

City of Killeen
City Council Meeting
Killeen City Hall
September 12, 2023 at 5:00 p.m.

Presiding: Mayor Debbie Nash-King

Attending: Mayor Protem Nina Cobb, Councilmembers Michael Boyd, Jessica Gonzalez, Jose Segarra, Ramon Alvarez, Joseph Solomon and Riakos Adams

Also attending were City Manager Kent Cagle, City Attorney Holli Clements, City Secretary Laura Calcote and Sergeant-at-Arms Smith

Edmond Jones gave the invocation. Councilmember Solomon led everyone in the Pledge of Allegiance.

Approval of Agenda

Motion was made by Councilmember Boyd to approve the agenda. Motion was seconded by Councilmember Cobb. The motion carried unanimously (7-0).

Citizen Comments

Anca Neagu spoke regarding RS-23-137 and RS-23-143.

Mellisa Brown spoke regarding RS-23-133, RS-23-134, RS-23-136, RS-23-137, RS-23-138 and RS-23-139.

Michael Fornino spoke regarding PH-23-050.

Gary Purser spoke regarding PH-23-050.

Josh Welch spoke regarding PH-23-050.

Consent Agenda

MN-23-021 Consider Minutes of Regular City Council Meeting of August 8, 2023.

MN-23-022 Consider Minutes of Regular City Council Meeting of August 22, 2023.

RS-23-133 Consider a memorandum/resolution authorizing the execution of Amendment No. 1 to the Professional Services Agreement with Randall Scott Architects, Inc., for the Community and Senior Center Expansion and Renovation Project, in the amount of \$390,631.00.

RS-23-134 Consider a memorandum/resolution authorizing the Routeware, Inc. hardware upgrade for Solid Waste collection vehicles in an amount not to exceed \$180,384.

RS-23-135 Consider a memorandum/resolution approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy regarding the 2023 Atmos Rate Review Mechanism Filing.

RS-23-138 Consider a memorandum/resolution authorizing the City Manager to accept a Federal Aviation Administration (FAA) Airport Infrastructure Grant (AIG) offer for the Design of the Passenger Terminal Mechanical Improvements Project at Killeen-Fort Hood Regional Airport (KFHRA), in the amount of \$267,322.

RS-23-139 Consider a memorandum/resolution authorizing a change order with Chastang Enterprises, Inc. for Solid Waste refuse trucks, in the amount of \$75,453.

RS-23-140 Consider a memorandum/resolution awarding RFP 23-36 to United Health Care for an excess risk policy (stop loss insurance) for medical and pharmacy claims under the City health insurance plan, effective October 1, 2023, in the amount of \$739,718.

RS-23-141 Consider a memorandum/resolution rescheduling the City Council Meetings for November and December 2023 and January 2024.

Motion was made by Mayor Protem Cobb to approve the Consent Agenda, with the exception of RS-23-136 and RS-23-137. Motion was seconded by Councilmember Segarra. The motion carried 5 to 2, with Mayor Protem Cobb and Councilmember Solomon in opposition.

Resolutions

RS-23-136 Consider a memorandum/resolution authorizing the Restated and Amended Water Disposal Contract with WCID #1 to include the City of Harker Heights as a customer.

Staff Comments: Jeff Reynolds, Executive Director of Public Works
This item was discussed by City Council at the September 5, 2023 Workshop meeting. Mr. Reynolds gave a presentation and was available to provide additional information and to answer questions.

RS-23-137 Consider a memorandum/resolution rejecting bid received for Bid No. 23-39, Chaparral Pump Station Project.

Staff Comments: Jeff Reynolds, Executive Director of Public Works
This item was discussed by City Council at the September 5, 2023 Workshop meeting. Mr. Reynolds gave a presentation and was available to provide additional information and to answer questions.

Motion was made by Councilmember Adams to approve RS-23-136 and RS-23-137. Motion was seconded by Councilmember Solomon. The motion carried unanimously (7-0).

Budget

PH-23-051 HOLD a public hearing and consider an ordinance amending the FY 2023 Annual Budget of the City of Killeen to increase revenue and expense accounts in multiple Funds.

The City Secretary read the caption of the ordinance:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2023 ANNUAL BUDGET OF THE CITY OF KILLEEN TO INCREASE REVENUE AND EXPENSE ACCOUNTS IN MULTIPLE FUNDS; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVINGS CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

Staff Comments: Miranda Drake, Assistant Director of Finance
This item was presented to City Council during their September 5, 2023 Workshop meeting. Ms. Drake was available to provide additional information and to answer questions.

Mayor Nash-King opened the public hearing.

Mellisa Brown spoke in support of the ordinance.

With no one else appearing, the public hearing was closed.

Motion was made by Councilmember Alvarez to approve PH-23-051. Motion was seconded by Councilmember Segarra. The motion carried unanimously (7-0).

PH-23-050 HOLD a public hearing on the proposed tax rate for the fiscal year beginning October 1, 2023 and ending September 30, 2024.

Staff Comments: Miranda Drake, Assistant Director of Finance
On August 1, 2023, City Council set the preliminary tax rate at \$0.6208 per \$100 valuation, adopted a resolution setting a public hearing for September 12, 2023 on the preliminary tax rate for the proposed FY 2024 Budget, and scheduled the adoption of the tax rate for September 12, 2023. The preliminary tax rate establishes the ceiling for the FY 2024 Budget. The actual tax rate can be equal to or lower than the preliminary tax rate and not higher.

The proposed FY 2024 Budget was submitted to City Council using a tax rate of \$0.6208. After the certified tax roll and tax rate calculations were received, the proposed tax rate was able to remain at \$0.6208 and bring in the relatively the same amount of revenue as was included in the proposed budget. However, shifting some of the funding from debt service to maintenance and operations due to the amount of debt service for the 2023 Certificates Obligation issue coming in lower than estimated. The no-new-revenue tax rate for FY 2024 is \$0.5473 and the voter-approval tax rate for FY 2024 is \$0.7075. Since the preliminary tax rate was set above the no-new-revenue tax rate, Texas Property Tax Code requires a public hearing be held prior to the adoption of the final tax rate.

Mayor Nash-King opened the public hearing.

Mellisa Brown spoke in opposition to the proposed tax rate.

Gary Purser spoke in opposition to the proposed tax rate.

With no one else appearing, the public hearing was closed.

No action was taken on this item.

OR-23-016 Consider an ordinance adopting the Annual Budget for the City of Killeen for the fiscal year beginning October 1, 2023 and ending September 30, 2024.

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, 2023 AND ENDING ON SEPTEMBER 30, 2024; 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: Miranda Drake, Assistant Director of Finance

The proposed Fiscal Year (FY) 2024 Budget was submitted to City Council on July 11, 2023. A budget workshop was held on July 11, 2023 to provide City Council and citizens a thorough overview of the proposed budget. City Council has discussed the budget nearly every week since the budget was submitted by the City Manager. In addition, a budget town hall was held on August 17, 2023.

State law and the City Charter require a public hearing be held to elicit citizen comment on the proposed budget. A public hearing was held on August 1, 2023. The City Charter also states that City Council may insert additional items and make increases to the City Manager's proposed budget as long as there is a public hearing held on the changes.

Changes made to the proposed FY 2024 Budget required an additional public hearing to be held on September 5, 2023 and a third and final public hearing was held this evening (PH-22-050). With a majority vote being required by the City Council to adopt the budget, City staff's recommendation was to adopt the budget ordinance, as presented.

Motion was made by Councilmember Solomon to approve OR-23-016. Motion was seconded by Mayor Protem Cobb.

The City Secretary called for a record vote:

*Councilmember Alvarez – aye
Councilmember Gonzalez – aye
Councilmember Solomon – aye
Mayor Protem Cobb – aye
Councilmember Segarra – aye
Councilmember Boyd – aye
Councilmember Adams – aye*

Motion carried unanimously (7-0).

RS-23-142 Consider a memorandum/resolution ratifying the property tax revenue increase reflected in the Annual Budget for the fiscal year October 1, 2023 through September 30, 2024.

Staff Comments: Miranda Drake, Assistant Director of Finance
Local Government Code Section 102.007(c) requires the governing body to ratify the property tax revenue increase if the budget will raise more revenue from property taxes than in the previous year. The FY 2024 Annual Budget will raise more revenue from property taxes than last year's budget by an amount of \$7,840,546, which is a 13.87 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,206,889.

Motion was made by Councilmember Solomon to approve RS-23-142. Motion was seconded by Mayor Protem Cobb. The motion carried unanimously (7-0).

OR-23-017 Consider an ordinance setting a tax rate of \$0.6208 per \$100 valuation, comprised of \$0.4742 for maintenance and operations and \$0.1466 for debt service, for fiscal year 2024 (tax year 2023).

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 2023 TAX YEAR AND FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024; 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: Miranda Drake, Assistant Director of Finance
On August 1, 2023, at a City Council meeting, the Killeen City Council set the preliminary tax rate at the rate of \$0.6208 per \$100 valuation. The preliminary tax rate represents the maximum rate that can be adopted for the FY 2024 Budget. The no-new-revenue tax rate for FY 2024 (2023 tax year) is \$0.5473. The voter-approval tax rate for FY 2024 (2023 tax year) is \$0.7075.

Texas Tax Code requires the vote on an ordinance setting a tax rate that exceeds the no-new-revenue rate to be a record vote and approved by at least sixty (60) percent of the members of the governing body. In order to set the tax rate above the no-new-revenue rate of \$0.5473, the ordinance must be approved by at least five (5) members of City Council.

Mayor Protem Cobb made a motion stating, "I move that the property tax rate be increased by the adoption of a tax rate of \$0.6208, which is effectively a 13.43 percent increase in the tax rate." Motion was seconded by Councilmember Alvarez.

The City Secretary called for a record vote:

*Councilmember Alvarez – aye
Councilmember Gonzalez – aye
Councilmember Solomon – aye
Mayor Protem Cobb – aye
Councilmember Segarra – aye
Councilmember Boyd – aye
Councilmember Adams – aye*

Motion carried unanimously (7-0).

RS-23-143 Consider a memorandum/resolution to adopt the Five-Year Capital Improvement Program for Fiscal Year 2024 – 2028.

Staff Comments: Miranda Drake, Assistant Director of Finance
The Fiscal Year 2024 - 2028 Capital Improvement Program (CIP) for the City of Killeen is a comprehensive document that provides a five-year outlook for capital projects. This document serves as a guide for the preparation of the capital budget. Only those projects scheduled for Fiscal Year 2024 will be incorporated into the annual budget. If additional funding becomes available or projects finish under the budgeted amount, projects may move to earlier fiscal years as applicable. The Five-Year Capital Improvement Program is updated on an annual basis. Projects shown in later years are for planning purposes only, as funding and priorities may change during the life of the program.

The Five-Year Capital Improvement Program was developed to establish a long-term commitment to the capital projects necessary to protect the health, safety, and welfare, and to sustain and improve the quality of life of the citizens of Killeen.

Motion was made by Councilmember Boyd to approve the RS-23-143. Motion was seconded by Councilmember Segarra. Motion carried unanimously (7-0).

Adjournment

With no further business, upon motion being made by Councilmember Alvarez, seconded by Councilmember Solomon and unanimously approved, the meeting was adjourned at 6:27 p.m.

Debbie Nash-King, Mayor

Laura J. Calcote, City Secretary