

City of Killeen
Regular City Council Meeting
Killeen City Hall
September 14, 2021 at 5:00 p.m.

Presiding: Mayor Jose Segarra

Attending: Mayor Pro Tem Debbie Nash-King Councilmembers Jessica Gonzalez, Nina Cobb, Michael Boyd, Ken Wilkerson, Rick Williams, and Mellisa Brown.

Also attending were City Manager Kent Cagle, City Attorney Traci Briggs, City Secretary Lucy Aldrich, and Sergeant-at-Arms Ache.

Mayor Pro Tem Nash-King gave the invocation; and Mayor Segarra led everyone in the Pledge of Allegiance.

Approval of Agenda

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

Citizen Comments

Ms. Anca Neagu - spoke on agenda item OR-21-017 (amendment to Chapter 30)

Consent Agenda

MN-21-021 Consider Minutes of Regular City Council Meeting of August 24, 2021.

RS-21-120 Consider a memorandum/resolution awarding RFP 20-34 to United HealthCare for an excess risk policy (stop loss insurance) for medical and pharmacy claims under the City health insurance plan, effective October 1, 2021 in the amount of \$614,755.

RS-21-121 Consider a memorandum/resolution authorizing the purchase of irrigation control panels for the golf course from Professional Turf Products, L.P. in an amount not to exceed \$85,891.20.

RS-21-122 Consider a memorandum/resolution authorizing the creation of the Central Texas Regional 9-1-1 Emergency Communications District.

Motion was made by Councilmember Boyd to approve consent agenda items. Motion was seconded by Mayor Pro Tem Nash-King. The motion carried unanimously.

Budget

PH-21-049 **HOLD** a public hearing on the proposed tax rate for the fiscal year beginning October 1, 2021 and ending September 30, 2022.

Staff Comments: Jon Locke, Executive Director of Finance

Mr. Locke reviewed the different property tax rate descriptions and identified the amount of each rate as follows: the no-new revenue rate, or the tax rate that will

generate the same amount of tax revenue as the previous fiscal year on properties taxed in both fiscal years (FY2022 - \$0.6713); the budgeted rate, or the tax rate used to prepare the FY2022 proposed budget (FY2022 - \$0.7056); the proposed rate, or the tax rate proposed by motion of direction on September 7, 2021 (FY2022 - \$0.7004); a rate with a \$24 million bond issue, or the tax rate to include debt service for a street maintenance bond issue supported by property tax (FY2022 - \$0.7169, this was set as the preliminary tax rate ceiling); the current rate, or the tax rate levied for the current fiscal year (FY2021 - \$0.7330); and the voter-approval rate, or the tax rate that is calculated by increasing the maintenance and operation component of the no-new-revenue rate by 3.5% plus any unused increment rate (FY2022 - \$0.8357). City staff recommends City Council hold a public hearing on the proposed tax rate of \$0.7004 for the fiscal year beginning October 1, 2021 and ending September 30, 2022.

Mayor Segarra opened the public hearing.

With no one appearing, Mayor Segarra closed the public hearing.

PH-21-052 HOLD a public hearing on the proposed Fiscal Year 2022 Annual Budget.

Staff Comments: Jon Locke, Executive Director of Finance

Mr. Locke reviewed the projected beginning fund balances, revenues, expenditures and the ending fund balances for fiscal year 2022 in all of the city's funds. City staff recommends City Council hold a public hearing on the proposed fiscal year 2022 annual budget.

Mayor Segarra opened the public hearing.

Ms. Holly Teel spoke on a variety of ways to use funds such as: gang violence department, fixing older city parks, and funding police patrols in older city parks.

Mr. Michael Fornino spoke on adding more police officers to the police force, adding more code enforcement officers, concentrating on retention and recruitment, and addressing ways attract businesses to the city.

Mr. John Miller spoke on using funds to attract more businesses to the city and to fix smaller (overlooked) roads that need repair.

With no one else appearing, Mayor Segarra closed the public hearing.

OR-21-013 Consider an ordinance adopting the Annual Budget for the City of Killeen for the fiscal year beginning October 1, 2021 and ending September 30, 2022.

The City Secretary read the caption of the ordinance.

AN ORDINANCE APPROVING AND ADOPTING A BUDGET FOR OPERATING THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING ON OCTOBER 1, 2021 AND ENDING ON SEPTEMBER 30, 2022; APPROPRIATING MONEY FOR THE VARIOUS FUNDS AND PURPOSES OF SUCH BUDGET INCLUDING APPROPRIATIONS OF MONEY TO PAY INTEREST AND

PRINCIPAL SINKING FUND REQUIREMENTS ON ALL INDEBTEDNESS; PROVIDING A SAVINGS AND SEVERABILITY CLAUSE; REPEALING ALL ORDINANCES AND APPROPRIATIONS IN CONFLICT WITH THE PROVISIONS OF THIS ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE.

Staff Comments: Jon Locke, Executive Director of Finance

The proposed fiscal year 2022 budget was submitted to City Council July 6, 2021. On July 21st, the city manager at the direction of City Council held a public budget forum. On July 27th, the city held the first budget public hearing. A second budget public hearing was held September 7th and a third and final public hearing was held this evening (PH-21-052). With a majority vote being required by the City Council to adopt the budget, city staff's recommendation is to adopt the budget ordinance as presented.

Motion was made by Mayor Pro Tem Nash King to approve OR-21-013. Motion was seconded by Councilmember Williams. Councilmember Brown made a motion to amend the motion to approve the budget with a reduction in the water and sewer revenue of \$1.5 million that would be brought in by the increased rates and a reduction of \$560,000 in revenue in the solid waste fund that would be brought in by the increased rates and to use the CIP fund balance to cover the costs of the CIPs that those funds would have covered. Without a second, the motion to amend died.

The City Secretary called for a record vote of the original motion:

*Mayor Pro Tem Nash-King - Aye
Councilmember Gonzalez - Aye
Councilmember Cobb - Aye
Councilmember Boyd - Aye
Councilmember Wilkerson - Aye
Councilmember Williams - Aye
Councilmember Brown - No*

Motion carried 6 to 1 with Councilmember Brown in opposition.

OR-21-014 Consider a memorandum/resolution ratifying the property tax revenue increase reflected in the Annual Budget for the fiscal year October 1, 2021 through September 30, 2022.

Staff Comments: Jon Locke, Executive Director of Finance

Per Local Government Code 102.007(c), adoption of a budget that receives more property tax revenue than in the previous year requires a separate vote to ratify the property tax revenue increase. The total tax revenue increase is \$3,616,687. This action is required even though the tax rate is decreasing. City staff's recommendation is to ratify the property tax revenue increase reflected in the Annual Budget and Plan of Municipal Services for the fiscal year October 1, 2021, through September 30, 2022.

Motion was made by Mayor Pro Tem Nash-King to approve OR-20-014. Motion was seconded by Councilmember Williams. Motion carried unanimously.

OR-21-015 Consider an ordinance setting a tax rate of \$0.7004 per \$100 valuation, comprised of \$0.5119 for maintenance and operations and \$0.1885 for debt service, for fiscal year 2022 (tax year 2021).

The City Secretary read the caption of the ordinance.

AN ORDINANCE SETTING THE TAX RATE AND LEVYING A TAX UPON ALL PROPERTY SUBJECT TO TAXATION WITHIN THE CITY LIMITS OF THE CITY OF KILLEEN, TEXAS, FOR THE 2021 TAX YEAR AND FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; APPORTIONING SAID LEVY AMONG THE VARIOUS FUNDS AND ITEMS FOR WHICH REVENUE MUST BE RAISED INCLUDING PROVIDING A SINKING FUND FOR THE RETIREMENT OF THE BONDED DEBT OF THE CITY; AND ESTABLISHING AN EFFECTIVE DATE.

Staff comments: Jon Locke, Executive Director of Finance.

On August 3, 2021, at a City Council meeting, the Killeen City Council set the preliminary tax rate at the rate of \$0.7169 per \$100 valuation. This was done to allow the option of issuing bonds for street reconstruction and repay the bonds with property tax. City Council later decided to use the Street Maintenance Fee to repay the bonds for street reconstruction. The preliminary tax rate represents the maximum rate that can be adopted for the FY 2022 Budget. The no-new-revenue tax rate for FY 2022 (2021 tax year) is \$0.6713. The voter-approval tax rate for FY 2022 (2021 tax year) is \$0.8357. On September 7, 2021, City Council provided a motion of direction to remove \$374,279 in property tax revenue from the FY 2022 Budget and lower the proposed tax rate from \$0.7056 to \$0.7004. City staff recommends City Council approve the ordinance setting a tax rate of \$0.7004 per \$100 valuation, comprised of \$0.5119 for maintenance and operations and \$0.1885 for debt service, for fiscal year 2022 (tax year 2021).

Councilmember Wilkerson made a motion stating "I move that the property tax rate be increased by the adoption of a tax rate of \$0.7004, which is effectively a 4.33 percent increase in the tax rate." Motion was seconded by Councilmember Boyd.

The City Secretary called for a record vote:

Mayor Pro Tem Nash-King - Aye

Councilmember Gonzalez - Aye

Councilmember Cobb - Aye

Councilmember Boyd - Aye

Councilmember Wilkerson - Aye

Councilmember Williams - Aye

Councilmember Brown - Aye

Motion carried unanimously.

- OR-21-016** Consider a memorandum/resolution to adopt the Five-Year Capital Improvement Plan for Fiscal Year 2022 - 2026.

Staff comments: Jon Locke, Executive Director of Finance
The Fiscal Year 2022 - 2026 Capital Improvement Plan (CIP) for the City of Killeen is a comprehensive document that provides a five-year outlook for capital projects. This document serves as a guide for the preparation of the capital budget. Only those projects scheduled for fiscal year 2022 will be incorporated into the annual budget. The Five-Year Capital Improvement Plan is updated on an annual basis. Projects shown in later years are for planning purposes only, as funding and priorities may change during the life of the program. City staff recommends City Council adopt the Five-Year Capital Improvement Plan for fiscal years 2022-2026.

Motion was made by Councilmember Boyd to approve OR-21-016. Motion was seconded by Councilmember Wilkerson. Motion carried 6 to 1 with Councilmember Brown in opposition.

- OR-21-017** Consider an ordinance amending the Code of Ordinances Chapter 30, Water, Sewers, and Sewage Disposal, to amend water and sewer rates.

The City Secretary read the caption of the ordinance.
AN ORDINANCE AMENDING CHAPTER 30 WATER, SEWERS, AND SEWAGE DISPOSAL, ARTICLE IV, OF THE CODE OF ORDINANCES OF THE CITY OF KILLEEN, TEXAS, BY AMENDING WATER AND SEWER RATES; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

Staff comments: Jon Locke, Executive Director of Finance
On July 7, 2020, City Council received the results of the 2020 Water & Sewer Rate Study which presented that water rates are not sufficient. City Council deferred rate adjustments in 2020 due to the pandemic. Rate adjustments included in the proposed FY 2022 Budget need to be updated in the ordinance. City staff recommends City Council approve the ordinance amending water and sewer rates approved in the FY 2022 Annual Budget.

Motion was made by Councilmember Wilkerson to approve OR-21-017. Motion was seconded by Councilmember Williams. Motion carried 6 to 1 with Councilmember Brown in opposition.

- OR-21-018** Consider an ordinance amending the Code of Ordinances Chapter 24, Solid Waste, to amend solid waste rates.

The City Secretary read the caption of the ordinance.
AN ORDINANCE AMENDING CHAPTER 24, SOLID WASTE, DIVISION 6, OF THE CODE OF ORDINANCES OF THE CITY OF KILLEEN, TEXAS, BY AMENDING SOLID WASTE RATES; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

Staff comments: Jon Locke, Executive Director of Finance

On July 17, 2021, City Council received the results of the solid waste rate study. The study found that the City's commercial revenues were insufficient to fully fund the projected expenses over the next three years. It also found that residential revenues could sufficiently fund the projected expenses over the next three years. Solid waste rates have not been adjusted since 2015. To offset the projected shortfall in the Solid Waste Fund, a commercial rate increase is recommended in the proposed FY 2022 Budget. City staff recommends City Council approve the ordinance amending water and sewer rates approved in the FY 2022 Annual Budget.

Motion was made by Mayor Pro Tem Nash-King to approve OR-21-018. Motion was seconded by Councilmember Wilkerson. Motion carried 6 to 1 with Councilmember Brown in opposition.

OR-21-019 Consider an ordinance amending the Code of Ordinances Chapter 25, Streets, Sidewalks, and Miscellaneous Public Places, to amend street maintenance fees.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AMENDING CHAPTER 25, ARTICLE VII, STREET MAINTENANCE FEE, OF THE CODE OF ORDINANCES OF THE CITY OF KILLEEN; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

Staff comments: Jon Locke, Executive Director of Finance

City Council adopted an ordinance in December 2018 for the collection of street maintenance fees. The ordinance established the street maintenance fee at \$1.70 per single-family equivalent. A street condition assessment was initiated in 2019. The assessment found that there are an estimated \$120 million in streets that are past the point of maintenance and require reconstruction. That number increased significantly following Winter Storm Uri. The winter storm added an estimated \$40 million of streets that require reconstruction. City Council received a briefing on July 17, 2021, that included different funding options to address street reconstruction and street maintenance. After several meetings and further discussion, City Council decided to move forward with a \$10 monthly single-family equivalent fee. The \$10 monthly single-family equivalent fee is expected to generate \$9.6 million annually. City staff recommends City Council approve the ordinance amending the street maintenance fee.

Motion was made by Councilmember Wilkerson to approve OR-21-019. Motion was seconded by Councilmember Williams. Councilmember Boyd made a motion to amend the motion changing the language in the definition of annual street maintenance costs to, "adjustments to existing sidewalks" as opposed to "sidewalk adjustments." The amended motion was seconded by Councilmember Wilkerson. The motion to amend carried 6 to 1 with Councilmember Brown in opposition. The original motion as amended carried 6 to 1 with Councilmember Brown in opposition.

Ordinances

- OR-21-020** Consider an ordinance amending the Code of Ordinances Chapter 28, Traffic, to establish school speed zones for the Pat Carney Elementary School.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AMENDING CHAPTER 28, TRAFFIC, ARTICLE IX, MISCELLANEOUS RULES OF THE CITY OF KILLEEN CODE OF ORDINANCES TO AMEND THE SCHEDULE OF SCHOOL SPEED ZONES; PROVIDING A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

Staff comments: Andrew Zagars, City Planner

Mr. Zagars was available to provide additional information and answer questions.

Motion was made by Councilmember Wilkerson to approve OR-21-020. Motion was seconded by Mayor Pro Tem Nash-King. Motion carried unanimously.

Public Hearings

- PH-21-043** HOLD a public hearing and consider an ordinance granting easements to Atmos Energy for approximately 0.221 acre consisting of a surface site easement, temporary workspace easement and access easement to be located at the terminus of Persimmon Drive, adjacent to 3008 Persimmon Drive, Killeen TX. (3rd of 3 readings)

The City Secretary read the caption of the ordinance.

AN ORDINANCE GRANTING EASEMENTS TO ATMOS ENERGY CORPORATION FOR APPROXIMATELY .221 ACRE CONSISTING OF A SURFACE SITE EASEMENT, TEMPORARY WORKSPACE EASEMENT, AND ACCESS EASEMENT LOCATED AT THE TERMINUS OF PERSIMMON DRIVE, ADJACENT TO 3008 PERSIMMON DRIVE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE.

Staff Comments: Wallis Meshier, Director of Planning

Ms. Meshier was available to provide additional information and answer questions.

Mayor Segarra opened the public hearing.

With no one appearing, the public hearing was closed.

Motion was made by Mayor Pro Tem Nash-King to approve PH-20-043. Motion was seconded by Councilmember Wilkerson. Motion carried 6 to 0 with Councilmember Cobb not in attendance during the vote.

- PH-21-050** **HOLD** a public hearing and consider an ordinance requested by Dysha Hodge on behalf of Shellene Johnson (Case #FLUM21-06) to amend the Comprehensive Plan's Future Land Use Map (FLUM) from a 'Rural' (R) designation to a 'General

Commercial' (GC) designation for approximately 2.643 acres, being out of the T Robinett Survey, Abstract No. 686, located at 4413 West Stan Schlueter Loop, Killeen, Texas.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN'S FUTURE LAND USE MAP TO CHANGE APPROXIMATELY 2.643 ACRES, BEING OUT OF THE T ROBINETT SURVEY, ABSTRACT NO. 686, FROM A 'RURAL' (R) DESIGNATION TO A 'GENERAL COMMERCIAL (GC) DESIGNATION; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

Staff Comments: Wallis Meshier, Director of Planning
Ms. Meshier was available to provide additional information and answer questions.

Mayor Segarra invited the applicant to speak.

The applicant, Dysha Hodge appeared before City Council to provide additional information and answer questions.

Mayor Segarra opened the public hearing.

Mr. Amr Abdelazeem spoke in support of the request
Mr. Donald Engel spoke in support of the request.
Ms. Araceli Cook spoke in opposition of the request.
Ms. Anca Neagu spoke in support of the request.

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

Motion was made by Mayor Pro Tem Nash-King to disapprove PH-21-050. Motion was seconded by Councilmember Boyd. Motion carried 6 to 1 with Councilmember Gonzalez in opposition.

PH-21-051 HOLD a public hearing and consider an ordinance requested by Dysha Hodge on behalf of Shellene Johnson (**Case #Z21-26**) to rezone approximately 2.643 acres from "B-3" (Local Business District) to "B-4" (Business District), being out of the T Robinett Survey, Abstract No. 686, located at 4413 West Stan Schlueter Loop, Killeen, Texas.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF KILLEEN BY CHANGING THE ZONING OF APPROXIMATELY 2.643 ACRES, BEING OUT OF THE T ROBINETT SURVEY, ABSTRACT NO. 686, FROM "B-3" (LOCAL BUSINESS DISTRICT) TO "B-4" (BUSINESS DISTRICT); PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR PUBLICATION AND AN EFFECTIVE DATE.

Staff Comments: Wallis Meshier, Director of Planning
Ms. Meshier was available to provide additional information and answer questions.

Mayor Segarra asked the applicant, Dysah Hodge if she was in favor of the City Council moving forward with considering her request to rezone the property.

The applicant, Dysha Hodge, withdrew the rezone request.

Adjournment

With no further business, upon motion being made by Councilmember Brown, seconded by Councilmember Wilkerson, and unanimously approved, the meeting was adjourned at 7:43 p.m.