



City of Killeen

Agenda

City Council Workshop

Tuesday, January 22, 2019

4:00 PM

Utility Collections
Conference Room
210 West Avenue C
Killeen, Texas 76541

Citizens Petitions and Information

1. [CP-19-001](#) Joe Bailey - Number and Retention of Police Officers
2. [CP-19-002](#) TaNeika Driver-Moultrie - Special Event Assistance: MLK March

Items for Discussion at Workshop

3. [DS-19-007](#) Discuss Agenda Items for the Regular City Council Meeting of January 29, 2019
4. [DS-19-008](#) Receive Briefing from Schlueter Group Regarding Upcoming Texas Legislative Session
5. [DS-19-009](#) Discuss WCID's Proposed Boundary Expansion
6. [DS-19-010](#) Discuss Financial Policy Updates
Attachments: [Financial Governance Policies Draft Presentation](#)
7. [DS-19-011](#) Briefing: Amersco Rent-a-Car Covered Parking
Attachments: [Presentation](#)
8. [DS-19-012](#) Discuss Maintenance of Sanitary Sewer Service Lateral Lines
Attachments: [Decision Matrix Presentation](#)
9. [DS-19-013](#) Discuss Agenda Items for the Joint City Council and KISD Meeting
10. [DS-19-014](#) Discuss and Receive Legal Advice from the City Attorney Regarding Right of Way Acquisition and the Role of the City of Killeen in the Widening of Chaparral Road
11. [DS-19-015](#) Conduct Annual Evaluation of City Auditor

Items for Regular City Council Meeting of January 29, 2019

Minutes

12. [MN-19-002](#) Consider Minutes of Regular City Council Meeting of January 15, 2019.
Attachments: [Minutes](#)

Resolutions

13. [RS-19-009](#) Consider a memorandum/resolution authorizing the award of Bid No. 19-09 to Four Seasons Equipment, LLC for purchase of a replacement crane for use at the Transfer Station.
Attachments: [Staff Report](#)
[Quote](#)
[Certificate of Interested Parties](#)
[Presentation](#)
14. [RS-19-010](#) Consider a memorandum/resolution authorizing the award of a professional services agreement with CP&Y to design the Septic Tank Elimination Program, Phase XI Project.
Attachments: [Staff Report](#)
[Proposal](#)
[Certificate of Interested Parties](#)
[Presentation](#)
15. [RS-19-011](#) Consider a memorandum/resolution authorizing a professional services agreement with Kimley-Horn & Associates, Inc. to develop land use assumptions and water, wastewater, and roadway impact fees in accordance with Texas Local Government Code Chapter 395.
Attachments: [Staff Report](#)
[Agreement](#)
[Certificate of Interested Parties](#)
[Presentation](#)
16. [RS-19-012](#) Consider a memorandum/resolution issuing Express Cab an operating authority.
Attachments: [Staff Report](#)
[Application](#)
[Presentation](#)

Ordinances

17. [OR-19-001](#) Consider an ordinance ordering a general election to be held on May 4, 2019 to elect a district council member for each district.
Attachments: [Staff Report](#)

[Ordinance](#)

[Presentation](#)

18. [OR-19-002](#) Consider an ordinance amending Chapter 4, Article II, Municipal Ambulance Service.

Attachments: [Staff Report](#)

[Ordinance](#)

[Presentation](#)

Public Hearings

19. [PH-19-002](#) HOLD a public hearing and consider an ordinance amending the FY 2019 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing revenue and expenditure accounts to establish the Street Maintenance Special Revenue Fund budget.

Attachments: [Staff Report](#)

[Ordinance](#)

[Presentation](#)

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 January 18, 2019.

Lucy C. Aldrich, 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.

- *State of the Region and City, January 23, 2019, 11:30 a.m., Central Texas College - Anderson Hall*
- *Joint City Council Meeting w/KISD, January 31, 2019, 5:00 p.m., KISD Administration Building*
- *46th Annual Freedom Fund Banquet, March 22, 2019, 6:15 p.m., Killeen Civic and Conference Center*

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City of Killeen

Legislation Details

File #: CP-19-001 **Version:** 1 **Name:** Joe Bailey - Number and Retention of Police Officer
Type: Citizen Petition **Status:** Citizens Petitions
File created: 1/8/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Joe Bailey - Number and Retention of Police Officers
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
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City of Killeen

Legislation Details

File #: CP-19-002 **Version:** 1 **Name:** TaNeika Driver-Moultrie - Special Event Assistance: MLK March
Type: Citizen Petition **Status:** Citizens Petitions
File created: 1/11/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: TaNeika Driver-Moultrie - Special Event Assistance: MLK March
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
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City of Killeen

Legislation Details

File #: DS-19-007 **Version:** 1 **Name:** Discuss Agenda Items
Type: Discussion Items **Status:** Discussion Items
File created: 1/4/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Discuss Agenda Items for the Regular City Council Meeting of January 29, 2019
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

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City of Killeen

Legislation Details

File #: DS-19-008 **Version:** 1 **Name:** Receive Briefing from Schlueter Group
Type: Discussion Items **Status:** Discussion Items
File created: 1/8/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Receive Briefing from Schlueter Group Regarding Upcoming Texas Legislative Session
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
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City of Killeen

Legislation Details

File #: DS-19-009 **Version:** 1 **Name:** Discuss WCID's Proposed Boundary Expansion
Type: Discussion Items **Status:** Discussion Items
File created: 1/9/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Discuss WCID's Proposed Boundary Expansion
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
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City of Killeen

Legislation Details

File #: DS-19-010 **Version:** 1 **Name:** Discuss Financial Policy Updates
Type: Discussion Items **Status:** Discussion Items
File created: 1/4/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Discuss Financial Policy Updates
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Financial Governance Policies Draft Presentation](#)

| Date | Ver. | Action By | Action | Result |
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City of Killeen

Financial Governance Policies

Finance Department
December 19, 2017



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II. INTRODUCTION

The City of Killeen financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code, the Texas Property Tax Code, the City of Killeen Charter, the Government Financial Officers Association, and the Governmental Accounting Standards Board. The policies are intended to assist the City Council and City staff in evaluating current activities and proposals for future programs while maintaining a long-term stable and positive financial condition. The watchwords of the City's financial management include integrity, prudent stewardship, long-term planning, accountability, and transparency. The policies will be reviewed and updated on an annual basis as established in Section VI. Fiscal Monitoring. Upon adoption of these financial policies, City Council authorizes the City Manager to interpret the policies, implement all policies, and manage the City within the boundaries of the policies.



III. ANNUAL BUDGET

A. FISCAL YEAR

The fiscal year of the City of Killeen shall begin the 1st day of October and shall end on the last day of September of each calendar year. Such fiscal year shall also constitute the accounting and budget year.

B. BUDGET PROCESS

At the beginning of the budget process each year, the City Council will review the financial policies and have strategic discussions to determine the City Council's priorities. The City Council will provide the City Manager specific direction of their priorities by resolution.

Operating departments shall submit their annual budgets to the City Manager within fiscal parameters provided by the City Manager's Office. Departments will focus on accomplishing their core mission and stay within the budget parameters set by the City Manager. Expenditure requests outside of the parameters must be submitted as separate budget decision packages to the City Manager. The City Manager will determine which decision packages, if any, to include in the proposed budget. The City Manager will balance the operating budget against current revenue prior to submitting it to the City Council.

The City Manager shall prepare and submit to City Council a proposed budget in accordance with the guidelines set forth in the City Charter, Article V and the guidance set forth in the financial policies.

C. BUDGET TIMELINE

| Date | Event | Governing Source |
|--|---|---|
| January 31 st | Last day for City Council to begin the review of the financial policies. | <ul style="list-style-type: none"> City of Killeen Financial Policies IV(B) requires review to begin no later than the end of January. |
| July 25 th | Certified tax roll received from Appraisal District. | <ul style="list-style-type: none"> Property Tax Code 26.01(a) requires Chief Appraiser to submit certified roll by July 25th. |
| August 1 st – August 16 th | <p>City Manager submits proposed budget to City Council.</p> <p>City Council sets the time and place of the public hearing on the budget.</p> | <ul style="list-style-type: none"> City of Killeen Financial Policies III(C) states City Manager will submit proposed budget after receipt of certified roll. City Charter V(50) requires budget to be submitted to City Council not less than forty-five days prior to the beginning of fiscal year. City Charter V(54) requires City Council to fix the time and place of a public hearing on the budget at the meeting it is submitted. |
| August 7 th | Tax rates (rollback and effective rates) submitted to City Council. | <ul style="list-style-type: none"> Property Tax Code 26.04(e) states rates must be submitted to City Council by August 7th or as soon thereafter as practicable. |
| August 7 th – August 31 st | City Council sets preliminary tax rate. | <ul style="list-style-type: none"> Local Government Code 140.010(f) requires a notice to be published not later than the later of September 1st or the 30th day after the City receives the certified tax roll if the preliminary rate exceeds the lower of the effective or rollback rate. |
| September 1 st – September 20 th | Budget public hearing(s) held. | <ul style="list-style-type: none"> Local Government Code 102.006(b) requires a public hearing to occur after the 15th day the proposed budget is filed with the municipal clerk. City Charter V(54)&(55) requires a public hearing to be held on the budget. City Council may make changes to the proposed budget after the public hearing. If changes are made to the budget, a 2nd public hearing is required. |
| September 1 st – September 20 th | Tax rate public hearings held. | <ul style="list-style-type: none"> Property Tax Code Section 26.05(d) requires two public hearings if tax rate exceeds the lower of the rollback or effective rate. |
| September 20 th | <p>Adopt the Budget.</p> <p>Set the tax rate.</p> | <ul style="list-style-type: none"> City Charter V(59) requires the budget to be adopted by September 20th or the budget as submitted by the City Manager is deemed to be adopted. City of Killeen Financial Policies III(H)(2) states the City Council will adopt the tax rate by September 20th. |

D. BUDGET PRESENTATION

The City Manager shall present the budget in a manner that shows expenditures and revenues for the last completed fiscal year, the estimated amount for the current fiscal year, and the proposed amount for the ensuing fiscal year in accordance with the City Charter, Article V.

The City Manager shall submit the proposed budget after receipt of the certified tax roll, and no later than the forty-fifth (45) day before the start of the new fiscal year in accordance with the City Charter.

E. BUDGET FILING

The budget and all supporting schedules shall be filed with the City Secretary when submitted to the City Council and shall be a public record for inspection by anyone.

Upon final adoption, the budget shall be in effect for the fiscal year. A copy of the budget, as finally adopted, shall be filed with the City Secretary, the Clerk of Bell County, and the State Comptroller of Public Accounts at Austin (Local Government Code §102.009(d)). The final budget will also be posted on the City website (Local Government Code §102.008(2)).

F. PUBLIC HEARINGS

A public hearing shall be conducted by the City Council, allowing interested citizens to express their opinions concerning items of expenditures or revenues. The City Council shall set the hearing for a date occurring no earlier than the 16th day after the date the proposed budget is filed with the City Secretary but before the date the City Council makes its tax levy (Local Government Code §102.006).

The notice of hearing shall be published not less than 10 days nor more than 30 days before the hearing (Local Government Code §102.0065).

After conclusion of such public hearing, the City Council may insert new items or may increase or decrease the items of the Budget, except items in proposed expenditures fixed by law. Before inserting any additional item or increasing any item of appropriation, it must cause to be published a notice setting forth the nature of the proposed increases and fixing a place and time, not less than five days after publication, at which the City Council will hold a public hearing thereon (City Charter, Article V, Section 56).

After such further hearing, the City Council may insert the additional item or items, and make the increase or increases, to the amount in each case indicated by the published notice, or to a lesser amount, but where it shall increase the total proposed expenditures, it shall also provide for an increase in the total anticipated revenue to at least equal such total proposed expenditures (City Charter, Article V, Section 57).

G. BUDGET ADOPTION

The budget shall be -adopted by the favorable vote of a majority of the members of the whole City Council (City Charter, Article V, Section 58). The budget shall be finally adopted not later than the twentieth day of the last month of the fiscal year. Should the City Council take no action on or prior to such day, the budget as submitted by the City Manager shall be deemed to have been finally adopted by the City Council (City Charter, Article V, Section 59). If the City Council does not adopt a tax rate, the tax rate for that year will be the lower of the effective rate or the tax rate adopted the previous year (Texas Property Tax Code §26.05(b)(2)(c)).

From the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several objects and purposes therein named. The City Council may only spend City funds in strict compliance with the budget, except in an emergency (Local Government Code §102.009(b)). This does not prevent the City Council from making changes in the budget for municipal purposes (Local Government Code §102.010).

From the effective date of the budget, the amount stated therein as the amount to be raised by property tax shall constitute a determination of the amount of the levy for the purposes of the City in the corresponding tax year. Upon adoption, the City may only levy taxes in accordance with the budget. (Local Government Code §102.009(a))

The total estimated expenditures of each fund shall not exceed the total estimated resources of the fund (prospective income plus cash on hand). The classification of revenue and expenditure accounts shall conform as nearly as local conditions will permit to the uniform classification as promulgated by the Governmental Accounting Standards Board (GASB).

H. REVENUE PROJECTIONS

When developing the annual budget, the City Manager shall project revenues from each source based on actual collections from the preceding year and estimated collections of the current fiscal year, while considering known

circumstances that will impact revenues for the new fiscal year. In order to maintain stability in service delivery, the City shall use a realistic, objective, and analytical approach when preparing revenue estimates. To protect the City of Killeen's financial integrity, the City will maintain a diversified and stable revenue system to shelter it from fluctuations in any one revenue source. The City of Killeen will consider market rates and charges levied by other public and private organizations for similar services in establishing tax rates, fees and charges.

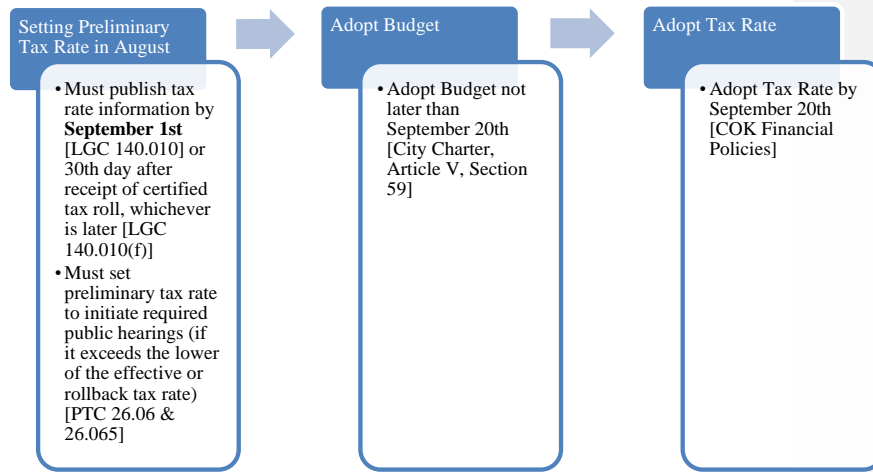
I. PROPERTY TAXES

1. TAX RATE TYPES

For every annual budget, the City of Killeen shall levy two property tax rates: operation/maintenance and interest/sinking. The interest/sinking levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding general obligation debt for that budget year. The interest/sinking levy and related expenditures shall be accounted for in the Debt Service Fund. The operation/maintenance levy shall have two components. The first for operation/maintenance expenditures that will be accounted for in the General Fund. The second for capital improvement projects that will be accounted for in the capital improvement program fund. The amount for capital improvement projects will be any portion of the tax levy in excess of the rollback rate.

2. SETTING TAX RATE

The City Council shall adopt a tax rate not later than the twentieth day of the last month of the fiscal year. The annual tax rate must be set by ordinance. All actions related to the setting of the tax rate must be in accordance with Texas Property Tax Code and Local Government Code.



3. PROPERTY TAX POLICIES

The City of Killeen will levy the lowest tax rate on the broadest tax base to achieve its mission and goals. Mandated exemptions will be provided to homeowners, senior citizens, and disabled citizens. Minimal additional exemptions will be provided. The City may consider providing tax abatements or other incentives to encourage development.

J. 20 YEAR FORECAST OF REVENUES AND EXPENDITURES

A 20-year forecast of revenues and expenditures, to include a discussion of major trends affecting the City’s financial position, shall be prepared in conjunction with the annual budget process. The forecast shall also examine critical issues facing the City, economic conditions, and the outlook for the upcoming budget year.

IV. BASIS OF ACCOUNTING AND BUDGETING

A. CONFORMANCE TO ACCOUNTING PRINCIPLES AND RECOMMENDED PRACTICES

The City's accounting practices and financial reporting shall conform to Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

B. ORGANIZATION OF FUNDS AND ACCOUNTS

The financial transactions of the City of Killeen are accounted for and recorded in individual funds and account groups. In general, the City will maintain the minimum number of funds consistent with legal and managerial requirements.

C. BUDGET BASIS

Budgets shall be prepared and adopted on a basis consistent with generally accepted accounting principles for all governmental funds and proprietary funds.

D. ENCUMBRANCES

Encumbrance accounting shall be used. Outstanding encumbrances are reported as assignments of fund balances and do not constitute expenditures or liabilities since the amounts will be expended the subsequent fiscal year.

E. GASB STATEMENT 34

The issuance of Statement 34 by GASB has influenced the creation and reporting of individual funds. GASB 34 essentially mandates dual accounting systems: one for government-wide (i.e. the government as a single entity) reporting and another for individual fund reporting. Under GASB 34 for individual funds, the City will continue utilizing the accounting and budgeting processes as described above. However, because GASB 34 mandates the flow of economic resources measurement focus and accrual basis of accounting for the government-wide reporting, extensive reconciliation must be performed to present aggregated fund information in the government-wide reporting model. Therefore, operating funds will be created with the objective of minimizing the reconciliation necessary for government-wide reporting.



V. BUDGET ADMINISTRATION

A. LEVEL OF CONTROL

All expenditures of the City of Killeen shall be made in accordance with the annual budget. The legal level of control (the level at which expenditures may not legally exceed appropriations) is the fund. During the fiscal year, conditions may arise that require modifications to the budget.

B. AMENDING THE BUDGET

Texas law provides for two types of expenditure budget amendments.

1. AMENDMENTS

The City Council may amend or change the budget by ordinance. Ordinances amending the budget must be filed with the City Secretary. The City Secretary will attach the amendment to the original budget (Local Government Code §102.009(c) and Local Government Code §102.010). All approved budget amendments must also be filed with the Clerk of Bell County (Local Government Code §102.009(d)).

2. TRANSFERS

Transfers between expenditure accounts will be approved in accordance with City Charter, Article VII.



VI. FISCAL MONITORING

The City shall prepare and present regular reports that analyze, evaluate, and forecast the City's financial performance and economic condition.

A. FINANCIAL STATUS REPORTS

Quarterly reports comparing expenditures and revenues to the current budget, projecting expenditures and revenues through the end of the year, noting the status of unassigned fund balances, assigned fund balances, and available working capital to include dollar amounts and percentages, and outlining any remedial actions necessary to maintain the City's financial position shall be prepared by the Finance Department and reviewed by the City Manager.

B. COMPLIANCE WITH CITY COUNCIL POLICIES

All financial policies will be reviewed annually by the City Council and updated, revised, or refined as deemed necessary. The review will begin no later than the end of January. Policies adopted by the City Council are guidelines, and occasionally, exceptions may be required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained prior to receiving City Council consent for the variance.

C. MONITORING FINANCIAL POLICY COMPLIANCE

1. External auditors will identify areas of non-compliance through the annual audit process.
2. At the request of City Council through the Audit Committee, the City Auditor will perform a more in-depth review of any portion of the policy.



VII. AUDITING AND FINANCIAL REPORTING

The City shall comply with prevailing federal, state, and local statutes and regulations, as well as current professional principles and practices.

A. MONTHLY FINANCIAL REPORTING

Monthly reports shall be prepared comparing expenditures and revenues to the current budget. Explanatory notes and charts may be included, as needed. A summary report on the contracts awarded, capital projects completed and status of the City's various capital programs may be included in the monthly reports.

Preliminary reports shall be provided to the City Manager within five (5) days following the conclusion of each calendar month. The final monthly report will be provided to City Council through the City Manager (City Charter, Article VII, Section 70(3)) within thirty (30) days following the conclusion of each calendar month, and will be posted to the City's website.

B. ANNUAL FINANCIAL REPORTING

Following the conclusion of the fiscal year, the Finance Department shall prepare a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by GASB. The document shall also satisfy all criteria of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program.

The CAFR shall include the results of the annual audit prepared by independent certified public accountants designated by the City Council. The CAFR shall be filed with the City Secretary within 180 days of fiscal year end (Local Government Code §103.003).

C. EXTERNAL AUDIT

Prior to the end of each fiscal year, the City Council shall designate qualified Certified Public Accountants who, as of the end of the fiscal year, shall make an independent audit of accounts and other evidences of financial transactions of the city government and shall submit their report to the City Council (City Charter, Article III, Section 40).

D. SELECTION OF AUDITORS

No later than every five years, the City shall request proposals from qualified independent firms of certified public accountants to perform an annual audit of the books of account, records and transactions, opine on the CAFR and Single Audit Report and report the results and recommendations to City Council (City Charter, Article III, Section 40). The Audit Committee shall review all proposals and submit their recommendation to the City Council for approval. The City shall change auditors no later than every five years.

E. INTERNAL AUDIT

The function of internal audit shall be an assignment of the City Council. The City Council will annually identify appropriate operations and practices to be reviewed in developing an annual Internal Audit Work plan. Other projects may be added or amended as needs arise.

Reviews of operation on the identified topics will be conducted, examining for all fiduciary and financial controls, compliance, risk minimization, and general operational integrity. Recommendations and findings will be submitted to the Audit Committee for each work plan element, and the City Manager's Office will be responsible for implementation of proposed improvements.

Internal audit policies and procedures will be maintained by the internal audit department.

VIII. REVENUES

A. ACCEPTANCE OF DONATED PROPERTY

Restricted and unrestricted cash donations or other gifts offered to the City must be approved by the City Manager prior to acceptance. The determination to accept or reject the donation will be based upon the best interest of the City, considering such things as projected operating, maintenance, and insurance costs.

A-B. USER FEES AND RATES

User fees shall be reviewed annually to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary. The City Council shall approve fees except when formally delegated to the City Manager. The fee review will occur mid-year and will not be part of the budget process.

1. USER FEES AND RATES APPROVED BY CITY COUNCIL

The City Council shall approve the fees and rates contained in this section. All other fees and rates are delegated to the City Manager.

- User fees and rates that statutorily require the approval of the governing body:
- Solid Waste Rates (Code of Ordinances, Chapter 24, Article II, Division 6):
- Street Maintenance Fee (Code of Ordinances, Chapter 25, Article VII, Section 25-230):
- Water Rates (Code of Ordinances, Chapter 30, Article IV, Division 2):
- Sewer Rates (Code of Ordinances, Chapter 30, Article IV, Division 2); and
- Drainage Utility Fee (Code of Ordinances, Chapter 32, Article I, Section 32-9).

The fees and rates delegated to the City Manager shall follow these parameters:

- The fees and rates shall not be higher than the average benchmark fee and/or rate of Killeen's peer review cities.
- The City Manager shall cause to be published an annual fee schedule no later than the end of January.

2. GOVERNMENTAL FUNDS

The City shall establish user charges and fees at a level to recover all costs associated with the service (Full Cost Recovery). Charges shall be imposed at the full cost recovery level unless it is determined that policy, legal, or market factors require lower fees. Full cost recovery includes:

- Direct costs associated with providing the service.
- Building and equipment depreciation.

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- Section, division supervision or clerical support, etc.
- Citywide and departmental indirect costs.

2-3. ENTERPRISE FUNDS

It is the intention of the City that all utilities and enterprise funds be self-supporting. Utility rates and enterprise fund user fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, bond coverage requirements, provide funding for capital improvements, and provide adequate levels of working capital. The City shall seek to eliminate all forms of subsidization to utility/enterprise funds from the General Fund.

User fees, particularly utility rates, should identify the relative costs of serving different classes of customers to the extent possible.

Free services will be provided to no one.

B-C. ~~ADMINISTRATIVE SUPPORT SERVICES CHARGES~~

The City shall establish a method to annually determine the cost of Support Services to line departments. The line departments shall pay for the services provided. Support Services includes the following departments or divisions: administrative services charges provided by the General Fund to enterprise funds. The enterprise funds shall pay the General Fund for services rendered.

- Building Services
- City Auditor
- City Council
- City Manager
- Communications
- Custodial Services
- Engineering
- Finance (including Fleet Services)
- Human Resources (including Risk Management)
- Information Technology
- Legal

C-D. SUPPLEMENTARY FUNDING

Where possible, the City of Killeen will maximize its financial resources by obtaining supplementary funding through contributions and agreements with other

public and private agencies for the provision of public services or the construction of capital improvements.

D-E. INVESTMENTS

The City shall have an investment policy and will invest idle cash to obtain interest income within the constraints of the policy. The investment policy established the following four objectives:

- Preservation of capital and the protection of investment principal.
- Maintenance of sufficient liquidity to meet anticipated disbursement and cash flow.
- Avoidance of any transaction that might impair public confidence in the City's ability to govern effectively.
- Attainment of a market rate of return equal to or higher than the performance measure established by the Executive Director of Finance that is commensurate with the acceptable risk and liquidity objectives of the policy.

E-F. GRANTS

The City will only utilize grants that meet the objectives and priorities identified by the City Council. Advance knowledge of how the City will pick up or abandon costs when a grant ends is required. Section XX of this document provides more information on the management of grants.

F-G. USE OF ONE-TIME REVENUES

The City shall use one-time revenues for one-time expenditures.

G-H. USE OF UNPREDICTABLE REVENUES

The City shall exercise caution with the use of unpredictable revenues for ongoing expenditures by directing such to one-time expenditures.

H-I. REVENUE COLLECTION AND ADMINISTRATION

The City shall maintain high collection rates for all revenues by keeping the revenue system as simple as possible in order to facilitate payment. In addition, since revenue should exceed the cost of producing it, the City shall strive to control and reduce administrative costs. The City shall, to the full extent allowed by state law, pursue collection of all delinquent taxes and other overdue payments owed the City.

I.J. WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS

The City shall monitor payments due to the City (accounts receivable). The City Manager or designee has the authority to periodically write-off accounts where collection efforts have been exhausted and/or collection efforts are not feasible or cost-effective.



IX. OPERATING EXPENDITURES

The City shall ensure fiscal stability and the effective and efficient delivery of services, through identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

A. CURRENT FUNDING BASIS

The City shall operate on a current funding basis. Expenditures shall be budgeted and controlled to not exceed current revenues plus the planned use of fund balance. (The Fund Balance/Working Capital Policy Statements shall guide the use of fund balance.)

B. AVOIDANCE OF OPERATING DEFICITS

The City shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue re-estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance within the Fund Balance/Working Capital Policy Statements. Expenditure deferrals into the following fiscal year or use of one-time revenue sources for operating purposes shall be avoided.

C. PURCHASING

The City shall have a purchasing policy that ensures the City conducts its purchasing and procurement functions efficiently and effectively, fully complying with applicable Federal and State laws, City ordinances, and in accordance with established internal controls. The City Manager will determine the method of purchase that provides the best value to the City in instances when a method other than competitive sealed bidding is being considered (Local Government Code § 252.02(C)).

The City may refuse to enter into any contract or other transaction with any person or entity that is indebted to the City (Local Government Code § 252.0436(A)).

The City Manager may approve all contract change orders that involve an increase or decrease to the original contract of \$50,000 or less (Local Government Code § 252.048(C)).

~~The City purchasing policy is contained in the City of Killeen Financial Management Policies.~~

The City will move toward centralized purchasing in accordance with a plan to be established by the City Manager.

D. CLASSIFICATION OF OPERATING EXPENDITURES

Operating expenditures shall be accounted for, reported, and budgeted for in the following major categories:

- Salaries and Benefits
- Maintenance and Supplies
- Professional Services
- Contracts
- Capital Outlay (Exclusive of CIP projects)

E. ANNUAL APPROPRIATION

The annual budget appropriations shall equal the estimated revenues and match recurring revenues with recurring expenditures to the extent possible. The budget will be established in a manner to minimize the impact on the quality and scope of city services.

General Fund expenditures shall be allocated based upon current resources after adjustment for capital outlay (e.g., fleet), Required contribution to the Street Maintenance Special Revenue Fund, Support Services (defined below), contributions to internal service funds (e.g., Information Technology), required non-departmental expenditures (e.g., Tax Appraisal District), a contingency reserve, and other expenditures that the City Manager deems appropriate. After adjusting for the aforementioned expenditures, the remaining resources will be allocated in the following manner:

| Budget Classification Category | Allocation Percent* |
|---|-----------------------------------|
| Public Safety | 73.0213 <u>84.9377</u> |
| General Government <u>Support Services</u> | 7.3853 <u>0.0000</u> |
| Community Services <u>Recreation</u> | 7.5623 <u>12.6292</u> |
| Public Works | 6.1836 <u>0.0241</u> |
| Community & Economic Development | 4.8431 <u>2.4090</u> |
| Planning & Development | 1.0044 <u>0.0000</u> |

| | |
|-------|----------|
| Total | 100.0000 |
|-------|----------|

*A variance of 0.25% is permissible.

The ~~budget~~ departments and divisions in each of the Budget Categories include: ~~classifications include multiple departments/divisions as follows:~~

- Public Safety
 - Police Department
 - Fire Department
 - Municipal Court
 - Building Inspections
 - Code Enforcement
 - Bell County Communication Center
- ~~General Government~~ Support Services
 - Building Services
 - City Auditor
 - City Council
 - City Manager
 - Communications
 - ~~City Attorney~~
 - Custodial Services
 - Engineering
 - Finance (including Fleet Services)
 - Human Resources (including Risk Management)
 - Information Technology
 - Legal
 - Non-departmental
- ~~Community Services~~ Recreation
 - Community Services Administration
 - Animal Services
 - Golf
 - Community Center
 - Parks
 - Libraries
 - Lions Club Park
 - Family Aquatics Center
 - Recreation Center
 - Athletics
 - Cemetery
 - Senior Citizens

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- ~~○ Volunteer Services~~
- Public Works
 - Public Works Administration
 - Drainage Utility
 - Solid Waste
 - Street Operations
 - Water
 - Wastewater
 - ~~○ Engineering~~
- Community and Economic Development
 - ~~○ Library~~
 - Killeen Arts & Activity Center
 - Community Development ~~Operations~~Administration
 - Home Program
 - Building Services
 - Custodial Services
 - Aviation
 - Volunteers
 - Grants (CDBG and Home)
 - Greater Killeen Chamber of Commerce
 - Killeen Economic Development Corporation
 - Killeen Civic and Conference Center
 - Planning and Zoning
 - Public Transportation
 - Sister Cities
- ~~▪ Planning & Development~~

F. CONTINUOUS IMPROVEMENT

The City Manager shall strive to undertake periodic staff and third-party reviews of City programs for both efficiency and effectiveness. As appropriate, the privatization and contracting of services with other governmental agencies or private entities will be evaluated as alternative approaches to service delivery. Programs that are determined to be unresponsive, inefficient, and/or ineffective shall be reduced in scope or eliminated.

G. PERSONNEL EXPENDITURES

Personnel expenditures will reflect the optimal staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the City shall maintain a compensation and benefit package competitive with relevant public and private sector employers.

H. MAINTENANCE OF CAPITAL ASSETS

The City shall strive to maintain capital assets and infrastructure at a sufficient level to protect the City's investment, to minimize future replacement and maintenance costs, and to continue service levels. Future maintenance costs will be estimated and planned for at the time a capital project is approved.

X. FUND BALANCE

The purpose of this policy is to establish guidelines for governmental fund balances in accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions.

A. GOVERNMENTAL FUND BALANCES

The City recognizes that unassigned fund balance is an important measure of economic stability. It is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to 18-22% of operating expenditures to mitigate financial risk that can occur from unforeseen revenue fluctuations, significant unanticipated expenditures, and natural disasters.

The annual budget shall be presented to City Council with the General Fund reflecting an ending unassigned fund balance in the current budget year which is no less than 18% of that fund's annual operating expenditures. The City considers a balance less than 18% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the established minimum, the City shall refrain from making additional appropriations from fund balance and shall appropriate funds in future budgets to replenish the fund balance based upon a time table deemed adequate by the City Council, not to exceed three years.

1. DEBT SERVICE FUND

The City will maintain an unassigned fund balance in the General Debt Service Fund of 18-22% of annual expenditures.

2. CAPITAL PROJECTS FUNDS

The City will maintain reserves in Capital Projects Funds that will not exceed the amount needed to fully fund the approved projects set forth in the five-year Capital Improvement Plan.

3. SPECIAL REVENUE FUNDS

The City will maintain an unassigned fund balance of 18-22% of operating expenses (including operating transfers out and debt service payments) in the following special revenue funds:

- Hotel/Motel Tax Fund
- Court Security Fee Fund

- Juvenile Case Manager Fund

B. ORDER OF FUND EXPENDITURE

The City will utilize funds in the following spending order:

- Restricted
- Committed
- Assigned
- Unassigned

C. FUND BALANCE APPROPRIATIONS

General Fund unassigned fund balances in excess of the 22% goal established above shall be transferred to the Capital Projects Fund. The City of Killeen will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event fund balance is appropriated for recurring operating expenditures to meet the needs of the community, the budget document shall include an explanation of the circumstances requiring the appropriation and the methods to be used to address the future use of fund balance for operating expenditures.

D. NON-GOVERNMENTAL FUND BALANCES

Insofar as the above policies and fund balance categories do not apply to proprietary funds, the City recognizes the need to apply a different minimum balance policy to the proprietary funds, in order to ensure continued operation in the event of a natural disaster or significant shortfall in revenues. The proprietary funds will pay (where applicable) their fair share of general and administrative expenses, in-lieu-of-property taxes, and/or franchise fees.

1. ENTERPRISE FUNDS

The City will maintain a working capital balance (current assets minus current liabilities) of 18-22% of operating expenses (including operating transfers out and debt service payments) to mitigate financial risk. The annual budget shall be presented to Council with each proprietary fund reflecting an ending working capital balance that is no less than 18% of operating expenses.

Working capital balances in excess of the 22% goal established above shall be appropriated for non-recurring capital projects or programs.

Should working capital fall below the minimum, the City shall refrain from making additional appropriations from fund net assets. If a proprietary fund is temporarily unable to pay all expenses, then the City Manager may waive general and administrative expenses, in-lieu-of-property taxes, and/or franchise fees until the fund is able to pay them. The City Council may pay out-of-pocket expenses that a fund is temporarily unable to pay with inter-fund loans, to be repaid at a future date.

2. INTERNAL SERVICE FUNDS

The City will maintain a minimum working capital balance of 3% of operating expenditures (including operating transfers out) to mitigate financial risk. The annual budget shall be presented to City Council with each internal service fund reflecting an ending working capital balance that is no less than three percent of operating expenditures (including operating transfers out). This calculation does not include non-recurring items.

In addition, the City acknowledges that initially, not all proprietary funds will meet the minimum requirement for working capital outlined in this policy. A fund will be considered compliant with this policy as long as the financial position shows continuous improvement each fiscal year.



XI. INTER-FUND LOANS

Inter-fund loans are amounts provided between funds of the City of Killeen with a requirement for repayment.

A. SHORT-TERM BORROWING

The City Manager is authorized to approve temporary inter-fund borrowings for cash flow purposes whenever the cash shortfall is expected to be resolved within 45 days. The most common use of inter-fund borrowings under this circumstance is for grant programs like the Community Development Block Grant, where costs are incurred before drawdowns are initiated and received. However, receipt of funds is typically received shortly after the request for funds has been made.

B. REVIEW AND APPROVAL

Any movement of funds from one fund to another (with the exception of short-term borrowings above) requires the approval of City Council. Additionally, all inter-fund loan proposals must be reviewed and approved by the Executive Director of Finance and the City Manager or designee.

C. FUNDING SOURCE FOR LOANS

The funding source of all inter-fund loans must be idle cash on deposit in a fund. During the term of the loan, the outstanding balance at any time must not be needed to finance normal operations. Adequate documentation (i.e., cash flow analysis) is required to support that loaned funds are idle.

D. USE OF LOAN PROCEEDS

Inter-fund loans must only be made to finance short-term operating or capital needs of the borrowing fund. Short-term is defined as a period up to five (5) years.

E. REPAYMENT SOURCE

The borrowing funds must have an identified revenue stream for the repayment of all principal and interest incurred. Management must provide documentation of ability to repay the obligation, and the department incurring the loan must execute an agreement described in section F below. Loans will not be approved if the obligor fund cannot substantiate the ability to finance current business and capital

operations, make agreed upon loan repayments, and maintain sufficient cash to meet emergency needs.

F. REPAYMENT TERM

All inter-fund loans must be repaid in no more than five (5) years from the date loan documents are executed.

G. LEGAL DOCUMENTATION

All inter-fund loans are approved by the City Council and are consummated by loan agreements. Those agreements will stipulate the loan purpose, the loan amount, the term, repayment source, interest rate, and other information as required by the City's legal department.

H. REPAYMENT

All idle City cash is pooled and invested to earn a return. The lending fund should recover this foregone investment revenue. Therefore, inter-fund loans are interest bearing except for advance funding for grants, reimbursement resolutions, or when senior management finds it appropriate to forego the payment of interest. The interest rate charged and paid must comply with all applicable laws and regulations. At a minimum the rate charged will equal the weighted average return earned on the City's pooled cash.

I. PROPRIETARY FUND LOANS

Excess pledged revenues can be used to make loans to other City Funds. Before making that determination, the proprietary fund must cover all obligations for Operation and Maintenance Expenses, Debt Service Expenses, Debt Service Coverage, Transfers to the General Fund, and Operation Reserve Requirement.

1. PURPOSE OF THE LOAN

To fund non-proprietary fund capital projects for which there is no other viable funding source, and which total amount falls between a minimum and maximum threshold.

2. AGREEMENT

A formal written agreement between the proprietary fund and the receiving fund, clearly defining the terms and conditions of the agreement should be in place.

3. DETERMINATION OF SURPLUS

Prior to a loan agreement being made, a determination of surplus must be made by meeting the following criteria:

- There are sufficient excess pledged revenues
- Coverage amounts meet or exceed the recommended ratios; and
- The reserve requirements are met.



XII. INTER-FUND TRANSFERS

A. OPERATING FUNDS

Inter-fund transfers are used to pay for actual general and administrative costs in the General Fund and to charge franchise fees to Proprietary Funds. Franchise fees (street rental fees) are assessed for the General Fund to gain back a portion of costs for the wear and tear on its streets, alleys, and rights-of-way and shall be limited to 9% of actual revenues within the applicable proprietary funds.

All inter-fund transfers between the operating funds must be authorized by City Council. This authorization is obtained by approval of the Annual Budget or through budget amendment.

B. CAPITAL PROJECTS FUNDS

1. GENERAL FUND

Fund balances in excess of the 22% goal in the General Fund will be transferred to the Capital Projects Fund.

2. BOND FUNDS

Surplus bond proceeds may be transferred to:

- Another bond fund of the same purpose.
- The debt service fund to reduce outstanding debt.
- Operating funds due to reimbursement resolutions approved by City Council

C. ENTERPRISE FUNDS

Working capital in excess of the 22% goal in the enterprise funds will be transferred to the corresponding enterprise capital projects fund.



XIII. CAPITAL EQUIPMENT/PROJECT EXPENDITURES

The City shall annually review the needs for capital improvements and equipment, the current status of the City's infrastructure, replacement and renovation needs, and potential new projects. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every capital project, all operation, maintenance, and replacement costs shall be fully costed, considered, and built into the long-term operating budget forecast.

A. CAPITALIZATION THRESHOLD

The GFOA recommends that "best practice" guidelines be followed in establishing capitalization thresholds for tangible capital-type items. Accordingly, the following criteria are followed:

- Individual items costing \$5,000 or more and capital projects whose total cost (in the aggregate) exceeds \$100,000 or more will be capitalized and depreciated according to GASB rules.
- Tangible, capital assets will only be capitalized if they have an estimated useful life of at least two years following the date of acquisition.
- Capitalization thresholds will be applied to individual items rather than groups or similar items.
- Only capital improvements that lengthen the estimated useful life of an asset or increase service capacity (effectiveness or efficiency) will be capitalized. Repairs and maintenance for an asset to retain its value are not capitalized.
- Records and procedures will be established to ensure adequate control over non-capitalized tangible assets. Departments must submit a certified report of all non-capitalized tangible assets to the Finance Department annually. It shall be the responsibility of the individual department directors to maintain records sufficient to demonstrate compliance with this policy.

B. CAPITAL EQUIPMENT

The City shall annually prepare a schedule for the replacement of its non-infrastructure capital assets (i.e., Fleet). Within the resources available each year, the City shall replace these assets according to the aforementioned schedule.

Expenditures for new (not replacement) capital equipment shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.

C. CAPITAL PROJECT EXPENDITURES

~~The City shall have capital projects policies to establish the basic framework for the planning, development, funding, and construction of capital improvement program projects. Capital projects are intended to include infrastructure or facility improvements and maintenance needs that exceed \$100,000 and have a useful life exceeding one-year. Capital projects are defined as non-recurring expenditures for improvements that exceed \$100,000 and have useful lives exceeding one year. Examples include water and wastewater line replacement, street resurfacing, building construction and renovation, major software and hardware projects, and park improvements.~~

~~Capital projects will be constructed to:~~

- ~~• Protect, maintain, or improve the community's quality of life and economic vitality,~~
- ~~• Provide significant rehabilitation of City infrastructure for sustained service, and~~
- ~~• Support and service new development.~~

~~All projects shall be prioritized based on an analysis of current needs and resource availability. Capital project expenditures will not be authorized by the City Council without identification of an adequate funding source. Potential funding sources include, but are not limited to, reserve funds, debt issuances, matching fund revenues, user fees, grants, or reallocation of existing capital funds with the recognition that construction of previously authorized capital projects may be delayed or postponed.~~

~~1. Capital Improvement Program (CIP)~~

~~The City will develop a multi-year plan for capital projects which identifies all projects likely to be constructed within a five-year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures. Costs incurred for advanced planning of capital projects may be funded from reimbursement of appropriate debt or operating funds via a reimbursement resolution approved by City Council.~~

~~Capital improvement planning and programming shall include the following categories for the determination of funding for individual projects: design costs, right of way costs, utility construction/adjustment costs, construction costs,~~

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~~appropriate contingency funds, furnishings and equipment, and direct project administration services provided by City employees or contractors.~~

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a) ~~Project Manager~~

~~Every CIP project will have a qualified project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, and periodically report project status.~~

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b) ~~Capital Projects Review Committee~~

~~A committee will be organized by the City Manager or designee to review project proposals, determine project phasing, recommend project managers, review and evaluate the draft CIP budget document, and report CIP progress on an ongoing basis.~~

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e) ~~CIP Appropriation~~

~~The City's annual CIP appropriation for study, design, acquisition, and/or construction is based on the projects designated by the City Council through adoption of the Annual Budget.~~

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~~Accordingly, project appropriations are generally made when contracts are awarded. If project costs at the time of bid award are less than the budgeted amount, the balance will be unappropriated and returned to fund balance or allocated to another project. If project costs at the time of bid award are greater than budget amounts, several options are available which may include:~~

- ~~• Eliminate the project.~~
- ~~• Defer the project for consideration.~~
- ~~• Re scope or change the phasing of the project to meet the existing budget.~~
- ~~• Transfer funding from another specified lower priority project.~~
- ~~• Appropriate additional resources as necessary from fund balance.~~

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1. CIP BUDGET CARRYOVER

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Appropriations for CIP projects lapse three years after budget adoption due to lack of activity. Projects which lapse from lack of project account appropriations may be resubmitted for inclusion in

a subsequent CIP. Project accounts, which have been appropriated, will not lapse until completion of the project.

2. CAPITAL PROJECTS RESERVE FUND

A Capital Projects Reserve Fund shall be established and maintained to accumulate reimbursements from other governmental agencies for the prior purchase of real property assets, proceeds from an occasional sale of surplus real property as approved by City Council, and transfers from the General Fund unassigned fund balance. This fund shall only be used to pay for ~~non-routine and one-time~~ expenditures such as land and building purchases, capital maintenance and repairs, construction projects, feasibility, design, and engineering studies related to such projects, capital equipment and vehicles, and technology improvements. Expenditures from this fund should be aimed at protecting the health and safety of citizens and employees, protecting the existing assets of the City, ensuring public access to City facilities and information, and promoting community-wide economic development.

3. UTILITY CAPITAL EXPENDITURES

The City of Killeen uses three funding sources for utility capital expenditures. First, utility rates will be designed to provide sufficient funding for a depreciation reserve which accumulates resources to replace or rehabilitate aging infrastructure. Second, the multi-year financial plan provides debt strategies to finance needed capital items. Third, annual transfers are made to capital rehabilitation and renewal projects from utility operations to maintain adequate funding for capital items.

D. FINANCING

The City recognizes that there are three basic methods of financing capital needs. Funding may be budgeted and covered by current revenues, may come from fund balance, or borrowed through the issuance of debt. Debt financing includes general obligation bonds, revenue bonds, certificates of obligation, lease/purchase agreements, certificates of participation, tax notes, and other obligations permitted to be issued or incurred under Texas law. Guidelines for assuming debt are set forth in the Debt Policy Statements.

E. SURPLUS BOND FUNDS

Surplus project funds may become available after the completion of a specific, authorized bond project or may result when a bond project is modified or eliminated without being simultaneously replaced by another eligible project. Surplus bond funds may be used for projects consistent with the authorized purpose of the bonds per the bond covenant to:

- Finance cost overruns on bond projects within the same bond proposition;
- Fund emergency projects;
- Reduce outstanding debt at the end of the bond program; and
- Fund newly identified projects within the authorized purposes of an approved bond proposition only after all authorized projects/categories within the same proposition are substantially complete. A project would be considered substantially complete when design has been fully completed, construction is substantially underway, and staff has prepared cost projections that include ample contingencies to complete the project in the event unforeseen costs should arise.



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XIV. DEBT

The City will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. “pay-as-you-go”) to minimize the issuance of debt.

A. PRINCIPLES

- To minimize interest payments on issued debt, the City will maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding the lesser of 25 years or the useful life of the improvement. Retirement of debt principal will be structured to ensure constant annual debt payments.
- The City will attempt to maintain base bond ratings (prior to insurance) equivalent to AA. The City shall continue to seek to enhance its credit quality by frequent contact and visits with the rating agencies, and monitoring the current trends and guidance from the agencies.
- When needed to minimize annual debt payments, the City will obtain insurance for new debt issues.
- Generally, competitive sale is preferred to a negotiated sale.
- In order to minimize the impact of debt issuance on the property tax rate and to assist the City in meeting its arbitrage requirements, the City will consider the sequential sale of bonds for the purpose of financing capital projects.

B. USE OF DEBT FINANCING

Debt financing, to include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, tax notes, lease/purchase agreements, and other obligations permitted to be issued or incurred under Texas law, shall only be used to purchase capital assets and equipment that cannot be prudently acquired from either current revenues, assigned fund balance, or Net Position, and to fund infrastructure improvements and additions. The useful life of the asset or project should exceed the payout schedule of any debt the City assumes.

C. ASSUMPTION OF ADDITIONAL DEBT

The City shall not assume more tax-supported general purpose debt than it retires each year without conducting an objective analysis as to the City’s ability to assume and support additional debt service payments. When appropriate, self-supporting revenue bonds shall be considered before general obligation bonds.

D. AFFORDABILITY TARGETS

1. GENERAL OBLIGATION BONDS

The City shall use an objective analytical approach to determine whether it can afford to assume new general purpose debt (General Obligation bonds, tax notes, and Certificates of Obligation) beyond what it retires each year. This process shall take into consideration any potential impact to the City's credit ratings, the growth in the City's taxable assessed value, and the targeted debt service tax rate. The process shall also examine the direct costs and benefits of the proposed expenditures. The decision on whether or not to assume new debt shall be based on these cost and benefits, the current conditions of the municipal bond market, and the City's ability to "afford" new debt as determined by the aforementioned standards. The City will target that the interest and sinking tax rate for the repayment of debt is at or below 25% of the total tax rate. [The interest and sinking tax rate may exceed 25% if the new general obligation debt is approved by the voters.](#)

The City acknowledges that initially the interest and sinking tax rate will exceed the maximum percentage as outlined in this policy. The City will be considered compliant with this policy as long as the interest and sinking portion of the tax rate continuously decreases until it reaches the 25% level.

2. REVENUE BONDS

Revenue bonds are secured solely by the revenues of an enterprise fund. As a result, the credit markets look at the type of enterprise securing the payment of debt service on the bonds to determine the level of security necessary for the purchase of the bonds.

Whether revenue bonds can be secured with gross revenues of the enterprise or net revenues (i.e., those revenues remaining after paying costs of operation and maintenance) is often determined by law. Coverage requirements, and the need for and level of reserve funds to provide additional security in support of revenue bonds, are subject to rating agency review and market standards.

Generally, for the City to issue additional water and sewer revenue bonds, net revenues, as defined in the ordinance authorizing revenue bonds, shall be a minimum of 125% of the average annual debt service. Annual

adjustments to the City's rate structures will be made as necessary to maintain a minimum 125% coverage factor. Exceptions to these standards must be fully explained and justified.

Generally for the City to issue additional drainage revenue bonds, gross revenues, as defined in the ordinance authorizing the revenue bonds, shall be at least 125% of the maximum annual debt service; net revenues (after operations and maintenance expenses) should be at least 125% of the annual debt service for financial planning purposes. Annual adjustments to the City's rate structures will be made necessary to maintain a minimum 125% coverage factor for net revenues.

Revenue bonds that may be issued to finance improvements for other enterprise fund activities (e.g., airports, convention centers, or solid waste facilities) will necessitate the consideration of coverage and reserve fund requirements unique to the enterprise fund, such that the revenue bonds will be creditworthy and marketable.

3. CERTIFICATES OF OBLIGATION

Certificates of Obligation may be issued without public election to finance any public work project or capital improvement, as permitted by State law. However, it is the policy of the City to utilize Certificates of Obligation to finance public improvements for special circumstances and only after determining the City's ability to assume additional debt based on the standards identified above. Those special circumstances in which Certificates might be issued include, but are not limited to:

- Advance design of projects to get them "shovel ready" and accurately determine the bond amount.
- Cost overruns on a general obligation bond-financed capital improvement have occurred;
- "Emergency" conditions require a capital improvement to be funded rapidly including an evaluation of projects that are deemed to be non-discretionary and requires City action;
- Financial opportunities unexpectedly arise to leverage funds from other entities and reduce the City's capital cost for a community improvement;
- A capital improvement is a revenue-producing facility, but due to the nature of the project or the time it takes for the facility to become operational and produce revenues, the improvement may not generate sufficient revenues throughout the life of the

improvement to support the indebtedness secured solely by the revenues to be produced by the improvement;

- It would be more economical to issue Certificates of Obligation rather than issuing revenue bonds;
- The timing of the construction of a capital improvement and the expense of calling a bond election for a single proposition would, in the opinion of staff and with the approval of the City Council, warrant the issuance of Certificates of Obligation to finance the capital improvement; and

E. CALL PROVISIONS

Call provisions for bond issues shall be made as short as possible without penalty consistent with the lowest interest cost to the City. When possible, all bonds shall be callable only at par.

F. SALE PROCESS

The City shall use a competitive bidding process in the sale of debt unless the nature of the issue or market conditions warrants a negotiated sale.

G. TIMING OF SALES

The City may use the cash received through the issuance of notes pursuant to the appropriation authority that may be available in accordance with the commercial paper programs to begin capital projects approved under those programs. The City may also consider using reimbursement resolutions and its cash to initiate certain projects. Consideration should be given to any lost interest earnings on the City's cash compared to the anticipated interest expense associated with the issuance of obligations by the City. This process will improve the City's ability to time its entry into the long-term fixed rate market and to manage its debt issuances and debt payments in order to minimize the impact on tax rates and utility rates.

H. RATING AGENCY PRESENTATIONS

Full disclosure of operations and open lines of communication shall be made to the rating agencies. City staff shall prepare the necessary materials and presentation to the rating agencies. Credit ratings will be sought from one or more of the nationally recognized municipal bond rating agencies, currently Moody's, Standard & Poor's, and Fitch.

I. CONTINUING DISCLOSURE

The City is committed to providing continuing disclosure of financial and pertinent credit information relevant to the City's outstanding securities and will abide by the provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure. City staff will update financial and pertinent credit information within six months of the end of the City's fiscal year and at such other times as may be indicated by material changes in the City's financial situation.

J. DEBT REFUNDING

City staff shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular advance refunding (i.e., bonds that are paid off on a date that is more than 90 days after the date the refunding bonds are issued) should exceed 3.5% of the par amount of the refunded maturities.

K. POST BOND ISSUANCE FEDERAL TAX COMPLIANCE

The City has issued or will issue from time to time bonds, notes or other tax-exempt obligations (collectively, the "Bonds"). The City is required by the terms of Section 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended ("Code"), and the U.S. Treasury Regulations promulgated thereunder ("Regulations"), to preserve the tax-exempt status of its Bonds subsequent to their issuance. Further, the Code and the Regulations impose record retention requirements on the City with respect to its Bonds.



XV. CASH MANAGEMENT

Deposits of cash shall be made daily. The timing and availability of funds shall be analyzed in order to maximize interest earnings from investments. City staff shall monitor and manage activity in the City's bank accounts to optimize the availability of funds and interest earned. Written guidelines on cash handling, accounting, segregation of duties, and other financial matters shall be maintained.

A. POOLED CASH

In order to provide liquidity adequate to meet the needs and demands of providing governmental services including unanticipated reductions in revenues or unplanned increases in expenditures, cash balances will be maintained and managed through the Pooled Cash method in such a way as to minimize short-term borrowing. This reduces overall cost to taxpayers by minimizing interest expense.

B. INVESTMENTS

The City's investment portfolio shall be managed in accordance with the Public Funds Investment Act and the City's Investment Policy. The City Council shall adopt a formal investment policy by resolution annually, following review and recommendation by the Investment Committee.

C. SELECTION OF DEPOSITORY BANK

The City will undertake a comprehensive review of its banking needs and seek competitive proposals for bank services on a regular basis. The bank shall be chosen by the City Council for a multi-year period, and banking services proposals shall be reviewed by the Investment Committee. In general, the City will seek proposals from depository banks every five years, although it is under no obligation to change.



XVI. INTERNAL CONTROLS

The City shall establish and maintain an internal control structure designed to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

A. BASIC ELEMENTS OF INTERNAL CONTROL

1. AUTHORIZATION

All transactions are properly authorized by management.

2. COMPUTER DATA PROCESSING

Procedures shall be designed to control development, modification, and maintenance of computer programs; use and changes to data maintained on computer files; application controls, for example, edits that verify vendor numbers for check writing.

The Finance Department will establish application controls and user access levels to the City's financial system to be implemented by the Information Technology Services Department. The Finance Department must authorize all access requests prior to implementation.

3. SEGREGATION OF DUTIES

The organizational plan should separate functional responsibilities. Procedures designed to detect errors and irregularities should be performed by persons other than those who are in a position to approve them, and those persons should be made aware of the avenues available to them for reporting those errors and irregularities, including but not limited to their chain-of-command, City Auditor, and City Attorney.

4. EXECUTION OF TRANSACTIONS

There is reasonable assurance that transactions are executed as authorized.

5. RECORDING OF TRANSACTIONS

Transactions are recorded as necessary to permit preparation of financial statements in conformance to statutory requirements and accounting principles generally accepted in the United States, and to maintain accountability for assets.

6. ACCESS TO ASSETS

Access to assets and records should be permitted only with management's authorization.

7. PERIODIC INDEPENDENT VERIFICATION

The records should be checked against the assets by someone other than the persons responsible for the records or the assets, and the person checking the records should be made aware of his or her avenues for reporting irregularities or errors, including but not limited to his or her chain-of-command, City Auditor, or City Attorney. Examples of independent verification are monthly bank reconciliations and periodic counts of inventory.

B. WRITTEN PROCEDURES

Written procedures will be maintained by the Finance Department for all functions involving the handling of cash and securities. These procedures shall embrace sound internal control principles.

C. FINANCE DEPARTMENT RESPONSIBILITIES

The Finance Department shall issue internal control procedures based upon deficiencies that have been identified by City staff, the internal auditor, or the independent auditors. Finance shall ensure that a good faith effort is made to implement all independent auditor recommendations pertaining to internal control. The Finance Department will administer an "in-house audit" program to regularly and systematically review and monitor internal control procedures and compliance with federal and state regulatory requirements pertaining to internal controls or financial reporting.

D. DEPARTMENT HEAD RESPONSIBILITIES

Each department head is responsible to ensure that internal control procedures, including those issued by the Finance Department, are followed throughout the department.



XVII. ECONOMIC DEVELOPMENT FUNDING

The City shall have an economic development policy ~~may use authorized funding sources~~ for promoting new development or redevelopment within the city that will promote economic improvement, stimulate commercial activity, generate additional sales tax, and that will enhance the property tax base and economic vitality of the City.

~~A. POSITIVE BUSINESS ENVIRONMENT~~

~~The City shall endeavor, through its regulatory and administrative functions, to provide a positive business environment in which local businesses can grow, flourish, and create jobs. The City Council and City staff will be sensitive to the needs, concerns, and issues facing local businesses.~~

~~B. COMMITMENT TO BUSINESS EXPANSION, DIVERSIFICATION, AND JOB CREATION~~

~~The City shall encourage and participate in economic development efforts to expand Killeen's economy and tax base and to increase local employment. These efforts shall not only focus on newly developing areas but on all areas where development can generate additional jobs and other economic benefits.~~

~~C. INCREASE NON-RESIDENTIAL SHARE OF TAX BASE~~

~~The City's economic development program shall seek to expand the non-residential share of the tax base to decrease the tax burden on residential homeowners.~~

~~D. COORDINATION OF EFFORT~~

~~The City's economic development program shall encourage close cooperation with other local jurisdictions, chambers of commerce, and groups interested in promoting the economic well being of this area.~~

~~E. INCENTIVES/FINANCING~~

~~1. GENERAL FUND~~

~~Funding may be provided directly from the General Fund or through transfers from the General Fund to the Economic Development Corporation.~~

~~2. WATER AND SEWER FUND~~

~~Funding may be provided through transfers from the Water and Sewer Fund to the Economic Development Corporation.~~

~~3. 380 AGREEMENTS~~

~~Available resources may be used to fund economic development for residential and business purposes through tax incentives authorized by the Texas Local Government Code Chapter 380.~~

~~4. TAX INCREMENT FINANCING~~

~~Tax increment financing will be used to fund economic development projects for new development and redevelopment through ad valorem taxes generated on the incremental growth of real property in tax increment reinvestment zones as authorized by Texas Property Tax Code Chapter 311.~~

~~5. TAX ABATEMENTS~~

~~The City shall establish and follow the tax abatement policy to encourage investment and development throughout Killeen. The City shall use due caution in the analysis of any tax incentives used to encourage development. Factors considered in evaluating proposed abatements for development include the location of the project, its size, the number of temporary and permanent jobs created, the costs and benefits for the City and its impact on Killeen's economy. Tax abatement contracts may apply certain conditions on the receipt, both initially and throughout the term of the contract, of the abatement. The City will annually review tax abatement contracts to ensure the community is receiving promised benefits, and the City Council may seek to modify, re negotiate, or terminate an abatement contract if it is determined that the firm receiving the abatement has failed to keep its part of the agreement. The maximum tax abatement shall be 100% abatement for a maximum term of five (5) years.~~

XVIII. E-COMMERCE

The City shall fully utilize available technologies to expedite cash payments and receipts, enhance employee productivity, and provide customer satisfaction.

A. FULLY INTEGRATED FINANCIAL SYSTEMS

All E-Commerce systems and procedures must fully and transparently integrate with the City's financial and accounting systems, its depository bank systems, and any other City information system which interfaces with an E-Commerce system.

B. EMERGING TECHNOLOGIES

The City will work closely with its depository bank and other financial partners to evaluate and implement the standard industry accepted technologies that prove to be efficient and effective in pursuit of the City's E-Commerce goals.

C. VENDOR E-PAYMENTS

The City will actively migrate vendor payments from paper checks to other forms of payment, including but not limited to:

- Automated Clearing House (ACH) payments;
- Wire transfers; and
- Virtual credit cards payments.

D. DIRECT DEPOSITS

The City will actively migrate payroll payments from paper checks, to electronic formats, including but not limited to direct deposits.

E. INTERNET PAYMENT OPTIONS

Working with its depository bank and other financial partners, the City will seek to develop and implement internet payment options of best practices which will allow customers and citizens to pay bills due the City conveniently and securely.

F. FUNDING FOR SERVICE FEES

The City will work towards building the cost of e-payments into the cost of products and services rather than having an add-on fee.

G. INFORMATION SECURITY

The City will employ security measures consistent with best practice and the City's information security policy to ensure the integrity and confidentiality of customer and citizen data that is stored or is a component of transactions utilizing the City's information technology infrastructure or that of its service providers.

XIX. FINANCIAL CONSULTANTS

The City shall seek out and employ the assistance of qualified financial advisors and consultants as needed in the management and administration of the City's financial functions. Financial advisors and consultants that provide professional services as defined by Texas Government Code 2254 and Local Government Code 252.022 are exempted from competitive bidding requirements.

If exempted from competitive bidding requirements, the professional service provider shall be selected using requests for qualifications and based upon demonstrated expertise relative to the scope of work to be performed. Non-exempted service providers will be selected following competitive bidding requirements. Examples of services provided by financial advisors and consultants include but are not limited to investments, debt administration, financial accounting systems, program evaluation, and financial impact modeling.



XX. GRANTS

The City shall seek, apply for, and effectively administer federal, state, and foundation grants-in-aid that address the City's current priorities and policy objectives

A. GUIDELINES

The City shall apply, and facilitate the application by others, for only those grants that are consistent with the objectives and high priority needs previously identified by City Council. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be identified, planned, and considered prior to applying for a grant.

B. INDIRECT COSTS

The City shall recover full indirect costs unless the funding agency does not permit it. The City may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

C. REVIEW

All grant submittals shall be reviewed by the Finance Department for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the City's policy objectives. If there are cash match requirements, the source of funding shall be identified prior to application. If there is a future year's obligation, the source of funding shall be identified prior to application to ensure available cash-flow to meet those obligations.

D. PROGRAM TERMINATION

The City shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified and programmed into the long-term financial plan.



XXI. WAIVING LIENS FOR DEMOLITION OF DANGEROUS BUILDINGS OR HEALTH AND SAFETY ABATEMENTS

A. PURPOSE

This policy establishes the guidelines for waiving and releasing liens placed on property by the city, and specifically covers those liens placed for demolition of a dangerous building or abatement of health and safety violations.

B. DEMOLITION AND HEALTH AND SAFETY ABATEMENT

Pursuant to Chapter 8 of the City of Killeen Code of Ordinances, dangerous buildings or structures are a public nuisance and shall be abated. The city shall comply with all requirements in state law and Chapter 8, as may be amended in the future, in demolishing dangerous buildings.

Nuisances found in Chapter 18 of the City of Killeen Code of Ordinances include high weeds and grass; dangerous weeds over 48 inches; accumulation of litter, trash or rubbish; littering by depositing or dumping; stagnant water; allowing unsanitary conditions; care of premises; and accumulation of fill dirt. These are considered public nuisance pursuant to Chapter 18. The city shall comply with all requirements in state law and Chapter 18, as may be amended, in abatement of public nuisances.

C. FUNDING

Demolition of dangerous buildings shall be completed using any funds available to the responsible department, including the city's general fund and Community Development Block Grant ("CDBG") funds as allowed. Abatement of health and safety nuisances shall be completed using any available funds, but CDBG funds shall not be used.

D. PLACEMENT OF LIEN

If the owner(s) of property fails to reimburse the city for the costs of demolishing a dangerous building or abatement of a health and safety violation, after the city has given required notice and time to pay, the city shall place a lien on real property on which the violation occurred. The lien shall accrue interest at the rate provided by law until the lien is paid or otherwise released.

E. PROCEDURE FOR WAIVING LIENS

Liens may be waived when Bell County Tax Appraisal District has placed a property into trust for failing to sell in previous sheriff's sales and the city did not previously waive liens. When a property is in trust, the city is responsible for maintenance of the property and may not place additional liens for any abatement to remedy the violation. By the time a property is placed in trust, the city has also made multiple unsuccessful attempts to collect on the liens placed during demolition.

If the city elects to intervene as a party to a foreclosure for delinquent taxes by the Bell County Tax Appraisal District, liens are not waived but instead are extinguished in the foreclosure process.

The city shall not waive liens at the request of a property owner unless, after investigation by city staff, it is determined that the lien was placed in error.

The City Council shall retain authority to waive liens not outlined in this policy and upon any finding of a public purpose.

When liens are waived, Community Development will prepare a release of lien to be filed in the Bell County records.

F. PUBLIC PURPOSE

The public purpose served by waiving outstanding liens is to make the properties more marketable by Bell County Tax Appraisal District at sheriff's sales, since often the liens exceed the value of the property and discourage buyers. It will also reduce the amount of time and money the city spends maintaining the real property placed in trust.

G. WAIVER OF INTEREST ON LIENS

The city makes various attempts to collect outstanding liens, which includes administrative fees and interest that accrues by law from the time of filing with Bell County. Property owners often claim no knowledge of the lien or that a property management company should be responsible. As stated above, the city shall not waive liens at the request of a property owner. The city may waive interest and/or administrative fees on a lien where there is a benefit to the city. Such requests shall be reviewed by the City Manager or his/her designee for approval.

H. RESPONSIBILITY AND AUTHORITY

This Policy will be reviewed every three years by the City Council. Upon completion of the review, the City Council will adopt a resolution stating that it has reviewed the Policy on Waiving Liens for Demolition of Dangerous Buildings or Health and Safety Abatements, and the outcome. Periodic revisions to the Policy will also be approved by resolution of the City Council.



XXII. INVESTMENT POLICY (REVISED 08-21-18)

A. SCOPE

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.

1. 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.

2. 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.

B. INVESTMENT OBJECTIVES

1. 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.

2. 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.

3. 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.

4. 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.

C. INVESTMENT COMMITTEE

1. 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 Controller 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.

2. 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.

3. 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.

D. RESPONSIBILITY AND CONTROL

1. 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 Controller 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 ensure that the safekeeping, custodial, and collateral duties are consistent with this Investment Policy.

2. 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.

3. 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.

4. 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 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.

5. 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.

6. 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 ensure 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 training at least every two years and accumulate 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.

E. ETHICS

1. 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.

2. 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.

F. REPORTING INVESTMENT EARNING EVALUATION

1. 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.

2. 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. The annual report may be a component of the fourth quarter investment report.

3. 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.

4. 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.

G. INVESTMENT TYPES

1. 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.

2. ELIGIBLE INVESTMENTS

Financial assets of the City may be invested in:

1. Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
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 insured or collateralized in accordance with Section X. 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 \$1.0000 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.

3. 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.

4. 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.

5. 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.

6. 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.

H. SELECTION OF BANKS AND BROKER/DEALERS

1. 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.

2. INSURABILITY

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

3. 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 City 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 must 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.

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

5. 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.

6. INVESTMENT POLICY

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 a local government investment pool or discretionary investment management firm (e.g. 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 in accordance with the Act.

I. 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 an account in the name of the City as evidenced by safekeeping or pledge receipts of the institution with which the securities are deposited.

1. INSURANCE OR COLLATERAL

All deposits of City funds with financial institutions shall be secured by pledged collateral in accordance with Chapter 2257 of the Texas Government Code. Securities pledged as collateral for deposits must maintain a market value equal to no less than 102% of the uninsured deposits, including accrued interest. Federal Home Loan Bank Letters of Credit pledged as collateral must be equal to no less than 100% of the uninsured deposits, including accrued interest. Federal Home Loan Bank Letters of Credit pledged for certificates of deposit must expire at least two business days beyond the maturity date of the certificate of deposit. 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.

2. PLEDGED COLLATERAL AGREEMENTS

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. A Depository Agreement shall include the signatures of the City and the firm pledging the collateral, and may include the Custodian. The Custodial and Depository Agreements shall address acceptance, substitution, release and valuation of collateral.

3. 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.

4. SUBJECT TO AUDIT

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

5. 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 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.

6. 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.

J. INTERNAL CONTROLS

1. 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.

K. INVESTMENT STRATEGIES

1. 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.

2. FUND STRATEGIES

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.

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 a 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 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.

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 a 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.

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 a 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.

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 a rolling six-month Treasury Bill portfolio will be the minimum yield objective.

L. POLICY

1. 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.

2. 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.

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 or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

(Firm)

Qualified Representative of the Business Organization

(Signature)

(Name)

(Title)

(Date)



XXIII. GLOSSARY

Accrual Basis of Accounting – A basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows. For example, in accrual accounting, revenue that was earned on April 1, but for which payment was not received until July 10, is recorded as revenue on April 1st regardless of the timing of when the payment is received.

Business Plan - A department-level plan. In this plan, departments outline each division's service areas and associated key performance indicators and priority initiatives for each. This document is meant to serve as a high-level annual performance plan, in which measures are periodically updated to facilitate continuous observation, trend analysis, and improvement of department activities and services.

Capital Equipment – ~~The purchase of A capital project for items an individual asset, such as equipment, vehicles, tools or similar items with a cost of \$5,000 or more and that has a useful life exceeding one-year.~~

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Capital Improvement Plan (CIP) – A plan that describes the capital projects and associated funding sources the City intends to undertake in the current fiscal year plus four successive fiscal years, including the acquisition or construction of capital facilities and assets, and the maintenance thereof.

Capital Improvement Project – A capital project for the new construction or expansion of infrastructure or facilities.

Capital Maintenance Project – A capital project for the remodel, reconstruction, or rehabilitation of infrastructure or facilities.

Capital Project – A non-recurring expenditure that exceeds \$100,000 and has a useful life exceeding one--year.

Capital Projects Fund – A governmental fund established to account for resources used for the acquisition of large capital improvements and non-recurring expenditures other than those acquisitions accounted for in proprietary or trust funds.

Cash Flow – The net cash balance at any given point.

City Manager – All references to the City Manager are understood to be the City Manager or designee.

Debt Service - The cash that is required for a particular time period to cover the repayment of interest and principal on a debt. Debt Service is projected on an annual basis.

Debt Service Fund – A fund established to accumulate resources and to account for revenues and expenditures used to repay the principal and interest on debt.

Deferred Inflows of Resources – Resources that flow into a fund during the fiscal year, but are related to a future period. Deferred Inflows have a negative effect on net position, similar to liabilities. (Examples include: property taxes levied in the current year to finance the subsequent year’s budget.

Deferred Outflows of Resources - Resources that flow out of a fund during the fiscal year, but are related to a future period. Deferred Outflows have a positive effect on net position, similar to assets. (Examples include: resources provided to a grantee before the grantee has met related time requirements, but after all other eligibility criteria have been met).

Executive Director of Finance – All references to the Executive Director of Finance are understood to be the Executive Director of Finance or designee.

Expenditure – Refers to the value of goods and services *received* during a period of time, regardless of when they are *used* (accrual basis of accounting) or *paid* for (cash basis of accounting).

Expense - Refers to the value of goods and services *used* during a period of time, regardless of when they were *received* (modified accrual basis of accounting) or *paid* for (cash basis of accounting).

Fiduciary Fund – Fiduciary funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party that cannot be used to support the government’s own programs.

Employee Benefit Trust Fund - Employee benefit trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Finance Department – The Finance Department is the department responsible for the corporate financial operations of the City.

Fund Accounting – Fund accounting segregates monies according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

Fund Balance – Fund balance is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Fund Balance is broken up into five categories:

Non-spendable Fund Balance – Includes amounts that are not in a spendable form or are required to be maintained intact. Examples are consumable inventories.

Restricted Fund Balance – Includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and donations.

Committed Fund Balance – Includes amounts that can be used only for the specific purposes determined by a formal action (for example, legislation, resolution, and ordinance) of the City Council. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned Fund Balance – The portion of the fund balance of a governmental fund that represents resources set aside (earmarked) by the government for a particular purpose. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned Fund Balance - Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund. Unassigned amounts are technically available for any purpose.

Governmental Fund – Governmental funds are used to account for the government's general government activities primarily supported by taxes, grants, and similar revenue sources. There are five different types of governmental funds including: General Fund, Special Revenue Funds, General Debt Service Fund, Capital Project Funds, and Permanent Funds. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

General Fund - The main operating fund which is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund finances many of the basic municipal functions, such as general administration and public safety.

Special Revenue Funds – Governmental fund type used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects and exclusive of resources held in trust for individuals, private organizations, or other governments.

Capital Projects Funds - Governmental fund type used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds - Governmental fund type used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Internal Controls – The plan of organization and all of the coordinated methods and measures adopted within the City to safeguard assets, check the accuracy and reliability of its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies.

Accounting Controls – The plan of organization and all the methods and procedures that are concerned mainly with, and relate directly to, the safeguarding of assets and reliability of financial records.

Administrative Controls – The plan of organization and all the methods and procedures that are concerned mainly with operational efficiency and adherence to managerial policies and usually relate only indirectly to the financial records.

Long-Term Financial plan (LTFP) - A Long-Term Financial Plan includes an analysis of the financial and economic environment, long-term forecasts, debt analysis, and financial strategies.

Modified Accrual Basis of Accounting – Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all material revenues are considered to be susceptible to accrual. Ad valorem, sales, franchise, and other tax revenues recorded in the General Fund and ad valorem tax revenues recorded in the Debt Service Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. A sixty-day availability period is used for revenue recognition for all governmental fund revenues.

Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due.

Compensated absences, claims, and judgments are recorded when the obligations are expected to be paid from currently available financial resources.

Net Position – Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in a proprietary fund.

Non-Recurring Item – An expenditure that has not occurred in the previous two years and is not expected to occur in the following year.

Operating Expenditures (Governmental Funds) - An expenditure incurred in carrying out the City's day-to-day activities. Operating Expenditures include such things as payroll, employee benefits and pension contributions, transportation and travel.

Operating Expenses (Proprietary Funds) - An expense incurred in carrying out the City's day-to-day activities. Operating Expenses include such things as payroll, employee benefits and pension contributions, transportation and travel, amortization and depreciation. Notwithstanding the foregoing, with respect to a City Enterprise for which obligations, secured in whole or in part by the revenues of such Enterprise (such as the City's Water and Sewer System), have been issued or incurred, Operating Expenses shall be determined in accordance with State law and terms of the ordinances pursuant to which such obligations were issued or incurred.

Pay-As-You-Go-Financing - The use of currently available cash resources to pay for capital investment. It is an alternative to debt financing.

Pooled Cash – The sum of unrestricted cash and investments of several accounting funds that are consolidated for cash management and investment purposes. Investment income or expenditure is allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Program - A set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.

Proprietary Fund – A class of fund types that account for a local government's businesslike activities. Proprietary funds are of two types: enterprise funds and internal service funds. Both use the accrual basis of accounting and receive their revenues from charges to users. (Enterprise Fund examples: Water and Sewer Fund, and Drainage Utility Fund; Internal Service Fund examples: Fleet Maintenance Fund, Information Systems Fund).

Enterprise Fund - Enterprise funds are used to account for those activities that are business-like in nature, and include the Water & Sewer, Drainage, Solid Waste, and Aviation funds. Enterprise fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting.

Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. These funds are supported largely by user charges.

Internal Service Fund - Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

Reserve (Governmental Funds) - Reserve refers only to the portion of Fund Balance that is intended to provide stability and respond to unplanned events or opportunities. See associated Reserve Policy for specific details.

Reserve (Proprietary Funds) - Reserve refers only to the portion of Working Capital that is intended to provide stability and respond to unplanned events or opportunities. See associated Reserve Policy for specific details.

Unrestricted Net Position - The portion of a fund's net position that is not restricted for a specific purpose.

Working Capital - An accounting term defined as current assets less current liabilities in a proprietary fund. Working Capital is used to express the Reserves available in proprietary funds for use.

XXIV. APPENDICES

A. PURCHASING MANUAL



FINANCIAL GOVERNANCE POLICIES

DS-19-010

January 22, 2019

Background

- Financial Governance Policies are a comprehensive source for Killeen's financial policies.
 - ▣ Provide the basic framework for fiscal management.
 - ▣ Assists City Council and staff in evaluating current operations, proposed programs, and long-term financial stability.
- Adopted December 19, 2017.
- Requires an annual review to begin no later than January of each year.

Proposed Policy Changes

3

| Policy Change Location | Why Change is Required | Policy Change |
|---|--|--|
| Section I. Table of Contents Page 2 | Improve readability of the document. | Summarized the Table of Contents to only include the Section headings. |
| Section VIII. Revenues A. Acceptance of Donated Property Page 19 | Establish a process for accepting donations. | Inserted paragraph requiring the approval of the City Manager. |

Proposed Policy Changes

4

| Policy Change Location | Why Change is Required | Policy Change |
|--|--|---|
| Section VIII. Revenues B. User Fees and Rates 1. User Fees and Rates Approved by City Council Page 19 | Identify the user fees and rates that City Council must approve. | <ul style="list-style-type: none">-The user fees and rates that City Council approves are identified.-All other user fees and rates are delegated to the City Manager with parameters. |
| Section VIII. Revenues C. Support Services Page 20 | Change administrative charges to Support Services for clarity and consistency. | <ul style="list-style-type: none">-Replaced administrative charges with Support Services.-Listed the departments and divisions that make up Support Services. |

Proposed Policy Changes

| Policy Change Location | Why Change is Required | Policy Change |
|--|---|--|
| <p>Section IX. Operating Expenditures C. Purchasing</p> <p>Page 24</p> | <p>-Revise to match the City’s Governing Standards and commonly used Local Government Code laws.</p> <p>-Remove reference to purchasing policy.</p> | <p>-Added that the City Manager determines purchasing method.</p> <p>-Added common Local Government Code references.</p> <p>-Removed reference to the purchasing policy.</p> |
| <p>Section IX. Operating Expenditures E. Annual Appropriation</p> <p>Page 25</p> | <p>Revise how General Fund resources are allocated.</p> | <p>Included funding for street maintenance and Support Services prior to allocating to the Budget Categories.</p> |

Proposed Policy Changes

6

| Policy Change Location | Why Change is Required | Policy Change |
|--|--|--|
| Section IX. Operating Expenditures E. Annual Appropriation (continued) Page 25-26 | Revise how General Fund resources are allocated. | -Revised Budget Category allocation table. -Allowed for a 0.25% difference between allocation percent per policy and actual allocation percent. |
| Section IX. Operating Expenditures E. Annual Appropriation (continued) Page 26-27 | Identify the five Budget Categories. | Revised department and division list to the assigned Budget Category. |

Proposed Policy Changes

| Policy Change Location | Why Change is Required | Policy Change |
|--|--|--|
| <p>Section XIII. Capital Equipment/Project Expenditures C. Capital Project Expenditures</p> <p>Page 40-42</p> | <p>Adoption of Capital Projects Policies.</p> | <p>-Added language requiring capital projects policies for consistency.</p> <p>-Removed policy statements.</p> |
| <p>Section XIII. Capital Equipment/Project Expenditures C. Capital Project Expenditures (continued)</p> <p>Page 43</p> | <p>Clarify use of Capital Projects Reserve Fund.</p> | <p>Deleted non-routine and one-time expenditures for clarity.</p> |

Proposed Policy Changes

8

| Policy Change Location | Why Change is Required | Policy Change |
|---|---|--|
| Section XIV. Debt D. Affordability targets 1. General Obligation Bonds Page 47 | Allow debt to be issued when interest and sinking rate is greater than 25% with voter approval. | Added language to allow debt issuance in excess of 25% threshold with voter approval. |
| Section XVII. Economic Development Funding Page 58-59 | Adoption of Economic Development Policies. | -Added language requiring an economic development policy for consistency. -Removed policy statements. |

Proposed Policy Changes

9

| Policy Change Location | Why Change is Required | Policy Change |
|--|--|---|
| Section XXIII. Glossary Page 92 | Adoption of Capital Projects Policies. | Defined terms for clarity and consistency. |
| Section XXIV. Appendices A. Purchasing Manual Page 98 | The Purchasing Manual is a Standard Operating Procedure document that was replaced by the Financial Management Policies. | Removed reference to the Purchasing Manual. |

Next Steps

- Receive City Council feedback.
- Bring item back at the February 5, 2019 Workshop for further discussion.
- Incorporate City Council changes and schedule item for February 19, 2019 Workshop for further discussion.
- Make necessary revisions and vote on the proposed changes at the February 26, 2019 Council Meeting.



City of Killeen

Legislation Details

File #: DS-19-011 **Version:** 1 **Name:** Amersco Rent-a-Car Covered Parking Brief
Type: Discussion Items **Status:** Discussion Items
File created: 10/22/2018 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Briefing: Amersco Rent-a-Car Covered Parking
Sponsors: Aviation Department
Indexes:
Code sections:
Attachments: [Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



KFHRA RENTAL CAR AND SHORT-TERM COVERED PARKING PROJECT

DS-19-011

January 22, 2019

Project Update

2

- Project is to design, build, and finance
 - ▣ No additional cost to Aviation

- Request for Proposals
 - ▣ February 14, 2017 – Council approval
 - ▣ February 4, 2018 – release
 - ▣ June 6, 2018 – responses received

- Evaluation selected Ameresco as provider
 - ▣ Extensive design, build, finance experience
 - ▣ Airport experience

Project Update

3

- Renderings for rental car and short-term parking

- Discussing financial options
 - ▣ Power purchase agreement
 - ▣ Tax exempt lease purchase

- Funding mechanism will not add cost to the Airport operating budget
 - ▣ Revenue positive
 - ▣ Revenue neutral

Renderings

4



Renderings

5



Renderings

6



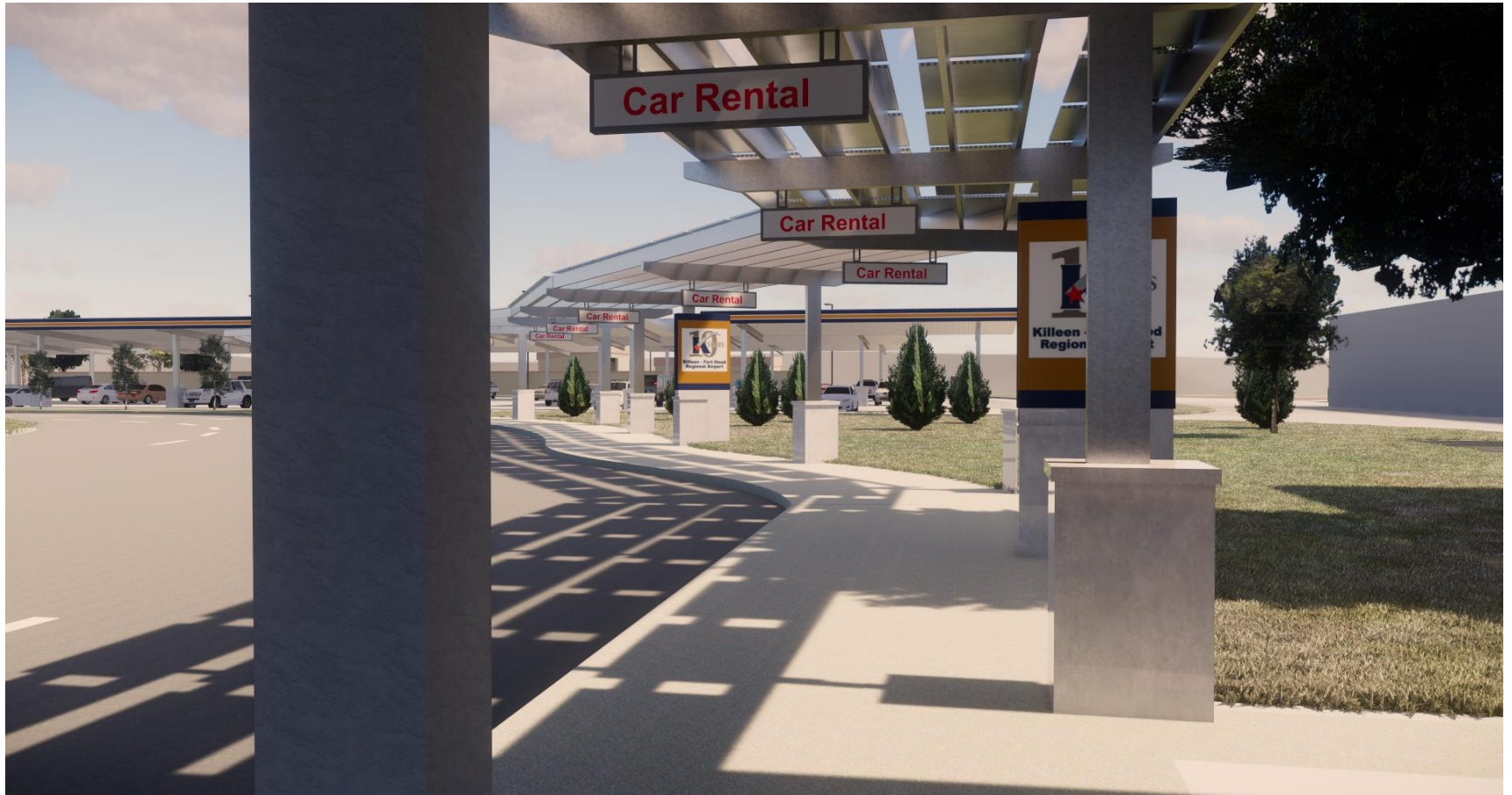
Renderings

7



Renderings

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Renderings

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Renderings

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11



Renderings

12



Renderings

13



Renderings

14



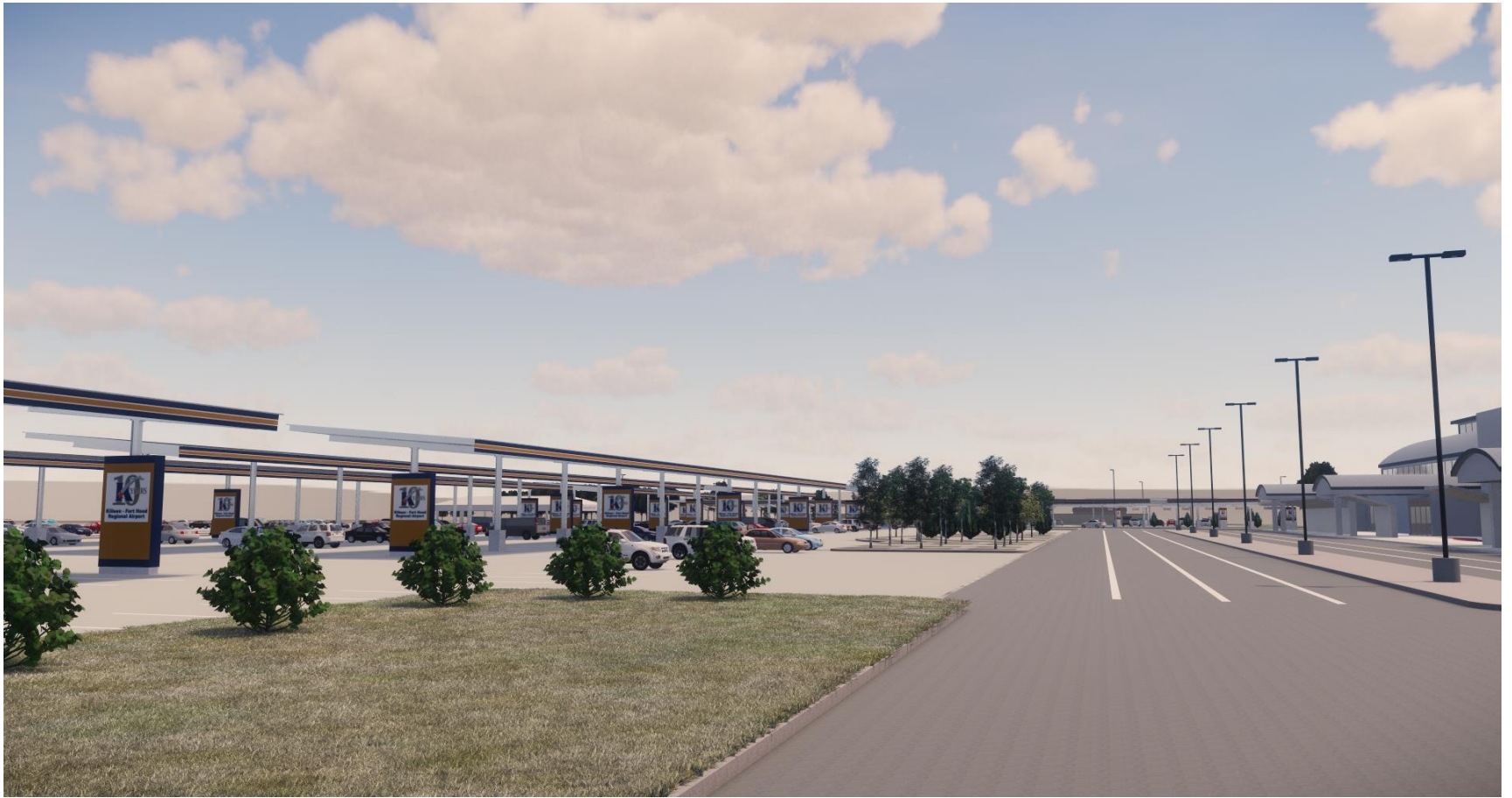
Renderings

15



Renderings

16



Next Steps

17

- Working on financial plan
- Working on final design and project costs
- Working with TAMU – CT on project involvement
- Will bring project documents to council in March-April
 - ▣ Approval to move forward with project

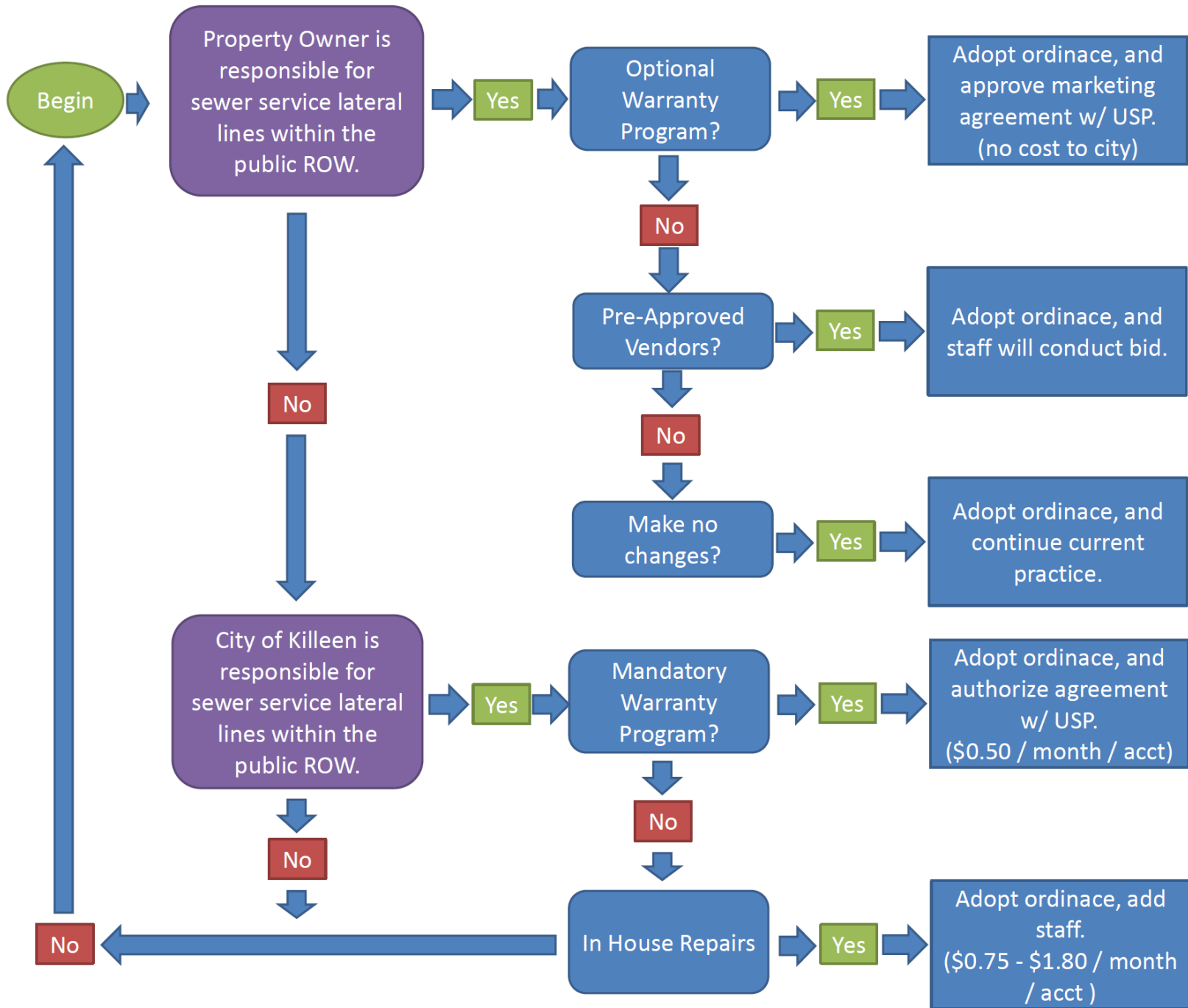


City of Killeen

Legislation Details

File #: DS-19-012 **Version:** 1 **Name:** Discuss Maintenance of Sanitary Sewer Service Lateral Lines
Type: Discussion Items **Status:** Discussion Items
File created: 1/8/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Discuss Maintenance of Sanitary Sewer Service Lateral Lines
Sponsors: Public Works Department
Indexes:
Code sections:
Attachments: [Decision Matrix](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



Begin

Property Owner is responsible for sewer service lateral lines within the public ROW.

Yes

Optional Warranty Program?

Yes

Adopt ordinance, and approve marketing agreement w/ USP. (no cost to city)

No

Pre-Approved Vendors?

Yes

Adopt ordinance, and staff will conduct bid.

No

Make no changes?

Yes

Adopt ordinance, and continue current practice.

No

City of Killeen is responsible for sewer service lateral lines within the public ROW.

Yes

Mandatory Warranty Program?

Yes

Adopt ordinance, and authorize agreement w/ USP. (\$0.50 / month / acct)

No

In House Repairs

Yes

Adopt ordinance, add staff. (\$0.75 - \$1.80 / month / acct)

No

No



SANITARY SEWER SERVICE LATERAL MAINTENANCE

DS-19-012

January 22, 2019

Background

2

- Previously we discussed alternative solutions for the following issue:
 - ▣ City of Killeen practice requires that a property owner is responsible for repairs to the sewer service lateral line from the public main to the structure.
 - ▣ Repairs within the public ROW, particularly under the street can be expensive.
- In December 2018 you received a briefing from a warranty company that offers coverage to both residents and the City of Killeen.

Alternatives

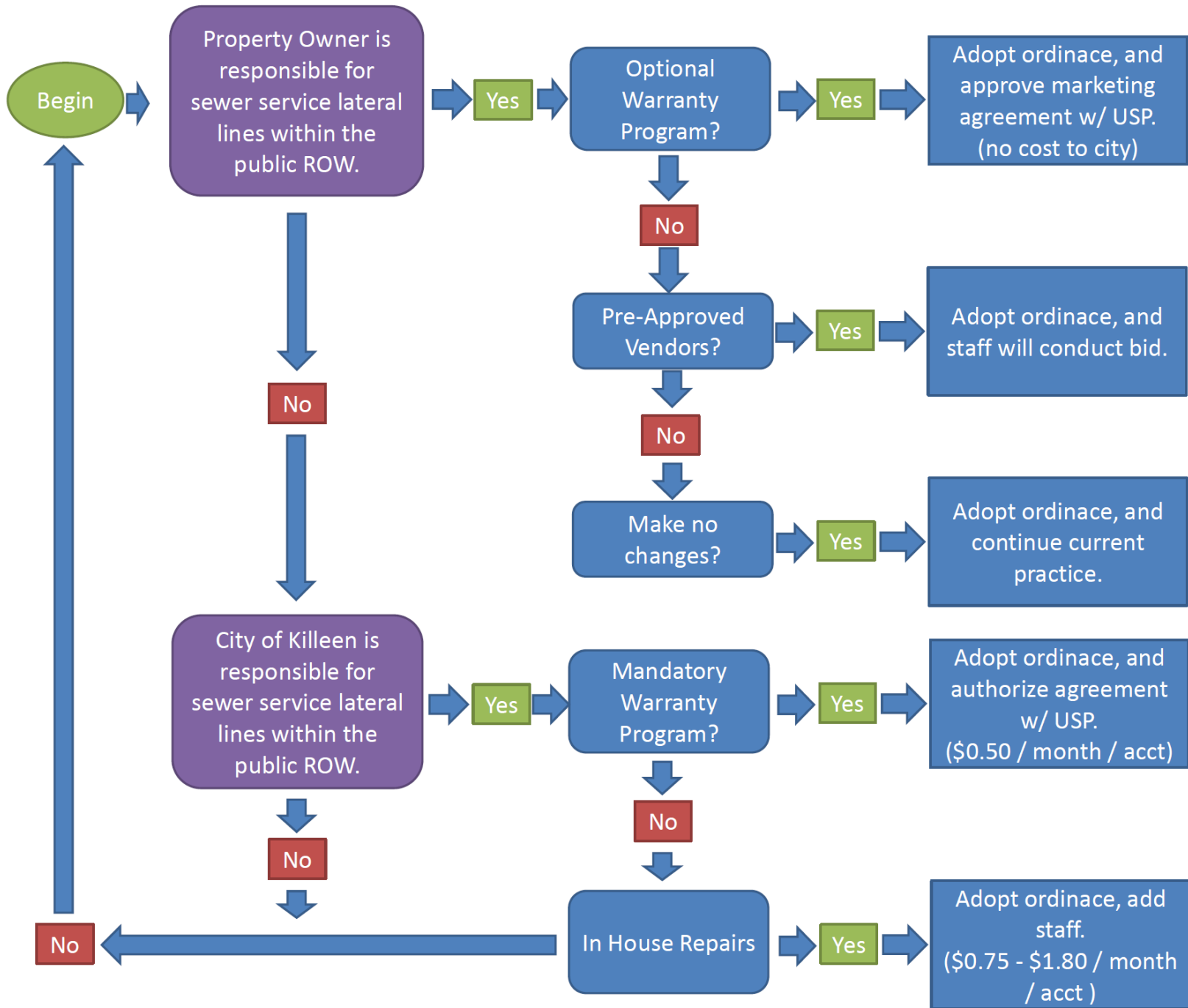
3

- 1A – Keep the current practice and partner with USP for an optional warranty program (no rate increase, optional increase for those who desire coverage).
- 1B – Keep the current practice and prepare a list of pre-approved service providers (no rate increase).
- 2A – City takes ownership of the lateral line within the public ROW, and partner with USP for a mandatory warranty program (\$0.50 per month per customer).
- 2B – City takes ownership of the lateral line within the public ROW, and city maintains the line with city staff (\$0.75-\$1.80 per month per customer, 3-7 additional FTEs).
- 3 – City takes ownership of the lateral line from the main to the structure, and city maintains said line (\$4.70 per month per customer, 18.5 FTEs).

Next Steps

4

- Review decision matrix.
- Motion of direction.





City of Killeen

Legislation Details

File #: DS-19-013 **Version:** 1 **Name:** Discuss Agenda Items for the Joint City Council and KISD Meeting
Type: Discussion Items **Status:** Discussion Items
File created: 1/15/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Discuss Agenda Items for the Joint City Council and KISD Meeting
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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City of Killeen

Legislation Details

File #: DS-19-014 **Version:** 1 **Name:** Discuss and Receive Legal Advice Regarding Chaparral Road

Type: Discussion Items **Status:** Discussion Items

File created: 1/16/2019 **In control:** City Council Workshop

On agenda: 1/22/2019 **Final action:**

Title: Discuss and Receive Legal Advice from the City Attorney Regarding Right of Way Acquisition and the Role of the City of Killeen in the Widening of Chaparral Road

Sponsors: City Manager Department, City Attorney Department, Public Works Department

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



City of Killeen

Legislation Details

File #: DS-19-015 **Version:** 1 **Name:** Conduct Annual Evaluation of City Auditor
Type: Discussion Items **Status:** Discussion Items
File created: 12/20/2018 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Conduct Annual Evaluation of City Auditor
Sponsors: City Council
Indexes:
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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City of Killeen

Legislation Details

File #: MN-19-002 **Version:** 1 **Name:** Minutes of January 15, 2019
Type: Minutes **Status:** Minutes
File created: 1/8/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Consider Minutes of Regular City Council Meeting of January 15, 2019.
Sponsors: City Secretary
Indexes:
Code sections:
Attachments: [Minutes](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
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City of Killeen
Regular City Council Meeting
Killeen Utilities Collections Conference Room
January 15, 2019 at 5:00 p.m.

Presiding: Mayor Jose Segarra

Attending: Mayor Pro Tem Jim Kilpatrick, Councilmembers, Butch Menking, Juan Rivera, Gregory Johnson, Shirley Fleming, Debbie Nash-King and Steve Harris

Also attending were City Manager Ron Olson, City Attorney Kathryn Davis, City Secretary Lucy Aldrich, and Sergeant-at-Arms Cole.

Mr. Jones gave the invocation, and Councilmember Fleming led everyone in the Pledge of Allegiance.

Approval of Agenda

Motion was made by Mayor Pro Tem Kilpatrick to approve the agenda as written. Motion was seconded by Councilmember Fleming. The motion carried unanimously.

Minutes

Motion was made by Councilmember Nash-King to approve the minutes of the December 18, 2018 Regular City Council Meeting. Motion was seconded by Councilmember Menking. Motion carried unanimously.

Resolutions

RS-19-001 Consider a memorandum/resolution authorizing the procurement of fleet replacement vehicles and equipment.

Staff Comments: Jon Locke, Executive Director of Finance.

Mr. Locke gave a brief historical background of fleet procurement. At this time, the Fleet department is seeking authorization to purchase 12 pieces of fleet for the Public Works department at a cost of approximately \$3 million. Funds in the amount of \$1.2 million are available from the FY2018 fleet replacement fund (a budget amendment will be presented later in this evening's meeting to address the moving of funds forward to FY2019) and funds in the amount of \$1.8 million are budgeted in the FY2019 fleet replacement fund. The vehicle and equipment purchases are in compliance with the Local Government Code and the City's Purchasing Policy. City staff recommends that City Council approve the procurement of the fleet as stated above and that the City Manager or designee be authorized to execute any change orders as permitted by state and local law.

Motion was made by Councilmember Fleming to approve RS-19-001. Motion was seconded by Mayor Pro Tem Kilpatrick. Motion carried unanimously.

RS-19-002 Consider a memorandum/resolution approving an airport concession agreement for Killeen Fort Hood Regional Airport.

Staff Comments: Matthew Van Valkenburgh, Executive Director of Aviation. Mr. Van Valkenburgh reviewed the history of concession vendors at the airport since opening in 2004. With the departure of Subway in 2016 and Green Beans Coffee in 2017, aviation staff issued an RFP for food, beverage, and alcohol (bar) services late 2017. There were no responses to the RFP. Using outreach sources (such as local businesses, chambers, and Army/Air Force Exchange), a potential vendor was found to run all venues. Staff has negotiated an agreement with CCL Ventures, LLC to provide services that would consist of Blimpie sandwiches, Kahala Coffee and bar service. The agreement is for a five year team with an option for on negotiated extension. It was further acknowledged that the Kahala franchise would require CCL Ventures to complete and have approved by the City a lease addendum for their operations. Aviation staff and the city legal department have reviewed the agreement and addendum for compliance. City staff recommends that City Council approve the concession agreement and lease addendum with CCL Ventures, LLC and authorize the City Manager or designee to execute same as well as any and all amendments as allowed per federal, state, or local law.

Motion was made by Councilmember Rivera to approve RS-19-002. Motion was seconded by Councilmember Johnson. Motion carried unanimously.

RS-19-003 Consider a memorandum/resolution approving Addendum No. 1 to the David Gosnell dba Diamond Star Aviation hangar lease at Skylark Field.

Staff Comments: Matthew Van Valkenburgh, Executive Director of Aviation. Diamond Star Aviation has been leasing the commercial hangar on Skylark Field since 2017. The initial lease was for a 3 year team with two, one year options. The company has made capital improvements to the hanger by remodeling the existing office, upgrading the air conditioning and hot water heater, and installing LED hangar lighting and a CCTV security system. This addendum will extend the lease with Diamond Star Aviation for an additional seven years. Future capital improvements to the hangar that are planned to be completed by Diamond Star Aviation include additional office space, epoxy flooring, and insulate interior hangar walls. Total annual revenue to the Skylark Airport Enterprise Fund represented by these lease agreements is approximately \$7,800 annually through 2020, \$8,400 annually through 2024, and \$10,800 annually for the remainder of the agreement term. City staff recommends that City Council approve the agreement with David Gosnell dba Diamond Star Aviation and authorize the City Manager or designee to execute same as well as any and all amendments as allowed per federal, state, or local law.

Motion was made by Councilmember Menking to approve RS-19-003. Motion was seconded by Councilmember Nash-King. Motion carried unanimously.

RS-19-004 Consider a memorandum/resolution approving a professional services agreement with Garver, LLC, for design of the rehabilitation of Taxiway B and all associated improvements on Robert Gray Army Airfield.

Staff Comments: Matthew Van Valkenburgh, Executive Director of Aviation. Following the approval of Agenda Item PH-18-041A (inter-fund loan agreement between the General Fund and Aviation) by City Council during the December 18,

2018 regular meeting, staff has negotiated a design services contract with Garver, LLC to perform work associated with the rehabilitation of Taxiway B in the amount of \$701,400. City staff recommends that City Council approve the professional services agreement with Garver, LLC and authorize the City Manager or designee to execute same as well as any and all change orders or supplemental agreements within the amounts set by state and local law.

Motion was made by Councilmember Fleming to approve RS-19-004. Motion was seconded by Councilmember Nash-King. Motion carried 6 to 1 with Councilmember Johnson in opposition.

RS-19-005 Consider a memorandum/resolution to upgrade the Laserfiche electronic content management software.

Staff Comments: Colen Wilson, Interim Director of Information Technology Services.

Mr. Wilson gave a brief overview of Laserfiche and how city staff uses the services provided by the system recognizing that the current version used by city staff is outdated and needs to be upgraded. He further reviewed the services that the proposed upgrade to the system would be and how they would benefit the city. The upgrade would be a one-time cost of \$98,213.52 with maintenance and support costs beginning in 2020 in the amount of \$40,738 annually. Funds are available in the Capital Improvement Projects fund. City staff recommends the City Council authorize the City Manager or designee to execute a software agreement with MCCi for the upgrade of the Laserfiche ECM in the amount of \$98,213.52, and the City Manager, or designee, is authorized to execute any and all change orders within the amounts set by state law and city policy.

Motion was made by Mayor Pro Tem Kilpatrick to approve RS-19-005. Motion was seconded by Councilmember Fleming. Motion carried unanimously.

RS-19-006 Consider a memorandum/resolution approving the appointment of an Assistant City Manager.

Staff Comments: Eva Bark, Executive Director of Human Resources.

Following Mr. Dennis Baldwin's announcement to retire effective January 31, 2019; staff began the process to recruit a new assistance city manager using recruitment services provided by Strategic Government Resources (SGR). The position was posted for a month beginning October 5, 2018 with 115 applications being submitted. Work then began with SGR, the Executive Director of Human Resources and the City Manager to narrow the applicants down, which resulted in conducting 11 video interviews. Following the video interviews, 5 applicants were selected to have in-person interviews via a panel made up of executive city directors. Resulting from the interview process, Mr. David Ellison was selected to hold the position of assistant city manager. City staff recommends that City Council confirm the City Manager's appointment of David Ellison as the City of Killeen's Assistant City Manager beginning February 4, 2019.

Motion was made by Councilmember Nash-King to approve RS-19-006. Motion was seconded by Councilmember Rivera. Motion carried unanimously.

RS-19-007 Consider a memorandum/resolution approving the adoption of an Economic Development Policy.

Staff Comments: Ray Shanaa, Executive Director of Planning and Development Services.

The proposed policy was introduced to the City Council on November 13, 2018 and was followed by subsequent presentations seeking City Council input on December 4, 2018 and on January 8, 2019. This Policy delegates primary responsibility for economic development to the Killeen Economic Development Corporation (KEDC) with the intent of stimulating economic activity through attracting investments and creating competitive wage jobs, thereby broadening the tax base and improving the quality of life. City staff recommends that City Council adopt the proposed policy.

Motion was made by Councilmember Johnson to approve RS-19-007. Motion was seconded by Mayor Pro Tem Kilpatrick. Motion carried unanimously.

RS-19-008 Consider a memorandum/resolution amending the City of Killeen Governing Standards and Expectations directing the City Manager to develop an invocation procedure.

Staff Comments: Kathy Davis, City Attorney.

On January 8, 2019, City Council passed a Motion of Direction for the City Manager to bring back an amendment to the Governing Standards which directs the City Manager to develop a constitutional prayer procedure. The proposed amendment contains that directive and is attached to this agenda item. City staff recommends that City Council adopt the proposed amendment to its Governing Standards and Expectations.

Motion was made by Mayor Pro Tem Kilpatrick to approve RS-19-008. Motion was seconded by Councilmember Johnson. Motion carried unanimously.

Public Hearings

PH-19-001 **HOLD** a public hearing and consider an ordinance amending the FY 2019 Annual Budget and Plan of Municipal Services of the City of Killeen to authorize the carry forward of FY 2018 expenditure budgets to the FY 2019 budget.

The City Secretary read the caption of the ordinance.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2019 ANNUAL BUDGET AND PLAN OF MUNICIPAL SERVICES OF THE CITY OF KILLEEN TO AUTHORIZE THE CARRY FORWARD OF FY 2018 EXPENDITURE BUDGETS TO THE FY 2019 BUDGET; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

Staff comments: Jon Locke, Executive Director of Finance.

Mr. Locke gave an overview of the proposed budget amendment that would carry forward the unspent budget for projects, services, and purchases that were approved by City Council and started in FY 2018 and not completed by the end of

the fiscal year into FY 2019. The one exception is the Fire Central Station dormitory renovation which the Fire Department has saved \$300,000 in FY 2018 for the project. City staff recommends that City Council approve the ordinance amending the Annual Budget and Plan of Municipal Services for FY 2019.

Mayor Segarra opened the public hearing.

Holli Teel, 1704 Hooten Street, spoke in favor of the ordinance.

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

Motion was made by Councilmember Menking to approve PH-19-001. Motion was seconded by Councilmember Rivera. Motion carried unanimously.

Adjournment

With no further business, upon motion being made by Councilmember Rivera, seconded by Councilmember Nash-King, and unanimously approved, the meeting was adjourned at 5:42 p.m.



City of Killeen

Legislation Details

File #: RS-19-009 **Version:** 1 **Name:** Transfer Station Replacement Crane
Type: Resolution **Status:** Resolutions
File created: 12/21/2018 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Consider a memorandum/resolution authorizing the award of Bid No. 19-09 to Four Seasons Equipment, LLC for purchase of a replacement crane for use at the Transfer Station.
Sponsors: Public Works Department, Transfer Station, Solid Waste
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Quote](#)
[Certificate of Interested Parties](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



STAFF REPORT

DATE: January 22, 2019

TO: Ronald L. Olson, City Manager

FROM: David A. Olson, Executive Director of Public Works

SUBJECT: Award Bid No. 19-09 for the purchase of a replacement crane for use at the Transfer Station from Four Seasons Equipment, LLC.

BACKGROUND AND FINDINGS:

The Transfer Station uses two stationary grapple cranes; one is an Apprentice180-EHC, purchased in 2007 and the other is the Bultrite Model 2100, purchased in 2015. In 2012, the Apprentice crane and parts were discontinued. Many repairs have been made to the Apprentice crane by utilizing parts from an older model that was previously replaced. However, there are no longer any salvageable parts available and the crane is a vital piece of equipment for Transfer Station operations. Due to the age of the crane and lack of repair parts, a replacement crane is needed as soon as possible.

Use of the crane in the Transfer Station is necessary to fill each trailer that leaves the Transfer Station to the maximum weight. The crane is used to compact the municipal solid waste and distribute it evenly throughout the trailer. Without the use of the crane, the delays, backups, and/or transportation costs could increase significantly.

THE ALTERNATIVES CONSIDERED:

1. Do nothing, which would cause excessive amounts of waste on the transfer station floor. This will also limit the ability to load trucks for transportation to the landfill efficiently, resulting in higher transportation costs.
2. Authorize purchase of Bultrite Model 2100 crane from Four Seasons Equipment, LLC.

Which alternative is recommended? Why?

Alternative two is recommended in order to meet the department's mission of processing all municipal solid waste collected in the City to be transferred to the Temple Landfill for disposal.

CONFORMITY TO CITY POLICY:

Bid documents were made available through the City of Killeen Purchasing Division. Advertisements were made in the Killeen Daily Herald on December 9 and 16, 2018, and on the City's website. At the close of the bidding process, on December 20, 2018 at 11:00 a.m., one bid was received for this project. The bid was opened and read aloud. Four Seasons Equipment, LLC submitted a bid for \$249,675 for a Bultrite Model 2100 Stationary Electric

Material Handling Crane with Remote Power Units and Dual Remote Operator's Stations. After receiving the bid, Four Seasons Equipment, LLC sent a revised quote for \$243,675.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

Funds are allocated in the FY 2018/2019 Solid Waste CIP annual budget in the amount of \$246,000 for the purchase of crane replacement at the Transfer Station.

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Yes

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line item for this expenditure?

Yes, \$246,000 is available in Machinery & Equipment, account #388-3475-439.61.35.

RECOMMENDATION

City staff recommends that the City Council authorize the City Manager or his designee to execute a contract for the procurement of a replacement crane from Four Seasons Equipment, LLC and the City Manager or designee is further authorized to execute any change orders in compliance with state law and city policy.

DEPARTMENTAL CLEARANCES:

Public Works
Purchasing
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Quote
Certificate of Interested Parties

April 13, 2018- Updated: December 20, 2018

Contact: Joseph Dudley III
Transfer Station Superintendent
City Of Killeen – Solid Waste
(254) 501-8971 (Office)
(254) 634-2117 (Fax)
jdudley@killeentexas.gov

REF: Replacement of Prentice Tamping Crane for City of Killeen

Pursuant to your recent inquiry, we are pleased to quote you the following Bultrite Material Handler:

One (1) Bultrite Model 2100 Stationary Electric Material Handlers with Remote Power Units and Dual Remote Operator's Stations



***Lift and Compaction Capacities with 27'6" Hip Boom**

Avg. Lift Capacity of 2100

18,800 @ 10' Radius
12,700 @ 15' Radius
9,500 @ 20' Radius
6,600 @ 25' Radius

Avg. Tamping Force of 2100

11,000 Lbs @ 10' Radius
7,400 Lbs @ 15' Radius
6,000 Lbs @ 20' Radius

Note: Deduct Grapple Weight from Lift Capacities and add grapple weight to compacting forces

***Boom**

- Two-Piece Hip-Style Boom (Length to be determined, per pit design) w/ Tilt linkage for grapple
- Main boom fabricated from Hi-tensile steel w/ 3/8" thick Side, 1/2" thick top & bottom plates
- Jib Boom fabricated from Hi-Tensile steel w/ 1/2" thick Side, Top & Bottom plates
- 3" Pins at Main boom & Knuckle Pivot from 4140 TG&P material
- All boom pivot pins have aluminum bronze bushings

***Boom Cylinders**

- Two (2) 6" (152mm) bore x 36" (914mm) stroke x 3" (76mm) rod main boom cylinders.
- One (1) 7" (178mm) bore x 36" (914mm) stroke x 3.5" (89mm) rod, jib boom cylinder.
- Double acting, heavy walled, honed cylinder tube with cushioned stops.
- Wear rings on both pistons and glands.
- Rods with heavy chrome plating.
- Accumulators on main lift cylinders to cushion shock loading.

***Rotation**

- 5.3 RPM with Dual Motors
- Up to 310° Rotation on 38" Diameter Bearing. Electrical & Mechanical can be set to customer preference. Dual Swing Motors with Planetary Swing Drives.

***Base**

- 35" high pedestal base with inspection porthole.

***Electric Package**

- Starter, phase sequence, control accessories group, breaker in N.E.M.A. 4 enclosure, start/stop button on control console, disconnect.

***Controls**

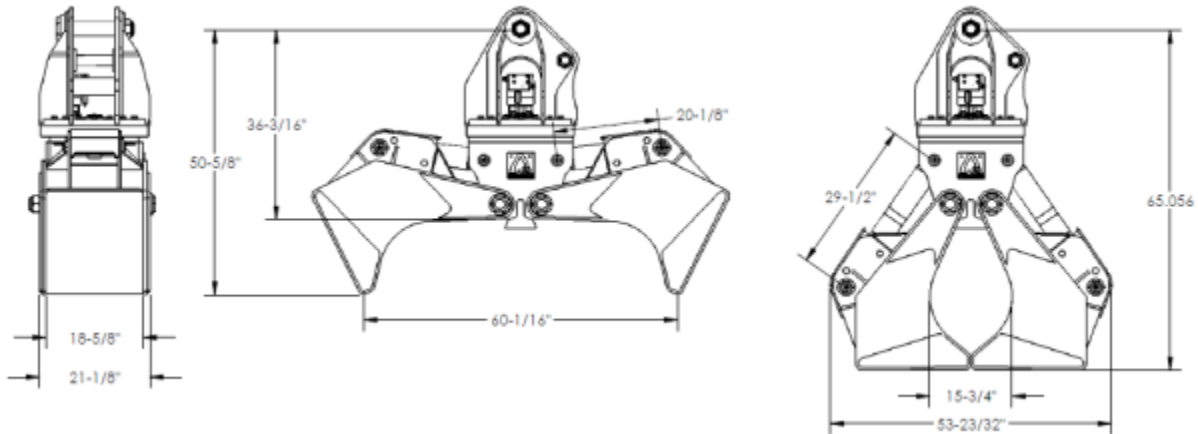
- Controls will be equipped with a Parker IQAN controller/MD3 Monitor. This system provides visual, basic machine functions and the ability to control machine speed (1/2, ¾ or Full) and provides multiple joystick configurations to match operator preference.
- E-Stops at operating station.

***Miscellaneous**

- Quote includes 25' of hosing from Power Unit to Loader
- Quote includes up to 100' electrical line(s) from operating console/remote cab to power unit
- 2 Sets Complete Manuals
- **Electric Soft Start**

*** Grapple Attachment**

- 21" Trash Handling/Tamping Grapple
- Continuous rotation w/ Wristing head on 20" bearing w/ single rotate motor. Approximate Dimensions 21" Wide, 56" Opening
- 1-1/2" Diameter Cylinder & 2" Arm Pivot Pins 4140 material
- Two (2) 3-1/2" x 10" Cylinders w/ 2" Rods
- Bolt-on cylinder guards



***Warranty**

- Standard, 4000 hours or 2 years, whichever occurs first.

***Pricing (in US Funds-Each)**

| COMPONENT | NET PRICE EACH |
|---|---------------------|
| Model 2100-SE with Remote Power Unit | \$ 185,400 |
| Custom pedestal to match Prentice, including rubber pad, spacers and hardware | \$ 8,850 |
| 21" Trash Tamping Grapple | \$ 20,160 |
| Hydraulic Hose – Power Unit to Loader – 40' (30' included in price of loader) 10' additional x \$ 195/foot | \$ 3,280 |
| Inbound Freight to Killeen, TX | \$5,650 |
| *Electric Soft Start | 14,585 |
| *Installation Assistance & Training | \$ 5,750 |
| TOTAL COST (Less item in Note 1 below) | \$243,675.00 |

***Notes**

- The following items **are not included** in the quotation, and are the responsibility of the City of Killeen:
 - Crane Rental.
 - On-site Electrician to assist with install.
 - Machinery grouting for pedestal base mounting.
 - The pedestal base foundation and mounting bolts.
 - Customer to have Power supplied to pedestal base of material handler.
- *Installation Assistance & Training to include 3 full days on site to assist in the installation of the Bultrite Model 2100-SE. The 3rd day will be used for maintenance/service and operations training. If the maintenance and operational training schedule does not work for the City and thus, an additional trip is required, an additional charge of \$ 3,000 will be applied (includes airfare, hotel, meals and 1 day on site).
- The Payment Terms are: 35% Down payment with order, 55% due prior to shipping and 10% due after installation.
- Freight: F.O.B. City of Killeen Transfer Station**

FSEI Dallas
5524 West Ledbetter Dr.
Dallas, TX 75236
Toll Free: 866-270-1700
Local: 214-388-1700



FSEI Houston
8111 Mills Rd.
Houston, TX 77064
Toll Free: 800-234-5007
Local: 281-807-9777

6. A Civil Engineer will need to be consulted to ensure that the mounting foundation will be adequate for the Bultrite Model 2100 Stationary Electric Material Handler. The base design loads are:
 - 350,000 Lb-Ft Moment Load
 - 38,000 Lbs. Axial Load
 - 21,000 Lb-Ft Torsional Load
7. Delivery: Approximately 12-14 weeks after receipt of order, down payment and sign off of engineering drawings. A firm lead time will be given at the time of order.
8. **Quotation to remain valid for 60 Days.**

****Note:** Four Seasons Equipment LLC was awarded items listed on the Buyboard Contract 515-16.

Thanks again for your inquiry

Brad Brousseau
VP-Operations
Four Seasons Equipment, LLC.

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:
2019-440336

Date Filed:
01/10/2019

Date Acknowledged:

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

Four Seasons Equipment, LLC
Houston, 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.

515-16
Builtrite Material Handler

| 4 | Name of Interested Party | City, State, Country (place of business) | Nature of interest (check applicable) | |
|---|---------------------------------|--|---------------------------------------|--------------|
| | | | Controlling | Intermediary |
| | National Equipment Dealers, LLC | Lexington, NC United States | X | |
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5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is Bradley Brousseau, and my date of birth is 12/12/1985.

My address is 5524 W. Ledbetter Dr, Dallas, TX, 75236, USA.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas County, State of Texas, on the 10 day of January, 2019.
(month) (year)



[Signature]
Signature of authorized agent of contracting business entity (Declarant)



BID NO. 19-09 TRANSFER STATION CRANE REPLACEMENT

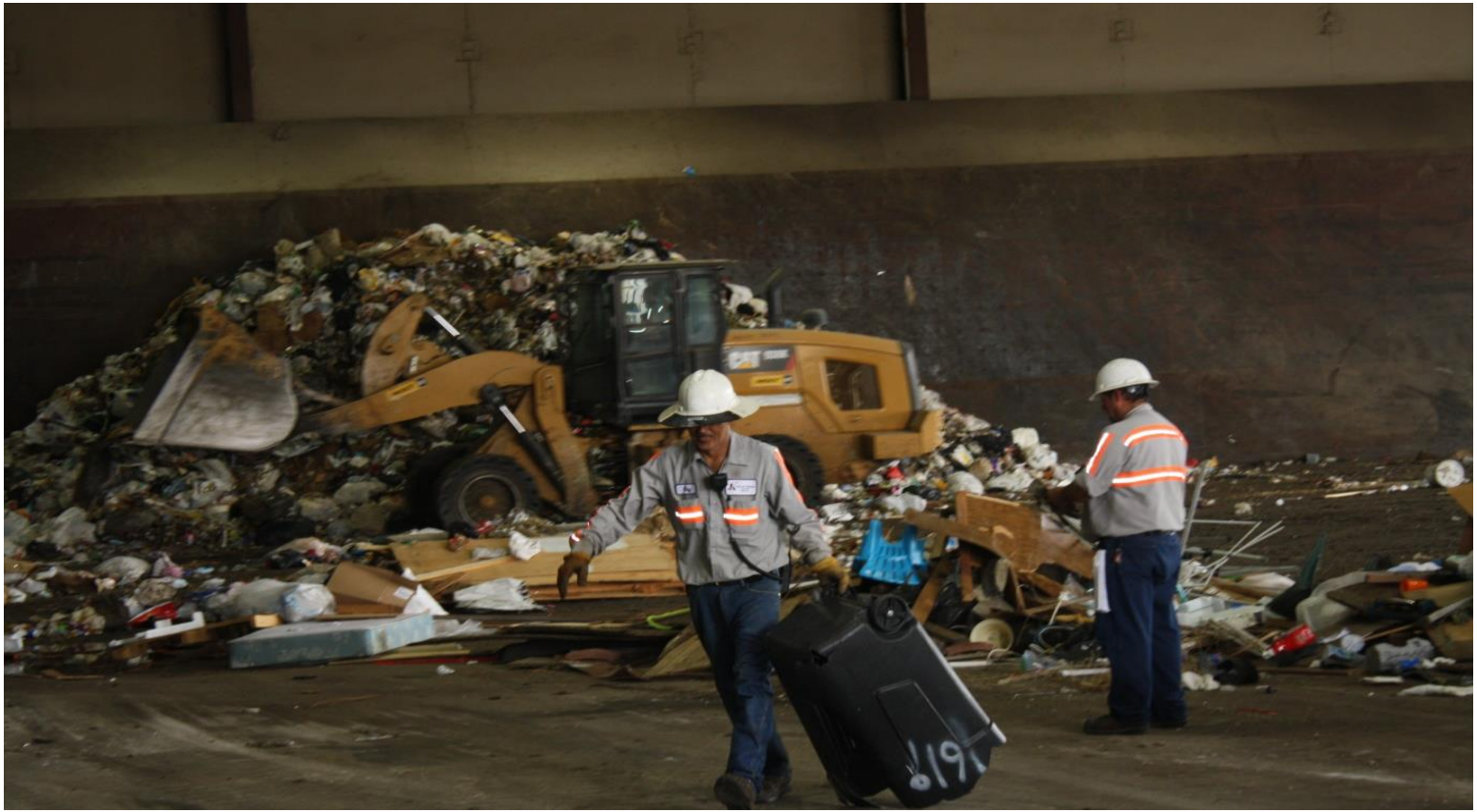
RS-19-009

January 22, 2019

Background

2

- Stationary cranes are a vital piece of equipment for Transfer Station Operations.
- The stationary grapple crane currently used at the transfer station was purchased in March 2007 and is no longer manufactured. There were two (2) Apprentice cranes in use at the transfer station beginning in 2007; the main apprentice crane was replaced in FY 14/15.
- Repairs have been made to the current Apprentice crane by utilizing parts from the one that has already been replaced. However, there are no longer any salvageable parts left.
- One bid was received from Four Seasons Equipment, LLC in the amount of \$243,675.
- Funding is available in the FY 19 Budget in the amount of \$246,000.



3

Tipping Floor

The tipping floor at the Transfer Station is where Solid Waste drivers and citizens from Killeen; as well as surrounding areas, drop off the municipal waste. From that point workers separate what can and cannot go to the landfill; then prepare the waste for transport.



4

Transportation of MSW

Stationary cranes are used at the Transfer Station to fill each trailer to the maximum weight allowed, which assists in lower transportation cost. Between FY14 and FY18 over 500,000 tons of waste have been processed through the Transfer Station.

Alternatives/Recommendation

5

- Alternatives
 - ▣ Do not replace existing crane.
 - Leads to excessive waste on the tipping floor and inefficient truck loading.
 - ▣ Authorize the purchase of Bultrite Model 2100 crane from Four Seasons Equipment, LLC.

- Recommendation
 - ▣ City staff recommends that the City Council authorize the City Manager or his designee to execute a contract for the procurement of a replacement crane from Four Seasons Equipment, LLC and the City Manager or designee is further authorized to execute any change orders in compliance with state law and city policy.



City of Killeen

Legislation Details

File #: RS-19-010 **Version:** 1 **Name:** STEP XI
Type: Resolution **Status:** Resolutions
File created: 1/4/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Consider a memorandum/resolution authorizing the award of a professional services agreement with CP&Y to design the Septic Tank Elimination Program, Phase XI Project.
Sponsors: Public Works Department, Engineering, Water & Sewer
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Proposal](#)
[Certificate of Interested Parties](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



STAFF REPORT

DATE: January 22, 2019

TO: Ronald L. Olson, City Manager

VIA: David A. Olson, Executive Director of Public Works

FROM: Steve Kana, Director of Water & Sewer Utilities

SUBJECT: Authorize the Award of a Professional Services Agreement (PSA) with CP&Y to Design the Septic Tank Elimination Program (STEP), Phase XI Project

BACKGROUND AND FINDINGS:

In 2002, the City implemented the STEP to connect properties served by on-site sewage facilities (septic systems) to the City sanitary sewer collection system. The STEP has completed construction of STEP Phases I through Phase X. STEP Phase XI will provide 95 service taps with 74 of those being connected to the homes in the Morning Sun Mobile Home Park, located along Stagecoach Road, and 21 connected to the homes on Tiffany Circle, located adjacent to Mohawk Drive and South Clear Creek Road.

THE ALTERNATIVES CONSIDERED:

1. The City could discontinue STEP; however, this would stop a very successful program that has greatly enhanced the quality of life for citizens as well as increasing water quality in areas impacted by septic systems;
2. Another site for STEP XI could be chosen, but the sites chosen have the densest layout of septic systems;
3. Another engineering design firm could be chosen for this professional services agreement; or
4. Negotiate a PSA with CP&Y for the design and construction administration of the STEP, Phase XI Project.

Which alternative is recommended? Why?

Alternative 4 is recommended because:

1. CP&Y has extensive experience with the design of sanitary sewer systems.
2. CP&Y successfully completed the design of STEP Phase X and has independently conducted preliminary research into each of the proposed sites.
3. Continuing the STEP program will greatly enhance the quality of life for citizens as well as increase water quality in the areas impacted by septic systems.

CONFORMITY TO CITY POLICY:

Authorizing a PSA with CP&Y for the design and construction administration of the STEP Phase XI Project conforms to all State and City purchasing policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

Funding for this project is available in the amount of \$105,920.00 through Account Number 386-3495-800.54-58 of the 2013 Water and Sewer Bond. This amount of expenditure is available in the current fiscal year.

Is this a one-time or recurring expenditure?

The STEP is made up of several phases of work. However, this expenditure for STEP Phase XI is a one-time expenditure.

Is this expenditure budgeted? If not, where will the money come from?

This expenditure is budgeted.

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes, there is a sufficient amount in the budgeted line-item for this expenditure.

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager, or designee, to enter into a PSA with CP&Y for the design and construction administration of the STEP, Phase XI Project in the amount of \$105,920.00, and that the City Manager, or designee, is expressly authorized to execute any and all changes within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Public Works
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Proposal
Certificate of Interested Parties



Partners for a Better Quality of Life

December 13, 2018

Caesar Arizpe, PE
Project Engineer, Engineering/Public Works
City of Killeen
3201-A S WS Young Drive
Killeen, Texas 76542

Re: Septic Tank Elimination Program - Phase XI

Dear Mr. Arizpe,

CP&Y, Inc. is pleased to submit this revision of our proposal dated December 3, 2018, to provide professional engineering and survey services for the Septic Tank Elimination Program – Phase XI (STEP XI). In the past we have considered several areas of Killeen to be included in the STEP such as Tiffany Circle, Llewelyn Ranchettes, and Western Oaks. For Phase XI, we have also looked at Morning Sun Mobile Home Park. CP&Y, Inc., (CPY) recommends that the City of Killeen (the City) consider Tiffany Circle and Morning Sun Mobile Home Park (Morning Sun). This letter of proposal covers both project areas as a single combined project.

Morning Sun Mobile Home Park

We have estimated that Morning Sun will require approximately 2,225 LF of 6-inch wastewater line with 6 new manholes and 2 new cleanouts. There appears to be about 53 spaces for manufactured homes within the park. This proposal provides for no other service connections. The new wastewater collection lines would connect to an existing manhole on the trunk line that crosses Stagecoach Road about 320 feet west of the entrance to Morning Sun on Stagecoach Road and includes a creek crossing. See Attachment 1 for a Preliminary Design Schematic drawing of our proposed layout of the wastewater lines. CPY estimates that the construction of this portion of the project will cost approximately \$472,000. A detailed Engineer's Opinion of Probable Cost (EOPC) can be found as Attachment 2.

Tiffany Circle

Tiffany Circle is comprised of Tucker Addition and Tucker Addition First Extension. The lots along the north side and east side are served with the wastewater collection lines installed with STEP X. We have estimated that the remainder of Tiffany Circle will require approximately 3,480 LF of 6-inch wastewater line with 6 new manholes and 2 new cleanouts. There appears to be about 42 lots for manufactured homes within the remainder of these subdivisions not already served by STEP X. This proposal provides for no other service connections. The new wastewater collection lines would connect to existing manholes installed with STEP X. See Attachment 3 for a Preliminary Design Schematic drawing of our proposed layout of the wastewater lines. CPY estimates that the construction of this portion of the project will cost approximately \$355,000. A detailed Engineer's Opinion of Probable Cost (EOPC) can be found as Attachment 4.

3010 Illinois Avenue, Suite 100
Killeen, Texas 76543
TBPE # F-1741

(p) 254.554.5959 · (f) 254.554.5979
www.cpyi.com



CPY believes that no new easements will be needed for the Tiffany Circle project area. If additional permanent easements are required, each permanent utility easement shall be compensated for at the rate of \$1,800.00. The City traditionally has not used temporary construction easements for these STEP projects. If the City chooses to use them for this project, there will be an additional \$500 for each temporary construction easement requested.

Proposed Professional Service Fees

The combined construction costs for the two project areas are estimated to be \$826,000. We propose the following fees for professional services:

| | | |
|----------|-----------------------------|--------------|
| Phase 12 | Topographic Survey | \$ 17,210.00 |
| Phase 16 | Easements | \$ 9,000.00 |
| Phase 30 | Preliminary Design (50%) | \$ 25,400.00 |
| Phase 40 | Final Design (90%) | \$ 20,700.00 |
| Phase 41 | Final Design (100%) | \$ 7,600.00 |
| Phase 50 | Bidding | \$ 5,200.00 |
| Phase 60 | Construction Administration | \$ 8,200.00 |
| Phase 61 | Record Drawings | \$ 2,300.00 |
| Phase 65 | Construction Staking | \$ 10,310.00 |
| Total | | \$105,920.00 |

We will rely on the City of Killeen to obtain right-of-entry for our surveyors. This would include contact information from owners/residents to get access through locked gates and how to coordinate to get their pets penned up if necessary. We will provide S.U.E. Level C. Utility lines as marked on the ground by 811 and visible appurtenances on or above ground will be shown on the construction plans. We did not include any potholing, probing, or line tracing of utility lines. If this type of service is requested or found to be needed, fees for a higher level of S.U.E. can be negotiated. CPY has SUE crews and can handle this as an in-house service.

The proposed fee for easements includes \$1,800 for a permanent utility easement across the property to the west of Morning Sun and \$7,200.00 for on-site permanent easement on the Morning Sun property. No easements are anticipated for the Tiffany Circle project area. If additional permanent easements are required, each additional permanent utility easement shall be compensated for at the rate of \$1,800.00. The City traditionally has not used temporary construction easements for these STEP projects. If the City chooses to use them for this project, there will be an additional \$500 for each temporary construction easement requested.

The Preliminary Design fees will include coordinating with the Bell County Health Department to obtain maps showing the locations of the septic tanks. The Construction Administration fees assume that construction would be about five to six months.

Under this combined single project scenario, it is assumed that there will be a single construction contract. If it is decided later to bid the project as two separate construction contracts, additional fees will be requested.

Proposed Schedule

CPY proposes the following schedule of deliverables:

Preliminary Design (50%): 60 days after approval of contract by the City.

Final Design (90%): 30 days after approval/comments on the Preliminary Design (50%) by the City.

Final Design (100%): 15 days after approval/comments on the Final Design (90%) by the City.

Please find attached a professional services contract on the City of Killeen standard professional services form ready for consideration and action by the City. If you need any other information, please let us know. Thank you again for considering CPY to provide you with professional engineering services for this project.

Respectfully Submitted,



Paul M. Boyer, P.E./CFM
Project Manager
CP&Y, Inc.

PMB:lld

File: 18CKIL00624

ATTACHMENT 1

MORNING SUN
Mobile Home Park
53 Services
5,650 LF 6-inch WWL
8 MHs
2 COs



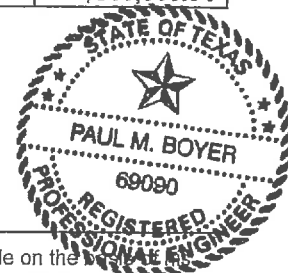


ENGINEERS OPINION OF CONSTRUCTION COST

Project: Killeen STEP XI
 Description: Morning Sun Mobile Home Park
 Date: 29-Nov-18
 By: Paul M. Boyer

| ITEM NO. | DESCRIPTION | QTY | UNIT | UNIT PRICE | SUB-TOTAL |
|--------------------------------|---|-------|------|-------------|---------------------|
| 1 | 6-inch PVC Wastewater line | 2,225 | LF | \$43.00 | \$95,675.00 |
| 2 | Standard 4-foot Diameter Manholes | 6 | EA | \$4,000.00 | \$24,000.00 |
| 3 | Clean Outs | 2 | EA | \$500.00 | \$1,000.00 |
| 4 | Asphalt Surface Repair | 1,860 | LF | \$50.00 | \$93,000.00 |
| 5 | Concrete Surface Repair | 60 | LF | \$100.00 | \$6,000.00 |
| 6 | Traffic Control and Barricading | 1 | LS | \$3,000.00 | \$3,000.00 |
| 7 | Trench Safety Plan | 1 | LS | \$1,200.00 | \$1,200.00 |
| 8 | Trench Safety Implementation (85% of total WWL) | 1,891 | LF | \$1.75 | \$3,309.69 |
| 9 | House Connection & Septic Tank abandonment (100% participation) | 53 | EA | \$3,000.00 | \$159,000.00 |
| 10 | Landscape restoration | 1 | LS | \$5,000.00 | \$5,000.00 |
| 11 | Site Preparation | 2,225 | LF | \$2.25 | \$5,006.25 |
| 12 | Contengencies (15% +/-) | 1 | LS | \$59,500.00 | \$59,500.00 |
| 13 | Mobilization (3.54% +/-) | 1 | LS | \$16,200.00 | \$16,200.00 |
| TOTAL CONSTRUCTION COST | | | | | \$471,890.94 |
| ENGINEERING | | | | | \$38,700.00 |
| SURVEYING | | | | | \$10,940.00 |
| EASEMENTS | | | | | \$9,000.00 |
| TOTAL PROJECT COST | | | | | \$530,530.94 |

Paul M. Boyer 12/13/18



This opinions of probable Project Cost or Construction Cost provided for herein are to be made on the basis of the ENGINEER'S experience and qualifications and represent his best judgement as a design professional familiar with the construction industry, but ENGINEER cannot and does not guarantee that proposals, bid, or the Construction Cost will not vary from opinions of probable cost prepared by him. If prior to the Bidding Negotiating Phase Owner wishes greater assurance as to the Construction Cost, he shall employ an independent cost estimator.

TIFFANY CIRCLE
Mobile Home Subdivision (individual lots)
43 Services
3,480 LF 6-inch WWL
6 MHs
2 COs

ATTACHMENT 3





ENGINEERS OPINION OF CONSTRUCTION COST

Project: Killeen STEP XI Preliminary Study

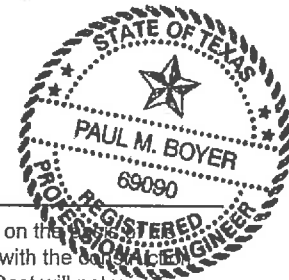
Description: Tiffany Circle WWL

Date: 16-Nov-18

By: Paul M. Boyer

| ITEM NO. | DESCRIPTION | QTY | UNIT | UNIT PRICE | SUB-TOTAL |
|--------------------------------|--|-------|------|-------------|---------------------|
| 1 | 6-inch PVC Wastewater line | 3,480 | LF | \$43.00 | \$149,640.00 |
| 2 | Standard 4-foot Diameter Manholes | 6 | EA | \$4,000.00 | \$24,000.00 |
| 3 | Clean Outs | 2 | EA | \$500.00 | \$1,000.00 |
| 4 | Asphalt Surface Repair | 28 | LF | \$50.00 | \$1,400.00 |
| 5 | Traffic Control and Barricading | 1 | LS | \$3,500.00 | \$3,500.00 |
| 6 | Trench Safety Plan | 1 | LS | \$1,200.00 | \$1,200.00 |
| 7 | Trench Safety Implementation (85% of total WWL) | 2,958 | LF | \$1.75 | \$5,176.50 |
| 8 | Slick bore for 6-Inch Wastewater line | 50 | LF | \$116.00 | \$5,800.00 |
| 9 | Service Tap Stub Out Only | 21 | EA | \$675.00 | \$14,175.00 |
| 10 | House Connection & Septic Tank abandonment (50% participation) | 21 | EA | \$3,000.00 | \$63,000.00 |
| 11 | R&R Fences | 630 | LF | \$22.25 | \$14,017.50 |
| 12 | Landscape restoration | 3,480 | LF | \$2.00 | \$6,960.00 |
| 13 | Site Preparation | 3,480 | LF | \$2.25 | \$7,830.00 |
| 14 | Contengencies (15% +/-) | 1 | LS | \$44,700.00 | \$44,700.00 |
| 15 | Mobilization (3.54% +/-) | 1 | LS | \$12,200.00 | \$12,200.00 |
| TOTAL CONSTRUCTION COST | | | | | \$354,599.00 |
| ENGINEERING | | | | | \$42,700.00 |
| SURVEYING | | | | | \$16,580.00 |
| EASEMENTS | | | | | \$0.00 |
| TOTAL PROJECT COST | | | | | \$413,879.00 |

Paul M. Boyer 12/13/18



This opinions of probable Project Cost or Construction Cost provided for herein are to be made on the experience and qualifications and represent his best judgement as a design professional familiar with the industry, but ENGINEER cannot and does not guarantee that proposals, bid, or the Construction Cost will not vary from opinions of probable cost prepared by him. If prior to the Bidding Negotiating Phase Owner wishes greater assurance as to the Construction Cost, he shall employ an independent cost estimator.

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.
CP&Y, Inc.
Killeen, TX United States

Certificate Number:
2019-438194

Date Filed:
01/04/2019

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.
KPW - 519-001 - CKIL1800624
Septic Tank Elimination Program (STEP) XI - Engineering Services

| 4 | Name of Interested Party | City, State, Country (place of business) | Nature of interest (check applicable) | |
|---|--------------------------|--|---------------------------------------|--------------|
| | | | Controlling | Intermediary |
| | Patel, Pete | Dallas, TX United States | X | |
| | Chiang, Walter | Dallas, TX United States | X | |
| | Boswell, Jeremy | Dallas, TX United States | X | |
| | Vergara, Marisa | Dallas, TX United States | X | |
| | Hays, David | Dallas, TX United States | X | |
| | Roohms, JJ | Dallas, TX United States | X | |
| | | | | |
| | | | | |
| | | | | |

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is R.E. Wallace, and my date of birth is 09/30/1940.

My address is 200 W. State Highway 6, Suite 620, Waco, TX, 76712, US.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in McLennan County, State of Texas, on the 4th day of January, 2019.
(month) (year)


Signature of authorized agent of contracting business entity
(Declarant)



STEP, PHASE XI PROFESSIONAL SERVICES AGREEMENT

RS-19-010

January 22, 2019

Background

- In 2002, the City implemented the Septic Tank Elimination Program (STEP) to connect properties served by septic systems to the City sanitary sewer system.
- The STEP has completed construction of STEP Phases I through Phase X.
- STEP Phase XI will provide 95 service taps with 74 of those being connected to the homes in the Morning Sun Mobile Home Park, located along Stagecoach Road, and 21 connected to the homes on Tiffany Circle, located adjacent to Mohawk Drive and South Clear Creek Road.
- CP&Y has submitted a proposal in the amount of \$105,920 to design the STEP Phase XI Project.
- CP&Y, who has extensive experience designing sewer systems, has already completed design of STEP Phase X, and has independently conducted preliminary research into each of the proposed sites.
- Funding for this project is available in the 2013 Water and Sewer Bond.



3

Abandoning Existing Septic Tank

Alternatives

4

- Discontinue STEP
 - ▣ This would stop a very successful program that has greatly enhanced the quality of life for citizens as well as increased water quality.
- Choose a different STEP site
 - ▣ The sites chosen have the densest layout of septic systems.
- Design STEP Phase XI in-house
 - ▣ Due to limited engineering staff and time, this alternative is not recommended.
- Enter into a PSA with CP&Y.

Recommendation

- City Staff recommends that the City Council authorize the City Manager, or designee, to enter into a PSA with CP&Y for the design and construction administration of STEP Phase XI in the amount of \$105,920, and that the City Manager, or designee, is expressly authorized to execute any and all changes to this contract within amounts set by state and local law.



City of Killeen

Legislation Details

File #: RS-19-011 **Version:** 1 **Name:** 2018 Impact Fee Study
Type: Resolution **Status:** Resolutions
File created: 1/7/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Consider a memorandum/resolution authorizing a professional services agreement with Kimley-Horn & Associates, Inc. to develop land use assumptions and water, wastewater, and roadway impact fees in accordance with Texas Local Government Code Chapter 395.
Sponsors: Public Works Department
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Agreement](#)
[Certificate of Interested Parties](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



STAFF REPORT

DATE: January 22, 2019

TO: Ronald L. Olson, City Manager

FROM: David A. Olson, Executive Director of Public Works

SUBJECT: Authorize a professional services agreement with Kimley-Horn & Associates, Inc. to develop land use assumptions and water, wastewater, and roadway impact fees

BACKGROUND AND FINDINGS:

On October 16, 2018, City Council authorized the creation of the Capital Improvements Advisory Committee (CIAC) to move forward with the process of implementing impact fees. In order to continue moving forward with impact fees, it is necessary to retain a consultant to develop land use assumptions and finalize the impact fee study for water, wastewater, and roadway impact fees. Kimley-Horn & Associates, Inc. submitted a proposal with a fee of \$70,000 to perform the following services:

- Project Management and Meetings;
- Land Use Assumptions;
- Water Impact Fee Study;
- Wastewater Impact Fee Study;
- Roadway Impact Fee Study;
- Public Hearings, Approvals, and Implementation Process.

THE ALTERNATIVES CONSIDERED:

1. Secure services from a different engineering consultant.
2. Do not move forward with impact fees.
3. Enter into a professional services agreement with Kimley-Horn.

Which alternative is recommended? Why?

City staff recommends Alternative 3, because it provides a highly qualified consultant, and allows the impact fee approval process to continue moving forward.

CONFORMITY TO CITY POLICY:

This item complies with all federal, state, and local policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The amount of the expenditure is \$70,000 in FY 2019.

Is this a one-time or recurring expenditure?

This is a one-time expenditure.

Is this expenditure budgeted?

Funding is available in account 349-3435-432-6901 (\$27,500) and in account 387-3435-432-6901 (\$42,500).

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes.

RECOMMENDATION:

City staff recommends that City Council authorize the City Manager, or designee, to enter into a professional services agreement with Kimley-Horn & Associates, Inc. to develop land use assumptions and water, wastewater, and roadway impact fees in accordance with Texas Local Government Code Chapter 395 in the amount of \$70,000, and that the City Manager, or designee, is expressly authorized to execute any and all changes within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Public Works
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Agreement
Certificate of Interested Parties

INDIVIDUAL PROJECT ORDER NUMBER #2019-1

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant), and THE CITY OF KILLEEN, TEXAS (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated April 22, 2014, which is incorporated herein by reference.

Identification of Project: 2019 Impact Fee Study
General category of Services: Civil Engineering

Specific scope of basic Services:

This project consists of providing professional services associated with the update of the City's Land Use Assumptions and Water, Wastewater, and Roadway Impact Fees draft study completed in 2015, in accordance with Chapter 395 of the Texas Local Government Code.

This project is anticipated to include the following components:

1. Project Management and Meetings
2. Land Use Assumptions
3. Water Impact Fee Study
4. Wastewater Impact Fee Study
5. Roadway Impact Fee Study
6. Public Hearings, Approval and Implementation Tools

Task 1. Project Management and Meetings

Kimley-Horn will keep regular communication throughout the project through bi-weekly status meetings and status reports. These meetings will also be the meetings associated needed to accomplish the various tasks outlined in this scope.

- 1.1. Project Team Status Meetings and Coordination. Kimley-Horn will participate in monthly meetings with City's staff. These meetings will be held on specific days and times as agreed by the City. A maximum of two hours will be anticipated for each meeting. These meetings are planned for conference calls. Kimley-Horn will prepare notes from each meeting and submit to the City's Project Manager for review and approval. It is anticipated that the work will be completed within four (4) months.
- 1.2. Project Status Reports. Kimley-Horn will prepare and submit monthly status reports regarding the overall project schedule, critical tasks, and sub-consultant coordination in conjunction with each monthly invoice.

Task 2. Land Use Assumptions

Kimley-Horn will utilize the land use assumptions previously prepared by the City in 2015, in conformance with Chapter 395 of the Local Government Code. It is assumed that only minor modifications will be made from 2015.

- 2.1. Documentation. Kimley-Horn will incorporate the Land Use Assumptions information prepared by the City into the final Impact Fee Report. No separate documentation will be completed for the land use assumptions:

- 2.2. Meetings. The land use assumptions will be discussed during a coordination meeting.
- 2.3. Deliverables.
 - 2.3.1 Data collection request letter
 - 2.3.2 No specific deliverables for this task; the Land Use Assumptions will be incorporated into the final Impact Fee Study Report.

Task 3. Water Impact Fee Study

Kimley-Horn will update the water impact fee study, prepared in 2015, in conformance with Chapter 395 of the Local Government Code and shall include:

- 3.1. Data Collection. Kimley-Horn will deliver a letter request to the City describing water data that should be provided to Kimley-Horn. The data collection is as follows:
 - 3.1.1 Water Master Plan – Kimley-Horn will coordinate with the City to obtain the latest water system master plan adopted by the City.
 - 3.1.2 Water CNN boundaries
 - 3.1.3 Kimley-Horn will obtain water usage history - Annual water usage and maximum day usage records for the past ten (10) years for development of the service unit projection
- 3.2. Infrastructure Capacity Criteria. Kimley-Horn will coordinate with the City to obtain the criterion for determining the ten (10) year capacity of the following infrastructure:
 - 3.2.1 Future Transmission Lines (12-inch and larger)
 - 3.2.2 Existing and Future Elevated Storage Tanks
 - 3.2.3 Existing and Future Ground Storage Tanks
 - 3.2.4 Existing and Future Pump Stations
 - 3.2.5 Existing and Future Water Treatment Plant Facilities

A criterion will not be developed for existing City transmission lines. If the City does not have criteria for elevated storage tanks, ground storage tanks and pump stations sizing the ENGINEER will utilize the Texas Commission on Environmental Quality (TCEQ) criteria.

- 3.3. Water Impact Fee Capital Improvements Plan. Kimley-Horn will coordinate with the City to develop the Water Impact Fee Capital Improvements Plan. It will include the following infrastructure:
 - 3.3.1 Future Transmission Lines (12-inch and larger)
 - 3.3.2 Existing and Future Elevated Storage Tanks
 - 3.3.3 Existing and Future Ground Storage Tanks
 - 3.3.4 Existing and Future Pump Stations
 - 3.3.5 Existing and Future Water Treatment Plant Facilities

It will not include existing City transmission lines.

- 3.4. Maximum Assessable Water Impact Fee Calculation. Kimley-Horn will calculate the additional service units based on the Land Use Assumptions. Kimley-Horn will then calculate the Impact Fee per service unit, unit equivalents by meter size and the Maximum Assessable Water Impact Fee table by meter size. Kimley-Horn will use a 50% credit as outlined Chapter 395 determine the maximum assessable impact fee by service unit.
- 3.5. Water Impact Fee Study Report. Kimley-Horn will provide both a draft and final Water Impact Fee Study Report. The report will include:
 - 3.5.1 Water service area

- 3.5.2 Narrative of the impact fee methodology
- 3.5.3 Impact fee calculations
- 3.5.4 Water Impact Fee CIP
- 3.5.5 Exhibits
- 3.5.6 Because of the relatively high printing costs and the challenge of managing drafts and final versions of each major component of the Impact Fee Study Report, draft versions of the Water Impact Fee Study Report will be submitted in .pdf format.

3.6. Meetings. The Water Impact Fee CIP will be discussed during a bi-weekly coordination meeting.

3.7. Deliverables.

- 3.7.1 Data collection request letter
- 3.7.2 Electronic (.pdf) copy of the Draft Water Impact Fee Report.
- 3.7.3 Upon final approval of the Impact Fee Study and new ordinance by the City Council, Kimley-Horn will provide five (5) originals of the Final Impact Fee Study Report, including the Water Impact Fee component of the Report (see Task 7.2)

Task 4 – Wastewater Impact Fee Study

Kimley-Horn will update the wastewater impact fee study, prepared in 2015, in conformance with Chapter 395 of the Local Government Code and shall include:

- 4.1. Data Collection. Kimley-Horn will deliver a letter request to the City describing water data that should be provided to Kimley-Horn. The data collection is as follows:
 - 4.1.1 Wastewater Master Plan – Kimley-Horn will coordinate with the City to obtain the latest wastewater system master plan adopted by the City.
 - 4.1.2 Wastewater CNN boundaries
 - 4.1.3 Kimley-Horn will obtain wastewater usage history - Annual water usage and maximum day usage records for the past ten (10) years for development of the service unit projection
- 4.2. Infrastructure Capacity Criteria. Kimley-Horn will coordinate with the City to obtain the criterion for determining the ten (10) year capacity of the following infrastructure:
 - 4.2.1 Future Trunk Lines (8-inch and larger)
 - 4.2.2 Existing and Future Lift Stations
 - 4.2.3 Existing and Future Force Mains
 - 4.2.4 Existing and Future Wastewater Treatment Plant Facilities

A criterion will not be developed for existing City transmission lines.

- 4.3. Wastewater Impact Fee Capital Improvements Plan. Kimley-Horn will coordinate with the City to develop the Wastewater Impact Fee Capital Improvements Plan. It will include the following infrastructure:
 - 4.3.1 Future Trunk Lines (8-inch and larger)
 - 4.3.2 Existing and Future Lift Stations
 - 4.3.3 Existing and Future Force Mains
 - 4.3.4 Existing and Future Wastewater Treatment Plant Facilities

It will not include existing City trunk lines.

- 4.4. Maximum Assessable Wastewater Impact Fee Calculation. Kimley-Horn will calculate the additional service units based on the Land Use Assumptions. Kimley-Horn will then calculate the Impact Fee per

service unit, unit equivalents by meter size and the Maximum Assessable Wastewater Impact Fee table by meter size. Kimley-Horn will use a 50% credit as outlined Chapter 395 determine the maximum assessable impact fee by service unit to determine the maximum assessable impact fee by service unit.

- 4.5. Wastewater Impact Fee Study Report. Kimley-Horn will provide both a draft and final Wastewater Impact Fee Study Report. The report will include:
 - 4.5.1 Wastewater service area
 - 4.5.2 Narrative of the impact fee study methodology
 - 4.5.3 Impact fee calculations
 - 4.5.4 Wastewater Impact Fee CIP
 - 4.5.5 Exhibits
 - 4.5.6 Because of the relatively high printing costs and the challenge of managing drafts and final versions of each major component of the Impact Fee Study Report, draft versions of the Wastewater Impact Fee Study Report will be submitted in .pdf format.
- 4.6. Meetings. The Wastewater Impact Fee CIP will be discussed during a bi-weekly coordination meeting.
- 4.7. Deliverables.
 - 4.7.1 Data collection request letter
 - 4.7.2 Electronic (.pdf) copy of the Draft Wastewater Impact Fee Study Report.
 - 4.7.3 Upon final approval of the Impact Fee Study and new ordinance by the City Council, Kimley-Horn will provide five (5) originals of the Final Impact Fee Study Report, including the Wastewater Impact Fee component of the Report (see Task 7.2)

Task 5 – Roadway Impact Fee Study

Kimley-Horn will update the roadway impact fee study, prepared in 2015, in conformance with Chapter 395 of the Local Government Code and shall include:

- 5.1. Data Collection. Kimley-Horn will deliver a letter request to the City describing roadway data that should be provided to Kimley-Horn. The data collection is as follows:
 - 5.1.1 Thoroughfare Plan – The City shall provide Kimley-Horn the most recent thoroughfare plan adopted by the City. GIS shapefiles, databases, and layering information shall be provided if available.
 - 5.1.2 Traffic Counts – The City shall provide data (current and historical) for roadway segments on the current Master Thoroughfare Plan. This task does not include collection of traffic counts. City will collect necessary counts.
 - 5.1.3 Design Standards
 - 5.1.4 Historic Roadway Bid Data
- 5.2. 10-Year Growth Projections and Capacity Analysis:
 - 5.2.1 In consultation with the City staff, Kimley-Horn will determine land use categories to be included in the land use vehicle-mile equivalency table.
 - 5.2.2 Kimley-Horn will identify the service units for new development and the average trip length. Using the 9th Edition of the Institute of Transportation Engineer’s (ITE) Trip Generation Manual, Kimley-Horn will develop trip generation and pass-by trip rates.
 - 5.2.3 Kimley-Horn will perform an analysis of existing conditions. This will include a determination of roadway capacities, volumes, vehicle-miles of supply, vehicle-miles of demand, existing excess capacity, and existing deficiencies

- 5.2.4 Kimley-Horn will project traffic conditions for the ten-year planning period, the target year for the impact fee growth projections. This will include growth and new demand by service area. Kimley-Horn will determine the capacity available for new growth
- 5.3. 10-Year Growth Projections and Capacity Analysis:
- 5.3.1 Kimley-Horn will assist the City to develop a Roadway Impact Fee Capital Improvements Plan, which will include cost projections for anticipated projects to be included in the study. The Roadway Impact Fee Capital Improvements Plan will include existing oversized facilities and proposed facilities designed to serve future development. The Roadway Impact Fee Capital Improvements Plan shall include a general description of the project and a project cost projection. Planning level cost projections for future projects will be prepared based on previous experience with Roadway construction costs. The City shall provide Kimley-Horn with actual City cost information for previously completed projects with excess capacity and any cost contribution to County or State projects.
- 5.3.2 Kimley-Horn will identify the portion of project improvements required to serve existing demand and the portion of project improvements required to serve new development within the 10-year planning period.
- 5.4. Maximum Assessable Roadway Impact Fee Calculation. Using the newly developed 10-year growth projections, roadway impact fee capital improvements plan, and capacity available for new growth, Kimley-Horn will determine the cost of roadway improvements by service area, the maximum costs per service unit, and the resulting maximum assessable roadway impact fees by service area. Kimley-Horn will use a 50% credit as outlined Chapter 395 determine the maximum assessable impact fee by service unit determine the maximum assessable impact fee per service unit:
- 5.5. Roadway Impact Fee Study Report. Kimley-Horn will provide both a draft and final Roadway Impact Fee Report. The report will include:
- 5.5.1 Roadway service areas
- 5.5.2 Narrative of the impact fee study methodology
- 5.5.3 Impact fee calculations
- 5.5.4 Roadway Impact Fee CIP
- 5.5.5 Exhibits
- 5.5.6 Because of the relatively high printing costs and the challenge of managing drafts and final versions of each major component of the Impact Fee Study Report, draft versions of the Roadway Impact Fee Report will be submitted in .pdf format.
- 5.6. Meetings. The Roadway Impact Fee CIP will be discussed during a bi-weekly coordination meeting.
- 5.7. Deliverables.
- 5.7.1 Data collection request letter
- 5.7.2 Electronic (.pdf) copy of the Draft Roadway Impact Fee Report.
- 5.7.3 Upon final approval of the Impact Fee Study and new ordinance by the City Council, Kimley-Horn will provide five (5) originals of the Final Impact Fee Study Report, including the Roadway Impact Fee component of the Report (see Task 6.2)

Task 6 – Public Hearings, Approval and Implementation Tools

- 6.1. Public Hearings and Approval. It is anticipated that a representative from Kimley-Horn will prepare for and attend up to five (5) meetings during the public hearing and approval process with one Kimley-Horn representative. These anticipated meetings are as follows:
 - 6.1.1 One (1) CIAC/Council workshop to present fundamentals of Roadway Impact Fees, a summary of the Roadway Impact Fee methodology, Land Use Assumptions, and the CIP and Maximum Assessable Roadway Impact Fees;
 - 6.1.2 Two (2) CIAC public hearings to present the Land Use Assumptions, CIP, and Maximum Assessable Roadway Impact Fees; and
 - 6.1.3 Two (2) City Council public hearings to present the Roadway Impact Fee, including the Land Use Assumptions, Roadway Impact Fee CIP and Maximum Assessable Impact Roadway Fees.

- 6.2. Implementation Tasks.
 - 6.2.1 Upon final approval of the Impact Fee Study and new ordinance by the City Council, Kimley-Horn will provide five (5) copies of the Final Impact Fee Study Report, including Land Use Assumptions, Water, Wastewater, Roadway, and Financial Analysis components the Impact Fee Study, along with an electronic (.pdf) copy of the Final Impact Fee Study Report.
 - 6.2.2 At the request of the City, Kimley-Horn will review the proposed Impact Fee Ordinance as prepared by the City Attorney. It is anticipated the City Attorney will require exhibits from the Water, Wastewater, and Roadway Impact Fee Report to be included in the ordinance.
 - 6.2.3 Kimley-Horn will create a Water, Wastewater, and Roadway Impact Fee estimator spreadsheet tool to assist in calculating a development's impact fees based on the impact fee rates.

Project Meetings: Project Meeting are identified in Task 1 and Task 6.

Additional Services if required: Any services required by the Client in addition to the scope of services listed above, will be considered additional services and will only be performed when authorized by the Client. This may include, but are not limited to the following: Preparation for and attendance at additional public meetings not specifically identified in the Scope of Services, furnish additional copies of review documents and/or bid documents in excess of the number of the same identified in the Scope of Services, reanalysis or recalculation to reflect project scope changes or policy changes requested by the City, and addressing changes in direction previously approved by the City, or mandated by changing governmental laws.

Schedule: Kimley-Horn will endeavor to meet the Client's needs on this project. Upon receipt of a signed copy of this agreement and authorization by the Client to perform the above tasks, Kimley-Horn and the Client will agree upon a mutually acceptable schedule.

Deliverables: See task descriptions above.

Method of compensation: Kimley-Horn will perform the services in Tasks 1 – 6 for the lump sum fee below. Individual task amounts are informational only. All permitting, application, and similar project fees will be paid directly by the Client.

| Task | |
|---|-----------|
| Task 1: Project Management and Meetings | \$ 6,500 |
| Task 2: Land Use Assumptions | \$ 1,500 |
| Task 3: Water Impact Fee Study | \$ 16,500 |
| Task 4: Wastewater Impact Fee Study | \$ 16,500 |
| Task 5: Roadway Impact Fee Study | \$ 16,500 |
| Task 6: Public Hearings, Approval, and Implementation Tools | \$ 12,500 |
| | \$ 70,000 |

Fees will be invoiced monthly based upon the percentage of services performed as of the invoice date. Payment will be due within 25 days of your receipt of the invoice.

Special terms of compensation: None

Other special terms of Individual Project Order: None

ACCEPTED:
THE CITY OF KILLEEN, TEXAS

KIMLEY-HORN AND ASSOCIATES, INC.

BY: _____

BY: Scott R. Arnold

TITLE: _____

TITLE: Scott R. Arnold, P.E., Assistant Secretary

DATE: _____

DATE: January 8, 2019

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.
Kimley-Horn and Associates, Inc.
Dallas, TX United States

Certificate Number:
2019-438889

Date Filed:
01/08/2019

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.
IPO 2019-1
2019 Impact Fee Study Civil Engineering

| 4 | Name of Interested Party | City, State, Country (place of business) | Nature of interest (check applicable) | |
|---|--------------------------|--|---------------------------------------|--------------|
| | | | Controlling | Intermediary |
| | Wilson, Mark | Dallas, TX United States | X | |
| | Schiller, Mike | Dallas, TX United States | X | |
| | Peed, Brooks | Dallas, TX United States | X | |
| | Atz, John | Dallas, TX United States | X | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

5 Check only if there is NO Interested Party.

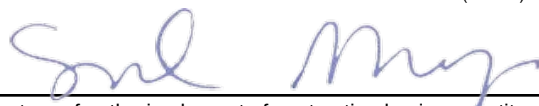
6 UNSWORN DECLARATION

My name is Sarah Meza, and my date of birth is 5/14/1981.

My address is 13455 Noel Road, Dallas, TX, 75240, US.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas County, State of Texas, on the 8th day of January, 2019.
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)



IMPACT FEE PROFESSIONAL SERVICES AGREEMENT

RS-19-011

January 22, 2019

Background

- In October 2018 City Council authorized the creation of the Capital Improvements Advisory Committee (CIAC).
- In order to move forward with work on Impact Fees the CIAC must develop the following for council approval:
 - ▣ Land Use Assumptions
 - ▣ Water Impact Fee Study and CIP
 - ▣ Wastewater Impact Fee Study and CIP
 - ▣ Roadway Impact Fee Study and CIP.
- Kimley-Horn & Associates, Inc. provided a proposal to develop the necessary documents for committee/council action for \$70,000.

Alternatives

3

- Secure services from a different engineering consultant.
 - ▣ Kimley-Horn has extensive background with Killeen Impact fees that will allow them a competitive edge.
- Do not move forward with impact fees.
 - ▣ City Council has directed staff to proceed with the adoption of impact fees.
- Enter into a professional services agreement with Kimley-Horn.

Recommendation

- City staff recommends that the City Council authorize the City Manager, or designee, to enter into a professional services agreement with Kimley-Horn & Associates, Inc. to develop land use assumptions and water, wastewater, and roadway impact fees in accordance with Texas Local Government Code Chapter 395 in the amount of \$70,000, and that the City Manager, or designee, is expressly authorized to execute any and all changes within the amounts set by state and local law.



City of Killeen

Legislation Details

File #: RS-19-012 **Version:** 1 **Name:** Express Cab Operating Authority
Type: Resolution **Status:** Resolutions
File created: 1/3/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Consider a memorandum/resolution issuing Express Cab an operating authority.
Sponsors: City Secretary
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Application](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



STAFF REPORT

DATE: January 22, 2019
TO: Ronald L. Olson, City Manager
FROM: Kathryn Davis, City Attorney
SUBJECT: Operating Authority Application from Express Cab

BACKGROUND AND FINDINGS:

Chapter 29, City of Killeen Code of Ordinances, provides the manner by which an operating authority permit is granted. An operating authority is the written authority granted by city council to provide ground transportation which includes taxicab services. An applicant must file an application, pay the required fee, and provide necessary supporting documentation.

Express Cab filed its first application for a taxicab franchise in 2007 and has been operating without incident. With the latest adoption of Ordinance 17-056 amending Chapter 29, all transportation services shall obtain a five-year operating authority, as opposed to a five-year franchise. The amendment further states that ground transportation services operating under a valid franchise or operating authority granted before the effective date of the amended ordinance (November 14, 2017) may continue to operate under that franchise or operating authority. Upon expiration, the ground transportation service shall apply for an operating authority under Chapter 29 to continue operating in the city. Express Cab's franchise expires March 14, 2019.

The City Secretary's office has received an application from Express Cab along with the required fee and supporting documents to be in compliance with Chapter 29 of the Code of Ordinances. The application is complete and provides for taxicab services in the city. Operating authority permits are valid for five years with the window sticker permits expiring annually on December 31.

THE ALTERNATIVES CONSIDERED:

Grant the operating authority to allow the applicant to provide taxicab services to the citizens of Killeen, or do not grant the operating authority.

Which alternative is recommended? Why?

Staff recommends the City Council grant the operating authority to Express Cab. The application is complete and does conform to the City's Code of Ordinances.

CONFORMITY TO CITY POLICY:

This request conforms with Chapter 29, Transportation, of the City's Code of Ordinances.

FINANCIAL IMPACT:

\$300.00 application fee paid to the City of Killeen.

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

City staff recommends the City Council approve an operating authority with Express Cab effective March 15, 2019.

DEPARTMENTAL CLEARANCES:

City Secretary
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Application



pd \$300.00
UP
Cb 5368

APPLICATION FOR OPERATING AUTHORITY FOR TAXI CABS AND GROUND TRANSPORTATION SERVICES

Chapter 29, Article 2 of the City of Killeen Code of Ordinances

An operating authority is valid for five (5) years from date of approval. Vehicle permits are renewed annually.

1. Business/Trade Name: Express CAB
Business Address: 5904 E UMB Ste #6 Killeen TX 76543
Mailing Address: 5904 E UMB Ste #6 Killeen TX 76543
E-mail: et_cabexpress21@yahoo Telephone #: 254-554-8294

2. Please check the type(s) of Operating Authority requested:

- Limousine Service
- Shuttle Service
- Airport Shuttle Service
- Charter Service
- Other _____
- Taxi Cab

3. Business Owner(s) Information:

Name: Misty McClellan Driver's License # [REDACTED]
 Name: _____ Driver's License # _____
 Name: _____ Driver's License # _____

4. Number of permits requested for each service vehicle:

Limousine _____ Airport Shuttle 6 Shuttle _____
 Charter _____ Other _____ Taxi Cab 6

- ✓ 5. Provide the following information for each vehicle to be used to provide the service (if additional space is needed include on a separate page):

| Yr. | Make | Model | Body Style | Seating Capacity* | Service Type** | License Number | Vehicle Identification No. |
|-----|--|----------|------------|-------------------|----------------|----------------|----------------------------|
| 1) | Attached | | | | | | |
| 2) | 2003 Dodge | Caravan | VAN | 7 | TAXI | [REDACTED] | Attached |
| 3) | 2003 Dodge | Neon | 4DR | 5 | TAXI | | " |
| 4) | 2000 Ford | CrownVic | 4DR | 6 | TAXI | | " |
| 5) | 2002 Ford | Taurus | 4DR | 6 | TAXI | | " |
| 6) | 2002 Ford | Taurus | 4DR | 6 | TAXI | | " |
| 7) | 2006 Dodge | Neon | 4DR | 5 | TAXI | | " |
| 8) | All seating capacity includes the DRIVER | | | | | | |
| 9) | | | | | | | |
| 10) | | | | | | | |

* Manufacturer's rated seating capacity

** (L) Limousine (A) Airport Shuttle (S) Shuttle (C) Charter (O) Other

- ✓ 6. Name of Insurance Co.: Specialty Unlimited Agency LLC
 Agent Name: Dana (Powell) Moore
 Agent Phone #: 1-214-905-9970 Agent Insurance License #: 1091572

7. The applicant must provide the following information and attach as part of the application:

- ✓ > Current State of Texas registration on each service vehicle;
- ✓ > The proposed rate of fare.
- ✓ > A certificate of insurance as proof of insurance coverage listing the City of Killeen as additional insured.

For Taxi Cab services only:
 Color scheme of vehicles: Black w/ yellow lettering
 ✓ Attach a description of the taximeter proposed to be used and a current rate card.

- ✓ 8. A \$300.00 non-refundable operating authority application fee must be submitted with this application.

EXPRESS CAB INSURED VEHICLE LIST

| # | YEAR | MAKE | MODEL | VIN# | TAGS | REG | INSP | TYPE | COLOR | SEATING |
|---|---------|-----------|----------|------------|------------|-------|-------|------|-------|------------|
| 03 | 2005 | DODGE | CARAVAN | [REDACTED] | [REDACTED] | 4/19 | 4/19 | VAN | BLACK | 7 SEAT BEL |
| 05 | 2003 | DODGE | NEON | [REDACTED] | [REDACTED] | 9/19 | 9/19 | 4DR | BLACK | 5 SEAT BEL |
| 06 | 2000 | FORD | CRON VIC | [REDACTED] | [REDACTED] | 5/19 | 5/19 | 4DR | BLACK | 6 SEAT BEL |
| 07 | 2002 | FORD | TAURUS | [REDACTED] | [REDACTED] | 9/19 | 9/19 | 4DR | BLACK | 6 SEAT BEL |
| 11 | 2002 | FORD | TAURUS | [REDACTED] | [REDACTED] | 2/19 | 2/19 | 4DR | BLACK | 6 SEAT BEL |
| 15 | 2005 | DODGE | NEON | [REDACTED] | [REDACTED] | 11/19 | 11/19 | 4DR | BLACK | 5 SEAT BEL |
| CAB | COMPANY | OPERATING | METER | CENTRODYNE | MODEL | | | | | |
| | | | SILENT | 610 SERIES | | | | | | |
| SERVICE Type all Vehicles CAB/TAXI USE ONLY | | | | | | | | | | |

All calls taken over phone and dispatched via 2-way radio
 service thru All points communication Georgetown Texas
 All pick up points & destinations logged date - time - phone number

EXPRESS CAB
5904 E VMB STE 6
KILLEEN, TX 76543

- **TAXI CAB RATES**
- **GREATER KILLEEN AREA**
 - INITIAL DROP \$2.50**
 - .57 CENTS EACH 1/5TH MILE AFTER**
 - \$1.00 EACH PERSON OVER ONE**
 - \$25.00 PER HOUR WAITING TIME**
 - 41.7 CENTS PER MINUTE**
 - THERE IS A \$5.00 MINIMUM FARE**
 - \$35.00 CLEANING FEE**

- 1- FARES / TIME
- 2- EXTRAS / DATE
- 3- TAXES / DATE
- 4- UNIT
- 5- PAID / DIST
- 6- TRIPS
- 7- CALIBRATION

\$ EXTRAS

centrodyne

CC No. 93 - 128

Silent 610™

Made in Canada

S/N 75929

\$ FARE

HIRED

TIME OFF

EXTRAS

RATE



- Fees submitted upon approval of operating authority:**
- ✓ Vehicle permit - \$50.00/vehicle
 - ✓ Airport permit - \$40.00/vehicle (if applicable)
 - Driver permit - \$25.00/driver (this fee is collected by the Killeen Police Department)

All drivers must go to the Killeen Police Department headquarters, *Records department*, located at 3304 Community Boulevard in Killeen to obtain a Driver Permit. The police department will require a letter of sponsorship from the company, a valid current Texas Driver's License, and a \$25.00 fee (cash only).

See Section 29-22, Driver Qualifications, for regulations/requirements on service vehicle drivers.

I, Misty McClellan, applicant, do swear or affirm that all of the information included within this application is accurate, and I understand that any omitted information or information found to be inaccurate will result in the denial of this application for operating authority or the revocation of an operating authority that is granted based on the information provided in this application. I also swear or affirm that I have read and understand Chapter 29 of the Killeen City Code relating to Transportation and agree to comply with the terms as written and as may be amended.

| | | |
|------------------------|--------------|------------------|
| <u>Misty McClellan</u> | <u>Owner</u> | <u>11/7/2018</u> |
| Signature of Applicant | Title | Date |

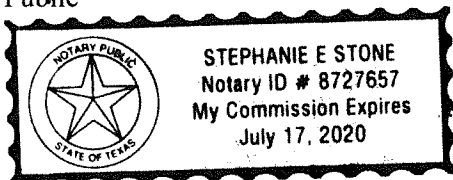
THE STATE OF TEXAS

COUNTY OF BELL

BEFORE ME, the undersigned authority, on this day appeared Misty McClellan, known to me to be the person whose name is signed to the foregoing application and duly sworn by me states under oath that he/she has read the said application and that all of the facts therein set forth are true and correct.

Sworn to before me, this, 7 day of November, 2018.

Stephanie E. Stone
Notary Public



Application must go to the city council for approval after City Manager approval.



**EXPRESS CAB
OPERATING AUTHORITY**

RS-19-012

January 22, 2019

Ordinance Requirements

2

- Express Cab has filed an application seeking operating authority to provide taxi services
- Once approved:
 - ▣ Authorities are valid for 5 years and are not transferable;
 - ▣ Each vehicle must obtain and display a permit;
 - ▣ Each driver must obtain a driver's permit from PD

Specifics and Findings

3

- Express Cab has operated since 2007; current franchise expires March 14, 2019
- Application submitted, is complete and in compliance with ordinance requirements

Alternatives

4

- Approve the application, allowing Express Cab to continue to provide taxicab services for a five year period.
- Deny the request.

Recommendation

5

- Staff recommends approval of the operating authority application from Express Cab.



City of Killeen

Legislation Details

File #: OR-19-001 **Version:** 1 **Name:** Calling the May 4, 2019 General Election
Type: Ordinance **Status:** Ordinances
File created: 1/4/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Consider an ordinance ordering a general election to be held on May 4, 2019 to elect a district council member for each district.
Sponsors: City Secretary
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Ordinance](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



STAFF REPORT

DATE: January 22, 2019
TO: Ronald L. Olson, City Manager
FROM: Kathryn Davis, City Attorney
SUBJECT: Order May 4, 2019 General Election

BACKGROUND AND FINDINGS:

The Texas Election Code, Chapter 3, provides for the ordering of an election not later than the 78th day before the election date. In addition to any other elements required, each order must state the date of the election and the offices or measures to be voted on at the election.

The attached ordinance has been prepared calling the election and giving notice of an election for the purpose of electing a district council member for each district and designating the polling places and times.

THE ALTERNATIVES CONSIDERED:

There are no legal alternatives. The four district council seats expire May 31, 2019.

Which alternative is recommended? Why?

Staff recommends holding a May 4, 2019 general election for the purpose of electing a district council member for each district because doing so is required by state law.

CONFORMITY TO CITY POLICY:

This ordinance conforms to Article IX of the City Charter authorizing the calling of an election to be held on a uniform election date provided for in the Texas Election Code.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The estimated cost to conduct this election is \$68,000. Funds are budgeted in 010-1010-416.50-45 Election Expense to cover costs associated with the election. If KISD and/or CTC has an election, it will be held jointly with the city and total costs of election equipment, personnel and supplies would then be distributed evenly amongst the participating entities.

Is this a one-time or recurring expenditure?

Annual expenditure

Is this expenditure budgeted?

Yes

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

Staff recommends City Council approve the attached ordinance calling for a May 4, 2019 general election to elect a district council member in each district.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Ordinance

ORDINANCE _____

AN ORDINANCE ORDERING THE HOLDING OF AN ELECTION IN THE CITY OF KILLEEN, TEXAS, FOR THE PURPOSE OF ELECTING A COUNCILMEMBER FOR EACH OF THE 4 DISTRICTS; PROVIDING FOR THE FILING OF WRITTEN APPLICATION TO HAVE THEIR NAMES PRINTED ON THE OFFICIAL BALLOT; SPECIFYING THAT THE PROVISIONS OF THE GENERAL ELECTION LAWS SHALL CONTROL ALL QUESTIONS PERTAINING TO SUCH ELECTION; PRESCRIBING THE CONTENTS OF THE OFFICIAL BALLOT; PROVIDING FOR COMPENSATION; DESIGNATING THE POLLING PLACES, AND PROVIDING FOR POSTING AND PUBLICATION OF NOTICE OF ELECTION AND CONTAINING MISCELLANEOUS PROVISIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

SECTION 1. That, pursuant to the laws of the State of Texas and the Charter of the City of Killeen, it is ordered by the City Council that a general election be held in the City of Killeen, Texas, on May 4, 2019, for the purpose of electing from the City of Killeen a Council Member for District 1, 2, 3 and 4. Any reference in this ordinance hereinafter to “Election Day” shall mean May 4, 2019.

SECTION 2. The manner of holding the election and all questions pertaining to such election shall be governed by the V.T.C.A. Election Code, and the returns shall be made and canvassed and the results declared as in other legal elections of the City of Killeen.

SECTION 3. Any eligible and qualified person may have his or her name printed upon the official ballot as an independent candidate for the office of councilmember by filing a written application with the City Secretary beginning January 16 through 5:00 p.m. February 15, 2019. Any person wishing to file a declaration of write-in candidacy must do so not later than 5:00 p.m. on February 19, 2019.

SECTION 4. The names of all those who have filed their written applications to have their names printed on the official ballot as candidates shall be posted by the City Secretary in a conspicuous place at her office for the inspection of the public for at least ten days before she orders the ballot to be printed. The City Secretary shall preserve in her office for a period established by the Texas State Library and Archives Commission and adopted by the City all applications, statements, notice of objections, and other related papers.

SECTION 5. Any person eligible for the office of councilmember or other office who has filed his or her written application in accordance with the provisions of this ordinance shall have his or her name printed on the official ballot. Any such person may cause his or her name to be withdrawn at any

time prior to 5:00 p.m. on February 22, 2019, by filing in writing with the City Secretary, a request to that effect over his signature, duly attested to by a Notary Public. No name so withdrawn shall be printed on the ballots. Not later than twenty days before the election, the City Secretary shall have the official ballots printed.

SECTION 6. Each qualified voter who desires to cast an early vote or who expects to be absent on the date of the election shall be entitled to an official ballot and to cast such ballot in accordance with the applicable provisions of Title 7, V.T.C.A., Election Code, beginning April 22, 2019, and continuing through April 30, 2019. The City Secretary will be the early voting clerk, who may appoint by written order one or more temporary deputies to serve as deputy early voting clerks in accordance with the applicable law. Early voting will be held in the first floor lobby of the Killeen City Hall, 101 North College (mailing address: PO Box 1329, Killeen, TX 76540, Attention: Early Voting Clerk), at the Killeen Community Center, 2201 E. Veterans Memorial Boulevard, Killeen, and at the Killeen Lions Park Senior Center, 1700-B E. Stan Schlueter Loop between the hours of 8:00 a.m. and 5:00 p.m. on each day of early voting except Saturdays, Sundays, and official State or City holidays. Provided, however, that on the first and last day of early voting, the hours shall be 7:00 a.m. to 7:00 p.m. For the 2019 election those dates shall be April 22 and April 30. The City Hall location for early voting is also where ballot applications and ballots voted by mail may be sent. Should the Killeen Independent School District also have an election on such date, branch early voting shall also be at the KISD School Administration Office, 200 North W.S. Young Drive, Killeen, between the hours of 8:00 a.m. and 5:00 p.m. on each day of early voting except Saturdays, Sundays, and official State holidays.

SECTION 7. The election shall be held in the hereafter-designated polling places between the hours of 7:00 a.m. to 7:00 p.m. on the date of the election.

PRECINCT # 106/201

Fire Station #1
3800 Westcliff Road

PRECINCT #109/204/410

St. Joseph's Catholic Church
2903 East Rancier

PRECINCT #205

Jackson Professional Learning Center
902 Rev. R. A. Abercrombie Drive

PRECINCT #206/402/409

Killeen Senior Center at Lions Club Park
1700 E. Stan Schlueter Loop

PRECINCT #203/208/210/207

Cedar Valley Elementary School
4801 Chantz Drive

PRECINCT #405

Robert M. Shoemaker High School
3302 Clear Creek Road

PRECINCT #401/412/413
Fire Station #9
5400 Bunny Trail

PRECINCT #408/406/404
Fire Station #5
905 West Jasper Road

SECTION 8. The City Council shall appoint presiding election judges and alternate presiding judges for the election at the precinct polling places and as the Early Voting Ballot Board to process the early voting results, provided that if neither the presiding judge nor the alternate presiding judge can serve and their inability to serve is discovered so late that it is impracticable to fill the vacancy in the normal manner, the Mayor shall have the authority and is hereby directed to appoint a replacement judge to preside at the election. The presiding election judge for each precinct shall appoint no more than two (2) election clerks in addition to the alternate presiding judge named herein to assist the judge in the conduct of the election. The presiding election judges, alternate presiding judges, and clerks shall be paid \$10.00 per hour for serving in such capacities, and the election judges and/or alternate judges shall be paid an additional \$25.00 for delivering the returns of such election to the City Secretary for proper tabulation. No presiding election judge, alternate presiding judge, or clerk shall be compensated for a period in excess of the time extending from one hour before the polls open until two hours after the polls close. The Early Voting Ballot Board shall be paid a set rate of \$50.00 for serving in such capacity that will include proper tabulation. Provided, however, that should the Early Voting Ballot Board need to reconvene to tabulate provisional ballots, they shall be paid an additional \$10.00 per hour for such services.

SECTION 9. The following positions shall be set forth on electronic ballots hereinafter provided, in substantially the following form:

**CITY OF KILLEEN GENERAL ELECTION
MAY 4, 2019
OFFICIAL BALLOT**

FOR COUNCILMEMBER, DISTRICT 1

Vote for One

- _____
- _____
- _____

FOR COUNCILMEMBER, DISTRICT 2

Vote for One

- _____
- _____
- _____

FOR COUNCILMEMBER, DISTRICT 3

Vote for One

- _____
- _____
- _____

FOR COUNCILMEMBER, DISTRICT 4

Vote for One

- _____
- _____
- _____

SECTION 10. Digital scan ballots shall be used for early voting by mail, curbside voting, and Election Day and the Model DS200 Digital Image Scanner and ExpressVote BMD (ballot marking device) Terminals shall be used for early voting by personal appearance and on Election Day.

SECTION 11. All resident qualified electors of the City shall be permitted to vote at the election.

SECTION 12. The election materials enumerated in Sec. 272.001, et seq., V.T.C.A. Election Code, shall be printed and furnished in both English and Spanish for use at each polling place on Election Day and for early voting.

SECTION 13. Notice of election shall be given by posting substantial copies of the Notice of Election as prescribed by the Secretary of State's office in both English and Spanish at the Killeen City Hall, the official city website and at three (3) other public places in the City at least thirty (30) days prior to the date set for the election; and substantial copies of the Notice of Election in both English and Spanish shall be one time in a newspaper of general circulation in the City, the date of publication to be not less than fourteen (14) days prior to the date set for the election.

SECTION 14. Returns of election shall be made by the election officers to the City Council at a meeting following the election; the returns will be canvassed and the results of the election declared as prescribed by the Election Code, V.T.C.A., of the State of Texas and the City Charter.

SECTION 15. It is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered and acted upon at the meeting, including this Ordinance, was given, all as required by the applicable provisions of the Texas Government Code, Sec. 551.001, *et seq.*

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this 29th day of January 2019, at which meeting a quorum was present, held in accordance with the provisions of the Texas Government Code, Sec. 551.001, *et seq.*

APPROVED

Jose L. Segarra, MAYOR

ATTEST:

Lucy C. Aldrich, CITY SECRETARY

APPROVED AS TO FORM

Kathryn H. Davis, CITY ATTORNEY



CALLING FOR A MAY 4, 2019 GENERAL ELECTION

OR-19-001

January 22, 2019

Purpose of Election

2

Election is ordered for the purpose of:

- Electing a District Council Member for each of the 4 Districts

Application and Voting Dates

3

Applications for name placement on ballots:

- First day - January 16th
- Last day – February 15th

Early voting:

- April 22 – April 30, 8:00a.m. to 5:00p.m.

Extended hours:

- April 22, 7:00a.m. to 7:00p.m.
- April 30, 7:00a.m. to 7:00p.m.

Election Day: May 4, 7:00a.m. to 7:00p.m.

Polling Locations

4

Early Voting:

City Hall, Killeen Community Center, Lions Club Park Senior Center, KISD Administration Building

Election Day:

Precinct 106/201 – Fire Station #1

Precinct 109/204/410 – St. Joseph's Catholic Church

Precinct 205 – Jackson Professional Learning Center

Precinct 206/402/409 – Lions Park Senior Center

Precinct 203/207/208/210 – Cedar Valley Elementary School

Precinct 405 – Shoemaker High School

Precinct 401/412/413 – Fire Station #9

Precinct 404/406/408 – Fire Station #5

Ballot Form

CITY OF KILLEEN GENERAL ELECTION

MAY 4, 2019

OFFICIAL BALLOT

FOR COUNCILMEMBER , DISTRICT 1

Vote for One

- _____
- _____
- _____

FOR COUNCILMEMBER, DISTRICT 2

Vote for One

- _____
- _____
- _____

FOR COUNCILMEMBER , DISTRICT 3

Vote for One

- _____
- _____
- _____

FOR COUNCILMEMBER, DISTRICT 4

Vote for One

- _____
- _____
- _____



6

Voting Equipment

DS200 Precinct Scanner and Tabulator

ExpressVote Ballot-Marking Device (ADA)

Recommendation

7

- Staff recommends City Council approve the ordinance calling for a *May 4, 2019* general election to elect a council member for each district.



City of Killeen

Legislation Details

File #: OR-19-002 **Version:** 1 **Name:** Ordinance Amending Chapter 4
Type: Ordinance **Status:** Ordinances
File created: 1/3/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: Consider an ordinance amending Chapter 4, Article II, Municipal Ambulance Service.
Sponsors: Fire Department
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Ordinance](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



STAFF REPORT

DATE: January 22, 2019
TO: Ronald L. Olson, City Manager
FROM: Brian Brank, Fire Chief
SUBJECT: Article II- Municipal Ambulance Service Ordinance Revision

BACKGROUND AND FINDINGS:

The Code of Ordinances Chapter 4 of the City of Killeen Section 4-26 through 4-46 contains outdated medical definitions, transport practices, and billing information. The last revision to the language in the ordinance was amended in 1996, as well as a fee schedule adjustment in 2015. This proposed change to this ordinance will alleviate antiquated language.

THE ALTERNATIVES CONSIDERED:

1. Adopt the proposed changes.
2. Do not adopt the proposed changes.

Which alternative is recommended? Why?

The Killeen Fire Department recommends adopting the proposed changes in order to modernize the language of the ordinance.

CONFORMITY TO CITY POLICY:

This item conforms to all state and local laws.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

Staff recommends that the City Council approve the revision to the Municipal Ambulance Ordinance.

DEPARTMENTAL CLEARANCES:

Fire, Legal, Finance

ATTACHED SUPPORTING DOCUMENTS:

Ordinance

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES OF THE CITY OF KILLEEN, TEXAS, BY AMENDING ARTICLE II, MUNICIPAL AMBULANCE SERVICE; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Killeen Fire Department operates an emergency medical service; and

WHEREAS, Chapter 4 establishes regulations and fees for the operation of the Killeen Fire Department emergency medical services; and

WHEREAS, changes to the ordinance are necessary for the efficient operation of the Killeen Fire Department emergency medical services provided, **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS:

SECTION I. That Chapter 4 is hereby amended as follows:

ARTICLE II. - MUNICIPAL AMBULANCE SERVICE

DIVISION 1. - GENERALLY

Sec. 4-26. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

* * *

Advanced life support (ALS) ambulance shall mean an emergency medical service vehicle that has complex, specialized, life-sustaining equipment and, ordinarily, equipped for radio-telephone contact with a physician or hospital. Typical of this type of ambulance would be mobile ~~emergency~~ intensive care units and other ambulance vehicles that are appropriately equipped and staffed by personnel trained and authorized to administer IVs, ~~provide anti-shock trousers,~~ establish and maintain a patient's airway, defibrillate the heart, relieve pneumothorax conditions and perform other advanced life support procedures or services such as cardiac (EKG) monitoring.

- (a) *Advanced life support, level 1* shall mean transportation by ground ambulance, medically necessary supplies and services and an ALS assessment by ALS personnel or the provision of at least one ALS intervention.
- (b) *Advanced life support, level 2* shall mean emergency transport by ground ambulance with administration of three or more medications by intravenous push/bolus or by continuous infusion excluding crystalloid, hypotonic, isotonic, and hypertonic solutions, or transportation, medically necessary supplies and services and the provision of at least one of the following ALS procedures:

Manual defibrillation/cardioversion, endotracheal intubation, central venous line, cardiac pacing, chest decompression, surgical airway, and intraosseous line.

* * *

Emergency medical service (EMS) personnel shall mean emergency care attendant; basic emergency medical technician; ~~intermediate~~ advanced emergency medical technician; or paramedic emergency medical technician.

* * *

DIVISION 2. - ADMINISTRATION

Sec. 4-27. - Creation; operation by fire department; officer in charge.

There shall be, and it is hereby created, a service to the people to be called the City of Killeen Emergency Medical Service, which service shall be operated within the city fire department and under the authority of the fire chief or his designated representative. The primary purpose of said service shall be for the care and transportation of persons with moderate to life threatening trauma or illness, ~~and only secondarily as a transfer service for the infirm.~~ The fire chief is authorized to allocate or withhold equipment and personnel as he deems necessary to assure that adequate emergency care and transportation is available at all times for legitimate emergency medical needs in the city.

* * *

Sec. 4-30. - Destinations of emergency trips.

- (a) The destination of all emergency trips shall be to the closest and most appropriate medical facilities facility within Bell County, Texas. ~~The patient may choose the medical facility destination so long as it is within Bell County. If the patient is unable for any reason, to make such choice, the city~~ EMS personnel shall have discretion to choose the facility according to the EMS standard operating procedures.
- (b) In the event of mutual aid assistance, the city's EMS unit shall deliver emergency trip patients as directed by the authorized person in charge of the jurisdiction requesting mutual aid, or in the event no such orders are given, the city EMS personnel shall deliver patients to the nearest appropriate facility.

Sec. 4-43. - Presumption.

- (a) It shall be prima facie evidence that the person utilizing such emergency medical service did so with the intent to defraud the city, upon showing that such person was notified in writing of the indebtedness due for such service, and upon failure of such person to either: pay for such indebtedness within sixty (60) days after receipt of notice, or during that time, to make arrangements with the finance department or any designated billing agent for periodic installment payments on the debt.
- (b) If an account is delinquent more than one hundred twenty (120) days, the account shall be turned over to a collection agency for collection process, or sued upon, or such other remedy provided by law for the collection of unpaid debt may be used.

Sec. 4-44. - Right of refusal of service.

The city emergency medical service shall reserve unto itself the right to refuse service to the following persons:

- (a) ~~Those described in subsection (a)1—3 below, unless accompanied by a peace officer:~~
 - 1. ~~Persons who are in confinement of, under control of, or have been placed under arrest by any law enforcement officer or agency; or~~
 - 2. ~~Persons who have been adjudged insane, incompetent or mentally ill by a court of competent jurisdiction, or who have such proceedings pending. No insane or mentally ill person will be transported without an attendant or nurse accompanying such person. The city shall not be responsible for obtaining any nurse or attendant.~~
 - 3. ~~Persons~~ persons who, in the opinion of ambulance attendants, are unruly, disorderly, intoxicated or under the influence of alcohol or other substance to a degree that they cannot be transported in a safe manner, taking into consideration the safety and welfare of all occupants of the vehicle. ~~Any drunk, disorderly or unruly person ordered by a doctor or peace officer to be transported in an ambulance may be refused by the city, unless such~~ A person described in this section shall be refused unless accompanied by a peace officer in such ambulance.
- (b) Persons who, in the judgment of a paramedic on the scene, exhibit only normal health or a mild medical condition and not a medical emergency, not warranting use of the city's mobile intensive care units for immediate transportation (thereby assuring availability of such for legitimate medical emergencies). In such instances, the paramedic shall render any appropriate care or first aid, and inform the person that there are alternative methods of non-emergency transportation available (e.g., private vehicle, private ambulance transfer service, taxi, or public transportation). No city employee shall ever endorse or indicate favoritism for one transportation provider over another.

Sec. 4-45. - No transport calls.

When a call is received from a scene of an accident and/or event and treatment is provided but transport is unnecessary, a bill for services performed and supplies used will be charged if the cost exceeds \$25.00.

If a call is received from the patient's residence and no treatment is provided to the sick or injured, ~~but~~ and transportation to a medical facility is refused by the patient or family member, then a base rate fee of \$100.00 may be charged.

When ~~aid and/or patient assessment~~ treatment is provided to the sick or injured in response to a call for EMS, but transportation to a medical facility is refused by either the patient or a paramedic on the scene, then ~~no~~ a base rate fee of \$236.00 may be charged, if the call is to a location within the city limits. Fees for no-transport calls outside of the city limits shall be determined by contract with other governmental entities requesting the service.

DIVISION 3. - FEES

Sec. 4-46. - Fees.

- (a) Any person who uses the emergency medical services of the city, whether such person requested the same or not, shall pay for the service in accordance with the following fee schedule. Fees for services in addition to the ambulance service rate will be charged according to the fee schedule when additional services and supplies are needed by the person. The fee schedule shall apply to each person transported whether one or more persons are picked up in the same ambulance at the same time.
- (b) In the event a hospital, nursing home or other entity or individual is responsible for the transport, transfer or other transportation of a person using the ambulance service of the city, that responsible hospital, nursing home or other entity or individual shall pay for such service according to the following fee schedule:

Fee Schedule (Based upon a one-way trip)

~~Service Fee~~

- (1) Basic Life Support Transport (Emergency) on Advanced Life Support Ambulance \$560.00
- (2) Advanced Life Support Transport, Level 1 \$690.00
- (3) Advanced Life Support Transport, Level 2 \$770.00
- (4) Additional attendant *\$50.00
* If CPR is administered, the patient's weight obviously exceeds 300 lbs., or the patient is carried up or down a long flight of stairs.
- (5) Treatment - no transport \$236.00
- (6) No transport - no treatment \$100.00

- (7) Mileage, per mile \$13.00
- (8) Extrication \$100.00
- (9) Oxygen, drugs, medications, miscellaneous bandages and supplies are charged according to the reasonable cost per item in accordance with the Health Care Financing Administration (HCFA).

Standing time. Every emergency trip or transfer to any hospital, clinic, doctor's office or other place will include a waiting period of not more than fifteen (15) minutes without additional charge. An additional charge of fifteen dollars (\$15.00) will be made for each fifteen (15) minutes or fraction thereof, that the ambulance unit and its equipment must wait at any hospital, clinic, doctor's office or other place prior to discharge.

Emergency service outside of city. Fees for emergency ambulance services provided by the City of Killeen Emergency Medical Service to locations outside of the Killeen city limits but within Bell County shall be made in accordance with an EMS service contract between the City of Killeen and Bell County. Fees for emergency ambulance service provided by the City of Killeen Emergency Medical Service to locations out of county shall be charged in accordance with the above fee schedule. An additional fee of two hundred dollars (\$200.00) shall be applied.

~~*In county and out of county transfer service.* Each person transported on a non-emergency transfer basis, to and from points inside Bell County, shall be charged and pay the transfer and mileage fees stated above, or as modified by any EMS contract with another jurisdiction. Each person transported on a non-emergency transfer basis to or from a point outside of Bell County shall be charged and shall pay an additional two hundred dollars (\$200.00) for such service above prevailing rates and all charges for such service shall be paid for in advance. Availability of all transfer service is dependent on permission of the fire chief or his designee, based upon the need to assure adequate emergency personnel and equipment are present within the city at all times.~~

* * *

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 upon publication.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, on this the 29th day of January, 2019, 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. Segara
MAYOR

APPROVED AS TO FORM:

ATTEST:

Kathryn H. Davis
CITY ATTORNEY

Lucy C. Aldrich
CITY SECRETARY



CONSIDER AN ORDINANCE AMENDING CHAPTER 4, AMBULANCES

OR-19-002

January 22, 2019

Revisions to Chapter 4, Ambulances

2

- Revision of the *Municipal Ambulance Service Ordinance* to:
 - ▣ Clarify outdated definitions and language.
 - Removes antiquated EMS terminology and updates medical definitions.
 - Fixes conflicting billing information wording.
 - ▣ Update current transport practices.
 - Removes unutilized inter-facility patient transfer information.
 - ▣ Revise destinations of emergency trips to the most appropriate medical facility.

Revisions to Chapter 4, Ambulances

3

- Sec. 4- 26 Definitions.
 - ▣ Modernized.
- Sec. 4-27- Creation; Operation by Fire Dept; officer in charge.
 - ▣ Concise language.
- Sec. 4-30 Destinations of emergency trips.
 - ▣ (a) Language was changed to reflect the standard operating procedures set forth by the Medical Director.
- Sec. 4-43.- Presumption.
 - ▣ Added (or any designated billing agent).

Revisions to Chapter 4, Ambulances

- Sec. 4-44.- Right of refusal of service.
 - ▣ Second paragraph was removed due to redundancy.
- Sec. 4-45. No transport calls
 - ▣ The language in this section was revised for clarity.
- Sec. 4-46. Fees
 - ▣ The in county and out of county transfer service paragraph was removed. KFD does not participate in an inter-facility transfer program.

Alternatives Chapter 4, Ambulances

5

- Alternatives:
 - ▣ Not revising the *Municipal Ambulance Service Ordinance*
 - ▣ Revise the *Municipal Ambulance Service Ordinance*

- Staff recommends that the City Council authorize amending Chapter 4 of the Code of Ordinances.



City of Killeen

Legislation Details

File #: PH-19-002 **Version:** 1 **Name:** Street Maintenance Budget
Type: Ordinance/Public Hearing **Status:** Public Hearings
File created: 1/8/2019 **In control:** City Council Workshop
On agenda: 1/22/2019 **Final action:**
Title: HOLD a public hearing and consider an ordinance amending the FY 2019 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing revenue and expenditure accounts to establish the Street Maintenance Special Revenue Fund budget.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Ordinance](#)
[Presentation](#)

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|



STAFF REPORT

DATE: January 22, 2019
TO: Ronald L. Olson, City Manager
FROM: Jonathan Locke, Executive Director of Finance
VIA: Miranda Drake, Director of Budget
SUBJECT: Budget Amendment

BACKGROUND AND FINDINGS:

On December 11, 2018, the City Council approved an ordinance establishing a Street Maintenance Special Revenue Fund and providing for the collection of street maintenance fees. While the ordinance became effective immediately, the implementation phase will take approximately six (6) months to properly integrate the new fee into the billing system. The collection of this fee will start in the July 2019 billing cycle.

Ordinance No. 18-045, Section 25-226, created a separate fund within the City's fund structure known as the Street Maintenance Special Revenue Fund, for the purpose of maintenance of the transportation system. This budget amendment transfers the funds for Street Operations from the General Fund to the Street Maintenance Special Revenue Fund.

| | Revenue Budget |
|--|-----------------------|
| Special Revenue Fund - Street Maintenance Fund | \$5,233,565 |
| TOTAL | \$5,233,565 |

| Expenditure Budget | |
|--|--------------------|
| General Fund | \$ 0 |
| Special Revenue Fund - Street Maintenance Fund | 5,233,565 |
| TOTAL | \$5,233,565 |

THE ALTERNATIVES CONSIDERED:

(1) Approve the attached ordinance amending the Annual Budget and Plan of Municipal Services for FY 2019 to establish the Street Maintenance Special Revenue Fund budget.; (2) Do not approve the ordinance.

Which alternative is recommended? Why?

Staff recommends option 1 to approve the ordinance amending the Annual Budget and Plan of Municipal Services for FY 2019 to establish the Street Maintenance Special Revenue Fund budget.

CONFORMITY TO CITY POLICY:

City Charter, Article VII., Section 71 and Section 73

FINANCIAL IMPACT:

Upon approval, accounts will be amended in the FY 2019 budget as follows:

An increase to General Fund expenditure accounts by \$0.

An increase to Special Revenue Funds - Street Maintenance Fund revenue accounts by \$5,233,565.

An increase to Special Revenue Funds - Street Maintenance Fund expenditure accounts by \$5,233,565.

What is the amount of the expenditure in the current fiscal year? For future years?

N/A

Is this a one-time or recurring expenditure?

This is a one-time transfer of the Streets operating budget from the General Fund to the Street Maintenance Special Revenue Fund.

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

Staff recommends that the City Council approve this ordinance amending the FY 2019 Annual Budget and Plan of Municipal Services of the City of Killeen to establish the budget for the Street Maintenance Special Revenue Fund.

DEPARTMENTAL CLEARANCES:

City Attorney
Finance

ATTACHED SUPPORTING DOCUMENTS:

Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2019 ANNUAL BUDGET AND PLAN OF MUNICIPAL SERVICES OF THE CITY OF KILLEEN BY INCREASING REVENUE AND EXPENDITURE ACCOUNTS TO ESTABLISH THE STREET MAINTENANCE SPECIAL REVENUE FUND BUDGET; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, a budget for operating the municipal government of the City of Killeen for the Fiscal Year October 1, 2018 to September 30, 2019, has been adopted by City Council in accordance with the City Charter; and

WHEREAS, the Killeen City Council created a Street Maintenance Special Revenue Fund with the approval of ordinance 18-045; and

WHEREAS, the creation of a Street Maintenance Special Revenue Fund requires a budget amendment;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

SECTION 1. That Ordinance 18-032, adopting a budget for operating the municipal government of the City of Killeen for the Fiscal year October 1, 2018 to September 30, 2019, be amended as to the portion of said budget as follows:

Revenues:

| Account Number | Description | Original Budget | Budget Change | Amended Budget |
|-------------------|---------------------------|-----------------|---------------|----------------|
| 234-0000-391-0110 | Transfer In from Fund 010 | \$ - | \$ 4,498,667 | \$ 4,498,667 |
| 234-0000-391-0110 | Transfer In from Fund 010 | - | 334,899 | 334,899 |
| 234-0000-346-0101 | Residential Services | - | 160,000 | 160,000 |
| 234-0000-346-0102 | Non-Residential Services | - | 239,999 | 239,999 |
| | Total | \$ - | \$ 5,233,565 | \$ 5,233,565 |

Expenditures:

| Account Number | Description | Original Budget | Budget Change | Amended Budget |
|-------------------|-----------------------------|-----------------|---------------|----------------|
| 010-9595-492-9234 | Transfer to Fund 234 | \$ - | \$ 4,498,667 | \$ 4,498,667 |
| 010-9595-492-9234 | Transfer to Fund 234 | - | 334,899 | 334,899 |
| 010-3445-434-4005 | Full-time Salaries | 1,771,920 | (1,771,920) | - |
| 010-3445-434-4015 | Overtime | 7,194 | (7,194) | - |
| 010-3445-434-4025 | Longevity | 19,776 | (19,776) | - |
| 010-3445-434-4030 | Incentive Pay | 32,880 | (32,880) | - |
| 010-3445-434-4055 | On Call | 11,340 | (11,340) | - |
| 010-3445-434-4070 | Vacation - 4th Week Buyback | 3,000 | (3,000) | - |
| 010-3445-434-4082 | Medical Insurance | 237,163 | (237,163) | - |

Expenditures (continued):

| Account Number | Description | Original Budget | Budget Change | Amended Budget |
|-----------------------|--------------------------|------------------------|----------------------|-----------------------|
| 010-3445-434-4083 | Dental Insurance | \$ 14,906 | \$ (14,906) | \$ - |
| 010-3445-434-4084 | Life Insurance | 972 | (972) | - |
| 010-3445-434-4085 | Retirement - TMRS | 205,840 | (205,840) | - |
| 010-3445-434-4087 | Social Security | 109,406 | (109,406) | - |
| 010-3445-434-4088 | Medicare | 25,594 | (25,594) | - |
| 010-3445-434-4089 | Workers Compensation | 60,575 | (60,575) | - |
| 010-3445-434-4110 | Office | 1,700 | (1,700) | - |
| 010-3445-434-4115 | Postage/Carrier Service | 25 | (25) | - |
| 010-3445-434-4120 | Uniforms & Clothing | 32,200 | (32,200) | - |
| 010-3445-434-4130 | Fuel | 104,513 | (104,513) | - |
| 010-3445-434-4135 | Print Supplies | 1,450 | (1,450) | - |
| 010-3445-434-4137 | Phones & Accessories | 150 | (150) | - |
| 010-3445-434-4140 | Computer Supplies | 1,500 | (1,500) | - |
| 010-3445-434-4160 | Food Supplies | 1,400 | (1,400) | - |
| 010-3445-434-4165 | Minor Tools | 22,150 | (22,150) | - |
| 010-3445-434-4170 | Cleaning Supplies | 3,683 | (3,683) | - |
| 010-3445-434-4175 | Medical & Chemical | 125 | (125) | - |
| 010-3445-434-4187 | Extinguishing Chemicals | 1,500 | (1,500) | - |
| 010-3445-434-4190 | Agricultural Supplies | 3,575 | (3,575) | - |
| 010-3445-434-4205 | Walks & Drives | 50,000 | (50,000) | - |
| 010-3445-434-4236 | Traffic Signals Maint. | 2,500 | (2,500) | - |
| 010-3445-434-4237 | Sign Maintenance | 30,000 | (30,000) | - |
| 010-3445-434-4238 | Pavement Marking | 201,724 | (201,724) | - |
| 010-3445-434-4265 | Street Maintenance | 330,000 | (330,000) | - |
| 010-3445-434-4290 | Roadway Drainage Maint. | 487 | (487) | - |
| 010-3445-434-4310 | Small Equipment Repair | 4,500 | (4,500) | - |
| 010-3445-434-4315 | Vehicle Repair/Maint. | 111,809 | (111,809) | - |
| 010-3445-434-4350 | Machinery | 90,000 | (90,000) | - |
| 010-3445-434-4370 | Signals & Traffic Lights | 84,150 | (84,150) | - |
| 010-3445-434-4404 | Water Service | 1,800 | (1,800) | - |
| 010-3445-434-4405 | Telephone | 5,089 | (5,089) | - |
| 010-3445-434-4406 | Gas Service | 1,200 | (1,200) | - |
| 010-3445-434-4407 | Cable Service | 711 | (711) | - |
| 010-3445-434-4408 | Waste Disposal | 2,300 | (2,300) | - |
| 010-3445-434-4410 | Equipment Rental/Lease | 55,000 | (55,000) | - |
| 010-3445-434-4426 | Advertising | 310 | (310) | - |
| 010-3445-434-4430 | Training and Travel | 3,250 | (3,250) | - |

Expenditures (continued):

| Account Number | Description | Original Budget | Budget Change | Amended Budget |
|-----------------------|-----------------------------|------------------------|----------------------|-----------------------|
| 010-3445-434-4448 | Traffic Lights Electricity | \$ 67,000 | \$ (67,000) | \$ - |
| 010-3445-434-4449 | Street Lights Electricity | 750,000 | (750,000) | - |
| 010-3445-434-4450 | Electricity Services | 12,000 | (12,000) | - |
| 010-3445-434-4475 | Dues and Memberships | 1,300 | (1,300) | - |
| 010-3445-434-4701 | Consulting Services | 15,000 | (15,000) | - |
| 010-3445-434-4720 | Engineering Services | 4,000 | (4,000) | - |
| 010-9501-491-5020 | Reserve Appropriation | 334,899 | (334,899) | - |
| 234-3445-434-4005 | Full-time Salaries | - | 1,771,920 | 1,771,920 |
| 234-3445-434-4015 | Overtime | - | 7,194 | 7,194 |
| 234-3445-434-4025 | Longevity | - | 19,776 | 19,776 |
| 234-3445-434-4030 | Incentive Pay | - | 32,880 | 32,880 |
| 234-3445-434-4055 | On Call | - | 11,340 | 11,340 |
| 234-3445-434-4070 | Vacation - 4th Week Buyback | - | 3,000 | 3,000 |
| 234-3445-434-4082 | Medical Insurance | - | 237,163 | 237,163 |
| 234-3445-434-4083 | Dental Insurance | - | 14,906 | 14,906 |
| 234-3445-434-4084 | Life Insurance | - | 972 | 972 |
| 234-3445-434-4085 | Retirement - TMRS | - | 205,840 | 205,840 |
| 234-3445-434-4087 | Social Security | - | 109,406 | 109,406 |
| 234-3445-434-4088 | Medicare | - | 25,594 | 25,594 |
| 234-3445-434-4089 | Workers Compensation | - | 60,575 | 60,575 |
| 234-3445-434-4110 | Office | - | 1,700 | 1,700 |
| 234-3445-434-4115 | Postage/Carrier Service | - | 25 | 25 |
| 234-3445-434-4120 | Uniforms & Clothing | - | 32,200 | 32,200 |
| 234-3445-434-4130 | Fuel | - | 104,513 | 104,513 |
| 234-3445-434-4135 | Print Supplies | - | 1,450 | 1,450 |
| 234-3445-434-4137 | Phones & Accessories | - | 150 | 150 |
| 234-3445-434-4140 | Computer Supplies | - | 1,500 | 1,500 |
| 234-3445-434-4160 | Food Supplies | - | 1,400 | 1,400 |
| 234-3445-434-4165 | Minor Tools | - | 22,150 | 22,150 |
| 234-3445-434-4170 | Cleaning Supplies | - | 3,683 | 3,683 |
| 234-3445-434-4175 | Medical & Chemical | - | 125 | 125 |
| 234-3445-434-4187 | Extinguishing Chemicals | - | 1,500 | 1,500 |
| 234-3445-434-4190 | Agricultural Supplies | - | 3,575 | 3,575 |
| 234-3445-434-4205 | Walks & Drives | - | 50,000 | 50,000 |
| 234-3445-434-4236 | Traffic Signals Maint. | - | 2,500 | 2,500 |
| 234-3445-434-4237 | Sign Maintenance | - | 30,000 | 30,000 |
| 234-3445-434-4238 | Pavement Marking | - | 201,724 | 201,724 |

Expenditures (continued):

| Account Number | Description | Original Budget | Budget Change | Amended Budget |
|-----------------------|----------------------------|------------------------|----------------------|-----------------------|
| 234-3445-434-4265 | Street Maintenance | \$ - | \$ 664,899 | \$ 664,899 |
| 234-3445-434-4290 | Roadway Drainage Maint. | - | 487 | 487 |
| 234-3445-434-4310 | Small Equipment Repair | - | 4,500 | 4,500 |
| 234-3445-434-4315 | Vehicle Repair/Maint. | - | 111,809 | 111,809 |
| 234-3445-434-4350 | Machinery | - | 90,000 | 90,000 |
| 234-3445-434-4370 | Signals & Traffic Lights | - | 84,150 | 84,150 |
| 234-3445-434-4404 | Water Service | - | 1,800 | 1,800 |
| 234-3445-434-4405 | Telephone | - | 5,089 | 5,089 |
| 234-3445-434-4406 | Gas Service | - | 1,200 | 1,200 |
| 234-3445-434-4407 | Cable Service | - | 711 | 711 |
| 234-3445-434-4408 | Waste Disposal | - | 2,300 | 2,300 |
| 234-3445-434-4410 | Equipment Rental/Lease | - | 55,000 | 55,000 |
| 234-3445-434-4426 | Advertising | - | 310 | 310 |
| 234-3445-434-4430 | Training and Travel | - | 3,250 | 3,250 |
| 234-3445-434-4448 | Traffic Lights Electricity | - | 67,000 | 67,000 |
| 234-3445-434-4449 | Street Lights Electricity | - | 750,000 | 750,000 |
| 234-3445-434-4450 | Electricity Services | - | 12,000 | 12,000 |
| 234-3445-434-4475 | Dues and Memberships | - | 1,300 | 1,300 |
| 234-3445-434-4701 | Consulting Services | - | 15,000 | 15,000 |
| 234-3445-434-4720 | Engineering Services | - | 4,000 | 4,000 |
| 234-3445-434-5020 | Reserve Appropriation | - | 399,999 | 399,999 |
| | Total | \$ 4,833,566 | \$ 5,233,565 | \$ 10,067,131 |

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 law.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this 29th day of January, 2019, 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:

APPROVED AS TO FORM

Lucy C. Aldrich
City Secretary

Kathryn H. Davis
City Attorney



STREET MAINTENANCE FUND BUDGET AMENDMENT

PH-19-002

January 22, 2019

Background

2

- Purpose of budget amendment
 - ▣ To increase revenue and expenditure accounts to establish the Street Maintenance Special Revenue Fund budget.
- Fiscal Impact
 - ▣ An increase to General Fund expenditure accounts by \$0.
 - ▣ An increase to Special Revenue Funds – Street Maintenance Fund revenue accounts by \$5,233,565.
 - ▣ An increase to Special Revenue Funds – Street Maintenance Fund expenditure accounts by \$5,233,565.

Street Maintenance Special Rev. Fund Budget Amendment

3

| Description | General Fund | Street Maint. Fund |
|--|--------------|--------------------|
| Revenues: | | |
| Annual Contribution from General Fund (73.65%) | \$ - | \$4,498,667 |
| One-Time Transfer In from General Fund (H.O.P.) | - | 334,899 |
| SMF \$1.6M Annually (26.35%) – Prorated for 3 months | - | 399,999 |
| Total Revenues | \$ - | \$5,233,565 |
| Expenditures: | | |
| General Fund Street Operations | (4,498,667) | - |
| General Fund Reserve Appropriations (H.O.P.) | (334,899) | - |
| Annual Contribution to Street Maint. Fund | \$4,498,667 | \$ - |
| One-Time Transfer to Street Maint. Fund (H.O.P.) | 334,899 | - |
| Street Maintenance Fund Operations | - | 5,233,565 |
| Total Expenditures | \$ - | \$5,233,565 |

Recommendation

4

Staff recommends that City Council approve the ordinance amending the FY 2019 Annual Budget and Plan of Municipal Services.