	Project	
				FS#9	Total
install 1/4" strand	10,550		0.56		5,908.00
install new anchor and downguy	20		100.00		2,000.00
bldg core and attachment	0		100.00		0.00
pull fiber through building	0		1.20		0.00
Proof pipe	500		0.45		225.00
Pull fiber through existing pipe	500		0.75		375.00
lash or over lash new 12ct	11,450		0.68		7,786.00
Place Riser	1		30.00		30.00
pole make-ready for new poles	60		50.00		3,000.00
pole transfer	180		50.00		9,000.00
assist in Pole information submittals	60		50.00		3,000.00
PE stamped engineered plans for underground/aerial/TXDOT	2		1,500.00		3,000.00
Traffic Control	10		350.00		3,500.00
TXDOT crossing	2		2,500.00		5,000.00
FDP prep and Place	1		85.00		85.00
Prep and Place OSP splice enclosure	1		150.00		150.00
Splice fiber to FDP/OSP enclosure	24		27.50		660.00
OTDR test fiber bi-directional	12		7.00		84.00
power meter test for attenuation	12		7.00		84.00
Underground trench	0		15.00		0.00
Underground trench rock adder	0		6.50		0.00
Underground Bore	0		35.00		0.00
Underground Bore rock adder	0		18.00		0.00
Place Hand Hole	0		525.00		0.00
materials 12ct sm armored fiber optic cable	11,950		0.52		6,214.00
materials strand and hardware	10,550		0.50		5,275.00
materials lashing materials	11,450		0.15		1,717.50
materials patch panel 12pt fully loaded	1		487.50		487.50
materials OSP fiber splice enclosure	1		875.00		875.00
City of Killeen Phase 2 FS#9			Subtotal		
			Sales Tax (8.25%)		
			Total		



J.C. Communications
 (512) 670-1522 Office
 (512) 267-5551 Fax
 16504-1 Red Wagon Lane
 Leander, TX 78641

Estimate

Date	Estimate #
8/16/2016	2376

Name / Address
City Of Killeen

Project
FS#9

Description	Qty	U/M	Cost	Total
materials splicing heat shrinks	24		0.42	10.08
materials Hand hole	0		875.00	0.00
materials 1.25" innerduct X 3	0		1.15	0.00
material misc	11,950		0.50	5,975.00

City of Killeen Phase 2 FS#9	Subtotal	\$64,441.08
	Sales Tax (8.25%)	\$0.00
	Total	\$64,441.08



City of Killeen

Legislation Details

File #: RS-16-117 **Version:** 1 **Name:** Appoint Members to Boards & Commissions
Type: Resolution **Status:** Resolutions
File created: 9/14/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution appointing members to various boards, commissions, and commissions sub-committees.
Sponsors: City Secretary, City Manager Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**Boards, Commissions, and Committee
Appointments - Citizen Engagement**

ORIGINATING DEPARTMENT

City Attorney/City Secretary

BACKGROUND INFORMATION

The City of Killeen has various boards, commissions, and committees that serve in an advisory capacity.

DISCUSSION/CONCLUSION

In order to make appointments and reappointments, City Council action is required. The following listing represents opportunities for both.

Citizen appointments:

Heritage Preservation Board (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Chian Chi	Term Expired	Michael DeHart	Member-at-Large	N	N
Michelle Lee	Term Expired	Leonard Mantey		Y(8)	No Response

Killeen Economic Development Committee - KEDC (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
John Gilmore	Term Expired	John Gilmore	KIF Rep	N	Y
Charlie Watts	Term Expired	Charlie Watts	Chamber Rep	N	Y

Council Member appointments:

Killeen Economic Development Committee - KEDC (All Council)

Current Member	Status	New Member	Comments	Termed Out?	Reappoint?
Elizabeth Blackstone	Outgoing Council Member		Council Member		
Scott Cospier	Outgoing Council Member		Council Member		

RECOMMENDATION

It is recommended that the City Council appoint the above new member individuals to fill vacancies and expired terms.



City of Killeen

Legislation Details

File #: RS-16-118 **Version:** 1 **Name:** Cospers Ridge City Owner Agreement
Type: Resolution **Status:** Resolutions
File created: 7/14/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider a memorandum/resolution for a City/Owner Agreement to oversize public drainage infrastructure within the Cospers Ridge Estates, Phase Five Subdivision.
Sponsors: Engineering, Public Works Department
Indexes:
Code sections:
Attachments: [Council Memorandum Agreement](#)
[Cost Proposal](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

City/Owner Agreement to oversize public drainage infrastructure within the Cosper Ridge Estates, Phase Five Subdivision

ORIGINATING DEPARTMENT

Public Works/Engineering

BACKGROUND INFORMATION

The developer of the Cosper Ridge Estates, Phase Five Subdivision, has requested that the City of Killeen materially participate to increase the size of certain public infrastructure. The development abuts the previously completed phases of the Cosper Ridge Estates Subdivision to the north and Chaparral Road to the south. Undeveloped property abuts Phase Five of the subdivision to the east and west.

DISCUSSION/CONCLUSION

Process Summary

Section 26-85 of the Killeen Code of Ordinances defines the process wherein the City may enter into an agreement with a developer to construct public improvements, not including a building, related to land development. Under such an agreement, the developer constructs the improvements and the City participates in project costs within prescribed limits.

To begin the process, the developer submits a letter of intent seeking City cost participation - in this specific case, for the material over-sizing of public drainage infrastructure. The request for City cost participation must be associated with a legal subdivision of land. Through review of appropriate documentation, City staff and the developer come to a mutual understanding of project scope and over-sizing (i.e., not infrastructure required to support the proposed development itself, but additional material and labor required to meet a defined public need or provide a regional benefit).

The developer constructs the public improvement project under the terms and conditions of an agreement-in-form approved by the City Attorney. This standard form of agreement conforms to Local Government Code requirements for City participation and was previously adopted by City Council resolution (CCM/R 02-112R). In support of the proposed agreement, the developer must provide a detailed quantity take-off presenting the differential costs for over-sizing public infrastructure. This is accomplished by a standard form of cost tabulation requested by Public Works staff to evaluate whether the developer-proposed project costs are reasonable and reflect current industry standards.

The developer must clearly delineate public benefits and identify discrete over-sizing costs for the proposed project. A project evaluation is performed by Public Works/Engineering staff, which includes a vetting of proposed unit costs and rates. The sources of construction cost data for review and comparison include other recent city-owner agreement project costs for

similar work completed by local developers, as well as bid tabulations from recent similar capital improvement projects advertised by the City. Staff evaluation of project costs may include a review of regional or national cost indices for infrequently-performed or unique construction. City staff may also pursue best-value negotiations with the developer that may include, but not necessarily be limited to, alternate alignments or alternate materials.

Once a mutual project understanding is achieved, the proposed project and cost participation agreement is submitted to the developer for concurrence. Under past standing protocol, an owner-executed agreement is forwarded directly to the City Council for consideration. Agreements are often considered concurrent with a plat application for the subdivision in which the proposed project would be constructed; however, Killeen Code of Ordinances Section 26-85(b)(5) allows for consideration of a city-owner agreement at any time during the development process.

Project Summary

The City's adopted Drainage Master Plan (DMP) acknowledges that administrative measures may be used to reduce stressors on and improve the efficiency of the City's drainage system. Two of the administrative measures discussed in the DMP are City/Owner Agreements and regional participation to promote enhanced drainage improvements. These tools can be used to support projects that address the priorities of the drainage CIP.

A City/Owner Agreement can be used to stipulate how a developer would construct regional drainage improvements for a public benefit and how these improvements would be dedicated to the City for future operation and maintenance. The City/Owner agreement can provide a means to oversize drainage infrastructure to meet a regional need (e.g., construction of a common storm water conveyance between abutting developed and/or undeveloped properties) and define equitable compensation to an individual developer for construction of such infrastructure.

Regional participation within a watershed leads to more effective drainage solutions. For example, channel improvements at the convergence point of a drainage basin allows for greater flood hazard protection of upstream and downstream development. Increased post-development storm water flows may then be passed through the upper reaches of a drainage basin to be captured and controlled in a downstream control feature.

The developer of the Cospers Ridge Estates, Phase Five Subdivision, submitted a project proposal for oversizing a storm conduit and a downstream channel for regional benefit within the development. The proposed City/Owner Agreement addresses the completion of selected drainage improvements in the subdivision with ultimate public dedication. Staff evaluated the developer's proposal and concurred that the proposed project to oversize storm conduits within the subdivision provides regional benefit.

The attached City/Owner Agreement reflects the cost to oversize approximately 725 linear feet of 42-inch diameter storm water pipes with appurtenances, open channel transitions, and earthen channel improvements, and associated engineering design and surveying services (\$37,407.15). The developer's proposed project proposal was reviewed by staff and found to be reasonable with material costs reflecting current industry pricing.

FISCAL IMPACT

Funding in the amount of \$37,407.15 for construction of the described regional drainage improvements is available in Fund 347-3490-800.50-63, designated for public improvement project participation. The balance in this account prior to this agreement being let is \$37,408.

RECOMMENDATION

Recommend that the City Council agree to participate in oversizing public drainage infrastructure within the Cospers Ridge Estates, Phase Five Subdivision, and to authorize the Interim City Manager to execute a City/Owner Agreement for these public improvements.

**CITY OF KILLEEN § CITY/OWNER AGREEMENT TO OVERSIZE
COUNTY OF BELL § SELECTED DRAINAGE INFRASTRUCTURE
STATE OF TEXAS § ASSOCIATED WITH THE COSPER RIDGE
 § ESTATES, PHASE FIVE SUBDIVISION**

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the **CITY OF KILLEEN** is authorized by law to approve development plats within its corporate limits and its extraterritorial jurisdiction; and

WHEREAS, **G. WAYNE COSPER**, has submitted and obtained final plat approval of **COSPER RIDGE ESTATES, PHASE FIVE**, a subdivision development, by the City Council of Killeen; and

WHEREAS, the Killeen Code of Ordinances requires the completion of certain public improvements in connection with development to safeguard the health, safety and general welfare of the community,

WHEREAS, said improvements should promote the orderly and planned development of public infrastructure within the City, and are intended to overcome the detrimental effects of inadequate and over-taxed public infrastructure; and

WHEREAS, the construction of publicly-dedicated drainage improvements shall be of adequate capacity to convey storm water discharges from planned development in the drainage basin; and

WHEREAS, the City has identified a need for additional storm water conveyance capacity to convey regional storm water flows through the development; and

WHEREAS, the benefits of such Public Improvements are to the Owner, the City, and the Public; and

WHEREAS, the City's purposes in entering into this Agreement are to encourage development in an equitable manner, and to minimize the City's costs associated with the design and construction of such public infrastructure; and

WHEREAS, the parties to this Agreement wish to provide for the protection of the rights and interests of the respective parties and to document for posterity a record of their agreement so that the public interest of the citizens of the City of Killeen is well served;

NOW, THEREFORE, AND IN CONSIDERATION OF, the mutual covenants and obligations herein expressed, the parties hereto agree as follows:

RECITALS

1. Parties. The parties to this City/Owner Agreement (hereinafter “Agreement”), are the **City of Killeen**, a municipal corporation, (hereinafter “City”), acting by and through its City Manager, whose address is 101 North College Avenue, Killeen, Texas, 76541, and **G. Wayne Cosper**, whose address is 1401 West Stan Schlueter Loop, Killeen, Texas, 76549, (hereinafter “Owner”).
2. Project. Owner is the owner of land included in the development project (hereinafter “Project”), more fully described by metes and bounds in **Exhibit A**, attached hereto and incorporated herein for all intents and purposes.

OBLIGATIONS OF OWNER

3. Improvements. Owner agrees to construct as described in **Exhibit B**, attached hereto and incorporated herein for all intents and purposes (collectively the “Public Improvements”), through the Project area **Cosper Ridge Estates, Phase Five** (Exhibit A) according to the standards and specifications in effect at time of construction. Owner agrees to construct and dedicate the Public Improvements as an independent obligation on its part, regardless of City’s performance under this Agreement.
4. Performance Bond. Owner shall provide a Performance Bond as specified in **Exhibit D**, “Development Process”.
5. Maintenance Bond. Upon completion of the Project and prior to the acceptance of the Project by City for maintenance, Owner shall submit to City a maintenance bond, in the amount equal to fifteen percent (15%) of the total cost to construct all streets and drainage in the Project and ten percent (10%) of the total cost to install all the water and sewer lines in the Project, executed by a corporate surety duly authorized to do business in this State, payable to the City and approved by the City as to form, to guarantee the maintenance of the Public Improvements for a period of one (1) year after completion and acceptance by City. In lieu of the maintenance bond, Owner may submit either an irrevocable letter of credit or cash bond payable to City in a face amount equal to that stated above for a surety bond, and approved by City as to form. “Maintenance” is defined for purposes of this paragraph as any repair, removal, replacement, or other work necessitated by defects in the original construction of the Public Improvements.
6. Compliance with Law. Owner agrees that nothing herein shall negate the applicability of future health and safety regulations which are not currently a part of the laws concerning subdivisions.
7. Easements. Owner agrees to dedicate any and all easements necessary to the Project which are located on Owner’s property. Owner agrees to grant a right-of-way for all sewer and water lines that City may desire to construct or cause to be constructed in the aforementioned streets, alleys, roads, courts, avenues, drives, public ways, and parks in said Project. Such easements shall be dedicated before beginning construction.

8. Conveyance/Dedication. Owner agrees to dedicate to City all the streets, alleys, roads, courts, avenues, drives, public ways, bridges, water and sewer lines, sidewalks, drainage courses, parks, and all other improvements in said Project, exclusive, however, of those portions of the streets, alleys, roads, courts avenues, drives, public ways, bridges, water and sewer lines, sidewalks, drainage courses, and parks, lying outside of the City's limits as fixed by the legislature of Texas, which shall be dedicated to the public. Any and all dedications will not be effective until City takes formal action to accept the dedication(s) by letter of acceptance. Upon formally accepting the dedication, and after expiration of the 1-year maintenance bond required by City Ordinance and described in Exhibit D, City shall maintain same at its expense as provided for in the Killeen Code of Ordinances as part of the public ways of the City within the City's limits. The following are specifically excluded from conveyance or dedication and are expressly excluded from warranty: all encumbrances and other matters of record and all matters visible or apparent on the ground that a true and correct survey would reveal.
9. Warranty. Owner hereby gives express warranty that the Public Improvements will be constructed in accordance with the City's standards and specifications and shall be free from defects. Owner further indemnifies City for all claims, expenses, and liability arising in connection with any and all defects. This express warranty and indemnification shall be limited to a period of one (1) year after acceptance by City of the last completed Public Improvement. If there is a defect in construction or materials, City reserves the right to require an extension of the one-year warranty as a condition for final acceptance of the public improvements.
10. Inspections. Owner agrees that any and all work performed regarding the Public Improvement was or shall be inspected by the City's designated Engineer or inspector to ensure the quality of work and materials. The City shall have no duty to inspect the work of any contractor or subcontractor of the Owner except with regard to the Public Improvements and shall have no duty with regard to workplace safety at Project.
11. Insurance. No later than ten (10) days after the effective date of this Agreement and before the commencement of construction of the Public Improvements, Owner agrees to provide to City a certificate of insurance listing City of Killeen as an additional insured on its commercial general liability insurance policy.

CITY'S OBLIGATIONS

12. Acceptance/Certification. The acceptance of the Public Improvements, upon completion, is subject to approval of the City's designated Engineer.
13. Payment. Upon acceptance of **Cosper Ridge Estates, Phase Five**, a "Participation Cost" as set forth in **Exhibit C** shall be paid by the City. Notwithstanding anything contained in this Agreement, City shall not reimburse that portion(s) of costs which together exceed thirty percent (30%) of the costs of the Public Improvements. If upon a final accounting it is determined that the City paid more than 30%, Owner agrees to refund to the City that portion above 30% within 30 days of City's written request for reimbursement. It is mutually agreed and understood that City will pay no interest to Owner on the said total

cost of the constructions and installations mentioned in Exhibit C. Notwithstanding any of these provisions, State law allows participation by the City at a level not to exceed one-hundred percent (100%) of any costs associated with over sizing any project improvement.

14. Defects During Warranty Period. City shall notify Owner in writing upon discovery of defects in the Public Improvements. Owner shall remedy defects within thirty (30) days after receiving notice of such from City. City may in its sole discretion grant additional time for remedy of defects where required by nature of the defect, provided that Owner commence work within thirty (30) days after receiving notice as described above and continue diligently to complete the repair work.

GENERAL TERMS AND CONDITIONS

15. Specifications. It is understood among the Parties that the technical requirements and specifications for the Project shall be in accordance with those established by the City's designated Engineer. It is further understood that designs for the Project shall be provided by Owner and must be approved by City's designated Engineer. Such approval shall not be unreasonably withheld.
16. Objectives. In the negotiation and acceptance of any term or condition, the parties hereby agree that the objectives to be fulfilled are the development of the Project and the orderly development in all the areas in its vicinity capable of development by reason of its location, topography, and pressure planes, subject to reasonable engineering efforts, so that the public interest of the City of Killeen will be well served.
17. Independent Obligation. Owner's obligation to construct and complete the Public Improvements as to which the City is making cost participation is not conditioned upon commencement of work in the subdivision or upon the sale of lots.
18. Binding Agreement. The terms and conditions set out in this Agreement shall be binding upon the parties hereto, and upon the heirs, successors, executors, administrators, personal representatives, and assigns of Owner and City.
19. Governing Law. In any dispute between the parties, it is hereby agreed that the laws of the State of Texas shall control and the venue shall be in Bell County, Texas.
20. Effective Date. This Agreement is effective upon signature by the last party to sign it.
21. Failure to Cure Defects. If Owner fails to remedy defects within thirty (30) days or within additional time granted by City, City may take any and all action to perform the work to remedy defects, including contracting with another party for the repair work or using City maintenance crews to perform the repair work, as City deems appropriate. Owner shall reimburse City for costs of remedying defects or alternatively, City may draw upon the Owner's security described below and in Exhibit D.
22. Default. The following occurrences shall constitute defaults on the part of Owner:

- (1) Owner's failure to begin or complete work on the Public Improvements within the prescribed time;
 - (2) Owner's failure to construct Public Improvements in accordance with the requirements of Exhibit B;
 - (3) Owner's failure to cure defects within the time period prescribed;
 - (4) Owner's abandonment of the Project as evidenced by his failure to perform work for a period of one hundred eighty (180) days;
 - (5) Owner's insolvency, appointment of receiver, or filing of a voluntary or involuntary bankruptcy petition; or
 - (6) The commencement of a foreclosure proceeding against the Project property, or a conveyance in lieu of foreclosure.
23. Rights Upon Default. Upon default by Owner, City reserves all remedies available at law or in equity, including but not limited to: (1) an action to recover damages for breach of this Agreement; (2) an action to seek specific performance; (3) an action to seek injunctive relief; (4) an action to rescind this Agreement and final plat approval; and (5) drawing upon the Owner's security described below and in Exhibit D. City shall be entitled to recover all expenses and reasonable attorney's fees in the event of litigation. All remedies provided by this Agreement are cumulative of rights provided at law or in equity.
24. Forms of Security. In order to guarantee completion of the Public Improvements and the faithful performance of this Agreement, the Owner, no later than ten (10) days after the effective date of this Agreement and before the commencement of the construction of the Public Improvements, shall deliver to the City the following: a performance bond in the penal sum of one hundred (100) percent of the cost to complete the Public Improvements, insuring full completion of the public improvements described in Exhibit D to this Agreement.
25. Waiver. City waives none of its rights with respect to this Agreement unless that right is expressly waived in writing herein. Nothing herein shall constitute an implied waiver of City's sovereign immunity.
26. Severability. If any provision of this Agreement is held by the courts to be illegal or unenforceable, that provision shall be severed from the Agreement and shall not render invalid the remaining provisions of this Agreement.
27. Entire Agreement. The provisions herein constitute the full extent of the Agreement among the parties concerning the construction of Public Improvements in this Project, and no parole evidence shall be allowed to contradict the terms hereof. Any amendment to or modification of this Agreement shall be by the written, mutual consent of the parties hereto.
28. Assignment. No obligation contained herein shall be transferred or assigned without the written, mutual consent of the parties hereto.
29. Attorney's Fees. Should any party hereto bring suit in court to enforce the terms hereof, it is agreed that the losing party or parties shall pay to the successful party or parties costs

and reasonable attorney's fees. If relief is granted to all parties, each will bear its own costs in their entirety.

Executed this _____ day of _____, 2016.

CITY OF KILLEEN

G. WAYNE COSPER

BY: _____
Lillian Ann Farris
INTERIM CITY MANAGER

BY: _____
G. Wayne Cosper
OWNER

ATTEST:

BY: _____
Dianna Barker
CITY SECRETARY

STATE OF TEXAS §
COUNTY OF BELL §

This instrument was acknowledged before me on this _____ day of _____, 2016,
by _____.

Notary Public, State of Texas

EXHIBIT A

**PROPERTY DESCRIPTION –
FIELD NOTES**

COSPER RIDGE ESTATES, PHASE FIVE

All construction and remedial actions to take place in existing City of Killeen right-of-way and easements in accordance with the attached field notes (one page) for the Cosper Ridge Estates, Phase Five subdivision, entitled Exhibit A.

FIELD NOTES for a 23.268 acre tract of land in Bell County, Texas, being part of the W. H. Cole Survey, Abstract No. 200, and the land herein described being part of a called 101.525 acre tract conveyed to G. Wayne Coper, of record in Volume 5605, Page 311, Official Public Records of Real Property, Bell County, Texas (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap, found at the southwest corner of Coper Ridge Estates, Phase Four, an addition to the City of Killeen, Texas, of record in Plat Year 2013, No. 1, Plat Records of Bell County, Texas, and being on the east line of Drainage Tract "A", Splawn Ranch Subdivision, Phase Three, an addition to the City of Killeen, Texas, of record in Cabinet D, Slide 173-C, Plat Records of Bell County, Texas, for the northwest corner of this tract;

THENCE N. 69° 03' 24" E., 1081.00 feet, with the south line of said Coper Ridge Estates, Phase Four, to a 1/2" iron rod with cap stamped "M&ASSOC KILLEEN", found at the southeast corner of said Coper Ridge Estates, Phase Four, being on the east line of said 101.525 acre tract and the west line of a called 263.659 acre tract conveyed to Karen Cole Protection Trust, of record in Document #2010-45838, Official Public Records of Real Property, Bell County, Texas, for the northeast corner of this tract;

THENCE S. 20° 51' 40" E., 1383.14 feet, with the east line of said 101.525 acre tract and the west line of said 263.659 acre tract, to a 1/2" iron rod with cap stamped "M&A", set for the northerly southeast corner of this tract;

THENCE S. 69° 05' 50" W., 114.89 feet, over and across said 101.525 acre tract, to a 1/2" iron rod with cap stamped "M&A", set for an interior corner of this tract;

THENCE over and across said 101.525 acre tract, the following four (4) calls:

1. S. 20° 56' 36" E., 193.32 feet, to a 1/2" iron rod with cap stamped "M&A", set at the beginning of a curve to the left, for a corner of this tract;
2. Along said curve to the left having a radius of 130.00 feet, an arc length of 73.23 feet, and a long chord bearing S. 37° 04' 53" E., 72.27 feet, to a 1/2" iron rod with cap stamped "M&A", set at the end of said curve and the beginning of a curve to the right, for a corner of this tract;
3. Along said curve to the right having a radius of 130.00 feet, an arc length of 73.93 feet, and a long chord bearing S. 36° 55' 36" E., 72.94 feet, to a 1/2" iron rod with cap stamped "M&A", set at the end of said curve, for a corner of this tract;
4. S. 20° 38' 03" E., 66.86 feet, to a 1/2" iron rod with cap stamped "M&A", set on the north right-of-way line of Chaparral Road, for the southerly southeast corner of this tract;

THENCE S. 69° 04' 48" W., 70.00 feet, with the north right-of-way line of said Chaparral Road, to a 1/2" iron rod with cap stamped "M&A", set for the most southerly southwest corner of this tract;

THENCE over and across said 101.525 acre tract, the following eleven (11) calls:

1. N. 20° 38' 03" W., 67.21 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
2. Along said curve to the left having a radius of 60.00 feet, an arc length of 34.12 feet, and a long chord bearing N. 36° 55' 36" W., 33.67 feet, to a 1/2" iron rod with cap stamped "M&A", set at the end of said curve, for a corner of this tract;
3. N. 52° 34' 58" W., 4.44 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the right, for a corner of this tract;
4. Along said curve to the right having a radius of 130.00 feet, an arc length of 70.34 feet, and a long chord bearing N. 36° 26' 41" W., 69.49 feet, to a 1/2" iron rod with cap stamped "M&A", set at the end of said curve, for a corner of this tract;
5. N. 20° 56' 36" W., 257.85 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;
6. S. 69° 03' 24" W., 120.00 feet, to a 1/2" iron rod with cap stamped "M&A" set for an exterior corner of this tract;
7. N. 20° 56' 36" W., 516.09 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;
8. S. 69° 03' 24" W., 581.33 feet, to a 1/2" iron rod with cap stamped "M&A" set for an exterior corner of this tract;
9. N. 20° 56' 36" W., 309.58 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;
10. N. 77° 53' 23" W., 199.88 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
11. S. 75° 38' 33" W., 35.68 feet, to a 1/2" iron rod with cap stamped "M&A" set on the west line of said 101.525 acre tract, being on the east line of that certain tract conveyed to Muhammad Kahn, of record in Volume 3339, Page 799, O.P.R.R.P.B.C.T., for a corner of this tract;

THENCE N. 20° 51' 33" W., 247.94 feet, with the west line of said 101.525 acre tract and the east line of said Kahn tract, to a drill stem post found at the northeast corner of said Kahn tract and the southeast corner of said Splawn Ranch Subdivision Phase Three, for an angle corner of this tract;

THENCE N. 21° 00' 14" W., 167.87 feet, with the west line of said 101.525 acre tract and the east line of said Splawn Ranch Subdivision Phase Three, to the POINT OF BEGINNING and containing 23.268 acres of land.

The bearings for the above description are based on the Texas Plane Coordinate System, Central Zone, NAD 83, per Leica Texas SmartNet GPS observations.

See accompanying drawing.

STATE OF TEXAS
COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas,
Registered Professional Land Surveyor, do hereby certify that
that I did cause to be surveyed on the ground and this
description is true and correct to the best of my knowledge
and belief.

IN WITNESS THEREOF, my hand and seal this the 20th day of March, 2014.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378



EXHIBIT B

PUBLIC IMPROVEMENTS TO BE CONSTRUCTED BY OWNER

COSPER RIDGE ESTATES, PHASE FIVE

The Public Improvements to be over sized by the Owner as a part of this Agreement include the following infrastructure:

- Construction of approximately 725 linear feet of 42-inch diameter storm water pipes with appurtenances, open channel transitions, and earthen channel improvements.

These Public Improvements shall be in accordance with the approved plat drawings entitled Cospers Ridge Estates, Phase Five which are made a part of this Agreement.

EXHIBIT C

CITY PARTICIPATION COST

COSPER RIDGE ESTATES, PHASE FIVE

Upon inspection of the Public Improvements listed in Exhibit B of this Agreement, and upon City's determining that they are acceptable to the City, the City shall pay Owner one hundred percent (100%) of the installed cost of said Public Improvements identified in Exhibit B of this Agreement.

The specific items for City Cost Participation in this Agreement are described herein:

ITEM DESCRIPTION	ITEM COST
<u>Drainage Infrastructure</u>	
Construction of drainage improvements within publicly-dedicated easements, to include engineering and surveying (total project cost)	\$113,355.00
Cost for regional public benefit (33% pro-rated share)	\$37,407.15
TOTAL CITY COST (oversizing only)	\$37,407.15

EXHIBIT D

DEVELOPMENT PROCESS

COSPER RIDGE ESTATES

1. Owner shall post with the City a Performance Bond executed by a corporate surety or corporate sureties duly authorized to do business in this State, payable to City and approved by City as to form, for construction included in the approved construction plans, in the sum of **\$113,355.00**. A power of attorney shall be attached to the bond evidencing that the agent signing the bond has authority to sign the bonds on behalf of the surety. The bond shall be released upon completion and final acceptance by the City of the public improvements.
2. The approved plat with required notations shall be recorded following receipt of the Performance Bond.
3. The Public Improvements shall be completed to the satisfaction of the City prior to the City's making any cost participation in the construction thereof, and prior to the issuance to Owner of a Certificate of Occupancy for any building or structure built on the premises of the Project.
4. Upon completion of the Public Improvements, prior to their being accepted for maintenance by the City, Owner shall post, or cause to be posted, a Maintenance Bond executed by a corporate surety or sureties duly authorized to do business in Texas. Said Maintenance Bond shall be payable to City and approved by City as to form, to guarantee the maintenance of the Public Improvements for a period of one (1) year after completion and City's acceptance of them. If there is a defect in construction or materials, City reserves the right to require an extension of the one-year warranty as a condition of final acceptance of the Public Improvements.
5. In lieu of a maintenance bond, Owner may submit either an Irrevocable Letter of Credit payable to City and approved by City as to form, or a Cash Bond payable to City and approved by City as to form.

Quintero Engineering, LLC

CIVIL ENGINEERS / PLANNERS / CONSTRUCTION MANAGEMENT

April 27, 2016

John Nett, P.E., CFM
City of Killeen
P.O. Box 1329
Killeen, TX 76540-1329

Mr. Nett:

On behalf of the owner, please find this letter as the owner's intent to seek city participation on the oversized, constructed and City accepted drainage infrastructure that serves approximately 40 acres of offsite undeveloped drainage area. The subject drainage improvements are associated with the Cosper Ridge Estates, Phase 5 (CRE 5) residential subdivision development for public benefit.

The owner is seeking city-owner agreement participation for the following:

- 33% of the oversized drainage infrastructure construction cost. The subject drainage improvements serve approximately 40 acres of undeveloped drainage area, as shown on the attached Sheet COA1, City-Owner Agreement Exhibit.
 - The oversized percentage was determined by evaluating the storm drain system capacity versus the offsite drainage area runoff flow under the 25-year storm frequency event per the City's DDM. Two 42" diameter storm drain trunk mains were utilized to capture and convey the upstream offsite drainage area runoff flow through and across the subdivision. Based on the analysis results, the combined full pipe capacity of the two storm drain trunk mains using the minimum pipe slopes is 158.28 cfs. The calculated runoff flow from the offsite drainage area is 106.76 cfs. Dividing the runoff flow by the combined full capacity resulted in a 33% oversizing. Please reference an excerpt page from the approved Cosper Ridge Estates, Phase 5, Technical Drainage Report prepared by Mitchell & Associates, Inc. and dated October 28, 2014. The excerpt page is the Storm Sewer Tabulation, which summarizes the storm drain system design hydrology and hydraulic characteristics under the 25-year storm frequency event.

Attached please find the cost estimate for City Staff review. Upon agreement to the scope and preliminary numbers, we will proceed with an agreement in principle as required by city ordinance. Please note:

The Engineer's evaluations of the Owner's project budget and its opinions of construction costs as provided herein will be made on the basis of the Engineer's experience and qualifications and will represent the Engineer's best judgment as a qualified design professional familiar with the construction industry.

Please feel free to contact us at any time should you have any questions or concerns.

Thank you.



Pedro Quintero, P.E.
President

Attachments:
City-Owner Agreement Exhibit
Drainage Report Excerpt: Storm Sewer Tabulation (25-Year)
Engineer's Construction Cost Estimate
Copy: File

Quintero Engineering, LLC

Civil Engineering • Land Surveying
 Planning • Construction Management



ENGINEER'S CONSTRUCTION COST ESTIMATE

Prepared For

Cosper Ridge Estates, Phase 5

City Owner Agreement Drainage Improvements

April 29, 2016

Item	Description	Quantity	Units	Unit Cost	Sub-Total
1	42" Diameter Storm Drain Pipe	725	LF	\$112.00	\$81,200.00
2	42" Diameter 30 Degree Storm Drian Pipe Bends	4	EA	\$500.00	\$2,000.00
3	Wing Wall	1	EA	\$7,500.00	\$7,500.00
4	4.5'x4.5' Junction Box	2	EA	\$5,500.00	\$11,000.00
5	Concrete Sloped End Treatment	2	EA	\$1,250.00	\$2,500.00
6	14" Diameter Stone Grouted Riprap	31	CY	\$100.00	\$3,100.00
7	6" Diameter Stone Grouted Riprap	43	CY	\$85.00	\$3,655.00
8	Downstream Channel (Includes excavation & stabilization)	200	CY	\$12.00	\$2,400.00
Total					\$113,355.00
Drainage Improvements Considered for Oversizing Total					\$113,355.00
33% CITY COST SHARING PARTICIPATION					\$37,407.15

Pedro Quintero, P.E. 04/27/2016

Engineer's Name

Date



P.O. Box 4386, Killeen, Texas 76540
 Office: 254-493-9962 Fax: 254-432-7070
 T.B.P.E. Firm No.: 14709 T.B.P.L.S. Firm No. 10194111

Storm Sewer Tabulation

Runoff Flow

Full Pipe Capacity

Station		Len (ft)	Drng Area		Rnoff coeff (C)	Area x C		Tc		Rain (l) (in/hr)	Total flow (cfs)	Cap full (cfs)	Vel (ft/s)	Pipe		Invert Elev		HGL Elev		Grnd / Rim Elev		Line ID
Line	To Line		Incr (ac)	Total (ac)		Incr	Total	Inlet (min)	Syst (min)					Size (in)	Slope (%)	Dn (ft)	Up (ft)	Dn (ft)	Up (ft)	Dn (ft)	Up (ft)	
1	End	34.284	0.00	24.76	0.00	0.00	11.80	0.0	26.1	5.9	67.57	87.33	9.46	42	0.75	852.86	853.12	855.17	855.69	856.95	857.21	P-B-1D.2.1
2	1	16.654	0.00	24.76	0.00	0.00	11.80	0.0	26.0	5.9	67.57	87.14	8.26	42	0.75	853.12	853.24	856.16	855.82	857.21	857.33	P-B-1D.2.2
3	2	204.925	0.00	24.76	0.00	0.00	11.80	0.0	25.6	5.9	67.57	87.22	8.26	42	0.75	853.24	854.78	856.28	857.35	857.33	861.47	P-JB-1D.2
4	3	27.760	4.79	9.58	0.55	2.63	5.27	14.0	14.1	8.1	28.38	66.50	6.73	30	2.63	855.78	856.51	858.07	858.32	861.47	862.04	P-CI-2D-1
5	4	39.000	4.79	4.79	0.55	2.63	2.63	14.0	14.0	8.2	14.17	19.50	5.46	24	0.74	857.01	857.30	858.87	858.66	862.04	862.04	P-CI-2D-2
6	3	137.518	15.18	15.18	0.43	6.53	6.53	25.0	25.0	6.0	39.19	87.91	5.74	42	0.76	854.78	855.83	857.90	857.77	861.47	859.92	P-HW-1D.2
7	End	77.296	0.00	15.18	0.00	0.00	6.53	0.0	26.1	5.9	39.19	71.25	7.36	42	0.50	852.86	853.25	854.71	855.19	856.95	857.34	P-B-1D.1.1
8	7	17.321	0.00	15.18	0.00	0.00	6.53	0.0	26.0	5.9	39.19	71.14	6.26	42	0.50	853.25	853.33	855.73	855.28	857.34	857.42	P-B-1D.1.2
9	8	147.393	0.00	15.18	0.00	0.00	6.53	0.0	25.4	5.9	39.19	101.8	6.25	42	1.02	853.33	854.84	855.81	856.78	857.42	860.39	P-JB-1D.1
10	9	97.018	15.18	15.18	0.43	6.53	6.53	25.0	25.0	6.0	39.19	101.6	6.26	42	1.02	854.84	855.83	857.32	857.77	860.39	859.92	P-HW-1D.1
11	End	55.415	0.00	2.51	0.00	0.00	1.15	0.0	11.1	9.1	17.84	47.07	7.52	30	1.32	852.86	853.59	853.93	855.02	855.81	856.54	P-B-1D
12	11	24.444	2.51	2.51	0.46	1.15	1.15	11.0	11.0	9.1	17.84	46.92	5.42	30	1.31	853.59	853.91	855.40	855.34	856.54	859.16	P-CI-1D-1

TITLE: Drainage Report Excerpt - Storm Sewer Tabulation (25-Year) - Re: Cosper Ridge Estates, Phase 5 - Technical Drainage Report prepared by Mitchell & Associates, Inc. and dated October 28, 2014

Project File: SD-Cosper 5-25yr.stm

Number of lines: 12

Run Date: 10/28/2014

NOTES: Intensity = 90.00 / (Inlet time + 8.50) ^ 0.77; Return period = Yrs. 25 ; Total flows limited to inlet captured flows. ; c = cir e = ellip b = box



City of Killeen

Legislation Details

File #: OR-16-020 **Version:** 1 **Name:** Pay Freeze
Type: Ordinance **Status:** Ordinances
File created: 9/14/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: Consider an ordinance to approve, for FY 17, suspension of compensation step increases for all city employees, including civil service employees.
Sponsors: Human Resources Department
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Ordinance](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**Suspension of Compensation Step Increases
All Employees, FY 17**

ORIGINATING DEPARTMENT

City Manager

BACKGROUND INFORMATION

The FY 17 budget, adopted on September 13, 2016, included a suspension of compensation step increases for all city employees.

DISCUSSION/CONCLUSION

The City Council adopts the pay plan for all employees, which establishes the salary of all city employees. This includes all non-civil service employees, probationary fire and police officers, and those in civil service classifications authorized under the provisions of Texas Local Government Code 143.041.

This ordinance will approve a suspension of compensation step increases for all city employees in FY 17. The suspension will be effective October 1, 2016. The approval of the ordinance authorizes the use of the 2016-2017 pay plan, with no employee movement across steps.

FISCAL IMPACT

The adoption of the proposed ordinance has granted a net savings of \$736,121 in the FY 17 budget.

RECOMMENDATION

It is recommended that the City Council approve this ordinance, suspending compensation step increases for all city employees, including each classification in the City of Killeen Fire and Police Department, as provided in the previously-approved pay plan.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, SUSPENDING THE COMPENSATION STEP INCREASES OF ALL EMPLOYEES FOR FY 17; PROVIDING A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on September 13, 2016, the City Council adopted the FY 17 budget, which included the suspension of compensation step increases for all employees for FY 17.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

SECTION I: That the compensation step increases for all employees, including both civil service and non-civil service employees, is hereby suspended for FY 17. Furthermore, the 2016-2017 pay plans for both civil service and non-civil service employees will remain in effect with no employee movement across steps for FY 17.

SECTION II: That all ordinances or resolutions or parts of ordinances or resolutions in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION III: That should any section or part of any section or paragraph of this ordinance be declared invalid or unconstitutional for any reason, it shall not invalidate or impair the validity, force or effect of any other section or sections or part of a section or paragraph of this ordinance.

SECTION IV: That the Code of Ordinances of the City of Killeen, Texas, as amended, shall remain in full force and effect, save and except as amended by this ordinance.

SECTION V: That this ordinance shall be effective October 1, 2016.



City of Killeen

Legislation Details

File #: PH-16-034A **Version:** 1 **Name:** FLUM #Z16-16
Type: Ordinance/Public Hearing **Status:** Public Hearings
File created: 8/15/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: HOLD a public hearing and consider an ordinance to amend the Comprehensive Plan's Future Land Use Map (FLUM) from 'Rural' to 'Suburban Commercial' (FLUM# Z16-16) for approximately 11 acres, being part of the T. Robinett Survey, Abstract No. 686. The property is addressed as 3901 and 4001 Robinett Road, Killeen, Texas.
Sponsors: Planning & Development Dept
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Attachment to CCMO](#)
[Minutes](#)
[Ordinance](#)
[Application](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

**COMPREHENSIVE PLAN FUTURE LAND USE
MAP (FLUM) AMENDMENT: 'RURAL' TO
'SUBURBAN COMMERCIAL'**

ORIGINATING DEPARTMENT

PLANNING & DEVELOPMENT SERVICES

Nature of the Request

Thayne and Rikki Bright (the applicants) are requesting to amend the Comprehensive Plan's Future Land Use Map (FLUM) to change a 'Rural' designated area to a 'Suburban Commercial' designation for approximately 11 acres, being part of the T. Robinett Survey, Abstract No. 686. The property is located at 3901 and 4001 Robinett Road, Killeen, Texas. The applicant has submitted a concurrent request to rezone the subject property from "A-R1" (Agricultural Single-Family Residential District) to "B-3" (Local Business District).

Figure 1. Aerial Map

See attachment.

Figure 2. Future Land Use Map (FLUM)

See attachment.

The factors below should be reviewed and addressed when a Future Land Use Map (FLUM) adjustment is proposed:

- **Scope of Amendment:** Is the proposed map change limited to one or a few parcels, or would it affect a much larger area? *The amendment would affect approximately 11 acres and should be considered a minor amendment that is specific to the applicant's request.*
- **Change in Circumstances:** What specific conditions (e.g., population size and/or characteristics, area character and building form, property/structure conditions, infrastructure or public services, market factors including need for more land in a particular designation, etc.) have changed sufficiently to render the current map designation(s) inappropriate or out-of-date? *The 'Rural' land use designation was applied along this portion of land due to the occurrence of a large floodplain area. South Nolan Creek and Robinett Creek are both located on the subject site, and the FLUM denotes these floodplain areas as 'Rural' due to the natural drainage systems. In this specific instance, the intent of the FLUM is to acknowledge the creeks and the existing homesteads. Currently, Robinett Road has dense residential development, and this area will accommodate low-intensity commercial and retail use.*

- **Consistency with Other Plans:** In addition to the Comprehensive Plan, is the proposed map change consistent with the intent and policy direction of any applicable small area plans, utility or drainage plans, or other City plans? *The proposed map change is consistent with other City planning efforts (Water and Wastewater Master Plan, Thoroughfare Plan, and Parks Master Plan).*
- **Adequate Information:** Do City staff, the Planning and Zoning Commission, and/or City Council have enough and appropriate information to move ahead with a decision (e.g., utility capacity, potential traffic impacts, other public service implications, resident/stakeholder concerns and input)? *Staff has sufficient information regarding utility capacity and roadway level of service for this area.*
- **Stakeholder Input:** What points, concerns, and insights have been raised by area residents, property owners, business owners, or others? *With the exception of listing this action as a public hearing item on the Planning and Zoning Commission's agenda, there is no public notice requirement for this amendment action. No residents spoke in opposition during the public hearing.*

The 'Rural' designation encourages the following land uses and has the following characteristics:

- Residential homesteads
- Agricultural Uses and agriculture-focused commercial retail
- Natural and protected floodplain areas
- Wide open landscapes, with no sense of enclosure, and views to the horizon unbroken by buildings
- Very high open space ratios and very low building coverage
- Very low-density development, providing privacy and detachment from other dwellings in the area
- Much greater reliance on natural drainage systems, except where altered significantly by agricultural operations

If approved, the 'Suburban Commercial' designation encourages the following land uses and has the following characteristics:

- Range of commercial, retail and service uses, at varying scales and intensities depending on the site
- Office (both large and/or multi-story buildings and small-scale office uses depending on the site)
- Public/institutional
- Parks and public spaces
- Suburban character primarily from reduced site coverage relative to most commercial development

Recommendation

The Planning and Zoning Commission recommended approval of the applicant's request for an amendment of the Future Land Use Map (FLUM) from 'Rural' to 'Suburban Commercial' by a vote of 4 to 0.

Figure 1. Aerial Map (Google Map data)



KEY: Area requested for future land use amendment

Figure 2. Future Land Use Map (FLUM)



Subject Area

Note: Subject area has been designated as 'Rural'

**MINUTES
PLANNING AND ZONING COMMISSION MEETING
AUGUST 29, 2016**

**CASE FLUM #Z16-16
'RURAL' TO 'SUBURBAN COMMERCIAL'**

HOLD a public hearing and consider a request to amend the Comprehensive Plan's Future Land Use Map (FLUM) to change a 'Rural' designated area to a 'Suburban Commercial' designated area for approximately 11 acres, being part of the Thomas Robinett Survey, Abstract No. 686. The property includes 3901 and 4001 Robinett Road, Killeen, Texas.

Chairman Frederick requested staff comments.

City Planner Tony McIlwain stated that the property is located southwest of the intersection of W. Elms Road and Robinett Road. The 'Rural' land use designation was applied along this portion of land due to the occurrence of a large floodplain area. The intent of property owners is to designate the property to 'Suburban Commercial' to allow commercial development. Currently, Robinett Road has dense residential development, and this area will accommodate low-intensity commercial and retail use.

If approved, the 'Suburban Commercial' designation encourages the following land uses and has the following characteristics:

- Range of commercial, retail and service uses, at varying scales and intensities depending on the site
- Office (both large and/or multi-story buildings and small-scale office uses depending on the site)
- Public/institutional
- Parks and public spaces
- Suburban character primarily from reduced site coverage relative to most commercial development

Mr. Pedro Quintero, Quintero Engineering, LLC, 415 E. Avenue D, Killeen, Texas, was present to represent this request.

Commissioners Harkin and Dillard had concerns on the aesthetics of the development. Mr. Quintero stated that the developers would have to follow the standards that are in place.

Commissioner Alvarez reiterated that the city owned property to the west would provide a natural vegetative buffer. Since the majority of the property is in the floodplain, the developer would have to follow additional requirements if the property owners decided to build in the floodplain. Mr. Quintero stated that only 4 acres were developable.

Chairman Frederick opened the public hearing. With no one requesting to speak, the public hearing was closed.

Commissioner Dillard motioned to recommend approval of the request. Commissioner Alvarez seconded the motion. The motion passed 4-0.

Chairman Frederick stated that this request will be forwarded to City Council with a recommendation to approve.

ORDINANCE _____

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN'S FUTURE LAND USE MAP FROM 'RURAL' TO 'SUBURBAN COMMERCIAL' FOR APPROXIMATELY 11 ACRES, BEING PART OF THE T. ROBINETT SURVEY, ABSTRACT NO. 686, KILLEEN, TEXAS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

WHEREAS, the City of Killeen finds that Chapter 213.003 of the Local Government Code enables municipalities to adopt and amend comprehensive plans in the interest of coordinating long-range development of the municipality.

WHEREAS, the Planning and Zoning Commission has received a request by Thayne and Rikki Bright to amend the Future Land Use Map (FLUM) of the Comprehensive Plan, to change approximately 11 acres, out of the T. Robinett Survey, Abstract No. 686 (locally known as 3901 and 4001 Robinett Road) from 'Rural' to 'Suburban Commercial'; said revision having been duly presented and recommended for approval by the Planning and Zoning Commission of the City of Killeen on the 29th day of August 2016, and due notice of the filing of said revision and the date of hearing thereon was given as required by law, and hearing on said request was set for 5:00 P.M., on the 27th day of September 2016, at the City Hall, City of Killeen;

WHEREAS, the City Council at said hearing duly considered said request, the action of the Planning and Zoning Commission and the evidence in support thereof, and the City Council being of the opinion that the amendment should be approved;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS:

SECTION I: That the land use designation of approximately 11 acres, out of the T. Robinett Survey, Abstract No. 686 (locally known as 3901 and 4001 Robinett Road), be changed from 'Rural' to 'Suburban Commercial'.

SECTION II. That should any section or part of this ordinance be declared unconstitutional or invalid for any reason, it shall not invalidate or impair the validity, force, or effect of any other section or parts of this ordinance.

SECTION III. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION IV. That this ordinance shall take effect immediately upon passage of the ordinance.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this 27th day of September 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, §551.001 et seq.

APPROVED:

Jose Segarra
MAYOR

ATTEST:

Diana Barker
CITY SECRETARY

APPROVED AS TO FORM

Kathryn H. Davis
CITY ATTORNEY

Case #: FLUM #Z16-16
Ord#: 16-___



Date Paid:	<u>7/21/16</u>
Amount Paid:	<u>\$ 100.00</u>
Cash/MO #/Check #:	<u># 488</u>
Receipt #:	<u>430</u>

CASE #: FLUM # 216-16

City of Killeen
Future Land Use Map (FLUM) Amendment Application
 FLUM Amendment Request \$100.00

Name(s) of Property Owner: Thayne Bright & Rikki Bright

Current Address: 21880 Wolfridge Road

City: Killeen State: Texas Zip: 76549

Home Phone: () _____ Business Phone: () _____ Cell Phone: (254) 289-9638

Email: _____

Name of Applicant: N/A
 (If different than Property Owner)

Address: N/A

City: _____ State: _____ Zip: _____

Home Phone: () N/A Business Phone: () _____ Cell Phone () _____

Email: N/A

Address/Location of property proposed for FLUM amendment: 3901 & 4001 Robinett Road

Legal Description: A0686BC T Robinett, 45, Acres 15.071

Surveyor's Sketch Metes & Bounds or Lot(s) Block Subdivision

Type of Ownership: Sole Ownership _____ Partnership _____ Corporation _____ Other _____

Present FLUM Designation: Rural Present Use: Residential

Proposed FLUM Designation: Suburban Commercial Proposed Use: Commercial

This property was conveyed to owner by deed dated September 29, 2015 and recorded in Volume _____, Page _____, Instrument Number 201500041072 of the Bell County Deed Records. (Attached)

APPOINTMENT OF AGENT

As owner of the subject property, I hereby appoint the person designated below to act for me, as my agent in this request.

Name of Agent: Quintero Engineering, LLC

Mailing Address: P.O. Box 4386

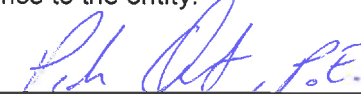
City: Killeen State: Texas Zip: 76540 - _____

Home Phone: (____) _____ Business Phone: (254) 493-9962 Email: pquintero@quinteroeng.com

I acknowledge and affirm that I will be legally bound by the words and acts of my agent, and by my signature below, I fully authorize my agent to:

be the point of contact between myself and the City; make legally binding representations of fact and commitments of every kind on my behalf; grant legally binding waivers of rights and releases of liabilities of every kind on my behalf; to consent to legally binding modifications, conditions, and exceptions on my behalf; and, to execute documents on my behalf which are legally binding on me. This authorization only applies to this specific FLUM amendment request.

I understand that the City will deal only with a fully authorized agent. At any time it should appear that my agent has less than full authority to act, then the application may be suspended and I will have to personally participate in the disposition of the application. I understand that all communications related to this application are part of an official proceeding of City government and, that the City will rely upon statements made by my agent. Therefore, **I agree to hold harmless and indemnify the City of Killeen, its officers, agents, employees, and third parties who act in reliance upon my agent's words and actions from all damages, attorney fees, interest and costs arising from this matter.** If my property is owned by a corporation, partnership, venture, or other legal entity, then I certify that I have legal authority to make this binding appointment on behalf of the entity, and every reference herein to 'I', 'my', or 'me' is a reference to the entity.

Signature of Agent  Title President

Printed/Typed Name of Agent Pedro Quintero, P.E. Date 7/21/16

Signature of Agent _____ Title _____

Printed/Typed Name of Agent _____ Date _____

Signature of Applicant _____ Title _____

Printed/Typed Name of Applicant _____ Date _____

Signature of Property Owner  Title Owner

Printed/Typed Name of Property Owner Rikki Bright Date 7-21-2016

Signature of Property Owner _____ Title _____

Printed/Typed Name of Property Owner _____ Date _____

Signature of Property Owner _____ Title _____

Printed/Typed Name of Property Owner _____ Date _____

*Application must be signed by the individual applicant, by each partner of a partnership, or by an officer of a corporation or association.



City of Killeen

Legislation Details

File #: PH-16-034B **Version:** 1 **Name:** Zoning 16-16
Type: Ordinance/Public Hearing **Status:** Public Hearings
File created: 8/15/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: HOLD a public hearing and consider an ordinance requested by Thayne and Rikki Bright (Case #Z16-16) to rezone approximately 11 acres, being part of the T. Robinett Survey, Abstract No. 686, from "A-R1" (Agricultural Single-Family Residential District) to "B-3" (Local Business District) for prospective commercial uses. The property is addressed as 3901 and 4001 Robinett Road, Killeen, Texas.
Sponsors: Planning & Development Dept
Indexes:
Code sections:
Attachments: [Council Memorandum](#)
[Attachment to CCMO](#)
[Minutes](#)
[Ordinance](#)
[Application](#)
[Location map](#)
[Buffer map](#)
[Considerations](#)
[Opposition](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

- (22) Gasoline service station, auto laundry or car wash
- (23) Auto parts sales, new, at retail
- (24) A customarily incidental use: sale of beer and/or wine only for off-premises consumption only shall be considered a customarily incidental use in this district, but not in any residential district or any more restrictive business district
- (25) Theaters of general release
- (26) Mini/self-storage facilities - a building or group of buildings in a controlled access and fenced compound that contains varying sizes of individual compartmentalized and controlled access stalls or lockers for the storage of customer's goods or wares. No outside storage, sales, service or repair activities, other than the rental of storage units shall be permitted on premises

Property Specifics

Applicant/Property Owner: Thayne and Rikki Bright

Property Location: The property is located at 3901 and 4001 Robinett Road, Killeen, Texas.

Legal Description: Approximately 11 acres, being part of the T. Robinett Survey, Abstract No. 686

Zoning/ Plat Case History:

- There is no recent zoning activity for this property.
- The property has not been platted.

Character of the Area

Existing Land Use(s) on the Property: The property currently contains two residential structures. There is residential development to the west and south of the property. The property east of this site is currently zoned "B-3" (Local Business District).

Figure 1. Zoning Map

See attachment.

Historic Properties: None

Infrastructure and Community Facilities

Water, Sewer and Drainage Services:

Provider: City of Killeen

Within Service Area: Yes

Feasibility Study or Service Commitment: Water, sanitary sewer, and drainage utility services are readily available to the above subject property proposed to be rezoned within the City of Killeen municipal utility service area. However, in accordance with the City of Killeen Code of Ordinances, the developer is required to extend public utilities to the property in accordance

with the plan of service validated with any approved plat case(s). Detention of post development storm water run-off may be required if the property is further developed. Currently sheet flow runoff directly enters South Nolan Creek before exiting the property being zoned. While this section of South Nolan Creek is unimpaired, approximately 6 miles downstream South Nolan Creek is currently listed on the TCEQ's 2014 303(d) water quality list for impairment due to bacteria and concerns for near non-attainment for nutrients.

It shall be noted that Public Works personnel have performed only a basic assessment of publicly-dedicated water and sanitary sewer infrastructure that would serve this property. The property owner and his agents are cautioned that unknown or unforeseen site conditions may require remedial action to provide safe and adequate water, sewer or drainage service to the property. Further, City of Killeen development regulations require that capacity analyses related to development of the property are the sole responsibility of the owner. The owner or his agents, acting as the permit applicant for re-development of the subject property, shall coordinate tie-in to all publicly dedicated infrastructure with the Public Works Department.

Transportation:

Existing conditions: The property has frontage along W. Elms Road and Robinett Road, which are both classified as 90' minor arterials on the City's adopted Thoroughfare Plan.

Proposed Improvements: None

Projected Traffic Generation: Traffic generation is undetermined at this point as a development scheme has not been provided.

Environmental Assessment

Topography/Regulated Floodplain/Floodway/Creek: This property contains a FEMA regulatory Zone AE Special Flood Hazard Area (SFHA). Approximately 1.57 acres of the SFHA is floodway and approximately 3.62 acres of the area is floodplain. Approximately 69% of the site has soils with less than a 1% slope and are classified as frequently flooded. There is also an unnamed tributary, locally known as Robinett Creek, that bisects the property and flows from southeast to northwest. A Creek Buffer Zone (CBZ) will be required along both watercourses at the time of platting. Additionally, a portion of the southwest corner of the area being zoned contains, or abuts, an area identified as Freshwater Emergent Wetland.

Land Use Analysis

Land Use Plan: This area is designated as 'Rural' on the Future Land Use Map (FLUM) of the Comprehensive Plan.

Plan Recommendation: The 'Rural' designation encourages wide open landscapes, very high open space ratios and low density development.

Consistency: The request is not consistent with the Comprehensive Plan's FLUM. However, the applicant has submitted a concurrent FLUM amendment request from 'Rural' to 'Suburban Commercial' along with this zoning request.

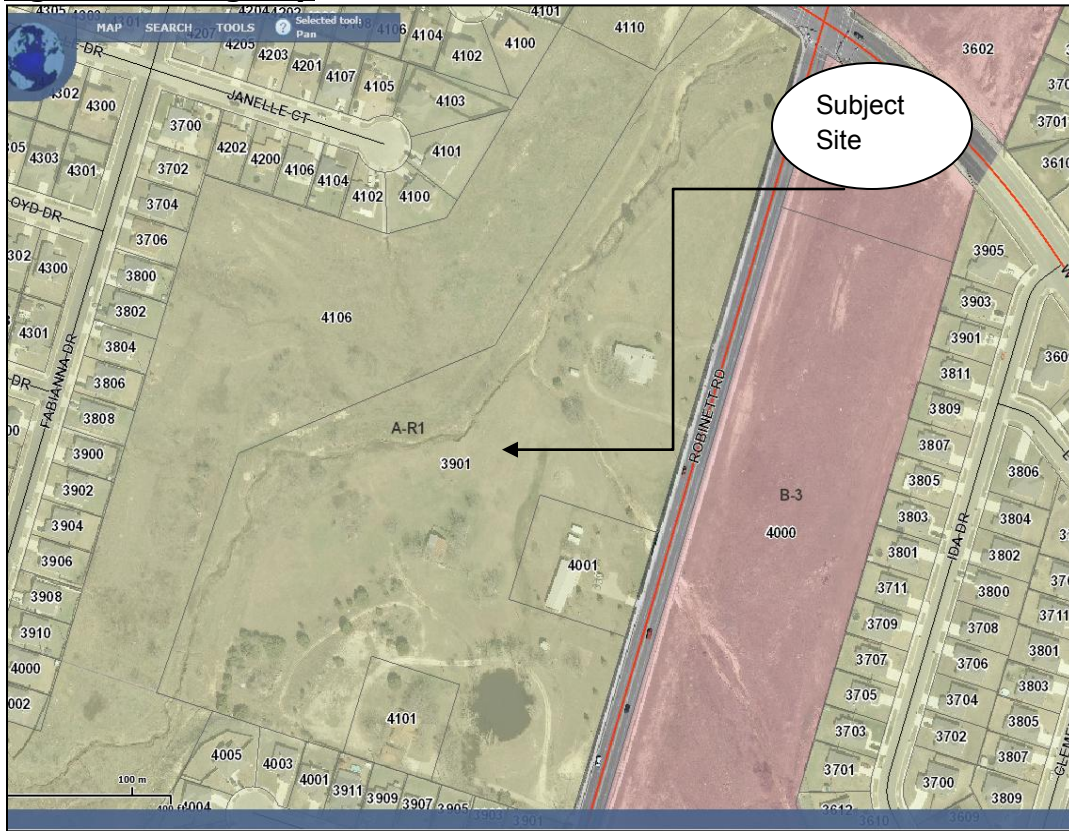
Public Notification

The staff notified sixteen (16) surrounding property owners regarding this request. Staff has received one response in opposition from Ms. Angela Johnson, the owner of 4101 Janelle Court.

Recommendation

The Planning & Zoning Commission recommended approval of "B-3" zoning by a vote of 4 to 0.

Figure 1. Zoning Map



**MINUTES
PLANNING AND ZONING COMMISSION MEETING
AUGUST 29, 2016**

**CASE #Z16-16
A-R1 to B-3**

HOLD a public hearing and consider a request submitted by Thayne and Rikki Bright to rezone approximately 11 acres, out of the Thomas Robinett Survey, Abstract No. 686, from A-R1 (Agricultural Single-Family Residential District) to B-3 (Local Business District). The property is located along the west right-of-way of Robinett Road, south of W. Elms Road. The property is locally known as 3901 and 4001 Robinett Road, Killeen, Texas.

Chairman Frederick asked for staff comments.

City Planner Tony McIlwain stated that this is the second portion of the public hearing.

The staff notified sixteen (16) surrounding property owners regarding this request. Staff has received no responses. The property owners are requesting to rezone the property to B-3 (Local Business District).

Staff recommends approval of “B-3” (Local Business District) zoning for the site. It will be compatible with the commercial zoning across Robinett Road.

Mr. Pedro Quintero, Quintero Engineering, LLC, 415 E. Avenue D, Killeen, Texas, was present to represent this request.

Chairman Frederick opened the public hearing. With no one requesting to speak, the public hearing was closed.

Commissioner Dillard motioned to recommend approval of the request. Commissioner Beronio seconded the motion. The motion passed 4-0.

Chairman Frederick stated that this request will be forwarded to City Council with a recommendation to approve.

ORDINANCE _____

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF KILLEEN BY CHANGING THE ZONING OF CERTAIN PROPERTY OUT OF THE CITY OF KILLEEN, BELL COUNTY, TEXAS, FROM A-R1 (AGRICULTURAL SINGLE-FAMILY RESIDENTIAL DISTRICT) TO B-3 (LOCAL BUSINESS DISTRICT); PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Thayne and Rikki Bright have presented to the City of Killeen a request for amendment of the Zoning Ordinance of the City of Killeen by changing the classification of approximately 11 acres, being part of the T. Robinett Survey, Abstract No. 686, Killeen, Texas, from “A-R1” (Agricultural Single-Family Residential District) to “B-3” (Local Business District), said request having been duly presented and recommended for approval by the Planning and Zoning Commission of the City of Killeen on the 29th day of August 2016, and due notice of the filing of said request and the date of hearing thereon was given as required by law, and hearing on said request was set for 5:00 P.M., on the 27th day of September 2016, at the City Hall, City of Killeen;

WHEREAS, the City Council at said hearing duly considered said request, the action of the Planning and Zoning Commission and the evidence in support thereof, and the City Council that the request should be approved;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

Section I. That the zoning classification of the following described tract be changed from “A-R1” (Agricultural Single-Family Residential District) to “B-3” (Local Business District) for approximately 11 acres, being part of T. Robinett Survey, Abstract No. 686, Killeen, Texas. The property is locally known as 3901 and 4001 Robinett Road, Killeen, Texas.

Section II. That should any section or part of this ordinance be declared unconstitutional or invalid for any reason, it shall not invalidate or impair the validity, force, or effect of any other section or parts of this ordinance.

Section III. That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

Section IV. That this ordinance shall take effect immediately upon passage of the ordinance.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this 27th day of September 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, §551.001 *et seq.*

APPROVED:

Jose Segarra, MAYOR

ATTEST:

Dianna Barker, CITY SECRETARY

APPROVED AS TO FORM

Kathryn H. Davis, City Attorney

Case #16-16
Ord. #



Date Paid:	_____
Amount Paid:	\$ _____
Cash/MO #/Check #:	# _____
Receipt #:	_____

CASE #: 216-16

City of Killeen Zoning Change Application

General Zoning Change [] Conditional Use Permit

Name(s) of Property Owner: Thayne & Rikki Bright
 Current Address: 21880 Wolfridge Road
 City: Killeen State: TX Zip: 76549
 Home Phone: (254) 793-0124 Business Phone: (254) 681-3747 Cell Phone: (254) 289-9638
 Email: RikBright@aol.com

Name of Applicant: _____
 (If different than Property Owner)

Address: _____
 City: _____ State: _____ Zip: _____
 Home Phone: () _____ Business Phone: () _____ Cell Phone () _____
 Email: _____

Address/Location of property to be rezoned: 3901 & 4001 Robinett Rd,
 Legal Description: Attached

Metes & Bounds or Lot(s) Block Subdivision

Is the rezone request consistent with the Comprehensive Plan? (YES) NO
 Type of Ownership: X Sole Ownership Partnership Corporation Other
 Present Zoning: ARI Present Use: Residential
 Proposed Zoning: B3 Proposed Use: _____
 Conditional Use Permit for: _____

This property was conveyed to owner by deed dated 10-23-2015 and recorded in Volume 545 & 896
 Page 280 & 624, Instrument Number 2015-00041072 of the Bell County Deed Records.
 (Attached)

Is this the first rezoning application on a unilaterally annexed tract?
 Yes X (Fee not required) No _____ (Submit required fee)

APPOINTMENT OF AGENT

As owner of the subject property, I hereby appoint the person designated below to act for me, as my agent in this request.

Name of Agent: Quintero Engineering, LLC
Mailing Address: P.O. Box 4386
City: Killeen State: TX Zip: 76541
Home Phone: () Business Phone: (254) 493-0744 Email: pquintero@quinteroeng.com

RB
7/20/16

I acknowledge and affirm that I will be legally bound by the words and acts of my agent, and by my signature below, I fully authorize my agent to:

be the point of contact between myself and the City; make legally binding representations of fact and commitments of every kind on my behalf; grant legally binding waivers of rights and releases of liabilities of every kind on my behalf; to consent to legally binding modifications, conditions, and exceptions on my behalf; and, to execute documents on my behalf which are legally binding on me. This authorization only applies to this specific zoning request.

I understand that the City will deal only with a fully authorized agent. At any time it should appear that my agent has less than full authority to ace, then the application may be suspended and I will have to personally participate in the disposition of the application. I understand that all communications related to this application are part of an official proceeding of City government and, that the City will rely upon statements made by may agent. Therefore, I agree to hold harmless and indemnify the City of Killeen, its officers, agents, employees, and third parties who act in reliance upon my agent's words and actions from all damages, attorney fees, interest and costs arising from this matter. If my property is owned by a corporation, partnership, venture, or other legal entity, then I certify that I have legal authority to make this binding appointment on behalf of the entity, and every reference herein to 'I', 'my', or 'me' is a reference to the entity.

Signature of Agent *[Signature]* Title President
Printed/Typed Name of Agent Pedro Quinto Date 7/20/16
Signature of Applicant _____ Title _____
Printed/Typed Name of Applicant _____ Date _____
Signature of Property Owner *[Signature]* Title _____
Printed/Typed Name of Property Owner Thayne Bright Date 7/16/16
Signature of Property Owner *[Signature]* Title _____
Printed/Typed Name of Property Owner Rikki Bright Date 7-16-2016
Signature of Property Owner _____ Title _____
Printed/Typed Name of Property Owner _____ Date _____

*Application must be signed by the individual applicant, by each partner of a partnership, or by an officer of a corporation or association.



**PLANNING AND
DEVELOPMENT SERVICES**

ZONING CASE:

Z16-16

ZONING FROM:

A-R1 To B-3

APPLICANT:

THAYNE & RIKKI BRIGHT

PROPERTY OWNER:

THAYNE & RIKKI BRIGHT

LEGAL DESCRIPTION:

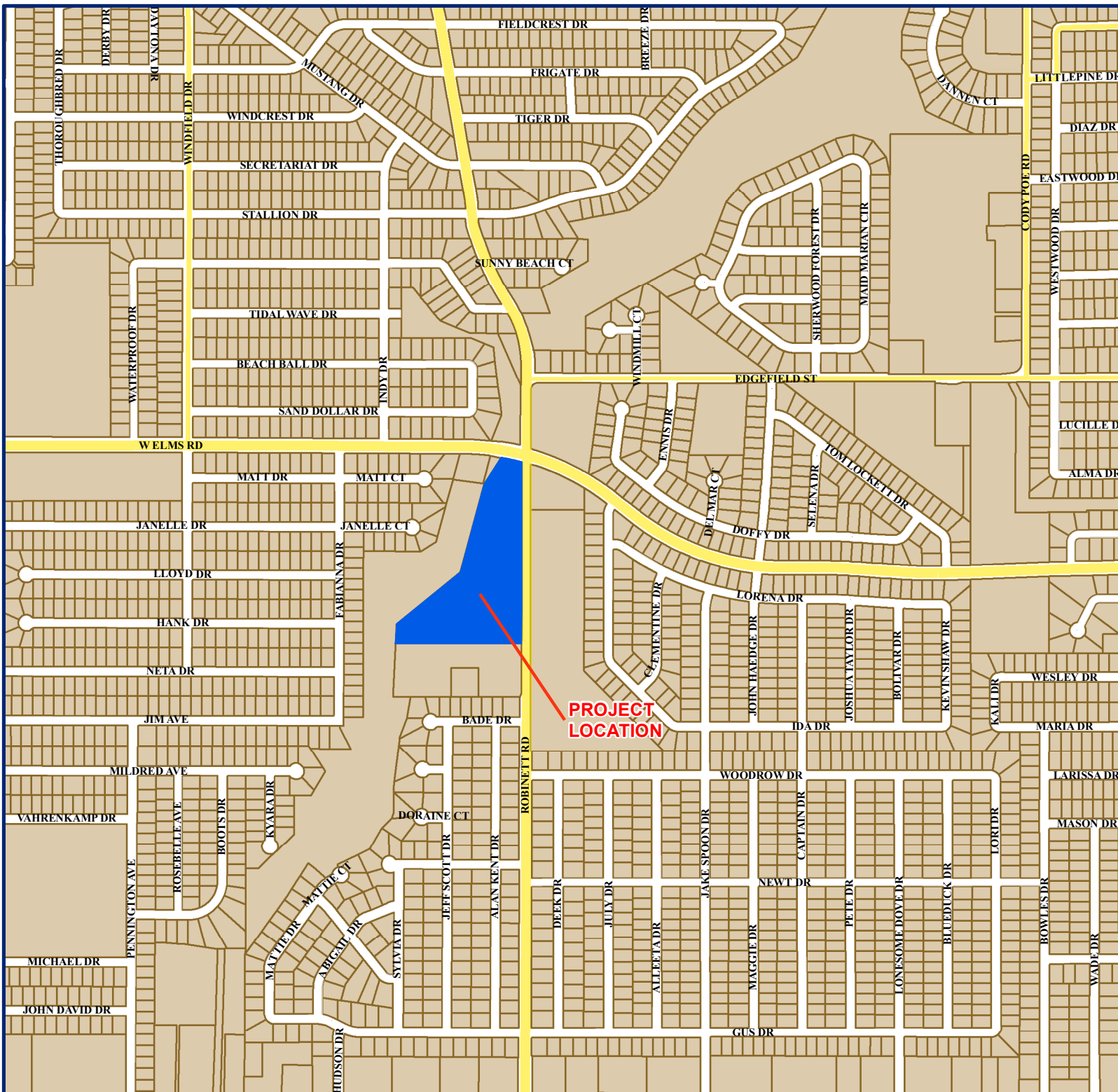
A0686BC T ROBINETT, 45,
ACRES 10.997

Legend

-  Zoning Case
-  Parcel
-  City Limits



Date: 7/25/2016





**PLANNING AND
DEVELOPMENT SERVICES**

ZONING CASE:

Z16-16

ZONING FROM:

A-R1 To B-3

APPLICANT:

THAYNE & RIKKI BRIGHT







PROPERTY OWNER:

THAYNE & RIKKI BRIGHT

LEGAL DESCRIPTION:

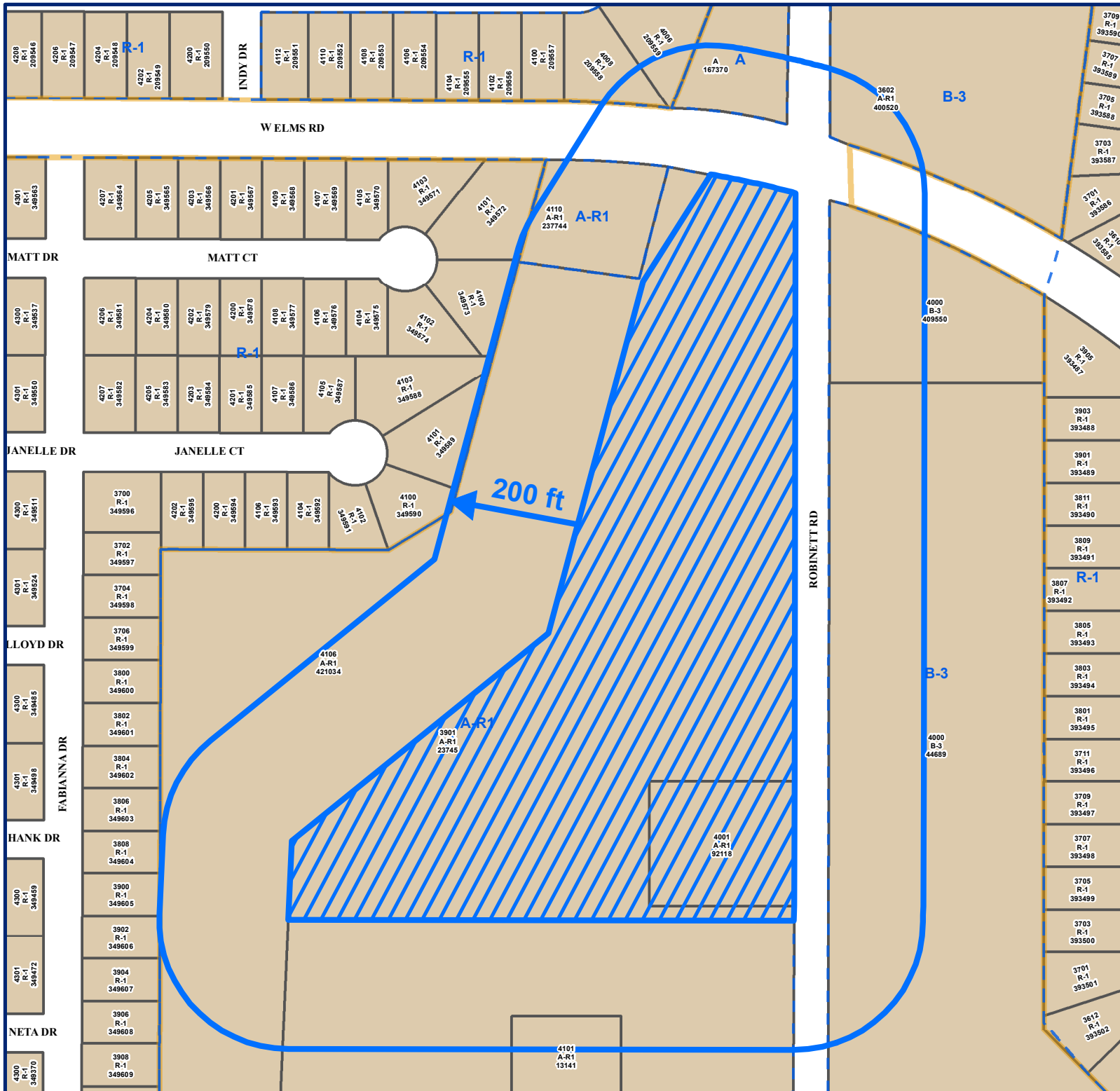
**A0686BC T ROBINETT, 45,
ACRES 10.997**

LEGEND

-  200' Buffer
-  Zoning Case
-  Current Zoning
-  Subdivision
-  Parcel
-  City Limits



Date: 7/25/2016



CONSIDERATIONS

Texas Supreme Court in Pharr v. Tippitt, 616 S. W 2nd 173 (Tex 1981) established general guidelines which the Planning and Zoning Commission and City Council should take into consideration when making their respective recommendation and decision on a zoning request.

A. General Factors to Consider:

Is the request in accordance with the comprehensive plan?

Is the request designed to lessen congestion in the streets; secure safety from fire, panic or other dangers; promote health and the general welfare; provide adequate light and air; prevent the overcrowding of land; avoid undue concentration of population; or facilitate the adequate provision of transportation, water, sewers, schools, parks and other public requirements?

What if any, is the nature and degree of an adverse impact upon neighboring lands?

The suitability or unsuitability of the tract for use as presently zoned.

Whether the amendment bears a substantial relationship to the public health, safety, morals or general welfare or protects and preserves historical and cultural places and areas.

Whether there is a substantial public need or purpose for the new zoning.

Whether there have been substantially changed conditions in the neighborhood.

Is the new zoning substantially inconsistent with the zoning of neighboring lands? (Whether the new zoning is more or less restrictive.)

The size of the tract in relation to the affected neighboring lands – is the tract a small tract or isolated tract asking for preferential treatment that differs from that accorded similar surrounding land without first proving changes in conditions?

Any other factors which will substantially affect the health, safety, morals or general welfare.

B. Conditional Use Permit (if applicable)

Whether the use is in harmonious with and adaptable to buildings, structures and use of abutting property and other property in the vicinity of the premises under construction.

C. Conditions to Consider

1. Occupation shall be conducted only by members of family living in home.
2. No outside storage or display
3. Cannot change the outside appearance of the dwelling so that it is altered from its residential character.
4. Cannot allow the performance of the business activity to be visible from the street.
5. Cannot use any window display to advertise or call attention to the business.
6. Cannot have any signs
7. No off-street parking or on-street parking of more than two (2) vehicles at any one time for business related customer parking.
8. No retail sales.
9. Length of Permit.

----- CUT HERE -----	
YOUR NAME: <i>Angela Johnson</i>	PHONE NUMBER: <i>254-661-0535</i>
CURRENT ADDRESS: <i>8048 27th AVE SE Olympia WA 98503</i>	
ADDRESS OF PROPERTY OWNED: <i>4101 JANELLE COURT KILLEEN TX 76549</i>	
COMMENTS:	AR-1 to B-3
<i>I OPPOSE</i>	
RECEIVED	
<i>AUG 16 2016</i>	
PLANNING	
SIGNATURE: <i>Angela Johnson</i>	SPO #Z16-16/ <i>15</i>



City of Killeen

Legislation Details

File #: PH-16-035 **Version:** 1 **Name:** FY 16 Budget Amendment
Type: Ordinance/Public Hearing **Status:** Public Hearings
File created: 9/14/2016 **In control:** City Council
On agenda: 9/27/2016 **Final action:**
Title: HOLD a public hearing and consider an ordinance amending the FY 2016 Annual Budget and Plan of Municipal Services of the City of Killeen.
Sponsors: Finance Department
Indexes: Budget Amendments
Code sections:
Attachments: [Council Memorandum](#)
[Ordinance](#)

Date	Ver.	Action By	Action	Result
9/20/2016	1	City Council Workshop		

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Budget Amendment for FY 16

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

The City Charter provides that budget amendments occur by ordinance. The following is a list of items that require a budget amendment for FY 2016.

- General Fund realignment of budget by department to cover shortfalls. Reallocation does not result in an increase in General Fund appropriations.
- Recognition of revenues and expense budgets for Park Donation Fund and Teen Court Program Fund.
- Killeen-Fort Hood Regional Airport realignment of Information Technology related expenses. Reallocation does not result in an increase in appropriations.
- Skylark Field Fund realignment of budget by department to cover shortfall. Reallocation does not result in an increase in appropriations.
- Recognize revenues and expenses related to the bond refunding.
- Creation of the Rosewood Extension Grant Capital Improvement (CIP) Fund and realignment of other CIP Funds.

DISCUSSION/CONCLUSION

A budget amendment needs to be approved by City Council which will allow the City to expend funds.

FISCAL IMPACT

See ordinance, attached.

RECOMMENDATION

That the City Council approve this ordinance amending the FY 2016 Annual Budget and Plan of Municipal Services.

ORDINANCE _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2016 ANNUAL BUDGET AND PLAN OF MUNICIPAL SERVICES OF THE CITY OF KILLEEN; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVINGS CLAUSE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the budget for operating the municipal government of the City of Killeen for the Fiscal Year October 1, 2015, to September 30, 2016, has been adopted by City Council in accordance with the City Charter; and

WHEREAS, the Charter of the City of Killeen provides that the City Council may amend the budget at any time to fund and meet unanticipated conditions.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

SECTION I. That Ordinance 16-067 adopting a budget for operating the municipal government of the City of Killeen for the Fiscal Year October 1, 2015, to September 30, 2016, is amended as to the portion of said budget as follows:

General Fund

Expenses:

Account Number	Account Name	Budget	Budget Change	Amended Budget
010-0205-413-50-20	Reserve Appropriation	26,279	(16,616)	9,663
010-0215-413-50-20	Reserve Appropriation	35,414	(22,392)	13,022
010-1005-416-50-20	Reserve Appropriation	55,745	(35,246)	20,499
010-2010-415-50-20	Reserve Appropriation	143,897	(90,982)	52,915
010-2135-460-50-20	Reserve Appropriation	52,238	(33,029)	19,209
010-2305-418-50-20	Reserve Appropriation	89,138	(56,360)	32,778
010-2705-419-50-20	Reserve Appropriation	185,011	(116,977)	68,034
010-3020-424-50-20	Reserve Appropriation	124,027	(78,419)	45,608
010-4051-450-50-20	Reserve Appropriation	234,715	(148,404)	86,311
010-6000-441-50-20	Reserve Appropriation	380,554	(240,613)	139,941
010-9501-491-50-20	Reserve Appropriation	441,597	(366,597)	75,000
010-7070-442-40-05	Full-Time Salaries	11,351,703	687,730	12,039,433
010-7070-442-40-15	Overtime	390,000	269,000	659,000
010-7070-442-40-35	Assignment Pay	13,800	218,781	232,581
010-7070-442-45-10	Retirement	1,856,511	30,124	1,886,635
Total		15,380,629	0	15,380,629

Park Donation Fund

Revenue:

Account Number	Account Name	Budget	Budget Change	Amended Budget
238-0000-361-0500	Interest Earned	0	101	101
238-0000-362-0502	Recreation Contributions	0	11,395	11,395
238-0000-362-0505	Athletics Contributions	0	22,884	22,884
Total		0	34,380	34,380

Expenses:

Account Number	Account Name	Budget	Budget Change	Amended Budget
238-3025-531-4290	Parks Maintenance	0	10,069	10,069
238-3030-531-4120	Uniforms & Clothing	0	2,985	2,985
238-3030-531-4160	Food	0	3,523	3,523
238-3030-531-4199	Other Supplies	0	3,957	3,957
238-3030-531-4210	Building Maintenance	0	8,025	8,025
238-3030-531-4470	Trophies & Awards	0	5,775	5,775
Total		0	34,334	34,334

Teen Court Program

Revenue:

Account Number	Account Name	Budget	Budget Change	Amended Budget
239-0000-341-3500	Teen Court Fees	0	2,742	2,742
Total		0	2,742	2,742

Expenses:

Account Number	Account Name	Budget	Budget Change	Amended Budget
239-0215-417-4110	Office	0	878	878
239-0215-417-4135	Print Supplies	0	82	82
239-0215-417-4150	Water Service	0	584	584
239-0215-417-4160	Food	0	58	58
239-0215-417-4190	Agricultural Supplies	0	688	688
239-0215-417-4455	Facilities Rental	0	258	258
Total		0	2,548	2,548

KFHRA Fund

Expenses:

Account Number	Account Name	Budget	Budget Change	Amended Budget
525-2705-419-4055	On-Call	2,854	1,026	3,880
525-9508-521-4420	Professional Services	1,100	(1,026)	74
Total		3,954	0	3,954

Skylark Field Fund

Expenses:

Account Number	Account Name	Budget	Budget Change	Amended Budget
527-9501-521-4445	Public Liability Insurance	5,957	16	5,973
527-0505-521-4450	Professional Services	16,514	(16)	16,498
Total		22,471	0	22,471

Debt Services

Revenue:

Account Number	Account Name	Budget	Budget Change	Amended Budget
400-0000-391-0500	Bond Proceeds	0	45,235,000	45,235,000
400-0000-391-1000	Premium on Bond	0	8,007,403	8,007,403
Total		0	53,242,403	53,242,403

Expenses:

Account Number	Account Name	Budget	Budget Change	Amended Budget
400-0000-470-5001	Payment to Escrow Agent	0	53,227,970	53,227,970
440-0000-470-9400	Transfer to Fund 400	0	63,861	63,861
484-0000-470-9550	Transfer to W&S	143,785	37	143,822
487-0000-470-9550	Transfer to W&S	49,968	3	49,971
489-0000-470-9550	Transfer to W&S	388,820	92	388,912
Total		582,573	53,291,963	53,874,536

CIP Funds

Revenue:

Account Number	Account Name	Budget	Budget Change	Amended Budget
331-0000-371-9529	Aviation PFC	0	4,190	4,190
351-0000-382-7701	TXDOT Grants/ TXDOT Projects	0	200,000	200,000
Total		0	204,190	204,190

Expenses:

Account Number	Account Name	Budget	Budget Change	Amended Budget
331-0515-521-9821	Passenger Boarding Bridge	0	4,190	4,190
337-3490-800-9348	Transfer to Fund 348	37,189	56	37,245
351-3446-434-6610	State Direct Costs	0	200,000	200,000
384-3495-800-9386	Transfer to Fund 386	330,972	289	331,261
385-3490-800-9540	Transfer to Fund 540	5,524	6	5,530
Total		373,685	204,541	578,226

SECTION II. That the City Council finds that the public notice and public hearing requirements of Section 56 of the City Charter have been complied with prior to the enactment of this ordinance.

SECTION III. That should any section or part of any section or paragraph of this ordinance be declared invalid or unconstitutional for any reason, it shall not invalidate or impair the validity, force or effect of any other section or sections or part of a section or paragraph of this ordinance.

SECTION IV. That all ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed to the extent of such conflict.

SECTION V. That this ordinance shall be effective after its passage and publication according to the law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this 27 day of September, 2016, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, 551.001 et seq.

APPROVED

Jose L. Segarra, MAYOR

ATTEST:

Dianna Barker, CITY SECRETARY

APPROVED AS TO FORM:

Kathryn H. Davis, CITY ATTORNEY