

City of Killeen
Regular City Council Meeting
Killeen City Hall
August 25, 2009
6:00 p.m.

Presiding: Mayor Pro-Tem Scott Cospers

Attending: Councilmembers Larry Cole, JoAnn Purser, Juan Rivera, Kenny Wells, Ernest Wilkerson, and Billy Workman

Also attending were City Manager Connie Green, City Attorney Kathryn Davis, City Secretary Paula Miller, and Sergeant-at-Arms Jeff Fholer

Absent: Mayor Timothy L. Hancock

Councilmember Cole gave the invocation, and Councilmember Wells led everyone in the pledge of allegiance.

Approval of Agenda

Councilmember Cole moved to approve the agenda as written, seconded by Councilmember Wells. The motion was unanimously approved.

Presentations

PR-1 Presentation - American Planning Association 2009 Certificate of Achievement for Planning Excellence

Mayor Pro-Tem Cospers presented the American Planning Association 2009 Certificate of Achievement for Planning Excellence to Planner Tony McIlwain.

Consent Agenda

CA-1 Consider minutes of Regular City Council Meeting of August 11, 2009.

CA-3 Consider a memorandum/resolution [09-126R] approving FAA Grant Offer for Killeen-Fort Hood Regional Airport.

CA-4 Consider a City/Owner Agreement-in-Principal [09-127R] to construct Malmaison Road as a collector street and extend the Southeast Loop water transmission line through the Yowell Ranch, Phase One Subdivision.

CA-6 Consider a memorandum/resolution [09-128R] amending the Purchasing Policy for the City of Killeen.

CA-7 Consider a memorandum/resolution [09-129R] adopting the Fraud Policy for the City of Killeen.

CA-8 Consider a memorandum/resolution [09-130R] adopting the Ethics Policy for the City of Killeen.

CA-10 Consider a memorandum/resolution [09-131R] approving the investment report for quarter ending June 30, 2009.

CA-11 Consider a memorandum/resolution [09-132R] authorizing an application to the

Certified Local Government Program of the Texas Historical Commission.

Councilmember Wells moved to approve the above items on the Consent Agenda, seconded by Councilmember Rivera. The motion was approved unanimously.

CA-2 Consider a memorandum/resolution approving Bid No. 09-22 for the Reconstruction of Watercrest Road Project.

Citing a conflict of interest, Councilmember Purser stepped down from the dais.

This bid is for the reconstruction of Watercrest Road, and the low bidder is J. C. Evans at a total of \$5,855,910.37 that includes traffic signal improvements.

Councilmember Workman moved to approve the resolution [09-133R], seconded by Councilmember Cole. The motion was approved 5-0.

Councilmember Purser returned to Council deliberations.

CA-5 Consider a request by WLW Enterprises, LLC (Case #09-030RS: St. Luke's United Methodist Church Addition) for a plat of approximately 8.00 acres being part of Lot 1, Block 1, F. M. 3470 Commercial Addition, the property is locally known as 4708 E. Stan Schlueter Loop, Killeen Texas.

This plat is submitted on property zoned B-5 for construction of a church, and there are two points of access from Elms Road. Churches can be located on any property zoned from R-1 to B.5.

Councilmember Workman moved to approve the plat, seconded by Councilmember Rivera. The motion was unanimously approved.

CA-9 Consider a memorandum/resolution authorizing the award of a professional services contract to Mitchell and Associates, Inc. to perform design services for the extension of Trimmier Road Reconstruction project from the south side of Stagecoach to the north side of Biels Loop.

This professional services contract includes surveying, construction administration, and support throughout construction. The project will also include curbing, acquisition of right-of-way, assistance with the bidding process, and negotiation for funding and participation from other sources.

Councilmember Workman moved to approve the resolution [09-134R], seconded by Councilmember Wells. The motion was unanimously approved.

Public Hearings / Ordinances

PH-1 **HOLD** a public hearing on the FY 2009-10 Proposed Annual Budget and Plan of Municipal Services.

City Manager Green advised the preliminary budget had previously been delivered to the City Council, with the first public hearing being set for this meeting, giving the public an opportunity to give their input. He reviewed highlights of the budget and emphasized the budget took into consideration such factors as the recession, declining sales tax and ad valorem tax receipts, and declining interest earnings. There are no new programs, services, or employees.

Mayor Pro-Tem Cosper opened the public hearing. With no one appearing, the public hearing was closed.

Mayor Pro-Tem Cosper announced that two more public hearings will be held on September 1 and September 8.

Ordinances / Resolutions

OR-1 Consider a memorandum/resolution appointing a member to the Celebrate Killeen Committee.

Councilmember Wilkerson moved to table this item to September 8, seconded by Councilmember Wells. The motion was approved unanimously.

OR-2 Consider a memorandum/resolution [09-136R] setting a preliminary tax rate for the FY 2009-10 Annual Budget and Plan of Municipal Services and setting the dates to hold public hearings on the proposed tax increase (if a proposed tax increase is approved) and changes to the City Manager's Proposed Budget.

Finance Director Barbara Gonzales explained that it was necessary for the City Council to set the preliminary tax rate, and the tax rate proposed by the preliminary budget is \$0.695, while the effective tax rate is \$0.6957. The tax rate can be lowered prior to adoption of the budget but can go no higher.

Councilmember Cole moved to set the preliminary tax rate at \$0.695, seconded by Councilmember Workman. The motion was approved unanimously.

OR-3 Consider a memorandum/resolution [09-137R] appointing two new members to the Downtown Partnership Committee.

Councilmember Wells moved to appoint Thomas Sinkey and Fred Latham to the Downtown Partnership Committee, seconded by Councilmember Purser. The motion was approved unanimously.

OR-4 Consider a memorandum/resolution for adopting the Tax Increment Reinvestment Zone Final Project Plan and Financing Plan.

The caption of the ordinance was read as follows:

AN ORDINANCE APPROVING A PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR THE TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING FOR THE REPEAL OF CONFLICTING PROVISIONS; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

The City Council created the Tax Increment Reinvestment Zone Number Two on November 4, 2008, and approved the preliminary plan at that time. Pursuant to Chapter 311 of the Texas Tax Code, the Council needs to finalize the plan; however, the plan can be amended and the boundaries changed.

Councilmember Purser moved to approve the ordinance [09-050], seconded by Councilmember Cole. The motion was approved unanimously.

OR-5 Consider an ordinance of the City Council of the City of Killeen, Texas, authorizing the issuance and sale of \$4,395,000* (preliminary subject to change) City of Killeen, Texas, general obligation refunding bonds, series 2009: providing the security for and payment of said bonds; prescribing the form of said bonds; approving the official statement, notice of sale and awarding the sale of the bonds; and enacting other provisions relating to the subject.

The caption of the ordinance was read as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF CITY OF KILLEEN, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; PRESCRIBING THE FORM OF SAID BONDS; APPROVING THE OFFICIAL STATEMENT, NOTICE OF SALE AND AWARDING SALE OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

Dan Wegmiller, the City's financial advisor, announced the bond rating agencies affirmed the City's AA rating. The City proposes to issue \$4,380,000 in general obligation refunding bonds. The purchaser is Hutchinson Shockey Erley & Co. at a true interest cost of 1.597405% and will result in a saving to the City of \$211,000.

Councilmember Wells moved to approve the ordinance [09-051], seconded by Councilmember Rivera. The motion was approved unanimously.

OR-6 Consider an ordinance of the City Council of the City of Killeen, Texas, authorizing the issuance and sale of \$13,175,000* (preliminary subject to change) City of Killeen, Texas, general obligation bonds, series 2009 for (i) constructing, reconstructing and improving public streets, (ii) constructing, improving and

equipping Parks and Recreation buildings and facilities and (iii) paying the costs of issuing the bonds; providing for the security for and payment of said bonds; prescribing the form of said bonds; approving the official statement, the notice of sale and awarding sale of the bonds; and enacting other provisions relating to the subject.

Citing a conflict of interest, Councilmember Purser stepped down from the dais.

The caption of the ordinance was read as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF \$13,175,000 CITY OF KILLEEN, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2009 FOR (i) CONSTRUCTING, RECONSTRUCTING AND IMPROVING PUBLIC STREETS, (ii) CONSTRUCTING, IMPROVING AND EQUIPPING PARKS AND RECREATION BUILDINGS AND FACILITIES AND (iii) PAYING THE COSTS OF ISSUING THE BONDS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; PRESCRIBING THE FORM OF SAID BONDS; APPROVING THE OFFICIAL STATEMENT, THE NOTICE OF SALE AND AWARDING SALE OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

City Manager Green reported these capital improvement projects were approved by the voters in 2002, and the funds will be used for improvements to Trimmier Road from Stan Schlueter Loop to Stagecoach and for Watercrest Road.

Mr. Wegmiller advised the low bidder was Southwest Securities at a true interest cost of 4.357634%.

Councilmember Wells moved to approve the ordinance [09-052], seconded by Councilmember Rivera. The motion was approved 5-0.

Councilmember Purser returned to Council deliberations.

OR-7 Consider an ordinance of the City Council of the City of Killeen, Texas, authorizing the issuance and sale of \$12,000,000* (preliminary subject to change) City of Killeen, Texas combination tax and revenue certificates of obligation, series 2009; providing for the security for and payment of said certificates; prescribing the form of said certificates; approving the official statement, notice of sale and awarding sale of the bonds; and enacting other provisions relating to the subject.

The caption of the ordinance was read as follows:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KILLEEN, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF \$8,500,000 ~~\$12,000,000~~ CITY OF KILLEEN, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2009; PROVIDING FOR THE SECURITY FOR AND PAYMENT

OF SAID CERTIFICATES; PRESCRIBING THE FORM OF SAID CERTIFICATES; APPROVING THE OFFICIAL STATEMENT, NOTICE OF SALE AND AWARDED SALE OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

City Manager Green recommended the amount of the issue be reduced to \$8,500,000 since \$3,500,000 had been targeted for reconstruction of the former First Baptist Church property. The church is currently on the market for sale, and staff did not believe it would be prudent to borrow money for a facility that may be sold.

Mr. Wegmiller advised all bidders had been informed that the amount of the bonds might be reduced and all agreed to the reduction. The low bidder was FTN Financial Capital Markets at a true interest cost of 3.906256%.

Councilmember Cole moved to approve the ordinance [09-053] for the sale of \$8,500,000 in bonds, seconded by Councilmember Workman. The motion was approved unanimously.

Adjournment

With no further business, upon motion being made by Councilmember Wells, seconded by Councilmember Rivera, and unanimously approved, the meeting was adjourned at 7:02 p.m. and reconvened into Workshop Session.

Scott Cospers, Mayor Pro-Tem

Paula Miller, City Secretary