# KENNEDALE CITY COUNCIL MINUTES

**SPECIAL BUDGET MEETING | AUGUST 5, 2025 AT 5:30 PM**
**CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060**

## I. CALL TO ORDER

Mayor called the meeting to order at 5:30 p.m.

A. ROLL CALL

Mayor Brad Horton- Present
Council Member Place 1- David Glover- Present
Council Member Place 2- Thelma Kobeck- Absent
Mayor Pro Tem/Place 3- Kenneth Michels- Present
Council Member Place 4- Chris Gary- Present
Council Member Place 5- Jeff Nevarez- Present

All Council members present except one, thus constituting a quorum

B. INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS

*"Honor the Texas Flag; I Pledge Allegiance to Thee, Texas, One State under God; One and Indivisible."*

Place 5 Nevarez offered the invocation, followed by Pledges to the American and Texas Flags led by Mayor Pro Tem Michels.

## II. PUBLIC COMMENT

There was no public comment.

## III. PRESENTATIONS

**Hutcherson Construction Inc, Proposal for YMCA Remodel Project- Presented by Eric Tucker, CEO, Kennedale YMCA-** Mr Tucker Presented the Possibility of bringing the YMCA to the City of Kennedale. The YMCA offers both youth & adult programs. The YMCA have met with the City, schools and local business leaders as well as conducted a Kennedale community needs assessment. They have also completed a market analysis confirming the long-term sustainability in Kennedale. Mr. Tucker explained all the benefits to having a YMCA in our community. Mr. Tucker explained how his program will meet the health and wellness needs of the City of Kennedale. They are not a traditional business but a community organization with National resources and funding. They are excited about the opportunity to be a community hub in Kennedale bringing approximately 65,000 visits annually.

## IV. ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION AND/OR ACTION

A. Discuss and take action to allow the City Manager to execute a contract for design build services with Speed Fab Crete and Callahan Associates for the City of Kennedale Sports Complex Renovations.

The City Attorney explained the two-step process. The first is to select the contract that the city is going to negotiate with and then, based on their actions we are authorizing the City Manager to engage into the negations to enter into said contract. If we can't get a contract in agreeance, we would move on to a different qualified company and begin the process over again. The City Manager needs tonight is authorization to go forward with negations the contract.

CM Gary had concerns regarding the negations would increase the cost. Darrell clarified the negations; the intentions is to come back on the 19th with a contract for approval for then to move forward with design. It allowing them to give us a 50% design build out.

Alan Hacaby, from Callahan & Freeman Architects, spoke and clarified the role in which their organization would play. The design accounts for the current budget; Callahan and Freeman Architects are not going to exceed the budget unless the city adds additional requests to the contract.

Mitch Hanzzil from Speed Fab-Crete spoke in regards to the contract design phase. There is a fee schedule to take the contract to 50%. The next step would be the design development engineering step that deals with infrastructural and utilities.
CM Nevarez was concerned regarding security.

CM Nevarez made a motion to approve to allow the City Manager to execute a contract for design build services with Speed Fab Crete and Callahan Associates for the City of Kennedale Sports Complex Renovations.

CM Glover asked for clarification regarding the design fee.

City Manager Hull requested a recess so that he could access the contract in question.

Mayor Horton called for a recess at 6:20pm.

Mayor Horton Reconvened the meeting at 6:34

Council member Nevarez withdrew his motion to allow for further discussion.

Darrell clarified the contract that was presented for Speed Fab-Crete, states that 50% of the design is $87,500. That will allow the city to move forward. City Attorney Adkin did clarify that the contract is maxed out at $3 million budget. Mr. Adkin did request that we add the wording "Subject to legal review" to any motion to allow the city attorney to be able to review as needed. It was again clarified that the design fee is included in the $3 million budget.

Council Member Nevarez moved to allow the City Manager to execute a contract for $87,500 for design build services with Speed Fab Crete and Callahan Associates for the City of Kennedale Sports Complex Renovations subject to legal review.
Council Member Glover seconded the motion.
No opposition, No abstentions
**Vote: Motion passed unanimously 4-0**

## V. WORK SESSION

Jon Horton, Finance Director presented the 2026 Fiscal Year Budget. Mr. Horton went thru each fund and department explaining all the changes. November should be the lowest we have in reserve in the budget until the property tax rolls in. This is primarily due to the increase in sale tax. 47% of our budget is property tax driven. Our 2025 budget is projected to have an excess of our net change in net budget is a $816,000 reduction and a projected $647,000 gain.
Smart targeted spending as well and an increase in revenue. Increased revenue is primality due to sale tax increases.

There was some questions regarding the decline of the fund balance. Our policy states that we are to have 17% in reserves. Cash Reserves fund balance is at 96 days. Mr. Horton went into great detail as to how the grant process works in conjunction with budgeting. The discussion again went to the lift and the uses of. The net change in Fund balance is currently at $786,352 over budget. City Manager Hull explained that is not usual but we do need to bring this number down. Mr. Hull requested that the Council help to come up with cost saving ideas. Mr. Hull went thru a list of potential projects/areas that we might consider to cut from. The current budget has a $1.7 % decrease. Mr. Hull would like to at least cut an additional $200,000 from this budget before it goes for approval on August 19, 2025. Generally, we have approximately anywhere from $7000,000- $800,000 in savings left over in the budget by the end of the year. This is typically from projects that didn't go thru, personnel issues, etc. Mr. Hull requested the help from the council and asked to assist in cutting funding. In the current budget, we have a 1.4% cent decrease in the tax rate. We are making a movement to make the tax rate less. So we are presenting a .69250 tax rate. This is an opportunity for our communities, business owners across the board.
Some of the suggestions for cuts would be:

Grant Consultant for roughly $50,000,
Library with our RFID for $20,000,

Project Manager is roughly $112,000.
Street Lights $50,000 Additional
Lift $134,000 but would be split with EDC for $70,000
Police Patrol Cruiser $80,000

Mr Hull asked council which of these projects are important to leave in for this budget? Council Member Nevarez requested we leave in the RFID for the library as well as the additional funding for the street lights. Council Member Glover requested the Grant writer stay as it can pay for itself as well as the project manager. Mayor Horton also requests that the additional funding for the street lights stay in the budget.

Mr Hull stated that there is a possibility that we can get some assistance with Encore for the street lighting projects.

Mr Hull included in the list the retiree insurance funds $13,000 and the part time administrative assistant for $10,000 who will help us to go digital creating a more efficient workplace.

Council Member Nevarez stated that he also wants to keep the grant writer in the budget

Mr Hull explained that the health insurance rates are in the budget as a 5% increase but they still being negotiated but he is confident that the cost will be a wash for FY2026. Mr Hull suggested that if we take the savings from the medical insurance possibility $25,000-$56,000 savings and the retiree insurance and the patrol car, and the medical insurance savings. That is giving us approximately $120,000. Mix that with the cost of the lift, at $80,000 that gets us where we are wanting to be.

It was pointed out that we did take away a lot from the police department last year. Last year they proposed two vehicles but there only got one. It was discussed that if the budget was going well, we could go back in the spring and possibly look at purchasing a patrol car at that time.

Council was encouraged to reach out to Darrell with ideas and suggestions before the next meeting when we are looking to approve the budget.
Mr Hull asked if everyone was comfortable with a one cent decrease? The general consensus was good with this idea.
Council member Nevarez commented that he is okay with the tax decrease if we are not having to go back and increase next year.

Council member Glover pointed out that we have not raised taxes in the last 5 years and with the amount of inflation it speaks to the fact that the sales tax revenue is offsetting the property tax revenue. Last year 20-21% of our revenue coming in from sales tax. This year we are hitting 27% so we added $300,000. With the projects we have coming in we are expecting to have higher sales tax revenues for the next couple of years.

There was some questions regarding grants in the budget and how we adapt for those. Some of these numbers are conservative without knowing what grants that will be available and the ones we are applying for.

Council member Glover recapped the EDC meeting last week. At that meeting the EDC cut the functional grant budget in half from 250,000 to 125,000. This helps subsidies the proposed lift.

The City Hall will get some much-needed maintenance including paint, carpet and restaining some of the woodwork in the City Hall. The current budget does allow maintenance.

With no further discussion on the budget,
Council Member Nevarez moved to adjourn into executive session
Council Member Michels seconded the motion.
No opposition, No-abstentions
**Vote: Motion passed unanimously 4-0**
City Council Adjourned into executive session at 8:00pm

## VI. EXECUTIVE SESSION

*IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. If, during the course of the meeting and discussion of any items covered by this notice, the Kennedale City Council determines that a Closed or Executive session of the Board is required, then such closed meeting will be held as authorized by Texas Government Code.*

**A. Hutcherson Construction Inc, Proposal for YMCA Remodel Project**
Description: Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property;

**B. City Manager Contract Agreement**
Description: Chapter 551, Section 551.071 consultation with counsel on legal matters; Section 551.074 personnel matters (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee;

## V. RECONVENE INTO OPEN SESSION, AND TAKE ANY ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION @ 8:52pm

Council Member Glover made a motion regarding Executive Session A, to Approve the EDC proposal for the construction of the Kennedale YMCA
Council Member Gary seconded the motion.

No opposition, No abstentions
**Vote: Motion passed unanimously 4-0**

Council Member Glover made a motion regarding Executive Session Item B, to Approve the City Manger Contract Agreement, Authorizing the Mayor to execute the amended employment agreement with the City Managers contract that was discussed in Executive Session, before September 1, 2025.

Council Member Nevarez seconded the motion.
No opposition, No abstentions
**Vote: Motion passed unanimously 4-0**

### VI. ADJOURNMENT

Council Member Glover made a motion to adjourn.
Council Member Nevarez seconded the motion.
There being no further business, Mayor Horton adjourned the meeting at 8:58 p.m.

**APPROVED:**

*MAYOR -BRAD HORTON*

**ATTEST:**

*CITY SECRETARY- BARBARA DAHL*

CITY OF KENNEDALE
TARRANT COUNTY, TEXAS