

**City of Killeen**  
Regular City Council Meeting  
Killeen City Hall  
June 12, 2018 at 5:00 p.m.

Presiding: Mayor Jose L. Segarra

Attending: Mayor Pro-Tem Jim Kilpatrick, Councilmembers Butch Menking, Juan Rivera, 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 Gillman.

Absent: Councilmember Gregory Johnson

Mr. Jones gave the invocation, and Mr. John Driver led everyone in the Pledge of Allegiance.

**Approval of Agenda**

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

**Citizens Petition**

**CP-18-002** Mr. Fidel Arevalo, 4301 W. Stan Schlueter Loop, spoke about not being able to be allowed to speak during the Council Meeting held on May 22, 2018 after the Public Hearing item he wanted to speak on had been closed.

**Minutes**

*Motion was made by Councilmember Menking to approve the minutes of the May 22, 2018 Regular City Council Meeting. Motion was seconded by Councilmember Rivera. Motion carried unanimously.*

**Resolutions**

**RS-18-039** Consider a memorandum/resolution approving the investment report for the quarter ended March 31, 2018.

**Staff Comments:** Jonathan Locke

Emily Upshaw with Valley View Consulting briefly went over the report. Staff recommends that the City Council approve the presented investment report for the quarter that ended March 31, 2018.

*Motion was made by Fleming to approve RS-18-039. Motion was seconded by Councilmember Nash-King. Motion carried unanimously.*

**RS-18-040** Consider a memorandum/resolution electing to be eligible to participate in tax abatement and re-establishing the North Killeen Tax Abatement Guidelines and Criteria.

**Staff Comments:** Ray Shanaa

Ordinance 15-056 was passed and approved at a regular meeting of the City Council on the 22nd day of September 2015. Included in the ordinance was a sunset provision that dictated the ordinance would remain in force for two (2) years, unless amended or repealed by three-quarters vote of the City Council of the City of Killeen in accordance

with Tax Code Section § 312.002 (C). In order to offer tax abatements, the City is required to establish guidelines and criteria governing tax abatement (Tax Code §312.002). The Tax Code provides that the guidelines and criteria adopted are effective for two years from the date adopted. The current Guidelines and Criteria for Granting Tax Abatement were originally adopted by the City of Killeen in 2015. Staff recommends that City Council elect to be eligible to participate in tax abatement and re-adopt the presented North Killeen Revitalization Area Tax Abatement Guidelines and Criteria.

*Motion was made by Councilmember Fleming to approve RS-18-040. Motion was seconded by Councilmember Rivera. Motion carried unanimously.*

**RS-18-041** Consider a memorandum/resolution approving an application for North Killeen Tax Abatement from 1302 Harris Killeen-PJY Investments, LLC.

**Staff Comments:** Ray Shanaa

The City received an application for tax abatement from 1302 Harris Killeen-PJY Investments, LLC located at 1302 Harris Avenue on March 23, 2018. The Secretary of the State of Texas has Mr. Paul J. Yazbeck as the registered agent of record. The property is a multifamily residential property with forty-six (46) units and a management office within six (6) buildings. The project is anticipated to meet the North Killeen tax abatement criteria by creating or retaining at least two (2) jobs; investing at least \$197,971; and having a desirable positive impact on the North Killeen Revitalization Area. In addition to the renovation, the applicant intends to install a small pocket park or community garden on the vacant one acre portion of the property. This area cannot be built on due to it being partially in a flood area. Mr. Yazbeck is requesting 100% tax abatement for any increase in the assessed value for a period of five (5) years. Staff recommends that the City Council approve a resolution approving the application for North Killeen tax abatement for 1302 Harris Killeen-PJY Investments, LLC located at 1302 Harris Avenue and authorize the City Manager to execute the agreement in compliance with all applicable laws.

*Motion was made by Councilmember Rivera to approve RS-18-041. Motion was seconded by Councilmember Fleming. Motion carried unanimously.*

**RS-18-042** Consider a memorandum/resolution authorizing the procurement of a Motor Grader for the Street Operations Division.

**Staff Comments:** Jonathan Locke

Fleet Services solicited quotes from four cooperative participating vendors resulting in two complete quotes, one partial and one no-quote. RDO Equipment Co. supplied the quote representing the best value for the City considering price & serviceability. Staff recommends that City Council approve the purchase of the motor grader from RDO Equipment Company utilizing the Texas Association of School Boards (TASB) BuyBoard Purchasing Cooperative for \$267,624.57, and that the City Manager or designee be expressly authorized to execute any and all change orders within the amounts set by state and local law.

*Motion was made by Councilmember Rivera to approve RS-18-042. Motion was seconded by Councilmember Fleming. Motion carried unanimously.*

**RS-18-043** Consider a memorandum/resolution to accept 2018-2019 Petco Foundation Grant Funds.

**Staff Comments:** Police Chief Kimble

This grant will allow ASU (Animal Service Unit) to spay/neuter and vaccinate as many animals prior to adoption as possible. When an animal cannot be vetted prior to adoption, a special voucher will be issued to the new owner that can be redeemed through preapproved sources to have the required sterilization and vaccination services performed. Additionally, the grant will support animal shelter life-saving operations as well as provide funding for medical care, equipment, supplies and training for personnel. City staff recommends that the City Manager or his designee be authorized to accept the grant funding allocated by the Petco Foundation, which will be managed and tracked by the Animal Services Unit, in collaboration with the Finance Department, to aid the shelter's adoption program and life-saving support operations.

*Motion was made by Councilmember Nash-King to approve RS-18-043. Motion was seconded by Councilmember Menking. Motion carried unanimously.*

**RS-18-044** Consider a memorandum/resolution authorizing the City Manager to enter into a grant agreement with the Office of Governor, Criminal Justice Division for the purpose of continuing a Crisis Assistance Program.

**Staff Comments:** Police Chief Kimble

This grant will provide funding for professional counseling services to victims of violent crimes, thereby enhancing the victim services already provided by the Killeen Police Department. These counseling services will be provided by professional counselors contracted through the grant. Additional services made possible will include transportation for medical and shelter needs, direct referrals for local assistance resources, and advocacy for protective orders and housing issues. All services will be provided at no cost to the victims. The grant will also provide funds needed for training staff and volunteers in the Victim Assistance Unit. City staff recommends that City Council authorize the submission of the 2019 VOCA Grant application for the Crisis Assistance Program through the Killeen Police Department; the City Manager to sign the application, reject alter or terminate the grant; to commit to the required matching funds, in the form of in-kind contributions, and to permit the Killeen Police Department to allocate and administer the duties required by the grant, under the oversight of the City's Finance Department.

*Motion was made by Mayor Pro-Tem Kilpatrick to approve RS-18-044. Motion was seconded by Councilmember Nash-King. Motion carried unanimously.*

### **Public Hearings**

**PH-18-012B** HOLD a public hearing and consider an ordinance amending the FY 2018 Annual Budget and Plan of Municipal Services of the City of Killeen to adjust revenue and expenditure accounts in multiple operating, special revenue, internal service, and capital improvement project funds.

The City Secretary read the caption of the ordinance.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2018 ANNUAL BUDGET AND PLAN OF MUNICIPAL SERVICES OF THE CITY OF KILLEEN TO ADJUST REVENUE AND EXPENDITURE ACCOUNTS IN MULTIPLE OPERATING, SPECIAL REVENUE,

INTERNAL SERVICE, AND CAPITAL IMPROVEMENT PROJECT FUNDS;  
REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT  
WITH THIS ORDINANCE; PROVIDING A SAVING CLAUSE; AND  
ESTABLISHING AN EFFECTIVE DATE.

**Staff comments:** Jonathan Locke

Amendments to the FY 2018 Annual Budget include increasing revenues and expenditures in the same amount in the General Fund, adjusting departmental budgeted funds within the Water and Sewer Fund and Drainage Fund, and increasing revenues in the Aviation Fund. The amendment will also increase expenditure budgets in the Solid Waste Fund, as well as multiple special revenue funds, internal service funds, and capital improvement project funds. Staff recommends that City Council approve the ordinance amending the FY 2018 Annual Budget and Plan of Municipal Services.

Mayor Segarra opened the public hearing.

Holy Teel, 1704 Hooten Street – spoke against the request.

Mellisa Brown, 6105 Melanie Drive – spoke against the request.

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

*Motion was made by Councilmember Rivera to approve PH-18-012B. Motion was seconded by Mayor Pro-Tem Kilpatrick. Motion carried unanimously.*

**PH-18-013**     **HOLD** a public hearing on the proposed FY 2018-2019 Annual Action Plan describing use of funds and authorizing application for an allocation of Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) program funds. (1<sup>st</sup> of 2 Public Hearings)

**Staff comments:** Leslie Hinkle

The City of Killeen will receive \$980,404.00 from the U.S. Department of Housing and Urban Development (HUD) for FY 2018-2019 CDBG program activities. Two community planning meetings were held February 8 and 21, 2018, resulting in identification and prioritization of housing and community needs. Funding applications were submitted by the deadline date of March 30, 2018, and were presented to the Community Development Advisory Committee (CDAC) on May 2, 2018. CDAC Representative, TaNeika Driver-Moultrie briefed City Council on the applicants requests vs. CDAC's recommendations. City staff recommends that City Council hold the first of two public hearings and continue acceptance of citizen comments and participation in the development of the 2018-19 Community Development Annual Action Plan. The second public hearing is scheduled for July 10, 2018.

Mayor Segarra opened the public hearing.

Maureen Jouett, 2310 Davis (Bring Everyone in the Zone) – spoke for the request.

Mellisa Brown, 6105 Melanie Drive – spoke neither for or against the request (questions were directed to Ms. Leslie Hinkle)

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

**PH-18-014A**     Consider a memorandum/resolution ratifying an agreement with Naman Howell Smith & Lee for legal services related to McLean Construction v. The City of Killeen.

**Staff Comments:** Kathryn Davis

On February 23, 2018, the City of Killeen was sued by McLean Construction related to a

dispute over the responsibility for failing roadway work performed on Stagecoach Road and Lowes Boulevard by McLean Construction. The City has been advised that litigation involving construction disputes are more expensive than other types of litigation in which the City is usually involved and will also require the hiring of an expert, which further increases the expense. As a result, we will spend more than \$50,000 in a single fiscal year. Accordingly, the City Council is being asked to ratify the Assistant City Manager's signature on the engagement letter, (that was signed on February 27, 2018). Expenses related to retaining an attorney are professional services and are exempt from competitive purchasing procedures. Staff recommends that the City Council ratify the Assistant City Manager's signature on the engagement agreement with Naman Howell Smith & Lee.

*Motion was made by Councilmember Fleming to approve PH-18-014A. Motion was seconded by Councilmember Menking. Motion carried unanimously.*

**PH-18-014B** Consider a memorandum/resolution to join litigation against Spectrum to recover underpayment of cable services franchise fees.

**Staff Comments:** Kathryn Davis

In 2017, thirty-three (33) cities joined together to hire NewGen Strategies to analyze franchise payment records for 2013-2017. It was determined that Spectrum excluded several categories of revenue from gross revenue resulting in lower franchise payments to the cities. For Killeen, the estimated underpayment for the period is \$151,486.00. Those cities are now considering litigation against Spectrum to recover those payments. Staff recommends that the City Council authorize the City joining litigation against Spectrum to recover underpayment of cable services franchise fees.

*Motion was made by Mayor Pro-Tem Kilpatrick to approve PH-18-014B. Motion was seconded by Councilmember Fleming. Motion carried unanimously.*

**PH-18-014C** HOLD a public hearing and consider an ordinance amending the FY 2018 Annual Budget and Plan of Municipal Services of the City of Killeen by increasing expenditure accounts in the General Fund for legal services.

The City Secretary read the caption of the ordinance.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AMENDING THE FY 2018 ANNUAL BUDGET AND PLAN OF MUNICIPAL SERVICES OF THE CITY OF KILLEEN BY INCREASING EXPENDITURE ACCOUNTS IN THE GENERAL FUND FOR LEGAL SERVICES; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT WITH THIS ORDINANCE; PROVIDING A SAVING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

**Staff comments:** Jonathan Locke

On June 5, 2018; City Council provided direction to staff to bring two professional services agreements for legal services forward for consideration: 1) with Naman Howell Smith & Lee (Agenda Item PH-18-014A – McLean Construction) and 2) with Lloyd Gosselink (Agenda Item PH-18-014B - Spectrum). The combined budget amendment necessary to litigate both issues is \$500,238. The total budget amendment is comprised of \$475,000 to cover legal expenses related to McLean Construction and \$25,238 to cover legal expenses related to Spectrum. Staff recommends that City Council approve the

ordinance amending the FY 2018 Annual Budget and Plan of Municipal Services to increase expenditure accounts in the General Fund for legal services.

Mayor Segarra opened the public hearing.

Mellisa Brown, 6105 Melanie Drive – spoke for the request.

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

*Motion was made by Councilmember Menking to approve PH-18-014C. Motion was seconded by Councilmember Nash-King. Motion carried unanimously.*

### **Adjournment**

With no further business, upon motion being made by Councilmember Rivera, seconded by Councilmember Fleming, and unanimously approved, the meeting was adjourned at 6:36 p.m.

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Jose L. Segarra, Mayor

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Lucy C. Aldrich, City Secretary