

City of Killeen
Special City Council Meeting
Killeen Utilities Collections Conference Room
September 4, 2018 at 5:02 p.m.

Presiding: Mayor Jose Segarra

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

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

Approval of Agenda

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

Public Hearings

PH-18-025 HOLD a on the proposed tax rate of 0.7575 for fiscal year October 1, 2018, through September 30, 2019, and announce the meeting to adopt the proposed tax rate on September 18, 2018. (1st of 2 Public Hearings)

Staff Comments: Jon Locke, Executive Director of Finance

On August 21, 2018, City Council set the preliminary tax rate at 0.7575 per \$100 valuation and adopted a resolution scheduling the adoption of the tax rate for September 18, 2018, and setting public hearings for September 4, 2018, and September 11, 2018, on the proposed tax rate for the FY 2019 Proposed Annual Budget and Plan of Municipal Services. The effective tax rate for FY 2019 is 0.7449. The rollback tax rate adjusted for sales tax for FY 2019 is 0.7575. Since the preliminary tax rate was set above the effective tax rate, Texas Property Tax Code requires that two public hearings be held prior to the adoption of the final tax rate. Staff recommends the City Council conduct the first of two public hearings to receive comments on the proposed tax rate of 0.7575 per \$100 valuation for fiscal year October 1, 2018, through September 30, 2019, and announce meeting to adopt the proposed tax rate on September 18, 2018.

Mayor Segarra opened the public hearing.

Holly Teel, 1704 Hooten Street, Killeen - is in agreement with the proposed tax rate of 0.7575, as long as she sees the results of the additional revenue being used to increase services that are provided to the citizens around the city.

Mellisa Brown, 6105 Melanie Drive, Killeen - expressed concerns about the way the tax rate process is presented to the public and would like to see a better understanding explained.

Ms. Croft, 2384 E. Stagecoach Road, Killeen - is in agreement with the proposed tax rate of 0.7575, as long as she sees the results of the additional revenue being used to

increase services that are provided to the citizens around the city, particularly in her area that was annexed in 2008.

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

Mayor Segarra announced that a second public hearing will be held on September 11, 2018 at 5:00 p.m. at 210 West Avenue C, Killeen, Texas and the meeting to adopt the tax rate will be held on September 18, 2018 at 5:00 p.m. at 210 West Avenue C, Killeen, Texas.

PH-18-026 HOLD a public hearing on the FY 2019 Proposed Annual Budget and Plan of Municipal Services for the Fiscal Year October 1, 2019, through September 30, 2019.

Staff comments: Jon Locke, Executive Director of Finance.

Local Government Code and City of Killeen Charter requires that a public hearing be held prior to the adoption of the final budget. A fiscal year 2019 budget summary was presented.

Mayor Segarra opened the public hearing.

Harold Butchard, 309 S. 2nd Street, Killeen - requested for city council to consider funding sewer repairs that have been placed on the burden of homeowners in years past.

Craig Langford, 2501 E. Elms Road, Killeen - requested city council consider a request from the Killeen Area Heritage Association for reimbursement of the Hotel Occupancy Tax for historical preservation of buildings that the organization maintains.

Tony Stepan, 1803 Kirk Avenue, Killeen - requested for city council to consider funding sewer repairs that have been placed on the burden of homeowners in years past. He explained the burden and effect that costly sewer line repairs have on homeowners.

Tolly James, Jr., 1206 Bonner Drive, Killeen - addressed his concern with the budget as it relates to an unfunded mandate in retirement accounts.

Holly Teel, 1704 Hooten Street, Killeen - spoke against the proposed budget and does not understand why revenue systems that will fill the city coffers have not been looked into.

Nikki Walsh, 1101 Farhills Drive, Killeen - requested for city council to consider funding sewer repairs that have been placed on the burden of homeowners in years past. Ms. Walsh explained her past experience with sewer repairs. She believes that the fees that she pays in her monthly utility bill would have covered the costs that the city would incur when making repairs to sewer lines, including her lateral line.

Lee Huggins, 12023 Cabana Lane, Austin (Killeen property owner) - requested for city council to consider funding sewer repairs that have been placed on the burden of homeowners in years past. He presented a graph obtained from the Killeen Daily Herald that represents half of the readership believing that the city should bear the costs of sewer line repairs in city easements.

Ms. Croft, 2384 E. Stagecoach Road, Killeen - requested that funds be put in the budget to cover the costs associated with what was promised to the citizens whose

properties were annexed in 2008 (such as sewer lines that would connect to the city main line).

Mellisa Brown, 6105 Melanie Drive, Killeen - requested that city council vote to approve the effective rate. Ms. Brown spoke against funds being spent on museum contributions, the Killeen Chamber of Commerce and the Killeen Economic Development. She addressed concerns with future capital improvements projects and how they are funded.

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

Motion was made by Mayor Pro Tem Kilpatrick to set the date of September 18, 2018 to adopt the FY 2019 Proposed Budget, the meeting will start at 5:00 p.m. and will be held at 210 West Avenue C, Killeen, Texas. Motion was seconded by Councilmember Nash-King. Motion carried unanimously.

Discussion Items

DS-18-077 Discuss and Direct Staff on FY 2018-2019 Budget

Staff comments: Ron Olson, City Manager.

Mr. Olson opened further discussions on the fiscal year 2018-2019 budget and requested direction from city council on two items that he identified as staff needing further direction on: 1) if council is going to stay with the rollback tax rate of \$0.7575, council is going to need to direct staff to amend the proposed budget to include the estimated revenue that would come with that tax increase, and 2) in reference to the HOP, council needs to direct staff on funding, if any, to be contributed to the HOP.

- *Motion was made by Mayor Pro Tem Kilpatrick giving direction to the City Manager to include in the budget a line amount in the amount of \$120,850 to contribute to the HOP (same amount as FY 2017-2018). Motion was seconded by Councilmember Johnson. Motion carried unanimously.*
- *Motion was made by Councilmember Rivera giving direction to the City Manager to use the tax rate of \$0.7575. The motion was seconded Mayor Pro Tem Kilpatrick. Motion failed 3 to 4 with Councilmember Nash-King, Councilmember Fleming, Councilmember Johnson and Councilmember Harris in opposition. Mayor Seggara announced that with this action, the proposed tax rate is the rate to work with and due to no changes needing to be made to the FY2018-2019 proposed budget, there is no need to conduct a second public hearing on the budget.*

Councilmember Fleming opened discussions in reference to the city taking on the responsibility of repairs to sewer lateral lines that are currently the responsibility of the homeowner. Mr. Olson advised that this concern is being addressed and researched by city staff who has been directed to bring a draft ordinance to city council for discussion and consideration at a future council workshop meeting. An ordinance would have to be approved and

adopted by city council before any funds could be spent on repairs to sewer lateral lines that is not outlined in the current ordinance.

- *Motion was made by Councilmember Fleming giving direction to the City Manager to adjust the Water & Sewer budget internally using \$100,000 in contingency funds and taking \$300,000 out of the Water & Sewer Capital fund to place \$400,000 total into a Water and Sewer account dedicated for sewer lateral line repairs. Motion was seconded by Councilmember Johnson. Motion carried unanimously.*

Adjournment

With no further business, upon motion being made by Councilmember Rivera, seconded by Mayor Pro Tem Kilpatrick, and unanimously approved, the meeting was adjourned at 6:17 p.m.