



City of Killeen

Agenda

City Council Workshop

Tuesday, December 12, 2017

Killeen City Hall
Main Conference Room
101 N. College Street
Killeen, Texas 76541

IMMEDIATELY FOLLOWING REGULAR CITY COUNCIL MEETING

Items for Discussion at Workshop

1. [DS-17-120](#) Discuss Agenda Items for the Regular City Council Meeting of December 19, 2017
2. [DS-17-121](#) Receive Quarterly Financial Report
Attachments: [Presentation](#)
3. [DS-17-122](#) City Manager Performance Appraisal

Items for Regular City Council Meeting of December 19, 2017

Resolutions

4. [RS-17-125](#) Consider a memorandum/resolution approving the investment report for the quarter ended September 30, 2017.
Attachments: [Staff Report](#)
[Presentation](#)
5. [RS-17-126](#) Consider a memorandum/resolution clarifying the award of Bid No. 17-17 via RS-17-112 to E-Z-GO/TCF Equipment Finance for the lease of rental golf carts at Stonetree Golf Club.
Attachments: [Staff Report](#)
[TCF Finance Contract](#)
[EZ-GO Buy Back Letter](#)
[Bid Tab 17-17](#)
[Presentation](#)
6. [RS-17-127](#) Consider a memorandum/resolution authorizing the City Manager to enter into an interlocal agreement with the Department of Public Safety for forms and materials.
Attachments: [Staff Report](#)
[Interlocal Agreement](#)

[Presentation](#)

7. [RS-17-128](#) Consider a memorandum/resolution to approve the City of Killeen's Financial Governance Policies.
Attachments: [Staff Report](#)
[Financial Governance Policies](#)
[Presentation](#)
8. [RS-17-129](#) Consider a memorandum/resolution accepting the dedication of three tracts to facilitate the construction of the Rosewood Drive Extension/Heritage Oaks Hike & Bike Trail projects.
Attachments: [Staff Report](#)
[Special Warranty Deeds](#)
[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 December 8, 2017.

Dianna Barker, City Secretary

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

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

Notice of Meetings

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

- Christmas Parade, December 9, 2017, 4:30 p.m., Downtown Killeen
- KFD Christmas and Award Banquet, December 14, 2017, 6:00 p.m., Shilo Inn
- GKCC Public Policy Luncheon, December 19, 2017, 11:30 a.m., CTC Anderson Hall

Dedicated Service -- Every Day, for Everyone!



City of Killeen

Legislation Details

File #: DS-17-120 **Version:** 1 **Name:** Discuss Agenda Items
Type: Discussion Items **Status:** Discussion Items
File created: 11/17/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: Discuss Agenda Items for the Regular City Council Meeting of December 19, 2017
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-17-121 **Version:** 1 **Name:** Receive Quarterly Financial Report
Type: Discussion Items **Status:** Discussion Items
File created: 11/16/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: Receive Quarterly Financial Report
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Presentation](#)

Date	Ver.	Action By	Action	Result
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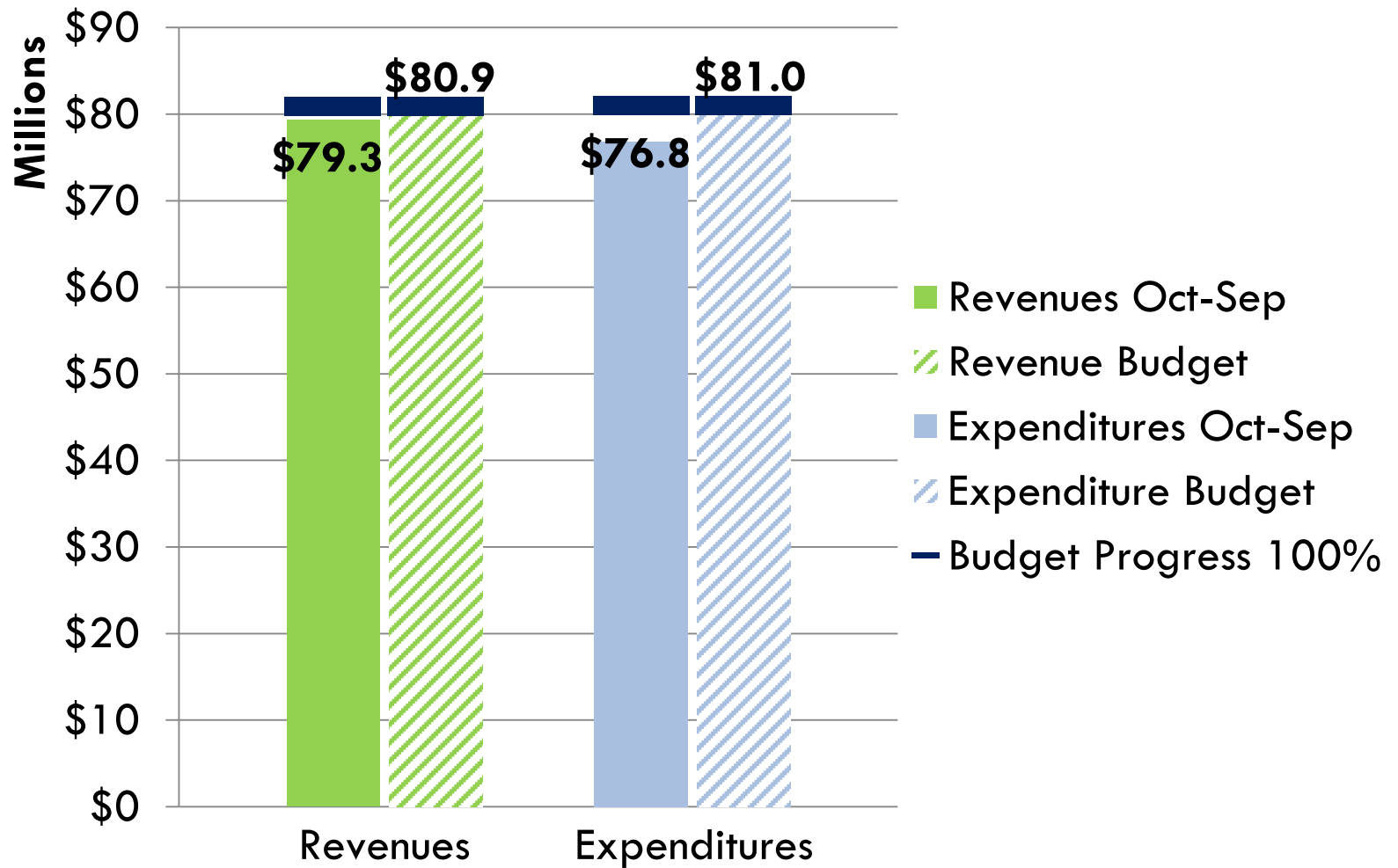
FY 2017 FOURTH QUARTER FINANCIAL REVIEW

DS-17-121

December 12, 2017

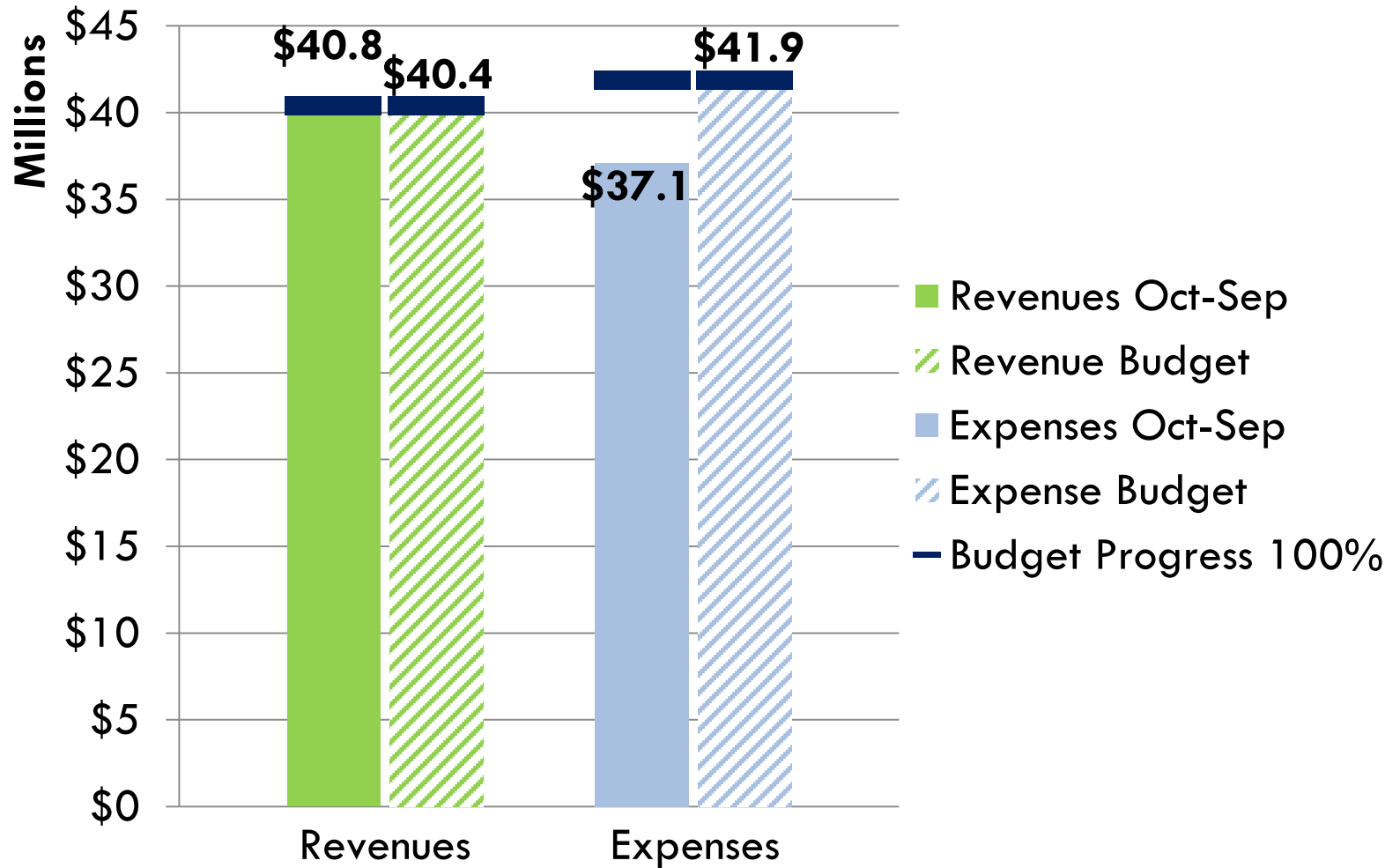
General Fund

2



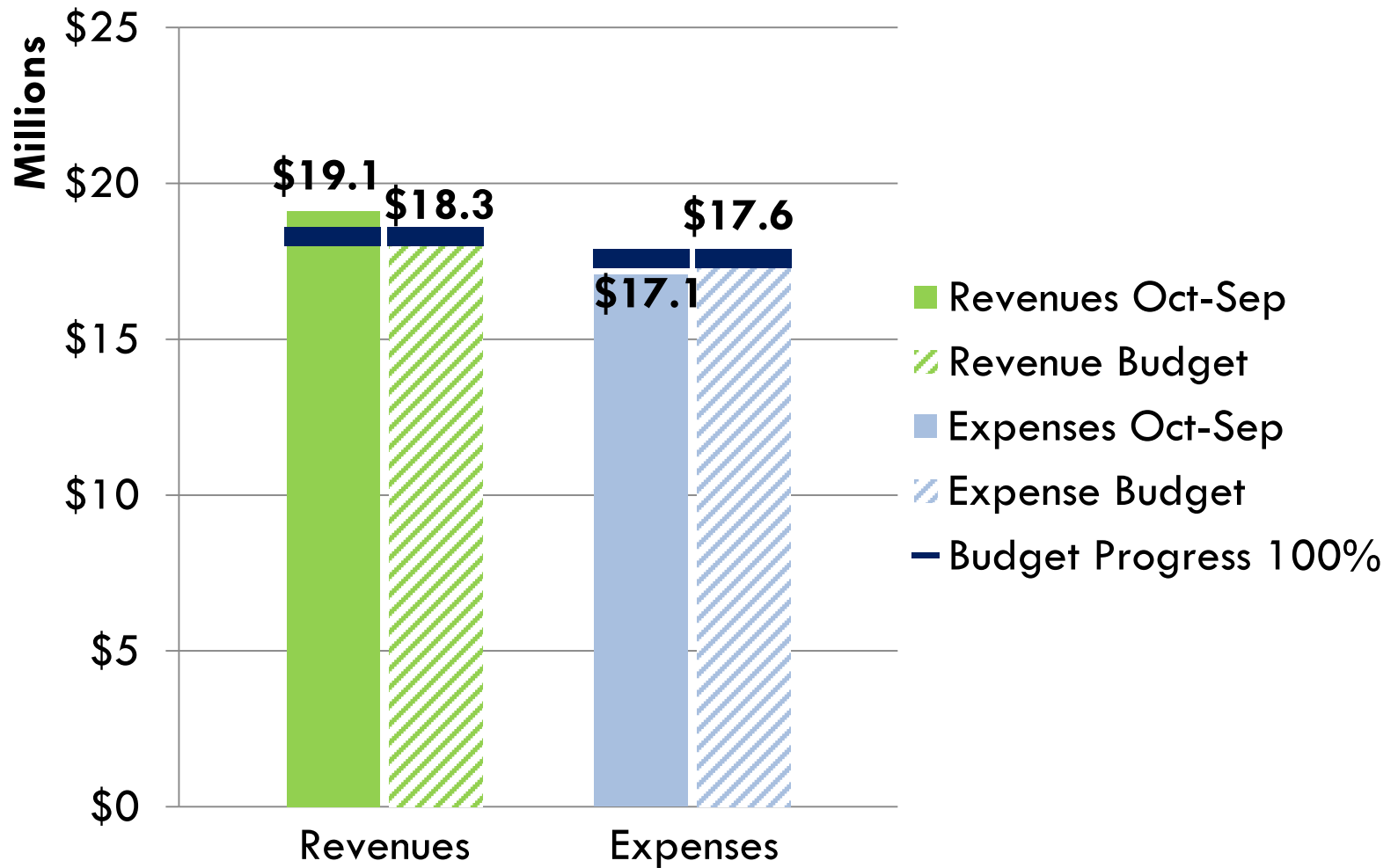
Water and Sewer

3

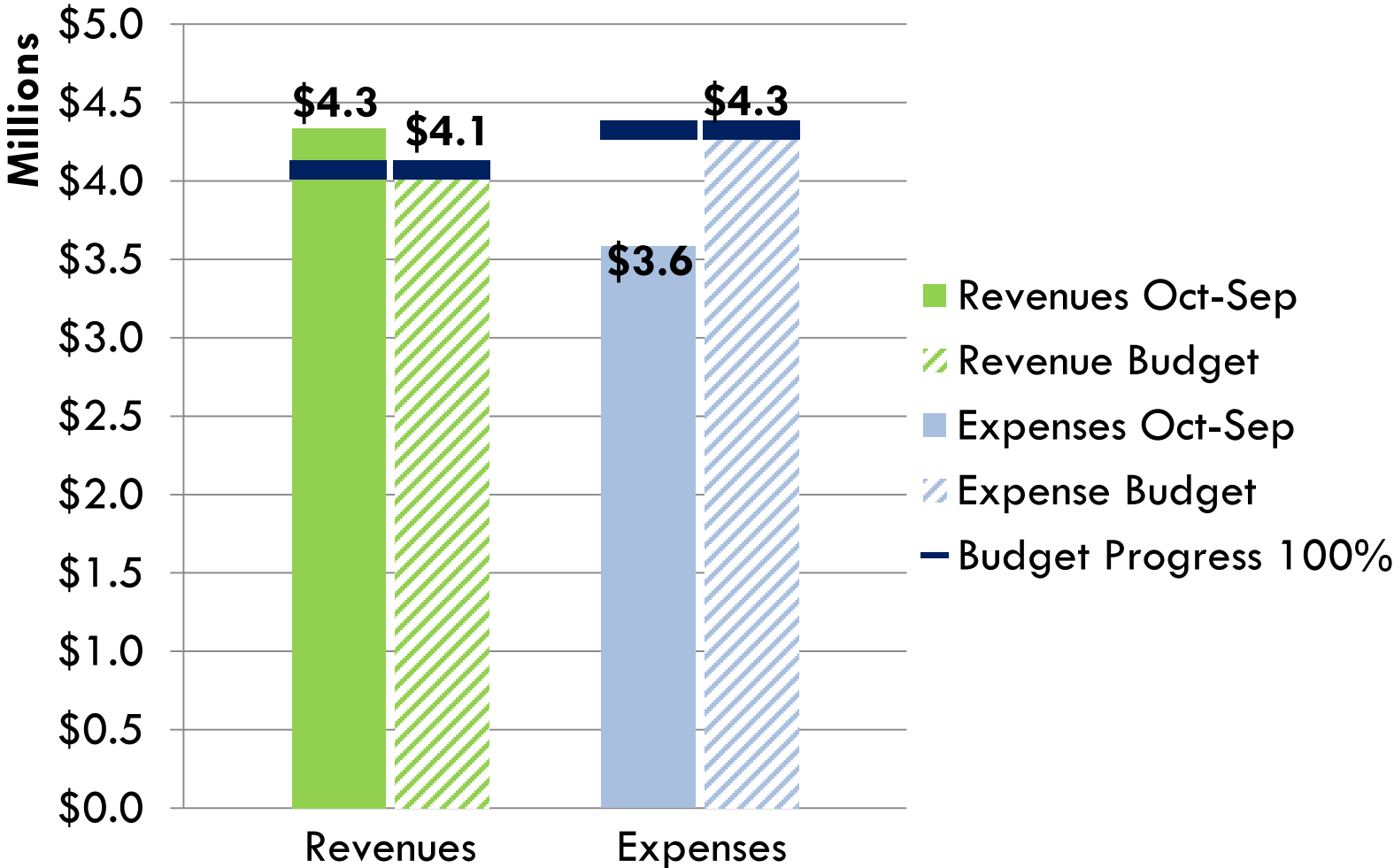


Solid Waste

4

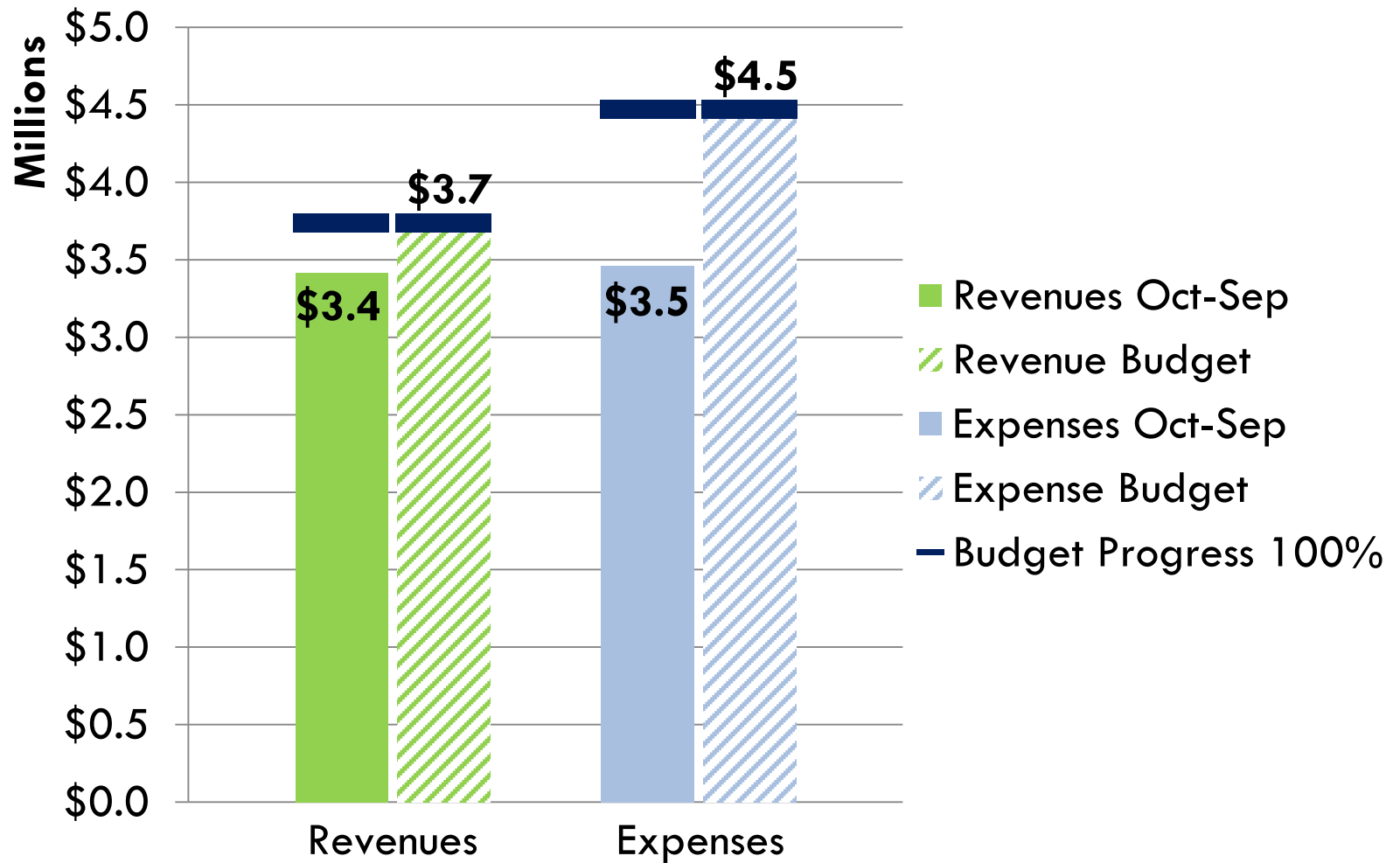


Drainage



Aviation

6





City of Killeen

Legislation Details

File #: DS-17-122 **Version:** 1 **Name:** City Manager Performance Appraisal
Type: Discussion Items **Status:** Discussion Items
File created: 11/8/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: City Manager Performance Appraisal
Sponsors: City Manager Department
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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City of Killeen

Legislation Details

File #: RS-17-125 **Version:** 1 **Name:** Quarterly Investment Report for period ending September 30, 2017
Type: Resolution **Status:** Resolutions
File created: 11/27/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: Consider a memorandum/resolution approving the investment report for the quarter ended September 30, 2017.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Presentation](#)

Date	Ver.	Action By	Action	Result
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STAFF REPORT

DATE: December 12, 2017

TO: Ronald L. Olson, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: Quarterly Investment Report

BACKGROUND AND FINDINGS:

The attached investment report summarizes all investment activity for the quarter that ended September 30, 2017. The highlights of the report are as follows:

	Apr - Jun 2017	Jul - Sep 2017	Change
Interest Income	\$210,734	\$203,819	-3.28%
Investment Balance	\$86,445,046	\$67,401,377	-22.03%
Average Yield	1.07%	1.15%	0.08%

THE ALTERNATIVES CONSIDERED:

Which alternative is recommended? Why?

N/A

CONFORMITY TO CITY POLICY:

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

FINANCIAL IMPACT:

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

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 attached investment report for the quarter that ended September 30, 2017.

DEPARTMENTAL CLEARANCES:

Legal

ATTACHED SUPPORTING DOCUMENTS:

Quarterly Investment Report



City of Killeen

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2017

Prepared by

Valley View Consulting, L.L.C.

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

Jonathan Locke, Executive Director of Finance

Karen Evans, Assistant Director of Finance

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

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2017			September 30, 2016		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
Demand Accounts	0.35%	\$ 10,972,068	\$ 10,972,068	0.32%	\$ 14,627,808	\$ 14,627,808
Pools/MMA	1.27%	22,517,583	22,517,583	0.47%	30,049,679	30,049,679
Securities/CDs	1.32%	33,911,726	33,911,726	0.81%	27,128,245	27,128,245
Totals		\$ 67,401,377	\$ 67,401,377		\$ 71,805,732	\$ 71,805,732
Fourth Quarter-End Yield	1.15%			0.57%		
Average Quarter-End Yields - Fiscal Year (1):						
Killeen	0.93%			0.48%		
Rolling Three Month Treasury	0.75%			0.25%		
Rolling Six Month Treasury	0.77%			0.37%		
TexPool	0.74%			0.31%		
Fiscal YTD Interest Earnings		\$ 713,176			\$ 407,250	

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

Asset Type	Ave. Yield	September 30, 2017		June 30, 2017	
		Book Value	Market Value	Book Value	Market Value
Demand Accounts	0.35%	\$ 10,972,068	\$ 10,972,068	\$ 11,211,094	\$ 11,211,094
Pools/MMA	1.27%	22,517,583	22,517,583	36,354,733	36,354,733
Securities/CDs	1.32%	33,911,726	33,911,726	38,879,219	38,879,219
Totals		\$ 67,401,377	\$ 67,401,377	\$ 86,445,046	\$ 86,445,046

Current Quarter Average Yield (1)

Total Portfolio 1.15%

Rolling Three Mo. Treas. Yield 1.05%

Rolling Six Mo. Treas. Yield 1.09%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.93%

Rolling Three Mo. Treas. Yield 0.75%

Rolling Six Mo. Treas. Yield 0.77%

Quarterly TexPool Yield 0.74%

	Interest Income	Bank Fees Offset
Quarterly	\$ 203,819	\$ 10,228
Year-to-date	\$ 713,176	\$ 41,557

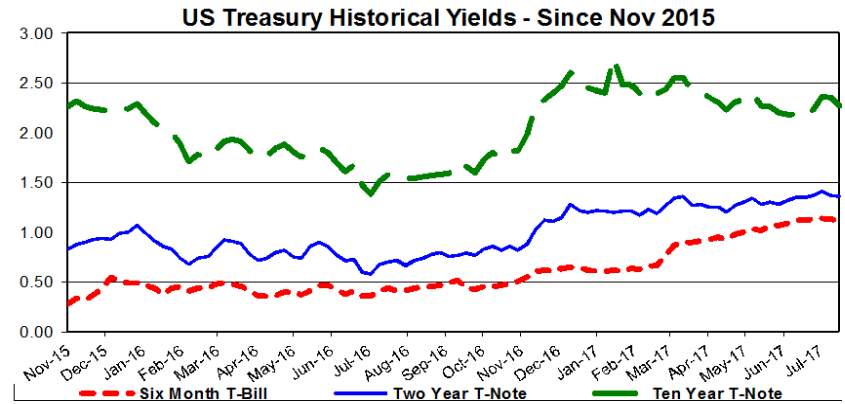
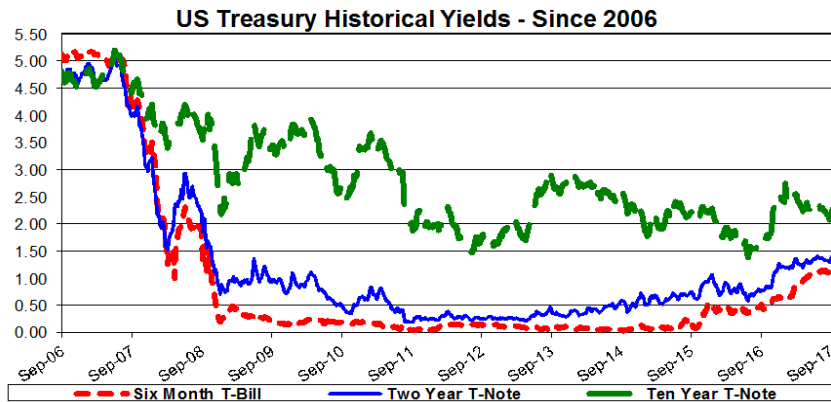
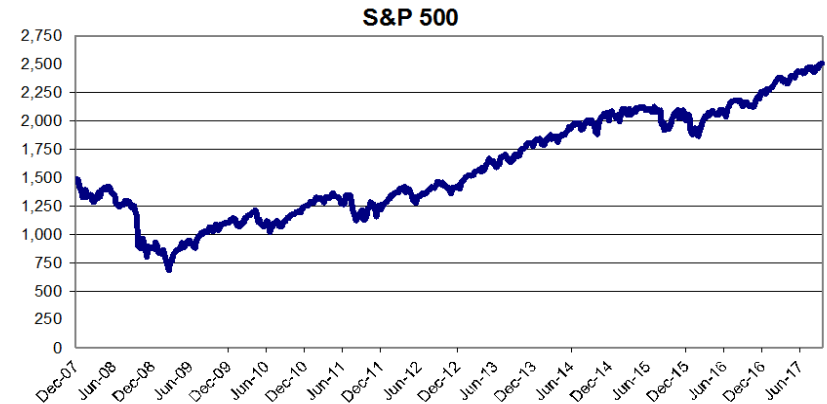
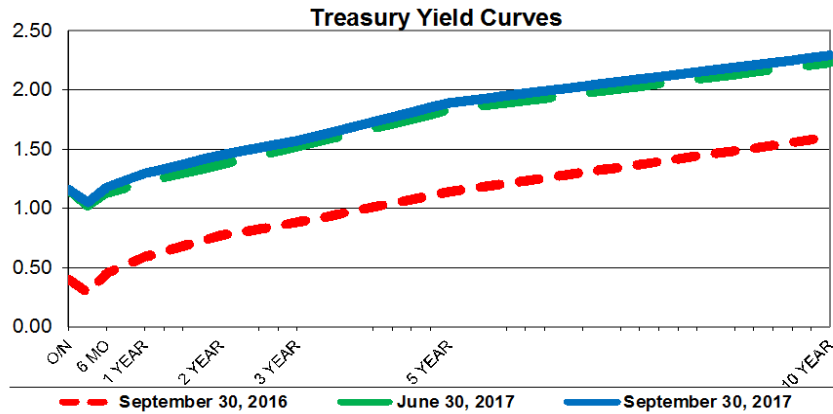
(1) Average Yield calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

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

Economic Overview

9/30/2017

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range of 1.00% - 1.25% (Effective Fed Funds are trading +/-1.16%) since the June FOMC meeting. Recent announcements have increased the probability of a December rate increase. The FOMC announced a gradual portfolio reduction by limiting reinvestment of maturing holdings. Second Quarter 2017 GDP was revised to 3.1%. September Non Farm Payroll data was a storm influenced negative 33k, with downward revisions to August and July. Other US data generally showed positive with a few negative numbers. The Stock Markets achieved new highs. Monitoring estimated balances and needs will determine laddering opportunities.



Investment Holdings
September 30, 2017

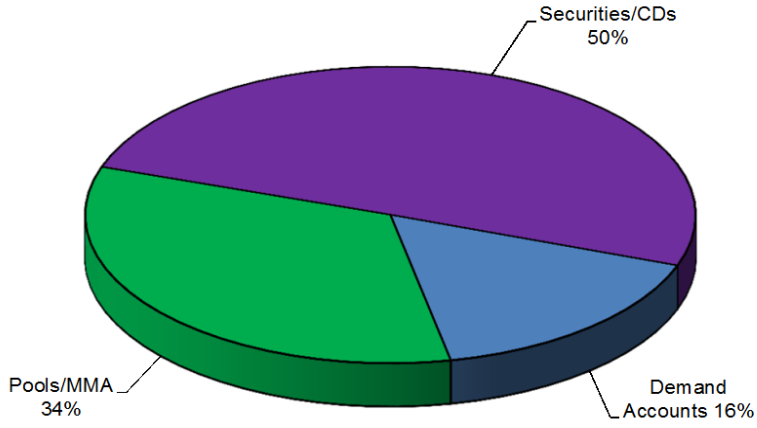
Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (Days)	Yield
BBVA Demand Account (3)		0.36%	10/01/17	09/30/17	\$ 10,845,667	\$ 10,845,667	1.00	\$ 10,845,667	1	0.36%
Cash on Hand		0.00%	10/01/17	09/30/17	10,495	10,495	1.00	10,495	1	0.00%
Hometown Cash on Hand		0.00%	10/01/17	09/30/17	115,906	115,906	1.00	115,906	1	0.00%
Southside Bank MMA		1.17%	10/01/17	09/30/17	4,647,626	4,647,626	1.00	4,647,626	1	1.17%
LegacyTexas MMA		1.07%	10/01/17	09/30/17	21,393	21,393	1.00	21,393	1	1.07%
Green Bank MMA		1.21%	10/01/17	09/30/17	9,132,820	9,132,820	1.00	9,132,820	1	1.21%
NexBank MMA		1.47%	10/01/17	09/30/17	7,156,686	7,156,686	1.00	7,156,686	1	1.47%
TexSTAR	AAAm	1.04%	10/01/17	09/30/17	1,559,058	1,559,058	1.00	1,559,058	1	1.04%
Origin Bank CD		1.25%	01/02/18	12/02/16	245,000	245,000	100.00	245,000	94	1.25%
Southside Bank CD		0.97%	01/03/18	12/02/16	4,029,197	4,029,197	100.00	4,029,197	95	0.97%
Lubbock National Bank CD		1.20%	03/01/18	03/14/17	2,515,161	2,515,161	100.00	2,515,161	152	1.20%
Lubbock National Bank CD		1.25%	04/02/18	03/14/17	2,012,636	2,012,636	100.00	2,012,636	184	1.25%
Lubbock National Bank CD		1.25%	05/01/18	03/14/17	1,006,318	1,006,318	100.00	1,006,318	213	1.25%
LegacyTexas Bank CD		1.20%	06/01/18	12/29/16	3,027,133	3,027,133	100.00	3,027,133	244	1.20%
Central National Bank CD		1.51%	07/03/18	05/01/17	5,019,030	5,019,030	100.00	5,019,030	276	1.51%
BBVA Compass Bank CD		1.30%	07/03/18	04/13/17	5,533,351	5,533,351	100.00	5,533,351	276	1.30%
LegacyTexas Bank CD		1.48%	08/01/18	09/01/17	6,000,000	6,000,000	100.00	6,000,000	305	1.48%
BBVA Compass Bank CD		1.40%	09/18/18	04/13/17	2,516,328	2,516,328	100.00	2,516,328	353	1.40%
LegacyTexas Bank CD		1.50%	01/03/19	06/01/17	2,007,571	2,007,571	100.00	2,007,571	460	1.50%
					\$ 67,401,377	\$ 67,401,377		\$ 67,401,377	129	1.15%
									(1)	(2)

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

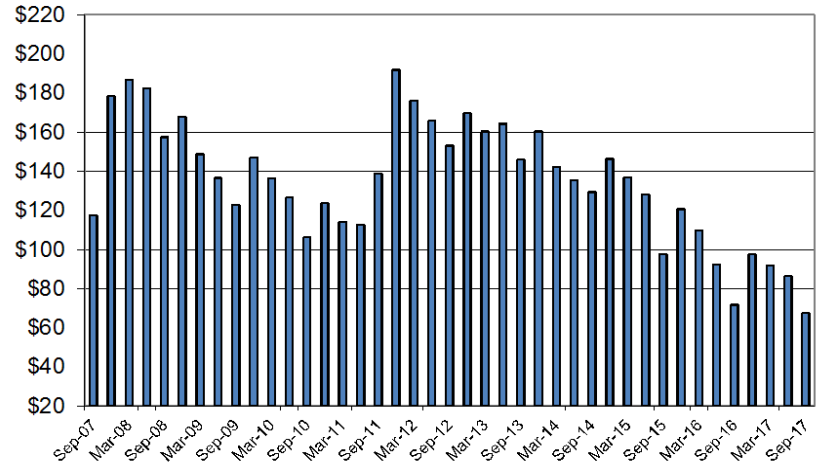
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for cash equivalent investments.

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

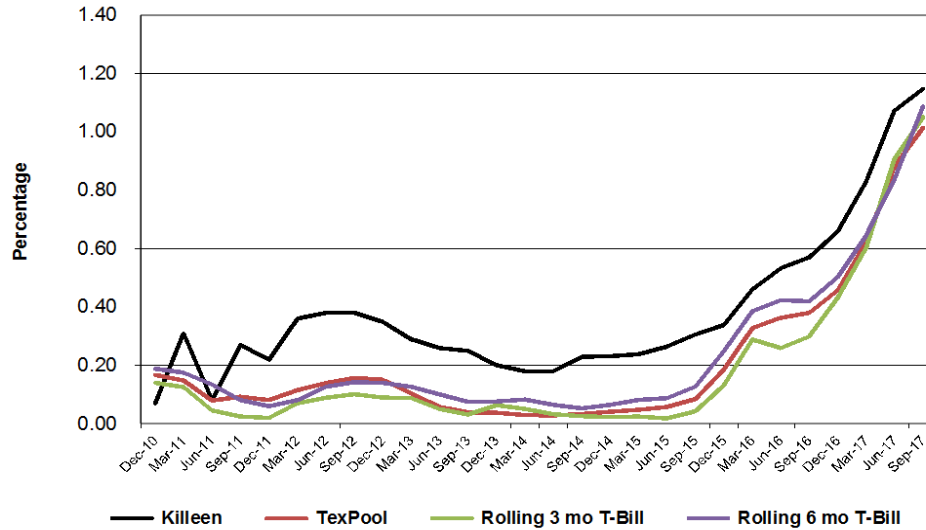
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2017		Purchases/ Adjustments	Sales/Adjust/ Maturities	September 30, 2017	
			Par Value	Book Value			Par Value	Book Value
BBVA Demand Account	0.36%	10/01/17	\$ 11,169,041	\$ 11,169,041	\$ —	\$ (323,374)	\$ 10,845,667	\$ 10,845,667
Cash on Hand	0.00%	10/01/17	11,180	11,180		(685)	10,495	10,495
Hometown Cash on Hand	0.00%	10/01/17	30,874	30,874	85,033		115,906	115,906
Southside Bank MMA	1.17%	10/01/17	4,634,287	4,634,287	13,339		4,647,626	4,647,626
LegacyTexas MMA	1.07%	10/01/17	2,207,916	2,207,916		(2,186,523)	21,393	21,393
Green Bank MMA	1.21%	10/01/17	9,078,778	9,078,778	54,042		9,132,820	9,132,820
NexBank MMA	1.47%	10/01/17	20,117,430	20,117,430		(12,960,744)	7,156,686	7,156,686
TexPool	0.00%	10/01/17	118,991	118,991		(118,991)	—	—
TexSTAR	1.04%	10/01/17	197,331	197,331	1,361,727		1,559,058	1,559,058
LegacyTexas Bank CD	0.79%	07/03/17	1,008,605	1,008,605		(1,008,605)	—	—
Central National Bank CD	0.82%	08/01/17	1,000,000	1,000,000		(1,000,000)	—	—
LegacyTexas Bank CD	0.80%	08/01/17	2,013,366	2,013,366		(2,013,366)	—	—
LegacyTexas Bank CD	0.75%	08/01/17	1,005,004	1,005,004		(1,005,004)	—	—
LegacyTexas Bank CD	0.85%	09/01/17	2,014,204	2,014,204		(2,014,204)	—	—
Green Bank CD	0.80%	09/01/17	4,015,884	4,015,884		(4,015,884)	—	—
Origin Bank CD	1.25%	01/02/18	245,000	245,000			245,000	245,000
Southside Bank CD	0.97%	01/03/18	4,019,370	4,019,370	9,827		4,029,197	4,029,197
Lubbock National Bank CD	1.20%	03/01/18	2,507,569	2,507,569	7,592		2,515,161	2,515,161
Lubbock National Bank CD	1.25%	04/02/18	2,006,308	2,006,308	6,328		2,012,636	2,012,636
Lubbock National Bank CD	1.25%	05/01/18	1,003,154	1,003,154	3,164		1,006,318	1,006,318
LegacyTexas Bank CD	1.20%	06/01/18	3,017,995	3,017,995	9,138		3,027,133	3,027,133
Central National Bank CD	1.51%	07/03/18	5,000,000	5,000,000	19,030		5,019,030	5,019,030
BBVA Compass Bank CD	1.30%	07/03/18	5,515,279	5,515,279	18,072		5,533,351	5,533,351
LegacyTexas Bank CD	1.48%	08/01/18	—	—	6,000,000		6,000,000	6,000,000
BBVA Compass Bank CD	1.40%	09/18/18	2,507,479	2,507,479	8,848		2,516,328	2,516,328
LegacyTexas Bank CD	1.50%	01/03/19	2,000,000	2,000,000	7,571		2,007,571	2,007,571
TOTAL			\$ 86,445,046	\$ 86,445,046	\$ 7,603,711	\$ (26,647,380)	\$ 67,401,377	\$ 67,401,377

Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2017		Qtr to Qtr Change	September 30, 2017	
			Par Value	Market Value		Par Value	Market Value
BBVA Demand Account	0.36%	10/01/17	\$ 11,169,041	\$ 11,169,041	\$ (323,374)	\$ 10,845,667	\$ 10,845,667
Cash on Hand	0.00%	10/01/17	11,180	11,180	(685)	10,495	10,495
Hometown Cash on Hand	0.00%	10/01/17	30,874	30,874	85,033	115,906	115,906
Southside Bank MMA	1.17%	10/01/17	4,634,287	4,634,287	13,339	4,647,626	4,647,626
LegacyTexas MMA	1.07%	10/01/17	2,207,916	2,207,916	(2,186,523)	21,393	21,393
Green Bank MMA	1.21%	10/01/17	9,078,778	9,078,778	54,042	9,132,820	9,132,820
NexBank MMA	1.47%	10/01/17	20,117,430	20,117,430	(12,960,744)	7,156,686	7,156,686
TexPool	0.00%	10/01/17	118,991	118,991	(118,991)	—	—
TexSTAR	1.04%	10/01/17	197,331	197,331	1,361,727	1,559,058	1,559,058
LegacyTexas Bank CD	0.79%	07/03/17	1,008,605	1,008,605	(1,008,605)	—	—
Central National Bank CD	0.82%	08/01/17	1,000,000	1,000,000	(1,000,000)	—	—
LegacyTexas Bank CD	0.80%	08/01/17	2,013,366	2,013,366	(2,013,366)	—	—
LegacyTexas Bank CD	0.75%	08/01/17	1,005,004	1,005,004	(1,005,004)	—	—
LegacyTexas Bank CD	0.85%	09/01/17	2,014,204	2,014,204	(2,014,204)	—	—
Green Bank CD	0.80%	09/01/17	4,015,884	4,015,884	(4,015,884)	—	—
Origin Bank CD	1.25%	01/02/18	245,000	245,000		245,000	245,000
Southside Bank CD	0.97%	01/03/18	4,019,370	4,019,370	9,827	4,029,197	4,029,197
Lubbock National Bank CD	1.20%	03/01/18	2,507,569	2,507,569	7,592	2,515,161	2,515,161
Lubbock National Bank CD	1.25%	04/02/18	2,006,308	2,006,308	6,328	2,012,636	2,012,636
Lubbock National Bank CD	1.25%	05/01/18	1,003,154	1,003,154	3,164	1,006,318	1,006,318
LegacyTexas Bank CD	1.20%	06/01/18	3,017,995	3,017,995	9,138	3,027,133	3,027,133
Central National Bank CD	1.51%	07/03/18	5,000,000	5,000,000	19,030	5,019,030	5,019,030
BBVA Compass Bank CD	1.30%	07/03/18	5,515,279	5,515,279	18,072	5,533,351	5,533,351
LegacyTexas Bank CD	1.48%	08/01/18	—	—	6,000,000	6,000,000	6,000,000
BBVA Compass Bank CD	1.40%	09/18/18	2,507,479	2,507,479	8,848	2,516,328	2,516,328
LegacyTexas Bank CD	1.50%	01/03/19	2,000,000	2,000,000	7,571	2,007,571	2,007,571
TOTAL			\$ 86,445,046	\$ 86,445,046	\$ (19,043,669)	\$ 67,401,377	\$ 67,401,377

Allocation

September 30, 2017

Book & Market Value	Maturity Date	Total	Pooled Investments	General Fund	Special Revenue	Enterprise Funds	Employee Benefit Trust
BBVA Demand Account	10/01/17	\$ 10,845,667	\$ 9,805,383	\$ -	\$ 54,626	\$ 939,646	\$ 46,012
Cash on Hand	10/01/17	10,495		4,395	2,000	4,100	
Hometown Cash on Hand	10/01/17	115,906		115,906			
Southside Bank MMA	10/01/17	4,647,626	4,647,626				
LegacyTexas MMA	10/01/17	21,393	21,393				
Green Bank MMA	10/01/17	9,132,820	9,132,820				
NexBank MMA	10/01/17	7,156,686	7,156,686				
TexSTAR	10/01/17	1,559,058	1,559,058				
Origin Bank CD	01/02/18	245,000	245,000				
Southside Bank CD	01/03/18	4,029,197	4,029,197				
Lubbock National Bank CD	03/01/18	2,515,161	2,515,161				
Lubbock National Bank CD	04/02/18	2,012,636	2,012,636				
Lubbock National Bank CD	05/01/18	1,006,318	1,006,318				
LegacyTexas Bank CD	06/01/18	3,027,133	3,027,133				
Central National Bank CD	07/03/18	5,019,030	5,019,030				
BBVA Compass Bank CD	07/03/18	5,533,351	5,533,351				
LegacyTexas Bank CD	08/01/18	6,000,000	6,000,000				
BBVA Compass Bank CD	09/18/18	2,516,328	2,516,328				
LegacyTexas Bank CD	01/03/19	2,007,571	2,007,571				
Totals		\$ 67,401,377	\$ 66,234,692	\$ 120,301	\$ 56,626	\$ 943,746	\$ 46,012

Allocation

June 30, 2017

Book & Market Value	Maturity Date	Total	Pooled Investments	General Fund	Special Revenue	Enterprise Funds	Employee Benefit Trust
BBVA Demand Account	07/01/17	\$ 11,169,041	\$ 10,184,866	\$ -	\$ 121,641	\$ 826,757	\$ 35,777
Cash on Hand	07/01/17	11,180		5,080	2,000	4,100	
Hometown Cash on Hand	07/01/17	30,874		30,874			
Southside Bank MMA	07/01/17	4,634,287	4,634,287				
LegacyTexas MMA	07/01/17	2,207,916	2,207,916				
Green Bank MMA	07/01/17	9,078,778	9,078,778				
NexBank MMA	07/01/17	20,117,430	20,117,430				
TexPool	07/01/17	118,991	118,991				
TexSTAR	07/01/17	197,331	197,331				
LegacyTexas Bank CD	07/03/17	1,008,605	1,008,605				
Central National Bank CD	08/01/17	1,000,000	1,000,000				
LegacyTexas Bank CD	08/01/17	2,013,366	2,013,366				
LegacyTexas Bank CD	08/01/17	1,005,004	1,005,004				
LegacyTexas Bank CD	09/01/17	2,014,204	2,014,204				
Green Bank CD	09/01/17	4,015,884	4,015,884				
Origin Bank CD	01/02/18	245,000	245,000				
Southside Bank CD	01/03/18	4,019,370	4,019,370				
Lubbock National Bank CD	03/01/18	2,507,569	2,507,569				
Lubbock National Bank CD	04/02/18	2,006,308	2,006,308				
Lubbock National Bank CD	05/01/18	1,003,154	1,003,154				
LegacyTexas Bank CD	06/01/18	3,017,995	3,017,995				
Central National Bank CD	07/03/18	5,000,000	5,000,000				
BBVA Compass Bank CD	07/03/18	5,515,279	5,515,279				
BBVA Compass Bank CD	09/18/18	2,507,479	2,507,479				
LegacyTexas Bank CD	01/03/19	2,000,000	2,000,000				
Totals		\$ 86,445,046	\$ 85,418,818	\$ 35,954	\$ 123,641	\$ 830,857	\$ 35,777



City of Killeen

Legislation Details

File #: RS-17-126 **Version:** 1 **Name:** RS-17-112 Contract Clarification
Type: Resolution **Status:** Resolutions
File created: 11/27/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: Consider a memorandum/resolution clarifying the award of Bid No. 17-17 via RS-17-112 to E-Z-GO/TCF Equipment Finance for the lease of rental golf carts at Stonetree Golf Club.
Sponsors: Community Services Department, Golf Course
Indexes:
Code sections:
Attachments: [Staff Report](#)
[TCF Finance Contract](#)
[EZ-GO Buy Back Letter](#)
[Bid Tab 17-17](#)
[Presentation](#)

Date	Ver.	Action By	Action	Result
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STAFF REPORT

DATE: December 12, 2017

TO: Ronald L. Olson, City Manager

FROM: Brett Williams, Executive Director of Community Services

SUBJECT: RS-17-112 Contract Clarification for Lease agreement for Stonetree Golf Course Rental Golf Carts

BACKGROUND AND FINDINGS:

At the October 17, 2017, City Council meeting via RS-17-112, City Council authorized the City Manager to execute a contract with E-Z-GO financed through TCF Equipment Finance for the lease of golf carts at Stonetree Golf Club in the amount of \$180,928.80 (48 payments of \$3,769.35).

Bid No. 17-17 required that the chosen vendor guarantee a final payment (49th) to cover the guaranteed buy-back of the 65 golf carts. Per Bid No. 17-17, E-Z-GO has agreed to make the payment in the amount of \$94,250.00. This dollar amount was not reflected in the approved memorandum/resolution. The \$180,928.80 authorized is only reflective of the 48 payments. Total payment for the golf carts is \$275,178.80, which includes \$250,320.85 for principal and \$24,857.95 for interest.

TCF Equipment Finance requires that the full amount of the principal be reflected on the approved City Council memorandum/resolution and the contractual agreement. The full amount of principal to include the 49th payment is \$250,320.85.

THE ALTERNATIVES CONSIDERED:

Staff could prepare an agenda item to reject the bid and go to the next lowest vendor or reject all bids and advertise the golf cart item again for consideration by other providers.

Which alternative is recommended? Why?

Staff is recommending that the City Council accept the proposed clarification of the dollar amount of the approved lease for golf carts in RS-17-112 from \$180,928.80 to \$250,320.85 as it pertains to Bid No. 17-17. The bid was the lowest responsible bidder per Bid No. 17-17 and provides the City with the best value.

CONFORMITY TO CITY POLICY:

The City's Purchasing Policy allows departments / divisions to utilize the pricing received via Bid Invitation #17-17 that closed on September 13, 2017, at 3:15 PM.

FINANCIAL IMPACT:

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

The fiscal impact for FY17-18 is \$41,462.85. The fiscal impact for FY 18-19, FY19-20, and FY20-21 is \$45,232.20 each year respectively. The final payment will come in FY 21-22 at \$3,769.35. The 49th payment in the amount of \$94,250 will be incurred by E-Z-GO in FY 21-22.

Is this a one-time or recurring expenditure?

The City will incur monthly payments in the amount of \$3,769.35 for 48 months.

Is this expenditure budgeted?

Yes. Funds in the amount of \$41,464.50 are available in account 010-3020-424.44-10 (Golf Course Equipment Lease/Rental) for the leasing of 65 golf carts for Stonetree Golf Club.

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 authorize the City Manager to execute an amended contract with E-Z-GO financed through TCF leasing company for the lease of golf carts for Stonetree Golf Club in the amount not to exceed \$250,320.85 and that the City Manager is expressly authorized to execute any and all change orders within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

City Attorney
Purchasing
Finance

ATTACHED SUPPORTING DOCUMENTS:

TCF Finance Contract
E-Z-GO Buy Back Letter
Bid Tab 17-17



City of Killeen, Texas
1600 Airport Rd.
Killeen, TX 76543

RE: Governmental Lease-Purchase Agreement Number

Dear Sir or Madam:

Thank you for choosing TCF Equipment Finance, a division of TCF National Bank for your capital equipment financing needs! Enclosed are the lease documents necessary to close the above mentioned transaction. The purpose of this letter is to provide you with step-by-step instructions as to what is required with respect to each document. At any time, if you have any questions, please don't hesitate to contact **Nicholas Lauver at (319) 226-1779** for assistance.

<u>Document</u>	<u>Action Required</u>
• Governmental Lease-Purchase Agreement	Authorized Signature of Lessee and Clerk or Secretary of Lessee; <u>Clerk or Secretary signature must be someone other than the person providing Authorized Signature of Lessee</u>
• Attachment 1 - Lease Payment Schedule	Authorized Signature of Lessee
• Attachment 2 - Equipment Description	Authorized Signature of Lessee
• Attachment 3 - Acceptance Certificate	Authorized Signature of Lessee and Date <u>upon Equipment Acceptance</u>
• Attachment 4 - Insurance Coverage Requirements	Authorized Signature of Lessee; please also provide the name and contact information for your property and liability insurance carrier(s)
• Opinion of Counsel	Opinion Letter must be reproduced in its entirety (with Lessee's legal name replacing the blank space in paragraph one) on Lessee's legal counsel's letterhead and signed by Lessee's legal counsel
• Resolution	Resolution must be certified by an Authorized Signature of Lessee as a copy of resolution adopted by Lessee
• Lessee Fact Sheet	Please provide the requested information
• IRS Form 8038	Please consult Lessee's tax or financial professional regarding completion and provide a copy of the filed form
• Escrow Agreement and/or State Rider (if applicable)	Authorized Signature of Lessee, if applicable
➤ <u>Other Items Needed From Lessee:</u>	- Lessee's Sales Tax Exemption Certificate - Initial Payment (if applicable) as Indicated on Invoice



Amendment to Contract

Date: October 6, 2017
The "Contract": Lease Number 008-0185329-300 Dated September 20, 2017
"Lessee"
City of Killeen, Texas, 1600 Airport Rd., Killeen, TX 76543
"Lessor"
TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926

All capitalized terms used but not defined in this Amendment shall have the meanings set forth or referred to in the Contract. Upon execution of this Amendment by Lessee and Lessor, the Contract is hereby amended as follows:

Section 5. NON APPROPRIATION. Sentence 4 has been deleted in its entirety and replaced with the following:

"If this Lease is terminated in accordance with this Section, YOU agree, at YOUR cost and expense, to peaceably deliver the Equipment to US at the authorized EZGO dealer specified by US within 150 miles of customer's location."

Except as specifically amended herein, all of the terms and conditions of the Contract shall remain in full force and effect and are hereby ratified and affirmed.

This Amendment dated as of the date first set forth above shall not be effective until signed by Lessor.

Lessor: TCF Equipment Finance, a division of TCF National Bank

By: _____

Operations - T.C.

Lessee: City of Killeen, Texas

By: _____

Ronald L. Olson, City Manager



**GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 008-0185329-300 DATED AS OF September 20, 2017
(TAX-EXEMPT)**

LESSOR	Name TCF Equipment Finance, a division of TCF National Bank	Email: customerservice@financediv.com	
	Address 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926	Fax Number: 319-833-4577	
LESSEE	Full Legal Name City of Killeen, Texas	Email: Fax:	
	Primary Address 1600 Airport Rd., Killeen, TX 76543	Fiscal Year End: September	FEIN: 74-6001504
LEASE PAYMENT INFORMATION	Principal Portion: \$250,320.85	Lease Payments: <i>See Attachment 1: Lease Payment Schedule</i>	
	Interest Rate: 3.50%	Payment Frequency: Monthly	
	Maximum Lease Term: 49 Months		
BANK QUALIFIED	This Governmental Lease-Purchase Agreement is hereby NOT designated as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code.		

TERMS AND CONDITIONS

Please read this Governmental Lease-Purchase Agreement No. 008-0185329-300 (including all attachments and schedules hereto, and any related escrow agreement, "Lease") carefully and feel free to ask US any questions YOU may have about it. Words "YOU" and "YOUR" refer to the "Lessee," and the words "WE," "US" and "OUR" refer to the "Lessor," its successors and assigns.

- LEASE:** WE agree to lease to YOU and YOU agree to lease from US, the equipment listed on Attachment 2: Equipment Description, including all replacement parts, repairs, additions and accessories ("Equipment") on the terms and conditions of this Lease and on any attached schedule.
- TERM:** This Lease is effective on the earlier of the date on which WE disburse funds to the vendor of the Equipment or the date on which WE deposit funds for the purchase of the Equipment with an escrow agent (the "Commencement Date"), which date YOU hereby authorize US to fill in on the executed Lease Payment Schedule following OUR receipt from YOU of the executed Acceptance Certificate in the form set forth as Attachment 3 hereto, and continues thereafter for an Initial Term ("Initial Term") ending at the end of YOUR budget year in effect on the Commencement Date and may be continued by YOU for additional one-year renewal terms ("Renewal Terms"), coinciding with YOUR budget year, up to the total number of months indicated above as the Maximum Lease Term; provided, however, that at the end of the Initial Term and at the end of each Renewal Term until the Maximum Lease Term has been completed, YOU will be deemed to have continued this Lease for the next Renewal Term unless YOU have terminated this Lease pursuant to Section 5 or Section 17. Lease Payments will be due as set forth on Attachment 1 until the balance of the Lease Payments and any additional Lease Payments or expenses chargeable to YOU under this Lease are paid in full. As set forth in the Lease Payment Schedule, a portion of each Lease Payment is paid as, and represents payment of, interest. YOUR obligation to pay Lease Payments and YOUR other Lease obligations are absolute and unconditional and are not subject to cancellation, reduction, setoff or counterclaim except as provided in Section 5. **THIS LEASE IS NON-CANCELABLE, EXCEPT AS PROVIDED IN SECTION 5.**
- LATE CHARGES.** If a Lease Payment is not made on the date when due, YOU will pay US a late charge at the rate of 10% per annum or the maximum amount permitted by law, whichever is less, from the due date.
- CONTINUATION OF LEASE TERM.** YOU currently intend, subject to Section 5, to continue this Lease, and to pay Lease Payments hereunder, through the Maximum Lease Term. YOU reasonably believe that legally available funds in an amount sufficient to make all Lease Payments during the Maximum Lease Term can be obtained. YOUR responsible financial officer will do all things lawfully within his or her power to obtain and maintain funds from which Lease Payments may be made, including making provision for Lease Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with YOUR applicable procedures and to exhaust all available reviews and appeals if that portion of the budget is not approved. Notwithstanding the foregoing, the decision whether to budget or appropriate funds and to extend this Lease for any Renewal Term is solely within the discretion of YOUR governing body.
- NONAPPROPRIATION.** YOU are obligated only to pay such Lease Payments under this Lease as may lawfully be made from funds budgeted and appropriated for that purpose during YOUR then current budget year. If YOU fail to appropriate or otherwise make available funds to pay the Lease Payments required to be paid in the next occurring Renewal Term, this Lease will be deemed terminated at the end of the then current Initial Term or Renewal Term. YOU agree to deliver written notice to US of such termination at least 90 days prior to the end of the then current Initial Term or Renewal Term, but failure to give such notice will not extend the term of this Lease beyond the then current Initial Term or Renewal Term. If this Lease is terminated in accordance with this Section, YOU agree, at YOUR cost and expense, to peaceably deliver the Equipment to US at the location or locations specified by US.
- WARRANTIES.** WE are leasing the Equipment to YOU "AS-IS" and WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. To the extent such warranties are transferable, WE transfer to YOU, without recourse, for the term of this Lease all warranties, if any, made by the manufacturer. YOU ALSO ACKNOWLEDGE THAT NO ONE IS AUTHORIZED TO WAIVE OR CHANGE ANY TERM, PROVISION OR CONDITION OF THIS LEASE EXCEPT IN WRITING AND SIGNED BY THE PARTIES HERETO, AND, EXCEPT FOR THE MANUFACTURER WARRANTIES, MAKE ANY REPRESENTATION OR WARRANTY ABOUT THIS LEASE OR THE EQUIPMENT. WE WILL NOT BE LIABLE FOR SPECIAL, RESULTING OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFIT OCCASIONED BY ANY BREACH OF WARRANTY OR REPRESENTATION OR RESULTING FROM THE USE OR PERFORMANCE OF THE EQUIPMENT. YOUR OBLIGATION TO PAY IN FULL ANY AMOUNT DUE UNDER THE LEASE WILL NOT BE AFFECTED BY ANY DISPUTE, CLAIM, COUNTERCLAIM, DEFENSE OR OTHER RIGHT WHICH YOU MAY HAVE OR ASSERT AGAINST THE SUPPLIER OR THE EQUIPMENT MANUFACTURER.
- DELIVERY AND ACCEPTANCE.** YOU ARE RESPONSIBLE, AT YOUR OWN COST, TO ARRANGE FOR THE DELIVERY AND INSTALLATION OF THE EQUIPMENT (UNLESS THOSE COSTS ARE INCLUDED IN THE COSTS OF THE EQUIPMENT TO US). WHEN THE EQUIPMENT HAS BEEN DELIVERED AND INSTALLED, YOU WILL IMMEDIATELY SIGN AND DELIVER TO US A SEPARATE ACCEPTANCE CERTIFICATE IN THE FORM SET FORTH AS ATTACHMENT 3 HERETO. WE MAY, AT OUR DISCRETION, CONFIRM BY TELEPHONE THAT YOU HAVE ACCEPTED THE EQUIPMENT, AND THAT TELEPHONE VERIFICATION OF YOUR ACCEPTANCE OF THE EQUIPMENT WILL HAVE THE SAME EFFECT AS A SIGNED ACCEPTANCE CERTIFICATE.

(Terms and Conditions continued on the next page of this Lease.)

LESSEE SIGNATURE	YOU agree to all of the Terms and Conditions contained in both sides of this Lease, and in any attachments to this Lease (all of which are included by reference) and become part of this Lease. YOU acknowledge that YOU have read and agreed to all the Terms and Conditions.	LESSOR SIGNATURE	Name of Lessor TCF Equipment Finance, a division of TCF National Bank
	<u>City of Killeen, Texas</u> Legal Name of Lessee		By _____ Signature
	By _____ Signature		Print Name and Title _____
	Print Name and Title _____		<u>008-0185329-300</u> Lease Number

CERTIFICATE OF CLERK OR SECRETARY	I, the undersigned, do hereby certify that the officer of Lessee who executed the foregoing Lease on behalf of Lessee and whose genuine signature appears thereon, (1) is the duly qualified and acting officer of Lessee as stated beneath his or her signature and (2) is duly authorized to execute and deliver the foregoing Agreement on behalf of Lessee.	
	Signature: _____	Title: _____
THE ABOVE CERTIFICATION MUST BE SIGNED BY THE CLERK OR SECRETARY OF LESSEE, AND THE CLERK OR SECRETARY MUST BE A DIFFERENT INDIVIDUAL THAN THE OFFICER SIGNING IN THE "LESSEE SIGNATURE" BOX.		

8. TITLE, PERSONAL PROPERTY, LOCATION, INSPECTION, NO MODIFICATIONS OR ALTERATIONS. YOU have title to the Equipment; provided that title to the Equipment will immediately and without any action by YOU vest in US, and YOU will immediately surrender possession of the Equipment to US, (a) upon any termination of this Lease other than termination pursuant to Section 17 (including but not limited to any termination pursuant to Section 5) or (b) if YOU are in default of this Lease. It is the intent of the parties hereto that any transfer of title to US pursuant to this Section will occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. YOU will, nevertheless, execute and deliver any such instruments as WE may request to evidence such transfer. As security for YOUR obligations hereunder, to the extent permitted by law, YOU grant to US a first and prior security interest in the Equipment, all cash and negotiable instruments comprising the escrow fund held under any related escrow agreement, and all proceeds of the foregoing. YOU have the right to use the Equipment during the term of this Lease, except as otherwise expressly set forth in this Lease. Although the Equipment may become attached to real estate, it remains personal property. YOU agree not to alter or modify the Equipment or permit a lien to be placed upon the Equipment or to remove the Equipment without OUR prior written consent. YOU agree to provide US with waivers of interest or liens from anyone claiming any interest in the real estate on which any items of Equipment is located. WE also have the right, at reasonable times, to inspect the Equipment.

9. MAINTENANCE. YOU are required, at YOUR own cost and expense, to keep the Equipment in good repair, condition and working order, except for ordinary wear and tear, and to supply all parts and servicing required. All replacement parts used or installed and repairs made to the Equipment will become OUR property. YOU acknowledge that WE are not responsible for providing any required maintenance and/or service for the Equipment. YOU will make all claims for service and/or maintenance solely to the supplier and/or manufacturer and such claims will not affect YOUR obligation to make Lease Payments.

10. ASSIGNMENT. YOU agree not to transfer, sell, sublease, assign, pledge or encumber either the Equipment or any rights under this Lease without OUR prior written consent. YOU agree that WE may sell, assign or transfer this Lease and, if WE do, the new owner will have the same rights and benefits, but not the obligations, that WE now have. The rights of the new owner will not be subject to any claims, counterclaims, defenses or set-offs that YOU may have against US. No assignment will be effective until YOU have received written notice from the assignor of the name and address of the assignee. YOU or YOUR agent will maintain a written record of each assignment in form necessary to comply with Section 149(a) of the Internal Revenue Code of 1986, as amended.

11. LOSS OR DAMAGE. YOU are responsible for the risk of loss or destruction of, or damage to, the Equipment. No such loss or damage relieves YOU from any obligation under this Lease. If any of the Equipment is damaged by fire or other casualty or if title to, or the temporary use of, any of the Equipment is taken under the exercise of the power of eminent domain, the net proceeds ("Net Proceeds") of any insurance claim or condemnation award will be applied to the prompt replacement, repair, restoration, modification or improvement of that Equipment, unless YOU have exercised YOUR option to purchase the Equipment pursuant to Section 17. Any balance of the Net Proceeds remaining after such work has been completed will be paid to YOU.

12. INDEMNITY. WE are not responsible for any losses or injuries caused by the manufacture, acquisition, delivery, installation, ownership, use, lease, possession, maintenance, operation or rejection of the Equipment or defects in the Equipment. To the extent permitted by law, YOU agree to reimburse US for and to defend US against any claim for losses or injuries (including attorneys' fees and other expenses for the defense of such claim), regardless of nature, relating to the Equipment, including, without limitation, its manufacture, acquisition, delivery, installation, ownership, use, lease, possession, maintenance or operation. This indemnity will continue even after the termination of this Lease.

13. TAXES. YOU agree to pay any applicable license and registration fees, sale and use taxes, personal property taxes and all other taxes and charges, relating to the ownership, leasing, rental, sale, purchase, possession or use of the Equipment (except those based on OUR net income). YOU agree that if WE pay any taxes or charges, YOU will reimburse US for all such payments and will pay US interest and a late charge (as calculated in Section 3) on such payments with the next Lease Payment, plus a fee for OUR collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities.

14. INSURANCE. During the term of this Lease, YOU will keep the Equipment insured against all risks of loss or damage in an amount not less than the replacement cost of the Equipment. YOU will also obtain and maintain for the term of this Lease, liability insurance insuring against liability for bodily injury and property damage with a minimum limit of \$1,000,000.00 combined single limit or such greater amount as may be prescribed by any applicable state law. WE will be the sole named loss payee on the property insurance and named as an additional insured on the liability insurance, and such insurance shall provide US at least thirty days written notice of cancellation. YOU will pay all premiums for such insurance and must deliver proof of insurance coverage satisfactory to US. If YOU do not provide such insurance, YOU agree that WE have the right, but not the obligation, to obtain such insurance and add an insurance fee to the amount due from you.

15. DEFAULT. Subject to Section 5, YOU are in default of this Lease if any of the following occurs: (a) YOU fail to pay any Lease Payment or other sum when due; (b) YOU breach any warranty or other obligation under this Lease, or any other agreement with US; (c) YOU become insolvent or unable to pay YOUR debts when due, YOU make an assignment for the benefit of creditors or YOU undergo a substantial deterioration in YOUR financial condition, or (d) YOU file or have filed against YOU a petition for liquidation, reorganization, adjustment of debt or similar relief under the Federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver or liquidator is appointed for YOU or a substantial part of YOUR assets.

16. REMEDIES. WE have the following remedies if YOU are in default of this Lease: WE may declare the entire balance of the unpaid Lease Payments for the then current Initial Term or Renewal Term immediately due and payable; sue for and receive all Lease Payments and any other payments then accrued or accelerated under this Lease; take whatever action at law or in equity may appear necessary or desirable to enforce OUR rights as owner of the Equipment; charge YOU interest on all monies due US at the rate of eighteen percent (18%) per year from the date of default until paid, but in no event more than the maximum rate permitted by law; charge YOU a return-check or non-sufficient funds charge ("NSF Charge") of \$25.00 for a check that is returned for any reason; and require that YOU return the Equipment to US and, if YOU fail to return the Equipment, enter upon the premises peacefully with or without legal process where the Equipment is located and repossess the Equipment. Such return or repossession of the Equipment will not constitute a termination of this Lease unless WE expressly notify YOU in writing. If the Equipment is returned or repossessed by US and unless WE have terminated this Lease, WE will sell or re-rent the Equipment to any persons with any terms WE determine, at one or more public or private sales, with or without notice to YOU, and apply the net proceeds after deducting the costs and expenses of such sale or re-rent, to YOUR obligations with YOU remaining liable for any deficiency and with any excess over the amounts described in this Section plus the then applicable Purchase Price to be paid to YOU. YOU are also required to pay (i) all expenses incurred by US in connection with the enforcement of any remedies, including all expenses of repossessing, storing, shipping, repairing and selling the Equipment, and (ii) reasonable attorneys' fees.

17. PURCHASE OPTION. Provided YOU are not in default, YOU will have the option to purchase all, but not less than all, of the Equipment (a) on the date the last Lease Payment is due (assuming this Lease is renewed at the end of the Initial Term and each Renewal Term), if this Lease is still in effect on that day, upon payment in full of Lease Payments and all other amounts then due and the payment of One Dollar to US; (b) on the last day of the Initial Term or any Renewal Term then in effect, upon at least 30 days' prior written notice to US and payment in full to US of the Lease Payments and all other amounts then due plus the then applicable Purchase Price set forth on the Lease Payment Schedule; or (c) if substantial damage to or destruction or condemnation of substantially all of the Equipment has occurred, on the day specified in YOUR written notice to US of YOUR exercise of the purchase option upon at least 30 days' prior notice to US and payment in full to US of the Lease Payments and all other amounts then due plus the then applicable Purchase Price set forth on the Lease Payment Schedule.

18. REPRESENTATIONS AND WARRANTIES. YOU warrant and represent as follows: (a) YOU are a public body corporate and politic duly organized and existing under the constitution and laws of YOUR State with full power and authority to enter into this Lease and to perform all of YOUR obligations hereunder; (b) YOU have duly authorized the execution and delivery of this Lease by proper action by YOUR governing body, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Lease; (c) YOU have complied with such public bidding requirements as are applicable to this Lease and the acquisition by YOU of the Equipment; (d) all authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by YOU of this Lease or in connection with the carrying out of YOUR obligations hereunder have been obtained; (e) this Lease constitutes the legal, valid and binding obligation of YOU enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally; (f) YOU have, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Lease Payments scheduled to come due during the current budget year and to meet YOUR other obligations under this Lease during the current budget year, and those funds have not been expended for other purposes; (g) there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by this Lease or our interest in the Equipment; (h) the Equipment is essential to YOUR functions or to the services YOU provide to YOUR citizens, YOU have an immediate need for the Equipment and expect to make immediate use of the Equipment, YOUR need for the Equipment is not temporary and YOU do not expect the need for any item of the Equipment to diminish in the foreseeable future, including the Maximum Lease Term, and the Equipment will be used by YOU only for the purpose of performing one or more of YOUR governmental or proprietary functions consistent with the permissible scope of YOUR authority and will not be used in the trade or business of any other entity or person; and (i) YOU have never failed to appropriate or otherwise make available funds sufficient to pay rental or other payments coming due under any lease purchase, installment sale or other similar agreement.

19. UCC FILINGS AND FINANCIAL STATEMENTS. YOU authorize US to file a financing statement with respect to the Equipment. If WE feel it is necessary, YOU agree to submit financial statements (audited if available) on an annual basis.

20. UCC - ARTICLE 2A PROVISIONS. YOU agree that this Lease is a Finance Lease as that term is defined in Article 2A of the Uniform Commercial Code ("UCC"). YOU acknowledge that WE have given YOU the name of the Supplier of the Equipment. WE hereby notify YOU that YOU may have rights under the contract with the Supplier and YOU may contact the Supplier for a description of any rights or warranties that YOU may have under this supply contract. YOU also waive any and all rights and remedies granted YOU under Sections 2A-508 through 2A-522 of the UCC.

21. TAX EXEMPTION. YOU will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder to maintain the exclusion of the interest portion of the Lease Payments from gross income for purposes of federal income taxation. YOU will file all necessary informational returns with the IRS, on a timely basis, and provide US with copies of such filed returns relating to this Lease. If YOU fail to file the necessary informational returns on a timely basis, YOU authorize US, in OUR sole discretion, to engage a tax professional to complete the required returns on YOUR behalf and expense, which YOU will promptly execute and file. If it is determined that any of the interest may not be excluded from gross income, YOU agree to pay to US an additional amount determined by US for the loss of such excludability.

22. BANK QUALIFICATION. If this Lease has been designated a "qualified tax-exempt obligation" on the front page of this Lease, YOU and all YOUR subordinate entities will not issue in excess of \$10,000,000 of qualified tax-exempt obligations (including this Lease, but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year in which WE fund this Lease without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to US that the designation of this Lease as a "qualified tax-exempt obligation" will not be adversely affected.

23. CHOICE OF LAW; JURY TRIAL WAIVER. This Lease will be governed and construed in accordance with federal law, and to the extent not preempted by federal law, the laws of the state where YOU are located. To the extent permitted by law, YOU agree to waive YOUR rights to a trial by jury.

24. ENTIRE AGREEMENT; SEVERABILITY; WAIVERS. This Lease contains the entire agreement and understanding. No agreements or understandings are binding on the parties unless set forth in writing and signed by the parties. Any provision of this Lease which for any reason may be held unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective without invalidating the remaining provisions of this Lease.

25. COUNTERPARTS; NOTICES; ELECTRONIC TRANSACTION. This Lease may be simultaneously executed in counterparts, each of which will be an original and all of which will constitute but one and the same instrument. Notices hereunder shall be deemed given when delivered personally, sent via overnight courier, facsimile or e-mail (with confirmation of transmission), or certified U.S. Mail, addressed as set forth above. Copies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic counterparts for all purposes, including the filing of any claim, action or suit in the appropriate court of law. There shall be only one original counterpart of this Lease and it shall bear OUR original signature and be marked "Original." To the extent that this Lease constitutes chattel paper (as that term is defined by the UCC), a security or ownership interest intended to be created through the transfer and possession of this Lease can be done only by the transfer of such original bearing OUR original signature.

26. ROLE OF LESSOR. WE have not acted and will not act as a fiduciary for YOU or as YOUR agent or municipal advisor. WE have not and will not provide financial, legal, tax, accounting or other advice to YOU or to any financial advisor or placement agent engaged by YOU with respect to this Lease. YOU, YOUR financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain YOUR own financial, legal, tax, accounting and other advice with respect to this Lease from YOUR own advisors (including as it relates to structure, timing, terms and similar matters).

**ATTACHMENT I TO
GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 008-0185329-300 DATED AS OF September 20, 2017**

LEASE PAYMENT SCHEDULE

LESSOR: TCF Equipment Finance, a division of TCF National Bank

LESSEE: City of Killeen, Texas

COMMENCEMENT DATE*: _____

INTEREST RATE: 3.50%

PAYMENT FREQUENCY: Monthly

The first Lease Payment shall be due in arrears on the date that is one month after the Commencement Date, and subsequent Lease Payments shall be due monthly on the same day of each month thereafter until paid in full.

Payment Number	Rental Payment	Interest Portion	Principal Portion	Purchase Price
				250,320.85
1	3,769.35	730.11	3,039.24	247,281.61
2	3,769.35	721.25	3,048.10	244,233.51
3	3,769.35	712.36	3,056.99	241,176.52
4	3,769.35	703.44	3,065.91	238,110.61
5	3,769.35	694.50	3,074.85	235,035.76
6	3,769.35	685.53	3,083.82	231,951.94
7	3,769.35	676.53	3,092.82	228,859.12
8	3,769.35	667.51	3,101.84	225,757.28
9	3,769.35	658.47	3,110.88	222,646.40
10	3,769.35	649.39	3,119.96	219,526.44
11	3,769.35	640.29	3,129.06	216,397.38
12	3,769.35	631.17	3,138.18	213,259.20
13	3,769.35	622.01	3,147.34	210,111.86
14	3,769.35	612.83	3,156.52	206,955.34
15	3,769.35	603.63	3,165.72	203,789.62
16	3,769.35	594.39	3,174.96	200,614.66
17	3,769.35	585.13	3,184.22	197,430.44
18	3,769.35	575.85	3,193.50	194,236.94
19	3,769.35	566.53	3,202.82	191,034.12
20	3,769.35	557.19	3,212.16	187,821.96
21	3,769.35	547.82	3,221.53	184,600.43
22	3,769.35	538.42	3,230.93	181,369.50
23	3,769.35	529.00	3,240.35	178,129.15
24	3,769.35	519.55	3,249.80	174,879.35
25	3,769.35	510.07	3,259.28	171,620.07
26	3,769.35	500.56	3,268.79	168,351.28
27	3,769.35	491.03	3,278.32	165,072.96
28	3,769.35	481.47	3,287.88	161,785.08
29	3,769.35	471.88	3,297.47	158,487.61
30	3,769.35	462.26	3,307.09	155,180.52
31	3,769.35	452.61	3,316.74	151,863.78
32	3,769.35	442.94	3,326.41	148,537.37
33	3,769.35	433.24	3,336.11	145,201.26
34	3,769.35	423.51	3,345.84	141,855.42
35	3,769.35	413.75	3,355.60	138,499.82
36	3,769.35	403.96	3,365.39	135,134.43
37	3,769.35	394.15	3,375.20	131,759.23
38	3,769.35	384.30	3,385.05	128,374.18
39	3,769.35	374.43	3,394.92	124,979.26
40	3,769.35	364.53	3,404.82	121,574.44
41	3,769.35	354.60	3,414.75	118,159.69
42	3,769.35	344.64	3,424.71	114,734.98
43	3,769.35	334.65	3,434.70	111,300.28
44	3,769.35	324.63	3,444.72	107,855.56
45	3,769.35	314.58	3,454.77	104,400.79
46	3,769.35	304.51	3,464.84	100,935.95
47	3,769.35	294.40	3,474.95	97,461.00

48	3,769.35	284.26	3,485.09	93,975.91
49	94,250.00	274.09	93,975.91	0.00
Grand Totals	275,178.80	24,857.95	250,320.85	

Lessee: City of Killeen, Texas

By: _____

Ronald L. Olson, City Manager

*YOU hereby authorize US to fill in the Commencement Date based on the earlier of the date that WE disburse funds to the Vendor of the Equipment following receipt of YOUR executed Acceptance Certificate, or the date on which WE deposit funds for the purchase of the Equipment with an escrow agent.

ATTACHMENT 2 TO
GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 008-0185329-300 DATED AS OF September 20, 2017

EQUIPMENT DESCRIPTION

The Equipment consists of the equipment described below, together with any and all replacement parts, additions, repairs, modifications, attachments and accessories thereto, any and all substitutions, replacements or exchanges therefor, and any and all insurance and/or proceeds thereof:

Description/Serial No./Model No.	Location	Total Cost
(65) 2018 E-Z-GO TXT 48V Golf Cars together with all attachments and accessories thereto	Stonetree Golf Club, 1600 Stonetree Drive, Killeen, TX 76542	\$250,320.85

Lessee: City of Killeen, Texas

By: _____

Ronald L. Olson, City Manager

**ATTACHMENT 3 TO
GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 008-0185329-300 DATED AS OF September 20, 2017**

ACCEPTANCE CERTIFICATE

TCF Equipment Finance, a division of TCF National Bank
1111 West San Marnan Dr, Suite A2 West
Waterloo, IA 50701-8926

Re: Governmental Lease-Purchase Agreement No. 008-0185329-300 between TCF Equipment Finance, a division of TCF National Bank, as Lessor (the "Lessor"), and City of Killeen, Texas, as Lessee (the "Lessee").

Ladies and Gentlemen:

In accordance with the above-referenced Governmental Lease-Purchase Agreement No. 008-0185329-300 (the "Lease"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment (as such term is defined in the Lease) listed in the Lease has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment listed in the Lease as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 14 of the Lease.
4. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, a default as set forth in Section 15 of the Lease exists at the date hereof.
5. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
6. The serial number for each item of Equipment that is set forth in the Lease is correct.
7. Lessee hereby acknowledges and agrees to the Lease Payment Schedule attached to the Lease as Attachment 1.

Date: _____, 20__

Lessee: City of Killeen, Texas

By: _____

Ronald L. Olson, City Manager

INSURANCE COVERAGE REQUIREMENTS

RE: INSURANCE COVERAGE REQUIREMENTS

1. In accordance with the Governmental Lease-Purchase Agreement, Lessee certifies that it has instructed the insurance agent named below (please fill in name, address, and telephone number):

Insurance Company Liability:	Agent Name:	Business Phone # Fax Phone #
Insurance Company Property:	Agent Name:	Business Phone # Fax Phone #

to issue: (check to indicate coverage)

a. All Risk Physical Damage Insurance on the following leased Property evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming TCF Equipment Finance, a division of TCF National Bank and/or its assigns as Loss Payee.

Leased Property: (65) 2018 E-Z-GO TXT 48V Golf Cars together with all attachments and accessories thereto

Coverage Required: \$250,320.85

b. Public Liability Insurance evidenced by a Certificate of Insurance naming TCF Equipment Finance, a division of TCF National Bank and/or its assigns as an Additional Insured.

Minimum Coverage Required:

\$1,000,000.00 per person
 \$1,000,000.00 aggregate bodily injury liability
 \$1,000,000.00 property damage liability

Proof of insurance coverage will be provided to TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926, prior to the time that the property is delivered to Lessee.

Please fax a copy of the Certificate of Insurance or binder to Marisa Meyers at (866) 465-3149.

Lessee: City of Killeen, Texas

By: _____

Ronald L. Olson, City Manager



TEXAS ADDENDUM
TO GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 008-0185329-300 DATED AS OF September 20, 2017

LESSOR: TCF Equipment Finance, a division of TCF National Bank

LESSEE: City of Killeen, Texas

This Addendum is hereby incorporated in and is hereby made a part of the above-referenced Governmental Lease-Purchase Agreement No. 008-0185329-300 (together with all Exhibits and Attachments and this Addendum, the "Lease").

1. Section 2 of the Lease is hereby amended by adding the following sentence at the end of that Section:

The Maximum Lease Term does not exceed 25 years.

2. Section 4 of the Lease is hereby deleted and the following Section 4 is hereby inserted in lieu thereof:

4. CONTINUATION OF LEASE TERM. The decision whether or not to budget or appropriate funds for any Renewal Term is solely within the discretion of YOUR then-current governing body.

3. Section 10 of the Lease is hereby amended by adding the following sentence at the end of that Section:

Notwithstanding the foregoing, the Lease may be assigned by US only in whole, not in part.

Except as specifically set forth in this Addendum, all terms and conditions contained in the Lease will remain in full force and effect and are hereby ratified and confirmed.

Lessor: TCF Equipment Finance, a division of TCF National Bank

By: _____

Operations - T.C.

Lessee: City of Killeen, Texas

By: _____

Ronald L. Olson, City Manager

OPINION OF COUNSEL

(To be on Attorney's Letterhead)

Date: September 20, 2017

Lessee: City of Killeen, Texas
1600 Airport Rd.
Killeen, TX 76543

Lessor: TCF Equipment Finance, a division of TCF National Bank
1111 West San Marnan Dr, Suite A2 West
Waterloo, IA 50701-8926

Re: Governmental Lease-Purchase Agreement No. 008-0185329-300, dated as of September 20, 2017, by and between City of Killeen, Texas and TCF Equipment Finance, a division of TCF National Bank.

Ladies and Gentlemen:

I have acted as counsel to Lessee with respect to the Governmental Lease-Purchase Agreement described above and the related escrow agreement, if any (together, the "Lease") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Lease and all exhibits and attachments thereto. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a public corporation and political subdivision of the State of Texas (the "State") within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended, is duly organized, existing and operating under the Constitution and laws of the State, and has a substantial amount of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power. The full, true and correct legal name of Lessee is _____.

2. Lessee is authorized and has power under State law to enter into the Lease and lease the equipment with an option to purchase, and to carry out its obligations thereunder and the transactions contemplated thereby.

3. The Lease and the other documents described above have been duly authorized, approved, executed and delivered by and on behalf of Lessee, and the Lease is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights. No further approval, consent or withholding of objection is required from any federal, state or local governmental authority with respect to the entering into or performance by the Lessee of the Lease and the transaction contemplated thereby.

4. Lessee has no authority (statutory or otherwise) to terminate the Lease prior to the end of its term for any reason other than pursuant to the terms of Section 5 of the Lease.

5. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable State and Federal laws.

6. The execution of the Lease and the appropriation of moneys to pay the payments coming due under the Lease do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

7. There is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator or governmental body that challenges the organization or existence of Lessee; the authority of the Lessee or its officers; the proper authorization, approval and execution of the Lease and the other documents described above; the

appropriation of monies to make Lease Payments under the Lease for the current fiscal year, or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

8. The equipment leased pursuant to the Lease constitutes personal property and when subject to use by Lessee will not be or become fixtures under applicable law.

9. The leasing of the equipment pursuant to the Lease is exempt from all sales, use and documentary stamp taxes against either Lessor or Lessee during the term of the Lease, and such equipment will be exempt from all state and local personal property or other ad valorem taxes.

This opinion of counsel may be relied upon by TCF Equipment Finance, a division of TCF National Bank and its successors and assigns.

Very truly yours,

RESOLUTION
GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 008-0185329-300
DATED AS OF September 20, 2017

A resolution authorizing the negotiation, execution, and delivery of Governmental Lease-Purchase Agreement No. **008-0185329-300** dated **September 20, 2017** (the "Lease"), in principal amount not to exceed **\$250,320.85**, between **City of Killeen, Texas, 1600 Airport Rd., Killeen, TX 76543** and **TCF Equipment Finance, a division of TCF National Bank, 1111 West San Marnan Dr, Suite A2 West, Waterloo, IA 50701-8926**; and prescribing other details in connection therewith.

WHEREAS, City of Killeen, Texas, (the "Lessee") is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State of Texas; and

WHEREAS, Lessee is duly authorized by applicable law to acquire such items of personal property as are needed to carry out its governmental functions and to acquire such personal property by entering into lease-purchase agreements; and

WHEREAS, Lessee hereby finds and determines that the execution of a Lease for the purpose of leasing with the option to purchase the property designated and set forth in Attachment 2 to the Lease is appropriate and necessary to the function and operations of the Lessee; and

WHEREAS, TCF Equipment Finance, a division of TCF National Bank, (the "Lessor") shall act as Lessor under said Lease; and

WHEREAS, the Lease shall not constitute a general obligation indebtedness of the Lessee within the meaning of the Constitution and laws of the State;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF City of Killeen, Texas:

Section 1. The Lease, in substantially the form as presently before the governing body of the Lessee, is hereby approved, and the _____ of the Lessee, is hereby authorized to negotiate, enter into, execute, and deliver the Lease and related documents in substantially the form as presently before the governing body of the Lessee, with such changes therein as shall be approved by such officer, and which Lease will be available for public inspection at the offices of Lessee.

Section 2. The Lessee shall, and the officers, agents and employees of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Lessee with respect to the Lease.

Section 3. The Lessee's obligations under the Lease shall be expressly subject to annual appropriation by Lessee; and such obligations under the Lease shall not constitute a general obligation of Lessee or indebtedness of Lessee within the meaning of the Constitution and laws of the State of Texas.

Section 4. All other related contracts and agreements necessary and incidental to the Lease are hereby authorized, ratified and approved.

Section 5. This resolution shall take effect immediately upon its adoption and approval.

CERTIFIED AS TRUE AND CORRECT this ____ day of _____, 20 ____.

Signature of Clerk, Secretary or Assistant Secretary

Printed Name of Clerk, Secretary or Assistant Secretary



LESSEE FACT SHEET
TO GOVERNMENTAL LEASE-PURCHASE AGREEMENT NO. 008-0185329-300 DATED AS OF September 20, 2017

Please fill in **ALL** of the following questions and return this form with the lease documents:

1. Equipment location address: _____

2. Send bills to the following address: _____

ATTENTION: _____

3. Name of person who issues payment and Phone number: _____

() _____

4. Contract information of person responsible for preparing and filing Form 8038-G or 8038-GC:

Name: _____ Phone: _____ E-mail: _____

Address: _____

5. Fiscal year end: _____



Invoice

Date of Invoice: 09/20/2017
Application Number: 337899
Contract Number: 008-0185329-300

To: City of Killeen, Texas
1600 Airport Rd.
Killeen, TX 76543

Advance Payments/Security Deposit

Description	Contract Payment	Sales/Use Tax	Other	Amount
First Payment in Advance	\$0.00	\$0.00		\$0.00
Last Payment in Advance	\$0.00	\$0.00		\$0.00
			\$0.00	\$0.00
Sub Total				\$0.00

Other Fees/Charges

Fee Description	Amount
Documentation Fee	\$200.00
Other Fees/Charges Sub Total	
	\$200.00

Invoice Total Due

Invoice Total Due	\$200.00
--------------------------	-----------------

Remit Payment with 866-465-3149
Completed Documents to: OR
TCF Equipment Finance, a division of TCF
National Bank
1111 West San Marnan Dr, Suite A2 West
Waterloo, IA 50701-8926

Texas Sales and Use Tax Exemption Certification

This certificate does not require a number to be valid.

Name of purchaser, firm or agency	
Address (Street & number, P.O. Box or Route number)	Phone (Area code and number)
City, State, ZIP code	

I, the purchaser named above, claim an exemption from payment of sales and use taxes (for the purchase of taxable items described below or on the attached order or invoice) from:

Seller: TCF Equipment Finance, a division of TCF National Bank


Street address: 1111 W. San Marnan Dr, Ste A2 W City, State, ZIP code: Waterloo, IA 50701

Description of items to be purchased or on the attached order or invoice:

Purchaser claims this exemption for the following reason:

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or all applicable law.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

	Purchaser	Title	Date

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax "Exemption Numbers" or "Tax Exempt" Numbers do not exist.

**This certificate should be furnished to the supplier.
Do not send the completed certificate to the Comptroller of Public Accounts.**

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.		
11 Education		11
12 Health and hospital		12
13 Transportation		13
14 Public safety		14
15 Environment (including sewage bonds)		15
16 Housing		16
17 Utilities		17
18 Other. Describe ►		18
19 If obligations are TANs or RANs, check only box 19a	<input type="checkbox"/>	
If obligations are BANs, check only box 19b	<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box	<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest				22
23	Issue price of entire issue (enter amount from line 21, column (b))				23
24	Proceeds used for bond issuance costs (including underwriters' discount)				24
25	Proceeds used for credit enhancement				25
26	Proceeds allocated to reasonably required reserve or replacement fund				26
27	Proceeds used to currently refund prior issues				27
28	Proceeds used to advance refund prior issues				28
29	Total (add lines 24 through 28)				29
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)				30

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31	Enter the remaining weighted average maturity of the bonds to be currently refunded
32	Enter the remaining weighted average maturity of the bonds to be advance refunded
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶ _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶		<input type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box ▶		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶		<input type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box ▶		<input type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ _____		

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	▶ _____ Signature of issuer's authorized representative		▶ _____ Date		
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN	
	Firm's name ▶		Firm's EIN ▶		
	Firm's address ▶		Phone no.		



Mission Golf Cars.com
& Industrial Vehicles
A FULL SERVICE DEALERSHIP
since 1981



September 13, 2017


City of Killeen
Purchasing Manager
Attn: Randy Jimenez
101 N. College St
Killeen, TX 76541

RE: Buyback offer on the E-Z-GO Golf Cars

Dear Mr. Jimenez,

As requested, Mission Golf Cars is prepared to guarantee a buyback price of \$1,450.00 for 65 used 2018 TXT48v lead acid battery fleet golf cars currently on a 48 month lease. All units must be in running condition, included working charger, equipped as stated on lease documents, and in good operating order, including cosmetics with exception to normal wear and tear.

Regards,


John Evans,
President, Mission Golf Cars

18865 REDLAND ROAD • SAN ANTONIO, TEXAS 78259 • (210) 545-7868 • FAX (210) 402-0576

BID TAB
BID NO. 17-17 Golf Cart Lease
OPENING: September 13, 2017 @ 3:15



City of Killeen

Vendor Name	Total Price	Lease Payments Per Month	Months
Yamaha	\$253,911.45 \$4,550 additional W/Opt Windshield	\$3997.50 \$94.25 additional W/Opt Windshield	48
EZ-GO Lithium	\$430,105 \$5,772 additional W/Opt Windshield	\$5,001.75 \$96.20 additional W/Opt Windshield	60
EZ-GO	\$285,350 \$5,241.60 additional w/Opt Windshield	\$3,981.25 \$109.20 additional w/Opt Windshield	48
EZ-GO Lithium w/Net Down for Trades	\$414,310 \$5,772 additional W/Opt Windshield	Price not entered on bid form	60
EZ-GO w/Net Down for Trades	\$269,937 \$5,241.60 additional w/Opt Windshield	\$3,660.15 \$109.20 additional w/Opt Windshield	48

Bid 17-17 Golf Cart Lease
Staff Ranking

Ranking	Vendor	Months	Monthly Lease Payment
3	Yamaha	48	\$4,091.75
2	EZ-GO TXT	48	\$4,090.45
4	EZ-GO Lithium	60	\$5,097.95
1	EZ-GO w/net down from trades (EZ-GO will buy our current fleet direct from Yamaha)	48	\$3,769.35
Incomplete Submission	EZ-GO Lithium w/net down for trades	60	Price not entered on bid form



RS-17-112 CONTRACT CLARIFICATION

RS-17-126

December 12, 2017

Contract Clarification

□ **RS-17-112 Rental Golf Cart Replacement**

- City Council awarded Bid No. 17-17 to E-Z-GO/TCF Equipment Finance via RS-17-112 on October 24, 2017
- Proposed 4 year equipment lease
 - \$45,232 annually
 - \$180,928.80 over four years (48 payments)
 - \$94,250 (49th payment) guaranteed by E-Z-GO
 - \$275,178.80 total contract amount (\$250,320.85 principal, \$24,875.95 interest)

□ **Contract Clarification**

- TCF Equipment Finance requires that the full amount of principal be reflected on the approved City Council memorandum/resolution and contractual agreement. The full amount of principle to include the 49th payment is \$250,320.85.
- RS-17-112 only reflected \$180,928.80
- This action will amend the dollar amount to \$275,178.80.



City of Killeen

Legislation Details

File #: RS-17-127 **Version:** 1 **Name:** DPS Interlocal Agreement
Type: Resolution **Status:** Resolutions
File created: 11/20/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: Consider a memorandum/resolution authorizing the City Manager to enter into an interlocal agreement with the Department of Public Safety for forms and materials.
Sponsors: Police Department
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Interlocal Agreement](#)
[Presentation](#)

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



STAFF REPORT

DATE: December 12, 2017
TO: Ronald L. Olson, City Manager
FROM: Charles Kimble, Chief of Police
SUBJECT: DPS Interlocal Cooperation Contract

BACKGROUND AND FINDINGS:

The Killeen Police Department contracts with the Texas Department of Public Safety every five years for supplies to use in the Breath Testing and Laboratory Alcohol and Drug Testing Program. The purpose of the contract is to facilitate the use of uniform and consistent procedures and supplies. The department purchases specialized blood vials that are used to collect evidence specimens which are subsequently sent to the DPS Lab for analysis in impaired driving cases and fatal crashes.

THE ALTERNATIVES CONSIDERED:

1. Sign the interlocal agreement allowing the purchase of DPS blood vials to process blood evidence.
2. Decline the interlocal agreement and seek similar services (vials and processing) from private laboratories.

Which alternative is recommended? Why?

The first alternative is the most fiscally sound and logical. It allows the department to purchase vials for evidence collection and send for processing at the state lab. The DPS lab does not charge for processing the evidence and providing the report of the results. This agreement is required to utilize the state lab for purchasing the vials to send for testing blood evidence.

If a private lab is utilized, there would be a cost associated with the processing of the evidence, requiring an increased budget allotment. There is also the consideration of verifying the laboratory's certification and sustainability.

CONFORMITY TO CITY POLICY:

This Interlocal agreement complies with policy and state law.

FINANCIAL IMPACT:

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

The interlocal agreement does not have a cost associated with it. This agreement allows the department to purchase supplies; specifically of interest to the department is the purchase of blood vials utilized to collect blood evidence in criminal cases (e.g., fatal crashes) to send to the state lab for processing. The average annual purchase of blood vials is approximately \$700.

Is this a one-time or recurring expenditure?

This agreement is renewed every five years; the purchase of blood vials is executed every year as needed for the collection of evidence.

Is this expenditure budgeted?

Yes. Although approval of this agreement does not obligate the city to any purchase, adequate funds were specifically allocated in the medical/chemical account (010-6000-441-4175) for the purchase of the vials.

If not, where will the money come from?

Not applicable

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

Yes

RECOMMENDATION:

Staff recommends Council authorize the City Manager to sign the interlocal agreement with the Department of Public Safety.

DEPARTMENTAL CLEARANCES:

Purchasing
Finance Department
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

DPS Interlocal Agreement

THE UNDERSIGNED CONTRACTING PARTIES bind themselves to the faithful performances of this Contract and have full authority to enter into this Contract on behalf of the respective parties.

If the governing body of a party is required to approve this Contract, it will not become effective until approved by the governing body of that party. In that event, this Contract will be executed by the duly authorized official of the party as expressed in the approving resolution or order of the governing body of said party, a copy of which must be attached to this Contract.

City of Killeen
Name of Local Governmental Entity

DEPARTMENT OF PUBLIC SAFETY
Name of Agency

By: _____
Authorized Signature



By: _____
Authorized Signature

City Manager
Title

Title

Date: _____

Date: _____

INTRODUCTION

The Department of Public Safety stocks certain forms, manuals, gunshot residue kits, and supplies for the Intoxilyzer Breath Testing Program and the Laboratory Alcohol and Drug Testing Program for all Texas cities and counties. DPS performs this service to facilitate the use of uniform and consistent procedures, paperwork, printed materials, and supplies.

DPS requires certain minimum quantities and packaging in order to be as efficient as possible. The prices will differ between DPS and non-DPS users. The non-DPS users will be charged a slightly higher price to cover administrative and handling expenses and will be required by law to have an Interlocal Cooperation Contract on file with DPS General Services for any printed materials or supply items, such as mouthpieces, alcohol blood test kits, gunshot residue kits, and urine specimen kits.

DPS strongly urges entities to discuss and coordinate all purchases with its local Breath Test Program Technical Supervisor or DPS Headquarters Laboratory Alcohol and Drug Testing Program personnel. These individuals are familiar with the ordering procedure and should be aware of any price changes. Your local Breath Test Program Technical Supervisor or our DPS Laboratory Alcohol and Drug Testing personnel should also be able to advise the purchaser of the quantities of supplies that may be needed.

INSTRUCTIONS FOR THE PURCHASE OF
INTOXILYZER BREATH TESTING AND LABORATORY ALCOHOL/DRUG TESTING
PRINTED MATERIALS/SUPPLIES AND GUN SHOT RESIDUE KITS

1. **Submit your request on your department's letterhead using the sample on page 5.**

This request must be signed by an authorized representative and the name and phone number of a contact person. Also, furnish exemption number if tax exempt.

Attach pages 3 and 4 to include the requested items and total amount due.

This request should be addressed to the following.

DPS GENERAL STORES
P.O.BOX 15999
AUSTIN, TEXAS 78761-5999

2. Prices will be subject to change on a periodic basis and include shipping and handling.
3. Submit check or money order made out to the **Department of Public Safety, General Stores**, along with your request.

Credit card payments for Breath Test Supplies are accepted at texas.gov/dpsgeneralstoresbreathtest

Credit card payments for Publications are accepted at texas.gov/dpsgeneralstorespublications

4. Our minimum stock quantities for non-DPS users of Intoxilyzer Breath Testing and Alcohol/Drug testing supplies and printed materials are listed on pages 3 and 4.

Non-DPS users must adhere to minimum quantities.

5. If you have any questions, please contact the following.

DPS GENERAL STORES
512-424-2017
GSoutsidesales@dps.texas.gov

NON-DPS USERS PRICE SHEET

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

THESE ITEMS MUST BE PRE-PAID

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>MINIMUM QUANTITY</u>	<u>PRICES</u>	<u>TOTAL AMOUNT</u>
_____	DIC 23 PEACE OFFICERS SWORN REPORT (Rev. 9-01)	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 23A SPECIMEN ROUTING REPORT	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 24 STATUTORY WARNING	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 25 NOTICE OF SUSPENSION TEMPORARY DRIVING PERMIT	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 54 PEACE OFFICER'S SWORN REPORT COMM. MOTOR VEHICLE	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 55 STATUTORY WARNING COMMERCIAL MOTOR VEHICLE OPERATORS	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 56 BREATH TEST TECHNICAL SUPERVISOR AFFIDAVIT	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 57 NOTICE OF DISQUALIFICATION (Rev. 9-01)	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
DIC SPANISH FORMS:				
_____	DIC 24S DWI STATUTORY WARNING	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 25S NOTICE OF SUSPENSION	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
_____	DIC 57S NOTICE OF DISQUALIFICATION	PAD 50 SETS	\$2.50/PAD	_____ \$0.00
THP FORMS:				
_____	THP 1 OFFENSE REPORT	PAD OF 100 SHEETS	\$2.50/PAD	_____ \$0.00
_____	THP 1A SFST SCORING SHEET	PAD OF 100 SHEETS	\$2.50/PAD	_____ \$0.00

_____	THP 51 STATUTORY AUTHORIZATION MANDATORY BLOOD SPECIMEN	PAD OF 100 SHEETS	\$2.50/PAD	<u> \$0.00</u>
_____	THP 51A AFFIDAVIT OF PERSON WHO WITHDREW BLOOD	PAD OF 100 SHEETS	\$2.50/PAD	<u> \$0.00</u>
_____	THP/BR 38 INTOXILYZER MANUAL	(BINDER, TABS & CONTENTS)	\$8.75/EACH	<u> \$0.00</u>
SUPPLIES				
_____	* PBT (MOUTHPIECES) (PORTABLE BREATH TESTING TUBE)	1 PKG of 25 EACH	\$4.50/PKG.	<u> \$0.00</u>
_____	* INTOXILYZER MOUTHPIECES	1 PKG of 100 EACH	\$23.00/PKG.	<u> \$0.00</u>
_____	* ALCOHOL BLOOD TEST KIT	1 EACH	\$6.50/EACH	<u> \$0.00</u>
_____	* URINE SPECIMEN TEST KIT	1 EACH	\$4.50/EACH	<u> \$0.00</u>
_____	* SYRINGE TRANSPORT TUBES	1 EACH	\$3.50/EACH	<u> \$0.00</u>
_____	* GUNSHOT RESIDUE KIT	1 EACH	\$8.50/EACH	<u> \$0.00</u>
			TOTAL ENCLOSED	<u> \$0.00</u>
			(Items from pages 3 and 4)	

MAIL ORDERS AND PAYMENTS TO:

**DPS GENERAL STORES
P.O. BOX 15999
AUSTIN, TEXAS 78761-5999
512 -424-2017**

**USING YOUR LETTERHEAD, PRINT THIS PAGE,
ATTACH ORDER SHEETS, AND MAIL TO:
DPS GENERAL STORES
P.O. BOX 15999
AUSTIN, TEXAS 78761-5999**

DATE _____

Please enter our order for the attached supplies.

- My check or money order is enclosed.
- I paid with credit card for Breath Test Supplies @texas.gov/dpsgeneralstoresbreathtest
- I paid with credit card for Publications @texas.gov/dpsgeneralstorespublications

Sincerely,

Title _____

Tax exempt number _____

Contact person _____ Phone number _____

Physical Address (City, State, Zip)

Email Address

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001

512/424-2000

www.dps.texas.gov



STEVEN C. McCRAW
DIRECTOR
DAVID G. BAKER
ROBERT J. BODISCH, SR.
SKYLOR HEARN
DEPUTY DIRECTORS



COMMISSION
STEVEN P. MACH, CHAIRMAN
MANNY FLORES
A. CYNTHIA LEON
JASON K. PULLIAM
RANDY WATSON

August 1, 2017

To Whom It May Concern:

The Department of Public Safety Interlocal Cooperation Contract for General Stores supplies will expire August 31, 2017. Enclosed is the revised contract, which is effective as of the date of the last party to sign the contract and ends on August 31, 2021.

This year, all purchases require a current contract on file before DPS can process your order. This includes printed materials as well as intoxilyzer mouthpieces, alcohol blood test kits, gunshot residue kits, urine specimen kits, or syringe transport tubes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Iffla', followed by a horizontal line.

Michael Iffla, Director,
General Services Bureau



DPS INTERLOCAL AGREEMENT

RS-17-127

December 12, 2017

Texas DPS Interlocal Agreement

2

- The Police Department utilizes the Department of Public Safety Lab for blood evidence processing.
- DPS provides specialized blood vials from their lab to the department.
- To purchase the vials, the City of Killeen must have an Interlocal Agreement, which is renewed every five years.

Financial Impact

3

- The primary purchase made in conjunction with this agreement is for vials which are used to collect blood evidence in criminal cases and are sent to the state lab for analysis.
- The department purchases vary; however, are usually under \$700 per year.

Recommendation

4

- Staff recommends the Council authorized the City Manager to execute the Interlocal Agreement with the Department of Public Safety to allow the purchase of state supplies, specifically blood vials.



City of Killeen

Legislation Details

File #: RS-17-128 **Version:** 1 **Name:** Financial Governance Policies
Type: Resolution **Status:** Resolutions
File created: 12/4/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: Consider a memorandum/resolution to approve the City of Killeen's Financial Governance Policies.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: [Staff Report](#)
[Financial Governance Policies](#)
[Presentation](#)

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



STAFF REPORT

DATE: December 12, 2017

TO: Ronald L. Olson, City Manager

FROM: Jonathan Locke, Executive Director of Finance

SUBJECT: Financial Governance Policies

BACKGROUND AND FINDINGS:

On November 7, 2017, City Council was provided a draft copy of the Financial Governance Policies document. At the November 14, 2017 City Council Workshop, staff walked through each section of the policy document with City Council, addressing questions and obtaining City Council's suggestions for revising the policies. The recommended revisions provided by City Council were incorporated into the policies and staff walked through the revised draft policy at the November 28, 2017 Special City Council Workshop.

At the November 28th workshop, City Council reached a consensus to change the City's fund balance target range from 22-25% to 18-22%. That change has been incorporated into the final draft of the Financial Governance Policies document. City Council also reached a consensus to move forward with adopting the financial policies. The financial policies will be reviewed annually, beginning no later than the end of January. The next formal review of the Financial Governance Policies will begin no later than January 2019.

THE ALTERNATIVES CONSIDERED:

There are two alternatives to consider in regards to the Financial Governance Policies:

- 1) Create and adopt financial policies.
- 2) Do not create and adopt financial policies.

Which alternative is recommended? Why?

Staff chose Option 1) to create and adopt financial policies. The Financial Governance Policies set forth the basic framework for the fiscal management of the City, and establishes the boundaries that the City will operate within.

CONFORMITY TO CITY POLICY:

The Financial Governance Policy document is the comprehensive source for financial policies in the City. The policies were developed within the parameters established by applicable provisions of the Texas Local Government Code, Tax Code, the City of Killeen Charter, the Government Finance Officers Association, and the Governmental Accounting Standards Board. Upon

adoption, the Financial Governance Policy document will supersede the following existing policies:

- Inter-Fund Loan Policy 94-86R
- Fiscal Policy for Year-End Encumbrances 97-25R
- Debt Management Policy 97-54R
- Fund Balance and Operating Reserves Fiscal Policy Statements 11-156R
- Purchasing Policy 16-116R (incorporated)
- Lien Waiving Policy 17-055R (incorporated)
- Investment Policy 17-100R (incorporated)

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 City Council approve the City of Killeen's Financial Governance Policies.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Financial Governance Policies



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.

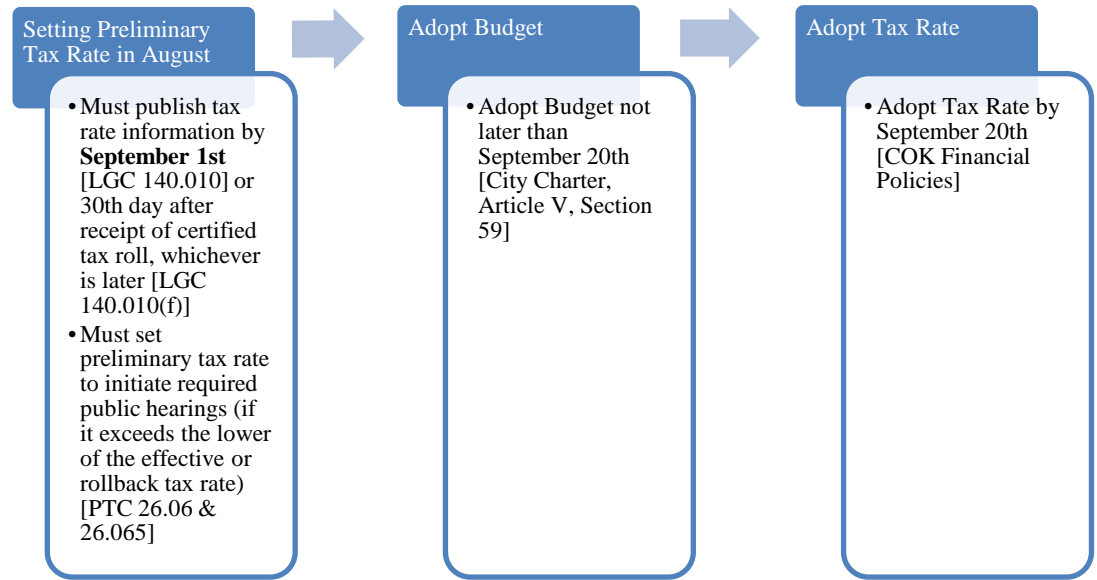
I. PROPERTY TAXES

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.

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. USER FEES

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

2. 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. ADMINISTRATIVE SERVICES CHARGES

The City shall establish a method to annually determine the administrative services charges provided by the General Fund to enterprise funds. The enterprise funds shall pay the General Fund for services rendered.

C. SUPPLEMENTARY FUNDING

Where possible, the City of Killeen will maximize its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements.

D. 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. 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. USE OF ONE-TIME REVENUES

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

G. 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. 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. 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 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), 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	Allocation Percent
Public Safety	73.0213
General Government	7.3853
Community Services	7.5623
Public Works	6.1836
Community Development	4.8431
Planning & Development	1.0044
Total	100.0000

The budget classifications include multiple departments/divisions as follows:

- Public Safety
 - Police Department
 - Fire Department
 - Municipal Court
 - Building Inspections
 - Code Enforcement
- General Government
 - City Council
 - City Manager
 - Communications
 - City Attorney

- Finance
- Human Resources
- Non-departmental
- Community Services
 - Administration
 - Golf
 - Community Center
 - Parks
 - Lions Club Park
 - Family Aquatics Center
 - Recreation
 - Athletics
 - Cemetery
 - Senior Citizens
 - Volunteer Services
- Public Works
 - Administration
 - Street Operations
 - Engineering
- Community Development
 - Library
 - Killeen Arts & Activity Center
 - Community Development Operations
 - Home Program
 - Building Services
 - Custodial Services
- 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

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

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.

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.

C) 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.

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.

D) CIP BUDGET CARRYOVER

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.

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 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 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

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 Assistant Director of Finance and a member designated by the Executive Director of Finance. The Investment Committee shall receive quarterly reports, as outlined in this Policy, and monitor the results and performance of the investment portfolio.

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 Assistant Director of Finance shall be the City's Investment Officers. Investment Officers are authorized to deposit, withdraw, invest, transfer, execute documentation, and otherwise manage City funds according to this Policy. The Executive Director of Finance may designate specific City personnel to assist with various investment-related activities. The Executive Director of Finance shall be responsible for all transactions and compliance with the internal controls, to 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 with a market value equal to no less than 102% of the uninsured deposits, including accrued interest. Repurchase agreements shall be documented by a specific agreement noting the collateral pledged in each agreement. Collateral shall be reviewed at least monthly to assure the market value equals or exceeds the collateralization requirement for the related bank balances.

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 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 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

Purchasing Manual



City of Killeen, Texas

October 2016

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I. Purpose.

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

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

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

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

II. Position Descriptions.

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

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

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

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

III. Obtaining Goods and Services.

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

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

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

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

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

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

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

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

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

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

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

IV. Legal Requirements.

The following statutes impact the acquisition of goods and services:

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

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

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

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

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

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

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

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

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

V. Purchasing Thresholds.

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

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

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

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

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

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

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

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

VI. Competitive Procurement Process

A. Determining the Procurement Method.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. Professional Services.

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

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

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

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

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

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

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

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

VIII. Emergency Purchases.

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

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

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

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

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

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

E. Procedure for Making Emergency Purchases.

Departments making emergency purchases must adhere to the following procedures:

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

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

IX. Accountability of Fixed Assets.

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

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

B. Asset Categories.

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

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

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

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

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

X. Disposal of Equipment.

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

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

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

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

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

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

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

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

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

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

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

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

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

XI. Procurement Ethics.

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

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

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

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

XII. References.

A. TLGC 252, 253 & 271

B. TGC 2155, 2161, 2254 & 2259

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

D. City Charter, Article VII, Finance Administration

E. Appendix E

F. Glossary

G. 2 CFR 200.317-326

H. 2 CFR 200.310-216

Appendix A- “Buy Killeen” Initiative

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

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

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

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

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

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

Appendix B -Procurement Card (P-Card) Program

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

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

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

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

D. Controls.

1. External Controls

a. Single Transaction Limits

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

b. Cycle Limits

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

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

c. Temporary Increase to Limits

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

d. Merchant Category Codes (MCC)

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

2. Internal Controls

a. AS-400/SunGard

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

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

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

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

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

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

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

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

b. Designated cardholders will:

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

F. Obtaining a P-Card.

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

G. Making a Purchase.

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

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

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

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

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

H. Cardholder Duties & Responsibilities.

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

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

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

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

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

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

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

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

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

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

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

I. Processing Returns & Disputes.

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

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

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

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

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

d. Fraudulent use.

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

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

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

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

J. Lost or Stolen Cards.

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

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

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

K. Acceptable Expenditures.

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

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

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

L. Exceptions.

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

M. P-Card Management.

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

1. Purchases made for other departments.

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

2. Transfer Procedures: Use the P-Card Request Form to notify Purchasing prior to the effective date of a cardholder's internal transfer.

3. Resignation/Termination: Prior to a cardholder leaving the City, departments will secure P- Cards, cut them in half and return them to Human Resources or Purchasing. Purchasing will then close the account and monitor the monthly termination report to verify that all P-Cards are accounted for.

4. P-Card Cancellation: The Executive Director of Support Services may suspend an employee's P-Card after consulting with the appropriate executive director or Department Head. Cancellation requires the approval of the aligned Assistant City Manager or City Manager. The decision to cancel is permanent.

5. Inappropriate P-Card purchases are not the bank or vendor's responsibility. The vendor will be paid and the department's budget is charged, unless the merchandise is returned and a credit is issued to the P-Card.

N. Non-Compliance.

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

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

A: Card cancelled possible employment terminated, possible criminal charges

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

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

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

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

F: Card cancelled

* Acceptable P-Card Expenditures are outlined on page 30

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

P- CARD RESPONSIBILITIES

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

P- CARD RESPONSIBILITIES (CONTINUED)

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

ACCEPTABLE P-CARD EXPENDITURES	ALL PURCHASES ARE TO BE PREVIOUSLY BUDGETED FOR OR APPROVED ITEMS AS NOTED
OFFICE SUPPLIES	FROM CO-OP SUPPLIERS
SUBSCRIPTIONS	BOOKS AND MAGAZINES. DEPARTMENT HEADS ARE AUTHORIZED TO BUDGET FOR AND APPROVE SUBSCRIPTIONS TO PROFESSIONAL MAGAZINES, BOTH E-VERSION AND PRINT. SUBSCRIPTIONS ARE NOT CONSIDERED CONTRACTS THAT REQUIRE CITY MANAGER APPROVAL.
MEMBERSHIPS	ORGANIZATIONS (AS APPROVED BY DEPT HEAD)
REQUIRED MAINTENANCE COSTS REPAIR COSTS OPERATIONAL EXPENSES -EXPENSES WHICH ARE RELATED TO THE OPERATION OF A DEPT/DIV, OR TO THE OPERATION OF A DEVICE, COMPONENT, PIECE OF EQUIPMENT OR FACILITY.	ONLY IN THE EVENT THAT THESE NECESSARY EXPENDITURES ARE APPROVED PRIOR
MAINTENANCE AGREEMENT PAYMENTS AGREEMENT PAYMENTS OTHER CONTRACT ITEM PAYMENTS	PAYMENTS ALLOWED ON PREVIOUSLY CITY MANAGER APPROVED CONTRACTS AND AGREEMENTS NOT ALLOWED TO INITIATE A CONTRACT OR AGREEMENT WITHOUT CITY MANAGER SIGNATURE
SUPPLIES	
41-10	OFFICE SUPPLIES
41-15	POSTAGE
41-20	UNIFORMS AND CLOTHING
41-25	SUBSCRIPTIONS
41-30	VEHICLE SUPPLIES (AS APPROVED BY FLEET)
41-35	PRINT SUPPLIES (AS APPROVED BY PRINT SHOP)
41-50	FUEL SUPPLIES AND WATER
41-55	FREIGHT
41-60	FOOD SUPPLIES (AS ALLOWED PER POLICY)
41-65	MINOR TOOLS
41-70	CLEANING SUPPLIES
41-75	MEDICAL AND CHEMICAL
41-80	MECHANICAL SUPPLIES
41-85	EDUCATIONAL SUPPLIES
41-87	EXTINGUISHING CHEMICALS
41-90	AGRICULTURAL SUPPLIES
41-95	ANIMAL SUPPLIES
COMPUTER AND RELATED EQUIPMENT REGISTRATION COSTS	(AS APPROVED BY I.T.) SEMINARS/TRAINING AND CONFERENCE
TRAVEL EXPENSE (DOES NOT ALLOW FOR UPGRADES)	AIRFARE BAGGAGE CAR RENTAL HOTEL- ROOM EXPENSE AND OCCUPANCY TAXES PARKING (WITH ASSOCIATED SALES TAX) FUEL FOR RENTAL VEHICLE MEALS (IF RECEIPTS ARE PROVIDED)

Appendix C – Sam’s Club Direct Charge Account Cards

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

Purchasing will manage this program.

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

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

Appendix D—Historically Underutilized Businesses (HUB)

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

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

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

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

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

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

Search Clear Search

SEARCH FOR
CMBL Only HUBs Only HUBs On CMBL All Vendors

SINGLE VENDOR SEARCH

Vendor ID:

Vendor Number:

Vendor Name: contains

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

MULTIPLE VENDOR SEARCH

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

BUSINESS CATEGORY / VENDOR LOCATION SEARCH

Business Category:

County Location:

City Location: begins with

Appendix E - City of Killeen Charter

Article VII - Finance Administration

SALE OF CITY PROPERTY

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

PURCHASE PROCEDURE

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

CONTRACTS FOR IMPROVEMENTS

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

Appendix F – Three Quote Exemption Listing

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

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

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

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

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

Appendix G – Sole/Single Source Justification

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

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

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

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

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

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

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

Sole/Single Source Justifications

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

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

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

Appendix H – Fixed Asset Accountability

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

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

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

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

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

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

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

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

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

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

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

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

Asset accountability is defined as follows:

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

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

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

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

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

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

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

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

Capital Improvements and Capital Outlay Projects

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

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

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

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

Records Retention for Asset Documents

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

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

Disposal of Assets

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

The Ordinance is as follows:

Sec. 2-87. Selection and valuation of property; notice to City Manager.

When a Department Head of the City has property to dispose, the City Manager's office, or his designee, shall be notified, by "deletions - fixed asset register" form, of that fact. The information on the form shall fairly describe each item of personal property by make, model, year, size or other appropriate identifier, along with the Department Head's estimate of the present market value of the property, and the basis of that estimate. The form shall also state the proposed method of disposition (public sale, sealed bids, auction (live or Internet), exchange, donation, or other). If the property is to be exchanged, then the notice shall fully describe the property to be acquired in the exchange.

(Code 1963, Ch. 1, art. 9, § 1 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-88. Disposition approval.

- (1) If the estimated present market value of the property is between zero and two thousand dollars (\$2,000.00), then the purchasing division may proceed to dispose of the personal property, in accordance with the procedures stated below, no sooner than the third business day after giving notice to the City manager, unless the Manager objects to the disposition during that time period.
- (2) If the estimated present market value is more than two thousand (\$2,000.00), then the City Manager must approve the disposal of the property, in writing, before the purchasing division may proceed in accordance with the procedures stated below.

(Code 1963, Ch. 1, art. 9, § 2 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-89. Method of disposal.

The method of disposal shall be by public sale, sealed bid, auction, exchange, donation, or other as approved by the City Manager or his designee.

There is no requirement to advertise the disposition of City-owned surplus property prior to

disposal other than advertisement mechanisms provided by auctioneer and/or local newspaper for a minimum of two weeks. However, before disposing of abandoned or confiscated property seized by the Police Department, the notice requirements of article 18.17 of the Texas Code of Criminal Procedures must be complied with.

(Code 1963, Ch. 1, art. 9, § 4 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-90. Acceptance or rejection of bids and award.

In a disposition based on sealed bids or auction, at the Department Head's discretion, all bids may be rejected, if they do not represent adequate compensation to the City for the property involved. If the purchasing division desires to award the bid, it shall be awarded to the highest and best bid.

(Code 1963, Ch. 1, art. 9, § 5 [Ord. No. 76-44, §1, 7-27-76]; Ord. No. 97-30, § I, 5-13-97; Ord. No. 07-088, § I, 9-25-07)

Sec. 2-91. Disposal of surplus library books.

- (1) When the Director of Library services has complied with sections 2-87 and 2-88, the City Manager shall declare that any books designated as “surplus” and of no further value, due to their condition, infrequency of use, or availability of other copies, be made available for sale by the “Killeen Friends of the Library.” The proceeds of the public sale shall be reported to the City Manager.
- (2) The City Manager shall provide the City Council an annual report of all benefits realized as a result of the work of the Killeen Friends of the Library.

(Code 1963, Ch. 1, art. 9, § 8 [Ord. No. 87-11, §1, 2-24-87]; Ord. No. 97-30, § I, 5-13-97)

***Charter reference**–Municipal finance, §§ 49-82.

Cross references– Licenses, permits and miscellaneous regulations, Ch. 15; taxation, Ch. 27.

State law reference–Municipal finances, V.T.C.A., Local Government Code §101.001 et seq.

****Charter reference**–Disposal of certain City property, § 75.

Appendix I – State Cooperative Purchasing Procedures

To procure products or services through the State Cooperatives, the following should be utilized for procedure. It is important to follow the procedures as outlined in order to receive the full benefit of using a co-op such as price, terms and conditions and support throughout the purchasing process.

Remember, *all purchases \$50,000.00 or more will require Council approval prior to issuing any POs.* Also, if at any time you have a question or need assistance with the process, please feel free to contact Purchasing!

Cooperative	Contact / Site Info	Purchase Procedure		
TASB BuyBoard	www.buyboard.com 800-695-2919 Contact Purchasing for password (7723)	Search the website for product or service you need. If needed, call BuyBoard for assistance in locating such at (800) 695-2919.	Issue a COK purchase order to the vendor for the product or service referencing the state contract information. Fax a copy of the PO to the BuyBoard at 1-800-211-5454. Hold PO until order is received.	BuyBoard will send the PO to the vendor on your behalf to order your product or service from the vendor.
TCPN – The Cooperative Purchasing Network	www.tcpn.org 888-884-7695	Search the website for product or service you need. If needed, call TCPN for assistance in locating such at (888) 884-7695	Issue a COK purchase order to the vendor for the product or service referencing the state contract information. Fax a copy of the PO to TCPN at 1-713-744-0648. Hold PO until order is received.	TCPN will send the PO to the vendor on your behalf to order your product or service from the vendor.

Central Texas Co-op	Contact Purchasing (7723) or (7729) for information	Search the list of items offered for what need.	When using a PO or P-Card to purchase items ensure that the vendor knows you are utilizing CTCP co-op prices.	
TBPC – Texas Building and Procurement Commission	www.tbpc.state.tx.us/cat_page/ 512-463-6363	Search the website for product or service you need. If needed, call TBPC for assistance in locating such at (512) 463-6363	Issue a COK purchase order to the vendor for the product or service referencing the state contract information. Send a copy of the PO to the Purchasing dept. Hold PO until order is received.	The Purchasing dept. will issue a state PO (using your COK PO). This PO will be faxed to the State. The State sends the PO to the vendor on your behalf to order your product or service from the vendor.
Tarrant County Cooperative	www.tarrantcounty.com (817) 212-3067 Click on Departments Tab, Then scroll down to Purchasing, click on Cooperative Purchasing Information Tab and select list of available contracts.	Search the list of contracts for the product or service you need. Call Tarrant County for copy of contract at (817) 212-3067	Notify Vendor, and Issue a COK purchase order to the vendor for the product or service referencing the contract.	Notify Tarrant County Purchasing as a courtesy to which items purchased and from which vendor and or contract used.

<p>TXMAS Texas Multiple Award Schedule</p>	<p>www.txsmartbuy.com (512) 463-3421</p>	<p>Departments must obtain quote from vendor, and send quote to purchasing.</p>	<p>Purchasing will contact TXMAS, who in return will send PO for purchase of product.</p>	<p>Purchasing will send TXMAS PO to departments as verification. Dept. will create a requisition to the vendor for the product or service referencing the contract.</p>
<p>NJPA National Joint Powers Alliance</p>	<p>www.njpacoop.org (218) 894-5490 Member ID 86944</p>			
<p>TIPS The Interlocking Purchasing system</p>	<p>www.tips-usa.com (866)839-8477</p>			
<p>DIR Department of Information Resources</p>	<p>www.dir.state.tx.us (800) 348-9157</p>			
<p>PSA Purchasing Solutions Alliance</p>	<p>www.bvcog.org/programs/purchasing-solutions-alliance/ 979-595-2800</p>			
<p>HGAC Buy</p>	<p>www.hgacbuy.org</p>			

Glossary

Advanced Check	Check request processed prior to services/goods being received. Process is not complete until the request is forwarded to Finance for processing.
A P	Accounts Payable. Processing of payments/invoices against a PO for payment to be made to vendors.
Assets	Real or personal property that has a value equal to or greater than the capitalization threshold for the particular classification of the asset.
Budget Code – Account #	A unique combination of 14 digits, divided into seven segments of one, two, or three digits, for example: 010-9501-491-41-10
Capital Account	All account numbers ending with 60-XX. Assets are purchased from these accounts for reporting purposes.
Command Line	Function key – F9 will create a line at the bottom of the screen that allows you to work directly with spooled files waiting to print or call a program.
Commodity Code	Codes that identify the products and services purchased by departments.
Encumber/Encumbrance	A reduction of the budgetary account for goods or services that have not yet been provided. The encumbrance is created and the encumbrance is liquidated when the PO is completed. The encumbrance is a commitment of funds while the pre-encumbrance is an allocation of funds.
Expense	Created when an invoice for goods or services is submitted by a vendor and processed against a PO. The encumbrance is liquidated and the expense or account payable transaction is created.
Liquidate	Once an invoice is paid against an encumbrance, the encumbrance will liquidate and reflect and expense in the ledger accounts.
Manual Check Request	Emergency request for a check to be processed prior to the weekly AP run.
Pre-Encumbrance	Allocation of funds for expenditure. Represents an intention to spend funds rather than an obligation, which occurs when a contract is signed or a PO is issued. These are created when a requisition has been approved. When the PO is created, the pre-encumbrance is liquidated and replaced with an encumbrance.
Purchase Order	A document submitted to a vendor for goods or services. A PO will be created from an approved requisition.
P.I – Purchasing/Inventory	Purchasing/Inventory application on SunGard. Requisitions are created and approved here. PO's are created and received and invoiced here.
Quote	Cost promised by vendor for particular goods or services.
Receipt	Written acknowledgement of goods or services delivered. Indicates an item has been delivered. When you receive an item, you will process it against the PO you used to purchase it.
Receiving Report	Processing receipt of items against the PO you used for the purchase. Acknowledgement of goods or services delivered/received.
Ship To	The location where items are to be delivered. Also can be the location/department using the goods or services purchased by the PO.
Un-Receive	To replace quantities back on to the PO. Items will not be received in order to cancel a PO or to cancel outstanding quantities. If items are received on the wrong PO, or if items are damaged and will be returned.
Vendor	Payee or Remit To: Companies or individuals who supply goods or services.



FINANCIAL GOVERNANCE POLICIES

RS-17-128

December 12, 2017

Financial Governance Policies

Background

2

- November 7, 2017 – City Council provided a draft copy of the Financial Governance Policies.
- November 14, 2017 – staff walked through each section of the policy document with City Council.
- November 28, 2017 – staff presented revisions requested by City Council.
 - City Council reached consensus to change the fund balance target from 22-25% to 18-22%.
 - City Council reached consensus to move forward and adopt the financial policies.

Financial Governance Policies

Recommendation

3

- Comprehensive source for financial policies.
- Annual review that will begin no later than the end of January.
 - Next review will begin no later than January 2019.
- Staff recommends that City Council approve the City of Killeen's Financial Governance Policies.



City of Killeen

Legislation Details

File #: RS-17-129 **Version:** 1 **Name:** Rosewood Dr Ext ROW Dedication
Type: Resolution **Status:** Resolutions
File created: 10/2/2017 **In control:** City Council Workshop
On agenda: 12/12/2017 **Final action:**
Title: Consider a memorandum/resolution accepting the dedication of three tracts to facilitate the construction of the Rosewood Drive Extension/Heritage Oaks Hike & Bike Trail projects.
Sponsors: Public Works Department, Transportation Division
Indexes: Rosewood Drive
Code sections:
Attachments: [Staff Report](#)
[Special Warranty Deeds](#)
[Presentation](#)

Date	Ver.	Action By	Action	Result
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STAFF REPORT

DATE: December 12, 2017

TO: Ronald L. Olson, City Manager

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

SUBJECT: Accept the dedication of three tracts to facilitate the construction of the Rosewood Drive Extension/Heritage Oaks Hike & Bike Trail projects.

BACKGROUND AND FINDINGS:

The Rosewood Drive Extension/Heritage Oaks Hike & Bike Trail projects provide for the extension of Rosewood Drive from its current terminus to Chaparral Road and for the construction of a Hike & Bike Trail from Chaparral Road up and along Trimmier Creek to Platinum Drive and from Pyrite Drive north to Siltstone Loop and Purser Park. The project will facilitate connectivity and economic growth by creating an outer loop and will spur development adjacent to the project improvements.

City Council has previously expressed support for this project (CCM/R 15-145R, 16-032R, and 16-156R). A portion of the dedication is associated with the Development Agreement for a planned unit development (PUD) in the vicinity that calls for the dedication of a 75.489 acre tract deemed "green space" associated with Ordinance 13-069. In total the three tracts constitute approximately 90 acres of land. The City has been in negotiations with Killeen Chaparral Development, LLC, RSBP Developers, Inc., and Gary W. Purser, Sr. 1999 Trust and John Helen Purser 1999 Trust. The representative for the aforementioned entities agreed to dedicate the right-of-way needed for the project.

In addition, with this dedication, Killeen Chaparral Development, LLC, will satisfy the zoning commitment for green space dedication required in Ordinance 13-069.

THE ALTERNATIVES CONSIDERED:

Two alternatives were considered: 1) Reject the dedication of this property and do not construct the project. 2) Accept the dedication of this property.

Which alternative is recommended? Why?

City staff recommends that City Council accept the dedication of three tracts of property to facilitate the construction of the Rosewood Drive Extension/Heritage Oaks Hike & Bike Trail projects.

CONFORMITY TO CITY POLICY:

Yes

FINANCIAL IMPACT:

Being that the property is offered for dedication, there is no immediate financial impact. However, the City of Killeen will assume maintenance for this tract. Based upon our current operations, city staff estimates a recurring cost of \$140,000 per year for maintenance.

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

There is no expenditure associated with this item in the current fiscal year. Upon completion of the construction project (FY 2020), annual recurring maintenance costs are estimated at \$140,000.

Is this a one-time or recurring expenditure?

This is a recurring expenditure starting in FY 2020.

Is this expenditure budgeted?

There is no expenditure to budget in the current fiscal year.

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 that the City Council authorize the City Manager to execute any and all documents associated with the dedication of three parcels to facilitate the construction of the Rosewood Drive Extension/Heritage Oaks Hike & Bike Trail projects.

DEPARTMENTAL CLEARANCES:

Finance
Legal
Public Works
Community Services

ATTACHMENTS:

Special Warranty Deeds

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**SPECIAL WARRANTY DEED
WITH FEE SIMPLE DETERMINABLE CONDITION**

DATE: _____, 2017

GRANTOR: Gary W. Purser, Sr. 1999 Trust and John Helen Purser 1999 Trust

GRANTOR'S MAILING ADDRESS: 2901 E. Stan Schlueter Loop, Killeen, Texas 76542

GRANTEE: City of Killeen ("City")

GRANTEE'S MAILING ADDRESS: 101 North College, Killeen, Bell Co., TX 76541

CONSIDERATION: As a dedication for the use and benefit of the public

PROPERTY: (8.827 acres, remainder of called 133.645 acres out of the J.B. Harris Survey, Abstract No. 452, Killeen, Bell County, Texas), as recorded in Instrument No. 2008-00040763, Official Public Records of Bell County, Texas, and being more particularly described by metes and bounds in Exhibit A attached hereto and incorporated by reference for all relevant purposes as if set forth at length herein

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY: Grantor reserves and excepts from the property conveyed all encumbrances and other matters of record in the Official Public Records of Real Property of Bell County, Texas, to the extent they are validly existing and affect the Property.

FEE SIMPLE DETERMINABLE CONDITION: Grantee must award a construction contract for a public trafficway on the Property (generally consisting of extending Rosewood Drive to Chaparral Road) within one (1) year of the date of acceptance by the Grantee herein.

Grantor, for the Consideration and subject to the Reservations From Conveyance and Warranty, GRANTS, DEDICATES, AND CONVEYS to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, TO HAVE AND HOLD IT to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations From and Exceptions to Conveyance and Warranty, when such claim arises by, through or under Grantor, but not otherwise. PROVIDED, HOWEVER, that if the Fee Simple Determinable Condition is not satisfied, the Property will automatically revert to and be owned by Grantor without the necessity of any further act on the part of Grantor, it being Grantor's intent to convey a fee simple determinable estate to Grantee. An affidavit stating that the condition has been fulfilled, filed during the first six months of the second year, if not contradicted by a recorded statement filed within the same six months, is conclusive evidence that the condition has been satisfied, and Grantee and third parties may rely on it.

EXCEPTING ONLY THE WARRANTY OF TITLE HEREIN, GRANTOR HAS MADE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, UPON WHICH GRANTEE HAS RELIED, AS TO THE CONDITION OF THE PROPERTY, THE FITNESS OF THE PROPERTY FOR ANY INTENDED USE

OR PURPOSE, THE EXISTENCE OF ANY HAZARDOUS OR TOXIC MATERIALS IN OR ON THE LAND OR ANY OTHER ENVIRONMENTAL CONDITION OF THE LAND, THE AVAILABILITY OF UTILITIES OR OTHER SERVICES TO THE LAND, THE WORKMANSHIP OR MATERIALS USED IN THE IMPROVEMENTS ON THE PROPERTY (IF ANY), THE PRESENT OR FUTURE INCOME THAT MAY BE GENERATED FROM THE PROPERTY, OR ANY OTHER MATTER. GRANTEE ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS INVESTIGATION AND EXAMINATION OF THE PROPERTY, AND IS SATISFIED WITH THE TITLE AND CONDITION THEREOF. GRANTEE WAIVES ALL CLAIMS FOR FRAUDULENT INDUCEMENT, DISCLAIMS ANY DUTY OF GRANTOR TO MAKE ANY DISCLOSURES WITH RESPECT TO THE PROPERTY, AND ACCEPTS THE PROPERTY "AS IS" AND "WITH ALL FAULTS," WITH ANY AND ALL LATENT AND PATENT DEFECTS.

When the context requires, singular nouns and pronouns include the plural.

Gary W. Purser, Sr. 1999 Trust

John Helen Purser 1999 Trust

By: _____
Ronald E. Stepp, Trustee of the
Gary W. Purser, Sr. 1999 Trust

By: _____
John Helen Purser, Trustee

Acknowledgment

STATE OF TEXAS

COUNTY OF BELL

This instrument was acknowledged before me on _____, 2017, by Ronald E. Stepp, Trustee of the Gary W. Purser, Sr. 1999 Trust.

Notary Public, State of Texas

My Commission Expires:

STATE OF TEXAS

COUNTY OF BELL

This instrument was acknowledged before me on _____, 2017, by John Helen Purser, Trustee of the John Helen Purser 1999 Trust.

Notary Public, State of Texas

My Commission Expires:

The City of Killeen does hereby accept the above described conveyance.

DATE

CITY OF KILLEEN

Ronald L. Olson

ATTEST

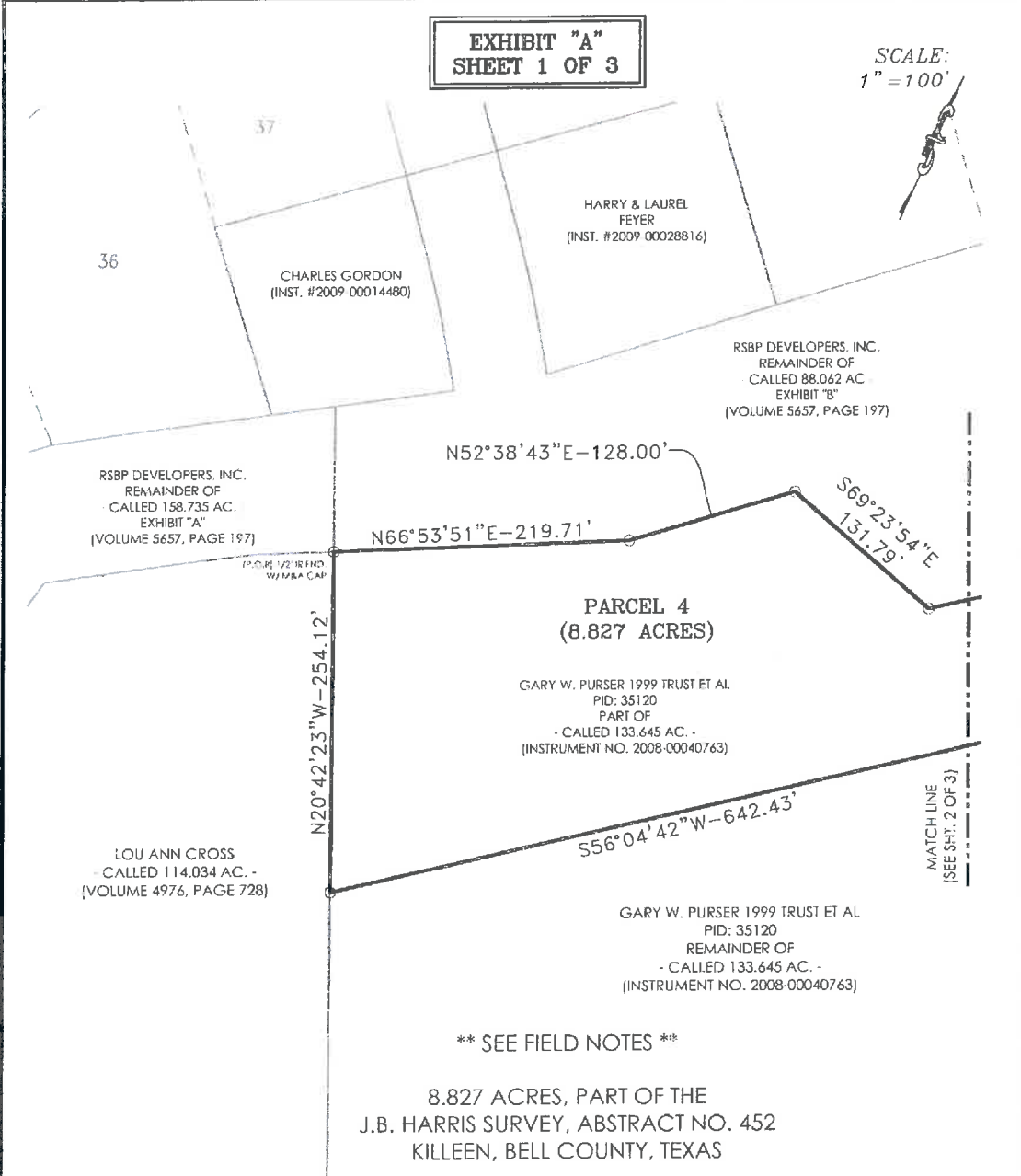
Dianna Barker
City Secretary



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 1 OF 3

SCALE:
 1" = 100'

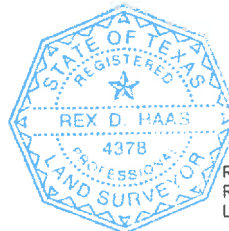


STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

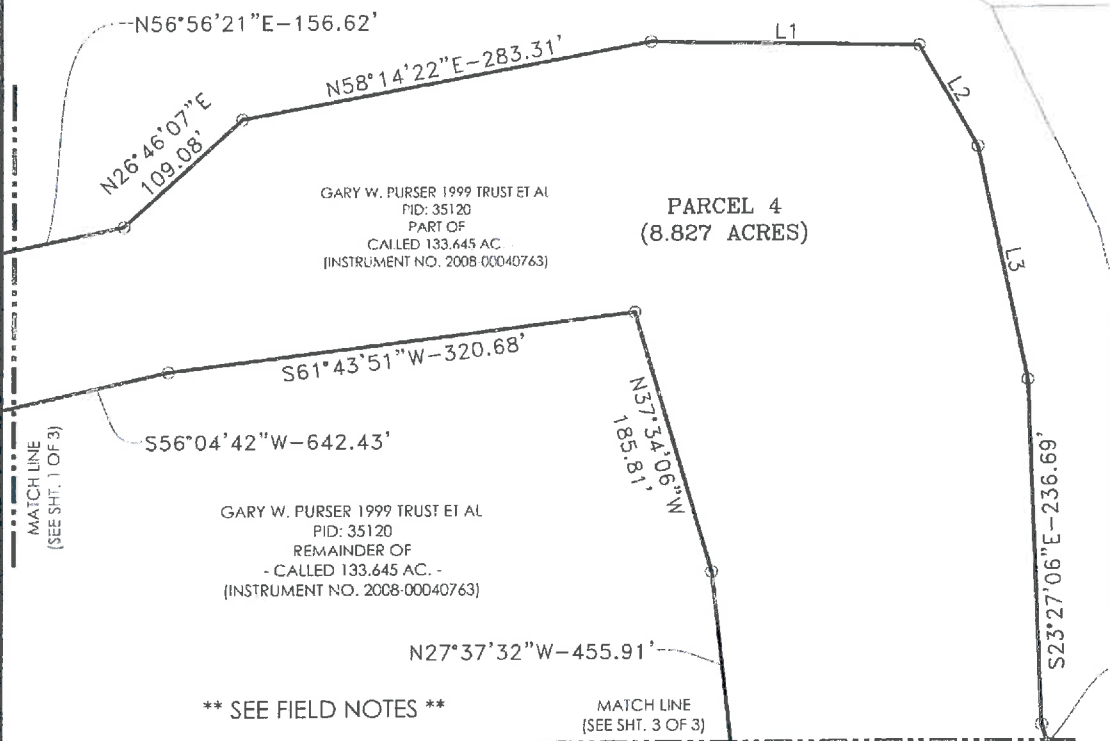
EXHIBIT "A"
SHEET 2 OF 3

SCALE:
 1" = 100'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N 69° 54' 40" E	182.78'
L2	S 51° 14' 39" E	80.49'
L3	S 33° 11' 00" E	163.58'

WHITE ROCK ESTATES,
 PHASE SEVEN
 (CAB D. SL 176-C & D)

RSBP DEVELOPERS, INC.
 REMAINDER OF
 - CALLED 88.062 AC -
 EXHIBIT "B"
 (VOLUME 5657, PAGE 197)



8.827 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (DORS 98), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ⊙ = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 3 OF 3

SCALE:
 1" = 100'

MATCH LINE
 (SEE SHT. 2 OF 3)

GARY W. PURSER 1999 TRUST ET AL
 PID: 35120
 REMAINDER OF
 - CALLED 133.645 AC. -
 (INSTRUMENT NO. 2008-00040763)

GARY W. PURSER 1999 TRUST ET AL
 PID: 35120
 PART OF
 - CALLED 133.645 AC. -
 (INSTRUMENT NO. 2008-00040763)

PARCEL 4
(8.827 ACRES)

ANITA P. FERGUS, ETAL
 (VOLUME 5790, PAGE 177)

** SEE FIELD NOTES **

8.827 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

CB=S82°20'33"W Chord=71.17' Arc=71.18'
 Delta=4°20'20" Radius=940.00' Tan=35.61'

REMAINDER OF
 KILLEEN CHAPARRAL DEVELOPMENT, I.L.C.
 (INSTRUMENT NO. 2012 24898)

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 36), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
- ALL DISTANCES ARE SURFACE DISTANCE.
- COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○=CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ●=CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

FIELD NOTES for a 8.827 acre tract of land in Bell County, Texas, being part of the J. B. Harris Survey, Abstract No. 452, and the land herein described being part of that certain 133.645 acre tract conveyed to Gary W. Purser 1999 Trust (1/2 interest) and John Helen Purser 1999 Trust (1/2 interest), of record in Document #2008-40763, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" found at the southwest corner of a called 88.062 acre tract designated Exhibit "B", conveyed to RSBP Developers, Inc., of record in Volume 5657, Page 197, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), the northwest corner of said 133.645 acre tract, the southeast corner of a called 158.735 acre tract designated Exhibit "A", conveyed to RSBP Developers, Inc., of record in Volume 5657, Page 197, O.P.R.R.P.B.C.T. and the northeast corner of a called 114.034 acre tract conveyed to Lou Ann Cross, of record in Volume 4976, Page 728, O.P.R.R.P.B.C.T., for the northwest corner of this tract:

THENCE in a southeasterly direction with the south and west lines of said 88.062 acre tract and the north and east lines of said 133.645 acre tract, the following eleven (11) calls:

1. N. 66° 53' 51" E., 219.71 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 52° 38' 43" E., 128.00 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. S. 69° 23' 54" E., 131.79 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 56° 56' 21" E., 156.62 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 26° 46' 07" E., 109.08 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
6. N. 58° 14' 22" E., 283.31 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
7. N. 69° 54' 40" E., 182.78 feet, to a 1/2" iron rod with cap stamped "M&A" set for the northeast corner of this tract;
8. S. 51° 14' 39" E., 80.49 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
9. S. 33° 11' 00" E., 163.58 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
10. S. 23° 27' 06" E., 236.69 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
11. S. 38° 09' 25" E., 27.66 feet, to a 1/2" iron rod with cap stamped "M&A" set on the west line of that certain tract conveyed to Anita P. Fergus, et al by Probate, of record in Volume 5790, Page 177, O.P.R.R.P.B.C.T., for a corner of this tract;

THENCE S. 20° 17' 15" E., 545.52 feet, with the west line of said Fergus tract, to a 1/2" iron rod found at the southwest corner of said Fergus tract, for an "L" corner of this tract:

THENCE N. 68° 52' 50" E., 4.96 feet, with the south line of said Fergus tract, to a 3/8" iron rod with cap stamped "KES" found at the northwest corner of the remainder of that certain tract conveyed to Killeen Chaparral Development, LLC, of record in Document #2012-24898, O.P.R.R.P.B.C.T., for an "L" corner of this tract:

THENCE S. 20° 45' 28" E., 87.88 feet, with the west line of said Killeen Chaparral Development tract, to a 1/2" iron rod found for the southeast corner of this tract:

THENCE in a northerly and westerly direction over and across said 133.645 acre tract, the following seven (7) calls:

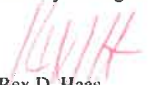
1. Along a curve to the left, having a radius of 940.00 feet, an arc length of 71.18 feet and a long chord bearing S. 82° 20' 33" W., 71.17 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 45° 14' 20" W., 154.47 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. N. 37° 30' 00" W., 161.58 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 27° 37' 32" W., 455.91 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 37° 34' 06" W., 185.81 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
6. S. 61° 43' 51" W., 320.68 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
7. S. 56° 04' 42" W., 642.43 feet, to a 1/2" iron rod with cap stamped "M&A" set on the west line of said 133.645 acre tract and the east line of said 14.034 acre tract, for the southwest corner of this tract;

THENCE N. 20° 42' 23" W., 254.12 feet, with the west line of said 133.645 acre tract and the east line of said 114.034 acre tract, to the POINT OF BEGINNING containing 8.827 acres of land.

The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS	KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that
COUNTY OF BELL	this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378



**ACKNOWLEDGMENTS AND RELEASE CONCERNING THE DONATION OF
RIGHT-OF-WAY TO THE CITY OF KILLEEN**

The City, in accordance with the Texas Local Government Code, Chapter 273, Section 273.001(a) and other applicable law, may accept donations for the purpose of carrying out its functions and duties; and

The Donor desires to donate property more particularly described on Exhibit "A", attached hereto and incorporated herein for all purposes (the "Property"), to the City; and to that end, the Donor has executed a Special Warranty Deed with Fee Simple Determinable Condition (the "Dedication"), a copy of which is attached hereto as Exhibit "B", conveying the Property to the City.

Donor acknowledges that the value of the Property donated has not been determined. Donor herein states for all purposes that Donor does not want an appraisal of the Property to be conducted, and Donor releases the City from any obligation to appraise the Property.

Donor agrees and acknowledges that Donor has been fully informed of his/her/its right to receive just compensation for the Property; however, it is the desire and intent of Donor to donate the Property to the City under the terms of the Dedication.

Donor acknowledges that acceptance of the donation herein described does not bind the City to a course of action or promise of performance except to the extent expressly set forth in the Dedication.

Donor understands that City does not approve and is not responsible for any representations made by the Donor for tax purposes.

The Donor acknowledges that Donor has been provided the Texas Landowner's Bill of Rights.

The undersigned signatory warrants that he/she, if acting for an organization, is an official representative of the organization making the donation described herein and that he/she is authorized to make the donation and to enter into this Agreement on behalf of the organization. The undersigned understands that the conveyance of the Property does not occur until the City has executed the attached Dedication.

John Helen Purser 1999 Trust

Gary W. Purser, Sr. 1999 Trust

By: _____
John Helen Purser, Trustee

By: _____
Ronald E. Stepp, Trustee

Date: _____

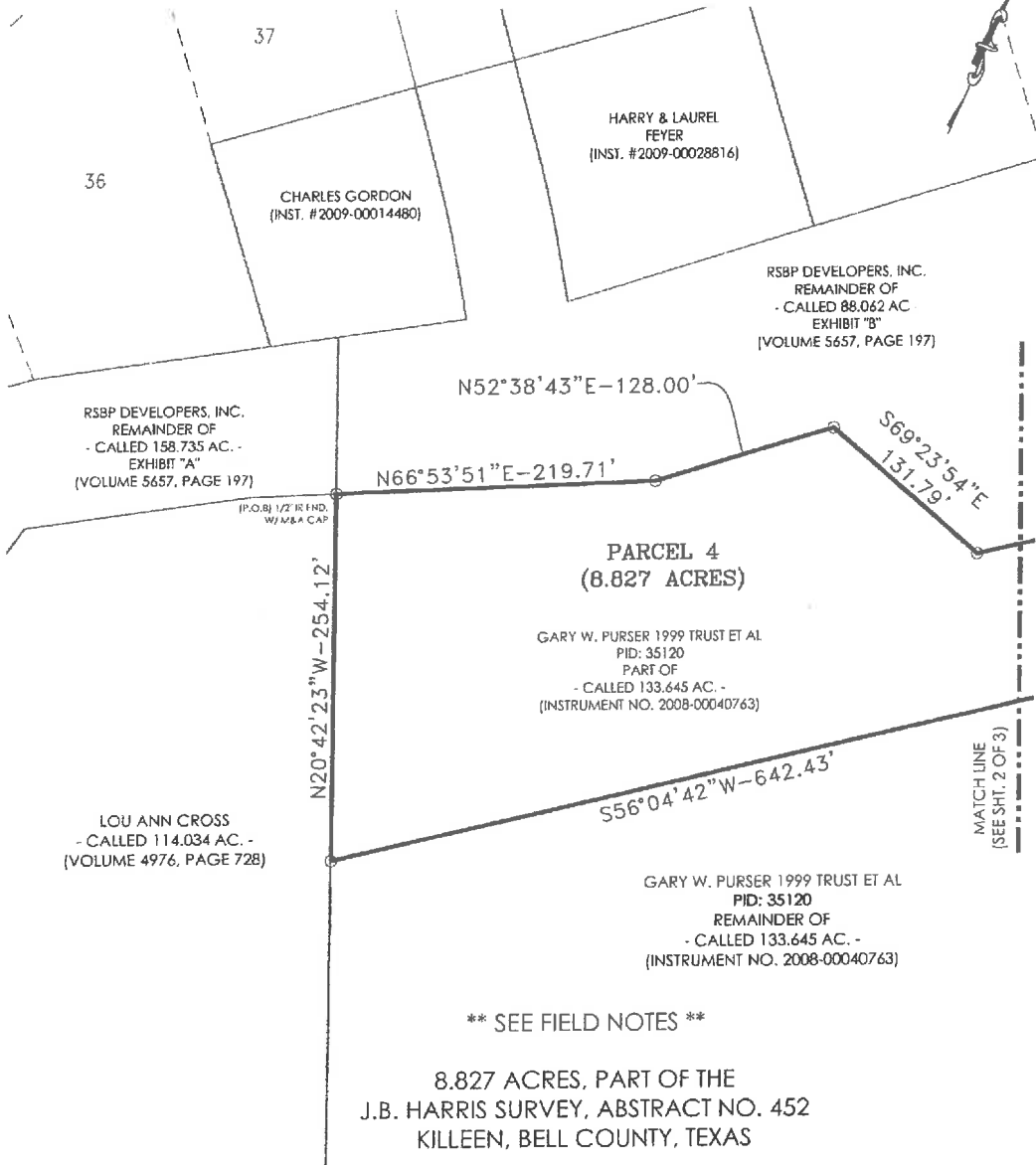
Principal Place of Business/Address:
2901 E. Stan Schlueter Loop
Killeen, Texas 76542



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 1 OF 3

SCALE:
 1" = 100'

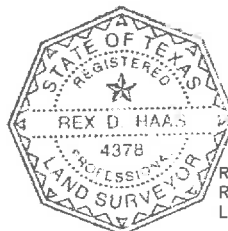


STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
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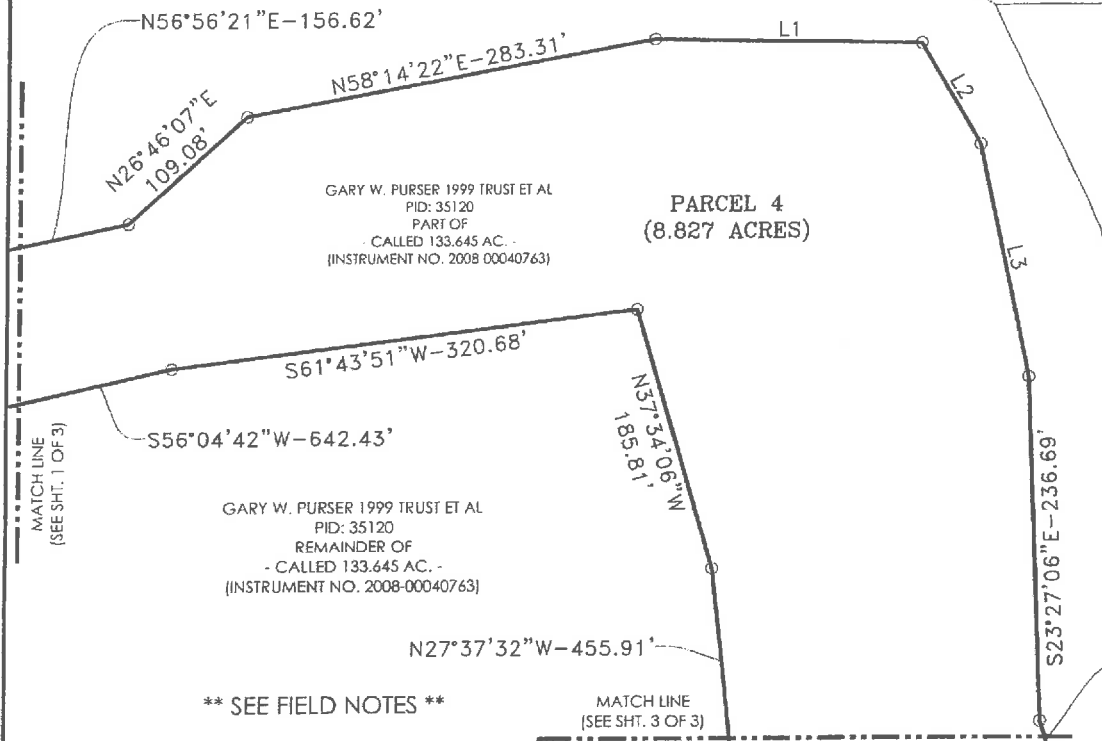
EXHIBIT "A"
SHEET 2 OF 3

SCALE:
 1" = 100'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N 69° 54' 40" E	182.78'
L2	S 51° 14' 39" E	80.49'
L3	S 33° 11' 00" E	163.58'

WHITE ROCK ESTATES,
 PHASE SEVEN
 (CAB D. SL 176-C & D)

RSBP DEVELOPERS, INC.
 REMAINDER OF
 - CALLED 88.062 AC -
 EXHIBIT "B"
 (VOLUME 5657, PAGE 197)



8.827 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

** SEE FIELD NOTES **

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORDS 95), TEXAS CENTRAL ZONE 45 PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

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 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 3 OF 3

SCALE:
 1" = 100'

MATCH LINE
 (SEE SHT. 2 OF 3)

GARY W. PURSER 1999 TRUST ET AL
 PID: 35120
 REMAINDER OF
 - CALLED 133.645 AC. -
 (INSTRUMENT NO. 2008-00040763)

GARY W. PURSER 1999 TRUST ET AL
 PID: 35120
 PART OF
 - CALLED 133.645 AC. -
 (INSTRUMENT NO. 2008-00040763)

PARCEL 4
(8.827 ACRES)

ANITA P. FERGUS, ETAL
 (VOLUME 5790, PAGE 177)

** SEE FIELD NOTES **

8.827 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

CB=S82°20'33"W Chord=71.17' Arc=71.18'
 Delta=4°20'20" Radius=940.00' Tan=35.61'

REMAINDER OF
 KILLEEN CHAPARRAL DEVELOPMENT, L.L.C.
 (INSTRUMENT NO. 2012 24898)

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

- NOTES:**
1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS. ALL DISTANCES ARE SURFACE DISTANCE. COMBINED SCALE FACTOR=1.0001168.

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

FIELD NOTES for a 8.827 acre tract of land in Bell County, Texas, being part of the J. B. Harris Survey, Abstract No. 452, and the land herein described being part of that certain 133.645 acre tract conveyed to Gary W. Purser 1999 Trust (1/2 interest) and John Helen Purser 1999 Trust (1/2 interest), of record in Document #2008-40763, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" found at the southwest corner of a called 88.062 acre tract designated Exhibit "B", conveyed to RSBP Developers, Inc., of record in Volume 5657, Page 197, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), the northwest corner of said 133.645 acre tract, the southeast corner of a called 158.735 acre tract designated Exhibit "A", conveyed to RSBP Developers, Inc., of record in Volume 5657, Page 197, O.P.R.R.P.B.C.T. and the northeast corner of a called 114.034 acre tract conveyed to Lou Ann Cross, of record in Volume 4976, Page 728, O.P.R.R.P.B.C.T., for the northwest corner of this tract;

THENCE in a southeasterly direction with the south and west lines of said 88.062 acre tract and the north and east lines of said 133.645 acre tract, the following eleven (11) calls:

1. N. 66° 53' 51" E., 219.71 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 52° 38' 43" E., 128.00 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. S. 69° 23' 54" E., 131.79 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 56° 56' 21" E., 156.62 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 26° 46' 07" E., 109.08 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
6. N. 58° 14' 22" E., 283.31 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
7. N. 69° 54' 40" E., 182.78 feet, to a 1/2" iron rod with cap stamped "M&A" set for the northeast corner of this tract;
8. S. 51° 14' 39" E., 80.49 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
9. S. 33° 11' 00" E., 163.58 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
10. S. 23° 27' 06" E., 236.69 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
11. S. 38° 09' 25" E., 27.66 feet, to a 1/2" iron rod with cap stamped "M&A" set on the west line of that certain tract conveyed to Anita P. Fergus, et al by Probate, of record in Volume 5790, Page 177, O.P.R.R.P.B.C.T., for a corner of this tract;

THENCE S. 20° 17' 15" E., 545.52 feet, with the west line of said Fergus tract, to a 1/2" iron rod found at the southwest corner of said Fergus tract, for an "L" corner of this tract;

THENCE N. 68° 52' 50" E., 4.96 feet, with the south line of said Fergus tract, to a 3/8" iron rod with cap stamped "KES" found at the northwest corner of the remainder of that certain tract conveyed to Killeen Chaparral Development, LLC, of record in Document #2012-24898, O.P.R.R.P.B.C.T., for an "L" corner of this tract;

THENCE S. 20° 45' 28" E., 87.88 feet, with the west line of said Killeen Chaparral Development tract, to a 1/2" iron rod found for the southeast corner of this tract;

THENCE in a northerly and westerly direction over and across said 133.645 acre tract, the following seven (7) calls:

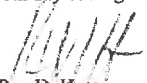
1. Along a curve to the left, having a radius of 940.00 feet, an arc length of 71.18 feet and a long chord bearing S. 82° 20' 33" W., 71.17 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 45° 14' 20" W., 154.47 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. N. 37° 30' 00" W., 161.58 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 27° 37' 32" W., 455.91 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 37° 34' 06" W., 185.81 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
6. S. 61° 43' 51" W., 320.68 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
7. S. 56° 04' 42" W., 642.43 feet, to a 1/2" iron rod with cap stamped "M&A" set on the west line of said 133.645 acre tract and the east line of said 14.034 acre tract, for the southwest corner of this tract;

THENCE N. 20° 42' 23" W., 254.12 feet, with the west line of said 133.645 acre tract and the east line of said 114.034 acre tract, to the POINT OF BEGINNING containing 8.827 acres of land.

The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas,
Registered Professional Land Surveyor, do hereby certify that the above described tract
was surveyed on the ground and that
COUNTY OF BELL this description is true and correct to the best of my knowledge
and belief. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**SPECIAL WARRANTY DEED
WITH FEE SIMPLE DETERMINABLE CONDITION**

DATE: _____, 2017

GRANTOR: RSBP Developers, Inc., a Texas Corporation

GRANTOR'S MAILING ADDRESS: 2901 E. Stan Schlueter Loop, Killeen, Texas 76542

GRANTEE: City of Killeen ("City")

GRANTEE'S MAILING ADDRESS: 101 North College, Killeen, Bell Co., TX 76541

CONSIDERATION: As a dedication for the use and benefit of the public

PROPERTY: 6.161 acres, remainder of called 88.062 acres out of the J.B. Harris Survey, Abstract No. 452, Killeen, Bell County, Texas, as recorded in Volume 5657, Page 197, 1.279 acres, 0.925 acres, 0.264 acres, 0.394 acres, remainder of called 44.361 acres out of the A.H. Wood Survey, Abstract No. 886, Killeen, Bell County, Texas, and 0.014 acres out of the A.H. Wood Survey, Abstract No. 886, Killeen, Bell County, Texas as recorded in Instrument No. 2013-3263, Official Public Records of Bell County, Texas, and being more particularly described by metes and bounds in Parcels 3, 5, 6, 7, 8, and 10 attached hereto and incorporated by reference for all relevant purposes as if set forth at length herein

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY: Grantor reserves and excepts from the property conveyed all encumbrances and other matters of record in the Official Public Records of Real Property of Bell County, Texas, to the extent they are validly existing and affect the Property.

FEE SIMPLE DETERMINABLE CONDITION: Grantee must award a construction contract for a public trafficway on the Property (generally consisting of extending Rosewood Drive to Chaparral Road) within one (1) year of the date of acceptance by the Grantee herein.

Grantor, for the Consideration and subject to the Reservations From Conveyance and Warranty, GRANTS, DEDICATES, AND CONVEYS to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, TO HAVE AND HOLD IT to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations From and Exceptions to Conveyance and Warranty, when such claim arises by, through or under Grantor, but not otherwise. PROVIDED, HOWEVER, that if the Fee Simple Determinable Condition is not satisfied, the Property will automatically revert to and be owned by Grantor without the necessity of any further act on the part of Grantor, it being Grantor's intent to convey a fee simple determinable estate to Grantee. An affidavit stating that the condition has been fulfilled, filed during the first six months of the second year, if not contradicted by a recorded statement filed within the same six months, is conclusive evidence that the condition has been satisfied, and Grantee and third parties may rely on it.

EXCEPTING ONLY THE WARRANTY OF TITLE HEREIN, GRANTOR HAS MADE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, UPON WHICH GRANTEE HAS RELIED, AS TO THE CONDITION OF THE PROPERTY, THE FITNESS OF THE PROPERTY FOR ANY INTENDED USE OR PURPOSE, THE EXISTENCE OF ANY HAZARDOUS OR TOXIC MATERIALS IN OR ON THE LAND OR ANY OTHER ENVIRONMENTAL CONDITION OF THE LAND, THE AVAILABILITY OF UTILITIES OR OTHER SERVICES TO THE LAND, THE WORKMANSHIP OR MATERIALS USED IN THE IMPROVEMENTS ON THE PROPERTY (IF ANY), THE PRESENT OR FUTURE INCOME THAT MAY BE GENERATED FROM THE PROPERTY, OR ANY OTHER MATTER. GRANTEE ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS INVESTIGATION AND EXAMINATION OF THE PROPERTY, AND IS SATISFIED WITH THE TITLE AND CONDITION THEREOF. GRANTEE WAIVES ALL CLAIMS FOR FRAUDULENT INDUCEMENT, DISCLAIMS ANY DUTY OF GRANTOR TO MAKE ANY DISCLOSURES WITH RESPECT TO THE PROPERTY, AND ACCEPTS THE PROPERTY "AS IS" AND "WITH ALL FAULTS," WITH ANY AND ALL LATENT AND PATENT DEFECTS.

When the context requires, singular nouns and pronouns include the plural.

RSBP Developers, Inc.

By: _____
Name: Gary Purser, Jr.
Title: President

Acknowledgment

STATE OF TEXAS

COUNTY OF BELL

This instrument was acknowledged before me on _____, 2017, by Gary Purser, Jr., President of RSBP Developers, Inc., a Texas Corporation.

Notary Public, State of Texas

My Commission Expires:

The City of Killeen does hereby accept the above described conveyance.

DATE

CITY OF KILLEEN

Ronald L. Olson

ATTEST

Dianna Barker
City Secretary



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

CURVE TABLE

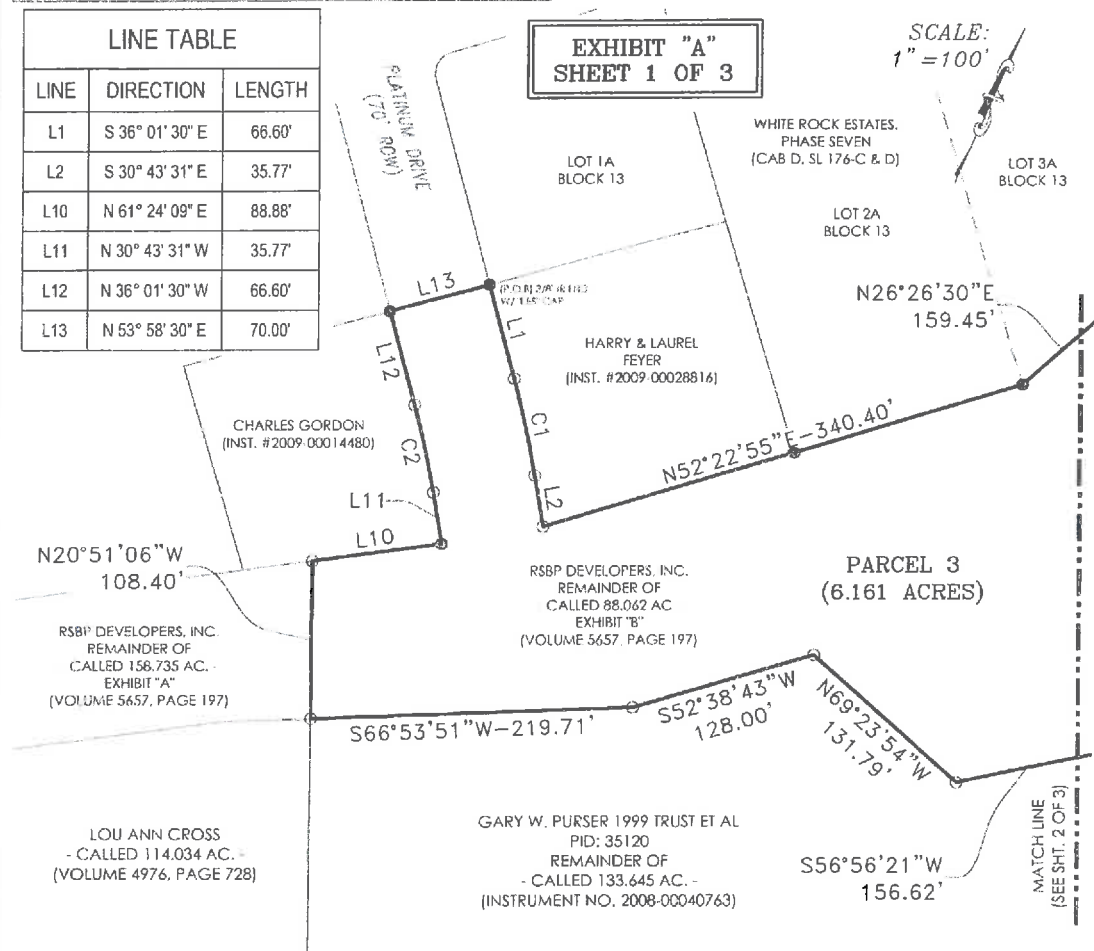
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C1	S33°22'31"E	67.96'	67.98'	735.00'	5°17'59"	34.02'
C2	N33°22'31"W	61.49'	61.51'	665.00'	5°17'59"	30.78'

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S 36° 01' 30" E	66.60'
L2	S 30° 43' 31" E	35.77'
L10	N 61° 24' 09" E	88.88'
L11	N 30° 43' 31" W	35.77'
L12	N 36° 01' 30" W	66.60'
L13	N 53° 58' 30" E	70.00'

EXHIBIT "A"
SHEET 1 OF 3

SCALE:
 1" = 100'



**** SEE FIELD NOTES ****

6.161 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CRS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS. ALL DISTANCES ARE SURFACE DISTANCE. COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

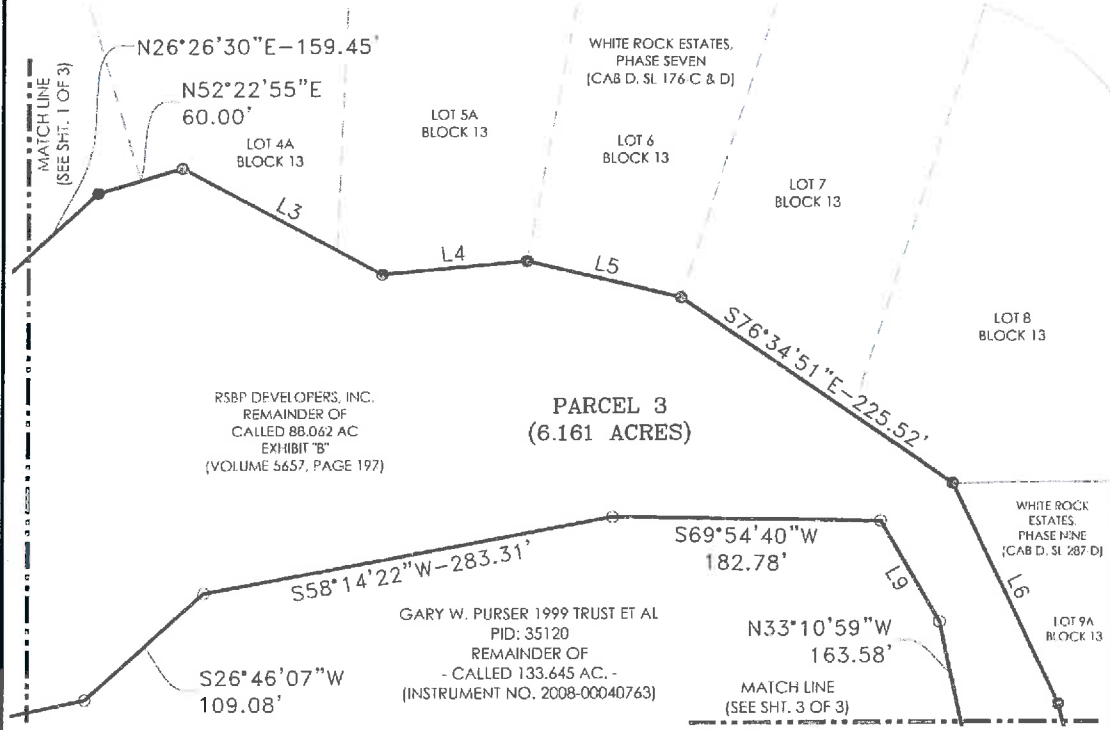
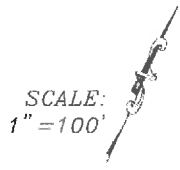
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 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 2 OF 3

LINE TABLE		
LINE	DIRECTION	LENGTH
L3	S 82° 51' 04" E	154.09'
L4	N 63° 35' 20" E	99.80'
L5	N 82° 23' 53" E	108.13'
L6	S 46° 33' 51" E	168.03'
L9	N 51° 14' 21" W	80.48'



**** SEE FIELD NOTES ****

6.161 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

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Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

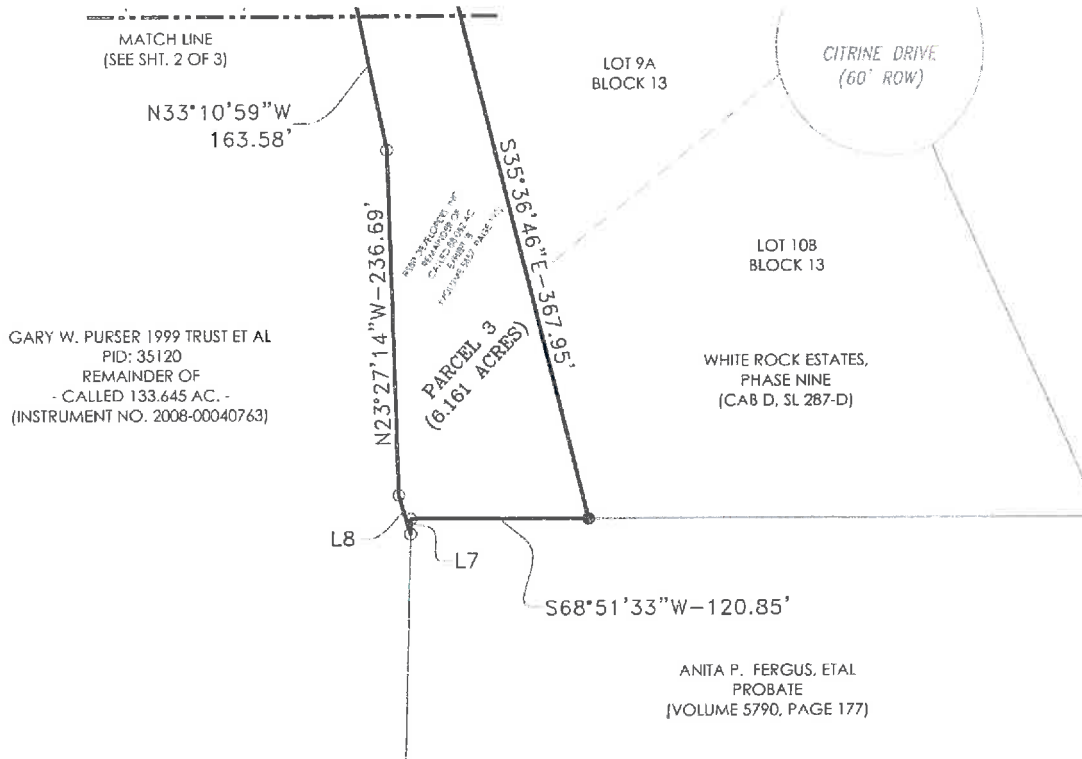
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MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 3 OF 3

LINE TABLE		
LINE	DIRECTION	LENGTH
L7	S 20° 17' 15" E	10.30'
L8	N 38° 09' 25" W	27.66'



**** SEE FIELD NOTES ****

6.161 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
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Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

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 ⊙ = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED

FIELD NOTES for a 6.161 acre tract of land in Bell County, Texas, being part of the J. B. Harris Survey, Abstract No. 452, and the land herein described being part of a called 88.062 acre tract designated Exhibit "B", conveyed to RSBP Developers, Inc., of record in Volume 5657, Page 197, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found at the southeast terminus of Platinum Drive at the southwest corner of Lot 1A, Block 13, White Rock Estates Phase Seven, an addition to the City of Killeen, Texas, of record in Cabinet D, Slide 176-C&D, Plat Records of Bell County, Texas and being the northwest corner of that certain tract conveyed to Harry and Laurel Feyer, of record in Document #2009-28816, O.P.R.R.P.B.C.T., for the northeast corner of this tract;

THENCE in a southeasterly direction with the west line of said Feyer tract, the following three (3) calls:

1. S. 36° 01' 30" E., 66.60 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the right, for a corner of this tract;
2. along said curve to the right, having a radius of 735.00 feet, an arc length of 67.98 feet and a long chord bearing S. 33° 22' 31" E., 67.96 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
3. S. 30° 43' 31" E., 35.77 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;

THENCE N. 52° 22' 55" E., with the south line of said Feyer tract, at a distance of 178.01 feet, pass a 3/8" iron rod with cap stamped "KES" found at the southeast corner of said Feyer tract and the southwest corner of Lot 2A, said Block 13, continuing on same course with the south line of said Lot 2A, for a total distance in all of 340.40 feet, to a 3/8" iron rod with cap stamped "KES" found at the southeast corner of said Lot 2A and the southwest corner of Lot 3A, for an angle corner of this tract;

THENCE in an easterly direction with the south and west lines of said Block 13, the following eight (8) calls:

1. N. 26° 26' 30" E., 159.45 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
2. N. 52° 22' 55" E., 60.00 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
3. S. 82° 51' 04" E., 154.09 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
4. N. 63° 35' 20" E., 99.80 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
5. N. 82° 23' 53" E., 108.13 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
6. S. 76° 34' 51" E., 225.52 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
7. S. 46° 33' 51" E., 168.03 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
8. S. 35° 36' 46" E., 367.95 feet, to a 3/8" iron rod with cap stamped "KES" found at the southwest corner of Lot 10B, White Rock Estates Phase Nine, an addition to the City of Killeen, Texas, of record in Cabinet D, Slide 287-D, Plat Records of Bell County, Texas, being on the north line of that certain tract conveyed by Probate to Anita P. Fergus, et al. of record in Volume 5790, Page 177, O.P.R.R.P.B.C.T., for the southeast corner of this tract;

THENCE S. 68° 51' 33" W., 120.85 feet, with the south line of said 88.062 tract and the north line of said Fergus tract, to a 1/2" iron rod with cap stamped "M&A" set at the northwest corner of said Fergus tract and an interior corner of said 88.062 acre tract, for an interior corner of this tract;

THENCE S. 20° 17' 53" E., 10.30 feet, with the west line of said Fergus tract, to a 1/2" iron rod with cap stamped "M&A" set on the east line of that certain 133.645 acre tract conveyed to Gary W. Purser 1999 Trust (1/2 interest) and John Helen Purser 1999 Trust (1/2 interest), of record in Document #2008-40763, O.P.R.R.P.B.C.T., for the most easterly southwest corner of this tract;

THENCE in a northwesterly direction with the east and south lines of said 88.062 acre tract and the west and north lines of said 1999 Trust tract, the following eleven (11) calls:

1. N. 38° 09' 25" W., 27.66 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
2. N. 23° 27' 14" W., 236.69 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
3. N. 33° 10' 59" W., 163.58 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
4. N. 51° 14' 21" W., 80.48 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
5. S. 69° 54' 40" W., 182.78 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;

CITY OF KILLEEN
PARCEL 3 CONTINUED
6.161 ACRES

6. S. 58° 14' 22" W., 283.31 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
7. S. 26° 46' 07" W., 109.08 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
8. S. 56° 56' 21" W., 156.62 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
9. N. 69° 23' 54" W., 131.79 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
10. S. 52° 38' 43" W., 128.00 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
11. S. 66° 53' 51" W., 219.71 feet, to a 1/2" iron rod with cap stamped "M&A" set at the southwest corner of said 88.062 acre tract, the northwest corner of said 1999 Trust tract, the southeast corner of a called 158.735 acre tract designated Exhibit "A", conveyed to RSBP Developers, Inc., of record in said Volume 5657, Page 197 and the northeast corner of a called 114.034 acre tract conveyed to Lou Ann Cross, of record in Volume 4976, Page 728, O.P.R.R.P.B.C.T., for the westerly southwest corner of this tract;

THENCE N. 20° 51' 06" W., 108.40 feet, with the west line of said 88.062 acre tract and the east line of said 158.735 acre tract, to a 1/2" iron rod with cap stamped "M&A" set on the south line of that certain tract conveyed to Charles Gordon, of record in Document #2009-14480, O.P.R.R.P.B.C.T., for the southerly northwest corner of this tract;

THENCE N. 61° 24' 09" E., 88.88 feet, with the south line of said Gordon tract, to a 3/8" iron rod with cap stamped "KES" found at the southeast corner of said Gordon tract, for an interior corner of this tract;

THENCE in a northwesterly direction with the east line of said Gordon tract, the following three (3) calls:

1. N. 30° 43' 31" W., 35.77 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
2. along said curve to the left, having a radius of 665.00 feet, an arc length of 61.51 feet and a long chord bearing N. 33° 22' 31" W., 61.49 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
3. N. 36° 01' 30" W., 66.60 feet, to a 3/8" iron rod with cap stamped "KES" found at the northeast corner of said Gordon tract and the southeast corner of Lot 37, Block 1, White Rock Estates Phase Four, Section Two, an addition to the City of Killeen, Texas, of record in Cabinet D, Slide 151-A1 & A2, Plat Records of Bell County, Texas, being the southwest terminus of said Platinum Drive, for the northerly northwest corner of this tract;

THENCE N. 53° 58' 30" E., 70.00 feet, with the south terminus of said Platinum Drive, to the POINT OF BEGINNING containing 6.161 acres of land.

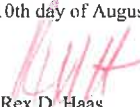
The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

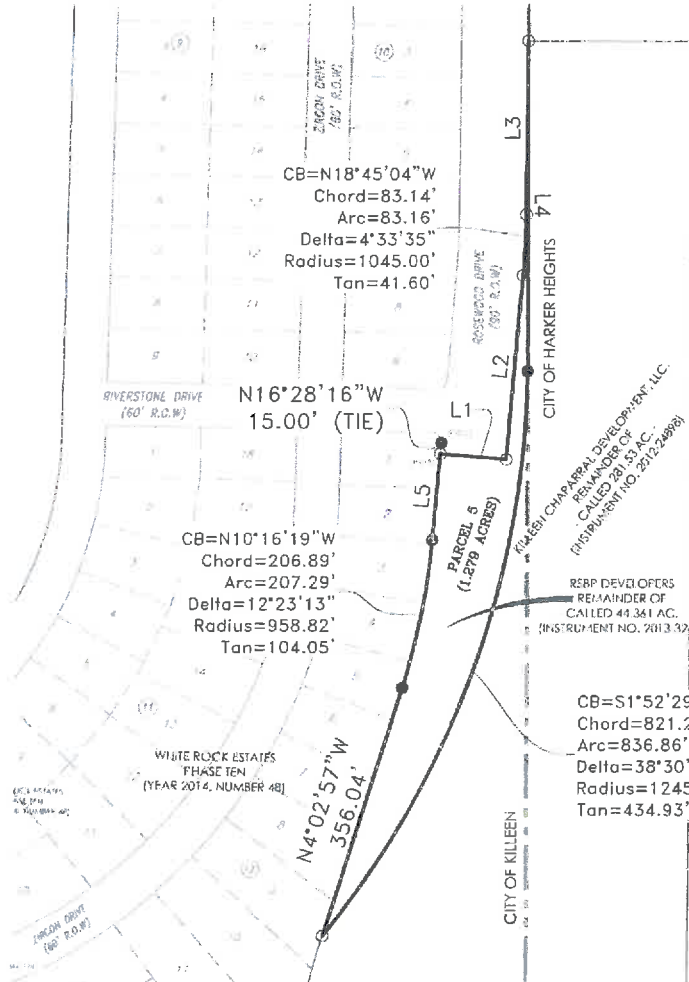

Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 1 OF 1



SCALE:
 1" = 200'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N 73° 31' 44" E	90.00'
L2	N 16° 28' 16" W	252.63'
L3	N 21° 01' 51" W	237.24'
L4	S 21° 34' 41" E	451.27'
L5	N 16° 27' 47" W	118.59'

** SEE FIELD NOTES **

1.279 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (COORD. 98), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ⊙ = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

FIELD NOTES for a 1.279 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" set on the west right-of-way line of Rosewood Drive and the east line of Lot 1, Block 12, White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, for the southerly northwest corner of this tract, whence a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve, being a northeast corner of said Lot 1, bears N. 16° 27' 47" W., 15.00 feet;

THENCE over and across said 44.361 acre tract, the following four (4) calls:

1. N. 73° 31' 44" E., 90.00 feet, to a 1/2" iron rod with cap stamped "M&A" set on the east right-of-way line of said Rosewood Drive, for an interior corner of this tract;
2. N. 16° 28' 16" W., 252.63 feet, with the east right-of-way line of said Rosewood Drive, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
3. With the east right-of-way line of said Rosewood Drive and along said curve to the left, having a radius of 1045.00 feet, an arc length of 83.16 feet and a long chord bearing N. 18° 45' 04" W., 83.14 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
4. N. 21° 01' 51" W., 237.24 feet, with the east right-of-way line of said Rosewood Drive, to a 1/2" iron rod with cap stamped "M&A" set on the east line of said 44.361 acre tract, same being on the approximate city limit line dividing the City of Killeen and the City of Harker Heights, for the north corner of this tract;

THENCE in a southerly direction with the east line of said 44.361 acre tract, the following two (2) calls:

1. S. 21° 34' 41" E., 451.27 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the right, for a corner of this tract;
2. along said curve to the right, having a radius of 1245.00 feet, an arc length of 836.86 feet and a long chord bearing S. 01° 52' 29" E., 821.20 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve on the east line of said Block 12, for the south corner of this tract;

THENCE in a northerly direction with the east line of said Block 12, the following three (3) calls:

1. N. 04° 02' 57" W., 356.04 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
2. Along a curve to the left, having a radius of 958.82 feet, an arc length of 207.29 feet and a long chord bearing N. 10° 16' 19" W., 206.89 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;

THENCE N. 16° 27' 47" W., 118.59 feet, with the east line of said Block 12, to the POINT OF BEGINNING containing 1.279 acres of land.

The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORSS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas,
 . Registered Professional Land Surveyor, do hereby certify that the
 COUNTY OF BELL. above described tract was surveyed on the ground and that
 this description is true and correct to the best of my knowledge
 and belief. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

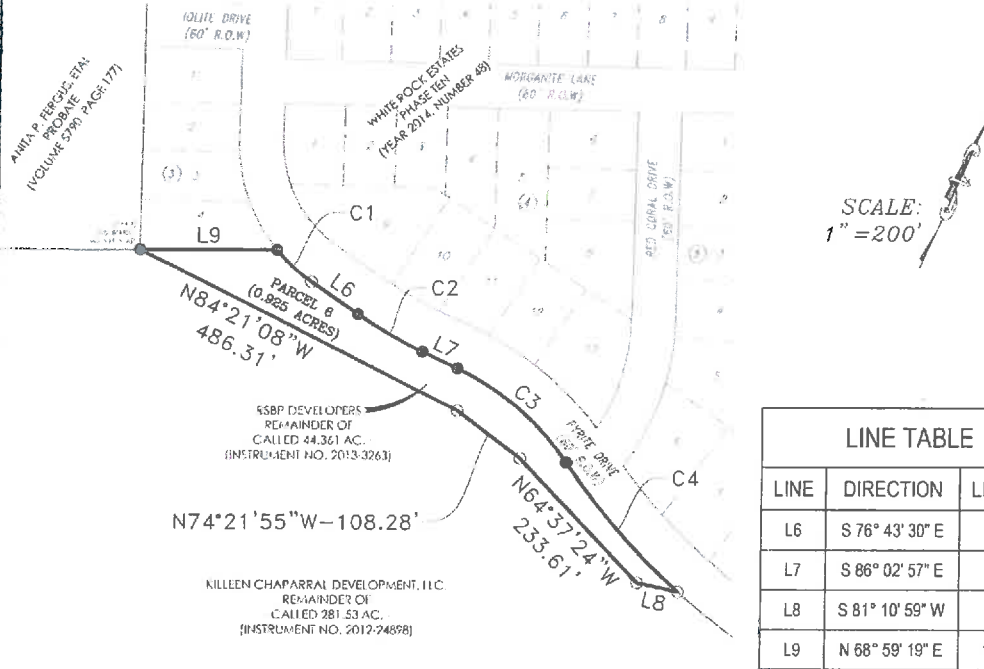
Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

**EXHIBIT "B"
 SHEET 1 OF 1**



SCALE:
 1" = 200'

LINE TABLE		
LINE	DIRECTION	LENGTH
L6	S 76° 43' 30" E	77.87'
L7	S 86° 02' 57" E	53.34'
L8	S 81° 10' 59" W	57.32'
L9	N 68° 59' 19" E	184.93'

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C1	S68°43'47"E	63.98'	64.19'	230.00'	15°59'26"	32.31'
C2	S81°23'13"E	102.41'	102.53'	630.00'	9°19'27"	51.38'
C3	S70°33'16"E	197.69'	200.12'	370.00'	30°59'23"	102.57'
C4	S62°16'55"E	233.84'	234.46'	930.00'	14°26'42"	117.86'

** SEE FIELD NOTES **

0.925 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT
2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (GORS 86), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
3. ALL DISTANCES ARE SURFACE DISTANCE.
4. COMBINED SCALE FACTOR=1.0001165.

- = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
- ⊙ = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

FIELD NOTES for a 0.925 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found in a curve to the left on the south right-of-way line of Pyrite Drive at the southeast corner of Lot 4, Block 3, White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, for the northwest corner of this tract;

THENCE in an easterly direction with the south right-of-way line of said Pyrite Drive, the following six (6) calls:

1. Along said curve to the left, having a radius of 230.00 feet, an arc length of 64.19 feet and a long chord bearing S. 68° 43' 47" E., 63.98 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. S. 76° 43' 30" E., 77.87 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
3. along said curve to the left, having a radius of 630.00 feet, an arc length of 102.53 feet and a long chord bearing S. 81° 23' 13" E., 102.41 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
4. S. 86° 02' 57" E., 53.34 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the right, for a corner of this tract;
5. along said curve to the right, having a radius of 370.00 feet, an arc length of 200.12 feet and a long chord bearing S. 70° 33' 16" E., 197.69 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve and the beginning of a curve to the left, for a corner of this tract;
6. along said curve to the left, having a radius of 930.00 feet, an arc length of 234.46 feet and a long chord bearing S. 62° 16' 55" E., 233.84 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of said 44.361 acre tract and the north line of a called 281.53 acre tract conveyed to Killeen Chaparral Development, L.L.C., of record in Document #2012-24898, O.P.R.R.P.B.C.T., for the northeast corner of this tract;

THENCE in a westerly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following four (4) calls:

1. S. 81° 10' 59" W., 57.32 feet, to a 1/2" iron rod with cap stamped "M&A" set for the southeast corner of this tract;
2. N. 64° 37' 24" W., 233.61 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. N. 74° 21' 55" W., 108.28 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 84° 21' 08" W., 486.31 feet, to a 3/8" iron rod with cap stamped "KES" found at the southwest corner of said Lot 4, for the westerly corner of this tract;

THENCE N. 68° 59' 19" E., 184.93 feet, with the south line of said Lot 4, to the POINT OF BEGINNING containing 0.925 acre of land.

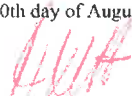
The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

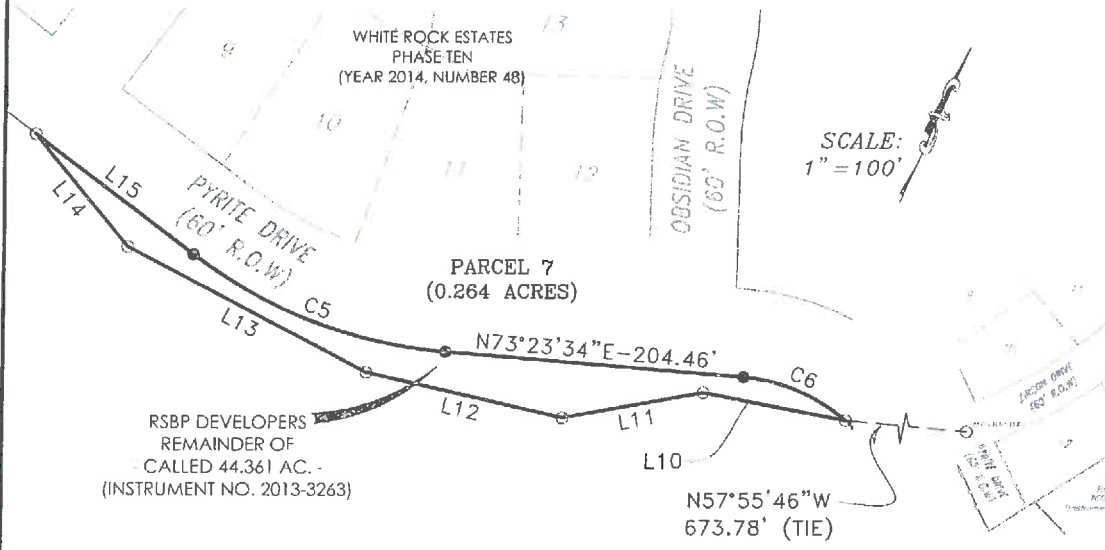

Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "C"
SHEET 1 OF 1



SCALE:
 1" = 100'

RSBP DEVELOPERS
 REMAINDER OF
 - CALLED 44.361 AC. -
 (INSTRUMENT NO. 2013-3263)

KILLEEN CHAPARRAL DEVELOPMENT, LLC.
 REMAINDER OF
 - CALLED 281.53 AC. -
 (INSTRUMENT NO. 2012-24898)

LINE TABLE		
LINE	DIRECTION	LENGTH
L10	S 79° 42' 58" W	99.33'
L11	S 58° 21' 01" W	97.83'
L12	S 81° 42' 11" W	137.26'
L13	N 83° 39' 31" W	184.76'
L14	N 60° 36' 30" W	98.95'
L15	S 74° 01' 49" E	135.02'

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C5	N89°40'52"E	185.11'	187.63'	330.00'	32°34'37"	96.43'
C6	S88°10'46"E	75.87'	77.19'	120.00'	36°51'21"	39.98'

**** SEE FIELD NOTES ****

0.264 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1 SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2 ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○=CORNERS ARE 1/2" IR W/ M/A CAP SET UNLESS OTHERWISE NOTED.
 ⊙=CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

FIELD NOTES for a 0.264 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of Pyrite Drive, for the most easterly corner of this tract, being on the south line of said 44.361 acre tract and the north line of a called 281.53 acre tract conveyed to Killeen Chaparral Development, L.L.C, of record in Document #2012-24898, O.P.R.R.P.B.C.T., whence a mag nail found at the centerline intersection of Pyrite Drive and Zircon Drive of White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, bears S. 57° 55' 46" E., 673.78 feet;

THENCE in a westerly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following five (5) calls:

1. S. 79° 42' 58" W., 99.33 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. S. 58° 21' 01" W., 97.83 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. S. 81° 42' 11" W., 137.26 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 83° 39' 31" W., 184.76 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 60° 36' 30" W., 98.95 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south right-of-way line of said Pyrite Drive, for the westerly corner of this tract;

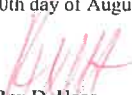
THENCE in an easterly direction with the south right-of-way line of said Pyrite Drive, the following four (4) calls:

1. S. 74° 01' 49" E., 135.02 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
2. along said curve to the left, having a radius of 330.00 feet, an arc length of 187.63 feet and a long chord bearing N. 89° 40' 52" E., 185.11 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
3. N. 73° 23' 34" E., 204.46 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of said curve to the right, for a corner of this tract;
4. along said curve to the right, having a radius of 120.00 feet, an arc length of 77.19 feet and a long chord bearing S. 88° 10' 46" E., 75.87 feet, to the POINT OF BEGINNING containing 0.264 acre of land.

The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas,
Registered Professional Land Surveyor, do hereby certify that the
COUNTY OF BELL above described tract was surveyed on the ground and that
this description is true and correct to the best of my knowledge
and belief. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

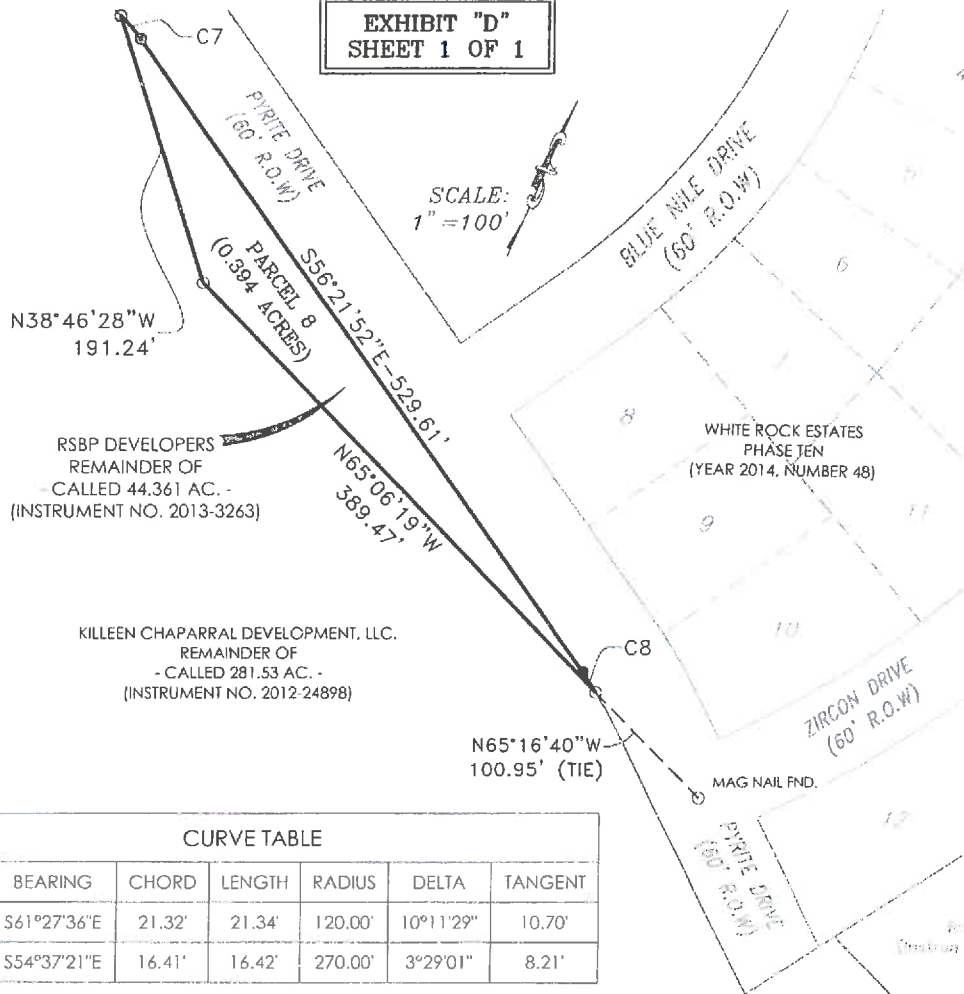

Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "D"
SHEET 1 OF 1



N38°46'28"W
191.24'

RSBP DEVELOPERS
REMAINDER OF
- CALLED 44.361 AC. -
(INSTRUMENT NO. 2013-3263)

KILLEEN CHAPARRAL DEVELOPMENT, LLC.
REMAINDER OF
- CALLED 281.53 AC. -
(INSTRUMENT NO. 2012-24898)

WHITE ROCK ESTATES
PHASE TEN
(YEAR 2014, NUMBER 48)

N65°16'40"W
100.95' (TIE)

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C7	S61°27'36"E	21.32'	21.34'	120.00'	10°11'29"	10.70'
C8	S54°37'21"E	16.41'	16.42'	270.00'	3°29'01"	8.21'

**** SEE FIELD NOTES ****

0.394 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

- 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
- 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS
- ALL DISTANCES ARE SURFACE DISTANCE.
- COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

CITY OF KILLEEN
PARCEL 8
0.394 ACRE

FIELD NOTES for a 0.394 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of Pyrite Drive, for the most easterly corner of this tract, being on the south line of said 44.361 acre tract and the north line of a called 281.53 acre tract conveyed to Killeen Chaparral Development, LLC, of record in Document #2012-24898, O.P.R.R.P.B.C.T., whence a mag nail found at the centerline intersection of Pyrite Drive and Zircon Drive of White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, bears S. 65° 16' 40" E., 100.95 feet;

THENCE in a westerly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following two (2) calls:

1. N. 65° 06' 19" W., 389.47 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 38° 46' 28" W., 191.24 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of said Pyrite Drive, for the westerly corner of this tract;

THENCE in an easterly direction with the south right-of-way line of said Pyrite Drive, the following three (3) calls:

1. along said curve to the right, having a radius of 120.00 feet, an arc length of 21.34 feet and a long chord bearing S. 61° 27' 36" E., 21.32 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. S. 56° 21' 52" E., 529.61 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of said curve to the right, for a corner of this tract;
3. along said curve to the right, having a radius of 270.00 feet, an arc length of 16.42 feet and a long chord bearing S. 54° 37' 21" E., 16.41 feet, to the POINT OF BEGINNING containing 0.394 acre of land.


The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378

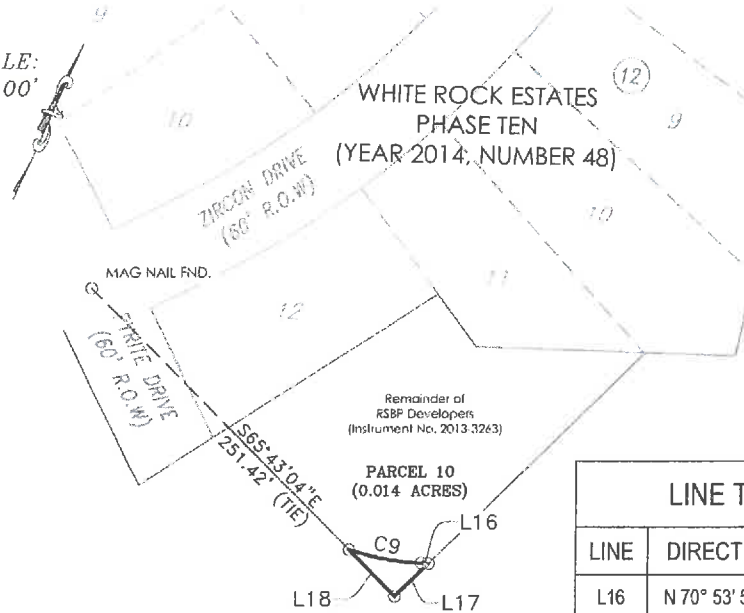




MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "E"
SHEET 1 OF 1

SCALE:
 1" = 100'



KILLEEN CHAPARRAL DEVELOPMENT, LLC.
 REMAINDER OF
 - CALLED 281.53 AC. -
 (INSTRUMENT NO. 2012-24898)

LINE TABLE		
LINE	DIRECTION	LENGTH
L16	N 70° 53' 57" E	5.28'
L17	S 24° 24' 08" W	32.34'
L18	N 65° 35' 52" W	44.92'

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C9	N79°27'29"E	50.13'	50.31'	170.94'	16°51'42"	25.34'

** SEE FIELD NOTES **

0.014 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
- ALL DISTANCES ARE SURFACE DISTANCE.
- COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

() = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

CITY OF KILLEEN
PARCEL 10
0.014 ACRE

FIELD NOTES for a 0.014 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found at the south corner of the remainder of said 44.361 acre tract, for the south corner of this tract;

THENCE N. 65° 35' 52" W., 44.92 feet, with the south line of said 44.361 acre tract, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the left on the proposed north right-of-way line of Pyrite Drive, for the west corner of this tract;

THENCE with the proposed north right-of-way line of said Pyrite Drive and along said curve to the left, having a radius of 170.94 feet, an arc length of 50.31 feet and a long chord bearing N. 79° 27' 29" E., 50.13 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;

THENCE N. 70° 53' 57" E., 5.28 feet, to a 1/2" iron rod with cap stamped "M&A" set on the east line of said 44.361 acre tract, for the east corner of this tract;

THENCE S. 24° 24' 08" W., 32.34 feet, with the east line of said 44.361 acre tract, to the POINT OF BEGINNING containing 0.014 acre of land.

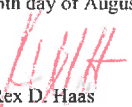
The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 16th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378



**ACKNOWLEDGMENTS AND RELEASE CONCERNING THE DONATION OF
RIGHT-OF-WAY TO THE CITY OF KILLEEN**

The City, in accordance with the Texas Local Government Code, Chapter 273, Section 273.001(a) and other applicable law, may accept donations for the purpose of carrying out its functions and duties; and

The Donor desires to donate property more particularly described as Parcels 3, 5, 6, 7, 8, and 10 attached hereto and incorporated herein for all purposes (the "Property"), to the City; and to that end, the Donor has executed a Special Warranty Deed with Fee Simple Determinable Condition (the "Dedication"), a copy of which is attached hereto as Exhibit "B", conveying the Property to the City.

Donor acknowledges that the value of the Property donated has not been determined. Donor herein states for all purposes that Donor does not want an appraisal of the Property to be conducted, and Donor releases the City from any obligation to appraise the Property.

Donor agrees and acknowledges that Donor has been fully informed of his/her/its right to receive just compensation for the Property; however, it is the desire and intent of Donor to donate the Property to the City under the terms of the Dedication.

Donor acknowledges that acceptance of the donation herein described does not bind the City to a course of action or promise of performance except to the extent expressly set forth in the Dedication.

Donor understands that City does not approve and is not responsible for any representations made by the Donor for tax purposes.

The Donor acknowledges that Donor has been provided the Texas Landowner's Bill of Rights.

The undersigned signatory warrants that he/she, if acting for an organization, is an official representative of the organization making the donation described herein and that he/she is authorized to make the donation and to enter into this Agreement on behalf of the organization. The undersigned understands that the conveyance of the Property does not occur until the City has executed the attached Dedication.

RSBP Developers, INC., a Texas Corporation

by _____
Gary W. Purser, Jr., President

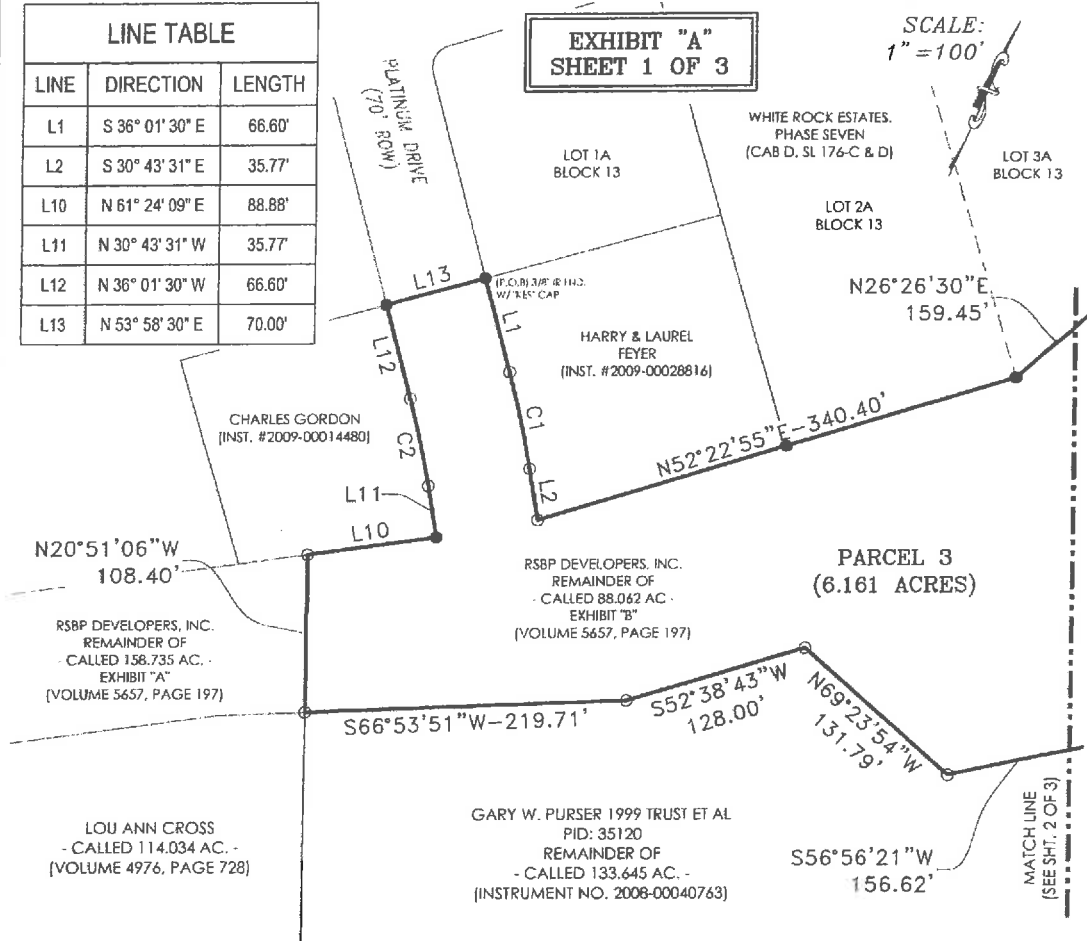
Date: _____
Principal Place of Business/Address:
2901 E. Stan Schlueter Loop
Killeen, Texas 76542



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C1	S33°22'31"E	67.96'	67.98'	735.00'	5°17'59"	34.02'
C2	N33°22'31"W	61.49'	61.51'	665.00'	5°17'59"	30.78'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S 36° 01' 30" E	66.60'
L2	S 30° 43' 31" E	35.77'
L10	N 61° 24' 09" E	88.88'
L11	N 30° 43' 31" W	35.77'
L12	N 36° 01' 30" W	66.60'
L13	N 53° 58' 30" E	70.00'



**** SEE FIELD NOTES ****

**6.161 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS**

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORDS 98), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

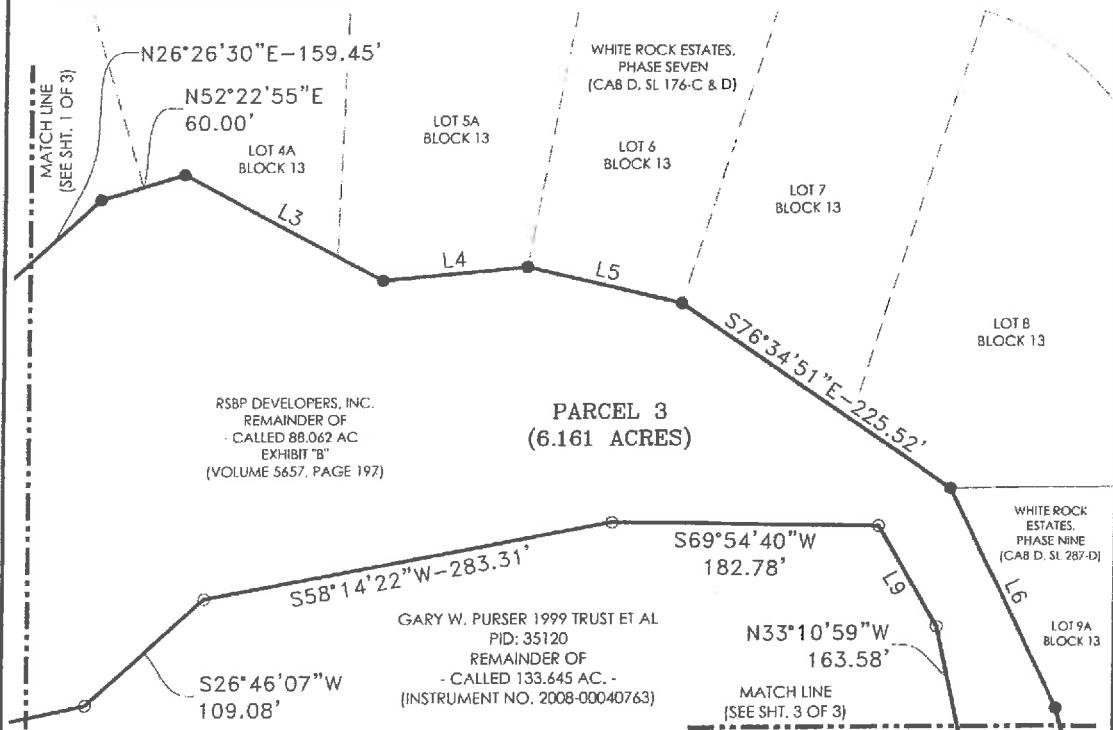


MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

LINE TABLE		
LINE	DIRECTION	LENGTH
L3	S 82° 51' 04" E	154.09'
L4	N 63° 35' 20" E	99.80'
L5	N 82° 23' 53" E	108.13'
L6	S 46° 33' 51" E	168.03'
L9	N 51° 14' 21" W	80.48'

EXHIBIT "A"
SHEET 2 OF 3

SCALE:
 1" = 100'



**** SEE FIELD NOTES ****

6.161 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORD 90), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

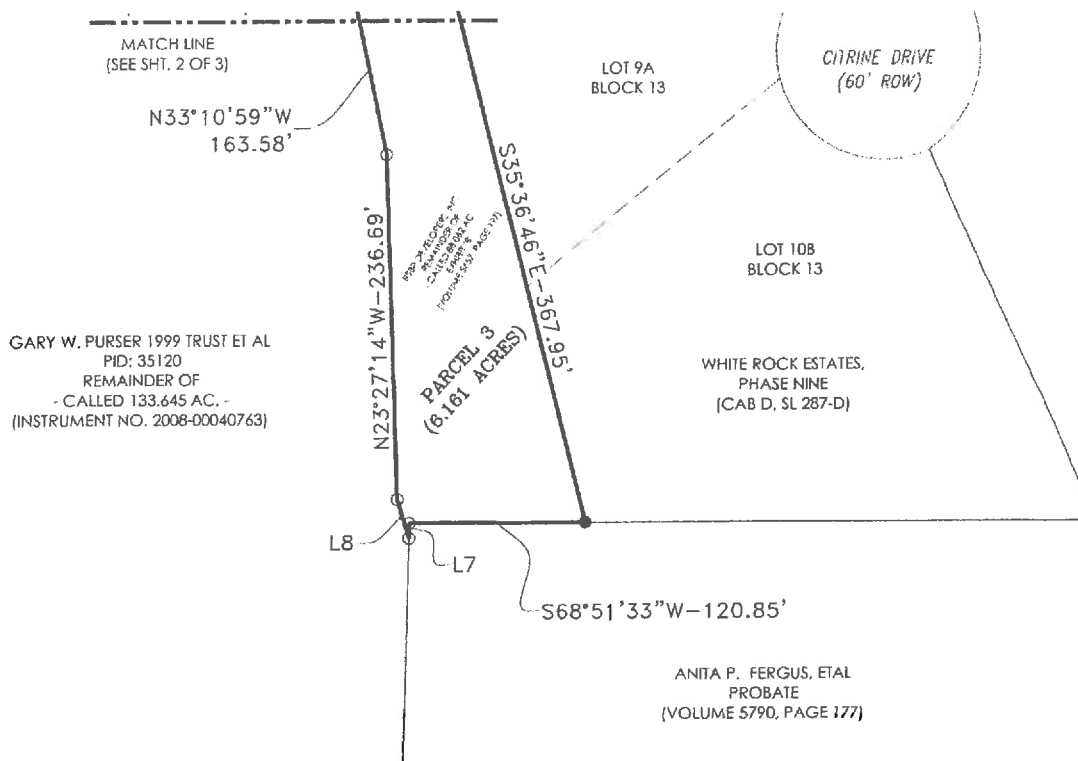
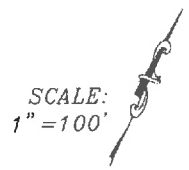
○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 3 OF 3

LINE TABLE		
LINE	DIRECTION	LENGTH
L7	S 20° 17' 15" E	10.30'
L8	N 38° 09' 25" W	27.66'



**** SEE FIELD NOTES ****

6.161 ACRES, PART OF THE
 J.B. HARRIS SURVEY, ABSTRACT NO. 452
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex-D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

FIELD NOTES for a 6.161 acre tract of land in Bell County, Texas, being part of the J. B. Harris Survey, Abstract No. 452, and the land herein described being part of a called 88.062 acre tract designated Exhibit "B", conveyed to RSBP Developers, Inc., of record in Volume 5657, Page 197, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found at the southeast terminus of Platinum Drive at the southwest corner of Lot 1A, Block 13, White Rock Estates Phase Seven, an addition to the City of Killeen, Texas, of record in Cabinet D, Slide 176-C&D, Plat Records of Bell County, Texas and being the northwest corner of that certain tract conveyed to Harry and Laurel Feyer, of record in Document #2009-28816, O.P.R.R.P.B.C.T., for the northeast corner of this tract;

THENCE in a southeasterly direction with the west line of said Feyer tract, the following three (3) calls:

1. S. 36° 01' 30" E., 66.60 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the right, for a corner of this tract;
2. along said curve to the right, having a radius of 735.00 feet, an arc length of 67.98 feet and a long chord bearing S. 33° 22' 31" E., 67.96 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
3. S. 30° 43' 31" E., 35.77 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;

THENCE N. 52° 22' 55" E., with the south line of said Feyer tract, at a distance of 178.01 feet, pass a 3/8" iron rod with cap stamped "KES" found at the southeast corner of said Feyer tract and the southwest corner of Lot 2A, said Block 13, continuing on same course with the south line of said Lot 2A, for a total distance in all of 340.40 feet, to a 3/8" iron rod with cap stamped "KES" found at the southeast corner of said Lot 2A and the southwest corner of Lot 3A, for an angle corner of this tract;

THENCE in an easterly direction with the south and west lines of said Block 13, the following eight (8) calls:

1. N. 26° 26' 30" E., 159.45 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
2. N. 52° 22' 55" E., 60.00 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
3. S. 82° 51' 04" E., 154.09 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
4. N. 63° 35' 20" E., 99.80 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
5. N. 82° 23' 53" E., 108.13 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
6. S. 76° 34' 51" E., 225.52 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
7. S. 46° 33' 51" E., 168.03 feet, to a 3/8" iron rod with cap stamped "KES" found for an angle corner of this tract;
8. S. 35° 36' 46" E., 367.95 feet, to a 3/8" iron rod with cap stamped "KES" found at the southwest corner of Lot 10B, White Rock Estates Phase Nine, an addition to the City of Killeen, Texas, of record in Cabinet D, Slide 287-D, Plat Records of Bell County, Texas, being on the north line of that certain tract conveyed by Probate to Anita P. Fergus, et al, of record in Volume 5790, Page 177, O.P.R.R.P.B.C.T., for the southeast corner of this tract;

THENCE S. 68° 51' 33" W., 120.85 feet, with the south line of said 88.062 tract and the north line of said Fergus tract, to a 1/2" iron rod with cap stamped "M&A" set at the northwest corner of said Fergus tract and an interior corner of said 88.062 acre tract, for an interior corner of this tract;

THENCE S. 20° 17' 53" E., 10.30 feet, with the west line of said Fergus tract, to a 1/2" iron rod with cap stamped "M&A" set on the east line of that certain 133.645 acre tract conveyed to Gary W. Purser 1999 Trust (1/2 interest) and John Helen Purser 1999 Trust (1/2 interest), of record in Document #2008-40763, O.P.R.R.P.B.C.T., for the most easterly southwest corner of this tract;

THENCE in a northwesterly direction with the east and south lines of said 88.062 acre tract and the west and north lines of said 1999 Trust tract, the following eleven (11) calls:

1. N. 38° 09' 25" W., 27.66 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
2. N. 23° 27' 14" W., 236.69 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
3. N. 33° 10' 59" W., 163.58 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
4. N. 51° 14' 21" W., 80.48 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
5. S. 69° 54' 40" W., 182.78 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;

CITY OF KILLEEN
PARCEL 3 CONTINUED
6.161 ACRES

6. S. 58° 14' 22" W., 283.31 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
7. S. 26° 46' 07" W., 109.08 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
8. S. 56° 56' 21" W., 156.62 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
9. N. 69° 23' 54" W., 131.79 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
10. S. 52° 38' 43" W., 128.00 feet, to a 1/2" iron rod with cap stamped "M&A" set for an angle corner of this tract;
11. S. 66° 53' 51" W., 219.71 feet, to a 1/2" iron rod with cap stamped "M&A" set at the southwest corner of said 88.062 acre tract, the northwest corner of said 1999 Trust tract, the southeast corner of a called 158.735 acre tract designated Exhibit "A", conveyed to RSBP Developers, Inc., of record in said Volume 5657, Page 197 and the northeast corner of a called 114.034 acre tract conveyed to Lou Ann Cross, of record in Volume 4976, Page 728, O.P.R.R.P.B.C.T., for the westerly southwest corner of this tract;

THENCE N. 20° 51' 06" W., 108.40 feet, with the west line of said 88.062 acre tract and the east line of said 158.735 acre tract, to a 1/2" iron rod with cap stamped "M&A" set on the south line of that certain tract conveyed to Charles Gordon, of record in Document #2009-14480, O.P.R.R.P.B.C.T., for the southerly northwest corner of this tract;

THENCE N. 61° 24' 09" E., 88.88 feet, with the south line of said Gordon tract, to a 3/8" iron rod with cap stamped "KES" found at the southeast corner of said Gordon tract, for an interior corner of this tract;

THENCE in a northwesterly direction with the east line of said Gordon tract, the following three (3) calls:

1. N. 30° 43' 31" W., 35.77 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
2. along said curve to the left, having a radius of 665.00 feet, an arc length of 61.51 feet and a long chord bearing N. 33° 22' 31" W., 61.49 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
3. N. 36° 01' 30" W., 66.60 feet, to a 3/8" iron rod with cap stamped "KES" found at the northeast corner of said Gordon tract and the southeast corner of Lot 37, Block 1, White Rock Estates Phase Four, Section Two, an addition to the City of Killeen, Texas, of record in Cabinet D, Slide 151-A1 & A2, Plat Records of Bell County, Texas, being the southwest terminus of said Platinum Drive, for the northerly northwest corner of this tract;

THENCE N. 53° 58' 30" E., 70.00 feet, with the south terminus of said Platinum Drive, to the POINT OF BEGINNING containing 6.161 acres of land.


The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

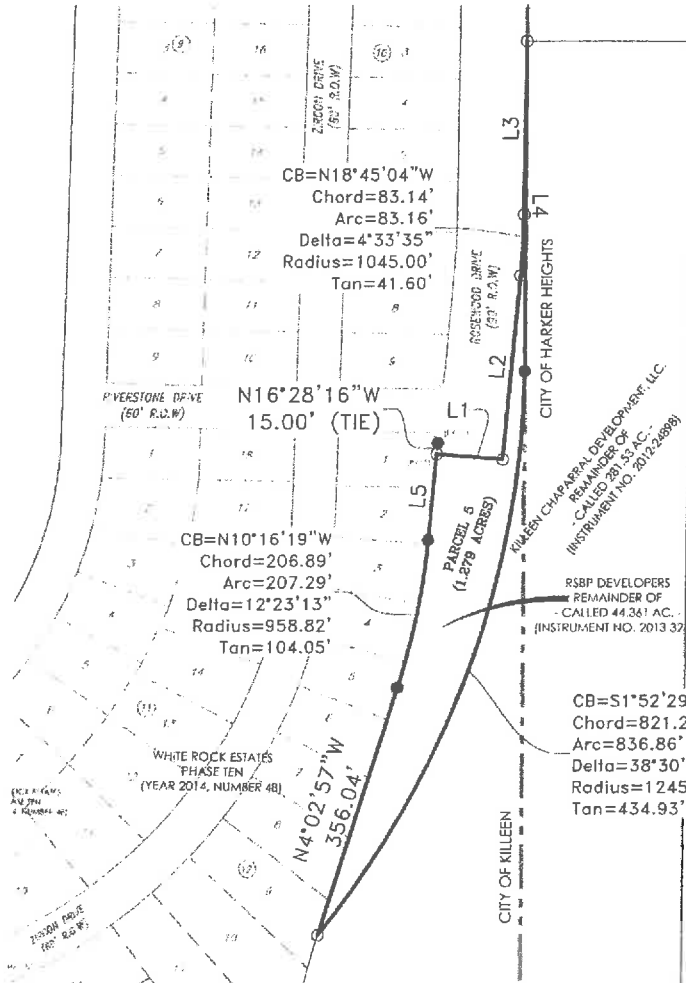

Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 1 OF 1



SCALE:
 1" = 200'

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N 73° 31' 44" E	90.00'
L2	N 16° 28' 16" W	252.63'
L3	N 21° 01' 51" W	237.24'
L4	S 21° 34' 41" E	451.27'
L5	N 16° 27' 47" W	118.59'

** SEE FIELD NOTES **

1.279 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

CITY OF KILLEEN
PARCEL 5
1.279 ACRES

FIELD NOTES for a 1.279 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" set on the west right-of-way line of Rosewood Drive and the east line of Lot 1, Block 12, White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, for the southerly northwest corner of this tract, whence a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve, being a northeast corner of said Lot 1, bears N. 16° 27' 47" W., 15.00 feet;

THENCE over and across said 44.361 acre tract, the following four (4) calls:

1. N. 73° 31' 44" E., 90.00 feet, to a 1/2" iron rod with cap stamped "M&A" set on the east right-of-way line of said Rosewood Drive, for an interior corner of this tract;
2. N. 16° 28' 16" W., 252.63 feet, with the east right-of-way line of said Rosewood Drive, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
3. With the east right-of-way line of said Rosewood Drive and along said curve to the left, having a radius of 1045.00 feet, an arc length of 83.16 feet and a long chord bearing N. 18° 45' 04" W., 83.14 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
4. N. 21° 01' 51" W., 237.24 feet, with the east right-of-way line of said Rosewood Drive, to a 1/2" iron rod with cap stamped "M&A" set on the east line of said 44.361 acre tract, same being on the approximate city limit line dividing the City of Killeen and the City of Harker Heights, for the north corner of this tract;

THENCE in a southerly direction with the east line of said 44.361 acre tract, the following two (2) calls:

1. S. 21° 34' 41" E., 451.27 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the right, for a corner of this tract;
2. along said curve to the right, having a radius of 1245.00 feet, an arc length of 836.86 feet and a long chord bearing S. 01° 52' 29" E., 821.20 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve on the east line of said Block 12, for the south corner of this tract;

THENCE in a northerly direction with the east line of said Block 12, the following three (3) calls:

1. N. 04° 02' 57" W., 356.04 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
2. Along a curve to the left, having a radius of 958.82 feet, an arc length of 207.29 feet and a long chord bearing N. 10° 16' 19" W., 206.89 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;

THENCE N. 16° 27' 47" W., 118.59 feet, with the east line of said Block 12, to the POINT OF BEGINNING containing 1.279 acres of land.

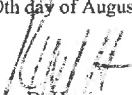
The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

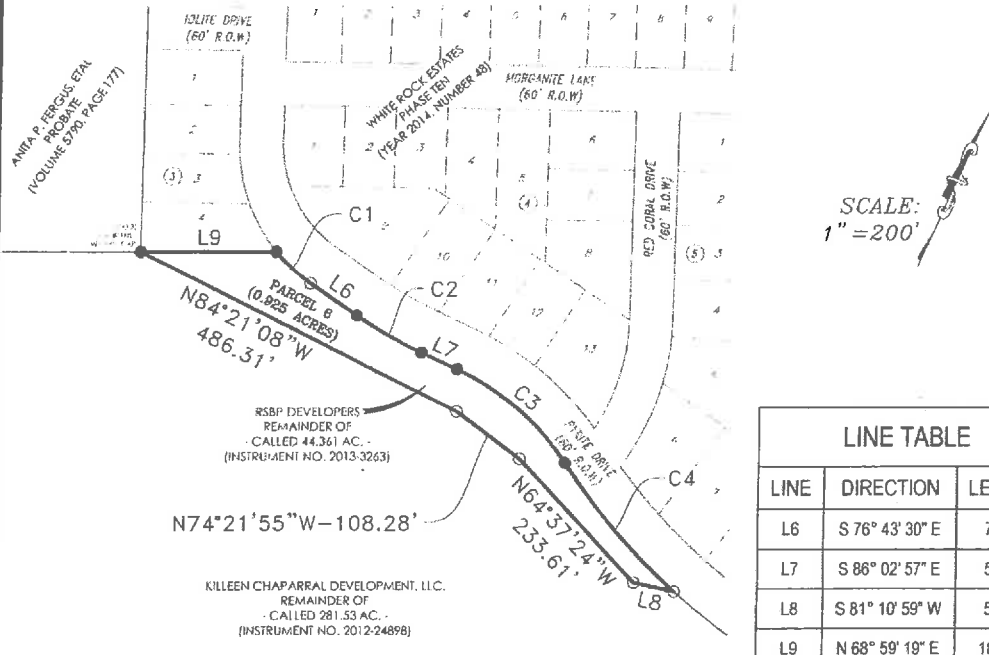

Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "B"
SHEET 1 OF 1



LINE TABLE		
LINE	DIRECTION	LENGTH
L6	S 76° 43' 30" E	77.87'
L7	S 86° 02' 57" E	53.34'
L8	S 81° 10' 59" W	57.32'
L9	N 68° 59' 19" E	184.93'

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C1	S68°43'47"E	63.98'	64.19'	230.00'	15°59'26"	32.31'
C2	S81°23'13"E	102.41'	102.53'	630.00'	9°19'27"	51.38'
C3	S70°33'16"E	197.69'	200.12'	370.00'	30°59'23"	102.57'
C4	S62°16'55"E	233.84'	234.46'	930.00'	14°26'42"	117.86'

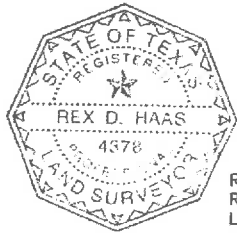
** SEE FIELD NOTES **

0.925 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas,
 COUNTY OF BELL Registered Professional Land Surveyor, do hereby certify
 that I did cause to be surveyed on the ground the above
 described tract of land and to the best of my knowledge
 and belief, the said description is true and correct.
 Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (GCRS 95), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○=CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ●=CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

FIELD NOTES for a 0.925 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found in a curve to the left on the south right-of-way line of Pyrite Drive at the southeast corner of Lot 4, Block 3, White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, for the northwest corner of this tract;

THENCE in an easterly direction with the south right-of-way line of said Pyrite Drive, the following six (6) calls:

1. Along said curve to the left, having a radius of 230.00 feet., an arc length of 64.19 feet and a long chord bearing S. 68° 43' 47" E., 63.98 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. S. 76° 43' 30" E., 77.87 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
3. along said curve to the left, having a radius of 630.00 feet, an arc length of 102.53 feet and a long chord bearing S. 81° 23' 13" E., 102.41 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
4. S. 86° 02' 57" E., 53.34 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the right, for a corner of this tract;
5. along said curve to the right, having a radius of 370.00 feet, an arc length of 200.12 feet and a long chord bearing S. 70° 33' 16" E., 197.69 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve and the beginning of a curve to the left, for a corner of this tract;
6. along said curve to the left, having a radius of 930.00 feet, an arc length of 234.46 feet and a long chord bearing S. 62° 16' 55" E., 233.84 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of said 44.361 acre tract and the north line of a called 281.53 acre tract conveyed to Killeen Chaparral Development, LLC, of record in Document #2012-24898, O.P.R.R.P.B.C.T., for the northeast corner of this tract;

THENCE in a westerly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following four (4) calls:

1. S. 81° 10' 59" W., 57.32 feet, to a 1/2" iron rod with cap stamped "M&A" set for the southeast corner of this tract;
2. N. 64° 37' 24" W., 233.61 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. N. 74° 21' 55" W., 108.28 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 84° 21' 08" W., 486.31 feet, to a 3/8" iron rod with cap stamped "KES" found at the southwest corner of said Lot 4, for the westerly corner of this tract;

THENCE N. 68° 59' 19" E., 184.93 feet, with the south line of said Lot 4, to the POINT OF BEGINNING containing 0.925 acre of land.

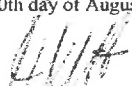
The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

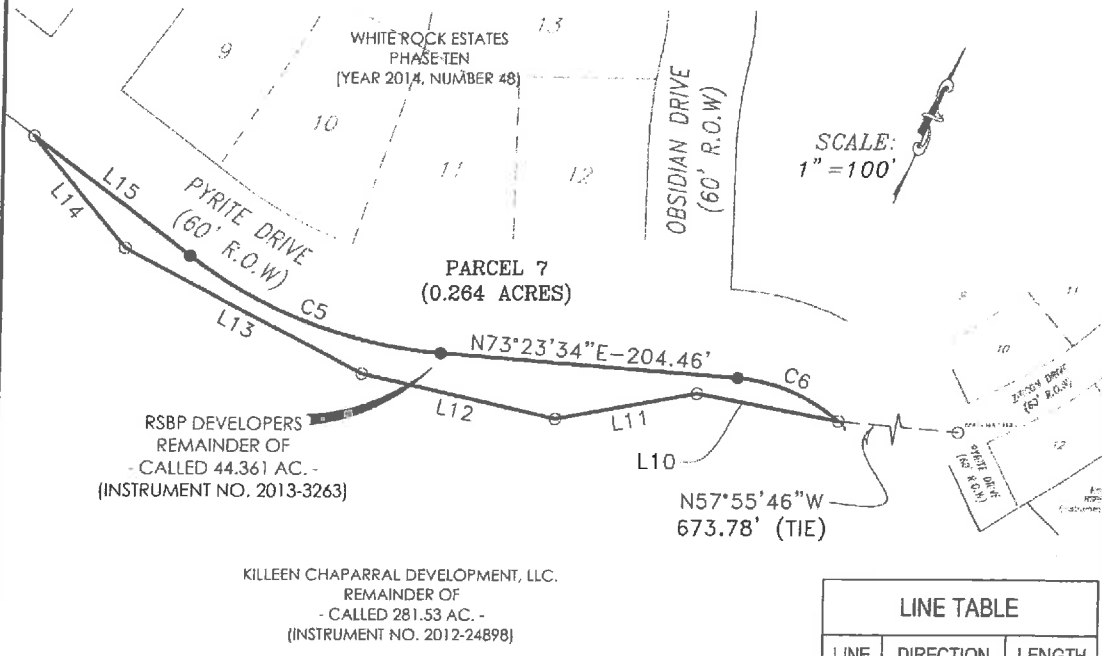

Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "C"
SHEET 1 OF 1



RSBP DEVELOPERS
 REMAINDER OF
 - CALLED 44.361 AC. -
 (INSTRUMENT NO. 2013-3263)

KILLEEN CHAPARRAL DEVELOPMENT, LLC.
 REMAINDER OF
 - CALLED 281.53 AC. -
 (INSTRUMENT NO. 2012-24898)

SCALE:
 1"=100'

LINE TABLE		
LINE	DIRECTION	LENGTH
L10	S 79° 42' 58" W	99.33'
L11	S 58° 21' 01" W	97.83'
L12	S 81° 42' 11" W	137.26'
L13	N 83° 39' 31" W	184.76'
L14	N 60° 36' 30" W	98.95'
L15	S 74° 01' 49" E	135.02'

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C5	N 89° 40' 52" E	185.11'	187.63'	330.00'	32° 34' 37"	96.43'
C6	S 88° 10' 46" E	75.87'	77.19'	120.00'	36° 51' 21"	39.98'

**** SEE FIELD NOTES ****

0.264 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE 45 PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○=CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ●=CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

FIELD NOTES for a 0.264 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of Pyrite Drive, for the most easterly corner of this tract, being on the south line of said 44.361 acre tract and the north line of a called 281.53 acre tract conveyed to Killeen Chaparral Development, LLC, of record in Document #2012-24898, O.P.R.R.P.B.C.T., whence a mag nail found at the centerline intersection of Pyrite Drive and Zircon Drive of White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, bears S. 57° 55' 46" E., 673.78 feet;

THENCE in a westerly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following five (5) calls:

1. S. 79° 42' 58" W., 99.33 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. S. 58° 21' 01" W., 97.83 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. S. 81° 42' 11" W., 137.26 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 83° 39' 31" W., 184.76 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 60° 36' 30" W., 98.95 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south right-of-way line of said Pyrite Drive, for the westerly corner of this tract;

THENCE in an easterly direction with the south right-of-way line of said Pyrite Drive, the following four (4) calls:

1. S. 74° 01' 49" E., 135.02 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
2. along said curve to the left, having a radius of 330.00 feet, an arc length of 187.63 feet and a long chord bearing N. 89° 40' 52" E., 185.11 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
3. N. 73° 23' 34" E., 204.46 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of said curve to the right, for a corner of this tract;
4. along said curve to the right, having a radius of 120.00 feet, an arc length of 77.19 feet and a long chord bearing S. 88° 10' 46" E., 75.87 feet, to the POINT OF BEGINNING containing 0.264 acre of land.


The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL.

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.

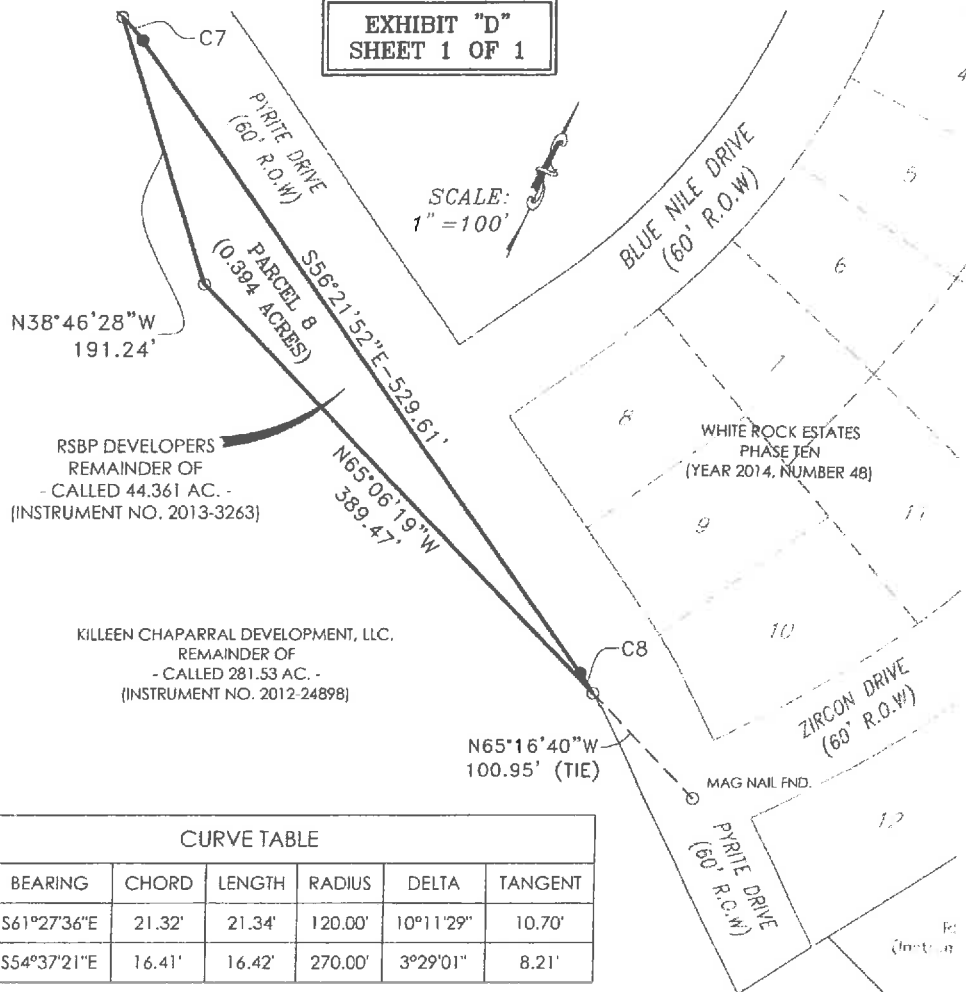

Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "D"
SHEET 1 OF 1



N38°46'28"W
191.24'

RSBP DEVELOPERS
REMAINDER OF
- CALLED 44.361 AC. -
(INSTRUMENT NO. 2013-3263)

KILLEEN CHAPARRAL DEVELOPMENT, LLC.
REMAINDER OF
- CALLED 281.53 AC. -
(INSTRUMENT NO. 2012-24898)

N65°16'40"W
100.95' (TIE)

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C7	S61°27'36"E	21.32'	21.34'	120.00'	10°11'29"	10.70'
C8	S54°37'21"E	16.41'	16.42'	270.00'	3°29'01"	8.21'

**** SEE FIELD NOTES ****

0.394 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 95), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.

CITY OF KILLEEN
PARCEL 8
0.394 ACRE

FIELD NOTES for a 0.394 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of Pyrite Drive, for the most easterly corner of this tract, being on the south line of said 44.361 acre tract and the north line of a called 281.53 acre tract conveyed to Killeen Chaparral Development, LLC, of record in Document #2012-24898, O.P.R.R.P.B.C.T., whence a mag nail found at the centerline intersection of Pyrite Drive and Zircon Drive of White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, bears S. 65° 16' 40" E., 100.95 feet;

THENCE in a westerly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following two (2) calls:

1. N. 65° 06' 19" W., 389.47 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 38° 46' 28" W., 191.24 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of said Pyrite Drive, for the westerly corner of this tract;

THENCE in an easterly direction with the south right-of-way line of said Pyrite Drive, the following three (3) calls:

1. along said curve to the right, having a radius of 120.00 feet, an arc length of 21.34 feet and a long chord bearing S. 61° 27' 36" E., 21.32 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. S. 56° 21' 52" E., 529.61 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of said curve to the right, for a corner of this tract;
3. along said curve to the right, having a radius of 270.00 feet, an arc length of 16.42 feet and a long chord bearing S. 54° 37' 21" E., 16.41 feet, to the POINT OF BEGINNING containing 0.394 acre of land.


The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 10th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378



CITY OF KILLEEN
PARCEL 10
0.014 ACRE

FIELD NOTES for a 0.014 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886, and the land herein described being part of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3263, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found at the south corner of the remainder of said 44.361 acre tract, for the south corner of this tract;

THENCE N. 65° 35' 52" W., 44.92 feet, with the south line of said 44.361 acre tract, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the left on the proposed north right-of-way line of Pyrite Drive, for the west corner of this tract;

THENCE with the proposed north right-of-way line of said Pyrite Drive and along said curve to the left, having a radius of 170.94 feet, an arc length of 50.31 feet and a long chord bearing N. 79° 27' 29" E., 50.13 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;

THENCE N. 70° 53' 57" E., 5.28 feet, to a 1/2" iron rod with cap stamped "M&A" set on the east line of said 44.361 acre tract, for the east corner of this tract;

THENCE S. 24° 24' 08" W., 32.34 feet, with the east line of said 44.361 acre tract, to the POINT OF BEGINNING containing 0.014 acre of land.


The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 16th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**SPECIAL WARRANTY DEED
WITH FEE SIMPLE DETERMINABLE CONDITION**

DATE: _____, 2017

GRANTOR: Killen Chaparral Development, LLC, a Texas Limited Liability Company

GRANTOR'S MAILING ADDRESS: 2901 E. Stan Schlueter Loop, Killeen, Texas 76542

GRANTEE: City of Killeen ("City")

GRANTEE'S MAILING ADDRESS: 101 North College, Killeen, Bell Co., TX 76541

CONSIDERATION: Satisfaction of a zoning commitment for green space dedication as reflected in Zoning Ordinance 13-069 of the City of Killeen Code of Ordinances.

PROPERTY: (75.489 acres, remainder of called 281.53 acres out of the A.H. Wood Survey, Abstract No. 886 and the W.E. Hall Survey, Abstract No. 1116, Killeen, Bell County, Texas), as recorded in Instrument No. 2012-24898, Official Public Records of Bell County, Texas, and being more particularly described by metes and bounds in Exhibit "A" attached hereto and incorporated by reference for all relevant purposes as if set forth at length herein.

RESERVATIONS FROM AND EXCEPTIONS TO CONVEYANCE AND WARRANTY: Grantor reserves and excepts from the property conveyed all encumbrances and other matters of record in the Official Public Records of Real Property of Bell County, Texas, to the extent they are validly existing and affect the Property.

FEE SIMPLE DETERMINABLE CONDITION: Grantee must award a construction contract for a public trafficway on the Property (generally consisting of extending Rosewood Drive to Chaparral Road) within one (1) year of the date of acceptance by the Grantee herein.

Grantor, for the Consideration and subject to the Reservations From Conveyance and Warranty, GRANTS, DEDICATES, AND CONVEYS to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, TO HAVE AND HOLD IT to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations From and Exceptions to Conveyance and Warranty, when such claim arises by, through or under Grantor, but not otherwise. PROVIDED, HOWEVER, that if the Fee Simple Determinable Condition is not satisfied, the Property will automatically revert to and be owned by Grantor without the necessity of any further act on the part of Grantor, it being Grantor's intent to convey a fee simple determinable estate to Grantee. An affidavit stating that the condition has been fulfilled, filed during the first six months of the second year, if not contradicted by a recorded statement filed within the same six months, is conclusive evidence that the condition has been satisfied, and Grantee and third parties may rely on it.

EXCEPTING ONLY THE WARRANTY OF TITLE HEREIN, GRANTOR HAS MADE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, UPON WHICH GRANTEE HAS RELIED, AS TO THE CONDITION OF THE PROPERTY, THE FITNESS OF THE PROPERTY FOR ANY INTENDED USE OR PURPOSE, THE EXISTENCE OF ANY HAZARDOUS OR TOXIC MATERIALS IN OR ON THE LAND OR ANY OTHER ENVIRONMENTAL CONDITION OF THE LAND, THE AVAILABILITY OF UTILITIES OR OTHER SERVICES TO THE LAND, THE WORKMANSHIP OR MATERIALS USED IN THE IMPROVEMENTS ON THE PROPERTY (IF ANY), THE PRESENT OR FUTURE INCOME THAT MAY BE GENERATED FROM THE PROPERTY, OR ANY OTHER MATTER. GRANTEE ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS INVESTIGATION AND EXAMINATION OF THE PROPERTY, AND IS SATISFIED WITH THE TITLE AND CONDITION THEREOF. GRANTEE WAIVES ALL CLAIMS FOR FRAUDULENT INDUCEMENT, DISCLAIMS ANY DUTY OF GRANTOR TO MAKE ANY DISCLOSURES WITH RESPECT TO THE PROPERTY, AND ACCEPTS THE PROPERTY "AS IS" AND "WITH ALL FAULTS," WITH ANY AND ALL LATENT AND PATENT DEFECTS.

When the context requires, singular nouns and pronouns include the plural.

Killeen Chaparral Development, LLC
a Texas Limited Liability Company

By: _____
Name: Gary Purser, Jr.
Title: President

Acknowledgment

STATE OF TEXAS
COUNTY OF BELL

This instrument was acknowledged before me on _____, 2017, by Gary Purser, Jr., President of Killeen Chaparral Development, LLC, a Texas Limited Liability Company.

Notary Public, State of Texas

My Commission Expires:

The City of Killeen does hereby accept the above described conveyance.

DATE

CITY OF KILLEEN

Ronald L. Olson

ATTEST

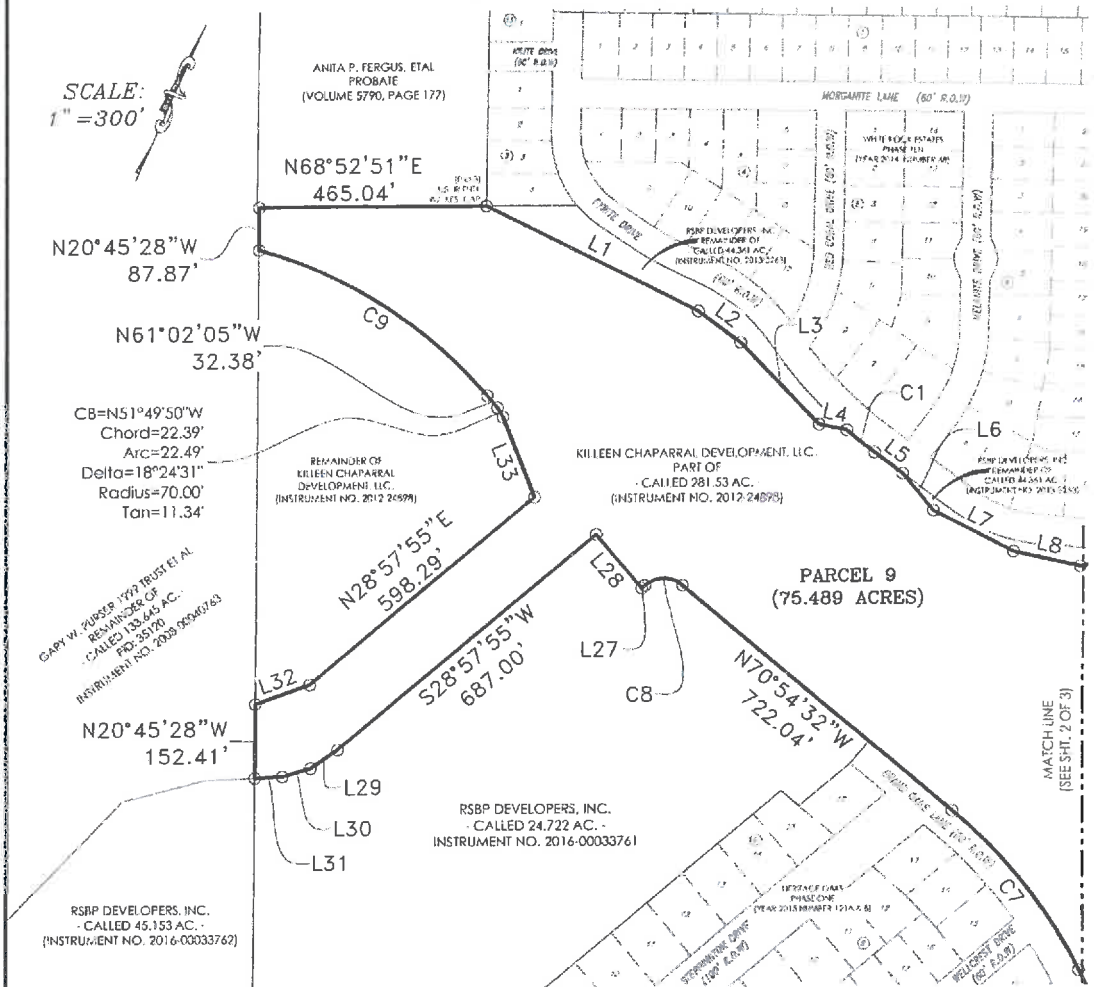
Dianna Barker
City Secretary



MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 1 OF 4

SCALE:
 1" = 300'



** SEE FIELD NOTES **

75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W.E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

- NOTES:**
1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS. ALL DISTANCES ARE SURFACE DISTANCE. COMBINED SCALE FACTOR=1.0001168.



Rex D. Haas

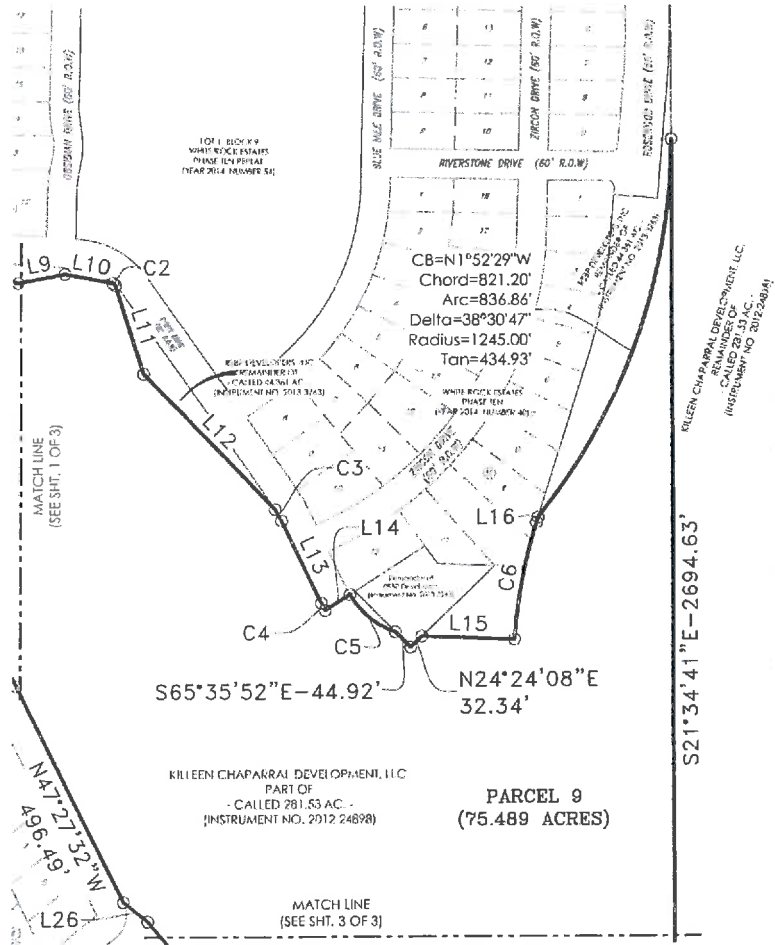
Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○ = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED
 ● = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED



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EXHIBIT "A"
SHEET 2 OF 4



SCALE:
 1" = 300'

** SEE FIELD NOTES **

75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W.E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

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Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

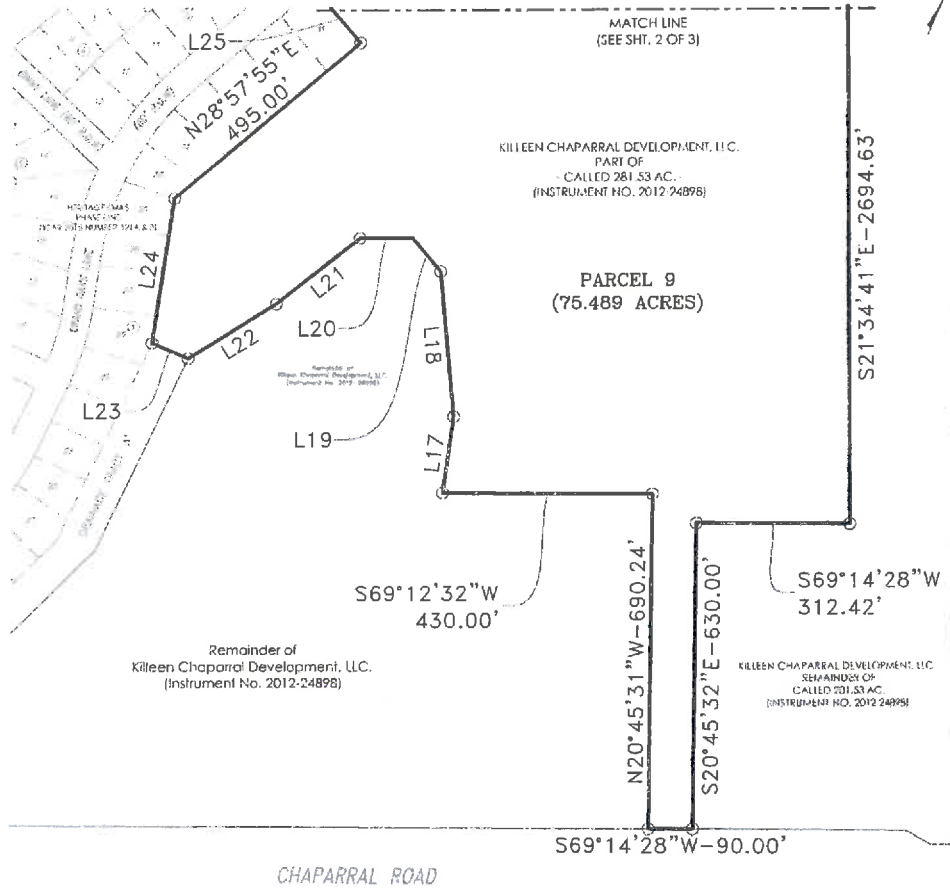
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 ⊗ = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 3 OF 4

SCALE:
 1" = 300'



**** SEE FIELD NOTES ****

75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W.E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

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IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

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3. ALL DISTANCES ARE SURFACE DISTANCE.
4. COMBINED SCALE FACTOR=1.0001168.

- CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
- CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 4 OF 4

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S 84° 21' 08" E	486.31'
L2	S 74° 21' 55" E	108.28'
L3	S 64° 37' 24" E	233.61'
L4	N 81° 10' 59" E	57.32'
L5	S 74° 01' 49" E	71.42'
L6	S 60° 36' 30" E	98.95'
L7	S 83° 39' 31" E	184.76'
L8	N 81° 42' 11" E	137.26'
L9	N 58° 21' 01" E	97.83'
L10	N 79° 42' 58" E	99.33'
L11	S 38° 46' 28" E	191.24'

LINE TABLE		
LINE	DIRECTION	LENGTH
L12	S 65° 06' 19" E	389.47'
L13	S 47° 12' 24" E	187.88'
L14	N 35° 58' 30" E	60.08'
L15	N 70° 53' 57" E	187.66'
L16	N 04° 03' 00" W	10.65'
L17	N 13° 15' 34" W	157.83'
L18	N 26° 24' 12" W	299.85'
L19	N 60° 55' 07" W	89.81'
L20	S 68° 44' 54" W	106.83'
L21	S 30° 40' 51" W	217.40'
L22	S 36° 53' 04" W	212.75'

LINE TABLE		
LINE	DIRECTION	LENGTH
L23	N 87° 02' 04" W	80.02'
L24	N 12° 40' 44" W	300.09'
L25	N 61° 02' 05" W	130.00'
L26	N 71° 51' 18" W	64.05'
L27	S 28° 57' 55" W	8.78'
L28	N 61° 02' 05" W	145.00'
L29	S 34° 41' 37" W	67.21'
L30	S 52° 43' 39" W	60.72'
L31	S 66° 16' 04" W	56.00'
L32	N 49° 32' 52" E	118.48'
L33	N 42° 37' 35" W	176.95'

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C1	S71°46'02"E	73.44'	73.46'	930.00'	4°31'33"	36.75'
C2	S68°09'13"E	6.69'	6.69'	120.00'	3°11'44"	3.35'
C3	S50°02'37"E	26.73'	26.74'	270.00'	5°40'27"	13.38'
C4	S49°20'32"E	17.14'	17.14'	230.00'	4°16'15"	8.58'
C5	S71°28'50"E	120.46'	123.10'	170.94'	41°15'39"	64.36'
C6	N10°44'34"W	243.73'	244.29'	1041.84'	13°26'04"	122.71'
C7	N59°11'02"W	418.62'	421.56'	1030.00'	23°27'00"	213.77'
C8	S69°01'41"W	77.24'	83.91'	60.00'	80°07'33"	50.46'
C9	N78°15'43"W	556.78'	565.26'	940.00'	34°27'16"	291.47'

** SEE FIELD NOTES **

75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W.E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
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 ALL DISTANCES ARE SURFACE DISTANCE
 COMBINED SCALE FACTOR=1.0001168.

○=CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ⊙=CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

FIELD NOTES for a 75.489 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886 and the W. E. Hall Survey, Abstract No. 1116, and the land herein described being part of a called 281.53 acre tract conveyed to Killeen Chaparral Development, L.L.C., of record in Document #2012-24898, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found at the southwest corner of Lot 4, Block 3, White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, being the southeast corner of that certain tract conveyed to Anita P. Fergus by Probate, of record in Volume 5970, Page 177, O.P.R.R.P.B.C.T., and being on the south line of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3268, O.P.R.R.P.B.C.T., for an angle corner in the north line of this tract;

THENCE in a southeasterly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following four (4) calls:

1. S. 84° 21' 08" E., 486.31 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. S. 74° 21' 55" E., 108.28 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. S. 64° 37' 24" E., 233.61 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 81° 10' 59" E., 57.32 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the left on the south right-of-way line of Pyrite Drive, for a corner of this tract;

THENCE in a southeasterly direction with the south right-of-way line of said Pyrite Drive, the following two (2) calls:

1. along said curve to the left, having a radius of 930.00 feet, an arc length of 73.46 feet and a long chord bearing S. 71° 46' 02" E., 73.44 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
2. S. 74° 01' 49" E., 71.42 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, for a corner of this tract;

THENCE in an easterly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following five (5) calls:

1. S. 60° 36' 30" E., 98.95 feet, to a 1/2" iron rod found, for a corner of this tract;
2. S. 83° 39' 31" E., 184.76 feet, to a 1/2" iron rod found, for a corner of this tract;
3. N. 81° 42' 11" E., 137.26 feet, to a 1/2" iron rod found, for a corner of this tract;
4. N. 58° 21' 01" E., 97.83 feet, to a 1/2" iron rod found, for a corner of this tract;
5. N. 79° 42' 58" E., 99.33 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of said Pyrite Drive, for a corner of this tract;

THENCE with the south right-of-way line of said Pyrite Drive and along said curve to the right, having a radius of 120.00 feet, an arc length of 6.69 feet and a long chord bearing S. 68° 09' 13" E., 6.69 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, for a corner of this tract;

THENCE in a southeasterly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following two (2) calls:

1. S. 38° 46' 28" E., 191.24 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
2. S. 65° 06' 19" E., 389.47 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of said Pyrite Drive, for a corner of this tract;

THENCE in a southeasterly direction with the south right-of-way line of said Pyrite Drive, the following three (3) calls:

1. along said curve to the right, having a radius of 270.00 feet, an arc length of 26.74 feet and a long chord bearing S. 50° 02' 37" E., 26.73 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. S. 47° 12' 24" E., 187.88 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
3. along said curve to the left, having a radius of 230.00 feet, an arc length of 17.14 feet and a long chord bearing S. 49° 20' 32" E., 17.14 feet, to a 3/8" iron rod with cap stamped "KES" found at the southeast terminus of existing Pyrite Drive, for a corner of this tract;

THENCE N. 35° 58' 30" E., 60.08 feet, with the east terminus of existing Pyrite Drive, to a 3/8" iron rod with cap stamped "KES" found at the northeast terminus of existing said Pyrite Drive, for a corner of this tract;

THENCE with the proposed north right-of-way line of said Pyrite Drive and along a curve to the left, having a radius of 170.94 feet, an arc length of 123.10 feet and a long chord bearing S. 71° 28' 50" E., 120.46 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of the remainder of said 44.361 acre tract, for a corner of this tract;

THENCE S. 65° 35' 52" E., 44.92 feet, with the south line of said 44.361 acre tract, to a 3/8" iron rod with cap stamped "KES" found at the south corner of said remainder of 44.361 acre tract, for an "L" corner of this tract;

CITY OF KILLEEN
PARCEL 9 CONTINUED
75.489 ACRES

THENCE N. 24° 24' 08" E., 32.34 feet, with the east line of said 44.361 acre tract, to a 1/2" iron rod with cap stamped "M&A" set on the proposed north right-of-way line of said Pyrite Drive, for a corner of this tract;

THENCE N. 70° 53' 57" E., 187.66 feet, with the proposed north right-of-way line of said Pyrite Drive, to a 1/2" iron rod with cap stamped "M&A" set on the proposed west right-of-way line of Rosewood Drive, for a corner of this tract;

THENCE in a northerly direction with the proposed west right-of-way line of said Rosewood Drive, the following two (2) calls:

1. along said curve to the right, having a radius of 1041.84 feet, an arc length of 244.29 feet and a long chord bearing N. 10° 44' 34" W., 243.73 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. N. 04° 03' 00" W., 10.65 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the left on the east line of said 44.361 acre tract and the west line of said 281.53 acre tract, for a corner of this tract;

THENCE with the east line of said 44.361 acre tract and the west line of said 281.53 acre tract and along said curve to the right, having a radius of 1245.00 feet, an arc length of 836.86 feet and a long chord bearing N. 01° 52' 29" W., 821.20 feet, to a 1/2" iron rod with cap stamped "M&A" set on the approximate city limit line of Killeen and Harker Heights, for a corner of this tract;

THENCE S. 21° 34' 41" E., 2694.63 feet, with said approximate city limit line, to a 1/2" iron rod with cap stamped "M&A" set for an "L" corner of this tract;

THENCE over and across said 281.53 acre tract, the following two (2) calls:

1. S. 69° 14' 28" W., 312.42 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;
2. S. 20° 45' 32" E., 630.00 feet, to a 1/2" iron rod with cap stamped "M&A" set on the north right-of-way line of Chaparral Road, for the extreme southeast corner of this tract;

THENCE S. 69° 14' 28" W., 90.00 feet, with the north right-of-way line of said Chaparral Road, to a 1/2" iron rod with cap stamped "M&A" set for the extreme southwest corner of this tract;

THENCE over and across said 281.53 acre tract, the following eight (8) calls:

1. N. 20° 45' 31" W., 690.24 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;
2. S. 69° 12' 32" W., 430.00 feet, to a 1/2" iron rod with cap stamped "M&A" set for an "L" corner of this tract;
3. N. 13° 15' 34" W., 157.83 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 26° 24' 12" W., 299.85 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 60° 55' 07" W., 89.81 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
6. S. 68° 44' 54" W., 106.83 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
7. S. 30° 40' 51" W., 217.40 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
8. S. 36° 53' 04" W., 212.75 feet, to a 3/8" iron rod with cap stamped "KES" found at the northeast corner of Drainage Tract "A", Heritage Oaks Phase One, an addition to the City of Killeen, Texas, of record in Plat Year 2015, Number 121 A&B, Plat Records of Bell County, Texas, for a corner of this tract;

THENCE in a northwesterly direction with the northeasterly lines of said Heritage Oaks Phase One, the following eight (8) calls:

1. N. 87° 02' 04" W., 80.02 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
2. N. 12° 40' 44" W., 300.09 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
3. N. 28° 57' 55" E., 495.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
4. N. 61° 02' 05" W., 130.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
5. N. 71° 51' 18" W., 64.05 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
6. N. 47° 27' 32" W., 496.49 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
7. Along said curve to the left, having a radius of 1030.00 feet, an arc length of 421.56 feet and a long chord bearing N. 59° 11' 02" W., 418.62 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
8. N. 70° 54' 32" W., at a distance of 221.63 feet, pass a 3/8" iron rod with cap stamped "KES" found at the north corner of said Heritage Oaks Phase One and the east corner of a called 24.722 acre tract conveyed to RSBP Developers, Inc., of record in Document #2016-33761, O.P.R.R.P.B.C.R.T., continuing on same course for a total distance in all of 722.04 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;

THENCE in a westerly direction with the north and west lines of said 24.722 acre tract, the following seven (7) calls:

1. Along said curve to the left, having a radius of 60.00 feet, an arc length of 83.91 feet and a long chord bearing S. 69° 01' 41" W., 77.24 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;

CITY OF KILLEEN
PARCEL 9 CONTINUED
75.489 ACRES

2. S. 28° 57' 55" W., 8.78 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
3. N. 61° 02' 05" W., 145.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
4. S. 28° 57' 55" W., 687.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
5. S. 34° 41' 37" W., 67.21 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
6. S. 52° 43' 39" W., 60.72 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
7. S. 66° 16' 04" W., 56.43 feet, to a 3/8" iron rod with cap stamped "KES" found at the west corner of said 24.722 acre tract, the east corner of said 133.645 acre tract, the north corner of a called 45.153 acre tract conveyed to RSBP Developers, Inc., of record in Document #2016-33762, O.P.R.R.P.B.C.R.T., and a southwesterly corner of said 281.53 acre tract, for a corner of this tract;

THENCE N. 20° 45' 28" W., 152.41 feet, with the west line of said 281.53 acre tract and the east line of said 133.645 acre tract, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;

THENCE over and across said 281.53 acre tract, the following six (6) calls:

1. N. 49° 32' 52" E., 118.48 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 28° 57' 55" E., 598.29 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. N. 42° 37' 35" W., 176.95 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
4. Along said curve to the left, having a radius of 70.00 feet, an arc length of 22.49 feet and a long chord bearing N. 51° 49' 50" W., 22.39 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
5. N. 61° 02' 05" W., 32.38 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
6. Along said curve to the left, having a radius of 940.00 feet, an arc length of 565.26 feet and a long chord bearing N. 78° 15' 43" W., 556.78 feet, to a 1/2" iron rod with cap stamped "M&A" set on the west line of said 281.53 acre tract and the east line of said 133.645 acre tract, for a corner of this tract;

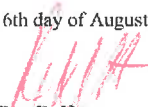
THENCE N. 20° 45' 28" W., 87.87 feet, with the west line of said 281.53 acre tract and the east line of said 133.645 acre tract, to a 1/2" iron rod found at the southwest corner of said Fergus tract, for the extreme northwest corner of this tract;

THENCE N. 68° 52' 51" E., 465.04 feet, with the south line of said Fergus tract, to the POINT OF BEGINNING containing 75.489 acres of land.

The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas,
Registered Professional Land Surveyor, do hereby certify that the
COUNTY OF BELL above described tract was surveyed on the ground and that
this description is true and correct to the best of my knowledge
and belief. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, my hand and seal this the 16th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378



**ACKNOWLEDGMENTS AND RELEASE CONCERNING THE DONATION OF
RIGHT-OF-WAY TO THE CITY OF KILLEEN**

The City, in accordance with the Texas Local Government Code, Chapter 273, Section 273.001(a) and other applicable law, may accept donations for the purpose of carrying out its functions and duties; and

The Donor desires to donate property more particularly described on Exhibit "A", attached hereto and incorporated herein for all purposes (the "Property"), to the City; and to that end, the Donor has executed a Special Warranty Deed with Fee Simple Determinable Condition (the "Dedication"), a copy of which is attached hereto as Exhibit "B", conveying the Property to the City.

Donor acknowledges that the value of the Property donated has not been determined. Donor herein states for all purposes that Donor does not want an appraisal of the Property to be conducted, and Donor releases the City from any obligation to appraise the Property.

Donor agrees and acknowledges that Donor has been fully informed of his/her/its right to receive just compensation for the Property; however, it is the desire and intent of Donor to donate the Property to the City under the terms of the Dedication.

Donor acknowledges that acceptance of the donation herein described does not bind the City to a course of action or promise of performance except to the extent expressly set forth in the Dedication.

Donor understands that City does not approve and is not responsible for any representations made by the Donor for tax purposes.

The Donor acknowledges that Donor has been provided the Texas Landowner's Bill of Rights.

The undersigned signatory warrants that he/she, if acting for an organization, is an official representative of the organization making the donation described herein and that he/she is authorized to make the donation and to enter into this Agreement on behalf of the organization. The undersigned understands that the conveyance of the Property does not occur until the City has executed the attached Dedication.

Killeen Chaparral Development, LLC, a Texas Limited Liability Company

by _____
Gary W. Purser, Jr., President

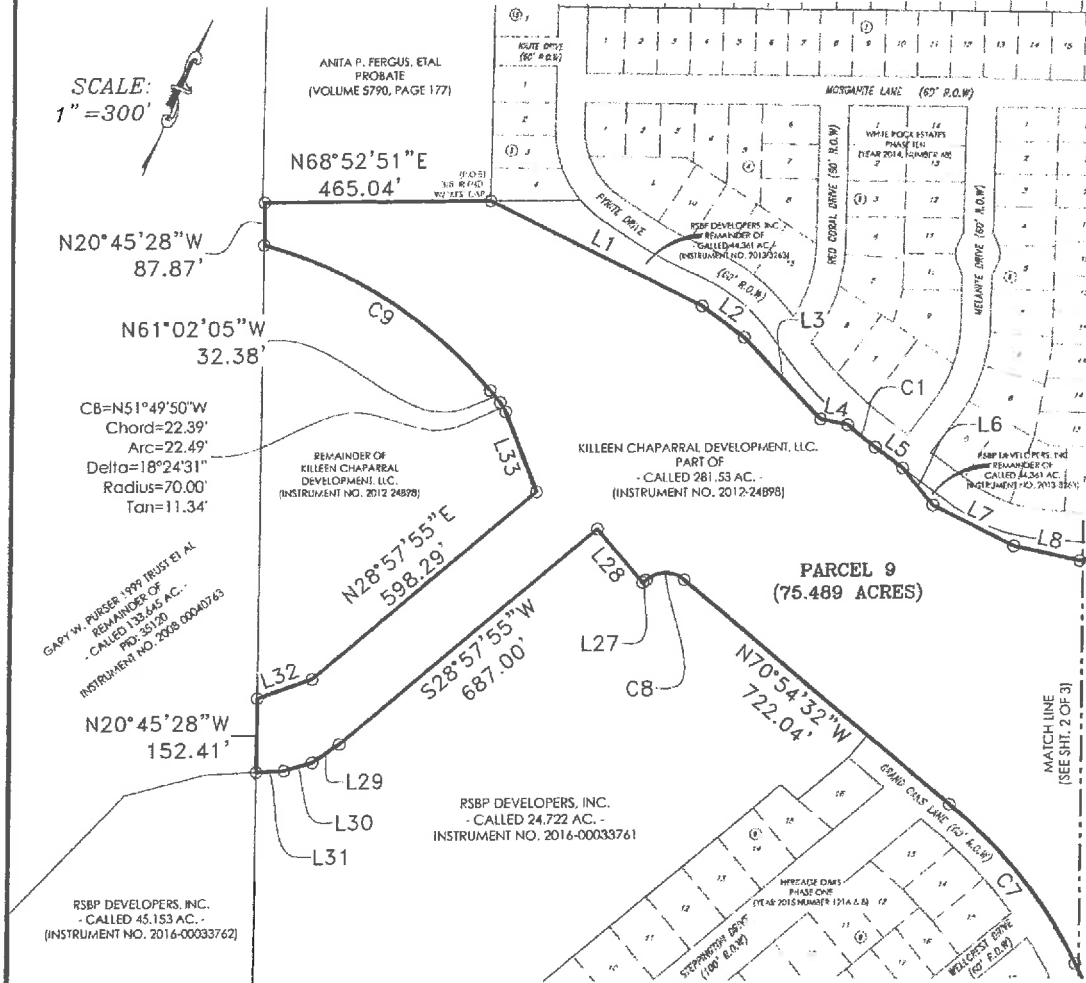
Date:
Principal Place of Business/Address:
2901 E. Stan Schlueter Loop
Killeen, Texas 76542



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 1 OF 4

SCALE:
 1"=300'



** SEE FIELD NOTES **

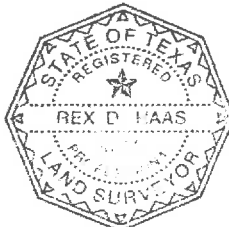
75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W.E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:
 1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 95), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 ALL DISTANCES ARE SURFACE DISTANCE.
 COMBINED SCALE FACTOR=1.0001168.



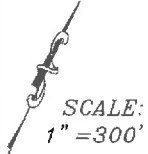
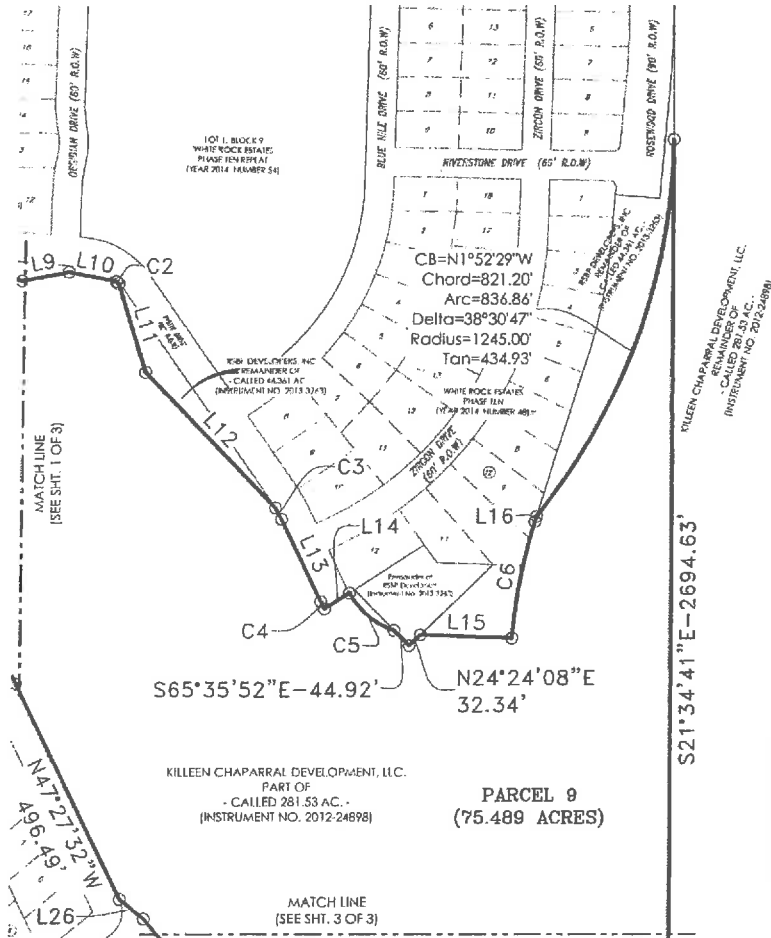
Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

○=CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
 ●=CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



MITCHELL & ASSOCIATES, INC.
ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 2 OF 4



**** SEE FIELD NOTES ****

75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W. E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

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IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

- NOTES:**
1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
 2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
 3. ALL DISTANCES ARE SURFACE DISTANCE.
 4. COMBINED SCALE FACTOR=1.0001168.

- = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
- = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



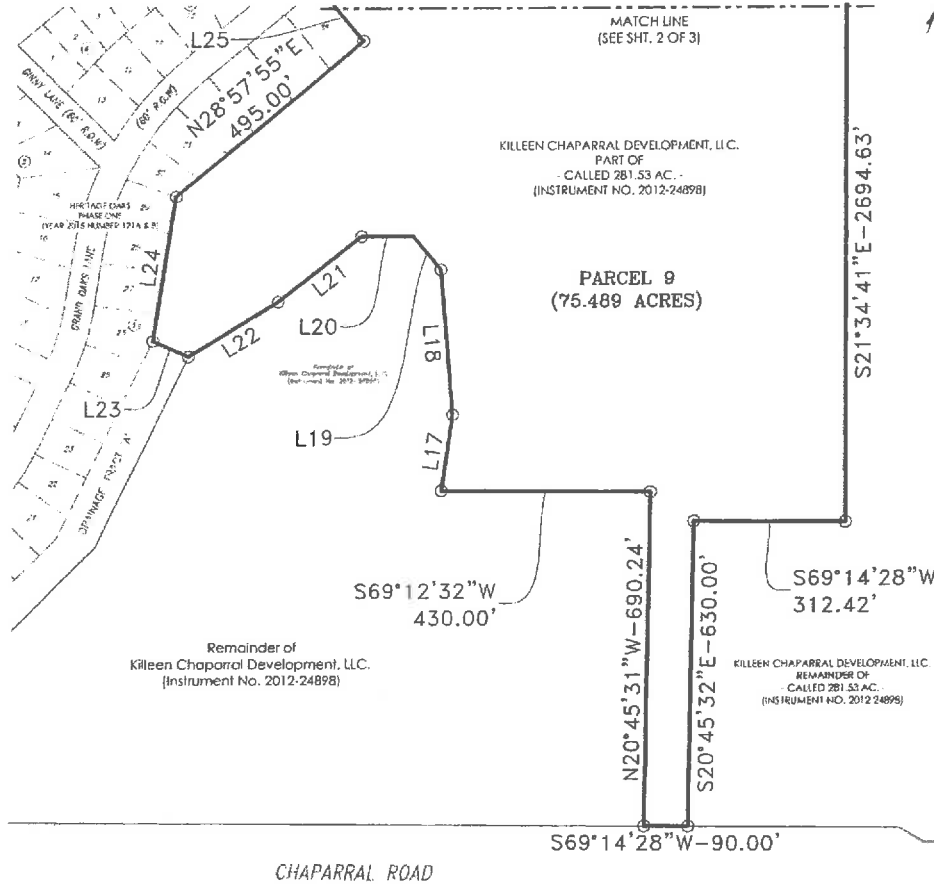
Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378



MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 3 OF 4

SCALE:
 1" = 300'



**** SEE FIELD NOTES ****

75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W.E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CORS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
3. ALL DISTANCES ARE SURFACE DISTANCE.
4. COMBINED SCALE FACTOR=1.0001158.

- = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
- = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



Rex D. Haas
 Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378



MITCHELL & ASSOCIATES, INC.
 ENGINEERING & SURVEYING
 102 N. COLLEGE ST., KILLEEN, TEXAS (254) 634-5541
 T. B. P. L. S. FIRM REGISTRATION NO. 100204-00

EXHIBIT "A"
SHEET 4 OF 4

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S 84° 21' 08" E	486.31'
L2	S 74° 21' 55" E	108.28'
L3	S 64° 37' 24" E	233.61'
L4	N 81° 10' 59" E	57.32'
L5	S 74° 01' 49" E	71.42'
L6	S 60° 36' 30" E	98.95'
L7	S 83° 39' 31" E	184.76'
L8	N 81° 42' 11" E	137.26'
L9	N 58° 21' 01" E	97.83'
L10	N 79° 42' 58" E	99.33'
L11	S 38° 46' 28" E	191.24'

LINE TABLE		
LINE	DIRECTION	LENGTH
L12	S 65° 06' 19" E	389.47'
L13	S 47° 12' 24" E	187.88'
L14	N 35° 58' 30" E	60.08'
L15	N 70° 53' 57" E	187.66'
L16	N 04° 03' 00" W	10.65'
L17	N 13° 15' 34" W	157.83'
L18	N 26° 24' 12" W	299.85'
L19	N 60° 55' 07" W	89.81'
L20	S 68° 44' 54" W	106.83'
L21	S 30° 40' 51" W	217.40'
L22	S 36° 53' 04" W	212.75'

LINE TABLE		
LINE	DIRECTION	LENGTH
L23	N 87° 02' 04" W	80.02'
L24	N 12° 40' 44" W	300.09'
L25	N 61° 02' 05" W	130.00'
L26	N 71° 51' 18" W	64.05'
L27	S 28° 57' 55" W	8.78'
L28	N 61° 02' 05" W	145.00'
L29	S 34° 41' 37" W	67.21'
L30	S 52° 43' 39" W	60.72'
L31	S 66° 16' 04" W	56.00'
L32	N 49° 32' 52" E	118.48'
L33	N 42° 37' 35" W	176.95'

CURVE TABLE						
CURVE	BEARING	CHORD	LENGTH	RADIUS	DELTA	TANGENT
C1	S71°46'02"E	73.44'	73.46'	930.00'	4°31'33"	36.75'
C2	S68°09'13"E	6.69'	6.69'	120.00'	3°11'44"	3.35'
C3	S50°02'37"E	26.73'	26.74'	270.00'	5°40'27"	13.38'
C4	S49°20'32"E	17.14'	17.14'	230.00'	4°16'15"	8.58'
C5	S71°28'50"E	120.46'	123.10'	170.94'	41°15'39"	64.36'
C6	N10°44'34"W	243.73'	244.29'	1041.84'	13°26'04"	122.71'
C7	N59°11'02"W	418.62'	421.56'	1030.00'	23°27'00"	213.77'
C8	S69°01'41"W	77.24'	83.91'	60.00'	80°07'33"	50.46'
C9	N78°15'43"W	556.78'	565.26'	940.00'	34°27'16"	291.47'

** SEE FIELD NOTES **

75.489 ACRES, PART OF THE
 A. H. WOOD SURVEY, ABSTRACT NO. 886
 & THE W.E. HALL SURVEY, ABSTRACT NO. 1116
 KILLEEN, BELL COUNTY, TEXAS

STATE OF TEXAS
 COUNTY OF BELL

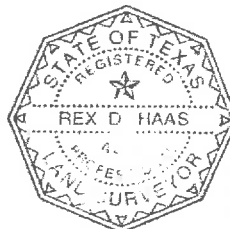
KNOW ALL MEN BY THESE PRESENTS, That I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that I did cause to be surveyed on the ground the above described tract of land and to the best of my knowledge and belief, the said description is true and correct. Survey completed on the ground in July, 2017.

IN WITNESS THEREOF, My hand and seal this the 10th day of August, 2017.

NOTES:

1. SURVEY PREPARED WITHOUT THE BENEFIT OF TITLE COMMITMENT.
2. ALL BEARINGS ARE BASED UPON THE TEXAS COORDINATE SYSTEM, NAD 83 (CDRS 96), TEXAS CENTRAL ZONE AS PER LEICA TEXAS SMARTNET GPS OBSERVATIONS.
- ALL DISTANCES ARE SURFACE DISTANCE.
- COMBINED SCALE FACTOR=1.0001168.

- = CORNERS ARE 1/2" IR W/ M&A CAP SET UNLESS OTHERWISE NOTED.
- = CORNERS ARE 3/8" IR W/ KES CAP FOUND UNLESS OTHERWISE NOTED.



Rex D. Haas
 Registered Professional
 Land Surveyor, No. 4378

CITY OF KILLEEN
PARCEL 9
75.489 ACRES

FIELD NOTES for a 75.489 acre tract of land in Bell County, Texas, being part of the A. H. Wood Survey, Abstract No. 886 and the W. E. Hall Survey, Abstract No. 1116, and the land herein described being part of a called 281.53 acre tract conveyed to Killeen Chaparral Development, L.L.C., of record in Document #2012-24898, Official Public Records of Real Property, Bell County, Texas, (O.P.R.R.P.B.C.T.), and being more particularly described as follows:

BEGINNING at a 3/8" iron rod with cap stamped "KES" found at the southwest corner of Lot 4, Block 3, White Rock Estates Phase Ten, an addition to the City of Killeen, Texas, of record in Plat Year 2014, Number 48, Plat Records of Bell County, Texas, being the southeast corner of that certain tract conveyed to Anita P. Fergus by Probate, of record in Volume 5970, Page 177, O.P.R.R.P.B.C.T., and being on the south line of a called 44.361 acre tract conveyed to RSBP Developers, Inc., of record in Document #2013-3268, O.P.R.R.P.B.C.T., for an angle corner in the north line of this tract;

THENCE in a southeasterly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following four (4) calls:

1. S. 84° 21' 08" E., 486.31 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. S. 74° 21' 55" E., 108.28 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. S. 64° 37' 24" E., 233.61 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 81° 10' 59" E., 57.32 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the left on the south right-of-way line of Pyrite Drive, for a corner of this tract;

THENCE in a southeasterly direction with the south right-of-way line of said Pyrite Drive, the following two (2) calls:

1. along said curve to the left, having a radius of 930.00 feet, an arc length of 73.46 feet and a long chord bearing S. 71° 46' 02" E., 73.44 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
2. S. 74° 01' 49" E., 71.42 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, for a corner of this tract;

THENCE in an easterly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following five (5) calls:

1. S. 60° 36' 30" E., 98.95 feet, to a 1/2" iron rod found, for a corner of this tract;
2. S. 83° 39' 31" E., 184.76 feet, to a 1/2" iron rod found, for a corner of this tract;
3. N. 81° 42' 11" E., 137.26 feet, to a 1/2" iron rod found, for a corner of this tract;
4. N. 58° 21' 01" E., 97.83 feet, to a 1/2" iron rod found, for a corner of this tract;
5. N. 79° 42' 58" E., 99.33 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of said Pyrite Drive, for a corner of this tract;

THENCE with the south right-of-way line of said Pyrite Drive and along said curve to the right, having a radius of 120.00 feet, an arc length of 6.69 feet and a long chord bearing S. 68° 09' 13" E., 6.69 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, for a corner of this tract;

THENCE in a southeasterly direction with the south line of said 44.361 acre tract and the north line of said 281.53 acre tract, the following two (2) calls:

1. S. 38° 46' 28" E., 191.24 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
2. S. 65° 06' 19" E., 389.47 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the right on the south right-of-way line of said Pyrite Drive, for a corner of this tract;

THENCE in a southeasterly direction with the south right-of-way line of said Pyrite Drive, the following three (3) calls:

1. along said curve to the right, having a radius of 270.00 feet, an arc length of 26.74 feet and a long chord bearing S. 50° 02' 37" E., 26.73 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. S. 47° 12' 24" E., 187.88 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
3. along said curve to the left, having a radius of 230.00 feet, an arc length of 17.14 feet and a long chord bearing S. 49° 20' 32" E., 17.14 feet, to a 3/8" iron rod with cap stamped "KES" found at the southeast terminus of existing Pyrite Drive, for a corner of this tract;

THENCE N. 35° 58' 30" E., 60.08 feet, with the east terminus of existing Pyrite Drive, to a 3/8" iron rod with cap stamped "KES" found at the northeast terminus of existing said Pyrite Drive, for a corner of this tract;

THENCE with the proposed north right-of-way line of said Pyrite Drive and along a curve to the left, having a radius of 170.94 feet, an arc length of 123.10 feet and a long chord bearing S. 71° 28' 50" E., 120.46 feet, to a 1/2" iron rod with cap stamped "M&A" set on the south line of the remainder of said 44.361 acre tract, for a corner of this tract;

THENCE S. 65° 35' 52" E., 44.92 feet, with the south line of said 44.361 acre tract, to a 3/8" iron rod with cap stamped "KES" found at the south corner of said remainder of 44.361 acre tract, for an "L" corner of this tract;

THENCE N. 24° 24' 08" E., 32.34 feet, with the east line of said 44.361 acre tract, to a 1/2" iron rod with cap stamped "M&A" set on the proposed north right-of-way line of said Pyrite Drive, for a corner of this tract;

THENCE N. 70° 53' 57" E., 187.66 feet, with the proposed north right-of-way line of said Pyrite Drive, to a 1/2" iron rod with cap stamped "M&A" set on the proposed west right-of-way line of Rosewood Drive, for a corner of this tract;

THENCE in a northerly direction with the proposed west right-of-way line of said Rosewood Drive, the following two (2) calls:

1. along said curve to the right, having a radius of 1041.84 feet, an arc length of 244.29 feet and a long chord bearing N. 10° 44' 34" W., 243.73 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
2. N. 04° 03' 00" W., 10.65 feet, to a 1/2" iron rod with cap stamped "M&A" set in a curve to the left on the east line of said 44.361 acre tract and the west line of said 281.53 acre tract, for a corner of this tract;

THENCE with the east line of said 44.361 acre tract and the west line of said 281.53 acre tract and along said curve to the right, having a radius of 1245.00 feet, an arc length of 836.86 feet and a long chord bearing N. 01° 52' 29" W., 821.20 feet, to a 1/2" iron rod with cap stamped "M&A" set on the approximate city limit line of Killeen and Harker Heights, for a corner of this tract;

THENCE S. 21° 34' 41" E., 2694.63 feet, with said approximate city limit line, to a 1/2" iron rod with cap stamped "M&A" set for an "L" corner of this tract;

THENCE over and across said 281.53 acre tract, the following two (2) calls:

1. S. 69° 14' 28" W., 312.42 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;
2. S. 20° 45' 32" E., 630.00 feet, to a 1/2" iron rod with cap stamped "M&A" set on the north right-of-way line of Chaparral Road, for the extreme southeast corner of this tract;

THENCE S. 69° 14' 28" W., 90.00 feet, with the north right-of-way line of said Chaparral Road, to a 1/2" iron rod with cap stamped "M&A" set for the extreme southwest corner of this tract;

THENCE over and across said 281.53 acre tract, the following eight (8) calls:

1. N. 20° 45' 31" W., 690.24 feet, to a 1/2" iron rod with cap stamped "M&A" set for an interior corner of this tract;
2. S. 69° 12' 32" W., 430.00 feet, to a 1/2" iron rod with cap stamped "M&A" set for an "L" corner of this tract;
3. N. 13° 15' 34" W., 157.83 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
4. N. 26° 24' 12" W., 299.85 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
5. N. 60° 55' 07" W., 89.81 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
6. S. 68° 44' 54" W., 106.83 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
7. S. 30° 40' 51" W., 217.40 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
8. S. 36° 53' 04" W., 212.75 feet, to a 3/8" iron rod with cap stamped "KES" found at the northeast corner of Drainage Tract "A", Heritage Oaks Phase One, an addition to the City of Killeen, Texas, of record in Plat Year 2015, Number 121 A&B, Plat Records of Bell County, Texas, for a corner of this tract;

THENCE in a northwesterly direction with the northeasterly lines of said Heritage Oaks Phase One, the following eight (8) calls:

1. N. 87° 02' 04" W., 80.02 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
2. N. 12° 40' 44" W., 300.09 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
3. N. 28° 57' 55" E., 495.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
4. N. 61° 02' 05" W., 130.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
5. N. 71° 51' 18" W., 64.05 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
6. N. 47° 27' 32" W., 496.49 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;
7. Along said curve to the left, having a radius of 1030.00 feet, an arc length of 421.56 feet and a long chord bearing N. 59° 11' 02" W., 418.62 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;
8. N. 70° 54' 32" W., at a distance of 221.63 feet, pass a 3/8" iron rod with cap stamped "KES" found at the north corner of said Heritage Oaks Phase One and the east corner of a called 24.722 acre tract conveyed to RSBP Developers, Inc., of record in Document #2016-33761, O.P.R.R.P.B.C.R.T., continuing on same course for a total distance in all of 722.04 feet, to a 3/8" iron rod with cap stamped "KES" found at the beginning of a curve to the left, for a corner of this tract;

THENCE in a westerly direction with the north and west lines of said 24.722 acre tract, the following seven (7) calls:

1. Along said curve to the left, having a radius of 60.00 feet, an arc length of 83.91 feet and a long chord bearing S. 69° 01' 41" W., 77.24 feet, to a 3/8" iron rod with cap stamped "KES" found at the end of said curve, for a corner of this tract;

CITY OF KILLEEN
PARCEL 9 CONTINUED
75.489 ACRES

2. S. 28° 57' 55" W., 8.78 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
3. N. 61° 02' 05" W., 145.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
4. S. 28° 57' 55" W., 687.00 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
5. S. 34° 41' 37" W., 67.21 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
6. S. 52° 43' 39" W., 60.72 feet, to a 3/8" iron rod with cap stamped "KES" found for a corner of this tract;
7. S. 66° 16' 04" W., 56.43 feet, to a 3/8" iron rod with cap stamped "KES" found at the west corner of said 24.722 acre tract, the east corner of said 133.645 acre tract, the north corner of a called 45.153 acre tract conveyed to RSBP Developers, Inc., of record in Document #2016-33762, O.P.R.R.P.B.C.R.T., and a southwesterly corner of said 281.53 acre tract, for a corner of this tract;

THENCE N. 20° 45' 28" W., 152.41 feet, with the west line of said 281.53 acre tract and the east line of said 133.645 acre tract, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;

THENCE over and across said 281.53 acre tract, the following six (6) calls:

1. N. 49° 32' 52" E., 118.48 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
2. N. 28° 57' 55" E., 598.29 feet, to a 1/2" iron rod with cap stamped "M&A" set for a corner of this tract;
3. N. 42° 37' 35" W., 176.95 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
4. Along said curve to the left, having a radius of 70.00 feet, an arc length of 22.49 feet and a long chord bearing N. 51° 49' 50" W., 22.39 feet, to a 1/2" iron rod with cap stamped "M&A" set at the end of said curve, for a corner of this tract;
5. N. 61° 02' 05" W., 32.38 feet, to a 1/2" iron rod with cap stamped "M&A" set at the beginning of a curve to the left, for a corner of this tract;
6. Along said curve to the left, having a radius of 940.00 feet, an arc length of 565.26 feet and a long chord bearing N. 78° 15' 43" W., 556.78 feet, to a 1/2" iron rod with cap stamped "M&A" set on the west line of said 281.53 acre tract and the east line of said 133.645 acre tract, for a corner of this tract;

THENCE N. 20° 45' 28" W., 87.87 feet, with the west line of said 281.53 acre tract and the east line of said 133.645 acre tract, to a 1/2" iron rod found at the southwest corner of said Fergus tract, for the extreme northwest corner of this tract;

THENCE N. 68° 52' 51" E., 465.04 feet, with the south line of said Fergus tract, to the POINT OF BEGINNING containing 75.489 acres of land.

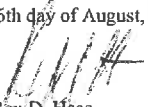
The bearings for the above description are based on the Texas Coordinate System, Central Zone, NAD 83 (CORS 96) as determined by Leica Texas SmartNet GPS observations.

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS, that I, Rex D. Haas, Registered Professional Land Surveyor, do hereby certify that the above described tract was surveyed on the ground and that this description is true and correct to the best of my knowledge and belief. Survey completed on the ground in July, 2017.

COUNTY OF BELL

IN WITNESS THEREOF, my hand and seal this the 16th day of August, 2017.


Rex D. Haas
Registered Professional
Land Surveyor, No. 4378





ROSEWOOD DR/HERITAGE
OAKS H&B ROW

RS-17-129

December 12, 2017

Background

- Approximately 90 acres necessary for roadway (+/-6.5 ac.) and trail (+/-83.5 ac.).
- Three properties with variations of the same owner.
- The owner has offered these tracts for dedication.
- Property value estimated at \$1,260,000.
- Approximately 75 acres out of this tract is associated with the PUD zoning ordinance for Heritage Oaks, Phase 1.

ROW Map



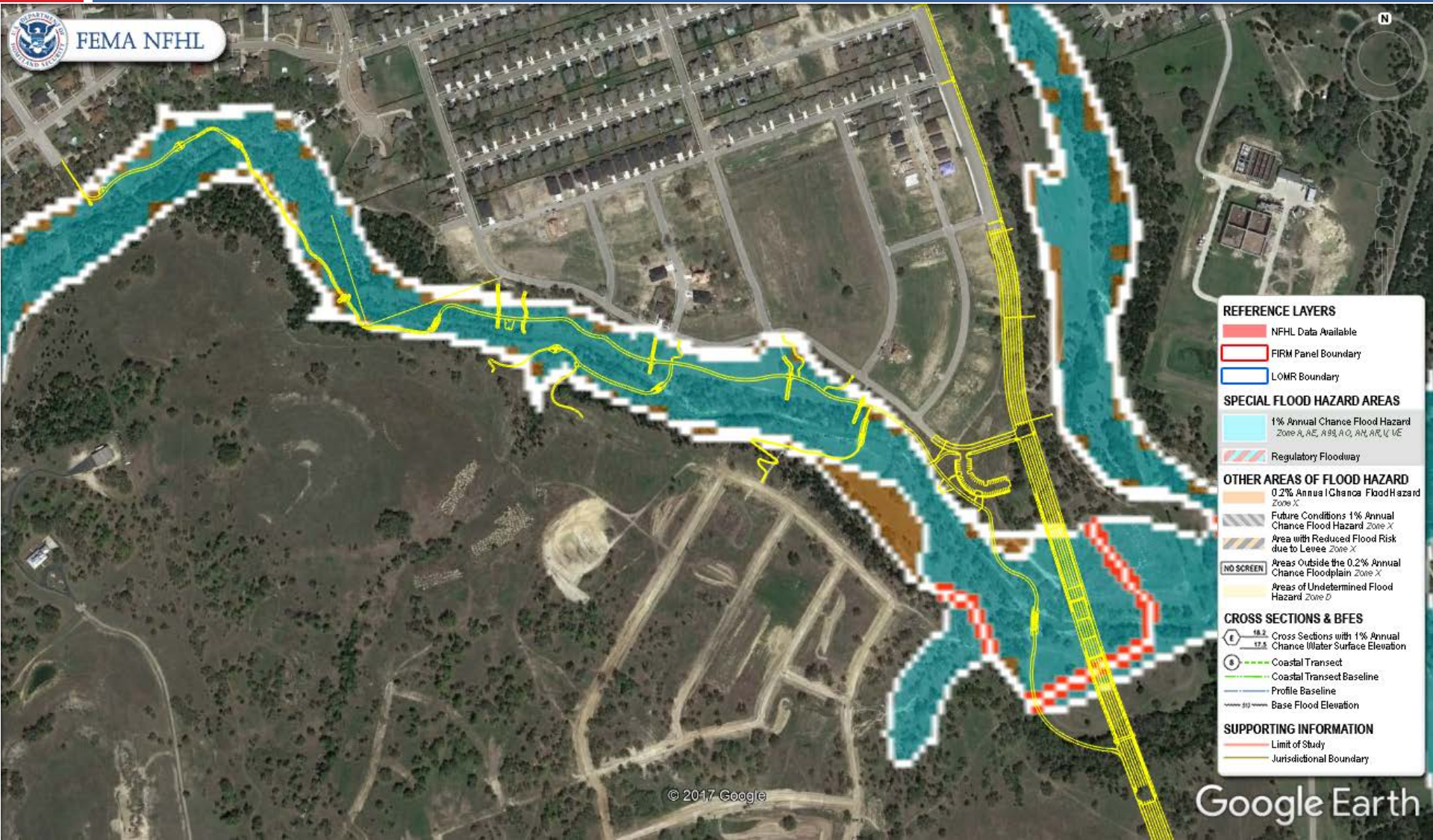
HERITAGE OAKS HIKE & BIKE TRAIL, SEGMENT 4

TRIMMER CREEK

ROSEWOOD DRIVE EXTENSION

TRIMMER CREEK BRIDGE
NBI 09-014-0-C024-12-00

FEMA SFHA



Alternatives/Recommendation

Alternatives:

- Reject property dedication.
 - ▣ This option will halt the roadway and trail project.
- Accept the dedication.
 - ▣ Project moves forward. COK assumes fiscal responsibility for maintenance estimated at \$140,000 annually beginning in FY 2020.

Recommendation:

- Accept the dedication of three parcels for the construction of Rosewood Drive Extension/Heritage Oaks H&B Trail.