

City of Killeen
Special City Council Meeting
Killeen City Hall
September 17, 2019 at 5:00 p.m.

Presiding: Mayor Jose Segarra

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

Also attending were City Manager 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.

Citizen Comments

Claudia Brown - spoke on agenda item OR-19-020.

Ordinances

OR-19-020 Consider an ordinance adopting the Annual Budget for the City of Killeen for the fiscal year beginning October 1, 2019 and ending September 30, 2020.

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, 2019 AND ENDING ON SEPTEMBER 30, 2020; 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

On August 6, 2019, the City Manager presented the FY 2020 Proposed Annual Budget and Plan of Municipal Services to the City Council. On September 3rd, the City held the first budget public hearing. On September 10th, a second budget public hearing was held. With a majority vote being required by the Council to adopt the budget, staff's recommendation is to adopt the budget ordinance as presented, which includes two changes from the City Manager's proposed budget. The two changes include an increase to Hill Country Transit's (the HOP) funding and transferring the budget for Animal Services vehicles to Recreation Services. Hill Country Transit's funding was increased from \$120,850 to \$222,366. This was funded by decreasing decision packages funded for veterinary services from \$65,000 to \$38,484 and dangerous building abatement from \$50,000 to \$25,000.

In addition, there was a reduction in contingency from \$100,000 to \$50,000. There is also a transfer of the \$95,400 budget for Animal Services vehicles from the Police Department to Recreation Services in the Governmental CIP Fund.

Motion was made by Mayor Pro Tem Kilpatrick to approve OR-19-020. Motion was seconded by Councilmember Menking. The City Secretary called for a record vote:

*Mayor Pro Tem Kilpatrick - Aye
Councilmember Menking - Aye
Councilmember Fleming - Aye
Councilmember Johnson - Aye
Councilmember Rivera - Aye
Councilmember Harris - Aye
Councilmember Nash-King - Aye*

Motion carried unanimously.

OR-19-021 Consider a memorandum/resolution ratifying the property tax revenue increase reflected in the Annual Budget for the fiscal year October 1, 2019 through September 30, 2020.

Staff comments: Jon Locke, Executive Director of Finance.

Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. This vote is required even though the City's property tax rate will remain the same in FY 2020. The FY 2020 Budget will raise more property taxes than last year's budget by \$4,507,812. The property tax revenue to be raised from new property added to the tax roll this year is \$954,256. 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, 2019, through September 30, 2020 by approving the memorandum/resolution as presented.

Motion was made by Councilmember Johnson to approve OR-19-021. Motion was seconded by Councilmember Rivera. Motion carried unanimously.

OR-19-022A Consider a memorandum/resolution approving the maintenance and operations tax rate for Fiscal Year 2020.

Staff comments: Jon Locke, Executive Director of Finance.

The total proposed tax rate is \$0.7498 per \$100 valuation. The maintenance and operation component of the tax rate is \$0.5281 per \$100 valuation. The maintenance and operation component will generate \$33,067,525 at the City's historical collection rate of 98%. Staff recommends City Council approve the maintenance and operation component of the tax rate at \$0.5281 per \$100 valuation.

Motion was made by Councilmember Rivera to approve OR-19-022A. Motion was seconded by Councilmember Menking. Motion carried unanimously.

OR-19-022B Consider a memorandum/resolution approving the interest and sinking tax rate for Fiscal Year 2020.

Staff comments: Jon Locke, Executive Director of Finance.

The total proposed tax rate is \$0.7498 per \$100 valuation. The interest and sinking component of the tax rate is \$0.2217 per \$100 valuation. The interest and sinking component will generate \$13,894,183 at the City's historical collection rate of 98%. Staff recommends City Council approve the interest and sinking component of the tax rate at \$0.2217 per \$100 valuation.

Motion was made by Councilmember Rivera to approve OR-19-022B. Motion was seconded by Councilmember Menking. Motion carried unanimously.

OR-19-023 Consider an ordinance setting the Tax Rate for Fiscal Year 2020.

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 2019 TAX YEAR AND FOR THE USE AND SUPPORT OF THE MUNICIPAL GOVERNMENT OF THE CITY OF KILLEEN FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; 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 20, 2019, at a City Council meeting, the Killeen City Council set the preliminary tax rate at the rate of \$0.7498 per \$100 valuation. The preliminary tax rate represents the maximum rate that can be adopted for the FY 2020 Budget. The effective tax rate for FY 2020 (2019 tax year) is \$0.6788. The rollback tax rate adjusted for sales tax for FY 2020 (2019 tax year) is \$0.7588. Staff recommends City Council approve the ordinance setting the FY 2020 tax rate at \$0.7498 per \$100 valuation.

Mayor Pro Tem Kilpatrick made a motion stating "I move that the property tax rate be increased by the adoption of a tax rate of \$0.7498, which is effectively a 10.46 percent increase in the tax rate." Motion was seconded by Councilmember Rivera.

The City Secretary called for a record vote:

Mayor Pro Tem Kilpatrick - Aye

Councilmember Menking - Aye

Councilmember Fleming - Aye

Councilmember Johnson - Aye

Councilmember Rivera - Aye

Councilmember Harris - Aye
Councilmember Nash-King - Aye

Motion carried unanimously.

- OR-19-018** Consider an ordinance authorizing the update of Texas Municipal Retirement System service credits.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AUTHORIZING AND ALLOWING, UNDER THE ACT GOVERNING THE TEXAS MUNICIPAL RETIREMENT SYSTEM, "UPDATED SERVICE CREDITS" IN SAID SYSTEM FOR SERVICE PERFORMED BY QUALIFYING MEMBERS OF SUCH SYSTEM WHO PRESENTLY ARE MEMBERS OF THE CITY OF KILLEEN; PROVIDING FOR INCREASED PRIOR AND CURRENT SERVICE ANNUITIES FOR RETIREES AND BENEFICIARIES OF DECEASED RETIREES OF THE CITY; AND ESTABLISHING AN EFFECTIVE DATE FOR SUCH ACTIONS.

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

Staff recommends that the City Council authorize the City Manager, or designee, to authorize the Updated Service Credits and the COLA for retirees as is included in the FY20 Budget and adopt the contribution rate at 11.81%, beginning January 1, 2020.

Motion was made by Councilmember Nash-King to approve OR-19-018. Motion was seconded by Councilmember Fleming. Motion carried unanimously.

- OR-19-019** Consider an ordinance amending Chapters 2, 4, 6, 8, 11, 15, 16, 17, 18, 20, 24, 28, 29, 30, and 31 of the code of ordinances of the City of Killeen, Texas, to repeal fee and rate provisions.

The City Secretary read the caption of the ordinance.

AN ORDINANCE AMENDING CHAPTERS 2, 4, 6, 8, 11, 15, 16, 17, 18, 20, 24, 28, 29, 30, AND 31 OF THE CODE OF ORDINANCES OF THE CITY OF KILLEEN, TEXAS, TO REPEAL FEE AND RATE PROVISIONS; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

Staff comments: Jon Locke, Executive Director of Finance.

On February 26, 2019, the City Council completed its annual review of the Financial Governance Policy. A change made to the governance policy delegated certain fees and rates to the City Manager to be set within established parameters. The delegated fees and rates were reviewed and set within the established parameters. The schedule of fees and rates was made available for public comment for a thirty-day period that ran from April 1 - 30, 2019. The delegated fees and rates are now included in a comprehensive fee and rate schedule, and need to be removed from City ordinances. Staff recommends City Council approve the ordinance amending Chapters 2, 4, 6, 8, 11, 15, 16, 17, 18, 20, 24, 28, 29, 30,

and 31 of the code of ordinances of the City of Killeen, Texas, to repeal fee and rate provisions.

Motion was made by Councilmember Menking to approve OR-19-019. Motion was seconded by Councilmember Rivera. Motion carried unanimously.

Adjournment

With no further business, upon motion being made by Councilmember Rivera, seconded by Councilmember Nash-King, and unanimously approved, the meeting was adjourned at 5:32 p.m.