KENNEDALE CITY COUNCIL AGENDA

REGULAR MEETING | AUGUST 18, 2026 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

I. WORK SESSION

A. Board Appointments

II. CALL TO ORDER

A. ROLL CALL

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."

III. PRESENTATIONS

A. Brinson Benefits Presentation - Brinson Benefit Representative

B. 2026 Library Card Sign Up Proclamation

C. 2026 Senior Center Month Proclamation

IV. PUBLIC COMMENT

The Kennedale City Council welcomes comments from the public. Those wishing to speak must sign in prior to the start of the meeting. Speakers may speak on any topic, whether on the agenda or not. The Kennedale City Council cannot act upon, discuss issues raised or make any decisions at this time. Speakers under citizens' comments shall observe a three-minute time limit. Inquiries regarding matters not listed on this agenda may be referred to staff for research and/or possible future action by the board.

V. PUBLIC HEARING

A. To receive public comment on the fiscal year 2026-2027, City of Kennedale Budget.

B. To receive public comment on a tax rate of $0.696190 per $100 valuation proposed by the governing body of the City of Kennedale, with a maintenance and operation rate of $0.495865, and an Interest and Sinking Rate (debt rate) of $0.200325.

VI. REGULAR SESSION

A. REPORTS AND ANNOUNCEMENTS

In addition to any items below, the Kennedale City Council, the presiding officer, and/or staff may give or receive reports regarding items of community interest, including, but not limited to, recognition of officials, citizens, staff, or departments; information regarding holiday schedules; and upcoming or attended events.

1. Updates from the City of Kennedale Mayor and City Council.

2. Updates from the City of Kennedale City Manager.

3. Financial Reports for the City and/or the EDC.

B. CONSENT AGENDA

These matters have appeared on previous agendas, require little or no deliberation, or are considered routine or ministerial tasks. If discussion is desired, items may be removed for separate consideration.

1. July 27, 2026, City Council Special Meeting Minutes.

2. August 4, 2026, City Council Special Meeting and Budget Workshop Minutes.

3. An ordinance of the City Council of the City of Kennedale, Texas, approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's 2026 rate review mechanism filing.

C. ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION AND/OR ACTION

1. Discuss and hold a Roll Call Vote to take action on an ordinance of the City of Kennedale, Texas, adopting the budget for the fiscal year beginning October 1, 2026, and ending September 30, 2027; appropriating resources for each department, project, operation, activity, purchase, account and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable state law; providing for the filing and posting of the budget as required by state law; providing a severability clause; and providing an effective date.

2. Discuss and take action on the ratification of the property tax for Fiscal Year 2027.

3. Discuss and hold a Roll Call Vote to take action on an ordinance of the City of Kennedale, Texas, levying municipal ad valor taxes for use and support of the municipal government of the City of Kennedale, Texas, for the 2026-2027 fiscal year at the rate of $0.696190 per one hundred dollars($100), and for each year thereafter until otherwise provided, on all taxable property within the corporate limits of the City of Kennedale; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid; approving the tax rolls; providing a severability clause; repealing conflicting ordinances; providing a savings clause; and providing an effective date.

4. Discuss and take action on Ordinance 805 authorizing the issuance, sale and delivery of up to $5,000,000 in aggregate principal amount of "combination tax and revenue certificates of obligation, series 2026"; for the purpose of acquiring vehicles and equipment, and acquiring,

constructing, improving, repairing and equipping capital improvements for authorized city purposes (including water and sewer system improvements, parks improvements, and street, sidewalk, and drainage improvements); securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the city's municipal waterworks and sewer system; and approving and authorizing the execution of all other instruments and procedures related thereto.

5. Discuss and consider approval of bid award for health, dental, life, vision, and accidental death and dismemberment (AD&D), and voluntary life insurances and authorize the City Manager to sign the agreements.

6. Annual Review of Investment Policy

7. Ordinance # 799 Consider a proposed amendment to the Unified Development Code (UDC), Article 14," SIGNS" Table 14.7, "Permanent Sign Requirements," and section 14.8.15. "Prohibited Signs". The PRIMARY action being to amend "pole sign" provisions and "changeable electronic variable message (CEVMS)" standards. Zoning districts affected include the "Employment Center Districts (EC-1 and EC-2)" and "COMMERCIAL AND INDUSTRIAL DISTRICTS (C-0, C-1, C-2, & I). P&Z Case 26-04

8. PZ Case 26-14 Consider a Replat of the property located at 439 Mansfield Cardinal, Parcel 6356354, Kennedale Oaks Addition, Block 1, Lot 1-1R, Lots 2-39, Lot 40 HOA, Lot 41 POND being 6.180 acres being a replat of Harris Hill Estates, Block 1, Lot 1-R situated in the Jesses B. Renfro Survey, Abstract 1260 of the City of Kennedale, Tarrant County, Texas.

9. Consider and approve a construction contract with Tanksco, Inc. for the rehabilitation of the T-3 Elevated Storage Tank.

VII. 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, 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; or (2) to hear a complaint or charge against an officer or employee. (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing. Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; Section 551.087 - deliberation regarding economic development negotiation; Section 551.089 - deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code. If a Closed or Executive Session is held in accordance with the Texas Government Code as set out above, the Kennedale City Council will reconvene in Open Session in order to take action, if necessary, on the items addressed during Executive Session.

A. Boards and Commissions Appointments

Chapter 551, Section 551.074 Personnel matters (1) to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; *Boards being evaluated include

Economic Development Corporation, Planning and Zoning Commission, Board of Adjustment/Building Board of Appeals, Keep Kennedale Beautiful Commission, Parks and Recreation Board and the Library Board.

B. Potential Land Purchase
Chapter 551, Section 551.072 - Deliberation regarding purchase, exchange, lease or value of real property.

VIII. RECONVENE INTO OPEN SESSION, AND TAKE ANY ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION

IX. ADJOURNMENT

_____
Interim City Secretary, Tina Cox

CERTIFICATION: I DO HEREBY CERTIFY THAT THE AUGUST 18, 2026 KENNEDALE CITY COUNCIL AGENDA WAS POSTED INSIDE THE MAIN ENTRANCE OF CITY HALL (405 MUNICIPAL DRIVE), IN A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES; AND THAT SAID AGENDA WAS POSTED AT LEAST THREE (3) BUSINESS DAYS PRECEDING THE SCHEDULED TIME OF SAID MEETING, IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA), THE CITY OF KENNEDALE WILL PROVIDE FOR REASONABLE ACCOMMODATIONS FOR PERSONS ATTENDING MEETINGS. THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR SIGN INTERPRETER SERVICES MUST BE MADE FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING BY CALLING 817-985-2104 OR (TTY) 1-800-735-2989.

A QUORUM OF THE KENNEDALE CITY COUNCIL, KENNEDALE EDC, THE KENNEDALE PLANNING AND ZONING COMMISSION, BOARD OF ADJUSTMENT, KEEP KENNEDALE BEAUTIFUL COMMISSION, PARKS AND RECREATION BOARD, BUILDING BOARD OF APPEALS, TOWNCENTER DEVELOPMENT DISTRICT, OR TAX INCREMENT REINVESTMENT DISTRICT MAY BE PRESENT.

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: WORK SESSION ITEM I.A.

SUBJECT
Board Appointments

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

1.	2026-2027 Boards & Commissions Roster	2026-2027 Boards & Commissions Roster.docx

FY 2026-2027 Board and Commission Rosters

EDC- Economic Development Corporation		Vacate/Incumbent
Place 1 Tyson Eubanks	Term Expires 2027	
Place 2 Marcel Terry	Term Expires 2026	NO RESPONSE
Place 3 Kenneth Michels	Term Expires 2027	
Place 4 Ryon Ray	Term Expires 2026	NO RESPONSE
Place 5 Dustin Verona	Term Expires 2027	
Place 6 Mark Yeary	Term Expires 2026	NO RESPONSE
Place 7 David Glover	Term Expires 2027	

KKB- Keep Kennedale Beautiful		
Place 1 Vanshdeep Singh	Term Expires 2027	VACATE
Place 2 Keith Courtney	Term Expires 2026	INCUMBENT
Place 3 Stephani Yori	Term Expires 2027	
Place 4 Laurie Sanders	Term Expires 2026	INCUMBENT
Place 5 Kimberly Courtney	Term Expires 2027	

PARKS & Recreation Board (3 Open)		
Place 1 Jasdeep Kaur	Term Expires 2027	
Place 2 Vanshdeep Singh	Term Expires 2026	VACATE
Place 3 Develle Coleman	Term Expires 2027	
Place 4 Cory Hines	Term Expires 2026	NO RESPONSE
Place 5 Tamiko Sargent	Term Expires 2027	

P&Z- Planning & Zoning Board		
Place 1 Andrew Malkowski	Term Expires 2027	
Place 2 Michael Brown	Term Expires 2026	INCUMBENT
Place 3 Jeff Madrid	Term Expires 2027	
Place 4 Elfreda Jones	Term Expires 2026	INCUMBENT
Place 5 Socorro Martinez	Term Expires 2027	

BOA-Board of Adjustments & Appeals		
Place 1 Tiffany Murokozi	Term Expires 2027	
Place 2 Kelly Turner	Term Expires 2026	INCUMBENT
Place 3 Kelli Rod	Term Expires 2027	
Place 4 Amanda Hollins	Term Expires 2026	VACATE
Place 5 Pat Vader	Term Expires 2027	
ALTERNATE James Connor	Term Expires 2026	VACATE

Library		
Place 1 Jonathan Scheffrahn	Term Expires 2027	
Place 2 Nichole Malkowski	Term Expires 2026	VACATE
Place 3 Jasdeep Kaur	Term Expires 2027	
Place 4 Elfreda Jones	Term Expires 2026	INCUMBENT
Place 5 Tamiko Sargent-	Term Expires 2027	

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: — III.A.

SUBJECT

PRESENTATIONS:

A. Brinson Benefits update on the 2026-2027 Employee Benefit Package

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: — III.B.

SUBJECT
PRESENTATIONS:

B. 2026 Library Card Sign Up Proclamation

PROCLAMATION
LIBRARY CARD SIGN UP MONTH
September 2026

WHEREAS, libraries are foundational to education, imagination, and opportunity, offering everything from early literacy programs to digital tools that support lifelong learning and personal growth;

WHEREAS, libraries welcome all people, serving as inclusive and accessible community hubs that connect individuals across cultures, generations, and experiences;

WHEREAS, libraries curate collections and design programs that reflect the diversity of the populations they serve, ensuring equitable access to information, technology, and culture for all;

WHEREAS, libraries help individuals navigate life's challenges by providing trusted information, digital access, job search support, and connections to essential services;

WHEREAS, libraries contribute to thriving local economies by equipping job seekers, entrepreneurs, students, and creators with tools and training to succeed;

WHEREAS, in times of both crisis and calm, libraries and their staff remain steadfast in supporting and strengthening their communities;

WHEREAS, library resources help households save money, reduce waste, and make sustainable choices, all through the simple power of a shared public good;

WHEREAS, a library card opens doors to endless possibilities, from books and technology to lifelong learning and imagination;

NOW, THEREFORE, be it resolved that I, BRIAN JOHNSON, MAYOR OF THE CITY OF KENNEDALE, TARRANT COUNTY, TEXAS**,** do hereby proclaim September 2026 as Library Card Sign-up Month in Kennedale, Texas, and encourage all residents to sign up for a library card and explore the endless possibilities it offers.

~ *LIBRARY CARD SIGN UP MONTH* ~

IN TESTIMONY, WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kennedale, Texas to be affixed this 18th day of August 2026.

_____
Mayor, Brian Johnson

Attest:

_____
Interim City Secretary, Tina Cox

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: — III.C.

SUBJECT
PRESENTATIONS:

C. 2026 Senior Center Month Proclamation

PROCLAMATION
SENIOR CENTER MONTH
September 2026

WHEREAS, older Americans are significant members of our society, investing their wisdom and experience to help enrich and strengthen our community; and

Whereas, the KENNEDALE SENIOR CENTER has acted as a catalyst for mobilizing the creativity, energy, vitality, and commitment of the older residents of KENNEDALE, TEXAS; and

Whereas, through the wide array of services, programs, and activities, senior centers empower older citizens of KENNEDALE, TEXAS to contribute to their own health and well-being and the health and well-being of their fellow citizens of all ages; and

Whereas, KENNEDALE SENIOR CENTER has been a community partner in ensuring that older adults in our community are able to stay connected, safe and healthy; and

Whereas, the KENNEDALE SENIOR CENTER affirms the dignity, self-worth, and independence of older persons by facilitating their decisions and actions; tapping their experiences, skills, and knowledge; and enabling their continued contributions to the community;

NOW, THEREFORE, I BRIAN JOHNSON, MAYOR OF THE CITY OF KENNEDALE, TARRANT COUNTY, TEXAS, do hereby proclaim September 2026 National Senior Center Month and call upon all citizens to recognize the special contributions of the senior center participants and the special efforts of the staff and volunteers who work every day to enhance the well-being of the older citizens of our community.

~ *SENIOR CENTER MONTH* ~

IN TESTIMONY, WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kennedale, Texas to be affixed this 18th day of August 2026.

_____
Mayor, Brian Johnson

Attest;

_____
Interim City Secretary, Tina Cox

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM V.A.

SUBJECT
To receive public comment on the fiscal year 2026-2027, City of Kennedale Budget.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM V.B.

SUBJECT
To receive public comment on a tax rate of $0.696190 per $100 valuation proposed by the governing body of the City of Kennedale, with a maintenance and operation rate of $0.495865, and an Interest and Sinking Rate (debt rate) of $0.200325.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM VI.A.1.

SUBJECT
Updates from the City of Kennedale Mayor and City Council.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM VI.A.2.

SUBJECT
Updates from the City of Kennedale City Manager.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM VI.A.3.

SUBJECT
Financial Reports for the City and/or the EDC.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

1.	2026.08.18 - Finance Report thru July 10	2026.08.18 - Finance Report thru July 10.pdf

CITY OF KENNEDALE
MONTHLY FINANCIAL REPORT
Month Ended July 2026
EXECUTIVE OVERVIEW

TO	Mayor and Members of City Council Darrell Hull, City Manager
FROM	Jon Horton, Finance Director
DATE	August 18, 2026
SUBJECT	Monthly Financial Report for July 2026

Below is an overview of the monthly financial results for the current fiscal year through July. Detail schedules for each fund are attached for your review.

Results through July represent 83.33% of the fiscal year.

GENERAL FUND (01)

- ◊ Property tax revenues received year-to-date $6,142,701; 102.4% of total budget; prior year receipts through June were 103.2% of budget
- ◊ Sales tax revenues received year-to-date $2,249,801; 61.7% of total budget; receipts from the State are two months delayed; i.e. October sales taxes are received in December
- ◊ Investment revenue year-to-date is $170,144, 57.5% of budget
- ◊ General Fund expenditures year-to-date $10,701,517; 74.9% of total budget
- ◊ Fund Balance year-to-date is $5,632,363; 144 days of total budgeted expenditures and transfers out

WATER/SEWER FUND (10)

- ◊ *Water service sales year-to-date $2,985,105; 69.2% of budget
- ◊ *Sewer service sales year-to-date $2,101,645; 90.8% of budget
- ◊ Utility Billing and Operations expenditures year-to-date $4,194,610; 79.3% of total budget

STORMWATER FUND (07)

- ◊ *Drainage fees year-to-date $206,537; 67.7% of budget
- ◊ Stormwater Fund expenditures year-to-date $295,034, 75.7% of total budget

EDC FUND (15)

- ◊ Sales tax revenues received year-to-date $749,838; 71.7% of total budget; receipts from the State are two months delayed; i.e. October sales taxes are received in December
- ◊ *Rental fees for the Shopping Center year-to-date $180,466; 75.2% of budget
- ◊ EDC Operations expenditures year-to-date $1,570,637; 129.8% of budget
- ◊ EDC Town Shopping Center expenditures year-to-date $672, 9470; 65.6% of budget
- ◊ Fund Balance year-to-date is $1,382,982; 226 days of total budgeted expenditures and transfers out.

*Indicates July activity was not available at time of publish.

City of Kennedale, TX

Budget Report
Group Summary
For Fiscal: 2025-2026 Period Ending: 07/31/2026

Department;Progra...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 01 - GENERAL FUND						
Revenue						
00 - REVENUE	13,738,754.00	13,738,754.00	628,641.63	11,486,210.58	-2,252,543.42	83.60%
Revenue Total:	**13,738,754.00**	**13,738,754.00**	**628,641.63**	**11,486,210.58**	**-2,252,543.42**	**83.60%**
Expense						
01 - CITY MANAGER	868,803.00	868,803.00	83,785.58	694,259.60	174,543.40	79.91%
02 - MAYOR AND COUNCIL	211,550.00	211,550.00	1,286.98	66,556.61	144,993.39	31.46%
04 - MUNICIPAL COURT	332,256.00	332,256.00	27,004.06	234,416.60	97,839.40	70.55%
07 - FINANCE	663,130.00	663,130.00	44,998.46	552,699.98	110,430.02	83.35%
09 - POLICE	4,002,396.00	4,002,396.00	356,888.45	3,088,548.93	913,847.07	77.17%
10 - FIRE	3,303,998.00	3,303,998.00	259,278.10	2,709,763.57	594,234.43	82.01%
12 - COMMUNITY DEVELOPMENT	695,939.00	695,939.00	41,897.09	318,243.60	377,695.40	45.73%
16 - SENIOR CITIZEN CENTER	60,850.00	60,850.00	3,710.87	41,997.43	18,852.57	69.02%
17 - LIBRARY	560,637.00	560,637.00	39,411.70	434,915.17	125,721.83	77.58%
18 - COMMUNICATIONS	19,900.00	19,900.00	23.99	8,171.24	11,728.76	41.06%
20 - PUBLIC WORKS	2,087,877.00	2,087,877.00	101,695.68	1,422,603.56	665,273.44	68.14%
90 - NON DEPARTMENTAL	1,483,723.00	1,483,723.00	286,709.90	1,129,340.83	354,382.17	76.12%
Expense Total:	**14,291,059.00**	**14,291,059.00**	**1,246,690.86**	**10,701,517.12**	**3,589,541.88**	**74.88%**
Fund: 01 - GENERAL FUND Surplus (Deficit):	**-552,305.00**	**-552,305.00**	**-618,049.23**	**784,693.46**	**1,336,998.46**	**-142.08%**
Fund: 02 - GENERAL DEBT SERVICE FUND						
Revenue						
00 - REVENUE	2,946,276.00	2,946,276.00	261,564.31	2,983,569.51	37,293.51	101.27%
Revenue Total:	**2,946,276.00**	**2,946,276.00**	**261,564.31**	**2,983,569.51**	**37,293.51**	**101.27%**
Expense						
21 - DEBT SERVICE	2,732,972.00	2,732,972.00	4,838.99	2,723,268.51	9,703.49	99.64%
Expense Total:	**2,732,972.00**	**2,732,972.00**	**4,838.99**	**2,723,268.51**	**9,703.49**	**99.64%**
Fund: 02 - GENERAL DEBT SERVICE FUND Surplus (Deficit):	**213,304.00**	**213,304.00**	**256,725.32**	**260,301.00**	**46,997.00**	**122.03%**
Fund: 04 - CAPITAL PROJECTS FUND						
Revenue						
00 - REVENUE	127,950.00	127,950.00	17,887.97	145,000.48	17,050.48	113.33%
Revenue Total:	**127,950.00**	**127,950.00**	**17,887.97**	**145,000.48**	**17,050.48**	**113.33%**
Expense						
00 - REVENUE	104,475.00	104,475.00	104,475.00	104,475.00	0.00	100.00%
Expense Total:	**104,475.00**	**104,475.00**	**104,475.00**	**104,475.00**	**0.00**	**100.00%**
Fund: 04 - CAPITAL PROJECTS FUND Surplus (Deficit):	**23,475.00**	**23,475.00**	**-86,587.03**	**40,525.48**	**17,050.48**	**172.63%**
Fund: 05 - CAPITAL REPLACEMENT FUND						
Revenue						
00 - REVENUE	154,200.00	154,200.00	13,504.60	154,363.32	163.32	100.11%
Revenue Total:	**154,200.00**	**154,200.00**	**13,504.60**	**154,363.32**	**163.32**	**100.11%**
Expense						
30 - VEHICLE/COMPUTER REPLACEMENT	4,650.00	4,650.00	0.00	20,541.30	-15,891.30	441.75%
Expense Total:	**4,650.00**	**4,650.00**	**0.00**	**20,541.30**	**-15,891.30**	**441.75%**
Fund: 05 - CAPITAL REPLACEMENT FUND Surplus (Deficit):	**149,550.00**	**149,550.00**	**13,504.60**	**133,822.02**	**-15,727.98**	**89.48%**
Fund: 07 - STORMWATER UTILITY FUND						
Revenue						
00 - REVENUE	345,200.00	345,200.00	806.00	227,003.16	-118,196.84	65.76%
Revenue Total:	**345,200.00**	**345,200.00**	**806.00**	**227,003.16**	**-118,196.84**	**65.76%**

Department;Progra...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Expense						
35 - STORMWATER UTILITY FEE	389,872.00	389,872.00	20,339.33	295,033.60	94,838.40	75.67%
Expense Total:	**389,872.00**	**389,872.00**	**20,339.33**	**295,033.60**	**94,838.40**	**75.67%**
Fund: 07 - STORMWATER UTILITY FUND Surplus (Deficit):	**-44,672.00**	**-44,672.00**	**-19,533.33**	**-68,030.44**	**-23,358.44**	**152.29%**
Fund: 10 - WATER/SEWER FUND						
Revenue						
00 - REVENUE	19,004,691.00	19,004,691.00	105,555.91	5,941,968.81	-13,062,722.19	31.27%
Revenue Total:	**19,004,691.00**	**19,004,691.00**	**105,555.91**	**5,941,968.81**	**-13,062,722.19**	**31.27%**
Expense						
36 - WATER/SEWER	17,981,739.00	17,981,739.00	320,047.12	5,638,738.01	12,343,000.99	31.36%
90 - NON DEPARTMENTAL	889,139.00	889,139.00	70,808.17	731,857.25	157,281.75	82.31%
Expense Total:	**18,870,878.00**	**18,870,878.00**	**390,855.29**	**6,370,595.26**	**12,500,282.74**	**33.76%**
Fund: 10 - WATER/SEWER FUND Surplus (Deficit):	**133,813.00**	**133,813.00**	**-285,299.38**	**-428,626.45**	**-562,439.45**	**-320.32%**
Fund: 12 - COURT SECURITY FUND						
Revenue						
00 - REVENUE	0.00	0.00	22.08	574.07	574.07	0.00%
Revenue Total:	**0.00**	**0.00**	**22.08**	**574.07**	**574.07**	**0.00%**
Expense						
00 - REVENUE	18,146.00	18,146.00	0.00	0.00	18,146.00	0.00%
Expense Total:	**18,146.00**	**18,146.00**	**0.00**	**0.00**	**18,146.00**	**0.00%**
Fund: 12 - COURT SECURITY FUND Surplus (Deficit):	**-18,146.00**	**-18,146.00**	**22.08**	**574.07**	**18,720.07**	**-3.16%**
Fund: 13 - CAPITAL BOND FUND						
Revenue						
00 - REVENUE	356,600.00	356,600.00	105,337.85	463,408.82	106,808.82	129.95%
Revenue Total:	**356,600.00**	**356,600.00**	**105,337.85**	**463,408.82**	**106,808.82**	**129.95%**
Expense						
11 - CAPITAL PROJ-FIRE STATION	5,089,549.00	5,089,549.00	-136,887.23	4,958,654.75	130,894.25	97.43%
43 - SAFE ROUTES TO SCHOOL	0.00	0.00	0.00	-56,886.55	56,886.55	0.00%
46 - 3 CTY ROAD/CIP 2008 & PRIOR	900,000.00	900,000.00	70,045.12	973,325.42	-73,325.42	108.15%
51 - SONORA PARK	2,000,000.00	2,000,000.00	0.00	79,577.00	1,920,423.00	3.98%
Expense Total:	**7,989,549.00**	**7,989,549.00**	**-66,842.11**	**5,954,670.62**	**2,034,878.38**	**74.53%**
Fund: 13 - CAPITAL BOND FUND Surplus (Deficit):	**-7,632,949.00**	**-7,632,949.00**	**172,179.96**	**-5,491,261.80**	**2,141,687.20**	**71.94%**
Fund: 14 - PARK DEDICATION FUND						
Revenue						
00 - REVENUE	16,000.00	16,000.00	212.41	8,302.53	-7,697.47	51.89%
Revenue Total:	**16,000.00**	**16,000.00**	**212.41**	**8,302.53**	**-7,697.47**	**51.89%**
Expense						
51 - SONORA PARK	160,000.00	160,000.00	0.00	161,298.48	-1,298.48	100.81%
Expense Total:	**160,000.00**	**160,000.00**	**0.00**	**161,298.48**	**-1,298.48**	**100.81%**
Fund: 14 - PARK DEDICATION FUND Surplus (Deficit):	**-144,000.00**	**-144,000.00**	**212.41**	**-152,995.95**	**-8,995.95**	**106.25%**
Fund: 15 - EDC4B FUND						
Revenue						
00 - REVENUE	1,438,223.00	1,438,223.00	133,580.66	1,106,783.64	-331,439.36	76.95%
Revenue Total:	**1,438,223.00**	**1,438,223.00**	**133,580.66**	**1,106,783.64**	**-331,439.36**	**76.95%**
Expense						
06 - ADMINISTRATION	1,210,257.00	1,210,257.00	203,753.00	1,570,636.87	-360,379.87	129.78%
53 - TOWN SHOPPING CENTER	1,025,765.00	1,025,765.00	117,827.11	672,946.74	352,818.26	65.60%
Expense Total:	**2,236,022.00**	**2,236,022.00**	**321,580.11**	**2,243,583.61**	**-7,561.61**	**100.34%**
Fund: 15 - EDC4B FUND Surplus (Deficit):	**-797,799.00**	**-797,799.00**	**-187,999.45**	**-1,136,799.97**	**-339,000.97**	**142.49%**

Department;Progra…	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 16 - COURT TECHNOLOGY FUND						
Revenue						
00 - REVENUE	0.00	0.00	16.88	460.15	460.15	0.00%
Revenue Total:	**0.00**	**0.00**	**16.88**	**460.15**	**460.15**	**0.00%**
Expense						
00 - REVENUE	13,202.00	13,202.00	169.90	1,656.40	11,545.60	12.55%
Expense Total:	**13,202.00**	**13,202.00**	**169.90**	**1,656.40**	**11,545.60**	**12.55%**
Fund: 16 - COURT TECHNOLOGY FUND Surplus (Deficit):	**-13,202.00**	**-13,202.00**	**-153.02**	**-1,196.25**	**12,005.75**	**9.06%**
Fund: 18 - LOCAL YOUTH DIVERSION FUND						
Revenue						
00 - REVENUE	550.00	550.00	211.48	477.89	-72.11	86.89%
Revenue Total:	**550.00**	**550.00**	**211.48**	**477.89**	**-72.11**	**86.89%**
Expense						
56 - LOCAL YOUTH DIVERSION	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00%
Expense Total:	**10,000.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00%**
Fund: 18 - LOCAL YOUTH DIVERSION FUND Surplus (Deficit):	**-9,450.00**	**-9,450.00**	**211.48**	**477.89**	**9,927.89**	**-5.06%**
Fund: 19 - MUNICIPAL COURT BUILDING SECURITY&TECHNOLOGY …						
Revenue						
00 - REVENUE	16,825.00	16,825.00	3,984.41	20,588.63	3,763.63	122.37%
Revenue Total:	**16,825.00**	**16,825.00**	**3,984.41**	**20,588.63**	**3,763.63**	**122.37%**
Expense						
04 - MUNICIPAL COURT	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00%
Expense Total:	**10,000.00**	**10,000.00**	**0.00**	**0.00**	**10,000.00**	**0.00%**
Fund: 19 - MUNICIPAL COURT BUILDING SECURITY&TECHNOLOGY …	**6,825.00**	**6,825.00**	**3,984.41**	**20,588.63**	**13,763.63**	**301.66%**
Fund: 21 - TIF #1 (NEW HOPE) FUND						
Revenue						
00 - REVENUE	297,715.00	297,715.00	266,142.02	330,037.32	32,322.32	110.86%
Revenue Total:	**297,715.00**	**297,715.00**	**266,142.02**	**330,037.32**	**32,322.32**	**110.86%**
Expense						
06 - ADMINISTRATION	150,000.00	150,000.00	0.00	0.00	150,000.00	0.00%
Expense Total:	**150,000.00**	**150,000.00**	**0.00**	**0.00**	**150,000.00**	**0.00%**
Fund: 21 - TIF #1 (NEW HOPE) FUND Surplus (Deficit):	**147,715.00**	**147,715.00**	**266,142.02**	**330,037.32**	**182,322.32**	**223.43%**
Fund: 30 - HOTEL/MOTEL TAX FUND						
Revenue						
00 - REVENUE	29,750.00	29,750.00	5,762.42	15,722.46	-14,027.54	52.85%
Revenue Total:	**29,750.00**	**29,750.00**	**5,762.42**	**15,722.46**	**-14,027.54**	**52.85%**
Expense						
06 - ADMINISTRATION	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00%
Expense Total:	**20,000.00**	**20,000.00**	**0.00**	**0.00**	**20,000.00**	**0.00%**
Fund: 30 - HOTEL/MOTEL TAX FUND Surplus (Deficit):	**9,750.00**	**9,750.00**	**5,762.42**	**15,722.46**	**5,972.46**	**161.26%**
Fund: 31 - POLICE SEIZURE FUND						
Revenue						
00 - REVENUE	9,150.00	9,150.00	18.10	11,270.13	2,120.13	123.17%
Revenue Total:	**9,150.00**	**9,150.00**	**18.10**	**11,270.13**	**2,120.13**	**123.17%**
Expense						
06 - ADMINISTRATION	32,000.00	32,000.00	0.00	0.00	32,000.00	0.00%
Expense Total:	**32,000.00**	**32,000.00**	**0.00**	**0.00**	**32,000.00**	**0.00%**
Fund: 31 - POLICE SEIZURE FUND Surplus (Deficit):	**-22,850.00**	**-22,850.00**	**18.10**	**11,270.13**	**34,120.13**	**-49.32%**
Fund: 32 - LIBRARY BUILDING FUND						
Revenue						
00 - REVENUE	241.00	241.00	39.38	308.10	67.10	127.84%

Department;Progra...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Revenue Total:	**241.00**	**241.00**	**39.38**	**308.10**	**67.10**	**127.84%**
Fund: 32 - LIBRARY BUILDING FUND Total:	**241.00**	**241.00**	**39.38**	**308.10**	**67.10**	**127.84%**
Fund: 34 - LEOSE FUND						
Revenue						
00 - REVENUE	3,790.00	3,790.00	5.96	3,593.80	-196.20	94.82%
Revenue Total:	**3,790.00**	**3,790.00**	**5.96**	**3,593.80**	**-196.20**	**94.82%**
Expense						
09 - POLICE	5,500.00	5,500.00	0.00	0.00	5,500.00	0.00%
Expense Total:	**5,500.00**	**5,500.00**	**0.00**	**0.00**	**5,500.00**	**0.00%**
Fund: 34 - LEOSE FUND Surplus (Deficit):	**-1,710.00**	**-1,710.00**	**5.96**	**3,593.80**	**5,303.80**	**-210.16%**
Fund: 35 - DISASTER RECOVERY FUND						
Revenue						
00 - REVENUE	1,295,000.00	1,295,000.00	172.05	5,514.02	-1,289,485.98	0.43%
Revenue Total:	**1,295,000.00**	**1,295,000.00**	**172.05**	**5,514.02**	**-1,289,485.98**	**0.43%**
Expense						
06 - ADMINISTRATION	1,250,000.00	1,250,000.00	0.00	97,832.80	1,152,167.20	7.83%
Expense Total:	**1,250,000.00**	**1,250,000.00**	**0.00**	**97,832.80**	**1,152,167.20**	**7.83%**
Fund: 35 - DISASTER RECOVERY FUND Surplus (Deficit):	**45,000.00**	**45,000.00**	**172.05**	**-92,318.78**	**-137,318.78**	**-205.15%**
Fund: 40 - GRANT FUND						
Revenue						
00 - REVENUE	0.00	0.00	11.38	124.31	124.31	0.00%
10 - FIRE	0.00	0.00	0.00	580,000.00	580,000.00	0.00%
17 - LIBRARY	0.00	0.00	0.00	7,500.00	7,500.00	0.00%
Revenue Total:	**0.00**	**0.00**	**11.38**	**587,624.31**	**587,624.31**	**0.00%**
Expense						
10 - FIRE	0.00	0.00	0.00	391,251.97	-391,251.97	0.00%
17 - LIBRARY	0.00	0.00	2,156.21	3,942.42	-3,942.42	0.00%
Expense Total:	**0.00**	**0.00**	**2,156.21**	**395,194.39**	**-395,194.39**	**0.00%**
Fund: 40 - GRANT FUND Surplus (Deficit):	**0.00**	**0.00**	**-2,144.83**	**192,429.92**	**192,429.92**	**0.00%**
Fund: 41 - PARK REC/OTHER DONATION FUND						
Revenue						
00 - REVENUE	2,550.00	2,550.00	31.27	702.95	-1,847.05	27.57%
Revenue Total:	**2,550.00**	**2,550.00**	**31.27**	**702.95**	**-1,847.05**	**27.57%**
Expense						
09 - POLICE	8,000.00	8,000.00	0.00	0.00	8,000.00	0.00%
63 - BARK AT THE PARK	1,500.00	1,500.00	0.00	411.99	1,088.01	27.47%
Expense Total:	**9,500.00**	**9,500.00**	**0.00**	**411.99**	**9,088.01**	**4.34%**
Fund: 41 - PARK REC/OTHER DONATION FUND Surplus (Deficit):	**-6,950.00**	**-6,950.00**	**31.27**	**290.96**	**7,240.96**	**-4.19%**
Fund: 45 - ROADWAY IMPACT FEE FUND						
Revenue						
00 - REVENUE	34,000.00	34,000.00	242.34	98,335.22	64,335.22	289.22%
Revenue Total:	**34,000.00**	**34,000.00**	**242.34**	**98,335.22**	**64,335.22**	**289.22%**
Expense						
71 - IMPACT FEE	157,525.00	357,525.00	8,960.27	89,602.70	267,922.30	25.06%
Expense Total:	**157,525.00**	**357,525.00**	**8,960.27**	**89,602.70**	**267,922.30**	**25.06%**
Fund: 45 - ROADWAY IMPACT FEE FUND Surplus (Deficit):	**-123,525.00**	**-323,525.00**	**-8,717.93**	**8,732.52**	**332,257.52**	**-2.70%**
Fund: 61 - WATER IMPACT FUND						
Revenue						
00 - REVENUE	19,000.00	19,000.00	15,465.41	26,449.17	7,449.17	139.21%
Revenue Total:	**19,000.00**	**19,000.00**	**15,465.41**	**26,449.17**	**7,449.17**	**139.21%**

Department;Progra...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Expense						
00 - REVENUE	30,000.00	30,000.00	2,500.00	25,000.00	5,000.00	83.33%
Expense Total:	**30,000.00**	**30,000.00**	**2,500.00**	**25,000.00**	**5,000.00**	**83.33%**
Fund: 61 - WATER IMPACT FUND Surplus (Deficit):	**-11,000.00**	**-11,000.00**	**12,965.41**	**1,449.17**	**12,449.17**	**-13.17%**
Fund: 62 - SEWER IMPACT FUND						
Revenue						
00 - REVENUE	20,000.00	20,000.00	3,697.62	4,769.95	-15,230.05	23.85%
Revenue Total:	**20,000.00**	**20,000.00**	**3,697.62**	**4,769.95**	**-15,230.05**	**23.85%**
Expense						
00 - REVENUE	60,000.00	60,000.00	5,000.00	50,000.00	10,000.00	83.33%
Expense Total:	**60,000.00**	**60,000.00**	**5,000.00**	**50,000.00**	**10,000.00**	**83.33%**
Fund: 62 - SEWER IMPACT FUND Surplus (Deficit):	**-40,000.00**	**-40,000.00**	**-1,302.38**	**-45,230.05**	**-5,230.05**	**113.08%**
Fund: 83 - TREE REFORESTATION FUND						
Revenue						
00 - REVENUE	4,500.00	4,500.00	96.52	2,308.44	-2,191.56	51.30%
Revenue Total:	**4,500.00**	**4,500.00**	**96.52**	**2,308.44**	**-2,191.56**	**51.30%**
Fund: 83 - TREE REFORESTATION FUND Total:	**4,500.00**	**4,500.00**	**96.52**	**2,308.44**	**-2,191.56**	**51.30%**
Fund: 95 - EDC4B BOND RESERVE FUND						
Revenue						
00 - REVENUE	6,500.00	6,500.00	160.51	3,838.83	-2,661.17	59.06%
Revenue Total:	**6,500.00**	**6,500.00**	**160.51**	**3,838.83**	**-2,661.17**	**59.06%**
Fund: 95 - EDC4B BOND RESERVE FUND Total:	**6,500.00**	**6,500.00**	**160.51**	**3,838.83**	**-2,661.17**	**59.06%**
Report Surplus (Deficit):	**-8,677,885.00**	**-8,877,885.00**	**-477,552.68**	**-5,605,495.49**	**3,272,389.51**	**63.14%**

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
01 - GENERAL FUND	-552,305.00	-552,305.00	-618,049.23	784,693.46	1,336,998.46
02 - GENERAL DEBT SERVICE FUNI	213,304.00	213,304.00	256,725.32	260,301.00	46,997.00
04 - CAPITAL PROJECTS FUND	23,475.00	23,475.00	-86,587.03	40,525.48	17,050.48
05 - CAPITAL REPLACEMENT FUNI	149,550.00	149,550.00	13,504.60	133,822.02	-15,727.98
07 - STORMWATER UTILITY FUND	-44,672.00	-44,672.00	-19,533.33	-68,030.44	-23,358.44
10 - WATER/SEWER FUND	133,813.00	133,813.00	-285,299.38	-428,626.45	-562,439.45
12 - COURT SECURITY FUND	-18,146.00	-18,146.00	22.08	574.07	18,720.07
13 - CAPITAL BOND FUND	-7,632,949.00	-7,632,949.00	172,179.96	-5,491,261.80	2,141,687.20
14 - PARK DEDICATION FUND	-144,000.00	-144,000.00	212.41	-152,995.95	-8,995.95
15 - EDC4B FUND	-797,799.00	-797,799.00	-187,999.45	-1,136,799.97	-339,000.97
16 - COURT TECHNOLOGY FUND	-13,202.00	-13,202.00	-153.02	-1,196.25	12,005.75
18 - LOCAL YOUTH DIVERSION FUI	-9,450.00	-9,450.00	211.48	477.89	9,927.89
19 - MUNICIPAL COURT BUILDING	6,825.00	6,825.00	3,984.41	20,588.63	13,763.63
21 - TIF #1 (NEW HOPE) FUND	147,715.00	147,715.00	266,142.02	330,037.32	182,322.32
30 - HOTEL/MOTEL TAX FUND	9,750.00	9,750.00	5,762.42	15,722.46	5,972.46
31 - POLICE SEIZURE FUND	-22,850.00	-22,850.00	18.10	11,270.13	34,120.13
32 - LIBRARY BUILDING FUND	241.00	241.00	39.38	308.10	67.10
34 - LEOSE FUND	-1,710.00	-1,710.00	5.96	3,593.80	5,303.80
35 - DISASTER RECOVERY FUND	45,000.00	45,000.00	172.05	-92,318.78	-137,318.78
40 - GRANT FUND	0.00	0.00	-2,144.83	192,429.92	192,429.92
41 - PARK REC/OTHER DONATION	-6,950.00	-6,950.00	31.27	290.96	7,240.96
45 - ROADWAY IMPACT FEE FUND	-123,525.00	-323,525.00	-8,717.93	8,732.52	332,257.52
61 - WATER IMPACT FUND	-11,000.00	-11,000.00	12,965.41	1,449.17	12,449.17
62 - SEWER IMPACT FUND	-40,000.00	-40,000.00	-1,302.38	-45,230.05	-5,230.05
83 - TREE REFORESTATION FUND	4,500.00	4,500.00	96.52	2,308.44	-2,191.56
95 - EDC4B BOND RESERVE FUND	6,500.00	6,500.00	160.51	3,838.83	-2,661.17
Report Surplus (Deficit):	**-8,677,885.00**	**-8,877,885.00**	**-477,552.68**	**-5,605,495.49**	**3,272,389.51**

CITY OF KENNEDALE
FISCAL YEAR TO DATE SUMMARY BY FUND
THROUGH JULY 31, 2026

Fund	Beginning Balance as of 10/1/2025	FYTD Fiscal Activity	Ending Balance	Average Daily Annual Exp	Days of Fund Balance	Reserve %
01 - GENERAL FUND*	4,847,670	784,693	5,632,363	39,153.59	143.85	39%
02 - GENERAL DEBT SERVICE FUND	1,194,996	260,301	1,455,297			
04 - CAPITAL PROJECTS FUND	287,152	40,525	327,677			
05 - CAPITAL REPLACEMENT FUND	(63,797)	133,822	70,025			
07 - STORMWATER UTILITY FUND*	853,852	(68,030)	785,821	1,068.14	735.69	
10 - WATER/SEWER FUND*	20,135,306	(428,626)	19,706,679	51,187.27	384.99	105%
12 - COURT SECURITY FUND	19,767	574	20,341			
13 - CAPITAL BOND FUND	17,291,928	(5,491,262)	11,800,666			
14 - PARK DEDICATION FUND	280,168	(152,996)	127,172			
15 - EDC4B FUND*	2,519,782	(1,136,800)	1,382,982	6,126.09	225.75	62%
16 - COURT TECHNOLOGY FUND	16,655	(1,196)	15,459			
18 - LOCAL YOUTH DIVERSION FU	10,191	478	10,669			
19 - COURT BUILDING SECURITY & TECH	-	20,589	20,589			
21 - TIF #1 (NEW HOPE) FUND	318,869	330,037	648,907			
30 - HOTEL/MOTEL TAX FUND	97,174	15,722	112,896			
31 - POLICE SEIZURE FUND	3,918	11,270	15,188			
32 - LIBRARY BUILDING FUND	(816)	308	(508)			
34 - LEOSE FUND	1,889	3,594	5,483			
35 - DISASTER RECOVERY FUND	181,487	(92,319)	89,168			
40 - GRANT FUND	(611,400)	192,430	(418,970)			
41 - PARK REC/OTHER DONATION	5,840	291	6,131			
45 - ROADWAY IMPACT FEE FUND	357,888	8,733	366,621			
61 - WATER IMPACT FUND	95,571	1,449	97,021			
62 - SEWER IMPACT FUND	66,326	(45,230)	21,096			
83 - TREE REFORESTATION FUND	86,555	2,308	88,863			
85 - UNCLAIMED PROPERTY FUND	334	-	334			
95 - EDC4B BOND RESERVE FUND	143,938	3,839	147,777			
Report Surplus (Deficit):	**48,141,243**	**(5,605,495)**	**42,535,748**			

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM VI.B.

SUBJECT
CONSENT AGENDA
These matters have appeared on previous agendas, require little or no deliberation, or are considered routine or ministerial tasks. If discussion is desired, items may be removed for separate consideration.

1. July 27, 2026, City Council Special Meeting Minutes.

2. August 4, 2026, City Council Special Meeting and Budget Workshop Minutes.

3. An ordinance of the City Council of the City of Kennedale, Texas, approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's 2026 rate review mechanism filing.

ORIGINATED BY
City Staff

SUMMARY
The consent agenda requires little to no deliberation. The Council may choose to remove an item from the consent agenda listing to discuss said item.

RECOMMENDATION
Approval of the consent agenda.

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM VI.B.1.

SUBJECT
July 27, 2026, City Council Special Meeting Minutes.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

1.	JULY 27, 2026 - Meeting Minutes	JULY 27, 2026 - Meeting Minutes.docx

KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING | JULY 27, 2026 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

I. WORK SESSION

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

A. Budget Workshop for Fiscal Year 2026-2027 Budget

Finance Director Jonathan Horton presented an updated budget draft. During the work session the city council and staff discussed several key financial priorities:

- Personnel & Staffing: The budget includes a 3% cost-of-living adjustment (COLA) for staff. Director Horton was asked to adjust draft budget to reflect a 4% and a 5% cost-of-living adjustment. Additionally, there was significant deliberation regarding the potential hiring of an Assistant City Manager to aid in succession planning and support the city's growth.
- Public Safety: Key investments include purchasing new encrypted portable radios for the police and fire departments to align with new communication protocols, as well as acquiring a new fully upfitted 2026 Ford Interceptor for the police department.
- Infrastructure & Maintenance: The council discussed allocating funds for a required impact fee update and prioritizing road maintenance and infrastructure repairs, including a $5 million bond issuance intended for fire station and roadway projects.
- Additional Projects: Discussions included a chamber remodel, which some council members suggested delaying in order to help fund other priorities like the Assistant City Manager role, and a parks plan update to address outdated infrastructure.

Mayor Johnson ended the work session by requesting to see a three-year road improvement plan to be presented at the August 4, 2026 meeting.

II. CALL TO ORDER AT 6:30 PM

Mayor Johnson called the Regular Meeting to order at 6:35 p.m.

A. ROLL CALL

Mayor Brian Johnson - Present
Mayor Pro Tem Kenneth Michels - Present
Place 1 David Glover - Present
Place 2 Bryant Griffith -
Present Place 4 Ryon Ray -
Present Place 5 Jeff
Nevarez - Present
The Mayor and all members of the City Council were in attendance, thus constituting a quorum.

The City Manager, Interim City Secretary, department directors, and various other staff were also present.

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."

Citizen Laurie Sanders offered the invocation, followed by the pledges to the American and Texas flags led by Mayor Pro Tem Michels.

III. PUBLIC COMMENT

The Kennedale City Council welcomes comments from the public. Those wishing to speak must sign in prior to the start of the meeting. Speakers may speak on any topic, whether on the agenda or not. The Kennedale City Council cannot act upon, discuss issues raised or make any decisions at this time. Speakers under citizens' comments shall observe a three-minute time limit. Inquiries regarding matters not listed on this agenda may be referred to staff for research and/or possible future action by the board.

James and Amanda Chance, 628 Briar Ct, spoke regarding the Briar Court Sanitary Sewer Project.

IV. PRESENTATIONS

A. TurnKey Development Group — Mark Feuling to Present Box Fans

Mark Feuling of TurnKey Development Group presented 50 box fans to the City of Kennedale for distribution to residents in need.

V. REGULAR SESSION

A. REPORTS AND ANNOUNCEMENTS

In addition to any items below, the Kennedale City Council, the presiding officer, and/or staff may give or receive reports regarding items of community interest, including, but not limited to, recognition of officials, citizens, staff, or departments; information regarding holiday schedules; and upcoming or attended events.

1. Updates from the City of Kennedale Mayor and City Council.

Council Member Nevarez reported that he had been selected to serve on the TML Legislative Committee. He also noted his attendance at the City of Kennedale Fire Station Open House, recognized the opening of the Dog Park, and acknowledged the passing of beloved community member Esta Mae Dunham on July 13, 2026.

Council Member Ray shared that he attended the opening of the Ron

Sturgeon Dog Park and the City of Kennedale Fire Station Open House. He also noted that he would attend Newly Elected Officials training in August.

Mayor Pro Tem Michels reported that he and Council Member Nevarez attended the TML Region 8 meeting in Corinth, Texas. He also noted his attendance at a citywide staff training session, a City of Kennedale Police Department badge pinning for two officers and Chief Carlson, the Dog Park opening, the Fire Department Open House, and a meeting at Kennedale ISD.

Council Member Griffith announced that he enjoyed attending the Fire Department Ribbon Cutting and would also attend Newly Elected Officials training in August. He concluded by stating that he had been reviewing the budget.

Council Member Glover mentioned that he also attended the Fire Department Ribbon Cutting and had been reviewing the budget.

Mayor Johnson echoed the Council's sentiments and recognized the passing of Michael "Sonny" Miller, whom he described as a local legend in the North Texas racing community and in Kennedale.

2. Updates from the City of Kennedale City Manager.

   City Manager Hull provided a brief update on the budget discussions and stated that they were progressing well. He expressed appreciation for the feedback received from the Mayor and City Council.

3. Financial Report - Jonathan Horton, Director of Finance

   Mayor Johnson dismissed Finance Director Horton from presenting his report.

B. CONSENT AGENDA

These matters have appeared on previous agendas, require little or no deliberation, or are considered routine or ministerial tasks. If discussion is desired, items may be removed for separate consideration.

1. June 15, 2026 Workshop Minutes
2. June 16, 2026 Regular Meeting with Workshop Minutes
3. June 24, 2026 Budget Workshop Minutes
4. PZ CASE #26-05 Consider a proposed replat of the property located at 5400 High Ridge Rd, Parcel # 42220767, to be called Lot 1R1, Block 5 and Lot 1R2, Block 5, Oak Crest Addition Being all of Lot 1R, Block 5 Oak Crest Addition in the City of Kennedale, Tarrant County, Texas.
5. PZ CASE #26-06 Consider a proposed replat of the property located at 600 W Kennedale Pkwy Parcel # 04478924, Block 1, Lots 8R1, 8R2, and

8R3, Woodlea Acres Addition, being a replat of Lot 8, Block 1, Woodlea Acres Addition to the City of Kennedale, Tarrant County, Texas.

6. PZ CASE #26-07 Consider a proposed replat of the property located at 616 W. Kennedale Pkwy, Parcel #04478932 Woodlea Acres Addition Block 1 Lot 9A; 933 Bowman Springs Rd, Parcel #41517318 Woodlea Acres Addition Block 1 Lot 10R2B; and 1003 Bowman Springs Rd, Parcel #41517326 Woodlea Acres Addition Block 1 Lot 18B being a replat of Lots 1 and 2 Block 1 Wise Men 2 Addition of the City of Kennedale, Tarrant County, Texas.

Motion by Nevarez to approve the consent agenda.
Michels seconded the motion.
No opposition, no abstentions.
Vote: Motion passed unanimously.

C. ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION AND/OR ACTION

1. Proposal by Keep Kennedale Beautiful (KKB) to rename the Town Center Butterfly Garden to: "Wilda Turner Butterfly Garden".

   Keep Kennedale Beautiful (KKB) representatives Kim Courtney, Laurie Sanders and Stephanie Yori presented a formal proposal to rename the Town Center Butterfly Garden to the "Wilda Turner Butterfly Garden. Due to unexpected technical difficulties with the planned PowerPoint slideshow, the presentation was delivered entirely aloud to the council. The address detailed Miss Turner's extensive history of community service and highlighted her foundational contributions to KKB.

   Motion by Nevarez to rename the Town Center Butterfly Garden to the "Wilda Turner Butterfly Garden".
   Michels seconded the motion.
   No opposition, no abstentions.
   Vote: Motion passed unanimously.

Mayor Johnson called for a brief recess at 7:05 p.m.

Mayor Johnson called the meeting to order at 7:20 p.m.

2. Resolution #651 — Hazardous Mitigation Action

   Chief Peterson provided a brief presentation regarding the ongoing Hazard Mitigation Plan. He stated that the plan was under review by FEMA and that adoption of Resolution #651 was the final step required for FEMA approval.

Motion by Nevarez to approve Resolution #651.
Michels seconded the motion.
No oppositions, no abstentions.
Vote: Motion passed unanimously.

3. Resolution #652 Department of Justice COPS Grant

   Chief Carlson gave a brief presentation about the Department of Justice COPS Grant.

   Motion by Griffith to approve Resolution #652.
   Ray seconded the motion.
   No oppositions, no abstentions.
   Vote: Motion passed unanimously.

4. Fellowship Academy SRO Contract

   City Manager Darrell Hull briefed the Council on the proposed Fellowship Academy SRO contract, noting its similarity to the existing agreement with Kennedale ISD.

   Council Member Glover made an inquiry regarding the legality of entering into an Interlocal Agreement (ILA) with a private entity, City Manager Hull responded that the city is permitted to do so. Council Member Ray questioned whether criteria existed should other local schools request similar agreements; City Manager Hull stated that no formal criteria are currently in place but noted it as an item requiring future review.

   Motion by Griffith to approve the Fellowship Academy SRO Contract.
   Glover seconded the motion.
   No opposition, no abstentions.
   Vote: Motion passed unanimously.

5. Elevated Storage Tank

   Public Works Director, Kristian Sugrim gave a report regarding the request to approve a construction contract for the rehab of the city's T-3 Elevated Storage Tank in the amount of $1,011,800.

   Council members Nevarez and Glover asked about the size of the tank, current and future maintenance plan, and what the lifespan of the rehabilitated tank will be. Mr. Sugrim gave clear and concise answers to their questions.

   Motion by Nevarez to approve the Elevated Storage Tank bid process.
   Michels seconded the motion.
   No oppositions, no abstentions.
   Vote: Motion passed unanimously.

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, 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; or (2) to hear a complaint or charge against an officer or employee. (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing. Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; Section 551.087 - deliberation regarding economic development negotiation; Section 551.089 - deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code. If a Closed or Executive Session is held in accordance with the Texas Government Code as set out above, the Kennedale City Council will reconvene in Open Session in order to take action, if necessary, on the items addressed during Executive Session.

A. Boards and Commissions Appointment Status

Description: Chapter 551.071 Consultation with council on legal matters. Section 551.074 Personnel Matters (1) to deliberate the appointments, employment, evaluation, reassignment, duties, discipline of dismissal of a public officer or employee Regarding: City Council, Economic Development Corporation, Keep Kennedale Beautiful, Parks & Recreation Board, Planning & Zoning Board, Board of Adjustments & Appeals, and the Library Board.

Mayor Johnson requested a motion to go into Executive Session.

Motion by Nevarez to go into Executive Session.
Michels seconded the motion.
Vote: Motion passed unanimously.

Council members went into Executive Session at 7:30 p.m.

VII. RECONVENE INTO OPEN SESSION, AND TAKE ANY ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION

Council reconvened at 7:53 p.m.

No action was taken in the executive session.

VIII. ADJOURNMENT

With there being no further business, Mayor Johnson adjourned the meeting at 7:53 p.m.

APPROVED: **ATTEST:**

Mayor Brian Johnson

Interim City Secretary Tina Cox

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM VI.B.2.

SUBJECT
August 4, 2026, City Council Special Meeting and Budget Workshop Minutes.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

1.	2026.08.04 - Meeting Minutes Final	2026.08.04 - Meeting Minutes Final.pdf

KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING | AUGUST 4, 2026 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS | 405 MUNICIPAL DRIVE, KENNEDALE, TX 76060

I. CALL TO ORDER

Mayor Johnson requested that the Budget Workshop Session be moved to the end of Regular Session.
Mayor Johnson called the Regular Meeting to order at 5:30 p.m.

A. ROLL CALL

Mayor Brian Johnson - Present
Mayor Pro Tem Kenneth Michels - Present
Place 1 David Glover - Present
Place 2 Bryant Griffith - Present
Place 4 Ryon Ray - Present
Place 5 Jeff Nevarez – Present

The Mayor and all members of the City Council were in attendance, thus constituting a quorum.

The City Manager, Interim City Secretary, department directors, and various other staff were also present.

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."

Council Member Bryant Griffith offered the invocation, followed by the pledges to the American and Texas flags led by Mayor Pro Tem Michels.

II. PUBLIC COMMENT

The Kennedale City Council welcomes comments from the public. Those wishing to speak must sign in prior to the start of the meeting. Speakers may speak on any topic, whether on the agenda or not. The Kennedale City Council cannot act upon, discuss issues raised or make any decisions at this time. Speakers under citizens' comments shall observe a three-minute time limit. Inquiries regarding matters not listed on this agenda may be referred to staff for research and/or possible future action by the board.

III. PUBLIC HEARING

A. **PZ Case #26-04** conduct a public hearing on a proposed amendment to the Unified Development Code (UDC) Article 14," SIGNS" Table 14.7 "Permanent Sign Requirements" and Section 14.8.15. "Prohibited signs. The PRIMARY

action being to amend “pole sign” provisions and “changeable electronic variable message (CEVMS)” standards. zoning districts affected include the “Employment Center Districts (EC-1 and EC-2)” AND “COMMERCIAL AND INDUSTRIAL DISTRICTS (C-0, C-1, C-2, & I).

Mayor Johnson opened the Public Hearing at 5:35 p.m.
Teresa Moore of Clear Channel Communications spoke in favor of PZ Case 26-04.
No one spoke against PZ Case 26-04.
Mayor Johnson closed the Public Hearing at 5:39 p.m.

B. **PZ Case #26-10** Conduct a Public Hearing and consider a proposed amendment to the Unified Development Code (UDC) Article 3 "Agricultural and Residential Districts" Subsection 3.7 "Townhome Regulations". Amendments to include standards for lot and building configuration, building height, and parking standards.

Mayor Johnson opened the Public Hearing at 5:39 p.m.
No one spoke in favor of or against PZ Case 26-10.
Mayor Johnson closed the Public Hearing at 5:39 p.m.

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

A. **Ordinance # 799** Consider a proposed amendment to the Unified Development Code (UDC) Article 14,” SIGNS” Table 14.7 “Permanent Sign Requirements” and section 14.8.15. “Prohibited signs. The PRIMARY action being to amend “pole sign” provisions and “changeable electronic variable message (CEVMS)” standards. Zoning districts affected include the “Employment Center Districts (EC-1 and EC-2)” AND “COMMERCIAL AND INDUSTRIAL DISTRICTS (C-0, C-1, C-2, & I). (P&Z Case 26-04)

Community Development Director Edward McRoy briefed the council on Ordinance 799. He stated that the proposed amendment dealt with billboard signage regulations with the primary focus on digital billboards along I-20. Mr. McRoy recommended changing the message duration from 10 seconds to 8 seconds to align with TxDOT standards and adjusting the eligibility criteria for sign conversions near frontage roads. The proposed amendment would also allow digital monument signs in the Old Town district for civic institutions, with specific height restrictions of three feet high and six feet total sign height.

After a brief discussion, several council members raised concerns about the potential for creating unequal rules where the city could have electronic signs while restricting others, particularly churches in the area. It was decided by the council to postpone consideration of Ordinance 799 until the next meeting, so the language could be revised to allow digital signs in Old Town if they face the parkway, while addressing concerns about residential areas and standardization of banner signs.

Motion by Nevarez to postpone Ordinance 799 until the next City Council meeting.
Glover seconded the motion.
No opposition, no abstentions.
Vote: Motion passed unanimously.

B. **Ordinance # 801** Consider a proposed amendment to the Unified Development Code (UDC) Article 3 "Agricultural and Residential Districts" Subsection 3.7 "Townhome Regulations". Amendments to include standards for lot and building configuration, building height, and parking standards. (P&Z Case #26-10)

Community Development Director Edward McRoy briefed the council on Ordinance 801. He presented an ordinance to the Unified Development Code to modify the townhome district parking requirements, explaining that current regulations require rear parking, which creates challenges for smaller developments due to space constraints and fire truck access requirements. Mr. McRoy identified an administrative oversight where Ordinance 746 from 2023 had reduced maximum building heights from 3 stories/38 feet to 2 stories/35 feet, which would need to be corrected in the proposed amendment. Director McRoy ended his report by informing the council that staff recommends approval of said amendment.

The council discussed the ordinance changes and building height corrections. Council Member Glover inquired whether the proposed amendment was being considered in response to interest from a potential development project in Kennedale. Director McRoy stated that a developer had expressed concerns that the current ordinance presents challenges in its existing form.

Motion by Nevarez to approve Ordinance 801 with the amended height and maximum building requirements to be two stories and 35 feet.
Griffith seconded the motion.
Glover opposed.
No abstention.
Vote: Motion passed 4-1.

C. YMCA Contract

No action taken.

Mayor Johnson called for a brief recess at 6:15 p.m.

Mayor Johnson called the meeting to order at 6:22 p.m.

Mayor Johnson opened the Work Session upon returning from recess at 6:22 p.m.

I. WORK SESSION

A. Budget Workshop for the FY 2026-2027 Budget

Finance Director Jonathan Horton presented updates to the general fund budget, including a 4% increase, removal of the administrative assistant position, and various reductions across departments. Key changes included shifting funds between different accounts and moving $12,500 from building maintenance to the Capital Bond Fund for public safety facility renovations. The total tax rate has remained unchanged, remaining at 0.69190 per $100 valuation. Director Horton also noted that benefits costs would increase by approximately 20% rather than the previously budgeted 10%, adding another $76,000 to the general fund deficit, bringing the total deficit to $532,724. Mr. Horton continued his report by explaining the city's different funds, including the general fund, water-sewer fund, stormwater fund, capital bond fund, and EDC fund, describing their purposes and restrictions.

Council member Glover asked about the $532,000 deficit in the general fund, and Director Horton indicated they would need to review the budget to determine specific cuts needed to balance the fund.

As the presentation and discussion concluded, several budget details were clarified, including public works reductions related to street maintenance, stormwater fund projects totaling $560,000, and building improvements for parks. Director Horton stated that the city would maintain a healthy financial position with projected revenues of $41,806,791 and expenses of $40,898,470, resulting in a surplus of $908,000 across all funds.

II. 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, 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; or (2) to hear a complaint or charge against an officer or employee. (b) Subsection (a) does not apply if the officer or employee who is the subject of the deliberation or hearing requests a public hearing. Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; Section 551.087 - deliberation regarding economic development negotiation; Section 551.089 - deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code. If a Closed or Executive Session is held in accordance with the Texas Government Code as set out above, the Kennedale City Council will reconvene in Open Session in order to take action, if necessary, on the items addressed during Executive Session.

A. Boards and Commissions Appointment Status

Description: Chapter 551.071 Consultation with council on legal matters. Section 551.074 Personnel Matters (1) to deliberate the appointments,

employment, evaluation, reassignment, duties, discipline of dismissal of a public officer or employee Regarding: Animal Control Board.

Mayor Johnson requested a motion to go into Executive Session.
Motion by Glover to go into Executive Session.
Nevarez seconded the motion.
No oppositions, no abstentions.
Vote: Motion passed unanimously.

Council members went into Executive Session at 6:59 p.m.

III. RECONVENE INTO OPEN SESSION, AND TAKE ANY ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION

Council reconvened at 7:04 p.m.
Motion by Nevarez to appoint Elizabeth Glover to the Animal Control Board.
Ray seconded the motion.
Glover abstained.
No opposition.
Vote: Motion passed 4-0.

IV. ADJOURNMENT

With there being no further business, Mayor Johnson adjourned the meeting at 7:05 p.m.

APPROVED: **ATTEST:**

MAYOR BRIAN JOHNSON INTERIM CITY SECRETARY TINA COX

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM VI.B.3.

SUBJECT
An ordinance of the City Council of the City of Kennedale, Texas, approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division regarding the company's 2026 rate review mechanism filing.

ORIGINATED BY

SUMMARY

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2026, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2025, entitled it to additional system-wide revenues of $291.1 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to $273.6 million. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be $253.4 million instead of the claimed $291.1 million.

After several settlement meetings, the parties have agreed to settle the case for $260.5 million. This is a reduction of over $30 million to the Company's initial request. This includes payment of ACSC's expenses. The Effective Date for new rates is October 1, 2026. ACSC members should take action approving the Resolution/Ordinance before October 1, 2026.

RECOMMENDATION

ATTACHMENTS

1.	Attachment 1_CY25 MTX RRM - Tariffs	Attachment 1_CY25 MTX RRM - Tariffs.pdf
2.	Attachment 2_ CY25 MTX RRM - Pension Benchmark	Attachment 2_ CY25 MTX RRM - Pension Benchmark.pdf
3.	CY25 MTX RRM - Average Bill	CY25 MTX RRM - Average Bill.pdf

ORDINANCE NO. __802_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2026 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

WHEREAS, the City of Kennedale, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the

Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2026 Atmos Mid-Tex filed its 2026 RRM rate request with ACSC Cities based on a test year ending December 31, 2025; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2026 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of $260.5 million on a system-wide basis with an Effective Date of October 1, 2026; and

WHEREAS, ACSC agrees that Atmos Mid-Tex's plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Attachment 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Attachment 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS:

Section 1. That the findings set forth in this Ordinance are hereby in all things approved.

Section 2. That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of $260.5 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2026 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

Section 4. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Attachment 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $260.5 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 5. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Attachment 2, attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of ACSC in processing the Company's 2026 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Ordinance, it is hereby repealed.

Section 8. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2026.

Section 11. That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 18TH DAY OF AUGUST, 2026.

_____
Brian Johnson, Mayor

ATTEST:

_____
Tina Cox, Interim City Secretary

APPROVED AS TO FORM:

_____
Carvan E. Adkins, City Attorney

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 24.35 per month
Rider CEE Surcharge	$ 0.05 per month[1]
Total Customer Charge	$ 24.40 per month
Commodity Charge – All Ccf	$ 1.03839 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 115.50 per month
Rider CEE Surcharge	$ 0.00 per month[1]
Total Customer Charge	$ 115.50 per month
Commodity Charge – All Ccf	$ 0.27784 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service
Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Imbalance Fees
All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees
Customer shall pay Company the greater of (i) $0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Overpull Fee
Upon notification by Company of an event of interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
A transportation agreement is required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application

This Rider is applicable to customer classes in the incorporated areas under the RRM tariff as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from the negotiated RRM Tariff, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of GUD No. 10170 as per the RRM Tariff, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in the most recent negotiated RRM Tariff shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (0.14)
Rate C – Commercial Sales	$ (0.49)
Rate I – Industrial Sales	$ (10.47)
Rate T – Transportation	$ (10.47)

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Unprotected Excess Deferred Income Tax Amortization

The allocated RRM Cities balance of the Unprotected portion of the Excess Deferred Income Taxes ("EDIT") remaining after implementation of rates at October 1, 2026 shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for a one-month period. The refund amount by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (4.45)
Rate C – Commercial Sales	$ (14.80)
Rate I – Industrial Sales	$ (319.02)
Rate T – Transportation	$ (319.02)

Maximum Allowable Operating Pressure ("MAOP") Hydrostatic Testing Cost Recovery

The allocated RRM Cities balance of the MAOP Hydrostatic Testing Cost as of December 31, 2025 is to be recovered through a monthly rate. This monthly rate shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for approximately twelve (12) months or until all approved costs are recovered from the applicable customer classes. The monthly recovery rate by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ 0.30
Rate C – Commercial Sales	$ 0.98
Rate I – Industrial Sales	$ 21.17
Rate T – Transportation	$ 21.17

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BI_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$WNA_i = WNAF_i \times q_{ij}$

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	9.78	0.1448	91.89	0.8018
Austin	9.07	0.1318	213.26	0.9418
Dallas	12.87	0.1937	192.49	1.1269
Waco	9.39	0.1261	159.17	0.8068
Wichita Falls	10.61	0.1364	133.65	0.6965

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at www.atmosenergy.com/MTXtariffs, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2026 Willis Towers Watson Report as adjusted (1) (2) (3)	$ 200,382	$ (490,197)	$ 951,536	$ (3,288,240)	$ 72,926	
2	Allocation Factor	46.66%	46.66%	87.00%	87.00%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	$ (2,095,337)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	80.27%	80.27%	36.19%	36.19%	8.73%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	$ 75,047		$ 299,646			$ 374,693
11	Total Post-Employment Benefit Plan		$ (183,588)		$ (1,035,492)		(1,219,080)
12	Total Supplemental Executive Benefit Plan					$ 6,367	6,367
13	Total (Ln 10 + Ln 11 + Ln 12)	$ 75,047	$ (183,588)	$ 299,646	$ (1,035,492)	$ 6,367	$ (838,020)

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	**Rate R @ 40.7 Ccf**							
2	Base Rates:							
3	Customer Charge		$ 23.65	$ 24.35	$ 23.65	$ 24.35	$ 0.70	
4	Consumption Charge (Ccf)	40.7	$ 0.74748	$ 1.03839	30.44	42.29	11.85	
5	Total Base Rates				$ 54.09	$ 66.64	$ 12.55	23.20%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	40.7	$ 0.26375	$ 0.26375	$ 10.74	$ 10.74	$ -	
9	Rider GCR Part B (Ccf)	40.7	$ 0.58642	$ 0.58642	23.88	23.88	-	
10	Total Gas Cost				$ 34.62	$ 34.62	$ -	0.00%
11								
12	Total Base with Gas Cost				$ 88.71	$ 101.26	$ 12.55	
13	Rider FF & Rider TAX		0.06509	0.06509	5.77	6.59	0.82	14.15%
14								
15	**Total Residential Average Bill**				**$ 94.48**	**$ 107.85**	**$ 13.37**	**14.15%**
16								
17	**Rate C @ 372.6 Ccf**							
18	Base Rates:							
19	Customer Charge		$ 94.00	$ 115.50	$ 94.00	$ 115.50	$ 21.50	
20	Consumption Charge (Ccf)	372.6	$ 0.22261	$ 0.27784	82.95	103.53	20.58	
21	Total Base Rates				$ 176.95	$ 219.03	$ 42.08	23.78%
22								
23	Gas Cost:							
24	Rider GCR Part A	372.6	$ 0.26375	$ 0.26375	$ 98.28	$ 98.28	$ -	
25	Rider GCR Part B	372.6	$ 0.40258	$ 0.40258	150.02	150.02	-	
26	Total Gas Cost				$ 248.30	$ 248.30	$ -	0.00%
27								
28	Total Base with Gas Cost				$ 425.25	$ 467.33	$ 42.08	
29	Rider FF & Rider TAX		0.06509	0.06509	27.68	30.42	2.74	9.90%
30								
31	**Total Commercial Average Bill**				**$ 452.93**	**$ 497.75**	**$ 44.82**	**9.90%**
32								

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
33	**Rate I at 1263 MMBTU**							
34	Base Rates:							
35	Customer Charge		$1,848.75	$ 2,304.50	$ 1,848.75	$ 2,304.50	$ 455.75	
36	Block 1 - Consumption Charge (MMBtu)	1,263	$ 0.7678	$ 0.9582	969.87	1,210.38	240.51	
37	Block 2 - Consumption Charge (MMBtu)	-	$ 0.5623	$ 0.7018	-	-	-	
38	Block 3 - Consumption Charge (MMBtu)	-	$ 0.1206	$ 0.1505	-	-	-	
39	Total Base Rates	1,263			$ 2,818.62	$ 3,514.88	$ 696.26	24.70%
40								
41	Gas Cost:							
42	Rider GCR Part A (MMBtu)	1,263	$ 2.63750	$ 2.63750	$ 3,331.65	$ 3,331.65	$ -	
43	Rider GCR Part B (MMBtu)	1,263	$ 0.90813	$ 0.90813	1,147.13	1,147.13	-	
44	Total Gas Cost				$ 4,478.78	$ 4,478.78	$ -	0.00%
45								
46	Total Base with Gas Cost				$ 7,297.41	$ 7,993.67	$ 696.26	
47	Rider FF and Rider TAX		0.06509	0.06509	475.01	520.33	45.32	9.54%
48								
49	**Total Industrial Average Bill**				**$ 7,772.42**	**$ 8,514.00**	**$ 741.58**	**9.54%**
50								
51	**Rate T at 4935 MMBTU**							
52	Base Rates:							
53	Customer Charge		$1,848.75	$ 2,304.50	$ 1,848.75	$ 2,304.50	$ 455.75	
54	Block 1 - Consumption Charge (MMBtu)	1,500	$ 0.7678	$ 0.9582	1,151.70	1,437.30	285.60	
55	Block 2 - Consumption Charge (MMBtu)	3,435	$ 0.5623	$ 0.7018	1,931.41	2,410.57	479.16	
56	Block 3 - Consumption Charge (MMBtu)	-	$ 0.1206	$ 0.1505	-	-	-	
57	Total Base Rates	4,935			$ 4,931.86	$ 6,152.37	$ 1,220.51	24.75%
58								
59	Gas Cost:							
60	Rider GCR Part B (MMBtu)	4,935	$ 0.90813	$ 0.90813	$ 4,481.46	$ 4,481.46	$ -	
61	Total Gas Cost				$ 4,481.46	$ 4,481.46	$ -	0.00%
62								
63	Total Base with Gas Cost				$ 9,413.33	$ 10,633.84	$ 1,220.51	
64	Rider FF and Rider TAX		0.06509	0.06509	612.74	692.19	79.45	12.97%
65								
66	**Total Transportation Average Bill**				**$ 10,026.07**	**$ 11,326.02**	**$ 1,299.96**	**12.97%**

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.

SUBJECT
ITEMS FOR INDIVIDUAL CONSIDERATION, DISCUSSION AND/OR ACTION

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.1.

SUBJECT

Discuss and hold a Roll Call Vote to take action on an ordinance of the City of Kennedale, Texas, adopting the budget for the fiscal year beginning October 1, 2026, and ending September 30, 2027; appropriating resources for each department, project, operation, activity, purchase, account and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable state law; providing for the filing and posting of the budget as required by state law; providing a severability clause; and providing an effective date.

ORIGINATED BY
Jon Horton, CPA
Director of Finance

SUMMARY
This budget season started with a bond issuance workshop on June 15th. Following that meeting there were three budget workshops: June 24th, July 27th, and August 4th. During that time robust discussions took place between Council and staff regarding priorities, clarifications, and several adjustments. The budget presented today is the culmination of those sessions.

Numerical changes since our August 4th work session include:

- General Fund:
  - Updates to Medical, Dental, and Vision benefits discussed in our last meeting.
- General and Debt Service Funds:
  - Update to the total levy amount resulting in an adjusted certified tax roll that was released after the publishing deadline for our August 4th work session
  - Update to the levy distribution between the two funds
- Total Impact:
  - General Fund: The anticipated deficient is now $95,752 smaller.
  - Debt Service Fund: The anticipated growth in reserve is now $156,789 smaller.

This version is more robust with supporting data and narratives. Upon adoption, there will be an additional release including signed ordinances and additional supporting documentation within the appendix.

RECOMMENDATION
Approve using the following language:

I move to approve an ordinance for the City of Kennedale, Texas adopting the budget for the fiscal year beginning October 1, 2026 and ending September 30, 2027; appropriating resources for each department, project, operation, activity, purchase, account and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable state law; providing for the filing and posting of the budget as required by state law; providing a severability clause; and providing an effective date.

ATTACHMENTS

CITY OF KENNEDALE, TEXAS

ORDINANCE NO. 803

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2026, AND ENDING SEPTEMBER 30, 2027; APPROPRIATING RESOURCES FOR EACH DEPARTMENT, PROJECT, OPERATION, ACTIVITY, PURCHASE, ACCOUNT, AND OTHER EXPENDITURES; PROVIDING FOR EMERGENCY EXPENDITURES AS ALLOWED BY APPLICABLE STATE LAW; PROVIDING FOR THE FILING AND POSTING OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas ("City"), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the Finance Director of the City has filed with the City Secretary a budget outlining all proposed expenditures of the Government of the City for the fiscal year beginning October 1, 2026, and ending September 30, 2027, (hereinafter referred to as the "Budget"); and

WHEREAS, the Budget, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, specifically sets forth each of the various projects for which appropriations are delineated, and the estimated amount of money carried in the Budget for each of such projects; and

WHEREAS, the Budget has been filed with the City Secretary for at least thirty (30) days before the date the City Council makes its tax levy for the fiscal year, and such Budget has been available for inspection by any taxpayer; and

WHEREAS, notice of a public hearing on the proposed Budget, stating the date, time, place, and subject matter of said public hearing, was given as required by the laws of the State of Texas; and

WHEREAS, such public hearing was held on August 18, 2026, and those wishing to speak on the Budget were heard; and

WHEREAS, the City Council has studied the Budget and listened to the comments of the taxpayers at the public hearing held thereon and has determined that the Budget is in the best interest of the City and that same should be approved and adopted; and

WHEREAS, at the conclusion of the public hearing, the governing body of the City took action on the proposed Budget by record vote, which vote is duly recorded below.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THAT:

SECTION 1.

All of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2.

The Budget of the revenues of the City and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2026, and ending September 30, 2027, is hereby adopted and approved, and there is hereby appropriated from the funds indicated therein such sums for the projects, operations, activities, purchases, accounts and other expenditures proposed in the Budget, as set forth in Exhibit "A."

SECTION 3.

No expenditure of the funds of the City shall hereafter be made except in compliance with the Budget and applicable state law; provided, however, that in case of grave public necessity to meet unusual and unforeseen conditions, which could not by reasonable, diligent thought and attention have been included in the original Budget, expenditures may from time to time be authorized by the City Council as amendments to the original Budget.

SECTION 4.

The following statements are true and correct:

This budget will raise less total property taxes than last year's budget by an amount of $42,057, which is a 0.492 percent decrease from last year's budget.

The municipal property tax rate for the preceding fiscal year was $0.696190 per $100.

The municipal property tax rates that have been adopted or calculated for the current fiscal year for which this Budget is adopted are as follows:

(A) the property tax rate is $0.696190 per $100;

(B) the No-New Revenue tax rate is $0.694395 per $100;

(C) the Voter-Approval tax rate is $0.754427 per $100;

(D) the De Minimis Rate tax rate is $0.732221 per $100 taxable property value after exemptions;

(E) the debt rate is $0.200325 per $100 taxable property value; and

(F) the total amount of municipal debt obligations secured by property taxes is $36,212,641.54.

SECTION 5.

A copy of the approved Budget, including the cover page, shall be posted on the City's website, along with the record vote of each member of the City Council, as required by law. In addition, the Finance Director shall file or cause to be filed a true and correct copy of this Ordinance, along with the approved Budget attached hereto, with the City Secretary, as required by law.

SECTION 6.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 7.

This Ordinance shall be in full force and effect from and after its passage, and it is so ordained.

PASSED AND APPROVED ON THIS THE _____ DAY OF AUGUST 2026, BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS.

	Aye	**Nay**	**Abstention**
David Glover, Place 1	_____	_____	_____
Bryant Griffith, Place 2	_____	_____	_____
Kenneth Michels, Place 3	_____	_____	_____
Ryon Ray, Place 4	_____	_____	_____
Jeff Nevarez, Place 5	_____	_____	_____

CITY OF KENNEDALE, TEXAS

APPROVED:

_____
Brian Johnson, Mayor

ATTEST:

_____
Tina Cox, Interim City Secretary

APPROVED AS TO FORM AND LEGALITY:

_____
Carvan Adkins, City Attorney

EXHIBIT A

City of
KENNEDALE
Texas
EST. 1887
YOU'RE HERE YOUR HOME

Proposed Budget Fiscal Year 2027
October 1, 2026 through September 30, 2027

FY26-27 PROPOSED BUDGET

OCTOBER 1, 2026 to SEPTEMBER 30, 2027

Presented to City Council
August 18, 2026

Submitted By
DARRELL HULL, CITY MANAGER

JONATHAN HORTON, DIRECTOR OF FINANCE

405 Municipal Drive
Kennedale, TX 76060
817-985-2105
CITYOFKENNEDALE.COM/FINANCE

City of Kennedale
Fiscal Year 2026/2027
THIS BUDGET WILL RAISE LESS TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY $42,507 OR 0.492%.

CITY COUNCIL RECORD VOTE

The members of the governing body voted on adoption of the budget as follows:
For:
Against:
Present and Not Voting:
Absent:

MUNICIPAL PROPERTY TAX RATES

The municipal property tax rates for the preceding fiscal year, and each municipal property tax that has been adopted or calculated for the current fiscal year, include:

Tax Rate	FY26 Adopted	FY27 Adopted
Property Tax Rate	$0.696190/100	$0.696190/100
No-New-Revenue Tax Rate	$0.687818/100	$0.694395/100
No-New-Revenue Maintenance & Operations Rate	$0.474701/100	$0.483105/100
Voter Approval Tax Rate	$0.745716/100	$0.754427/100
Debt Rate	$0.213117/100	$0.200325/100
Maintenance & Operations Tax Rate	$0.483073/100	$0.495865/100
De Minimus Rate	$0.763635/100	$0.732221/100

MUNICIPAL DEBT OBLIGATIONS

The total amounts of outstanding municipal debt obligations (including principal and interest) secured by property taxes is $36,212,641.54.

This cover page and the information it contains are included with the proposed budget as required by Section 102.007 of the Texas Local Government Code.

Proposed Budget 2026 -2027

Table of Contents

UPDATE ALL PAGE NUMBERS

INTRODUCTORY SECTION

Vision	6
Organizational Chart	7
City Manager's Letter	9
Using This Document	24
Community Profile	35
Long Range Financial Planning	40

GENERAL FUND

General Fund Summary (01)	53
General Fund Departments	
City Administration*	55
Mayor/Council	59
Municipal Court	62
Finance	63
Police	65
Fire	69
Community Development	73
Senior Center	75
Library	77
Communications	80
Public Works	82
Non-Departmental	86

DEBT SERVICE FUND

Debt Service Fund (02)	88

UTILITY FUNDS

Stormwater Utility Fund (07)	93
Water/Sewer Fund (10)	95
Water Impact Fee Fund (61)	99
Sewer Impact Fee Fund (62)	99

Proposed Budget 2026 -2027
Table of Contents

CAPITAL PROJECT FUNDS

Capital Projects Fund (04)	101
Capital Bond Fund (13)	102
Park Dedication Fund (14)	103
Library Building Fund (32)	104
Roadway Impact Fee Fund (45)	105

SPECIAL REVENUE FUNDS

TIF #1 New Hope Fund (21)	107
Hotel Occupancy Tax Fund (30)	109
Public Seizure Fund (31)	110
LEOSE Fund (34)	111
Disaster Recovery Fund (35)	112

OTHER FUNDS

Capital Replacement Fund (05)	114
Court Security Fund (12)	116
Court Technology Fund (16)	117
Municipal Court Building Security and Technology Fund (19)	118
Local Youth Diversion Fund (18)	119
Grants (40)	120
Park Recovery/Donation Fund (41)	121
Tree Restoration Fund (83)	122
Unclaimed Property Fund (85)	123

EDC FUNDS

EDC Fund (15)	125
EDC Bond Reserve Fund (95)	127

Kennedale is a family-oriented community providing a refuge from the hectic pace of the Dallas Fort Worth Metroplex. Open spaces, green belts, and trails enhance our serenity, quality of life and community. With easy access from major roadways, Kennedale is economically prosperous, business friendly and conveniently located, providing opportunities to shop, work and play.

ORGANIZATIONAL CHART

RESIDENTS OF THE CITY OF KENNEDALE

CITY COUNCIL
(Elected Officials)

CITY ATTORNEY
(Appointed Official)

CITY MANAGER
(Appointed Official)

MUNICIPAL JUDGE
(Appointed Official)

ADVISORY BOARDS
(Appointed by Council)

COMMISSIONS
(Appointed by Council)

- City Administration
- Finance
  - Information Technology
- Municipal Court
- Community Development
  - Planning & Permits
  - Code Compliance & Inspections
- Fire
  - EMS
- Library
  - Senior Center
  - Communications
- Police
  - Animal Control
  - School Resource Officers (SROs)
- Public Works
  - Utility Operations
  - Streets & Parks
  - Stormwater
  - Facility Maintenance

ELECTED OFFICIALS

Mayor Brian Johnson
Mayor Pro Tem Kenneth Michels, Place 3
David Glover, Place 1
Bryant Griffith, Place 2
Ryon Ray, Place 4
Jeff Nevarez, Place 5

APPOINTED OFFICALS

Darrell Hull, City Manager
Tina Cox, Interim City Secretary
Carvan Adkins of TOASE, City Attorney
Honorable Monroe Solomon III, Municipal Judge

BOARDS AND COMMISSIONS

Board of Adjustment (BOA)
Building Board of Appeals (BBA)
Economic Development Corporation (EDC)
Keep Kennedale Beautiful Commission (KKB)
Library Advisory Board (LAB)
Parks and Recreation Board (PRB)
Planning and Zoning Commission (P&Z)
Tax Increment Reinvestment Zone Board (TIRZ)
TownCenter Development District (TDD)
Utility and Infrastructure Board (UIB)

MANAGEMENT TEAM

Danielle Clarke, Director of HR
Edward McRoy, Director of Community Development
Eric Carlson, Chief of Police
Jon Horton, Director of Finance
Elizabeth Partridge, Director of Library and Communications
Eric Peterson, Fire Chief
Kristian Sugrim, Director of Public Works
Bertha Vindel, Court Administrator

CITY MANAGER'S OFFICE
405 MUNICIPAL DRIVE | KENNEDALE, TX 76060
OFFICE: 817-985-2102 | CELL: 817.565.4531 | FAX: 817-483-0182

August 18, 2026

To: Honorable Mayor and City Council Members

From: Darrell Hull, City Manager

Subject: Proposed FY 2026-2027 Budget for the City of Kennedale

Building on a Strong Foundation

Kennedale is a community defined by its character, resilience, and commitment to preserving the values that have made it one of North Texas' most desirable places to live, work, and raise a family. Conveniently located within the Dallas–Fort Worth metropolitan area, the City offers residents the advantages of regional accessibility while maintaining the welcoming atmosphere and close-knit relationships that distinguish Kennedale from many rapidly growing suburban communities.

As growth continues across North Texas, Kennedale remains committed to managing it thoughtfully and responsibly. The City's vision is not simply to grow larger but to become stronger—strengthening neighborhoods, enhancing public safety, improving infrastructure, expanding economic opportunities, and preserving the quality of life residents value.

This recommended budget reflects that philosophy. Every investment has been evaluated not only for its immediate operational need but also for its long-term contribution to the community. Whether improving streets and utilities, enhancing parks and public spaces, strengthening emergency services, investing in employees, or modernizing technology, each recommendation advances the city's mission to deliver exceptional municipal services while remaining fiscally responsible.

A Shared Vision

The FY 2026–2027 budget is directly aligned with the City Council's priorities and the long-term vision being established through Imagine Kennedale 2035. This strategic planning effort represents one of the most significant initiatives undertaken by the City in recent years. It will serve as the framework for future policy decisions, capital investments, and organizational priorities.

Throughout the budget development process, city leadership remained focused on balancing today's operational needs with tomorrow's opportunities. Department directors were encouraged to evaluate programs not only by their cost, but also by the value they provide to residents, businesses, and visitors. This approach ensures that limited public resources are invested where they generate the greatest long-term benefit while maintaining the City's strong financial position.

Strategic Priorities

The FY 2026–2027 budget advances several strategic priorities that will continue guiding the city's decision-making over the coming years. The city remains committed to maintaining a structurally balanced budget, preserving healthy reserve levels, and making financial decisions that protect taxpayers while ensuring long-term sustainability. Responsible financial stewardship continues to provide the flexibility necessary to respond to changing economic conditions while investing in community priorities. Maintaining strong financial policies and reserve levels allows Kennedale to address future challenges without sacrificing essential services.

Public Safety

Protecting lives and property remains the city's highest operational priority. The budget continues investing in police, fire, emergency medical services, emergency preparedness, and municipal court operations to ensure residents receive responsive, professional, and reliable public safety services. Investments in personnel, technology, communications equipment, and future apparatus replacement will position Kennedale to meet the demands of a growing community while enhancing responder safety and operational readiness.

Infrastructure and Asset Management

Reliable infrastructure is essential to maintaining the city's quality of life and supporting future economic development. The FY 2026–2027 budget continues a proactive approach to infrastructure management by investing in streets, water and wastewater systems, stormwater improvements, public facilities, and technology. These investments extend the useful life of city assets, improve service reliability, and reduce long-term maintenance costs by prioritizing planned replacement over emergency repair.

Rather than delaying investments until systems fail or service demands become critical, the City continues to implement long-term strategies that strengthen financial stability, modernize operations, and prepare the organization for sustained success. Investments in digital technology, employee development, infrastructure planning, emergency preparedness, and organizational innovation demonstrate a commitment to continuous improvement and responsible governance.

Economic Development

Economic vitality remains central to Kennedale's future. The city continues to pursue strategic redevelopment opportunities throughout the community, including continued investment in TownCenter, future commercial development along Kennedale Parkway, redevelopment near Interstate 20, and partnerships that expand employment opportunities while broadening the City's tax base. Responsible growth strengthens the local economy and helps reduce future financial pressure on residential taxpayers.

Quality of Life

A successful community is measured not only by its infrastructure but also by the opportunities it offers its residents. Investments in parks, library services, senior programs, communications, community events, and recreational amenities strengthen civic pride, foster community engagement, and improve the overall quality of life for residents of all ages. These programs contribute to Kennedale's identity as a community

where families, businesses, and neighborhoods thrive together.

The challenges facing local governments continue to evolve. Inflation, increasing construction costs, workforce competition, aging infrastructure, and rapidly changing technology require cities to think beyond the current fiscal year. Kennedale has chosen to respond proactively.

Building a Strong Financial Foundation

Responsible financial management is the cornerstone of every successful organization. The City of Kennedale's ability to provide exceptional municipal services, invest in critical infrastructure, and prepare for future growth is made possible through a long-standing commitment to conservative budgeting, sound financial policies, and disciplined fiscal management.

This philosophy recognizes that every budget is more than a financial document—it is a statement of priorities and a blueprint for the future. The FY 2026–2027 budget reflects the City's determination to preserve what residents value most while embracing opportunities that will strengthen Kennedale for generations to come. Modern budget communication emphasizes telling this story clearly so stakeholders understand not just how funds are allocated, but how those investments advance the community's long-term vision.

The FY 2026–2027 budget reflects this commitment. Every recommendation contained within this document has been developed with the understanding that public resources are entrusted to the City by its residents and businesses. Our responsibility extends beyond balancing the budget for a single fiscal year; it requires making financial decisions that preserve flexibility, protect taxpayers, and ensure the City's long-term financial sustainability. Over the past several years, Kennedale has steadily strengthened its financial position through prudent fiscal management, conservative revenue forecasting, and disciplined expenditure controls. These efforts have enabled the city to maintain stable operations while continuing to invest in essential infrastructure, public safety, technology, and quality-of-life initiatives.

One of the clearest indicators of this progress is the continued growth of the city's general fund reserves. During FY 2025–2026, the city increased its general fund reserve balance to more than 31 percent, providing additional financial flexibility to respond to unforeseeable events, economic fluctuations, and future capital needs. The FY 2026–2027 budget continues this strategy by establishing a long-term goal of increasing reserves to 35 percent, reinforcing the City's commitment to maintaining a strong financial foundation for future generations.

Strong reserves are not accumulated to maintain fund balances—they provide the financial capacity to respond to emergencies, stabilize operations during economic uncertainty, maintain favorable bond ratings, and reduce the need for short-term borrowing when unexpected opportunities or challenges arise. Maintaining adequate reserves is recognized as an essential component of sound financial management and long-term fiscal resilience.

The FY 2026–2027 budget has been developed using a structurally balanced approach that aligns recurring revenues with recurring operating expenditures. Rather than relying on one-time revenues to support ongoing operations, the City continues to focus on sustainable financial practices that preserve long-term stability while maintaining service levels.

Kennedale's commitment to financial excellence continues to receive national recognition. During the past year, the city once again earned both of the Government Finance Officers Association's highest honors:

- Distinguished Budget Presentation Award
- Certificate of Achievement Excellence in Financial Reporting

These awards recognize governments that prepare budgets and financial documents that meet nationally recognized standards for transparency, accountability, and effective communication. To receive these distinctions, a budget must function as a policy document, financial plan, operations guide, and communications device, demonstrating excellence in both financial management and public accountability.

These achievements reflect the dedication of the Mayor and City Council, the Finance Department, department directors, and employees who contribute throughout the budgeting and financial reporting process. They also demonstrate the City's ongoing commitment to providing residents with clear, accurate, and transparent financial information.

Investing Today While Planning for Tomorrow

Fiscal responsibility does not mean avoiding investment. Instead, it requires making thoughtful investments that create long-term value while protecting the City's financial future.

The FY 2026–2027 budget continues this balanced approach by investing in:

- Public safety equipment and emergency response capabilities.
- Street, water, wastewater, and stormwater infrastructure.
- Technology modernization and cybersecurity.
- Employee recruitment, retention, and professional development.
- Parks, library services, senior programs, and community engagement.
- Economic development and strategic planning initiatives.

These investments are guided by one fundamental principle: matching today's expenditures with tomorrow's benefits. Long-lived assets, such as major public safety apparatus and infrastructure improvements, are planned, whenever possible, and financed through funding sources appropriate to their useful lives. This approach helps preserve operating resources while ensuring critical infrastructure keeps pace with community growth.

Financial Policies That Support Sustainability

The City's financial strength is supported by established policies that guide budgeting, reserve management, capital planning, debt administration, procurement, and financial reporting. These policies provide consistency from year to year and help ensure financial decisions remain focused on long-term sustainability rather than short-term solutions.

Although the financial environment facing local governments continues to evolve, Kennedale enters FY 2026–2027 from a position of strength. Continued growth, strategic planning, responsible reserve

management, and careful financial oversight provide the city with the flexibility needed to respond to future opportunities while maintaining the high level of service residents expect.

As the City moves forward with implementing Imagine Kennedale 2035, fiscal stewardship will remain central to every decision. Financial stability is not an end in itself—it is the foundation that enables the City to invest confidently in public safety, infrastructure, economic development, quality of life, and organizational excellence.

The FY 2026–2027 budget demonstrates that Kennedale is prepared to meet today's responsibilities while building the financial capacity necessary to achieve tomorrow's vision. Through disciplined planning, transparent financial management, and a commitment to continuous improvement, the city remains well-positioned to serve its residents today and for generations to come.

The Foundation of Exceptional Public Service

Every service the City of Kennedale provides begins with its people. Whether responding to emergencies, maintaining streets and utilities, processing development applications, managing public finances, preserving parks, serving library patrons, or supporting community programs, the dedication and professionalism of City employees transform policy into action and investments into measurable results.

The FY 2026–2027 budget recognizes that our employees are the city's most valuable asset. While infrastructure, equipment, and technology are essential to municipal government, our workforce delivers exceptional customer service, responds to emergencies, and builds trust.

As Kennedale continues to grow, the city must remain competitive in attracting, developing, and retaining highly qualified professionals. This budget reflects a strategic commitment to investing in our workforce and to ensuring organizational excellence, leadership continuity, and long-term operational sustainability. During the past year, the city continued to strengthen its organizational foundation through investments in employee development, operational efficiency, and leadership capacity.

Administration successfully implemented new technologies that modernized recruitment and hiring processes and improved records management and organizational efficiency. The City digitized administrative records, implemented electronic records management, expanded online services, and completed a citywide employee climate survey to understand employee engagement and organizational culture better.

These efforts led to measurable improvements across the organization, including reduced employee turnover and lower employer insurance costs, while strengthening recruitment, onboarding, and workforce planning. Together, these accomplishments demonstrate the city's commitment to creating an environment where employees are supported, engaged, and equipped to succeed.

Municipal government continues to face an increasingly competitive labor market. Communities throughout Texas are competing for experienced professionals in public safety, engineering, public works, finance, planning, and administration.

The budget includes a 4 percent cost of living adjustment (COLA) to help employees keep pace with inflation while maintaining competitive compensation. This investment recognizes that retaining

experienced employees not only reduces turnover costs but also preserves institutional knowledge, improves operational continuity, and enhances customer service.

The City also continues emphasizing professional development by supporting employee certifications, technical training, leadership education, and specialized instruction across all departments. These investments ensure employees remain prepared to meet evolving regulatory requirements, technological advancements, and the increasing service expectations of our community.

Technology continues to transform how governments manage their workforce. To support this modernization, the FY 2026–2027 budget includes implementation of the NEOGOV Human Resources Information System (HRIS). This comprehensive platform will streamline recruitment, hiring, onboarding, employee records management, performance tracking, and compliance reporting while replacing numerous manual processes with integrated digital workflows.

The new system will improve organizational efficiency, reduce administrative burden, enhance data security, and provide managers with better information for workforce planning and decision-making. More importantly, it will improve the employee experience from recruitment through retirement while supporting the city's long-term workforce strategy.

As the organization grows, leadership development becomes increasingly important. The recommended budget includes several initiatives designed to strengthen succession planning and organizational resilience. These include continued participation in the Texas Municipal League Leadership Academy, development of department succession plans, creation of standardized job descriptions, implementation of career pathways, and completion of a comprehensive compensation and classification study.

The Police Department is implementing a comprehensive employee fitness and wellness program and modernizing officer training through digital field training systems and enhanced professional development.

The Fire Department continues to expand regional training opportunities, replace outdated communications equipment, strengthen emergency preparedness, and pursue national best-practice accreditation while maintaining one of the highest standards of emergency medical care.

Community Development cross-trained staff during a period of significant personnel turnover to maintain customer service, demonstrating organizational resilience and teamwork.

The Library, Senior Center, Communications, Finance, Public Works, and Municipal Court all continue emphasizing employee training, certification, customer service, and professional growth as essential components of delivering exceptional municipal services.

Investing in employees extends beyond compensation. It includes creating modern workplaces, providing the tools necessary for success, embracing innovation, encouraging collaboration, and fostering a culture built on accountability, integrity, and continuous improvement. These investments produce measurable returns through improved customer service, greater operational efficiency, stronger employee retention, enhanced public trust, and better long-term financial performance.

As we continue implementing Imagine Kennedale 2035, investing in employees will remain one of the

city's highest priorities. By recruiting talented professionals, developing future leaders, embracing innovation, and creating opportunities for continuous learning, Kennedale is building an organization capable of meeting the evolving needs of our residents while preserving the high level of service that defines our community.

Our employees are more than the workforce behind city government—they are the ambassadors of public service, the stewards of public resources, and the foundation upon which Kennedale's future will be built. The FY 2026–2027 budget reflects our continued commitment to investing in them because investing in our people is ultimately an investment in our community.

A Commitment to Safety, Service, and Preparedness

The safety and well-being of our residents are the City's top priority. Every day, police officers, firefighters, firefighter-paramedics, municipal court personnel, and emergency management professionals work together to protect lives, preserve property, and strengthen public trust through responsive service, professionalism, and community partnerships.

The Kennedale Police Department continues to embrace a philosophy of community-oriented policing grounded in Trust, Integrity, and Purpose. Officers work proactively with neighborhoods, businesses, schools, and community organizations to address public safety concerns before they escalate into larger challenges.

During the past year, the department earned national recognition from the National Association of Town Watch, placing second in Texas and sixth in the nation among similarly sized communities for its National Night Out program. This achievement reflects the department's commitment to building meaningful relationships between law enforcement and the community through outreach, education, and engagement.

Beyond traditional law enforcement responsibilities, officers participated in numerous community events and educational programs, including National Night Out, Bark in the Park, Trunk-or-Treat, Juneteenth celebrations, Public Safety Open House, Veterans Day, Hometown Christmas, Drug Take Back events, Civilian Response to Active Shooter Events (CRASE) training, and school career programs. These initiatives strengthen public trust while reinforcing the department's belief that successful policing begins with strong community partnerships.

Operationally, the Police Department continued expanding its capabilities through implementation of its drone program, enhanced emergency operations planning, continued participation in regional task forces, and ongoing investment in officer training. Personnel averaged more than 90 hours of professional training, ensuring officers remain prepared to respond effectively to increasingly complex public safety challenges.

The Kennedale Fire Department successfully completed the renovation and expansion of Fire Station 59. Firefighters returned to a modernized facility designed to improve emergency response capabilities, firefighter safety, and operational efficiency.

The department also strengthened emergency preparedness by completing the city's hazard mitigation action plan for FEMA, expanding joint training exercises with the police department, providing

CPR/AED training for city employees, replacing Brush 59, and completing all required state certifications for Fire and Emergency Medical Services. In addition, the city secured $1.147 million in reimbursement from the Tarrant County Emergency Services District for two ambulance purchases, significantly reducing the financial burden on local taxpayers.

These accomplishments demonstrate the department's commitment not only to emergency response but also to planning, preparedness, and responsible financial stewardship.

The FY 2026–2027 budget includes strategic investments to strengthen emergency response capabilities for years to come. One of the most significant long-term initiatives is the planned acquisition of a 107-foot Quint Fire Apparatus, proposed to be financed through a future bond program. This specialized apparatus will expand the city's rescue and firefighting capabilities and support continued commercial and residential growth. By combining five essential firefighting functions into a single apparatus, the quint will improve operational flexibility, firefighter safety, and emergency response, while providing the capacity needed to protect larger commercial structures and future development.

The budget also includes funding to replace outdated portable radios used by Fire Department personnel. Reliable communications are among the most critical life-safety tools during emergency operations, and replacing obsolete radios with modern technology will improve communication reliability, firefighter safety, and emergency response effectiveness.

Similarly, the police department continues its systematic fleet replacement program by purchasing a new fully equipped patrol vehicle while transitioning existing equipment to School Resource Officer operations. Additional investments in digital reporting systems and technology modernization will improve officer efficiency, reduce paperwork, and enhance customer service through expanded electronic reporting capabilities.

Public safety extends well beyond police and fire response. Over the past year, Kennedale strengthened its emergency preparedness capabilities through updated emergency operations and hazard mitigation plans, enhanced interagency coordination, and expanded use of emergency notification technology.

The Fire Department will continue evaluating and exercising the city's Emergency Management Plan, expand training on the Everbridge emergency notification system, and pursue the installation of an outdoor warning system at Sonora Park. These initiatives strengthen the city's ability to prepare for severe weather, natural disasters, and other emergencies while improving communication with residents during critical events.

The Municipal Court continues playing an essential role in protecting public safety while ensuring fair, impartial, and efficient administration of justice. During FY 2025–2026, the court received the Texas Municipal Courts Education Center's Municipal Traffic Safety Initiative Award, recognizing its innovative efforts to improve traffic safety through education and community outreach. The court also participated in the Great Texas Warrant Roundup, strengthened judicial leadership by adding a new Judge and Associate Judge, and expanded public engagement by participating in community events, including National Night Out and the City's Public Safety Event.

Looking ahead, the court will continue modernizing operations through implementation of digital warrant exchanges, expanded online services, staff professional development, and technology improvements that

enhance customer convenience while maintaining the integrity of the judicial process.

Public safety is most effective when shared. Kennedale continues to foster partnerships among the Police Department, Fire Department, Municipal Court, schools, businesses, community organizations, and residents to build a safer, more resilient community. Whether through the Citizens Fire Academy, the planned Youth Police Academy, neighborhood outreach, emergency preparedness education, or volunteer engagement, the City remains committed to empowering residents to become active partners in public safety.

These collaborative efforts reflect a broader philosophy that public safety is not measured solely by emergency response statistics but also by the strength of community relationships, public confidence, preparedness, and prevention.

Building Tomorrow: Investing in Infrastructure and Sustainable Growth

Strong communities are built on strong infrastructure. Every street that is rehabilitated, every water line that is replaced, every drainage improvement that reduces flooding, and every development project that is thoughtfully planned represents an investment in Kennedale's future.

The FY 2026–2027 budget continues the City's commitment to preserving and improving the public infrastructure that supports residents, businesses, and future development. A simple philosophy guides these investments: maintaining today's infrastructure while preparing for tomorrow's growth. By focusing on proactive asset management, long-range planning, and strategic capital investment, Kennedale is reducing long-term costs, improving service reliability, and creating the foundation for continued economic prosperity.

Infrastructure is often one of the least visible services local government provides, yet it is among the most essential. Reliable roads, water systems, wastewater collection, drainage facilities, public buildings, and utility networks directly influence public safety, economic development, environmental stewardship, and quality of life. The City's capital planning process is designed to ensure these assets are maintained and improved in a fiscally responsible manner while supporting long-term community goals.

During the past year, the Public Works Department completed several significant projects that strengthened the City's infrastructure network and enhanced service delivery.

Major accomplishments included replacing aging asbestos-cement water lines with modern PVC mains, installing new fire hydrants and service connections, expanding water storage capacity by completing a new 750,000-gallon ground storage tank, installing solar-powered traffic safety devices and streetlights, and rehabilitating key roadway segments throughout the community. These investments improve water quality, fire protection, transportation safety, and the overall reliability of essential public services. The department also continued proactive maintenance of streets, drainage systems, parks, and public facilities, recognizing that preserving existing assets is often the most cost-effective way to extend infrastructure life and reduce future replacement costs.

Strategic Capital Investments

The FY 2026–2027 budget continues this proactive approach through targeted investments that address

both immediate operational needs and long-term infrastructure priorities.

Among the major initiatives included in this budget are:

- Looping dead-end water mains to improve water quality, increase fire protection, and enhance system reliability.
- Replacing the sanitary sewer aerial crossing at North Dick Price Road to improve environmental protection and reduce long-term maintenance needs.
- Dredging and restoring drainage channels along South New Hope Road to improve stormwater conveyance and reduce localized flooding.
- Advancing bridge improvements along Eden Road and South New Hope Road to accommodate future transportation demands.
- Continuing annual street rehabilitation to preserve pavement conditions and extend the useful life of the City's roadway network.
- Improving parks and recreational facilities, including enhancements to Rogers Farm Park and athletic fields.
- Valley Lane Streambank Stabilization project.

Infrastructure planning extends beyond maintaining existing assets—it also prepares the community for future growth. The Community Development Department continues to lead initiatives to ensure that new development aligns with the City's long-term vision. Over the past year, the department enhanced online permitting services and launched planning efforts to modernize development regulations and improve customer service. Despite significant staffing transitions, the department maintained development services and continued to support responsible growth across the community.

Looking ahead, several important planning initiatives will further strengthen Kennedale's ability to manage growth effectively.

These include:

- Adoption of the 2021 International Building Codes.
- Completion of the Unified Development Code update.
- Updating the City's Impact Fee Study to ensure new development contributes appropriately toward future infrastructure needs.

Building for the Future

The city continues to coordinate capital improvements with economic development initiatives, transportation planning, utility expansion, and future land-use decisions. Long-term projects—including future transportation improvements, water and wastewater system expansion, Village Creek flood mitigation efforts, and continued TownCenter development—reflect a comprehensive approach to preparing for future growth while preserving the City's financial strength.

The FY 2026–2027 budget reflects a philosophy of stewardship—maintaining existing infrastructure while strategically investing in improvements that support future growth, enhance public safety, and improve quality of life. Rather than reacting to infrastructure failures, Kennedale continues to implement a proactive capital strategy that reduces long-term costs, improves service reliability, and strengthens

community resilience.

As the city moves forward with Imagine Kennedale 2035, infrastructure will remain a central component of Kennedale's vision for the future. By integrating capital planning, land use planning, economic development, and financial stewardship, the city is creating a sustainable framework that supports continued growth while preserving the character and quality of life that make Kennedale a unique place to call home.

Enhancing Quality of Life: Building a Connected and Engaged Community

A great city is measured not only by the services it provides but also by the opportunities it creates for people to connect, learn, recreate, and thrive. While public safety and infrastructure form the foundation of municipal government, the programs and amenities that enrich daily life are what transform a city into a community.

The FY 2026–2027 budget reflects the city's continued commitment to investing in programs and services that enhance the quality of life for residents of all ages. Through libraries, parks, recreation, senior services, communications, and community partnerships, Kennedale continues fostering an engaged, informed, and connected community where residents take pride in the place they call home.

Quality-of-life investments are not merely amenities; they strengthen neighborhoods, encourage civic participation, support local businesses, and enhance the community's overall attractiveness. As Kennedale grows, these investments become increasingly important in maintaining the city's unique character while creating opportunities for residents to connect with their local government.

A Library That Serves as a Community Hub

The Kennedale Public Library continues to evolve beyond its traditional role as a place to borrow books. Today, it serves as a center for education, innovation, technology, and community engagement.

During FY 2025–2026, the Library successfully implemented a modern Radio Frequency Identification (RFID) system, improving inventory management and enhancing customer service. The department also maintained accreditation through the Texas State Library and Archives Commission while expanding educational programming for children, teens, and adults. Through partnerships with Atmos Energy and H-E-B, the Library secured additional funding that expanded Summer Reading programs and literacy initiatives for families throughout the community.

Looking ahead, the Library will continue to broaden its role through innovative programs such as the Library of Things, expanded Innovation Station programming, enhanced small-business resources, and the development of a local history collection in partnership with the Kennedale Historical Society. These initiatives reinforce the Library's role as a lifelong learning center that supports education, creativity, workforce development, and community connection.

Effective communication is fundamental to building public trust. Over the past year, the communications function expanded outreach by improving website content, increasing social media engagement, promoting city events, and strengthening public awareness of municipal programs and services. These efforts have increased participation in community events and provided residents with more timely,

accessible, and transparent information.

The FY 2026–2027 budget continues this momentum by centralizing the City's communications program, expanding digital engagement, improving website accessibility, and implementing new online services for residents. These investments will provide more consistent messaging, enhance transparency, and improve the overall customer experience when interacting with city government.

The City's communication strategy also supports broader goals of transparency, accountability, and citizen participation by ensuring residents have meaningful opportunities to remain informed and engaged in local government.

The Senior Center continues to provide programs that promote healthy aging, social engagement, nutrition, recreation, and lifelong learning for residents aged 55 and older. Expanded programming, facility improvements, and strengthened community partnerships have increased participation while improving the overall experience for senior center members.

Looking ahead, the City will continue to expand educational programming, volunteer opportunities, wellness activities, and community partnerships while pursuing grant funding and sponsorships that enhance services without increasing the financial burden on taxpayers.

By investing in senior services, Kennedale recognizes the important contributions older adults make to the community while ensuring they remain active, connected, and engaged.

Public spaces provide opportunities for recreation, gathering, and community pride. The FY 2026–2027 budget continues investing in parks and recreational amenities that support healthy lifestyles and strengthen neighborhoods. Planned improvements include enhancements to Rogers Farm Park, athletic field improvements, playground upgrades, continued maintenance of public facilities, and expanded recreational programming.

The City also plans to develop an innovative percussion play park adjacent to the Library and TownCenter Plaza. This unique amenity will offer an outdoor educational space for library programs and create an accessible musical play environment that fosters creativity, learning, and interaction among residents of all ages.

Together with the City's ongoing partnership with the YMCA, these investments expand recreational opportunities while reinforcing Kennedale's commitment to health, wellness, and family-oriented amenities.

Kennedale's greatest strength remains its people. Throughout the year, residents, advisory boards, community organizations, volunteers, and local businesses partnered with the city to support numerous events and initiatives that strengthen civic pride and neighborhood connections.

The completion of a citywide community survey during the past year further demonstrates the city's commitment to listening to residents and incorporating public input into future planning efforts. This philosophy will continue through the development and implementation of Imagine Kennedale 2035, ensuring that community priorities remain central to the city's decision-making process. Meaningful public engagement strengthens transparency, accountability, and public confidence in local government.

The FY 2026–2027 budget recognizes that quality of life is created through the everyday experiences of residents—visiting the Library, attending community events, enjoying parks, participating in senior programs, volunteering on advisory boards, or simply staying informed about city initiatives.

By continuing to invest in these programs, Kennedale is building more than facilities and services—it is strengthening relationships, encouraging civic participation, and creating opportunities for residents to become active partners in shaping the community's future.

These investments reflect the City's belief that a successful community is one where residents not only receive exceptional municipal services but also feel connected and proud to call Kennedale home. As the city advances the goals of Imagine Kennedale 2035, quality-of-life initiatives will continue serving as a cornerstone of a vibrant, resilient, and engaged community. Effective budget communication should help residents understand this connection between investments and community outcomes, making the budget a true reflection of the city's values and vision.

A Vision for Kennedale's Future

Every budget is more than a plan for the coming fiscal year—it reflects a community's aspirations for the future. While the FY 2026–2027 budget addresses today's operational needs, it also lays the groundwork for the opportunities and challenges ahead. Through thoughtful planning, responsible financial stewardship, and strategic investment, the City of Kennedale is positioning itself to remain a resilient, innovative, and thriving community for generations to come.

This document represents more than the conclusion of one budget cycle. It is the beginning of the next chapter in Kennedale's story. The investments recommended throughout this budget will strengthen infrastructure, enhance public safety, support employees, expand economic opportunity, improve quality of life, and preserve the city's financial stability. More importantly, they will help ensure Kennedale remains a community where future generations can live, work, raise families, and build lasting connections.

As City Manager, I remain optimistic about the future of Kennedale. The challenges facing local governments are real, but so too are the opportunities before us. Guided by strong leadership, dedicated employees, engaged residents, and sound financial management, I am confident that Kennedale is well prepared to meet those opportunities. Together, we will continue building a City that honors its past, serves its present, and confidently prepares for its future.

These accomplishments are not isolated successes. They represent a comprehensive strategy built upon collaboration, accountability, innovation, and a shared commitment to serving the public. This budget reflects the work of an entire organization. I want to express my sincere appreciation to the Mayor and City Council for their leadership, thoughtful guidance, and unwavering commitment to serving the residents of Kennedale.

I also extend my gratitude to our department directors and employees, whose professionalism, expertise, and dedication to public service made this budget possible. Every department contributed meaningful analysis, innovative ideas, and thoughtful recommendations that strengthened this document. Their daily commitment to serving our residents is the foundation upon which Kennedale's success is built.

Finally, I would like to thank the citizens of Kennedale. Your trust is both a privilege and a responsibility. Every recommendation in this budget has been made with deep respect for the public resources entrusted to us and a commitment to delivering services that improve the lives of our residents.

Over the coming years, the City will continue implementing the vision established through Imagine Kennedale 2035, investing in critical infrastructure, expanding economic opportunities, strengthening public safety, enhancing quality of life, and maintaining the financial discipline that has positioned Kennedale for continued success.

As City Manager, I remain optimistic about what lies ahead. Kennedale has demonstrated that responsible government, thoughtful planning, and strategic investment can work together to create meaningful results for the community. By continuing to embrace innovation, encourage collaboration, and remain focused on service, we are building a city that honors its heritage while confidently preparing for the future.

Sincerely,

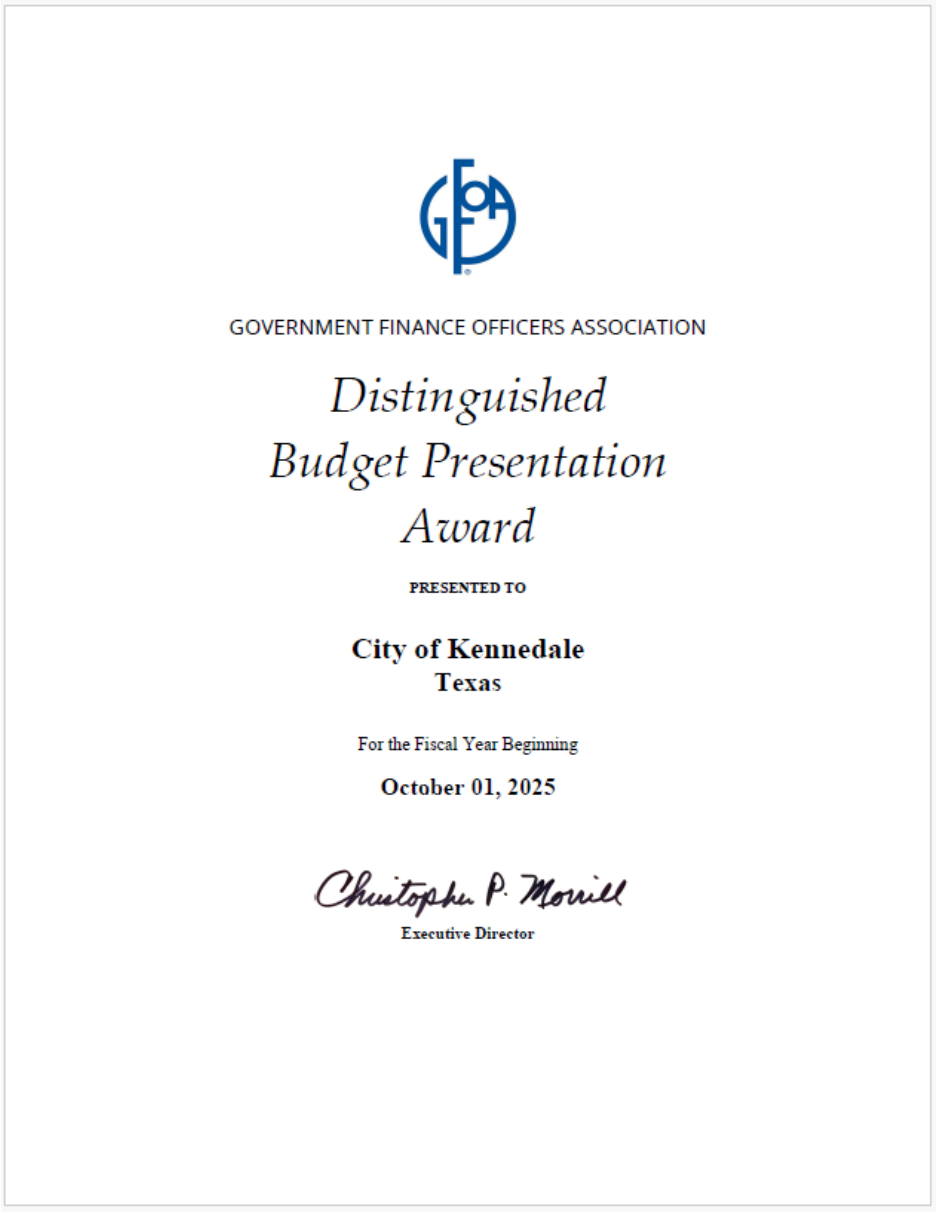


Darrell Hull, City Manager
City of Kennedale, Texas

DISTINGUISHED BUDGET AWARD

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Kennedale for its Annual Budget for the fiscal year beginning October 1, 2025 and ending September 30, 2026. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Kennedale
Texas

For the Fiscal Year Beginning

October 01, 2025

Christopher P. Morrill

Executive Director

USING THIS DOCUMENT

The budget is created on a fund basis with similar activities, goals, and funding sources grouped within each area. Each fund is self-balancing and is accounted for on its own. The General Fund, which encompasses most operational activities, is primarily funded by maintenance and operation ad valorem (property) tax, sales tax, and fees, and contains departmental line item expense budgets.

The financial reporting entity (the city government) includes all funds of the primary government (i.e., the City of Kennedale as legally defined), as well as each of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government's operations. The Kennedale Economic Development Corporation (EDC) is included in the budget and account records as a discretely presented component unit. This fund is appropriated annually.

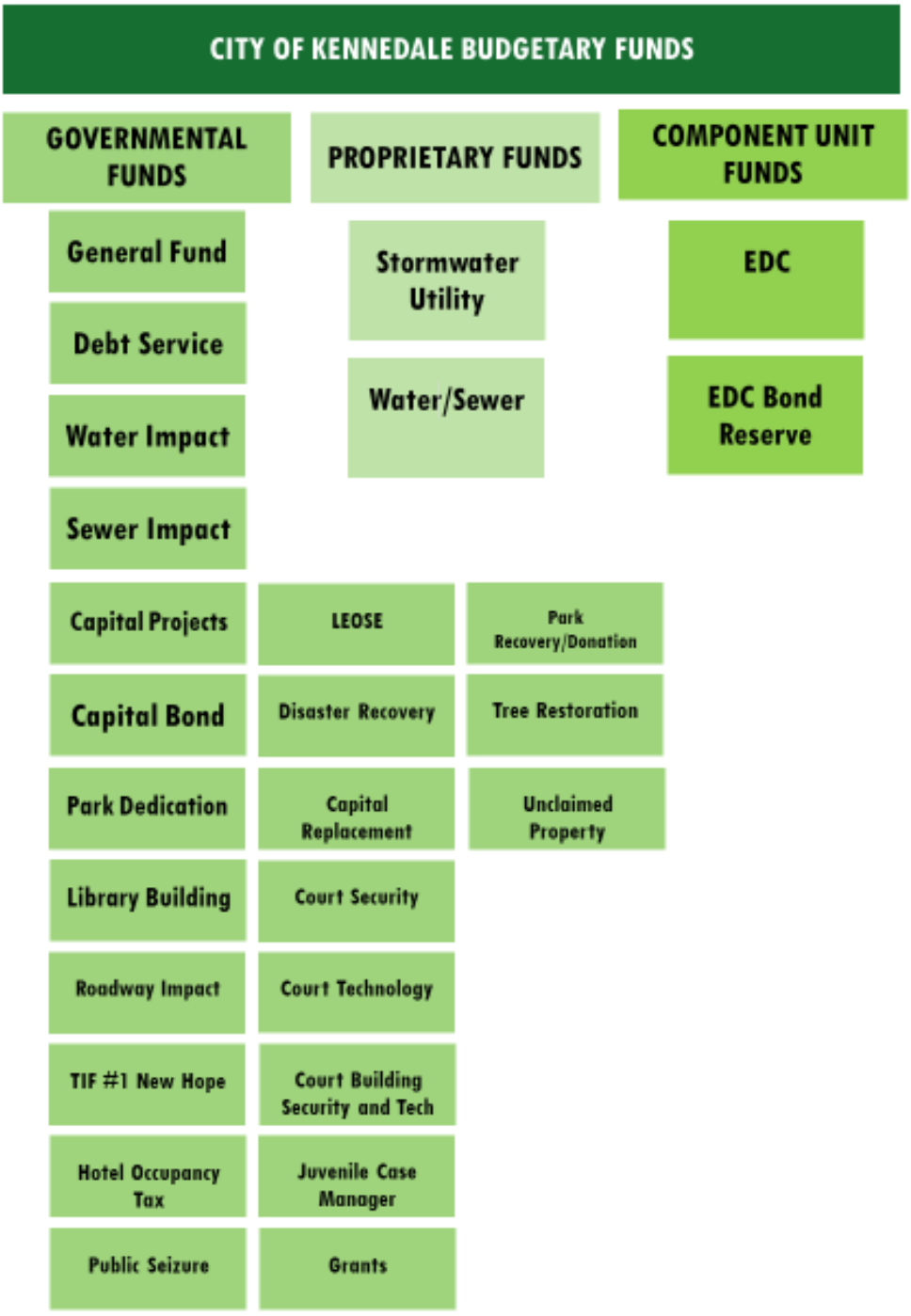
It is the goal of operational funds like the General Fund, Stormwater Utility Fund, and Water Sewer Fund, to have revenue that exceeds expenditures to maintain a healthy reserve balance. Leadership aims to achieve and maintain an unassigned fund balance in the General Fund equal to 18% (with a goal of 25%) of budgeted annual expenditures to be used for unanticipated costs, unforeseen revenue fluctuations, or other adverse circumstances, as provided for in the Fund Balance Policy, a copy of which is included in the Appendix Section. These three funds are also appropriated annually.

The financial structure is defined by the City's fund types. Funds are established for specific revenues and expenditures related to certain activities of the City. They are further organized into various groups to identify their purpose.

- **Governmental Funds:** used to account for all government-type activities. These activities consist of all financial resources that cannot be categorized into other funds.
- **Proprietary Funds:** account for activities where the cost of providing services is financed primarily through user charges. These funds operate similarly to a private business.
- **Component Unit Funds:** account for activity related to the City's only discretely presented component unit, the Kennedale Economic Development Corporation (EDC).

The following chart identifies the City's funds, organized by their fund type:

FLOW OF FUNDS



The following table lists City departments and the funds used to support that department's operations, or which department manages the inflow and outflow of resources:

Department	GF	DS	CP	CB	PD	RI	HO	PS	LE	DR	CS	CT	CB	YD	GR	PR	TR	SU	WS	EDC
City Administration	x																			x
Mayor/Council	x																			
Municipal Court	x										x	x	x	x						
Finance	x	x																		x
Police	x							x	x						x					
Fire	x														x					
Community Development	x																			
Senior Center	x																			
Library	x														x					
Communications	x						x													
Public Works	x		x	x	x	x				x						x	x	x	x	

Governmental Funds	
GF	General Fund
DS	Debt Service
CP	Capital Projects
CB	Capital Bond
PD	Pard Dedication
RI	Roadway Impact
HO	Hotel Occupancy Tax
PS	Public Seizure
LE	LEOSE
DR	Disaster Revovery
CS	Court Security
CT	Court Techonolgy
CB	Building Security & Tech
YD	Local Youth Diversion
GR	Grants
PR	Park Recovery/Donation
TR	Tree Restoration

Proprietary Funds	
SU	Stormwater Utility
WS	Water/Sewer

Component Unit Funds	
EDC	EDC

FUND DESCRIPTIONS

The following section provides an overview and general purpose for each fund. Funds are grouped by function, rather than by type, and are presented in the same order as they appear later in this book. Additional information for each fund can be found within its respective budget section.

GENERAL FUND

The General Fund serves as the main operating fund for the City's government. Forty two percent of revenue will come from property taxes, the rates of which are provided in the front of this document. Revenue is determined by applying the City's adopted tax rates to values established by the Tarrant Appraisal District. Sales taxes, which will make up 27% of General Fund revenues, are indirectly budgeted using a weighted average method. This method is applied to project the remaining FY26 revenue and then further applied to project FY27. A material growth in the City's tax base is not expected for FY27. The next highest category, Transfers In, consist of the value General Fund departments provide to support other funds. A breakdown of this amount is located in the Common Cost Analysis within this document.

DEBT SERVICE FUND

The Debt Service Fund pays for Debt that is secured by ad valorem (property) taxes. Property taxes account for over 99% of the Debt Service Fund revenues, with the remainder coming from investment income.

UTILITY FUNDS

Stormwater Utility Fund

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 3,251 residential, commercial and industrial customers.

Water/Sewer Fund

Also an Enterprise Fund, the Water/Sewer Fund maintains responsibility for providing water and wastewater services for the City. Revenue received for usage is expected to cover operations for this function. Bond proceeds are also housed within this fund for capital projects.

Water Impact Fee and Sewer Impact Fee Funds

Each of these funds receive revenue from fees associated with new development. Expenditures are tied to projects within the scope of each fund and can be used to pay related debt through a transfer to the appropriate fund, typically the Water/Sewer Fund.

CAPITAL PROJECT FUNDS

Capital Project Fund

The Capital Project Fund receives revenues from the City's waste collection contractor, Waste Connections, based on their overall landfill revenue. Funds are transferred to Debt Service to pay for debt requirements related to improvements to Dick Price Road, the road that leads to the landfill.

Capital Bond Fund

The Capital Bond Fund receives proceeds from bonds and records the project expense associated with the bond proceeds. Projects in this fund are independent from those recorded in the Water/Sewer Fund.

Park Dedication Fund

Revenue for the Park Dedication Fund comes primarily from fees associated with certain residential developments within the City and proportionate interest income from pooled investments. Expenditures from this fund are tied to park maintenance and improvements.

Library Building Fund

This fund was established to fund the current facility. Without any new capital projects, this fund is essentially sitting dormant.

Roadway Impact Fee Fund

Roadway Impact Fee Fund is funded primarily with new development fees and used to fund related projects.

SPECIAL REVENUE FUNDS

TIF #1 New Hope Fund

Tax Increment Financing (TIF), authorized by Texas Tax Code Chapter 311, states local governments can publicly finance needed structural improvements and enhanced infrastructure within a defined area – a Tax Increment Reinvestment Zone (TIRZ) – to encourage desired development. The tax increment is derived from the difference in

appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence.

Hotel Occupancy Tax Fund

Revenue for this Fund comes primary from taxes related to overnight stays within the City. This is calculated as 7% of gross rents and remitted directly to the City each quarter. Presently, this tax comes exclusively from short-term rentals.

Public Seizure Fund

Revenue for the Public Seizure Fund comes from property seizures related to law enforcement activity. Expenditures are confined to law enforcement uses.

Law Enforcement Officer Standards and Education (LEOSE) Fund

The State Comptroller of Public Accounts collects and deposits proceeds from court costs into the Law Enforcement Officer Standards and Education (LEOSE) account of the state treasury, which is then distributed to local law enforcement agencies. Local agencies must use the funds to provide continuing education or necessary training for law enforcement officers.

Disaster Recovery Fund

The Disaster Recovery Fund (35) tracks transactions related to the American Rescue Plan Act of 2021 (ARPA). All ARPA funding must be spent before December 31, 2026.

OTHER FUNDS

Capital Replacement Fund

The Capital Replacement Fund receives transfers from other funds that utilize vehicles.

Court Security Fund

Revenue for the Court Security Fund camefrom a $3 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for security personnel, services and items related to buildings that house the operations of our Municipal Court. Starting May 29, 2025, court security revenue has been directed to the Municipal Court Building Security and Technology Fund. This fund will cease to exist once the balance reaches zero.

Court Technology Fund

Revenue for the Court Technology Fund came from a $4 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for technological enhancements for the Municipal Court. Starting May 29, 2025, court security revenue has been

directed to the Municipal Court Building Security and Technology Fund. This fund will cease to exist once the balance reaches zero.

Municipal Court Building Security and Technology Fund

This new fund, created by House Bill 1950, combines resources previously designated for the Court Security and Court Technology Funds, effectively consolidating those uses. Revenue for this fund will come from separate $4 and $4.90 fees assessed to defendants convicted of misdemeanors as costs of the court. Expenditures may only be used for security personnel, services, and items related to buildings that house the operations of the Municipal Court or for technological advances for the Municipal Court.

Local Youth Diversion Fund

Revenue for the Local Youth Diversion Fund comes from a $5 fee assessed to defendants convicted of a "fine only misdemeanor offense" as a cost of court. Expenditures may only finance the salary and benefits of a juvenile case manager that is employed by the Municipal Court of the City of Kennedale.

Grants Fund

The Grants Fund will house funding and track expenditures for grants awarded to the City. As most grants function as cost reimbursable agreements (funding isn't received until an expenditure has taken place and proper documentation has been provided to the granting agency), this fund is expected to have a $0 balance over time.

Park Recovery and Other Donations Fund

Donations from the community, and their related expenditures, are tracked in the Park Recovery and Other Donations Fund. Similar to the Grant Fund, this fund is expected to have a $0 balance over time.

Tree Restoration Fund

Funds collected by the City's Community Development Department for tree removal permits, donations, and related development agreements are the primary source of revenue for the Tree Reforestation Fund.

Unclaimed Property Fund

The Unclaimed Property Fund is used for holding property valued at $100 or less that is presumed abandoned or unclaimed subject to Title VI, Chapter 76, of the Texas Property Code.

EDC FUNDS

EDC Fund

A component unit of the City of Kennedale, the Economic Development Corporation (EDC) is

primarily funded by a .50% sales tax levied on items sold in the City of Kennedale. Revenue also comes in the form of rent paid by tenants of the TownCenter, the proportionate share of investment income, and other fees related to operating the TownCenter.

EDC Bond Reserve Fund

Established as a separate fund to allow for securing bond funding, the exclusive source of revenue is proportionate interest income from pooled investments. Consistent since inception, there are no anticipated expenditures from this fund.

BASIS OF ACCOUNTING AND ACCOUNT STRUCTURE

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when goods or services are received and when liabilities are incurred. Accounting records for the City's utilities (example the Water Sewer Fund) are, instead, maintained on an accrual basis. For budgeting purposes, the basis of each fund mirrors the basis used for recording purposes. In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable - but not absolute - assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

Within this document, you will see charts similar to this one:

FUND 83 TREE REFORESTATION

Account	Description	FY22 Actual	FY23 Budget	FY23 Est Actuals	FY24 Prop Budget
83-4197-00-00	TREE REFORESTATION	-	-	5,000	5,000
83-4401-00-00	INVESTMENT INCOME	481	300	1,550	1,550
TOTAL REVENUES		$ 481	$ 300	$ 6,550	$ 6,550

Account	Description	FY22 Actual	FY23 Budget	FY23 Est Actuals	FY24 Prop Budget
83-5290-01-00	EXPENDABLE SUPPLIES	-	15,000	-	
83-5570-01-00	SPECIAL SERVICES	-	15,000	-	
TOTAL EXPENDITURES		$ -	$ 30,000	$ -	$ -
NET CHANGE IN FUND BALANCE		$ 481	$ (29,700)	$ 6,550	$ 6,550
BEGINNING FUND BALANCE — OCT 1		$ 71,054	$ 71,535	$ 71,535	$ 78,085
ENDING FUND BALANCE — SEPT 30		$ 71,535	$ 41,835	$ 78,085	$ 84,635

These charts provide a comparative view with the prior year actuals, current year estimates, and current year budget. The columns are based on a Fiscal Year (FY) that runs from October 1 through September 30 of each year, rather than the calendar year. For example, references to FY23 refer to activity between October 1, 2022 and September 30, 2023 and FY24 refer to the time frame October 1, 2023 through September 30, 2024.

Additionally, the amount of fund balance at the beginning and end of each period is shown at the bottom of all activity for each fund.

Within this document, you will see account codes. The first 2 digits represent the fund, the next 4 digits represent the object, the next 2 digits represent the department, and the last 2 digits represent the program.

A sample account code of 83-5290-01-00 EXPENDABLE SUPPLY would be for fund 83 -- Tree Restoration Fund, Object 5290 Expendable Supplies, department 01 and no program.

A list of the funds is as follows:

01 General Fund	15 EDC	35 Disaster Recovery
02 Debt Service	16 Court Technology	40 Grants
04 Capital Projects	18 Local Youth Diversion	41 Park and Other Donations
05 Capital Replacement	19 Court Building and Tech	45 Roadway Impact Fee
07 Stormwater Utility	21 TIF #1 New Hope	61 Water Impact Fee
10 Water/Sewer	30 Hotel/Motel Tax	62 Sewer Impact Fee
12 Court Security	31 Police Seizure	83 Tree Restoration
13 Capital Bond	32 Library Building	85 Unclaimed Property
14 Park Dedication	34 LEOSE Police Training	95 EDC Bond Reserve Fund

The object code represents the type of revenue, incoming transfer, expense, or outgoing transfer. The list of object codes are shown in the appendix of this document.

BUDGET PROCESS/TIMING

The development of the Annual Budget is governed by formal policies, accepted practices, and the City's budget principles – foremost of which is a balanced budget where revenue is equal to or greater than operating expenses, with unassigned fund balance being utilized for one-time capital purchases or street repair. The budget process is designed to meet the needs of the community by allocating sufficient resources to support the planning and implementation of services, programs, and objectives. The budget is built with the following purposes in mind:

- Establishes a plan of operation, which allocates resources of the City to achieve specific goals and objectives and guides the City's activities;
- Provides management information as a comprehensive recording of information; and,
- Establishes financial control through prioritization of programs/projects.

The budget cycle consists of three phases:

Development and Preparation

Each Director develops and submits to Finance initial budget requests, which are based on standing and new services and programs to meet the needs expressed by the public and the goals of the Mayor and Council. The Finance Director and the City Manager meet with each Director to review new program requests and compare projected revenues against projected expenditures. The City Manager then prepares a preliminary budget. The Preliminary Budget is shared with staff and assists the City Manager in developing the Proposed Budget, which is presented to City Council.

Review and Adoption

Council reviews the Proposed Budget, holds public hearings, and provides input and direction to staff before adopting the budget and the supporting property tax rate for the fiscal year.

Implementation

Throughout the fiscal year, the City Manager and staff implement and monitor the Adopted Budget. Included services, programs, and projects are carried out by departments with oversight from the Finance Office. Monthly financials are provided to Council to provide a status report on revenues and expenditures. The Finance Department also reviews and approves all check requests and requisitions for accuracy. Directors are expected to hold expenditures to the approved budgeted amounts, however, sometimes unforeseen circumstances occur resulting in positive and/or negative variances by line item. Directors must manage to the bottom line for the department, and report any overages at that level to the City Manager as soon as known to prevent any unexpected/unauthorized use of reserves. Budget amendments are presented by the City Manager to Council for approval and then input into the accounting system for tracking.

BUDGET CALENDAR
FISCAL YEAR 2027

Date	Entity/Department	Description of Action/Requirements	Occurred
1/2/2026	Finance	Distribute draft budget calendar	√
4/13/2026-5/15/2026	City Manager, City Staff	Meetings with City Manager and Department Directors on proposed FY2026-2027 Budget	√
4/30/2026	Tarrant Appraisal District	Chief Appraiser sends notice of 2025 preliminary appraised values	√
5/22/2026	Tarrant Appraisal District	Chief Appraiser sends updated notice of appraised values	√
5/30/2026	Finance	Receive retirement rates from Texas Municipal Retirement System	√
6/5/2026	Finance	Update Tarrant County Assessor Collector Entity Contact Information	√
6/23/2026	Tarrant Appraisal District	Chief Appraiser sends updated notice of appraised values	√
6/24/2026	City Manager, City Staff	Budget Workshop - Capital Programs and Operating Costs	√
6/30/2026	City Manager, City Staff	Additional meetings with Departments throughout the week	√
7/13/2026	Finance	Submit proposed budget to City Manager and City Secretary	√
7/13/2026	City Secretary	Post proposed budget on City website	√
7/15/2026	Tarrant Appraisal District	Chief Appraiser delivers 2026 certified appraisal	√
7/21/2026	Finance, Administration	Renewal meeting with benefits broker (Brinson Benefits)	√
7/27/2026	City Council, City Staff	Budget Workshop	√
7/24/2026	Finance	Submit TNT Calculation Worksheet to Tarrant County	√
7/31/2026	Finance, City Secretary	Submit Tax Rates to City Council	√
7/31/2026	City Secretary	Notice of Public Hearing for budget posted on City Website and sent for publishing in the Star-Telegram	√
7/31/2026	City Secretary	Notice of Public Hearing for the tax rate posted on City Website and sent for publishing in the Star-Telegram	√
8/4/2026	City Council, City Staff	Budget Workshop	√
8/4/2026	Finance	Finalize TNT Calculation Worksheet	√
8/3/2026	City Secretary	Notice of Public Hearing for budget posted on City Website and sent for publishing in the Star-Telegram (DEADLINE)	√
8/6/2026	City Secretary	Notice of Public Hearing for the tax rate posted on City Website and sent for publishing in the Star-Telegram (DEADLINE)	√
8/18/2026	City Council	Public hearing - budget Public hearing - tax rate Adopt Budget Adopt Tax Rate Ratify property tax revenue increase per Local Government § Code 102.007 c	
10/9/2026	Tarrant County	Tax Assessor-Collector to prepare and mail tax bills	

FINANCIAL POLICIES AND PROCEDURES

Financial policies adopted by Council govern the management of the City's various funds. These policies have enabled the City to maintain an AA bond rating from S&P Global. Adopted Financial Policies are in the appendix of this document. They are also available on the city website at www.cityofkennedale.com/FINpolicies.

COMMUNITY PROFILE

Settled in the 1860s, Kennedale is named for a dale, a broad valley, and Oliver S. Kennedy, who platted the area and donated every other lot to the Southern Pacific Railroad. The first settlement was Village Creek. Many founding residents worked at Miss Sargent's Brickyard, which was located where Sonora Park sits today. Officially incorporated as a City in 1947, Kennedale operates under a Council-Manager government and a Home Rule Charter (adopted in 1998).

Incorporated in 1947, the City of Kennedale is a first-tier suburb of Fort Worth and is located adjacent to Arlington and Mansfield in southeast Tarrant County. The City currently occupies a land area of 6.6 square miles and serves a population of 10,626. The City is empowered to levy property tax on both real and business personal properties located within its boundaries.

The City operates under a Council-Manager form of government with a Council comprised of a Mayor and five Councilmembers, each elected at large. The term of office is two years with the terms of the Mayor and Council Places 2 and 4 expiring in even-numbered years and the terms of Council Places 1, 3, and 5 expiring in odd-numbered years. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as appointing the members of various statutory and advisory boards, the City Manager, City Secretary, City Attorney, and Municipal Judge(s). The City Manager is the chief administrative officer of the City and is responsible for the enforcement of laws and ordinances, the appointment and supervision of executive directors and heads of departments, and the performance of administrative functions within the municipal organization.

The City of Kennedale provides a full range of services including police, fire, emergency medical service, municipal court, library, parks, water distribution, wastewater collection, solid waste collection, curbside recycling, streets, stormwater drainage, community development (planning, code enforcement, building inspection, and economic development), and general administrative services. The City contracts with the City of Arlington for the operation and maintenance of its water and wastewater utility system.

The City has 49 miles of streets, 126 miles of water and sewer lines, and 28 acres of parkland. The City supports 7 buildings – City Hall, Law Enforcement Center, Fire Station, Public Works Facility, Section House, Library, and Senior Center.

Weather and Recreation

Warm summers and mild winters mean families can enjoy parks year-round, including the splash pad at Sonora Park. Spanning 22 acres, Sonora is Kennedale's largest recreational facility and offers a playground, fishing dock, trails, 9-hole disc golf course, ball fields, and the splash pad.

Kennedale also has TownCenter Park adjacent to the Shops at TownCenter. The park has a butterfly garden, outdoor pavilion, 9/11 Memorial, Veterans Memorial, walking paths, Eagle Fountain, Clock Tower, and is home to many events like the annual Hometown Christmas celebration.



Population and Local Economy

After an election in July of 1947, the Town of Kennedale incorporated with a population of 300 people. By 1950, the population had increased to 500 and a petition to the State of Texas was approved, which changed the Township into a recognized City. In more recent years, Kennedale is becoming one of Tarrant County's fastest growing cities. The City had a population of 8,517 in the 2020 census and has grown to 3,251 active water accounts with 10,626 people. The median income for a household in the city is $118,794 and per capita income is $49,602.

Kennedale is located at the nexus of US Interstate 20 and State Highway 287 on low rolling hills about ten miles southeast of downtown Fort Worth. Residents enjoy life in a quiet community that is 6.6 square miles, in between two of the five largest cities in Texas. The City provides a

highly accessible location for both major retail and professional office space. This transportation corridor provides quick and easy access to the Dallas/Fort Worth International Airport. Downtown Fort Worth is just fifteen minutes to the northwest and downtown Dallas is less than thirty minutes to the east. The City's central location in the fourth largest metropolitan statistical area (MSA) in the nation means that Kennedale is just a short drive from major entertainment venues including Six Flags over Texas, Hurricane Harbor, Texas Motor Speedway, Globe Life Field (home of the MLB's Texas Rangers), AT&T Stadium (home of the NFL's Dallas Cowboys), and Fort Worth's cultural district and nationally ranked zoo. Kennedale is home to the Kennedale Speedway Park, which hosts two annual World of Outlaws Sprint Car races.

Kennedale has experienced steady population growth in the last decade. Beautiful Village Creek slowly winds throughout the City, providing a feeling of tranquility in the community. Much of the City's land is undeveloped, allowing for incoming developments and offering residents a respite from the crowds and traffic congestion existing in much of the Dallas-Fort Worth Metroplex.

The Kennedale Economic Development Corporation (KEDC) was formed in 1996 to spearhead the City's economic growth. The KEDC is funded by a voter approved half-cent sales tax, which is used to offer grants and other economic incentives to existing and new businesses. The KEDC employs a four-pronged approach: (1) land acquisition, assembly, and clearing for resale, (2) manufacturing expansion, (3) retail retention and development, and (4) quality of life improvements. In accordance with the adopted master plan, the redevelopment of the Oak Crest area continues. Link Street to Kennedale Parkway was opened in 2015 and an extension was opened in October 2016. The improved access led to the development of a Popeye's and Burger King which opened in 2015. McDonald's opened in the Oak Crest area in October 2016. A new hotel has gone vertical with the grand opening expected in the next six months. The KEDC is also working with property owners in the area to develop their land.

The TownCenter shopping center has room for expansion with two pad sites still undeveloped. The TownCenter currently hosts service offerings such as a small event venue and salon. Retail offerings include an antique mall, an electrical supplier, and DG Market. Current restaurants in Town Center include Subway, Bravo Eats, Chicken Express, Valentino’s Pizza, and Thrive Coffee.

Over 15 new structures are scheduled for completion in FY27, including a new 105-room national brand hotel and a 15,000 sq ft retail center. Notable residential projects currently in development include a 39-unit townhome complex, a 200-unit residential community, and a 15 unit townhome neighborhood.

Top 10 Taxpayers

Property Owner	Taxable Value
Atla 287 Owner LLC	$ 45,950,000
F W T Inc	21,183,871
Oncor Electric Delivery CO LLC	15,707,080
Hawk Steel Ventures LLC	13,399,354
Sabre-FWT Ventures LLC	13,273,243
Atmos Energy/Mid Tex Division	8,409,606
KD Hammack Creek Housing LP	8,300,000
Frontier Access LLC	8,149,140
TEP Barnett USA LLC	8,117,415
Tealcove Drive LLC	6,458,600

Provided by the Tarrant Appraisal District as of 7/24/2026

Top 10 Employers

Employer	Employees
Sabre Industries/Fort Worth Tower	450-500
Kennedale Independent School District	400-450
Speed Fab Crete	100-150
ARK Contracting Services	50-100
Hawk Steel	50-100
RE Watson & Associates	50-100
Harrison Jet Guns	50-100
City of Kennedale	50-100
Quick Roofing	25-50
Beard's Towing	1-25

Source: City of Kennedale September 30, 2025 Annual Comprehensive Financial Report

Sales Tax Rates

Kennedale has a Sales Tax Rate of 8.25%. The rate is composed of the following components:

State of Texas	6.25%
City of Kennedale	1.50%
Economic Development Corporation	0.50%
Total	8.25%

Website and Social Media Presence

To engage the community, the City of Kennedale maintains a website at www.cityofkennedale.com where residents can find information such as budgets, financial policies, job postings, event calendars, make online payments for permits or court issues, register for the emergency warning system, view Council agendas and minutes, volunteer for Boards and Committees, and more.

The City also maintains social media pages for City Hall, Police, Fire, the Library, and the Senior Center.

AD VALOREM (PROPERTY) TAX RATE HISTORY

TAX YEAR	M&O RATE	I&S RATE	TOTAL RATE	% CHG
1971	0.570000	0.780000	**1.350000**	
1972	0.350000	1.000000	**1.350000**	0.0%
1973	0.350000	1.000000	**1.350000**	0.0%
1974	0.350000	1.000000	**1.350000**	0.0%
1975	0.540000	0.810000	**1.350000**	0.0%
1976	0.810000	0.540000	**1.350000**	0.0%
1977	0.740000	0.610000	**1.350000**	0.0%
1978	0.780000	0.570000	**1.350000**	0.0%
1979	0.760000	0.490000	**1.250000**	-7.4%
1980	0.770000	0.480000	**1.250000**	0.0%
1981	0.630000	0.120000	**0.750000**	-40.0%
1982	0.510000	0.100000	**0.610000**	-18.7%
1983	0.510000	0.090000	**0.600000**	-1.6%
1984	0.368000	0.050500	**0.418500**	-30.3%
1985	0.377100	0.048900	**0.426000**	1.8%
1986	0.323700	0.036300	**0.360000**	-15.5%
1987	0.331850	0.032750	**0.364600**	1.3%
1988	0.288120	0.031880	**0.320000**	-12.2%
1989	0.327000	0.030500	**0.357500**	11.7%
1990	0.365670	0.034230	**0.399900**	11.9%
1991	0.388500	0.051400	**0.439900**	10.0%
1992	0.408910	0.053650	**0.462560**	5.2%
1993	0.446720	0.061960	**0.508680**	10.0%
1994	0.500269	0.062245	**0.562514**	10.6%
1995	0.525856	0.056669	**0.582525**	3.6%
1996	0.529473	0.048604	**0.578077**	-0.8%
1997	0.550544	0.049456	**0.600000**	3.8%
1998	0.566296	0.045081	**0.611377**	1.9%
1999	0.554177	0.080823	**0.635000**	3.9%
2000	0.521522	0.113478	**0.635000**	0.0%
2001	0.579841	0.112659	**0.692500**	9.1%
2002	0.617235	0.095265	**0.712500**	2.9%
2003	0.634814	0.097686	**0.732500**	2.8%
2004	0.632409	0.090091	**0.722500**	-1.4%
2005	0.624805	0.097695	**0.722500**	0.0%
2006	0.628186	0.094314	**0.722500**	0.0%
2007	0.572665	0.149835	**0.722500**	0.0%
2008	0.569197	0.153303	**0.722500**	0.0%
2009	0.572729	0.149771	**0.722500**	0.0%
2010	0.571103	0.151397	**0.722500**	0.0%
2011	0.516013	0.206487	**0.722500**	0.0%
2012	0.549582	0.172918	**0.722500**	0.0%
2013	0.560454	0.187046	**0.747500**	3.5%
2014	0.551216	0.196284	**0.747500**	0.0%
2015	0.575204	0.192296	**0.767500**	2.7%
2016	0.581711	0.185789	**0.767500**	0.0%
2017	0.578750	0.198750	**0.777500**	1.3%
2018	0.535219	0.190495	**0.725714**	-6.7%
2019	0.544429	0.190541	**0.734970**	1.3%
2020	0.582686	0.191399	**0.774085**	5.3%
2021	0.572949	0.191136	**0.764085**	-1.3%
2022	0.569154	0.137036	**0.706190**	-7.6%
2023	0.509273	0.196917	**0.706190**	0.0%
2024	0.510974	0.195216	**0.706190**	0.0%
2025	0.483073	0.213117	**0.696190**	-1.4%
2026	0.495865	0.200325	**0.696190**	0.0%

LONG-RANGE FINANCIAL PLANNING

The primary goal of the City's long-term financial planning process is to anticipate problems and assess opportunities which may arise during future budget cycles. This exercise also allows the parties involved to ensure future budgets are aligned with the long-term vision for the City.

Main points of focus are:

- Property Tax Revenue Projections: TAD has currently moved away from annual re-appraisals. An analysis of existing accounts shows the current appraised value, for a significant majority of tax accounts, is well below the market value. The most common cause us due to market value increasing at a faster rate than the maximum allowable taxable value increase (10%/year). Under this situation, the taxable value can still increase without a re-appraisal. We are forecasting a 5% increase, which is a conservative estimate based on the potential impact of new TAD policies. This situation is being closely monitored.
- Sales Tax Revenue Projections: The largest source of sales tax receipts for the City is an online marketplace. A stated goal of the City Council, and the EDC, is to increase commercial sales activity in the City. While we have not forecasted an increase of physical retailers, an increased presence certainly would ease anxiety around potential impacts of changes to property tax appraisals. To comply with our Policy of maintaining a conservative approach, we are budgeting a modest 5% increase/year. This does not consider the impact inflation could have on sales tax.
- Department Expense Projections: The City's Police and Fire Departments have made several vehicle purchases in recent years. We are forecasting for a decline in this activity for FY27, which does pull those departments from our average expected increase of 2%/year.
- Utility Funds: Forecasting for all Utility Funds was addressed within a water rate study that was presented to Council in July, 2024. The five-year rate plan within the study was adopted by the City Council in FY24.

A forecast is only one component of a financial planning program. The financial forecast, as presented, does not attempt to predict the future. Current economic and regulatory conditions can be volatile, and the forecast is only as good as its underlying assumptions. However, the forecast has the potential for accuracy, and the true benefit is the discussion and deliberation resulting. The long-range forecast contains many underlying assumptions for each projection.

The City of Kennedale uses expert judgement, trend analysis, weighted average, and incremental change as the four basic techniques to forecast revenue and expenditures. The expert judgment, also known as the "best guess" approach, is used to provide weights to our weighted average calculations. This method relies on a variety of experts on the staff as well as outside sources.

CITY OF KENNEDALE
Long Range Financial Plan - General Fund
Fiscal Year 2027-2032

Description	Fiscal Year Projected 2025-26	Fiscal Year Proposed 2026-27	Fiscal Year Projected 2026-27	Fiscal Year Projected 2027-28	Fiscal Year Projected 2028-29	Fiscal Year Projected 2029-30	Fiscal Year Projected 2030-31	Fiscal Year Projected 2031-32
REVENUES								
Property Taxes	$ 6,099,406	$ 6,127,136	$ 6,127,136	$ 6,433,493	$ 6,755,167	$ 7,092,926	$ 7,447,572	$ 7,819,951
Sales Taxes	3,647,834	3,775,508	3,775,508	3,964,284	4,162,498	4,370,623	4,589,154	4,818,611
Licenses and Permits	297,036	350,000	350,000	450,000	450,000	450,000	450,000	450,000
Fines and Fees	1,137,947	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Charges for Services	299,050	325,100	325,100	325,000	325,000	325,000	325,000	325,000
Intergovernmental	308,572	355,000	355,000	355,000	355,000	355,000	355,000	355,000
All Other Revenues	336,787	426,350	426,350	426,350	426,350	426,350	426,350	426,350
Transfers In	1,628,853	1,752,679	1,752,679	1,805,259	1,859,417	1,915,200	1,972,656	2,031,835
Total Revenues	**13,755,485**	**14,361,773**	**14,361,773**	**15,009,386**	**15,583,432**	**16,185,098**	**16,815,732**	**17,476,748**
EXPENDITURES								
City Administration - Dept 01	792,866	988,458	988,458	1,008,227	1,028,392	1,048,960	1,069,939	1,091,338
Mayor/Council - Dept 02	153,537	233,750	233,750	238,425	243,194	248,057	253,019	258,079
Municipal Court - Dept 04	300,112	354,167	354,167	361,250	368,475	375,845	383,362	391,029
Finance - Dept 07	636,765	709,159	709,159	723,342	737,809	752,565	767,617	782,969
Police - Dept 09	3,689,599	4,293,798	4,293,798	4,379,674	4,467,267	4,556,613	4,647,745	4,740,700
Fire - Dept 10	3,259,339	3,442,025	3,442,025	3,510,866	3,581,083	3,652,704	3,725,759	3,800,274
Community Development - Dept 12	474,604	755,465	755,465	770,574	785,986	801,706	817,740	834,094
Senior Citizen Center - Dept 16	50,578	60,590	60,590	61,802	63,038	64,299	65,585	66,896
Library - Dept 17	555,729	616,308	616,308	628,634	641,207	654,031	667,112	680,454
Communications - Dept 18	11,185	25,300	25,300	25,806	26,322	26,849	27,386	27,933
Public Works - Dept 20	1,673,186	1,924,821	1,924,821	1,963,317	2,002,584	2,042,635	2,083,488	2,125,158
Non Departmental - Dept 90	1,101,058	1,126,190	1,126,190	1,148,714	1,171,688	1,195,122	1,219,024	1,243,405
Transfers Out	331,915	192,715	192,715	275,593	275,593	275,593	275,593	275,593
Total Expenditures	**13,030,473**	**14,722,746**	**14,722,746**	**15,096,225**	**15,392,637**	**15,694,978**	**16,003,366**	**16,317,921**
Revenues Over (Under) Expenditures	**725,012**	**(360,973)**	**(360,973)**	**(86,839)**	**190,795**	**490,120**	**812,366**	**1,158,826**
Beginning Fund Balance	**4,847,670**	**5,572,682**	**5,572,682**	**5,211,709**	**5,124,871**	**5,315,666**	**5,805,786**	**6,618,151**
Prior Period Adjustment	-	-	-	-	-	-	-	-
Ending Fund Balance	**$ 5,572,682**	**$ 5,211,709**	**$ 5,211,709**	**$ 5,124,871**	**$ 5,315,666**	**$ 5,805,786**	**$ 6,618,151**	**$ 7,776,978**
Average Daily Annual Expenditures	**$ 35,700**	**$ 40,336**	**$ 40,336**	**$ 41,360**	**$ 42,172**	**$ 43,000**	**$ 43,845**	**$ 44,707**
Days of Working Capital	**156**	**129**	**129**	**124**	**126**	**135**	**151**	**174**
Days of Working Capital Goal = 75-100 days								
Assumptions:								
Total Tax Rate		$0.69619						
M&O Tax Rate *(for General Fund operations)*		$0.49587						
I&S Tax Rate *(for debt service)*		$0.20033						
General Property Tax revenue growth from values and new development				5.00%	5.00%	5.00%	5.00%	5.00%
Property Tax revenue from increased M&O tax rate (one penny generates approx. $120,000)								
One penny of M&O tax rate generates approx. $120,100 in FY2027				*$120,000*	*$126,000*	*$132,300*	*$138,915*	*$145,861*
City Sales Tax revenue growth				5.00%	5.00%	5.00%	5.00%	5.00%
Expenditure growth in all departments				2.00%	2.00%	2.00%	2.00%	2.00%
All other revenues and expenditures are set numbers								

Capital Projects

The five-year Capital Improvement Plan, along with the preliminary identified funding source, is listed below. Of note, the City is always seeking out grant funding for TBD projects and projects with funding sources identified, if possible, to stretch our revenue dollars. If a finding source is replaced by a grant, those funds are allocated to a TBD project.

Category	Project Name	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Total	Fund
Streets	Street Lights	$ -	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 200,000	General Fund
Streets	Concrete Panel Replacement (Kennedale Sublett Rd)	$ 113,000	$ -	$ -	$ -	$ -	$ 113,000	General Fund
Streets	Hilltop Dr (Reeves Ln - Hillside Dr) - Pavement Improvements	$ 160,000	$ -	$ -	$ -	$ -	$ 160,000	Roadway Impact
Streets	Sidewalk Installation on W 3rd St. between North Rd and Municipal Dr	$ 125,000	$ 125,000	$ -	$ -	$ -	$ 250,000	Capital Bond
Streets	N. Little School Rd. Extension	$ -	$ -	$ -	$ -	$ 38,203,900	$ 38,203,900	TBD
Streets	Bridge - Eden Rd	$ -	$ 560,000	$ -	$ -	$ -	$ 560,000	Capital Bond
Streets	Bridge - New Hope Rd	$ -	$ 300,000	$ -	$ -	$ -	$ 300,000	Capital Bond
Streets	Eden Rd S-curve realignment	$ -	$ -	$ -	$ 500,000	$ 500,000	$ 1,000,000	TBD
Streets	S New Hope Rd (RR Crossings - Hudson Village Creed Rd)	$ 300,000	$ -	$ -	$ -	$ -	$ 300,000	Capital Bond
Streets	Swiney Hiett Rd (Collet Sublett Rd - Joplin Rd)	$ 300,000	$ -	$ -	$ -	$ -	$ 300,000	Capital Bond
Streets	Oak Ridge Tr (Kennedale Sublett - Shady Creek Dr)	$ -	$ 287,730	$ -	$ -	$ -	$ 287,730	Capital Bond
Streets	Shady Creek Dr (Oak Ridge Tr - N Little School Rd)	$ -	$ 237,270	$ -	$ -	$ -	$ 237,270	Capital Bond
Streets	Peggy Ln (Kennedale Sublett Rd - Dead End)	$ -	$ 159,410	$ -	$ -	$ -	$ 159,410	Capital Bond
Streets	Swiney Hiett Rd (Mansfield Cardinal Rd - Collet Sublett Rd)	$ -	$ 160,000	$ -	$ -	$ -	$ 160,000	Capital Bond
Streets	Mansfield Ave	$ -	$ -	$ 140,000	$ -	$ -	$ 140,000	TBD
Streets	Danny Dr Pavement Improvements	$ -	$ -	$ 200,000	$ -	$ -	$ 200,000	TBD
Streets	Cloverlane Dr (Kennedale Pwky - Crestview Dr)	$ -	$ -	$ 250,000	$ -	$ -	$ 250,000	TBD
Streets	Linda Dr Improvements	$ -	$ -	$ -	$ -	$ 3,000,000	$ 3,000,000	TBD
Streets Total		**$ 998,000**	**$ 1,879,410**	**$ 640,000**	**$ 550,000**	**$ 41,753,900**	**$ 45,821,310**	
Water	T1 & T2 Water System Upgrades	$ -	$ -	$ 1,762,500	$ 1,762,500	$ -	$ 3,525,000	TBD, Grant
Water	Rehab of T3 EST	$ 950,000	$ 950,000	$ -	$ -	$ -	$ 1,900,000	Disaster Recovery
Water	T4 Ground Storage Tank	$ 1,600,000	$ -	$ -	$ -	$ -	$ 1,600,000	Disaster Recovery
Water	North Rd (West 3rd St - 520 North Rd) Waterline Upgrades	$ 479,183	$ -	$ -	$ -	$ -	$ 479,183	Water/Sewer
Water	Bloxom Park Rd - Loop Dead End	$ -	$ 75,000	$ -	$ -	$ -	$ 75,000	Capital Bond
Water Total		**$ 3,029,183**	**$ 1,025,000**	**$ 1,762,500**	**$ 1,762,500**	**$ -**	**$ 7,579,183**	
Wastewater	SS Aerial Crossing	$ -	$ 90,000	$ -	$ -	$ -	$ 90,000	Water/Sewer
Wastewater	SS Interceptor (Texas Raceway-I-820)	$ -	$ 2,750,000	$ 2,750,000	$ 2,750,000	$ 2,750,000	$ 11,000,000	Capital Bond
Wastewater	Briar Court Sanitary Sewer Improvements	$ 642,878	$ -	$ -	$ -	$ -	$ 642,878	Water/Sewer
Wastewater	Upgrade 6" VCP to 8" PVC - Mansfield Cardinal Rd (Kennedale Pkwy - N Little School Rd)	$ -	$ -	$ -	$ -	$ 697,000	$ 697,000	TBD
Wastewater Total		**$ 642,878**	**$ 2,840,000**	**$ 2,750,000**	**$ 2,750,000**	**$ 3,447,000**	**$ 12,429,878**	
Stormwater	Channel Cleaning	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 38,000	$ 190,000	Stormwater
Stormwater	Valley Ln Streambank Stabilization	$ -	$ 1,350,000	$ 1,350,000	$ -	$ -	$ 2,700,000	Grant
Stormwater Total		**$ 38,000**	**$ 1,388,000**	**$ 1,388,000**	**$ 38,000**	**$ 38,000**	**$ 2,890,000**	
Parks	Kennedale Baseball Field Improvements	$ -	$ 3,000,000	$ -	$ -	$ -	$ 3,000,000	Capital Bond
Parks	Pickleball Courts - Sonora Park	$ -	$ 37,500	$ 37,500	$ -	$ -	$ 75,000	Park Dedication
Parks	Rogers Farm Park Playground Upgrades	$ 160,000	$ -	$ -	$ -	$ -	$ 160,000	Park Dedication
Parks	Parking Lot Extension & Trail Connection - Sonora Park	$ -	$ 100,000	$ 100,000	$ -	$ -	$ 200,000	Capital Bond
Parks	Installation of new Pavillion - Rogers Farm Park	$ -	$ -	$ 42,500	$ 42,500	$ -	$ 85,000	Park Dedication
Parks	North Rd Dog Park	$ -	$ -	$ 300,000	$ -	$ -	$ 300,000	TBD
Parks	Retaining Wall - Rogers Farm Pak	$ -	$ -	$ 200,000	$ -	$ -	$ 200,000	TBD
Parks	Percussion Play Musical Garden	$ -	$ 25,000	$ -	$ -	$ -	$ 25,000	Park Dedication
Parks Total		**$ 160,000**	**$ 3,162,500**	**$ 680,000**	**$ 42,500**	**$ -**	**$ 4,045,000**	
Total For All Projects		**$ 4,868,061**	**$ 10,294,910**	**$ 7,220,500**	**$ 5,143,000**	**$ 45,238,900**	**$ 72,765,371**	

Strategic Objectives

The City's Comprehensive Plan establishes a framework for future elected official and staff decisions. The current plan received input from the Kennedale Comprehensive Plan Steering Committee, the City Council, former City Council members, the Planning and Zoning Commission, City staff, and a consultant team. The plan was taken to City Council for approval on September 17, 2024, where it was adopted unanimously. The following priorities, goals, and objectives were identified:

Growth Management: Kennedale will have residential, commercial, and employment growth while retaining its safe, community feel.

- Encourage a mix of single-family residential units and appropriately located and designed medium-to-higher-density units according to the Future Land Use Plan.
- Increase the number of commercial and retail uses to provide more shopping opportunities for residents, visitors, and employees.
- Manage industrial development in Kennedale through zoning and design regulations.
- Continue to foster strong relationships with Tarrant County, Kennedale ISD, neighboring cities, and the Texas Department of Transportation (TxDOT) in order to manage road networks within the City for the most efficient growth patterns.

Future Land Use: Kennedale will have safe and convenient places to live, work, worship, and play.

- Develop land in accordance with the Future Land Use Plan.
- Redevelop TownCenter and the surrounding areas including Old Town and property along Kennedale Parkway (BUS 287) to include more retail opportunities.
- Redevelop the area south of the intersection of Interstate 20 and BUS 287 (Oakcrest Neighborhood) as an employment center coupled with transit-oriented design.
- Ensure all new development is compatible with existing neighborhoods through density gradients and design.

Transportation: Kennedale will have a transportation network which meets basic needs for movement, access, safety, and reasonably rapid travel for people and good through and within the City.

- Use concepts for Context Sensitive Design when improving existing streets and building new streets, interconnections, and sidewalks.
- Fund and build improvements to existing streets as shown on the Thoroughfare Plan.
- Require developers to dedicate right-of-way and construct collector and arterial streets as shown on the Master Thoroughfare Plan.
- Make important interconnections of streets to activity centers.
- Improve existing sidewalks and construct new sidewalks for pedestrian access and citizen health.
- Evaluate flood plains for the construction of multi-purpose trails

Economic Development: Kennedale will have a strong and resilient economic base.

- Continue to capitalize on a strong industrial employment workforce to leverage demand for more destination-based retail and restaurant opportunities.
- Create a catalyst project at the TownCenter to assist in improving the core of the community.
- Consider how the branding of the City may bring economic development and improve wayfinding signs in the community.
- Encourage the development of the community as a social center for recreation through marketing of events.

Housing: Kennedale will have a variety of housing types available to all incomes. All housing will be safe and decent for residents.

- Promote development of housing types: single family detached units, townhouses, and apartments should be located where appropriate and designed well.
- Maintain and improve the existing housing stock.
- Develop greater opportunities for senior housing and age-restricted housing.

Parks, Recreation, and Open Space: Kennedale will have excellent parks and recreational areas and preserve important natural resources.

- Assess the community needs and desires for improvement of existing passive and active parks in a tiered park system located throughout the community.
- Protect the floodplain for property preservation, water and environmental quality, and the inclusion of a trail system.
- Influence new development in providing public spaces in addition to private amenity centers.
- Locate and site an indoor recreation center which serves the greater community and provides programming for a variety of age groups and sports.
- Increase the number and quality of organized sports fields.

Utilities, Infrastructure, and City Services: Kennedale will have high quality infrastructure and service provision to support residents, businesses, and institutions in the city.

- Through Capital Improvement Project (CIP) planning, provide sufficient quantity and quality of water for the existing community and to promote new development and growth.
- Through Capital Improvement Project (CIP) planning, provide wastewater collection and treatment to meet all state and federal standards.
- Provide for stormwater management that prevents flooding and siltation of creeks and streams and meets all state and federal regulations.
- Continue to provide solid waste and recycling disposal service in the city.
- Continue to provide police services and programs to create a safe environment for all citizens in Kennedale.
- Continue to provide professional Fire Department services.
- Explore ways to provide additional library services to residents.
- Explore ways to provide additional broadband fiber optic services to the community.

- Continue to provide City administrative services from City Hall.
- Practice good stewardship of all City-owned properties.
- Evaluate the feasibility of adopting a FEMA-approved local hazard mitigation plan that would make the City eligible for funding through the Texas Division of Emergency Management (TDEM) and other regional, state, and federal grants.

Each fund, and department within the General Fund, will have a box identifying which priorities are supported by the current budget. Priorities highlighted in light green are supported. Those without highlights are not. In the following example, Growth Management, Economic Development, and Housing would be supported:

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

PERSONNEL SUMMARY				
Position	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
CITY MANAGER				
City Manager	1.0	1.0	1.0	1.0
Assistant City Manager	-	-	-	1.0
City Secretary	1.0	1.0	1.0	1.0
Director (HR)	1.0	1.0	1.0	1.0
Deputy City Secretary	-	1.0	1.0	-
Administrative Assistant	1.0	-	-	-
File Clerk (Temporary)	-	0.3	0.3	-
TOTAL POSITIONS	**4.00**	**4.30**	**4.30**	**4.00**
COURT				
Court Administrator	1.0	1.0	1.0	1.0
Juvenile Case Manager	1.0	1.0	1.0	1.0
Court Clerk	1.0	1.0	1.0	1.0
TOTAL POSITIONS	**3.00**	**3.00**	**3.00**	**3.00**
FINANCE				
Director	1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate	1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate	1.0	1.0	1.0	1.0
Accounting Associate I	0.75	0.75	0.75	0.75
TOTAL POSITIONS	**3.75**	**3.75**	**3.75**	**3.75**
POLICE				
Police Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	-	-	1.0
Police Captain	1.0	1.0	1.0	-
Sergeant	4.0	4.0	5.0	5.0
Corporal	4.0	4.0	2.0	2.0
Detective	2.0	2.0	2.0	2.0
Officer	4.0	4.0	7.0	7.0
Community Engagement Officer	1.0	1.0	-	-
Auto Theft Task Force Officer	1.0	1.0	1.0	1.0
DEA Task Force Officer	1.0	1.0	-	-
School Resource Officer	2.0	2.0	2.0	3.0
Total Commissioned Officers	**21.00**	**21.00**	**21.0**	**22.00**
Animal Control Officer	1.0	1.0	1.0	-
Evidence/Records Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Civilian Positions	**3.00**	**3.00**	**3.0**	**2.00**
Reserve Police Officer (Non-Paid)	1.0	1.0	1.0	1.0
Police Chaplain (Non-Paid)	1.0	1.0	1.0	1.0
Total Non-Paid Positions	**2.00**	**2.00**	**2.0**	**2.00**
TOTAL POSITIONS	**26.00**	**26.00**	**26.00**	**26.00**

PERSONNEL SUMMARY (Cont.)				
Position	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
FIRE				
Fire Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	1.00	1.00	1.0
Fire Captain	1.0	-	-	-
Fire Marshal	-	-	-	1.0
Fire Inspector	1.0	1.0	1.0	-
Administrative Assistant	1.0	1.0	1.0	1.0
Fire Lieutenant	3.0	3.0	3.0	3.0
Driver Engineers	3.0	3.0	3.0	3.0
Firefighter / Paramedics	12.0	12.0	12.0	12.0
TOTAL POSITIONS	**22.00**	**22.00**	**22.00**	**22.00**
COMMUNITY DEVELOPMENT				
Director	1.0	1.0	1.0	1.0
Building Inspector	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	1.0
Planner	-	-	1.0	1.0
Planning Technician	1.0	1.0	-	-
Permit Clerk	1.0	1.0	1.0	1.0
TOTAL POSITIONS	**5.00**	**5.00**	**5.00**	**5.00**
LIBRARY				
Director	1.0	1.0	1.0	1.0
Supervising/Adult Services Librarian	-	-	-	1.0
Adult Services Librarian	-	1.0	1.0	-
Collection and Tech Services Librarian	-	-	1.0	1.0
Library Assistant II	2.0	2.0	1.0	1.0
Library Assistant I (Part Time, per FTE)	1.0	1.0	1.0	1.0
Programming and Events	1.0	-	-	-
TOTAL POSITIONS	**5.00**	**5.00**	**5.00**	**5.00**
PUBLIC WORKS				
Director	1.0	1.0	1.0	1.0
Project Manager	-	1.0	1.0	1.0
Supervisor	1.0	1.0	1.0	1.0
Field Worker - Full Time	6.0	6.0	6.0	6.0
Field Worker - Part Time by FTE	1.8	1.75	1.75	1.75
Administrative Assistant	1.00	1.00	1.00	1.00
TOTAL POSITIONS	**10.75**	**11.75**	**11.75**	**11.75**
TOTAL STRENGTH OF FORCE	**79.50**	**80.80**	**80.80**	**80.50**

REVENUE SUMMARY BY FUND					
Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01	GENERAL FUND	11,831,224	12,109,901	12,126,632	12,609,094
TOTAL GENERAL FUND		**$ 11,831,224**	**$ 12,109,901**	**$ 12,126,632**	**$ 12,609,094**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02	DEBT SERVICE	2,515,194	2,705,369	2,706,294	2,534,293
TOTAL DEBT SERVICE		**$ 2,515,194**	**$ 2,705,369**	**$ 2,706,294**	**$ 2,534,293**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07	STORMWATER UTILITY FUND	318,512	345,200	328,451	352,668
10	WATER/SEWER FUND	7,608,216	18,817,166	7,676,500	19,213,613
61	WATER IMPACT FEE FUND	27,806	19,000	15,694	17,500
62	SEWER IMPACT FEE FUND	16,721	20,000	2,895.00	2,500
TOTAL UTILITY FUNDS		**$ 7,971,256**	**$ 19,201,366**	**$ 8,023,540**	**$ 19,586,281**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04	CAPITAL PROJECTS FUND	179,848	127,950	143,344	146,250
13	CAPITAL BOND FUND	1,908,756	356,600	438,043	5,000,000
14	PARK DEDICATION FUND	18,118	16,000	9,228	7,800
32	LIBRARY BUILDING FUND	393	241	294	335
45	ROADWAY IMPACT FEE FUND	42,268	34,000	97,749	34,000
TOTAL CAPITAL PROJECT FUNDS		**$ 2,149,383**	**$ 534,791**	**$ 688,658**	**$ 5,188,385**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21	TIF #1 NEW HOPE FUND	96,393	95,000	92,479	92,500
30	HOTEL/MOTEL TAX FUND	34,240	29,750	12,987	17,200
31	PUBLIC SEIZURE FUND	11,068	9,150	12,229	10,300
34	LEOSE FUND	1,691	3,790	5,308	4,585
35	DISASTER RECOVERY FUND	1,817,210	1,295,000	1,256,678	193,415
TOTAL SPECIAL REVENUE FUNDS		**$ 1,960,602**	**$ 1,432,690**	**$ 1,379,681**	**$ 318,000**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05	CAPITAL REPLACEMENT FUND	39,685	15,000	42,169	15,000
12	COURT SECURITY FUND	9,094	-	657	-
16	COURT TECHNOLOGY FUND	7,482	-	358	-
18	JUVENILE CASE MANAGER FUND	511	550	306	350
40	GRANTS	377,036	-	585,083	1,539,000
41	PARK RECOVERY/DONATION FUND	1,751	2,550	768	770
83	TREE RESTORATION FUND	4,242	4,500	1,725	1,725
85	UNCLAIMED PROPERTY FUND	-	-	-	-
TOTAL OTHER FUNDS		**$ 439,800**	**$ 22,600**	**$ 631,066**	**$ 1,556,845**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15	EDC FUND	1,518,078	1,438,223	1,421,724	1,413,806
95	EDC BOND RESERVE FUND	7,054	6,500	4,259	4,250
TOTAL EDC FUNDS		**$ 1,525,132**	**$ 1,444,723**	**$ 1,425,983**	**$ 1,418,056**

TOTAL REVENUES	**$ 28,392,590**	**$ 37,451,440**	**$ 26,981,855**	**$ 43,210,954**

EXPENDITURE SUMMARY BY FUND					
Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01	GENERAL FUND	12,358,823	13,959,144	12,698,558	14,530,030
TOTAL GENERAL FUND		**$ 12,358,823**	**$ 13,959,144**	**$ 12,698,558**	**$ 14,530,030**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02	DEBT SERVICE	2,741,175	2,732,972	2,733,222	2,506,002
TOTAL DEBT SERVICE		**$ 2,741,175**	**$ 2,732,972**	**$ 2,733,222**	**$ 2,506,002**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07	STORMWATER UTILITY FUND	57,634	145,800	109,268	585,800
10	WATER/SEWER FUND	6,000,951	18,033,528	7,029,177	18,074,059
61	WATER IMPACT FEE FUND	-	-	-	-
62	SEWER IMPACT FEE FUND	-	-	-	-
TOTAL UTILITY FUNDS		**$ 6,058,585**	**$ 18,179,328**	**$ 7,138,445**	**$ 18,659,859**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04	CAPITAL PROJECTS FUND	179,848	127,950	143,344	146,250
13	CAPITAL BOND FUND	4,535,754	7,989,549	7,583,692	3,397,500
14	PARK DEDICATION FUND	27,561	160,000	178,000	114,000
32	LIBRARY BUILDING FUND	-	-	-	-
45	ROADWAY IMPACT FEE FUND	6,498	250,000	180,000	-
TOTAL CAPITAL PROJECT FUNDS		**$ 4,749,661**	**$ 8,527,499**	**$ 8,085,036**	**$ 3,657,750**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21	TIF #1 NEW HOPE FUND	450	150,000	-	-
30	HOTEL/MOTEL TAX FUND	27,990	20,000	-	-
31	PUBLIC SEIZURE FUND	22,452	32,000	-	10,000
34	LEOSE FUND	2,030	5,500	-	10,000
35	DISASTER RECOVERY FUND	1,747,084	1,250,000	1,250,000	381,580
TOTAL SPECIAL REVENUE FUNDS		**$ 1,800,006**	**$ 1,457,500**	**$ 1,250,000**	**$ 401,580**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05	CAPITAL REPLACEMENT FUND	55,778	4,650	20,075	100,000
12	COURT SECURITY FUND	22,599	18,146	18,146	2,278
16	COURT TECHNOLOGY FUND	5,539	13,202	16,487	526
18	JUVENILE CASE MANAGER FUND	-	10,000	-	10,000
40	GRANTS	367,396	-	396,252	1,539,000
41	PARK RECOVERY/DONATION FUND	8,548	9,500	824	1,000
83	TREE RESTORATION FUND	-	-	-	-
85	UNCLAIMED PROPERTY FUND	-	-	-	-
TOTAL OTHER FUNDS		**$ 459,860**	**$ 55,498**	**$ 451,784**	**$ 1,652,804**

Fund	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15	EDC FUND	524,655	1,552,359	2,013,327	975,286
95	EDC BOND RESERVE FUND	-	-	-	-
TOTAL EDC FUNDS		**$ 524,655**	**$ 1,552,359**	**$ 2,013,327**	**$ 965,286**

TOTAL EXPENDITURES	**$ 28,692,764**	**$ 46,464,299**	**$ 34,370,372**	**$ 42,383,311**

2027 Adopted Common Cost Analysis				
Deparment	01 GF Total	07 Storm Water Allocation 5%	10 Water/Sewer Allocation 20%	15 EDC Allocation 15%
Dept 1 City Manager Expenditures	$ 988,458	$ 49,423	$ 197,692	$ 148,269
Dept 2 Council Expenditures	$ 233,750	$ 11,688	$ 46,750	$ 35,063
Dept 7 Finance Expenditures	$ 709,159	$ 35,458	$ 141,832	$ 106,374
Dept 12 Community Development Exp.	$ 755,465	$ 37,773	$ 151,093	$ 113,320
WC/Admin Fees/Unemployment	$ 253,918	$ 12,696	$ 50,784	$ 38,088
Insurance	$ 170,772	$ 8,539	$ 34,154	$ 25,616
IT Support, Internet, and Phones	$ 162,500	$ 8,125	$ 32,500	$ 24,375
Total Allocated from Fund 1 to Other Funds	**$ 3,274,021**	**$ 163,701**	**$ 654,804**	**$ 491,103**

Deparment	01 Street Personnel	07 Storm Water Allocation 10%	10 Water/Sewer Allocation 25%	15 EDC Allocation 10%
Dept 20 Public Works (Street Personnel Only)	$ 984,601	$ 98,460	$ 246,150	$ 98,460
Total Allocated from Dept 20 to Other Funds	**$ 984,601**	**$ 98,460**	**$ 246,150**	**$ 98,460**

FUND / ACCOUNT		FY 25 Actual	FY 26 Budget	FY 26 Projected	FY 27 Budget	Notes
GENERAL FUND TRANSFERS IN						
01-4510-00-00	ADMIN CHARGE-WATER/SEWER	757,935	837,350	837,350	900,955	Value of services provided from General Fund
01-4512-00-00	ADMIN CHARGE-EDC	540,545	547,231	547,231	589,563	Added in audit and value of services provided
01-4514-00-00	TRANSFER IN STORM WATER	*218,674*	*244,072*	*244,072*	262,161	Value of services provided from General Fund
GENERAL FUND TRANSFERS OUT						
01-5705-90-01	TRANSFER OUT-CAPITAL REPLAC FUND	(139,200)	(139,200)	(139,200)	-	Enterprise Lease Closed in FY26
01-5498-90-01	INCREMENTAL PROP TAX TO TIF	(221,612)	(192,715)	(192,715)	(192,715)	City payment for incremental property tax
DEBT SERVICE FUND TRANSFERS IN						
02-4960-00-00	CAPITAL PROJECTS FUND	108,265	104,475	104,475	102,685	Dick Price Road Set By Debt Schedule
02-4963-00-00	TRANSFER IN-TIRZ	228,229	-	-	-	Payment toward 2023 $17.4MM CO Bond
WATER & SEWER FUND TRANSFERS IN						
10-4963-00-00	TRANSFER IN:WATER IMPACT FUND	30,000	30,000	30,000	30,000	Pay Portion $2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
10-4964-00-00	TRANSFER IN-SEWER IM	60,000	60,000	60,000	8,000	Pay Portion $2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
10-4965-00-00	TRANSFER IN-ROADWAY	97,525	97,525	97,525	97,525	Pay Portion $2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
WATER & SEWER FUND TRANSFERS OUT						
10-5595-90-00	ADMIN CHARGE-GENERAL	(757,935)	(837,350)	(837,350)	(900,955)	Value of services provided from General Fund
10-5596-90-00	PAYMENT IN LIEU OF	-	-	-	-	Services provided by Street Personnel
STORMWATER FUND TRANSFERS OUT						
07-5598-35-01	ADMIN CHARGE-STREET	(77,841)	(92,493)	(92,493)	(98,460)	Value of services provided from Public Works
07-5701-35-01	TRANSFER OUT - GENER	(140,833)	(151,579)	(151,579)	(163,701)	Value of services provided from General Fund
WATER IMPACT FUND TRANSFERS OUT						
61-5710-00-00	TRANSFER OUT:WATER/SEWER FUND	(30,000)	(30,000)	(30,000)	(30,000)	Pay Portion $2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
SEWER IMPACT FUND TRANSFERS OUT						
62-5710-00-00	TRANSFER OUT-WATER/SEWER FUND	(60,000)	(60,000)	(60,000)	(8,000)	Pay Portion $2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
ROADWAY IMPACT FUND TRANSFERS OUT						
45-5711-71-01	TRANSFER OUT - WATER	(97,525)	(97,525)	(97,525)	(97,525)	Pay Portion $2.9MM 2007 CO Bond/16" water line (based on impact fee revenue and avail fund balance)
45-5798-71-01	TRANSFER OUT-TIF #1	(10,000)	(10,000)	(10,000)	(10,000)	Fund TIF Projects
TIRZ FUND TRANSFERS IN						
21-4519-00-00	INTERGOV-CITY OF KENNEDALE	221,612	192,715	192,715	192,715	City payment for incremental property tax
21-4945-00-00	TRANSFER IN-ROADWAY	10,000	10,000	10,000	10,000	City payment for incremental property tax
TIRZ FUND TRANSFERS OUT						
21-5702-06-06	TRANSFER OUT - DEBT SERVICE	(228,229)	-	-	-	Payment toward 2023 $17.4MM CO Bond
CAPITAL REPLACEMENT FUND TRANSFERS IN						
05-4906-00-00	TRANSFER IN-GENERAL	139,200	139,200	139,200	-	Enterprise Lease
EDC FUND TRANSFERS OUT						
15-5595-06-01	ADMIN CHARGE-GENERAL	(540,545)	(547,231)	(547,231)	(589,563)	Added in audit and value of services provided
CAPITAL PROJECTS FUND TRANSFERS OUT						
04-5702-00-00	DEBT SERVICE FUND	(108,265)	(104,475)	(104,475)	(102,685)	Dick Price Road Set By Debt Schedule



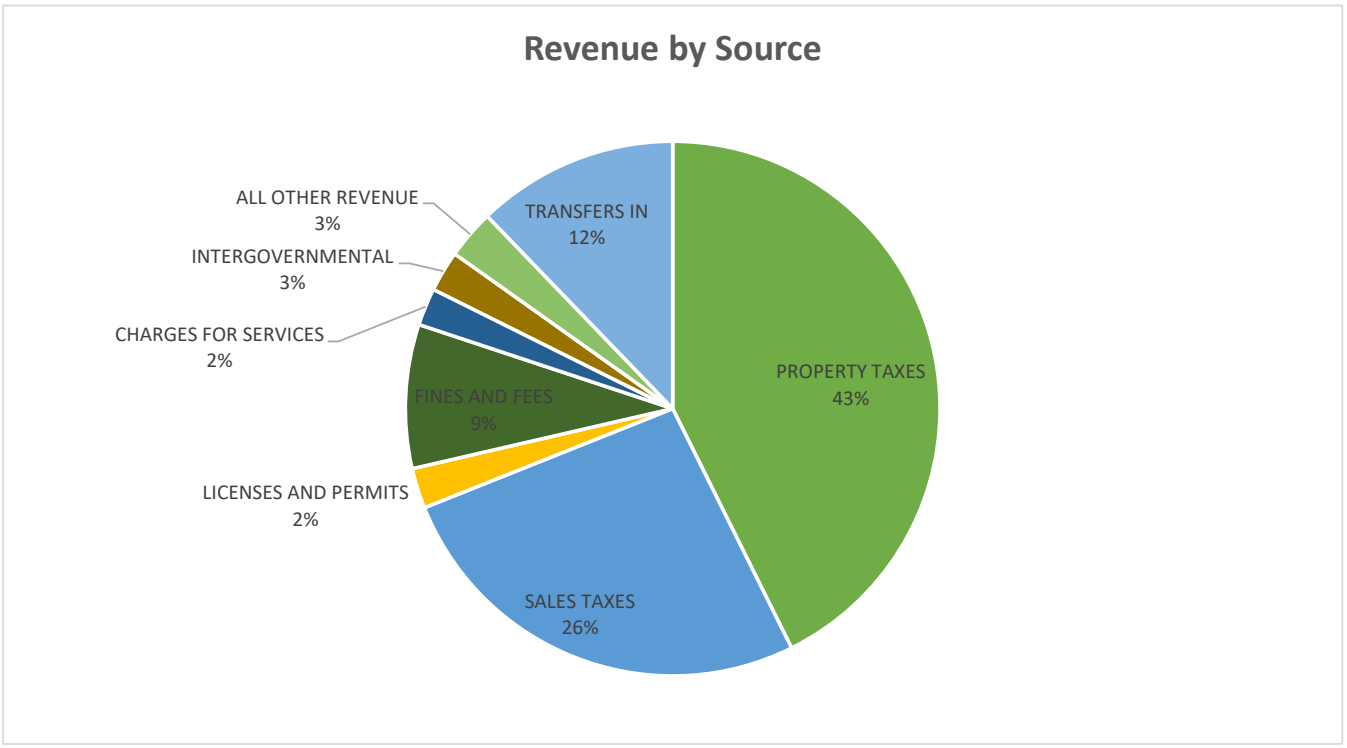
General Fund

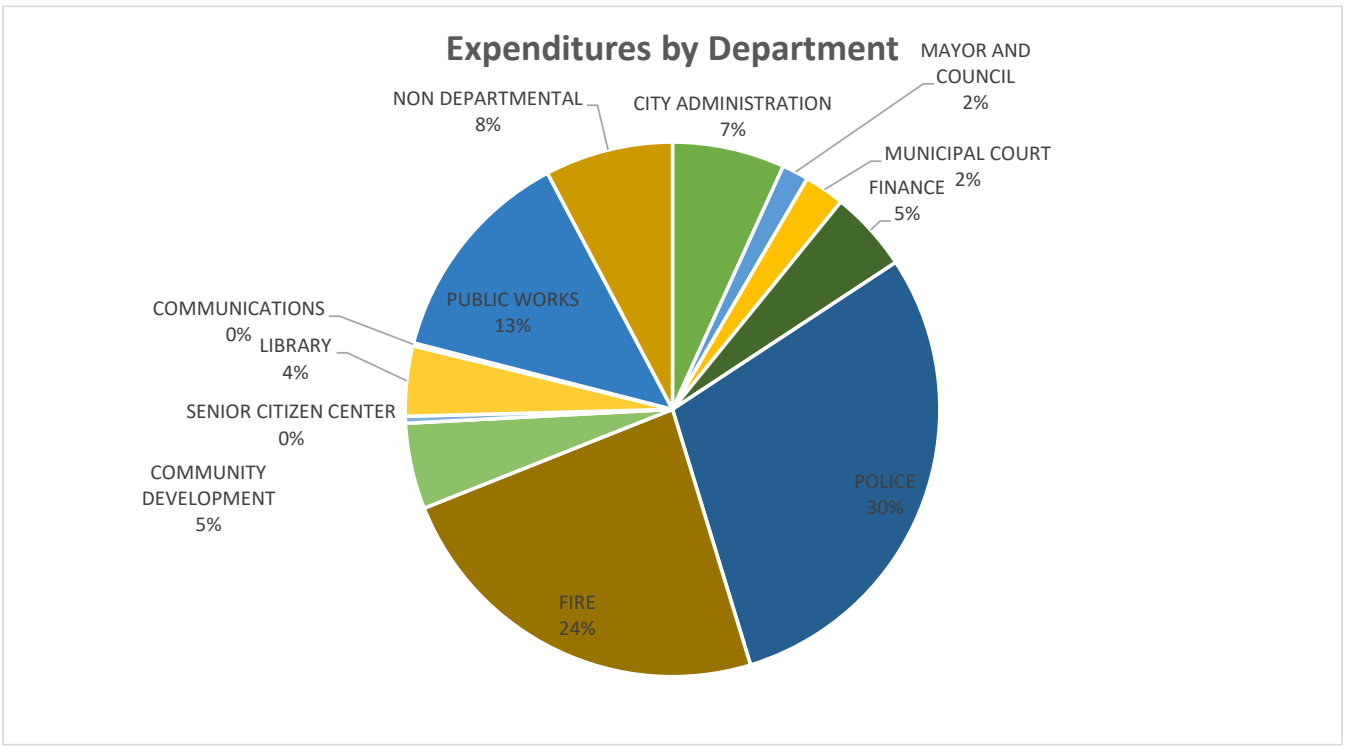
GENERAL FUND REVENUE AND INCOMMING TRANSFERS					
Department	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
	PROPERTY TAXES	6,456,313	5,998,567	6,099,406	6,127,136
	SALES TAXES	3,087,020	3,647,834	3,647,834	3,775,508
	LICENSES AND PERMITS	169,540	450,000	297,036	350,000
	FINES AND FEES	1,006,155	1,033,500	1,137,947	1,250,000
	CHARGES FOR SERVICES	298,155	325,000	299,050	325,100
	INTERGOVERNMENTAL	308,572	230,000	308,572	355,000
	ALL OTHER REVENUE	505,467	425,000	336,787	426,350
	TRANSFERS IN	1,517,154	1,628,853	1,628,853	1,752,679
TOTAL REVENUE AND TRANSFERS IN		**$ 13,348,378**	**$ 13,738,754**	**$ 13,755,485**	**$ 14,361,773**

GENERAL FUND EXPENDITURES					
Department	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01	CITY ADMINISTRATION	813,897	868,804	792,866	988,458
02	MAYOR AND COUNCIL	212,951	211,550	153,537	233,750
04	MUNICIPAL COURT	332,739	332,256	300,112	354,167
07	FINANCE	566,960	663,129	636,765	709,159
09	POLICE	3,906,402	4,002,396	3,689,599	4,293,798
10	FIRE	3,115,552	3,303,997	3,259,339	3,442,025
12	COMMUNITY DEVELOPMENT	591,086	695,940	474,604	755,465
16	SENIOR CITIZEN CENTER	68,276	60,850	50,578	60,590
17	LIBRARY	580,118	560,638	555,729	616,308
18	COMMUNICATIONS	9,118	19,900	11,185	25,300
20	PUBLIC WORKS	1,220,157	2,087,877	1,673,186	1,924,821
90	NON DEPARTMENTAL	941,568	1,151,808	1,101,058	1,126,190
TOTAL EXPENDITURES		**$ 12,358,823**	**$ 13,959,144**	**$ 12,698,558**	**$ 14,530,030**

Department	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
90	NON DEPARTMENTAL	360,812	331,915	331,915	192,715
TOTAL OUTGOING TRANSFERS		**$ 360,812**	**$ 331,915**	**$ 331,915**	**$ 192,715**
TOTAL OUTGOING FUNDS		**$ 12,719,634**	**$ 14,291,059**	**$ 13,030,473**	**$ 14,722,745**
NET CHANGE IN FUND BALANCE		**$ 628,743**	**$ (552,305)**	**$ 725,012**	**$ (360,972)**
BEGINNING FUND BALANCE — OCT 1		**$ 4,218,927**	**$ 4,847,670**	**$ 4,847,670**	**$ 5,572,683**
ENDING FUND BALANCE — SEPT 30		**$ 4,847,670**	**$ 4,295,365**	**$ 5,572,683**	**$ 5,211,711**
AVERAGE DAILY ANNUAL EXPENDITURES		**$ 34,848**	**$ 39,154**	**$ 35,700**	**$ 40,336**
DAYS OF FUND BALANCE		**139**	**110**	**156**	**129**

GENERAL FUND SUMMARY





DEPARTMENT OUTLINE: ADMINISTRATION

Kennedale operates under the Council-Manager form of government, which combines the strength of an elected Mayor and Council with a professional manager and staff. The Administration Department consists of the City Manager's Office, City Secretary's Office and Human Resources. Together, this department is responsible for implementing the City Council's vision and policies, ensuring transparent and effective governance, maintaining official records and legislative processes, supporting workforce recruitment and development, and promoting efficient, accountable operations across all City departments. The City Manager is accountable to the City Council for the proper administration of all the affairs of the City.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Completed roadway improvements on New Hope Rd. and Eden Rd.
- Received 80% match from Texas Water Development Board on the Valley Lane Project
- Completed community-wide survey
- Partnered with YMCA for sports complex and office space in TownCenter complex
- Successful completion of TML Leadership Academy for Councilman Nevarez
- Grew General Fund Reserve over 31%.
- Successfully implemented JustFOIA records management software
- Implemented CivicClerk electronic voting system
- Digitized all Administration records and files
- Conducted a staff-wide climate survey
- Implemented Tyler applicant tracking system
- Reduced employer insurance costs 5% (approximately $57k)
- Reduced employee turnover by 2%

SHORT-TERM GOALS

- Continue to improve the City's financial strength and integrity by growing the general fund reserve to 35%
- Send leadership team to TML Leadership Academy
- Secure business for Kennedale Parkway near Interstate 20 and Oak Crest addition
- Residential Development on New Hope Road
- Increase pedestrian traffic in the TownCenter development complex by 10% and complete final phase of the TownCenter Development
- Assist in creation of the Youth Advisory Committee
- Audit retention periods for all city records to determine record permanency
- Achieve 100% on-time completion rate of all open records requests
- Create and provide job descriptions for all employee positions
- Implement NEOGOV HRIS platform
- Create and implement an organization-wide AI Use policy
- Update employee handbook
- Reduce employee turnover by 3%

FUTURE INITIATIVES

- Development plan for Oakcrest development at Kennedale Parkway and I-20 to increase retail and mix use development
- Secure a commuter rail stop in I-20/820 corridor
- Develop plan for redevelopment along southeast portion of Kennedale Parkway for industrial and mix use.
- Develop tools and policies that reduce flood damage and flood risk to residents and buildings along Village Creek and its tributaries
- Determine financing and grant strategies to fund Village Creek restoration project
- Secure options for transportation funding
- Installation of medians along Kennedale Parkway in TownCenter
- Facilitate the inclusion of the extension of Little School Road in the 2021 Tarrant County Transportation Bond Program (at 50% funding)
- City Secretary to complete certification through Texas Municipal Clerks Certification Program
- Establish a candidate information forum to guide candidate through the process of filling out and turning in all election required material
- Conduct a full compensation and classification study and implement pay ranges for all position
- Create clear career pathways across organization to increase employee retention
- Implement succession plans for each department to ensure leadership continuity and preservation of institutional knowledge
- Develop an enterprise AI strategy and plan for workforce integration

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
01 CITY ADMINISTRATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		584,354	626,854	582,709	728,458
Operations		229,543	241,950	210,157	260,000
TOTAL CITY ADMINISTRATION		**$ 813,897**	**$ 868,804**	**$ 792,866**	**$ 988,458**

Positions				
City Manager	1.0	1.0	1.0	1.0
Assisitant City Manager	-	-	-	1.0
City Secretary	1.0	1.0	1.0	1.0
Director (HR)	1.0	1.0	1.0	1.0
Deputy City Secretary	-	1.0	1.0	-
Administrative Assistant	1.0	-	-	-
File Clerk (Temporary)	-	0.3	0.3	-
TOTAL POSITIONS	**4.00**	**4.30**	**4.30**	**4.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-01-01	SALARIES	433,699	454,717	448,509	518,578
01-5107-01-01	OVERTIME	782	2,000	-	2,000
01-5109-01-01	TEMPORARY / PART-TIME	-	9,750	4,908	-
01-5114-01-01	LONGEVITY PAY	3,168	3,136	2,984	3,128
01-5115-01-01	RETIREMENT	71,560	79,415	77,973	90,444
01-5117-01-01	FICA	29,717	35,178	3,432	40,064
01-5118-01-01	MEDICAL INSURANCE	39,897	36,824	37,177	67,194
01-5120-01-01	LIFE INSURANCE	2,469	3,500	4,335	4,335
01-5121-01-01	DENTAL INSURANCE	1,978	1,230	2,166	1,526
01-5122-01-01	VISION INSURANCE	250	103	329	189
01-5126-01-01	DISABILITY	833	1,000	896	1,000
TOTAL PERSONNEL		**$ 584,354**	**$ 626,854**	**$ 582,709**	**$ 728,458**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-01-01	UNIFORMS	148	-	-	750
01-5125-01-01	TUITION REIMBURSEMENT	3,380	5,000	3,240	5,000
01-5240-01-01	PRINTED SUPPLIES	344	2,500	200	1,500
01-5260-01-01	GENERAL OFFICE SUPPLIES	2,217	2,750	1,273	2,750
01-5261-01-01	POSTAGE	286	800	301	800
01-5280-01-01	MINOR EQUIP/SMALL TOOLS	1,636	1,500	-	500
01-5285-01-01	FUEL	3,235	4,000	3,622	4,500
01-5290-01-01	EXPENDABLE SUPPLIES	1,660	11,000	2,641	9,500
01-5298-01-01	VICTUALS BEVERAGES & GROCERY	4,884	-	-	-
01-5403-01-01	BUILDING MAINTENANCE	30,101	25,000	12,940	30,000
01-5430-01-01	MOTOR VEHICLE MAINTENANCE	878	1,500	743	2,500
01-5440-01-01	OFFICE EQUIP	7,134	5,000	2,035	5,000
01-5445-01-01	SOFTWARE	39,639	35,000	35,000	49,300
01-5501-01-01	ADVERTISING	9,456	2,500	5,197	6,000
01-5510-01-01	ASSOC DUES/PUBLICATICATIONS	3,339	8,500	8,499	8,500
01-5525-01-01	TRAINING/SEMINARS	4,934	8,000	5,851	8,000
01-5530-01-01	ELECTRIC SERVICES	14,646	15,000	13,158	15,000
01-5535-01-01	GAS SERVICES	4,281	6,000	5,995	6,000
01-5570-01-01	SPECIAL SERVICES	2,037	18,000	15,867	18,000
01-5571-01-01	SPECIAL EVENTS	10,888	12,000	15,307	12,000
01-5573-01-01	ELECTION SERVICES	25,486	20,000	18,092	20,000
01-5574-01-01	FILING FEES	-	300	-	300
01-5575-01-01	EQUIPMENT RENTAL	-	8,500	6,556	8,500
01-5578-01-01	TRAVEL	7,945	8,000	8,000	8,000
01-5585-01-01	TELEPHONE SERVICES	2,727	3,100	2,853	3,100
01-5588-01-01	HR RELATED TESTS	15,183	20,000	19,620	15,000
01-5589-01-01	JANITORIAL SERVICES	29,850	13,500	19,347	15,000
01-5590-01-01	WATER/SEWER SERVICES	3,232	4,500	3,821	4,500
TOTAL OPERATIONS		**$ 229,543**	**$ 241,950**	**$ 210,157**	**$ 260,000**

TOTAL CITY ADMINISTRATION	**$ 813,897**	**$ 868,804**	**$ 792,866**	**$ 988,458**

DEPARTMENT OUTLINE: MAYOR/CITY COUNCIL

The City Council consists of a Mayor and five Councilmembers elected at-large for two-year terms (with no term limits). Regular meetings are held on the third Tuesday of each month at 5:30 p.m., and special or joint meetings (with Advisory Boards or Commissions) are scheduled as needed.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Completed 30+ training hours
- Hosted TML Region 8 meeting
- Completed city-wide community survey
- Received CMO designation for two councilmembers

SHORT-TERM GOALS

- Complete city-wide strategic plan, Imagine Kennedale 2035
- Receive a minimum of one additional CMO designation
- Increase Boards & Commissions annual training hours
- Complete updates to Council Chambers interior and AV system

VOLUNTEER RESOURCES

ADVISORY BOARD AND COMMISSION REGULAR MEETING SCHEDULE:

Board of Adjustment (BOA)/Board of Appeals (BBA)	2nd Tuesdays at 6:00 p.m., as needed
Economic Development Corporation (EDC) Board	4th Tuesdays at 6:00 p.m.
Keep Kennedale Beautiful (KKB) Commission	2nd Tuesdays at 6:00 p.m.
Library Board	As Needed
Parks and Recreation Board	1st Wednesdays at 7:00 p.m.
Planning and Zoning (P&Z) Commission	2nd Thursdays at 6:00 p.m.
TownCenter Development District (TDD) Board	Annually
Tax Increment Reinvestment Zone (TIRZ) #1 Board	Annually
Utility and Infrastructure Board (UIB)	As Needed, Upon the Direction of the Council

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
02 MAYOR AND COUNCIL

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Operations		212,951	211,550	153,537	233,750
TOTAL MAYOR & CITY COUNCIL		**$ -**	**$ 211,550**	**$ 153,537**	**$ 233,750**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5520-02-01	UNIFORMS	248	-	-	1,500
01-5240-02-01	PRINTED SUPPLIES	-	2,000	-	-
01-5260-02-01	GENERAL OFFICE SUPPLIES	411	300	165	-
01-5280-02-01	MINOR EQUIP/SMALL TOOLS<$5K	-	500	-	-
01-5290-02-01	EXPENDABLE SUPPLIES	-	1,000	397	500
01-5298-02-01	VICTUALS BEVERAGES & GROCERY	442	-	-	-
01-5403-02-01	BUILDING MAINTENANCE	269	-	-	32,000
01-5510-02-01	ASSOC DUES/PUBLICATICATIONS	6,140	6,500	6,376	6,500
01-5511-02-01	VOLUNTEER MEETINGS	-	500	-	500
01-5525-02-01	TRAINING/SEMINARS	14,226	8,000	3,425	6,000
01-5440-02-01	OFFICE EQUIP	-	1,500	2,488	2,000
01-5565-02-01	LEGAL SERVICES	179,583	170,000	125,000	150,000
01-5570-02-01	SPECIAL SERVICES	2,576	2,500	291	15,000
01-5571-02-01	SPECIAL EVENTS	1,665	9,000	9,000	9,000
01-5578-02-01	TRAVEL	4,376	6,500	3,364	7,500
01-5585-02-01	TELEPHONE SERVICES	3,015	3,250	3,031	3,250
TOTAL OPERATIONS		**$ 212,951**	**$ 211,550**	**$ 153,537**	**$ 233,750**

TOTAL MAYOR AND CITY COUNCIL		**$ 212,951**	**$ 211,550**	**$ 153,537**	**$ 233,750**

DEPARTMENT OUTLINE: MUNICIPAL COURT

The Municipal Court is a Judicial Branch of the City government. The Kennedale Municipal Court is dedicated to the principles of fair and impartial justice while adhering to statutory requirements and providing the highest standards in customer service. Utilizing an innovative approach, the Municipal Court promotes timely disposition of cases while ensuring accuracy to promote a positive public perception of the judicial system.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Recipient of the 2026 Municipal Traffic Safety Initiative Award from the Texas Municipal Courts Education Center (TMCEC) in the Low Volume category. This recognition highlights our court's commitment to enhancing traffic safety and preventing impaired driving through innovative community outreach and education programs.
- Participated in the 2026 Great Texas Warrant Roundup, coordinating with regional law enforcement and neighboring jurisdictions to resolve outstanding warrants and encourage voluntary compliance through public outreach efforts.
- Participated in the 2025 Public Safety Event and National Night Out, engaging with the community to promote safety awareness, strengthening neighborhood partnerships, and fostering positive relations between the public and local law enforcement.
- Onboarded a new Judge and Associate Judge, strengthening the court's leadership structure and enhancing its capacity to manage caseloads efficiently while upholding high standards of judicial excellence and service.

SHORT-TERM (FY26) GOALS

- Actively monitor pending and future legislation affecting municipal court operations to ensure compliance, inform policy updates, and adapt procedures in alignment with state and local legal developments.
- Implement an automated warrant data exchange between Municipal Justice and the regional system to improve data accuracy, enhance system reliability, reduce verification delays, and strengthen cross-jurisdictional coordination.
- Encourage and support the continued professional development and training of staff to enhance their skills, knowledge, and effectiveness.
- Enhance customer convenience by enabling email and online submission of requests, improving accessibility, and reducing the need for in-person visits.

FUTURE INITIATIVES

- Develop a comprehensive Court Procedures Manual to align with the implementation of the court's new software system.
- Leverage the continued use of technology.
- Collaborate closely with local agencies and community partners to connect defendants with available resources and support services.

- Increase and implement alternative programs designed to enhance customer service within the court system.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

04 COURT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		246,582	269,006	245,208	285,317
Operations		86,157	63,250	54,905	68,850
TOTAL MUNICIPAL COURT		**$ 332,739**	**$ 332,256**	**$ 300,112**	**$ 354,167**

Positions				
Court Administrator	1.0	1.0	1.0	1.0
Juvenile Case Manager	1.0	1.0	1.0	1.0
Court Clerk	1.0	1.0	1.0	1.0
TOTAL POSITIONS	**3.00**	**3.00**	**3.00**	**3.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-04-01	SALARIES	172,611	190,556	176,921	202,447
01-5107-04-01	OVERTIME	1,677	615	850	615
01-5114-04-01	LONGEVITY PAY	464	656	384	776
01-5115-04-01	RETIREMENT	30,390	33,129	31,072	35,203
01-5117-04-01	FICA	12,600	14,675	13,333	15,594
01-5118-04-01	MEDICAL INSURANCE	26,101	26,580	20,658	28,341
01-5120-04-01	LIFE INSURANCE	1,083	1,200	570	570
01-5121-04-01	DENTAL INSURANCE	1,053	1,144	949	1,131
01-5122-04-01	VISION INSURANCE	158	51	121	189
01-5126-04-01	DISABILITY	446	400	349	450
TOTAL PERSONNEL		**$ 246,582**	**$ 269,006**	**$ 245,208**	**$ 285,317**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5240-04-01	PRINTED SUPPLIES	876	600	1,010	600
01-5260-04-01	GENERAL OFFICE SUPPLIES	2,686	3,300	2,715	2,900
01-5261-04-01	POSTAGE	2,046	2,700	3,158	2,900
01-5280-04-01	MINOR EQUIP/SMALL TOOLS <$5K	-	250	-	250
01-5290-04-01	EXPENDABLE SUPPLIES	446	800	245	1,000
01-5220-04-01	UNIFORMS	672	600	599	500
01-5440-04-01	OFFICE EQUIP	319	1,000	145	900
01-5445-04-01	SOFTWARE	49,067	11,500	11,500	11,500
01-5510-04-01	ASSOC DUES/PUBLICATICATIONS	341	500	338	500
01-5525-04-01	TRAINING/SEMINARS	2,136	3,000	1,483	3,000
01-5565-04-01	LEGAL SERVICES	-	700	-	700
01-5570-04-01	SPECIAL SERVICES	491	1,000	323	1,000
01-5575-04-01	EQUIPMENT RENTAL	-	2,600	2,129	2,600
01-5578-04-01	TRAVEL	985	1,300	671	1,900
01-5581-04-01	JUDGE AND PROSECUTOR SERVICES	24,600	32,000	29,104	37,200
01-5585-04-01	TELEPHONE SERVICES	1,493	1,400	1,483	1,400
TOTAL OPERATIONS		**$ 86,157**	**$ 63,250**	**$ 54,905**	**$ 68,850**

TOTAL MUNICIPAL COURT	**$ 332,739**	**$ 332,256**	**$ 300,112**	**$ 354,167**

DEPARTMENT OUTLINE: FINANCE

We have three main objectives: provide timely and materially correct financial reports, safeguard the financial assets of the City, and ensure those who conduct business with the City are paid in a timely manner.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Receipt of the Distinguished Budget Presentation Award from the Government Financial Officers Association (GFOA)
- Receipt of the Certificate of Achievement for Excellence in Financial Reporting from the GFOA
- Continued stability of staff (no new hires since November 2023)
- Projected to double our ACH payment percentage goal

SHORT-TERM (FY26) GOALS

- Sustain 25% or more vendor payments made through ACH
- Continue the streak of obtaining GFOA awards focused on our Annual Comprehensive Financial Report and Annual Budget
- Continue to review each active financial policy on an annual basis

FUTURE INITIATIVES

- Continue to grow the General Fund reserve balance for use in long-term investments
- Expand the grant program to include more complex awards and internalize all award management

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

07 FINANCE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		350,068	401,549	369,762	433,159
Operations		216,892	261,580	267,003	276,000
TOTAL FINANCE		**$ 566,960**	**$ 663,129**	**$ 636,765**	**$ 709,159**

Positions				
Director	1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate	1.0	1.0	1.0	1.0
Accounting Associate II/Sr. Accounting Associate	1.0	1.0	1.0	1.0
Accounting Associate I/II/Sr Accounting Associate	0.75	0.75	0.75	0.75
TOTAL POSITIONS	**3.75**	**3.75**	**3.75**	**3.75**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-07-01	SALARIES	239,241	244,670	251,562	259,647
01-5107-07-01	OVERTIME	1,080	850	750	850
01-5109-07-01	TEMPORARY / PART-TIME	15,855	48,204	18,250	48,672
01-5114-07-01	LONGEVITY PAY	256	624	624	928
01-5115-07-01	RETIREMENT	42,169	50,834	46,726	53,554
01-5117-07-01	FICA	16,963	22,518	20,292	23,722
01-5118-07-01	MEDICAL INSURANCE	30,825	30,123	28,601	42,674
01-5120-07-01	LIFE INSURANCE	1,610	1,800	970	970
01-5121-07-01	DENTAL INSURANCE	1,263	1,302	1,225	1,302
01-5122-07-01	VISION INSURANCE	167	-	147	189
01-5126-07-01	DISABILITY	639	625	615	650
TOTAL PERSONNEL		**$ 350,068**	**$ 401,549**	**$ 369,762**	**$ 433,159**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5240-07-01	PRINTED SUPPLIES	194	400	-	250
01-5220-07-01	UNIFORMS	86	250	244	250
01-5260-07-01	GENERAL OFFICE SUPPLIES	1,399	1,250	750	1,250
01-5261-07-01	POSTAGE	718	1,300	626	700
01-5290-07-01	EXPENDABLE SUPPLIES	234	550	425	500
01-5440-07-01	OFFICE EQUIP	2,796	2,000	1,200	2,000
01-5445-07-01	SOFTWARE	43,309	18,530	18,530	18,200
01-5510-07-01	ASSOC DUES/PUBLICATICATIONS	1,211	2,000	1,950	2,000
01-5525-07-01	TRAINING/SEMINARS	1,790	2,250	750	2,250
01-5567-07-01	AUDIT SERVICES - FORVIS	73,950	75,000	88,550	88,550
01-5570-07-01	SPECIAL SERVICES - Ext Consultants	41,470	100,100	100,100	102,500
01-5575-07-01	EQUIPMENT RENTAL	-	3,800	4,282	4,300
01-5578-07-01	TRAVEL	735	1,500	75	1,500
01-5585-07-01	TELEPHONE SERVICES	503	650	503	650
01-5587-07-01	APPRAISAL SERVICES	48,498	51,000	47,039	51,000
01-5884-07-01	FINES AND PENALTIES	-	1,000	1,980	100
TOTAL OPERATIONS		**$ 216,892**	**$ 261,580**	**$ 267,003**	**$ 276,000**

TOTAL FINANCE	**$ 566,960**	**$ 663,129**	**$ 636,765**	**$ 709,159**

DEPARTMENT OUTLINE: POLICE

The Kennedale Police Department believes in community-oriented policing focusing on building

TRUST, **INTEGRITY**, and **PURPOSE**

with the intent to positively enhance the quality of life for our citizens, business owners, and visitors. Partnerships with our stakeholders will shape the priorities of our police agency.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

HIGHLIGHTS & AWARDS

- 34% crime decrease in NIBRS Group A Offenses from 2023 to 2024
- National Association of Town Watch Award for participating in National Night Out, placing 2nd in Texas and 6th in the nation for cities with a population of 5,000 to 15,000
- The department received the FBI-LEEDA Agency Trilogy Award
- Chief Holguin was appointed to the Texas Police Chiefs Technology Committee

COMMUNITY ENGAGEMENT & PUBLIC OUTREACH

- Organized and hosted events to included (not all inclusive):
  - Trunk or Treat
  - Bark in the Park
  - Juneteenth Parade
  - Civilian Response to Active Shooter Events (CRASE) training
- Attended, participated in, and or organized events to include (not all inclusive):
  - Veterans Day Celebration
  - September 11th Ceremony
  - Hometown Christmas
  - Halloween Safety Detail
  - Regional Recruiting & Career Fairs

OPERATIONS

- Continued use of the Community Oriented and Geographic policing model to address the causes of crime and long-term quality of life issues in cooperation with Community Development and other area partners
- Continued our partnership with the DEA Task Force- Ft. Worth (DEATF - FTW)
- Continued our partnership with the Tri-County Auto Theft Task Force (TCATTF)
- High-level social media presence on Twitter, Facebook, Instagram, and Nextdoor
- Officers and non-sworn department personnel averaged over 125 hours of training during 2024

GRANTS

- Awarded seven AEDs through Firehouse Subs grant

SHORT-TERM (FY26) GOALS

- Continue sending staff to ILEA, LEMIT-LCC, FBI-LEEDA, and FBINA for leadership training.
- Create a five-year strategic plan for department to meet internal and external growth concerns
- Implement formal programs and additional community outreach partnerships through:
  - Public Safety Cadets
  - Kennedale Citizens Police Academy
  - Coffee with a Cop
- Implement the Active Attack Integrated Response (AAIR) program for coordinated active attack response between the fire department and the police department
- Increase traffic enforcement by 2% in fiscal year 2025-2026
- Decrease Part I NIBRS crimes by 2% in fiscal year 2025-2026
- An increase of two community engagement/outreach programs in fiscal year 2025-2026
- Earn 1st Place for National Night Out (NNO) participation nationally and in Texas.
- Maintain full staffing level in fiscal year 2025-2026

FUTURE INITIATIVES

- Host regional training through current an agreement with North Texas Council of Governments (NTCOG) Regional Police Academy
- Implementation of formal Emergency Operations processes, procedures, and strategic plans
- Full implementation of PowerDMS for scheduling and to track inventory.
- Purchase detective vehicles
- Begin a fitness program for all officers
- Increase field personnel as the need for police services and the population of the city increases

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		2,843,806	3,102,636	2,675,735	3,243,140
Operations		1,062,596	899,760	1,013,863	1,050,658
TOTAL POLICE		**$ 3,906,402**	**$ 4,002,396**	**$ 3,689,599**	**$ 4,293,798**

Positions				
Police Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	-	-	1.0
Police Captain	1.0	1.0	1.0	-
Sergeant	4.0	4.0	5.0	5.0
Corporal	4.0	4.0	2.0	2.0
Detective	2.0	2.0	2.0	2.0
Officer	4.0	4.0	7.0	7.0
Community Engagement Officer	1.0	1.0	-	-
Auto Theft Task Force Officer	1.0	1.0	1.0	1.0
DEA Task Force Officer	1.0	1.0	-	-
School Resource Officer	2.0	2.0	2.0	3.0
Total Commissioned Officers	**21.00**	**21.00**	**21.00**	**22.00**
Animal Control Officer	1.0	1.0	1.0	-
Evidence/Records Clerk	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0
Total Civilian Positions	**3.00**	**3.00**	**3.00**	**2.00**
Reserve Police Officer (Non-Paid)	1.0	1.0	1.0	1.0
Police Chaplain (Non-Paid)	1.0	1.0	1.0	1.0
Total Non-Paid Positions	**2.00**	**2.00**	**2.00**	**2.00**
TOTAL POSITIONS	**26.00**	**26.00**	**26.00**	**26.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-09-01	SALARIES	1,785,693	1,975,836	1,641,020	1,933,680
01-5107-09-01	OVERTIME	97,861	60,000	105,000	70,000
01-5109-09-01	TEMPORARY/PART-TIME	-	-	-	-
01-5112-09-01	ASSIGNMENT PAY	-	5,000	-	5,000
01-5113-09-01	INCENTIVE PAY	46,438	36,000	39,355	36,000
01-5114-09-01	LONGEVITY PAY	16,476	19,222	16,414	14,576
01-5115-09-01	RETIREMENT	336,168	361,989	339,573	355,634
01-5117-09-01	FICA	142,815	160,348	147,469	157,533
01-5118-09-01	MEDICAL INSURANCE	162,473	238,810	138,488	294,127
01-5120-09-01	LIFE INSURANCE	10,961	3,500	5,957	6,500
01-5121-09-01	DENTAL INSURANCE	7,818	11,027	7,314	10,541
01-5122-09-01	VISION INSURANCE	1,085	565	899	1,452
01-5126-09-01	DISABILITY	4,125	4,300	3,295	4,300
01-5101-09-02	SALARIES	161,659	164,770	163,759	246,773
01-5107-09-02	OVERTIME	3,326	-	5,000	
01-5113-09-02	INCENTIVE PAY	3,915	-	2,530	
01-5114-09-02	LONGEVITY PAY	768	1,200	944	848
01-5115-09-02	RETIREMENT	32,671	28,663	29,745	42,764
01-5117-09-02	FICA	12,533	12,696	12,917	18,943
01-5118-09-02	MEDICAL INSURANCE	14,830	17,087	14,133	41,777
01-5120-09-02	LIFE INSURANCE	954	300	677	900
01-5121-09-02	DENTAL INSURANCE	751	774	792	1,203
01-5122-09-02	VISION INSURANCE	111	149	98	189
01-5126-09-02	DISABILITY	375	400	356	400
TOTAL PERSONNEL		**$ 2,843,806**	**$ 3,102,636**	**$ 2,675,735**	**$ 3,243,140**

GENERAL FUND EXPENDITURES BY DEPARTMENT

09 POLICE OPERATIONS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-09-01	UNIFORMS	25,144	25,000	31,000	25,000
01-5230-09-01	CLEANING SUPPLIES	782	1,000	1,000	-
01-5240-09-01	PRINTED SUPPLIES	6,016	5,500	5,500	5,500
01-5260-09-01	GENERAL OFFICE SUPPLIES	2,861	4,000	3,000	3,500
01-5261-09-01	POSTAGE	436	600	600	600
01-5280-09-01	MINOR EQUIP/SMALL TOOLS<$5K	15,850	10,000	10,000	10,000
01-5285-09-01	FUEL	39,391	40,000	38,474	45,000
01-5289-09-01	MEDICAL SUPPLY AND EQUIPMENT	739	500	1,193	700
01-5290-09-01	EXPENDABLE SUPPLIES	2,517	5,200	5,200	6,000
01-5298-09-01	VICTUALS BEVERAGES & GROCERY	2,584	-	42	-
01-5403-09-01	BUILDING MAINTENANCE	32,487	25,000	26,975	25,000
01-5420-09-01	MACHINERY/TOOL MAINTENANCE	440	-	-	-
01-5430-09-01	MOTOR VEHICLE MAINTENANCE	30,095	20,000	29,804	25,000
01-5440-09-01	OFFICE EQUIP	16,204	8,000	5,144	16,000
01-5445-09-01	SOFTWARE	2,800	14,000	18,641	14,500
01-5460-09-01	RADIO MAINTENANCE	15,819	28,000	15,276	18,000
01-5501-09-01	ADVERTISING	498	500	-	500
01-5510-09-01	ASSOC DUES/PUBLICATICATIONS	1,436	2,000	6,143	15,200
01-5517-09-01	FIREARMS TRAINING	3,149	3,000	3,652	4,000
01-5525-09-01	TRAINING/SEMINARS	7,227	10,000	8,281	7,000
01-5530-09-01	ELECTRIC SERVICES	14,737	18,000	12,881	18,000
01-5535-09-01	GAS SERVICES	2,411	4,000	2,576	4,000
01-5564-09-01	COMMUNITY RELATIONS	5,549	3,500	2,857	3,500
01-5570-09-01	SPECIAL SERVICES	35,099	60,000	47,521	30,000
01-5575-09-01	EQUIPMENT RENTAL	-	5,460	7,866	7,960
01-5578-09-01	TRAVEL	2,162	5,000	5,044	3,000
01-5583-09-01	ANIMAL CONTROL	21,883	25,000	120,000	122,850
01-5585-09-01	TELEPHONE SERVICES	36,407	33,000	26,397	33,000
01-5589-09-01	JANITORIAL SERVICES	1,370	7,500	7,500	-
01-5590-09-01	WATER/SEWER SERVICES	5,069	6,000	3,616	6,000
01-5557-09-01	INTERGOV- CITY OF MAN	527,786	520,000	562,713	590,848
01-5870-09-01	OTHER EQUIPMENT	16,304	10,000	4,968	10,000
01-5910-09-01	MOTOR VEHICLES	187,343	-	-	-
TOTAL OPERATIONS		**$ 1,062,596**	**$ 899,760**	**$ 1,013,863**	**$ 1,050,658**

TOTAL POLICE	**$ 3,906,402**	**$ 4,002,396**	**$ 3,689,599**	**$ 4,293,798**

DEPARTMENT OUTLINE: FIRE

The mission of the Kennedale Fire Department is to protect life and property for the citizens of Kennedale through public education, fire prevention code enforcement, and the response of highly trained professional Firefighter-Paramedics.

The Kennedale Fire Department provides emergency medical services and fire operations 24/7 with 22 personnel. Fire Operations has 18 Firefighter Paramedics who work a 48/96 shift schedule, staffing one ambulance and one fire apparatus. Fire Administration has 4 personnel, consisting of the Fire Chief, Assistant Fire Chief, Fire Inspector, and Administrative Assistant.

The Kennedale Fire Department recently moved back into the fire station after an extensive remodel and addition to the older fire station. This move was completed in June 2026.

Our main objectives for the Fire Department for FY 27 are:

- Provide a safe work environment with professionally trained Firefighter Paramedics by providing quality equipment, training and updated technology.
- Reduce Overtime expenses by increasing and maintaining staffing.
- Customer satisfaction – internally and externally.
- Maintain a high standard of care in Emergency Medical Services.
- Increase our community education programs to reduce fire loss and injury to our citizens.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Fire Administration became fully staffed with Fire Chief, Assistant Fire Chief, Fire Inspector and Administrative Assistant.
- Completed move to a temporary fire station and started the construction of the new Fire Station 59.
- Increased the number of fire inspections, resulting in better communications with area businesses and safety towards fire prevention.
- Completed numerous community events and programs.
- Increased training with the police department. CPR/AED training to city employees.
- Replaced Brush 59
- Reimbursement of two ambulance purchases from Tarrant County ESD totaling $1,147,000
- Completed our Hazard Mitigation Action Plan and submitted it to FEMA for approval
- Acquired an outdoor public notification system to be placed at Sonora Park
- Established approved EMS CE training site through the Texas Department of State Health Services
- Completed successful review and certification of Fire and EMS services as mandated by state agencies.

SHORT-TERM (FY27) GOALS

- Evaluate and maintain quality reaction and response times to all dispatched Fire and EMS incidents.
- Evaluate 4-man engine staffing and staffing of a second ambulance
- Evaluate our Emergency Management Plan – conduct annual drills, review and increase training on Everbridge, utilize the outdoor public alerting system at Sonora Park
- Complete the process for Best Practices accreditation for Kennedale Fire Department.
- Replacement of outdated portable radios for our personnel
- Replacement of outdated Automated External Defibrillators in city buildings
- Implement a Citizens Fire Academy program for citizens and businesses within the City of Kennedale.
- Smoke detector program for citizens of Kennedale.
- Increase our career day event opportunities, including recruitment fairs
- Review methods to reduce supply waste when it comes to expirations and additional stock
- Host training courses within our department.

FUTURE INITIATIVES

- Develop a citizen support group from graduates of our Citizen Fire Academy program
- Stay updated on current technology and changes in National Standards on Fire Protection (NFPA) and the quality standards of EMS care.
- Evaluate call volume and response times to help predict future staffing needs.
- Continued involvement on recruitment and retention of fire personnel
- Evaluate the progress of the Little School Road bridge
- Evaluate the planning of Fire Station 2

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

10 FIRE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		2,678,134	2,921,036	2,864,729	3,050,760
Operations		437,417	382,961	394,610	391,265
TOTAL FIRE		**$ 3,115,552**	**$ 3,303,997**	**$ 3,259,339**	**$ 3,442,025**

Positions				
Fire Chief	1.0	1.0	1.0	1.0
Assistant Chief	-	1.0	1.0	1.0
Fire Captain	1.0	-	-	-
Fire Marshal	-	-	-	1.0
Fire Inspector	1.0	1.0	1.0	-
Administrative Assistant	1.0	1.0	1.0	1.0
Fire Lieutenant	3.0	3.0	3.0	3.0
Driver Engineers	3.0	3.0	3.0	3.0
Firefighter / Paramedics	12.0	12.0	12.0	12.0
TOTAL POSITIONS	**22.00**	**22.00**	**22.00**	**22.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-10-01	SALARIES	1,573,646	1,841,447	1,736,650	1,915,919
01-5107-10-01	OVERTIME	213,808	120,000	192,000	120,000
01-5108-10-01	FLSA OVERTIME	184,803	162,000	162,000	162,000
01-5112-10-01	ASSIGNMENT PAY	3,076	5,000	6,990	5,000
01-5113-10-01	INCENTIVE PAY	40,743	40,000	32,890	40,000
01-5114-10-01	LONGEVITY PAY	11,812	14,762	12,664	14,926
01-5115-10-01	RETIREMENT	356,199	377,040	409,038	389,917
01-5117-10-01	FICA	149,584	167,015	177,637	172,720
01-5118-10-01	MEDICAL INSURANCE	126,487	171,486	118,282	210,634
01-5120-10-01	LIFE INSURANCE	7,791	8,100	6,069	8,100
01-5121-10-01	DENTAL INSURANCE	5,855	8,188	6,503	6,534
01-5122-10-01	VISION INSURANCE	869	1,998	749	1,010
01-5126-10-01	DISABILITY	3,461	4,000	3,258	4,000
TOTAL PERSONNEL		**$ 2,678,134**	**$ 2,921,036**	**$ 2,864,729**	**$ 3,050,760**

GENERAL FUND EXPENDITURES BY DEPARTMENT					
		10 FIRE			
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-10-01	UNIFORMS	17,516	24,765	24,765	24,765
01-5225-10-01	LIFE SAFETY EQUIPMENT	821	25,052	25,052	28,437
01-5230-10-01	CLEANING SUPPLIES	2,437	2,500	543	2,500
01-5240-10-01	PRINTED SUPPLIES	1,977	3,000	-	3,000
01-5260-10-01	GENERAL OFFICE SUPPLIES	546	2,500	1,058	2,500
01-5261-10-01	POSTAGE	397	150	137	150
01-5280-10-01	MINOR EQUIP/SMALL TOOLS <$5K	4,961	40,294	40,294	9,512
01-5285-10-01	FUEL	20,996	22,000	25,514	24,000
01-5288-10-01	EMS SUPPLIES	27,783	32,000	23,625	35,000
01-5290-10-01	EXPENDABLE SUPPLIES	1,522	8,250	3,867	11,250
01-5291-10-01	GRANT FUNDED SUPPLIES	-	-	-	-
01-5297-10-01	FIRE OPERATIONS EXPENDABLE SUPPLIES	3,947	6,000	3,066	-
01-5298-10-01	VICTUALS BEVERAGES & GROCERY	1,510	-	-	-
01-5403-10-01	BUILDING MAINTENANCE	13,405	20,000	13,818	20,000
01-5420-10-01	MACHINERY/TOOL MAINTENANCE	21,661	18,000	9,356	18,000
01-5430-10-01	MOTOR VEHICLE MAINTENANCE	60,756	47,500	55,626	51,900
01-5440-10-01	OFFICE EQUIP	12,691	8,000	17,806	12,200
01-5445-10-01	SOFTWARE	1,080	10,000	800	14,626
01-5460-10-01	RADIO MAINTENANCE	9,228	10,000	15,432	16,000
01-5510-10-01	ASSOC DUES/PUBLICATIONS	7,103	6,000	3,882	6,875
01-5525-10-01	TRAINING/SEMINARS	8,844	24,000	23,081	24,000
01-5521-10-01	PUBLIC SAFETY EDUCATION	1,337	6,000	5,424	6,000
01-5530-10-01	ELECTRIC SERVICES	9,104	10,000	4,855	12,000
01-5535-10-01	GAS SERVICES	2,104	4,200	1,500	4,200
01-5570-10-01	SPECIAL SERVICES	18,611	29,000	39,808	37,000
01-5575-10-01	EQUIPMENT RENTAL	-	7,000	7,672	8,500
01-5578-10-01	TRAVEL	1,930	6,500	1,840	8,600
01-5585-10-01	TELEPHONE SERVICES	7,244	6,500	6,904	6,500
01-5590-10-01	WATER/SEWER SERVICES	3,845	3,750	4,188	3,750
01-5861-10-01	MOTOR VEHICLES	174,063	-	34,696	
01-5870-10-01	OTHER EQUIPMENT	-	-	-	-
TOTAL OPERATIONS		**$ 437,417**	**$ 382,961**	**$ 394,610**	**$ 391,265**
TOTAL FIRE		**$ 3,115,552**	**$ 3,303,997**	**$ 3,259,339**	**$ 3,442,025**

DEPARTMENT OUTLINE: COMMUNITY DEVELOPMENT

Main objectives: 1) Promote a safe and healthy built environment. 2) Implement City standards and plans. 3) Plan and prepare for the future. 4) Enhance stewardship of land and property.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Enhancements to the City's online permitting and licensing system.
- Maintained base customer services despite 60% personnel loss/turnover.
- Cross trained available staff to cover for vacant positions.
- Initiate a Unified Development Code Update (In Progress).
- Tools for a future Pilot Program at the Library acquired.

SHORT TERM (FY27) GOALS

- Update ICC Building Codes. The adopted 2018 series of codes are no longer supported by the International Code Council (ICC). Training, certification, or assistance is therefore unavailable. Most tradespeople have already implemented updated codes.
- Update UDC (various provisions). To comply with local directions and State & Federal standards, amendments are needed for various areas in the UDC.
- Impact Fee Update. State law requires updates periodically. The City should evaluate current land use assumptions and update these fees to maintain compliance.

FUTURE INITIATIVES

- Pursue agency accreditation of staff with relevant professional organizations.
- Pursue grant opportunities as may be available.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
12 COMMUNITY DEVELOPMENT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		396,906	426,265	333,360	465,115
Operations		194,179	269,675	141,244	290,350
TOTAL COMMUNITY DEVELOPMENT		**$ 591,086**	**$ 695,940**	**$ 474,604**	**$ 755,465**

Positions				
Director	1.0	1.0	1.0	1.0
Building Inspector	1.0	1.0	1.0	1.0
Code Enforcement Officer	1.0	1.0	1.0	1.0
Planner	-	-	1.0	1.0
Planning Technician	1.0	1.0	-	-
Permit Clerk	1.0	1.0	1.0	1.0
TOTAL POSITIONS	**5.00**	**5.00**	**5.00**	**5.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-12-01	SALARIES	280,149	304,535	237,291	328,848
01-5107-12-01	OVERTIME	2,373	3,000	800	3,000
01-5114-12-01	LONGEVITY PAY	480	1,080	469	536
01-5115-12-01	RETIREMENT	49,683	53,298	41,199	57,436
01-5117-12-01	FICA	20,301	23,609	17,892	25,442
01-5118-12-01	MEDICAL INSURANCE	39,058	36,829	32,738	45,512
01-5120-12-01	LIFE INSURANCE	2,202	1,100	1,196	2,000
01-5121-12-01	DENTAL INSURANCE	1,733	1,946	1,210	1,588
01-5122-12-01	VISION INSURANCE	199	367	143	252
01-5126-12-01	DISABILITY	728	500	422	500
TOTAL PERSONNEL		**$ 396,906**	**$ 426,265**	**$ 333,360**	**$ 465,115**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5220-12-01	UNIFORMS	1,206	1,350	367	1,400
01-5240-12-01	PRINTED SUPPLIES	993	500	1,000	1,000
01-5260-12-01	GENERAL OFFICE SUPPLIES	1,035	1,500	150	1,500
01-5261-12-01	POSTAGE	1,525	600	1,134	2,400
01-5280-12-01	MINOR EQUIP/SMALL TOOLS<$5K	2,073	5,000	2,500	5,000
01-5285-12-01	FUEL	2,115	1,500	1,417	1,850
01-5290-12-01	EXPENDABLE SUPPLIES	449	1,000	500	1,000
01-5298-12-01	VICTUALS BEVERAGES & GROCERY	302	-	-	-
01-5430-12-01	MOTOR VEHICLE MAINTENANCE	1,106	1,000	500	1,100
01-5440-12-01	OFFICE EQUIP	3,486	5,000	4,540	5,000
01-5445-12-01	SOFTWARE	32,535	28,000	28,000	36,000
01-5501-12-01	ADVERTISING	1,540	2,000	446	4,600
01-5510-12-01	ASSOC DUES/PUBLICATICATIONS	2,079	1,850	2,900	3,300
01-5525-12-01	TRAINING/SEMINARS	4,922	5,000	1,500	7,500
01-5570-12-01	SPECIAL SERVICES	53,870	75,000	68,000	75,000
01-5572-12-01	CODE ENFORCEMENT SERVICES	795	5,000	3,000	5,000
01-5574-12-01	FILING FEES	74	500	250	500
01-5575-12-01	EQUIPMENT RENTAL	3,892	4,600	4,640	7,000
01-5576-12-01	STRATEGIC PLANNING	586	25,000	-	50,000
01-5578-12-01	TRAVEL	506	1,625	500	3,000
01-5580-12-01	ENGINEERING SERVICES	76,718	100,000	17,000	75,000
01-5585-12-01	TELEPHONE SERVICES	2,370	3,650	2,900	3,200
TOTAL OPERATIONS		**$ 194,179**	**$ 269,675**	**$ 141,244**	**$ 290,350**

TOTAL COMMUNITY DEVELOPMENT	**$ 591,086**	**$ 695,940**	**$ 474,604**	**$ 755,465**

DEPARTMENT OUTLINE: SENIOR CENTER

The Kennedale Senior Center provides access to community resources, nutrition, health and entertainment activities that promote social connection, vibrant aging, and life-long learning and enable the emotional and physical well-being of independent adults over 55. Our goal is to provide opportunities for seniors that meet their changing needs, improve their quality of life, and empower them to live life to the fullest.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Increased activities – particularly for health and exercise
- Increase in participation – meals and programs
- Increased participation with community partners
- Installed all new flooring and painted interior

SHORT-TERM (FY26) GOALS

- Continue with Meals on Wheels activity director contract
- Continue to build activities offered
- Increase community outreach/awareness
- Continue to build volunteer pool

FUTURE INITIATIVES

- Continue to build community relationships and partnerships
- Increase membership and activities to meet the needs of members
- Seek funding and sponsorships for additional programs and activities
- Add FT Senior Center dedicated coordinator

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

16 SENIOR CENTER

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		-	-	-	-
Operations		68,276	60,850	50,578	60,590
TOTAL SENIOR CENTER		**$ 68,276**	**$ 60,850**	**$ 50,578**	**$ 60,590**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5230-16-01	CLEANING SUPPLIES	60	-		
01-5260-16-01	GENERAL OFFICE SUPPLIES	-	150	73	150
01-5290-16-01	EXPENDABLE SUPPLIES	3,539	5,000	3,067	5,000
01-5403-16-01	BUILDING MAINTENANCE	33,196	10,000	6,882	10,000
01-5440-16-01	OFFICE EQUIP/SOFTWARE	-	2,000	2,000	500
01-5530-16-01	ELECTRIC SERVICES	5,042	5,500	4,539	5,500
01-5535-16-01	GAS SERVICES	2,221	2,200	2,200	2,420
01-5564-16-01	COMMUNITY RELATIONS	911	1,000	1,000	1,000
01-5570-16-01	SPECIAL SERVICES	21,167	24,000	21,838	24,720
01-5589-16-01	JANITORIAL SERVICES	-	8,000	6,440	8,000
01-5590-16-01	WATER/SEWER SERVICES	2,142	3,000	2,539	3,300
TOTAL OPERATIONS		**$ 68,276**	**$ 60,850**	**$ 50,578**	**$ 60,590**

TOTAL SENIOR CENTER		**$ 68,276**	**$ 60,850**	**$ 50,578**	**$ 60,590**

DEPARTMENT OUTLINE: LIBRARY

The Kennedale Public Library serves as a thriving community center that provides access to information and resources to educate, empower, enrich, and welcome our community. The Library connects the community with library services for personal enjoyment, growth, and enrichment through diverse resources in multiple and accessible formats, innovative programs and technology that increase knowledge, awareness, and quality of life for all members of the community, support for local educational programs and self-directed, lifelong learning opportunities, community gathering spaces, and the preservation of local history.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Upgraded and installed RFID system and tags
- Received Atmos Energy Summer Reading donation - $5,000
- Received HEB Summer Reading grant - $2,500
- Received TSLAC accreditation
- Provided at least one Innovation Station workshop per month
- Increased programming for adults and teens
- Increased attendance and usage of services and programs

NEW FOR FY26

- Convert Adult Services Librarian to Adult Services/Supervising Librarian to meet operations and programming needs – total expected salary cost difference for this change is $10,000.

SHORT-TERM (FY26) GOALS

- Receive TSLAC accreditation
- Establish consistent audit and weeding schedule
- Prioritize marketing through social media and print
- Create the Library of Things – start with yard tools and recreation kits (disc golf)
- Create Kennedale Historical collection in partnership with the Kennedale Historical Society
- Develop Small Business programming
- Continue emphasis on staff training for program development, delivery, and evaluation
- Continue to provide new programming and activities for all ages

FUTURE INITIATIVES

- Build a new building for Community Resources
- Increase community outreach
- Continue to build community partnerships and relationships
- Increase awareness of services through effective marketing and community engagement
- Develop Historical Society local history collection
- Add FT Youth Services librarian and change PT Library Assistant to FT

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

17 LIBRARY

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		406,639	423,738	442,391	471,798
Operations		173,479	136,900	113,337	144,510
TOTAL LIBRARY		**$ 580,118**	**$ 560,638**	**$ 555,729**	**$ 616,308**

Positions				
Director	1.0	1.0	1.0	1.0
Supervising/Adult Services Librarian	-	-	-	1.0
Adult Services Librarian	-	1.0	1.0	-
Collection and Tech Services Librarian	-	-	1.0	1.0
Library Assistant II	2.0	2.0	1.0	1.0
Library Assistant I (Part Time, per FTE)	1.0	1.0	1.0	1.0
Programming and Events	1.0	-	-	-
TOTAL POSITIONS	**5.00**	**5.00**	**5.00**	**5.00**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-17-01	SALARIES	247,966	256,239	290,409	286,329
01-5107-17-01	OVERTIME	1,297	1,500	150	1,500
01-5109-17-01	TEMPORARY/PART-TIME	39,052	42,835	27,833	45,887
01-5114-17-01	LONGEVITY PAY	4,066	4,928	4,422	5,464
01-5115-17-01	RETIREMENT	51,127	52,760	55,750	58,576
01-5117-17-01	FICA	21,283	23,371	24,211	25,947
01-5118-17-01	MEDICAL INSURANCE	37,563	36,829	36,415	44,512
01-5120-17-01	LIFE INSURANCE	1,859	2,300	1,048	1,500
01-5121-17-01	DENTAL INSURANCE	1,554	1,957	1,437	1,243
01-5122-17-01	VISION INSURANCE	222	368	169	189
01-5126-17-01	DISABILITY	650	650	547	650
TOTAL PERSONNEL		**$ 406,639**	**$ 423,738**	**$ 442,391**	**$ 471,798**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5230-17-01	CLEANING SUPPLIES	-	-		
01-5240-17-01	PRINTED SUPPLIES	-	-		
01-5260-17-01	GENERAL OFFICE SUPPLIES	301	500	313	500
01-5261-17-01	POSTAGE	254	1,200	339	500
01-5280-17-01	MINOR EQUIP/SMALL TOOLS<$5K	450	300	300	200
01-5290-17-01	EXPENDABLE SUPPLIES	4,486	8,000	5,734	8,800
01-5292-17-01	LIBRARY PROCESSING SUPPLIES	2,540	500	485	500
01-5294-17-01	LIBRARY BOOK-CITY FUND	18,565	25,000	18,947	27,500
01-5403-17-01	BUILDING MAINTENANCE	87,779	30,000	22,269	32,000
01-5455-17-01	SOFTWARE MAINT	14,073	18,000	15,000	18,000
01-5440-17-01	OFFICE EQUIP	15,062	4,000	4,825	3,000
01-5510-17-01	ASSOC DUES/PUBLICATICATIONS	990	1,500	1,113	1,500
01-5525-17-01	TRAINING/SEMINARS	127	3,000	1,045	3,000
01-5530-17-01	ELECTRIC SERVICES	7,433	7,500	7,224	8,250
01-5535-17-01	GAS SERVICES	2,112	2,500	2,466	2,750
01-5564-17-01	COMMUNITY RELATIONS	3,365	5,000	4,469	5,000
01-5570-17-01	SPECIAL SERVICES	4,375	6,000	6,000	7,000
01-5575-17-01	EQUIPMENT RENTAL	4,160	4,200	4,259	4,640
01-5578-17-01	TRAVEL	20	2,500	1,800	2,500
01-5585-17-01	TELEPHONE SERVICES	2,585	2,700	2,472	2,970
01-5589-17-01	JANITORIAL SERVICES	719	10,000	10,000	11,000
01-5590-17-01	WATER/SEWER SERVICES	4,082	4,500	4,277	4,900
TOTAL OPERATIONS		**$ 173,479**	**$ 136,900**	**$ 113,337**	**$ 144,510**

TOTAL LIBRARY	**580,118**	**$ 560,638**	**$ 555,729**	**$ 616,308**

DEPARTMENT OUTLINE: COMMUNICATIONS

The Communications Department provides transparency through innovative and creative communications solutions. It promotes the City's mission, programs, and initiatives efficiently and effectively. The vision of the Communications Department is to consistently create and distribute effective messaging that is recognized as the best, most accurate, and dependable source of City information.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- Increased outreach and marketing/promotion
- Increased community participation in City events
- Trained 2 new department web administrators for web page maintenance
- Provided marketing support and merchandise for all City events
- Continue to increase social media and web page views/interactions

SHORT-TERM (FY26) GOALS

- Centralize web maintenance and updates
- Centralize social media updates and responses
- Purchase and implement online reservation platform for facilities and parks
- Establish a larger communications network for broader reach
- Conduct outreach and awareness campaigns for City events and activities
- Increase social media followers and webpage users

FUTURE INITIATIVES

- Increase community participation in City events and activities
- Prioritize communications for increased awareness internally and externally
- Update all department web pages and ensure ADA compliance
- Add dedicated social media moderator
- Add 100% Event Coordinator/Marketing employee

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT
18 COMMUNICATIONS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		-	-	-	-
Operations		9,118	19,900	11,185	25,300
TOTAL COMMUNICATIONS		**$ 9,118**	**$ 19,900**	**$ 11,185**	**$ 25,300**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5260-18-01	GENERAL OFFICE SUPPLIES	-	100	100	-
01-5290-18-01	EXPENDABLE SUPPLIES	-	500	500	-
01-5440-17-01	OFFICE EQUIP	-		-	-
01-5455-18-01	SOFTWARE	982	4,000	4,000	10,000
01-5501-18-01	ADVERTISING	969	1,000	448	1,000
01-5510-18-01	ASSOC DUES/PUBLICATICATIONS	250	300	265	300
01-5525-18-01	TRAINING/SEMINARS	465	500	-	500
01-5564-18-01	COMMUNITY RELATIONS	4,108	6,000	4,611	6,000
01-5570-18-01	SPECIAL SERVICES	2,227	2,000	-	2,000
01-5571-18-01	SPECIAL EVENTS	16	5,000	1,261	5,000
01-5578-18-01	TRAVEL	101	500		500
TOTAL OPERATIONS		**$ 9,118**	**$ 19,900**	**$ 11,185**	**$ 25,300**

TOTAL COMMUNICATIONS		**$ 9,118**	**$ 19,900**	**$ 11,185**	**$ 25,300**

DEPARTMENT OUTLINE: PUBLIC WORKS

Our mission is to preserve and enhance public safety and quality of life for our citizenry by providing exceptional public services through planning, engineering, operating and maintaining public infrastructure.

PRIOR YEAR RESULTS & ACCOMPLISHMENTS

- With CDBG allocation of $170,000.00, replaced approximately 1,250 LF of 6" asbestos cement pipe with 8" PVC, including services, meter boxes, and appurtenances such as gate valves and fire hydrants along North Road, within the limits of W. 3rd. St. and the Avalon Apts. (400-600 Blks.)
- Based on engineering studies and public requests, installed solar powered flashing stop signs at various high-traffic intersections throughout the City
- Completed the removal and replacement of our T4, 0.5MG ground storage water tank at 750 Caruther Ln. with a 0.75MG glass-fused-to-steel panel system for approximately $1.6M
- Based on citizen request, installed five (5) solar panel street lights for approximately $50,000.00 at strategic locations within the City
- Rehabilitated Swiney Hiett Rd., S. New Hope Rd., and Hilltop Dr. with approximately 30,850 SY. of asphalt pavement

SHORT-TERM (FY27) GOALS

- Systemically install solar powered street lights throughout the City
- Reduce our overall street inventory of streets classified as in poor condition (currently at 12.8% or 108,330 SY) by 3% annually
- Systemically upgrade our water distribution and wastewater collection systems by investing at least $0.5M annually
- Rehabilitate our existing T3, 1MG, elevated storage tank
- Wastewater gravity interceptor; upgrade approximately 15,500 LF of sanitary sewer from I-820 to TxRaceTrack
- Hillside / Briar Ct. Sanitary Sewer Improvements, upgrade approximately 1,100 LF of sewer line and eliminate existing bottleneck
- Rehabilitate our existing ballfield for a FY 2026 projected completion
- Upgrade playground equipment at Rogers Farm Park
- Reduce the potential for flooding by systemically removing siltation from the box culverts, drainage pipes and bar ditches

FUTURE INITIATIVES

- Little School Road Extension Project

- Perform infiltration and inflow (I & I) survey on the collection system basins, and conduct the necessary repairs as needed
- Develop strategies and solicit grant funding for reconstruction of deteriorating streets, to include water, sewer and stormwater upgrades

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

GENERAL FUND EXPENDITURES BY DEPARTMENT

20 PUBLIC WORKS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		713,133	924,927	793,087	984,601
Operations		507,024	1,162,950	880,100	940,220
TOTAL PUBLIC WORKS		**$ 1,220,157**	**$ 2,087,877**	**$ 1,673,186**	**$ 1,924,821**

Positions	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Director	1.0	1.0	1.0	1.0
Project Manager	-	1.0	1.0	1.0
Supervisor	1.0	1.0	1.0	1.0
Field Worker - Full Time	6.0	6.0	6.0	6.0
Field Worker - Part Time by FTE	1.8	1.75	1.75	1.75
Administrative Assistant	1.0	1.0	1.0	1.0
TOTAL PUBLIC WORKS POSITIONS	**10.75**	**11.75**	**11.75**	**11.75**

STREET MAINTENANCE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5101-20-03	SALARIES	478,864	580,623	551,093	610,580
01-5107-20-03	OVERTIME	3,767	10,000	2,250	10,000
01-5109-20-03	TEMPORARY/PART-TIME	31,886	52,441	28,117	55,492
01-5113-20-03	INCENTIVE PAY	3,840	2,800	2,827	3,900
01-5114-20-03	LONGEVITY PAY	6,036	11,040	6,896	11,832
01-5115-20-03	RETIREMENT	91,644	113,223	102,097	119,404
01-5117-20-03	FICA	38,634	50,154	44,339	52,892
01-5118-20-03	MEDICAL INSURANCE	51,041	93,148	49,922	112,463
01-5120-20-03	LIFE INSURANCE	3,112	5,000	1,832	2,500
01-5121-20-03	DENTAL INSURANCE	2,632	4,107	2,249	3,533
01-5122-20-03	VISION INSURANCE	431	891	296	505
01-5126-20-03	SHORT-TERM DISABILITY	1,247	1,500	1,167	1,500
TOTAL PERSONNEL		**$ 713,133**	**$ 924,927**	**$ 793,087**	**$ 984,601**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5210-20-03	CHEMICAL SUPPLIES	42	5,000	408	4,000
01-5220-20-03	UNIFORMS	4,534	9,250	11,651	10,800
01-5230-20-03	CLEANING SUPPLIES	1,913	3,000	1,417	2,500
01-5240-20-03	PRINTED SUPPLIES	238	500	343	400
01-5260-20-03	GENERAL OFFICE SUPPLIES	712	2,000	982	1,500
01-5261-20-03	POSTAGE	401	-	8	100
01-5280-20-03	MINOR EQUIP/SMALL TOOLS<$5K	1,966	7,000	6,296	7,500
01-5285-20-03	FUEL	16,748	15,500	18,755	16,120
01-5290-20-03	EXPENDABLE SUPPLIES	3,198	2,800	3,160	3,000
01-5403-20-03	BUILDING MAINTENANCE	24,857	24,000	4,050	22,000
01-5407-20-03	STREET MAINTENANCE	102,090	350,000	350,000	200,000
01-5409-20-03	IRRIGATION MAINTENANCE	638	2,500	476	2,000
01-5420-20-03	MACHINERY/TOOL MAINTENANCE	6,444	10,000	9,202	10,000
01-5430-20-03	MOTOR VEHICLE MAINTENANCE	20,785	20,000	13,734	20,000
01-5440-20-03	OFFICE EQUIP	254	9,000	120	5,000
01-5445-20-03	SOFTWARE	1,349	10,000	10,000	10,000
01-5480-20-03	SIGNS/FENCE/SIDEWALK MAINTENANCE	55,504	74,000	16,677	24,000
01-5510-20-03	ASSOC DUES/PUBLICATICATIONS	1,132	5,000	2,348	5,000
01-5525-20-03	TRAINING/SEMINARS	450	7,000	4,110	7,000
01-5530-20-03	ELECTRIC SERVICES	60,954	66,000	59,995	66,000
01-5535-20-03	GAS SERVICES	1,964	1,400	1,724	1,800
01-5570-20-03	SPECIAL SERVICES	12,476	193,000	2,586	185,000
01-5575-20-03	EQUIPMENT RENTAL	13,118	18,000	13,048	5,000
01-5578-20-03	TRAVEL	360	2,500	185	2,500
01-5580-20-03	ENGINEERING SERVICES	20,646	80,000	193,093	112,000
01-5585-20-03	TELEPHONE SERVICES	2,054	3,500	2,424	3,500
01-5590-20-03	WATER/SEWER SERVICES	13,205	45,000	4,396	45,000
01-5591-20-03	TRASH/DISPOSAL/DUMP SERVICES	-	1,500	-	1,500
01-5870-20-03	OTHER EQUIPMENT	9,638	86,500	-	8,000
TOTAL STREET MAINTENANCE OPERATIONS		**$ 377,671**	**$ 1,053,950**	**$ 731,188**	**$ 781,220**

GENERAL FUND EXPENDITURES BY DEPARTMENT
20 PUBLIC WORKS
PARK MAINTENANCE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5404-20-04	PARK MAINTENANCE	55,683	27,500	68,916	77,000
01-5405-20-04	TOWN CENTER PLAZA	533	-	474	
01-5406-20-04	SONORA AND RODGERS FARM PARK	16,496	27,500	28,250	28,500
01-5408-20-04	OTHER PARKS/MISC.	-	-	-	
01-5530-20-04	ELECTRIC SERVICES	3,786	3,500	4,038	3,500
01-5522-20-04	KEEP KENNEDALE BEAUTIFUL	4,897	12,500	9,439	15,000
01-5575-20-04	EQUIPMENT RENTAL	-	3,000	-	-
01-5590-20-04	WATER/SEWER SERVICES	47,957	35,000	37,795	35,000
TOTAL PARK MAINTENANCE OPERATIONS		**$ 129,353**	**$ 109,000**	**$ 148,912**	**$ 159,000**

GENERAL FUND EXPENDITURES BY DEPARTMENT

90 NON-DEPARTMENTAL

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
Personnel		-	-	-	-
Operations		941,568	1,151,808	1,101,058	1,126,190
TOTAL NON-DEPARTMENTAL		**$ 941,568**	**$ 1,151,808**	**$ 1,101,058**	**$ 1,126,190**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5116-90-01	UNEMPLOYMENT INSURANCE	6,823	30,495	23,124	32,630
01-5118-90-01	MEDICAL INSURANCE - RETIREE	-	12,752	6,500	6,500
01-5119-90-01	WORKERS' COMPENSATION	136,017	138,868	144,252	140,000
01-5123-90-01	HEALTH ADMIN FEES	55,792	75,970	75,000	81,288
01-5403-90-01	BUILDING MAINTENANCE	-	-	-	-
01-5440-90-01	OFFICE EQUIP	9,292	8,000		8,000
01-5445-90-01	SOFTWARE	50,930	9,500	9,500	9,500
01-5540-90-01	INSURANCE-AUTO	66,120	87,031	89,204	89,204
01-5545-90-01	INSURANCE-PROPERTY	41,220	39,099	47,981	47,981
01-5550-90-01	INSURANCE-GENERAL LIABILITY	17,888	32,915	16,644	16,644
01-5560-90-01	INSURANCE-LAW ENFORCEMENT	18,007	17,289	16,943	16,943
01-5569-90-01	IT SUPPORT	129,780	140,000	140,000	140,000
01-5570-90-01	SPECIAL SERVICES	33,000	18,000	16,910	10,000
01-5585-90-01	TELEPHONE SERVICES	-	12,500	-	12,500
01-5615-90-01	FUNCTIONAL GRANT	376,701	529,389	515,000	515,000
TOTAL OPERATIONS		**$ 941,568**	**$ 1,151,808**	**$ 1,101,058**	**$ 1,126,190**

TOTAL NON-DEPARTMENTAL		**$ 941,568**	**$ 1,151,808**	**$ 1,101,058**	**$ 1,126,190**

90 NON-DEPARTMENTAL - TRANSFERS OUT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
01-5705-90-01	TRANSFER OUT- CAP REPLACEMENT	139,200	139,200	139,200	-
01-5717-90-01	TRANSFER OUT - STREET IMPROV.	-			
01-5498-90-01	INCREMENTAL PROPERTY TAX	221,612	192,715	192,715	192,715
TOTAL TRANSFERS OUT		**$ 360,812**	**$ 331,915**	**$ 331,915**	**$ 192,715**

Debt Service Fund

OVERVIEW: DEBT SERVICE FUND

The Debt Service Fund pays for Debt that is secured by ad valorem (property) taxes. Property taxes account for over 99% of the Debt Service Fund revenues, with the remainder coming from investment income.

As of the preparation of this budget, the Debt Service Fund had amassed approximately $1,408,976 in unassigned fund balance, primarily due to property tax revenues being more than what was needed to pay debt service requirements in prior years. $448,933 of excess debt collections were applied to debt service for FY27. This budget decreases the Interest and Sinking portion of Ad Valorem taxes by $.012792 per $100 valuation.

EXPENSES AND BOND RATING

All expenses from the Debt Service are related payments of principal and interest on debt and related agent fees.

The City of Kennedale's AA bond rating was affirmed on August 10, 2026 by S&P Global Ratings.

DEBT SERVICE REQUIREMENTS

The City has bond expenditures in three funds – 02 Debt Service, 10 Water/Sewer, and 15 EDC. The chart below depicts all bond payments for all 3 funds. On the next page, the $2,501,802.25 has been programed into the total expenditure budget for Fund 02 Debt Service Fund. The $1,188,623.76 for Fund 10 and $112,297.50 for EDC Fund 15, are shown later in the book with the expenditures for those funds.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

Fund 02 DEBT SERVICE

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02-4001-00-00	PROPERTY TAX-CURRENT	2,447,551	2,646,384	2,646,384	2,475,308
02-4011-00-00	PROPERTY TAX-DELINQUENT	(4,383)	7,500	7,500	7,500
02-4041-00-00	PROPERTY TAX-PENALTY	17,031	7,500	7,500	7,500
02-4401-00-00	INVESTMENT INCOME	54,995	43,985	44,910	43,985
02-4902-00-00	PROCEEDS-DEBT/LOAN	-	-	-	-
TOTAL REVENUES		**$ 2,515,194**	**$ 2,705,369**	**$ 2,706,294**	**$ 2,534,293**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
02-5606-21-06	2016 3.72M REFUNDING	375,000	385,000	385,000	315,000
02-5607-21-06	2016 3.72M REFUNDING	21,704	14,902	14,902	8,637
02-5621-21-06	BANK FEES / PAYING AGENT FEES	1,200	500	500	1,200
02-5622-21-06	ARBITRAGE/DISCLOSURE	2,250	2,500	2,750	3,000
02-5625-21-06	ISSUANCE COSTS	-	-	-	-
02-5626-21-06	PMT TO ESCROW AGENT	-	-	-	-
02-5651-21-06	2019 $2.0M TAX NOTES	385,000	395,000	395,000	
02-5652-21-06	2019 $2.0M TAX NOTES	11,163	3,753	3,753	
02-5655-21-06	2020A $1.54M GO RFND	150,000	155,000	155,000	155,000
02-5656-21-06	2020A $1.54M GO RFND	12,424	10,645	10,645	8,754
02-5657-21-06	2021 $6.0M CO-PRINCIPAL	240,000	265,000	265,000	275,000
02-5658-21-06	2021 $6.0M CO - INTEREST	124,050	113,950	113,950	103,150
02-5659-21-06	2020 1.26M GO REFUND-INTEREST	13,848	11,435	11,435	8,975
02-5660-21-06	2020 1.26M GO REFUND-PRINCIPAL	125,000	125,000	125,000	130,000
02-5661-21-06	2023 $17.0 MM C/O - INTEREST	80,000	100,125	100,125	96,000
02-5662-21-06	2023 $17.0 MM C/O - PRINCIPAL	104,125	80,000	80,000	85,000
02-5669-21-06	2024 $3MM GO - INTEREST	148,925	123,800	123,800	118,925
02-5670-21-06	2024 $3MM GO - PRINCIPAL	90,000	95,000	95,000	100,000
02-5671-21-06	2024 $11.0 MM C/O - INTEREST	461,488	441,363	441,363	421,988
02-5672-21-06	2024 $11.0 MM C/O - PRINCIPAL	395,000	410,000	410,000	365,000
TBD	2026 CO Interest	-	-	-	210,375
TBD	2026 CO Principal	-	-	-	100,000
TOTAL EXPENDITURES		**$ 2,741,175**	**$ 2,732,972**	**$ 2,733,222**	**$ 2,506,002**

TOTAL REVENUES OVER (UNDER) EXPENDITURES		**$ (225,982)**	**$ (27,603)**	**$ (26,928)**	**$ 28,291**
02-4915-00-00	TRANSFER IN-EDC FUND	138,847	136,432	136,432	138,975
02-4961-00-00	TRANSFER IN-TIRZ	228,229	-	-	-
02-4960-00-00	TRANSFER IN-PROJECTS	108,265	104,475	104,475	102,685
TOTAL OTHER FINANCING SOURCES (USES)		**$ 475,341**	**$ 240,907**	**$ 240,907**	**$ 241,660**
NET CHANGE IN FUND BALANCE		**$ 249,359**	**$ 213,304**	**$ 213,980**	**$ 269,951**
BEGINNING FUND BALANCE — OCT 1		**$ 945,637**	**$ 1,194,996**	**$ 1,194,996**	**$ 1,408,976**
ENDING FUND BALANCE — SEPT 30		**$ 1,194,996**	**$ 1,408,301**	**$ 1,408,976**	**$ 1,678,926**

Debt Service Requirements -- 2027 DRAFT Budget

Debt Instruments	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)	Fund 10 Water Sewer Fund	Fund 15 Economic Develop Corp	Fund 02 Debt Service Fund (I&S Ad Valorem Tax Levy)	Fund 10 Water Sewer Fund	Fund 15 Economic Development Corporation	2027 Principal $	2027 Interest $
$2,900,000 Comb Tax & Rev C/O Series 2007		100%			214,305.00		210,000.00	4,305.00
$1,200,000 Sales Tax Rev Bonds Taxable Series 2007			100%			112,297.50	105,000.00	7,297.50
$3,720,000 GO Refunding Bond Series 2016	100%			323,636.75			315,000.00	8,636.75
$1,260,000 GO Refunding Bonds Series 2020	100%			138,974.50			130,000.00	8,974.50
$1,540,000 GO Refunding Bonds Series 2020A	100%			163,753.50			155,000.00	8,753.50
$5,735,000 Comb Tax and Rev C/O Series 2021	100%			378,150.00			275,000.00	103,150.00
$17,065,000 Comb Tax and Revenue C/O Series 2023		86%			974,318.76		350,000.00	624,318.76
$17,065,000 Comb Tax and Revenue C/O Series 2023	14%			181,000.00			85,000.00	96,000.00
$2,980,000 General Obligation Bonds Series 2024	100%			218,925.00			100,000.00	118,925.00
$10,810,000 Comb Tax and Revenue C/O Series 2024	100%			786,987.50			365,000.00	421,987.50
TBD Comb Tax and Revenue C/O Series 2026	100%			310,375.00			100,000.00	210,375.00
Total Debt Service by Year				2,501,802.25	1,188,623.76	112,297.50	2,190,000.00	1,612,723.51

Name	Maturity Date	Purpose
$2,900,000Comb Tax & Rev C/O Series 2007	2027	Improve water, sewer, and storm water systems 16" Water Line A - FW Connect $2.4M, 16" Water Line B - $759k
$1,200,000 Sales Tax Rev Bonds Taxable Series 2007	2027	Land for Town Center, 109 W Kennedale Parkway
$3,720,000GO Refunding Bond Series 2016	2028	Refund outstanding 2005 and 2008 bonds for Library and Community Center
$2,000,000Tax Notes Series 2019	2026	Streets, drainage, and facilities construction
$1,260,000 GO Refunding Bonds Series 2020	2030	Improve and repair water, sewer, storm water, streets, parking lots, sidewalks, drainage, utility line, traffic signals, landscaping and lighting; relocate and restore Historic Section House
$1,540,000 GO Refunding Bonds Series 2020A	2031	Refunded 2011 Series that was issued for ROW, street construction, utility relocation, drainage improvements, ambulance and fire truck
$5,735,000 Comb Tax and Rev C/O Series 2021	2041	Public safety vehicles, streets, and drainage
$1,700,000 Texas Leverage Fund Original 3.25% Interest Rate	2026	Link street purchase
$17,065,000 Comb Tax and Revenue C/O Series 2023	2043	Interceptor Project (sewer), Hillside upgrade, portions of rebuilds for Eden Road, New Hope Road, and Swiney Hiett
$2,980,000 General Obligation Bonds Series 2024	2044	Park system improvements
$10,810,000 Comb Tax and Revenue C/O Series 2024	2044	Remodels for public safety facilities, street projects
$5,000,000 Comb Tax and Revenue C/O Series 2026	2047	Fire apparatus, infrastructure repairs/rebuilds



Utility Funds

OVERVIEW: STORMWATER FUND

The Stormwater Utility Fund is an Enterprise Fund with the responsibility for providing stormwater management to approximately 3,251 residential, commercial and industrial customers. It serves approximately 10,626 residents in Kennedale. Stormwater management is a vital issue affecting Kennedale's future with millions of dollars of identified projects needed to address life safety issues, flooding and infrastructure damage. This funding was established to prevent flooding, preserve streams, minimize water pollution and to operate the stormwater system in a more effective manner to fully comply with state and federal regulatory requirements. This will be accomplished by improving infrastructure reconstruction and system maintenance, master planning, enhanced development review and increased public education and outreach.

SHORT-TERM GOALS

- Initial funding from the Texas Water Development Board, TWDB, was finalized and once additional funding is approved by the Federal Emergency Management Administration, FEMA, initiate a construction contract for the Valley Lane Channel improvements
- Revise and submit our Hazard Mitigation Plan (HazMAP) to the Texas Division of Emergency Management (TDEM)
- Continue open drainage maintenance with Tarrant County's Inter-Local Agreements
- Continue spraying of drainage channels to effectively control unwanted vegetation

LONG-TERM GOALS

- Systematically improve infrastructure reconstruction and system maintenance, master planning, enhanced development review, and increased public education and outreach.
- Focus on reducing runoff and improving water quality through maintaining natural hydrologic cycles, site grading, vegetation, soils and natural processes that absorb and filter stormwater onsite

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 7 STORMWATER

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07-4205-00-00	DRAINAGE FEES	279,505	305,200	305,200	332,668
07-4401-00-00	INVESTMENT INCOME	39,008	40,000	23,251	20,000
TOTAL REVENUES		**$ 318,512**	**$ 345,200**	**$ 328,451**	**$ 352,668**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07-5510-35-01	ASSOC DUES/PUBLICATIONS	409	4,200	2,750	4,200
07-5525-35-01	TRAINING/SEMINARS	-	-	-	-
07-5570-35-01	SPECIAL SERVICES	24,990	120,000	62,494	560,000
07-5574-35-01	FILING FEES	100	100	100	100
07-5580-35-01	ENGINEERING SERVICES	11,074	21,500	43,924	21,500
07-5637-90-00	DEPRECIATION EXPENSE	21,061	-	-	-
TOTAL EXPENDITURES		**$ 57,634**	**$ 145,800**	**$ 109,268**	**$ 585,800**

TOTAL REVENUES OVER (UNDER) EXPENDITURES	**$ 260,879**	**$ 199,401**	**$ 219,183**	**$ (233,132)**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
07-5598-35-01	ADMIN CHARGE - STREET	(77,841)	(92,493)	(92,493)	(98,460)
07-5701-35-01	TRANSFER OUT GENERAL FUND	(140,833)	(151,579)	(151,579)	(163,701)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (218,674)**	**$ (244,072)**	**$ (244,072)**	**$ (262,161)**

NET CHANGE IN FUND BALANCE	**$ 42,205**	**$ (44,671)**	**$ (24,889)**	**$ (495,293)**

BEGINNING FUND BALANCE — OCT 1	**$ 811,647**	**$ 853,852**	**$ 853,852**	**$ 828,963**
ENDING FUND BALANCE — SEPT 30	**$ 853,852**	**$ 809,181**	**$ 828,963**	**$ 333,669**

OVERVIEW: WATER/SANITY SEWER FUND

The City of Kennedale continues to receive the majority of its water from the City of Arlington; however, a small amount is purchased from the City of Fort Worth and blended with groundwater. The collection system is channeled to the Trinity River Authority via the City of Arlington.

The City is in the 6th year of a contract with the City of Arlington for operations and maintenance of the Kennedale water and sewer system and utility billing services. The primary source of revenue for the Water/Sewer fund is charges for services, which accounts for 91% of all revenue.

SHORT-TERM GOALS

- Implement the sanitary sewer interceptor improvement project, which involves upgrading approximately 15,000 LF of sewer pipelines along the northwest sector of the city, from South Kennedale Racetrack to Gilman Road
- Invest in the rehabilitation of the elevated tank, T_3, at 500 Gail Dr. to maintain water distribution sustainability, fire flow and pressure
- Be compliant with the Lead and Copper Rule Revisions (LCRR) testing and sampling
- Be compliant with America's Water Infrastructure Act of 2018 (AWIA), Emergency Response Plans (ERPs), and the Risk and Resilience Assessment (RRA)

LONG-TERM GOALS

- Upgrade all undersized water and sewer piping to an 8" diameter minimum
- Loop all dead-end mains, as deemed necessary

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 10 WATER/SEWER

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-4010-00-00	WATER SERVICE	3,694,842	4,312,520	4,312,520	4,700,647
10-4020-00-00	SEWER SERVICE	2,478,751	2,314,671	2,314,671	2,522,991
10-4061-00-00	METER PURCHASE/INSTALATION	4,643	6,300	1,240	6,300
10-4073-00-00	SANITATION BILLING FEES	10,175	8,500	8,500	8,500
10-4081-00-00	SALES TAX	160	175	177	175
10-4090-00-00	ARLINGTON OPERATOR COST	456,885	425,000	425,000	425,000
10-4095-00-00	CDBG Revenue	21,782	-	-	
10-4202-00-00	CAPITAL CONTRIBUTIONS	-	-	-	-
10-4401-00-00	INVESTMENT INCOME	938,606	750,000	549,397	550,000
10-4409-00-00	MISCELLANEOUS INCOME	2,371	-		-
10-4485-00-00	EQUIPMENT SALE GAIN (LOSS)	-	-		-
10-4999-00-00	2023 C/O SERIES A	-	11,000,000	64,995	11,000,000
TOTAL REVENUES		**$ 7,608,216**	**$ 18,817,166**	**$ 7,676,500**	**$ 19,213,613**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
	UTILITY BILLING	2,145,440	2,157,800	1,882,628	2,097,761
	OPERATIONS	3,076,068	3,081,910	3,497,072	3,489,854
	DEBT SERVICE	662,844	1,102,029	1,102,029	1,188,624
	CAPITAL PROJECTS	-	11,640,000	509,379	11,250,000
	NON-DEPARTMENTAL	116,599	51,789	38,069	47,820
TOTAL EXPENDITURES		**$ 6,000,951**	**$ 18,033,528**	**$ 7,029,177**	**$ 18,074,059**

TOTAL REVENUES OVER (UNDER) EXPENDITURES	**$ 1,607,265**	**$ 783,639**	**$ 647,323**	**$ 1,139,554**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-4916-00-00	TRANSFER IN-DEBT SERVICE FUND	-	-	-	-
10-4963-00-00	TRANSFER IN-WATER IMPACT	30,000	30,000	30,000	30,000
10-4964-00-00	TRANSFER IN-SEWER IMPACT	60,000	60,000	60,000	8,000
10-4965-00-00	TRANSFER IN-ROADWAY	97,525	97,525	97,525	97,525
10-5595-90-00	ADMIN CHARGE – GENERAL FUND	(757,935)	(837,350)	(837,350)	(900,955)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (570,410)**	**$ (649,825)**	**$ (649,825)**	**$ (765,430)**

NET CHANGE IN FUND BALANCE	**$ 1,036,855**	**$ 133,814**	**$ (2,502)**	**$ 374,124**

BEGINNING FUND BALANCE — OCT 1	**$ 1,531,787**	**$ 2,568,642**	**$ 2,568,642**	**$ 2,566,140**
ENDING FUND BALANCE — SEPT 30	**$ 2,568,642**	**$ 2,702,456**	**$ 2,566,140**	**$ 2,940,265**

FUND 10 / DEPARTMENT 01 INTERLOCAL AGREEMENT CITY OF ARLINGTON					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5510-36-01	ASSOC DUES/PUBLICATIONS	-	-	-	
10-5530-36-01	ELECTRIC SERVICES	197,202	250,000	204,778	250,000
10-5535-36-01	GAS SERVICES	-	-	-	
10-5570-36-01	SPECIAL SERVICES	268,115	250,000	271,428	250,000
10-5575-36-01	EQUIPMENT RENTAL	-	100	-	-
10-5580-36-01	ENGINEERING SERVICES	-	20,000	-	-
10-5585-36-01	TELEPHONE SERVICES	748	850	737	850
10-5590-36-01	WATER/SEWER SERVICES	2,723	5,250	3,665	5,250
10-5599-36-01	INTERLOCAL-CITY OF ARLINGTON	2,590,078	2,343,000	2,983,754	2,983,754
10-5653-36-01	2019 $2.0M TAX NOTES	17,731	12,710	12,710	-
10-5654-36-01	2019 $2.0M TAX NOTES	(528)	200,000	20,000	-
TOTAL UTILITY OPERATIONS		**$ 3,076,068**	**$ 3,081,910**	**$ 3,497,072**	**$ 3,489,854**

FUND 10 / DEPARTMENT 06 WATER DEBT SERVICE					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5625-36-06	ISSUANCE COSTS	-	-	-	-
10-5626-36-06	2007 $2.9M CO-INTEREST	-	12,710	12,710	4,305
10-5620-36-06	2007 $2.9M CO-PRINCIPAL	19,731	200,000	200,000	210,000
10-5627-36-06	2023 $17.65 UTILITY PRIN	-	250,000	250,000	350,000
10-5628-36-06	2023 $17.65 UTILITY INT	643,113	639,319	639,319	624,319
TOTAL DEBT SERVICE		**$ 662,844**	**$ 1,102,029**	**$ 1,102,029**	**$ 1,188,624**

FUND 10 / DEPARTMENT 09 WATER CAPITAL PROJECTS					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5833-36-09	CDBG SEWER PROJECT	-	300,000	266,176	-
10-5834-36-09	WATER LINE INSTALLATION	-	340,000	178,208	250,000
10-5835-36-09	SEWER LINE INSTALLATION	-	11,000,000	64,995	11,000,000
10-5839-36-09	COA WATER CONNECTION LINE	-	-	-	-
10-5841-36-09	WATER/WASTEWATER RAT	-	-	-	-
TOTAL CAPITAL PROJECTS		**$ -**	**$ 11,640,000**	**$ 509,379**	**$ 11,250,000**

FUND 10 / DEPARTMENT 90 NON-DEPARTMENTAL					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
10-5545-90-01	INSURANCE-PROPERTY	14,569	15,360	18,659	18,659
10-5550-90-01	INSURANCE-GENERAL LIABILITY	3,972	8,229	4,161	4,161
10-5565-90-01	LEGAL SERVICES	85,000	-	-	-
10-5570-90-01	SPECIAL SERVICES	13,058	25,000	15,248	25,000
10-5580-90-01	ENGINEERING SERVICES	-	-	-	-
10-5585-90-01	TELEPHONE SERVICES	-	3,200	-	-
10-5884-90-01	FINES AND PENALTIES	-	-	-	-
TOTAL NON-DEPARTMENTAL		**$ 116,599**	**$ 51,789**	**$ 38,069**	**$ 47,820**

OVERVIEW: WATER IMPACT FEE AND SEWER IMPACT FEE FUNDS

Each of these funds, Water Impact (61) and Sewer Impact (62), receive revenue from fees associated with new development. Expenditures are tied to projects within the scope of each fund and can be used to pay related debt through a transfer to the appropriate fund, typically the Water/Sewer Fund (10).

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 61 - WATER IMPACT FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
61-4201-00-00	IMPACT FEES	22,680	15,000	13,009	14,000
61-4401-00-00	INVESTMENT INCOME	5,127	4,000	2,685	3,500
TOTAL REVENUES		**$ 27,806**	**$ 19,000**	**$ 15,694**	**$ 17,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
61-5580-00-00	ENGINEERING SERVICES	-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 27,806**	**$ 19,000**	**$ 15,694**	**$ 17,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
61-5710-00-00	TRANSFER OUT - W/S FUND	(30,000)	(30,000)	(30,000)	(30,000)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (30,000)**	**$ (30,000)**	**$ (30,000)**	**$ (30,000)**
NET CHANGE IN FUND BALANCE		**$ (2,194)**	**$ (11,000)**	**$ (14,306)**	**$ (12,500)**
BEGINNING FUND BALANCE — OCT 1		**$ 97,765**	**$ 95,571**	**$ 95,571**	**$ 81,265**
ENDING FUND BALANCE — SEPT 30		**$ 95,571**	**$ 84,571**	**$ 81,265**	**$ 68,765**

FUND 62 - SEWER IMPACT FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
62-4201-00-00	IMPACT FEES	12,271	15,000	1,500	1,500
62-4201-00-00	INVESTMENT INCOME	4,450	5,000	1,395	1,000
TOTAL REVENUES		**$ 16,721**	**$ 20,000**	**$ 2,895**	**$ 2,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
62-5580-00-00	ENGINEERING SERVICES		-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 16,721**	**$ 20,000**	**$ 2,895**	**$ 2,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
62-5710-00-00	TRANSFER OUT- W/S FUND	(60,000)	(60,000)	(60,000)	(8,000)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (60,000)**	**$ (60,000)**	**$ (60,000)**	**$ (8,000)**
NET CHANGE IN FUND BALANCE		**$ (43,279)**	**$ (40,000)**	**$ (57,105)**	**$ (5,500)**
BEGINNING FUND BALANCE — OCT 1		**$ 109,605**	**$ 66,326**	**$ 66,326**	**$ 9,221**
ENDING FUND BALANCE — SEPT 30		**$ 66,326**	**$ 26,326**	**$ 9,221**	**$ 3,721**



Capital Project Funds

OVERVIEW: CAPITAL PROJECTS FUND

The Capital Projects Fund (04) receives revenue from Waste Connections based on their overall landfill revenue. Funds are transferred to Debt Service (02) to pay for debt requirements related to improvements to Dick Price Road, the road that leads to the landfill.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

Fund 04 CAPITAL PROJECTS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04-4401-00-00	INVESTMENT INCOME	14,612	7,950	10,279	11,250
04-4421-00-00	LANDFILL REVENUE-WASTE CONNECTION	165,235	120,000	133,065	135,000
TOTAL FUND REVENUES		**$ 179,848**	**$ 127,950**	**$ 143,344**	**$ 146,250**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
		-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 179,848**	**$ 127,950**	**$ 143,344**	**$ 146,250**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
04-5702-00-00	TRANSFER OUT – DEBT SERVICE	(108,265)	(104,475)	(104,475)	(102,685)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (108,265)**	**$ (104,475)**	**$ (104,475)**	**$ (102,685)**
NET CHANGE IN FUND BALANCE		**$ 71,583**	**$ 23,475**	**$ 38,869**	**$ 43,565**
BEGINNING FUND BALANCE — OCT 1		**$ 215,569**	**$ 287,152**	**$ 287,152**	**$ 326,021**
ENDING FUND BALANCE — SEPT 30		**$ 287,152**	**$ 310,627**	**$ 326,021**	**$ 369,586**

OVERVIEW: CAPITAL BOND FUND

The Capital Bond Fund (13) receives proceeds from bonds and records the project expense associated with the bond proceeds. Projects in this fund are independent from those recorded in the Water/Sewer Fund (10). In August 2023, Certificates of Obligation were issued for projects related to water/sewer improvements and street improvements. From that, $2.4 million has been allocated to this Fund related to upcoming street repairs. Projected activity in FY27 is primarily due to a new series of bonds expected to be issued in August 2026. Street improvements, and the purchase of a Quint, are the two largest expenditures. Expenses related to bond issuance and administration are included in the Debt Service Fund.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 13 CAPITAL BOND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
13-4401-00-00	INVESTMENT INCOME	950,099	356,600	438,043	
TBD	2026 CO	-	-	-	5,000,000
13-4887-00-00	CAPITAL PROJECT REIMBURSEMENT	958,657	-	-	-
TOTAL REVENUES		**$ 1,908,756**	**$ 356,600**	**$ 438,043**	**$ 5,000,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
13-5261-01-00	C.O. ISSUANCE COST	-	-	-	-
13-5550-46-09	STREET IMPROVEMENTS	351,513	900,000	877,001	1,330,000
13-5850-42-09	TXDOT BRIDGE PROJECT	54,773	-	-	-
13-5851-43-09	SAFE ROUTES TO SCHOOL	475,806	-	3,466	-
13-5854-44-09	COLLETT SUBLET	666,104	-	-	-
13-5859-11-09	VALLEY LANE	42,029	-	1,657	-
13-5910-11-00	FIRE & POLICE VEHICLES	-	-	-	2,000,000
13-5911-11-09	NEW HOPE ROAD	-	900,000	900,000	-
13-5912-11-09	WEST 3RD STREET RECO	-	-	-	-
13-5914-51-09	PARKS	18,000	2,000,000	350,000	-
13-5915-11-09	PUBLIC SAFETY REMODEL	2,927,529	4,189,549	5,451,568	67,500
TBD	WATER/SEWER PROJECTS	-	-	-	-
TOTAL EXPENDITURES		**$ 4,535,754**	**$ 7,989,549**	**$ 7,583,692**	**$ 3,397,500**
REVENUES OVER (UNDER) EXPENDITURES		**$ (2,626,998)**	**$ (7,632,949)**	**$ (7,145,649)**	**$ 1,602,500**
NET CHANGE IN FUND BALANCE		**$ (2,626,998)**	**$ (7,632,949)**	**$ (7,145,649)**	**$ 1,602,500**
BEGINNING FUND BALANCE — OCT 1		**$ 19,918,926**	**$ 17,291,928**	**$ 17,291,928**	**$ 10,146,278**
ENDING FUND BALANCE — SEPT 30		**$ 17,291,928**	**$ 9,658,979**	**$ 10,146,278**	**$ 11,748,778**

OVERVIEW: PARK DEDICATION FUND

Revenue for the Park Dedication Fund (14) comes primarily from fees associated with certain residential developments within the City and proportionate interest income from pooled investments. Expenditures from this fund are tied to park maintenance and improvements.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 14 PARK DEDICATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
14-4194-00-00	PARK DEDICATION FEES	3,600	2,500	1,200	-
14-4401-00-00	INVESTMENT INCOME	14,172	13,500	8,028	7,800
14-4409-00-00	MISCELLANEOUS INCOME	346	-	-	-
TOTAL REVENUES		**$ 18,118**	**$ 16,000**	**$ 9,228**	**$ 7,800**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
14-5580-52-09	BRICK PAVERS	-	-	-	-
14-5820-51-09	BUILDING IMPROVEMENTS	27,561	160,000	178,000	100,000
14-5875-51-09	CONSTRUCTION	-	-	-	14,000
14-5955-51-09	SONORA PARK BALLFIELDS	-	-	-	-
TOTAL EXPENDITURES		**$ 27,561**	**$ 160,000**	**$ 178,000**	**$ 114,000**
NET CHANGE IN FUND BALANCE		**$ (9,443)**	**$ (144,000)**	**$ (168,772)**	**$ (106,200)**
BEGINNING FUND BALANCE — OCT 1		**$ 289,611**	**$ 280,168**	**$ 280,168**	**$ 111,396**
ENDING FUND BALANCE — SEPT 30		**$ 280,168**	**$ 136,168**	**$ 111,396**	**$ 5,196**

OVERVIEW: LIBRARY BUILDING FUND

This Fund (32) has ran a negative balance for several years. However, without expenditures, the revenue from library fees is slowly bringing the balance toward zero.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 32 LIBRARY BUILDING FUND					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
32-4406-00-00	LIBRARY FINES	353	200	262	300
32-4401-00-00	INVESTMENT INCOME	40	41	32	35
32-4501-00-00	CONTRIBUTION-LIBRARY		-		-
TOTAL REVENUES		$ 393	$ 241	$ 294	$ 335

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
		-	-	-	$ -
TOTAL EXPENDITURES		$ -	$ -	$ -	$ -
NET CHANGE IN FUND BALANCE		$ 393	$ 241	$ 294	$ 335
BEGINNING FUND BALANCE — OCT 1		$ (1,209)	$ (816)	$ (816)	$ (522)
ENDING FUND BALANCE — SEPT 30		$ (816)	$ (575)	$ (522)	$ (187)

OVERVIEW: ROADWAY IMPACT FEE FUND

Similar to other impact fee funds, the Roadway Impact Fee Fund (45) is funded primarily with new development fees and used to fund related projects. For FY27, transfers to cover a portion of Certificates of Obligation issued in 2007 (Fund 10) and TIRZ projects (Fund 21) are scheduled to continue in the same amounts as FY26.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 45- ROADWAY IMPACT FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
45-4215-00-00	IMPACT FEES	30,121	20,000	90,900	20,000
45-4401-00-00	INVESTMENT INCOME	12,147	14,000	6,849	14,000
TOTAL REVENUES		**$ 42,268**	**$ 34,000**	**$ 97,749**	**$ 34,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
45-5582-01-01	IMPACT FEE STUDY	6,498	50,000		
45-5407-01-01	STREET MAINTENANCE		200,000	180,000	
TOTAL EXPENDITURES		**$ 6,498**	**$ 250,000**	**$ 180,000**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ 35,770**	**$ (216,000)**	**$ (82,251)**	**$ 34,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
45-5711-00-00	TRANSFER OUT - WATER	(97,525)	(97,525)	(97,525)	(97,525)
45-5798-00-00	TRANSFER OUT-TIF #1	(10,000)	(10,000)	(10,000)	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (107,525)**	**$ (107,525)**	**$ (107,525)**	**$ (107,525)**
NET CHANGE IN FUND BALANCE		**$ (71,755)**	**$ (323,525)**	**$ (189,776)**	**$ (73,525)**
BEGINNING FUND BALANCE — OCT 1		**$ 429,643**	**$ 357,888**	**$ 357,888**	**$ 168,112**
ENDING FUND BALANCE — SEPT 30		**$ 357,888**	**$ 34,363**	**$ 168,112**	**$ 94,587**



Special Revenue Funds

OVERVIEW: TIF #1 NEW HOPE ROAD FUND

Tax Increment Financing (TIF) authorized by Texas Tax Code Chapter 311 local governments can publicly finance needed structural improvements and enhanced infrastructure within a defined area – a **Tax Increment Reinvestment Zone (TIRZ)** – to encourage desired development. The tax increment is derived from the difference in appraised value between the year in which the reinvestment zone is established (base year) and each year the reinvestment zone is in existence.

An important element of the City's strategic plan - Imagine Kennedale 2015 - was to convert properties in the southwestern portion of the City to residential use. The City updated the Comprehensive Land Use Plan and created a Tax Increment Reinvestment Zone (TIRZ) to fund off-site infrastructure improvements, namely the extension of water and sewer service, reconstruction of New Hope Road, and the addition of hike and bike trails along Kennedale Branch. TIRZ participation agreements with Tarrant County, Tarrant County College District, and the Tarrant County Health District were completed in 2013. The City has not yet seen significant development in the TIRZ but continues cooperating with owners and prospective developers to convert the racetrack properties. A water and sewer study to plan for the extension of the utility services is complete.

Participants

City of Kennedale 100% -- $2,481,849 Maximum
Tarrant County 75% -- $2,481,849 Maximum
Tarrant County College District 50% -- $939,000 Maximum
Tarrant County Hospital District 50% -- $1,427,690 Maximum

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 21 TIF NEW HOPE ROAD FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21-4401-00-00	INVESTMENT INCOME	13,542	12,500	9,979	10,000
21-4516-00-00	INTERGOV-TARRANT COUNTY	39,369	40,000	40,000	40,000
21-4517-00-00	INTERGOV-TARRANT HOSPITAL	25,875	27,000	27,000	27,000
21-4518-00-00	INTERGOV-TARRANT COLLEGE	17,607	15,500	15,500	15,500
TOTAL REVENUES		**$ 96,393**	**$ 95,000**	**$ 92,479**	**$ 92,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21-5580-06-01	ENGINEERING SERVICES	450	150,000	-	-
TOTAL EXPENDITURES		**$ 450**	**$ 150,000**	**$ -**	**$ -**

REVENUES OVER (UNDER) EXPENDITURES	**$ 95,942**	**$ (55,000)**	**$ 92,479**	**$ 92,500**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
21-4519-00-00	INTERGOV-CITY OF KENNEDALE	221,612	192,715	192,715	192,715
21-4945-00-00	TRANSFER IN - ROADWAY IMPACT	10,000	10,000	10,000	10,000
21-4950-00-00	TRANSFER IN-PROJECT COSTS	69,051	-	-	-
21-5702-06-06	TRANSFER OUT - DEBT SERVICE	(228,229)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		**$ 72,434**	**$ 202,715**	**$ 202,715**	**$ 202,715**

NET CHANGE IN FUND BALANCE	**$ 168,376**	**$ 147,715**	**$ 295,194**	**$ 295,215**

BEGINNING FUND BALANCE — OCT 1	**$ 150,493**	**$ 318,869**	**$ 318,869**	**$ 614,063**
ENDING FUND BALANCE — SEPT 30	**$ 318,869**	**$ 466,584**	**$ 614,063**	**$ 909,278**

OVERVIEW: HOTEL OCCUPANCY TAX FUND

Revenue for this Fund (30) comes primary from taxes related to overnight stays within the City. This is calculated as 7% of gross rents and remitted directly to the City each quarter. Presently, this tax comes exclusively from short-term rentals. A small portion of revenue (budgeted at 8% for FY27) comes from a proportionate amount of investment income. Per the State Comptroller, revenue may only be used to promote tourism and the convention and hotel industries.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 30 HOTEL OCCUPANCY TAX FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
30-4084-00-00	OCCUPANCY TAX	17,223	19,000	11,019	15,000
30-4091-00-00	SPECIAL EVENT REVENUE	12,110	5,500	-	-
30-4401-00-00	INVESTMENT INCOME	4,907	5,250	1,968	2,200
TOTAL REVENUES		**$ 34,240**	**$ 29,750**	**$ 12,987**	**$ 17,200**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
30-5561-06-01	RECREATION	27,990	20,000	-	-
30-5562-06-01	TOURISM	-	-	-	-
TOTAL EXPENDITURES		**$ 27,990**	**$ 20,000**	**$ -**	**$ -**
NET CHANGE IN FUND BALANCE		**$ 6,250**	**$ 9,750**	**$ 12,987**	**$ 17,200**
BEGINNING FUND BALANCE — OCT 1		**$ 90,924**	**$ 97,174**	**$ 97,174**	**$ 110,161**
ENDING FUND BALANCE — SEPT 30		**$ 97,174**	**$ 106,924**	**$ 110,161**	**$ 127,361**

OVERVIEW: PUBLIC SEIZURE FUND

Outside of the proportionate share of investment interest, revenue for the Public Seizure Fund (31) comes from property seizures related to law enforcement activity. Expenditures are confined to law enforcement uses.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 31 POLICE SEIZURE FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
31-4401-00-00	INVESTMENT INCOME	1,005	1,150	255	300
31-4409-00-00	MISCELLANEOUS INCOME	10,063	8,000	11,974	10,000
TOTAL REVENUES		**$ 11,068**	**$ 9,150**	**$ 12,229**	**$ 10,300**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
31-5280-06-01	MINOR EQUIP/SMALL TOOLS<$5K	22,452	32,000	-	10,000
31-5570-00-00	SPECIAL SERVICES	-	-	-	
TOTAL EXPENDITURES		**$ 22,452**	**$ 32,000**	**$ -**	**$ 10,000**
NET CHANGE IN FUND BALANCE		**$ (11,384)**	**$ (22,850)**	**$ 12,229**	**$ 300**
BEGINNING FUND BALANCE — OCT 1		**$ 15,302**	**$ 3,918**	**$ 3,918**	**$ 16,147**
ENDING FUND BALANCE — SEPT 30		**$ 3,918**	**$ (18,932)**	**$ 16,147**	**$ 16,447**

OVERVIEW: LEOSE FUND

The State Comptroller of Public Accounts collects and deposits proceeds from court costs into the Law Enforcement Officer Standards and Education (LEOSE) account of the state treasury, which is then distributed to local law enforcement agencies. Local agencies must use the funds to provide continuing education or necessary training for law enforcement officers. Under the Texas Occupations Code, twenty percent of the appropriated amount is distributed to all participating agencies in equal shares, and eighty percent is distributed based on the number of qualifying officers at each entity.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 34 LEOSE FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
34-4094-00-00	LEOSE POLICE TRAINING	1,602	3,700	5,225	4,500
34-4401-00-00	INVESTMENT INCOME	90	90	83	85
TOTAL REVENUES		**$ 1,691**	**$ 3,790**	**$ 5,308**	**$ 4,585**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
34-5514-09-01	TRAINING/SEMINARS-LEOSE	2,030	5,500	-	10,000
TOTAL EXPENDITURES		**$ 2,030**	**$ 5,500**	**$ -**	**$ 10,000**
NET CHANGE IN FUND BALANCE		**$ (339)**	**$ (1,710)**	**$ 5,308**	**$ (5,415)**
BEGINNING FUND BALANCE — OCT 1		**$ 2,228**	**$ 1,889**	**$ 1,889**	**$ 7,198**
ENDING FUND BALANCE — SEPT 30		**$ 1,889**	**$ 179**	**$ 7,198**	**$ 1,783**

OVERVIEW: DISASTER RECOVERY FUND

The Disaster Recovery Fund (35) tracks transactions related to the American Rescue Plan Act of 2021 (ARPA). All remaining funds are allocated for a renovation of the elevated storage tank near the intersection of Dick Price Road and Linda Road (anticipated completion before 11/1/2026). All ARPA funding must be spent before December 31, 2026.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 35 DISASTER RECOVERY FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
35-4085-00-00	CARES ACT FUNDING	1,747,084	1,250,000	1,250,000	188,165
35-4401-00-00	INVESTMENT INCOME	70,126	45,000	6,678	5,250
TOTAL REVENUES		**$ 1,817,210**	**$ 1,295,000**	**$ 1,256,678**	**$ 193,415**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
35-5446-06-01	WATER/SEWER PROJECTS	1,747,084	1,250,000	1,250,000	381,580
TOTAL EXPENDITURES		**$ 1,747,084**	**$ 1,250,000**	**$ 1,250,000**	**$ 381,580**
NET CHANGE IN FUND BALANCE		**$ 70,126**	**$ 45,000**	**$ 6,678**	**$ (188,165)**
BEGINNING FUND BALANCE — OCT 1		**$ 111,361**	**$ 181,487**	**$ 181,487**	**$ 188,165**
ENDING FUND BALANCE — SEPT 30		**$ 181,487**	**$ 226,487**	**$ 188,165**	**$ 0**



Other Funds

OVERVIEW: CAPITAL REPLACEMENT FUND

The Capital Replacement Fund (05) receives transfers from other funds that utilize vehicles. This fund was previously used to make payments towards the City's fleet lease with Enterprise. That agreement concluded in FY26. Going forward this fund will be used as a fleet replacement fund. Vehicle purchases will shift here from the General Fund. An annual transfer from the General Fund will provide a balance sufficient to replace fleet vehicles as the need arises. This annual transfer has been suspended for FY27 with the existing balance budgeted to purchase one police patrol vehicle.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

Fund 05 CAPITAL REPLACEMENT

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05-4401-00-00	INVESTMENT INCOME	-	-	169	
05-4409-00-00	MISCELLANEOUS INCOME	39,685	15,000	42,000	15,000
TOTAL REVENUES		**$ 39,685**	**$ 15,000**	**$ 42,169**	**$ 15,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05-5601-30-17	ENTERPRISE LEASE POLICE	22,221	2,260	3,838	-
05-5602-30-17	ENTERPRISE LEASE STREETS	3,287	920	1,025	-
05-5603-30-17	ENTERPRISE LEASE SENIOR CENTER	-	-	-	-
05-5604-30-17	ENTERPRISE LEASE FIRE	3,464	490	491	-
05-5605-30-17	ENTERPRISE LEASE COMM DEV	643	460	599	-
05-5606-30-17	LEASE PRINCIPAL	-	-	-	-
05-5608-30-17	ENTERPRISE LEASE CITY MNGR	360	520	722	-
05-5636-30-17	LEASE INTEREST	3,353	-	-	-
05-5642-30-17	LEASE PRINCIPAL	22,449	-	-	-
05-5861-30-17	MOTOR VEHICLES	-	-	-	100,000
05-5910-30-17	VEHICLES-POLICE	-	-	-	-
05-5870-30-17	OTHER EQUIPMENT	-	-	13,400	-
TOTAL EXPENDITURES		**$ 55,778**	**$ 4,650**	**$ 20,075**	**$ 100,000**

REVENUES OVER (UNDER) EXPENDITURES	**$ (16,093)**	**$ 10,350**	**$ 22,094**	**$ (85,000)**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
05-4906-00-00	TRANSFER IN-GENERAL	139,200	139,200	139,200	-
05-4917-00-00	TRANSFER IN-STREET FUND	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES)		**$ 139,200**	**$ 139,200**	**$ 139,200**	**$ -**

NET CHANGE IN FUND BALANCE	**$ 123,107**	**$ 149,550**	**$ 161,294**	**$ (85,000)**

BEGINNING FUND BALANCE — OCT 1	**$ (186,904)**	**$ (63,797)**	**$ (63,797)**	**$ 97,497**
ENDING FUND BALANCE — SEPT 30	**$ (63,797)**	**$ 85,753**	**$ 97,497**	**$ 12,497**

OVERVIEW: COURT SECURITY FUND

Revenue for the Court Security Fund (12) came from a $3 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for security personnel, services and items related to buildings that house the operations of our Municipal Court. These items include the purchase or repair of x-ray machines and conveying systems, hand-held metal detectors, walk-through metal detectors, identification cards and systems, electronic locking and surveillance equipment, bailiffs or security contract personnel during times when they are providing appropriate security services, signage, confiscated weapons inventory and tracking systems, locks, chains, or other security hardware and other item or service permitted by law. Starting May 29, 2025, court security revenue has been directed to the Municipal Court Building Security and Technology Fund (19). This fund will cease to exist once the balance reaches zero.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 12 COURT SECURITY FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
12-4249-00-00	COURT SECURITY FEE	8,162	-		-
12-4401-00-00	INVESTMENT INCOME	933	-	657	-
TOTAL REVENUES		**$ 9,094**	**$ -**	**$ 657**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
12-5303-00-01	BUILDING MAINTENANCE	22,599	18,146	18,146	2,278
TOTAL EXPENDITURES		**$ 22,599**	**$ 18,146**	**$ 18,146**	**$ 2,278**
NET CHANGE IN FUND BALANCE		**$ (13,505)**	**$ (18,146)**	**$ (17,489)**	**$ (2,278)**
BEGINNING FUND BALANCE — OCT 1		**$ 33,272**	**$ 19,767**	**$ 19,767**	**$ 2,278**
ENDING FUND BALANCE — SEPT 30		**$ 19,767**	**$ 1,621**	**$ 2,278**	**$ 0**

OVERVIEW: COURT TECHNOLOGY FUND

Revenue for the Court Technology Fund (16) came from a $4 fee assessed to defendants convicted of misdemeanors as a cost of court. Expenditures may only be used for technological enhancements for the Municipal Court, including computer systems, computer networks, computer hardware, computer software, imaging systems, electronic kiosks, electronic ticket writers or docket management systems. Starting May 29, 2025, court security revenue has been directed to the Municipal Court Building Security and Technology Fund (19). This fund will cease to exist once the balance reaches zero.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 16 COURT TECHNOLOGY

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
16-4247-00-00	TECHNOLOGY FEES	6,668	-	-	-
16-4401-00-00	INVESTMENT INCOME	814	-	358	-
TOTAL REVENUES		**$ 7,482**	**$ -**	**$ 358**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
16-5440-00-00	OFFICE EQUIP	5,539	13,202	1,487	526
16-5280-00-00	MINOR EQUIP/SMALL TOOLS >5K	-	-	-	-
16-5445-00-01	SOFTWARE	-	-	15,000	-
TOTAL EXPENDITURES		**$ 5,539**	**$ 13,202**	**$ 16,487**	**$ 526**
NET CHANGE IN FUND BALANCE		**$ 1,943**	**$ (13,202)**	**$ (16,129)**	**$ (526)**
BEGINNING FUND BALANCE — OCT 1		**$ 14,712**	**$ 16,655**	**$ 16,655**	**$ 526**
ENDING FUND BALANCE — SEPT 30		**$ 16,655**	**$ 3,453**	**$ 526**	**$ 0**

OVERVIEW: MUNIPCAL COURT BUILDING SECURITY AND TECHNOLOGY FUND

This new fund, created by House Bill 1950, combines resources previously designated for the Court Security and Court Technology Funds, effectively consolidating those uses. Revenue for this fund will come from a separate $4 and $4.90 fees assessed to defendants convicted of misdemeanors as costs of the court. Expenditures may be used for security personnel, services and items related to buildings that house the operations of our Municipal Court. These items include the purchase or repair of x-ray machines and conveying systems, hand-held metal detectors, walk-through metal detectors, identification cards and systems, electronic locking and surveillance equipment, bailiffs or security contract personnel during times when they are providing appropriate security services, signage, confiscated weapons inventory and tracking systems, locks, chains, or other security hardware and other item or service permitted by law. Expenditures may also be used for technological enhancements for the Municipal Court, including computer systems, computer networks, computer hardware, computer software, imaging systems, electronic kiosks, electronic ticket writers or docket management systems.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 19 MUNICIPAL COURT BUILDING SECURITY AND TECHNOLOGY FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
19-4250-00-00	COURT FEE INCOME	-	15,350	21,626	18,250
19-4401-00-00	INVESTMENT INCOME	-	1,475	18	20
TOTAL REVENUES		**$ -**	**$ 16,825**	**$ 21,644**	**$ 18,270**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
19-5280-04-01	MINOR EQUIP/SMALL TOOLS >5K	-	-	-	
19-5303-04-01	BUILDING MAINTENANCE	-	5,000	-	14,457
19-5440-04-01	OFFICE EQUIP	-	5,000	5,000	14,957
19-5445-04-01	SOFTWARE	-	-	-	5,500
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ 5,000**	**$ 34,914**
NET CHANGE IN FUND BALANCE		**$ -**	**$ 16,825**	**$ 16,644**	**$ (16,644)**
BEGINNING FUND BALANCE — OCT 1		**$ -**	**$ -**	**$ -**	**$ 16,644**
ENDING FUND BALANCE — SEPT 30		**$ -**	**$ 16,825**	**$ 16,644**	**$ -**

OVERVIEW: LOCAL YOUTH DIVERSION FUND

Revenue for the Local Youth Diversion Fund (18) comes from a $5 fee assessed to defendants convicted of a "fine only misdemeanor offense" as a cost of court. Expenditures may only finance the salary and benefits of a juvenile case manager that is employed by the Municipal Court of the City of Kennedale. At present, funds resulting from the $5 fee are placed into the General Fund (01) as a reimbursement for the wages and benefits of the City's Juvenile Case Manager.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 18 LOCAL YOUTH DIVERSION FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
18-4248-00-00	LOCAL YOUTH DIVERSION FEES	12	50	3	50
18-4401-00-00	INVESTMENT INCOME	499	500	303	300
TOTAL REVENUES		**$ 511**	**$ 550**	**$ 306**	**$ 350**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
18-5570-56-01	SPECIAL SERVICES	-	10,000	-	10,000
TOTAL EXPENDITURES		**$ -**	**$ 10,000**	**$ -**	**$ 10,000**
NET CHANGE IN FUND BALANCE		**$ 511**	**$ (9,450)**	**$ 306**	**$ (9,650)**
BEGINNING FUND BALANCE — OCT 1		**$ 9,680**	**$ 10,191**	**$ 10,191**	**$ 10,497**
ENDING FUND BALANCE — SEPT 30		**$ 10,191**	**$ 741**	**$ 10,497**	**$ 847**

OVERVIEW: GRANTS FUND

The Grants Fund (40) will house funding and track expenditures for grants awarded to the City. As most grants function as cost reimbursable agreements (funding isn't received until an expenditure has taken place and proper documentation has been provided to the granting agency), this fund is expected to have a $0 balance over time. Previously, grant revenues and expenditures were tracked in the General Fund (01).

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 40 GRANTS					
Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
40-4086-09-01	POLICE DEPARTMENT GRANTS	1,000	-	-	200,000
40-4095-17-00	LIBRARY GRANTS	90,032	-	5,000	-
40-4098-10-00	FIRE DEPARTMENT GRANTS	286,004	-	580,000	-
40-XXXX-12-00	COMMUNITY DEVEOPMENT GRANTS				139,000
40-XXXX-20-00	PUBLIC WORKS GRANTS				1,200,000
40-4401-00-00	INVESTMENT INCOME	-	-	83	-
TOTAL REVENUES		**$ 377,036**	**$ -**	**$ 585,083**	**$ 1,539,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
40-5291-09-01	GRANT FUNDED SUPPLIES-POLICE	-	-		200,000
40-5291-10-01	GRANT FUNDED SUPPLIES-FIRE	286,004	-	391,252	-
40-5291-12-01	GRANT FUNDED SUPPLIES-COMM DEV				139,000
40-5291-17-01	GRANT FUNDED SUPPLIES-LIBRARY	81,392		5,000	-
40-5291-20-01	GRANT FUNDED - PUBLIC WORKS				1,200,000
TOTAL EXPENDITURES		**$ 367,396**	**$ -**	**$ 396,252**	**$ 1,539,000**
NET CHANGE IN FUND BALANCE		**$ 9,639**	**$ -**	**$ 188,831**	**$ -**
BEGINNING FUND BALANCE — OCT 1		**$ (621,039)**	**$ (611,400)**	**$ (611,400)**	**$ (422,569)**
ENDING FUND BALANCE — SEPT 30		**$ (611,400)**	**$ (611,400)**	**$ (422,569)**	**$ (422,569)**

OVERVIEW: PARK RECOVERY AND OTHER DONATIONS

Donations from the community, and their related expenditures, are tracked in the Park Recovery and Other Donations Fund (41). Similar to the Grant Fund (40), this fund is expected to have a $0 balance over time.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 41 PARK RECOVERY & OTHER DONATIONS

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
41-4401-00-00	INVESTMENT INCOME	1,531	1,800	768	770
41-4409-00-00	MISCELLANEOUS INCOME	220	750	-	-
41-4522-00-00	DONATIONS	-	-	-	-
41-4920-00-00	TRANSFERS IN	-	-	-	-
TOTAL REVENUES		**$ 1,751**	**$ 2,550**	**$ 768**	**$ 770**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
41-5518-10-01	FIRE DONATION USE	3,175	-	-	-
41-5526-09-01	POLICE DONATION USE	4,598	8,000	-	-
41-5527-15-01	BARK IN PARK	775	1,500	824	1,000
41-5522-00-00	KEEP KENNEDALE BEAUT	-	-	-	-
TOTAL EXPENDITURES		**$ 8,548**	**$ 9,500**	**$ 824**	**$ 1,000**
NET CHANGE IN FUND BALANCE		**$ (6,797)**	**$ (6,950)**	**$ (56)**	**$ (230)**
BEGINNING FUND BALANCE — OCT 1		**$ 12,637**	**$ 5,840**	**$ 5,840**	**$ 5,784**
ENDING FUND BALANCE — SEPT 30		**$ 5,840**	**$ (1,110)**	**$ 5,784**	**$ 5,554**

OVERVIEW: TREE REFORESTATION FUND

Funds collected by the City's Community Development Department for tree removal permits, donations, and related development agreements are the primary source of revenue for the Tree Reforestation Fund (83). Expenditures are limited to planting trees within the City or acquiring wooded property to preserve its natural state.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 83 TREE REFORESTATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
83-4197-00-00	TREE REFORESTATION	-	-	-	-
83-4401-00-00	INVESTMENT INCOME	4,242	4,500	1,725	1,725
TOTAL REVENUES		**$ 4,242**	**$ 4,500**	**$ 1,725**	**$ 1,725**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
83-5290-06-01	EXPENDABLE SUPPLIES	-	-	-	-
83-5570-06-01	SPECIAL SERVICES	-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
NET CHANGE IN FUND BALANCE		**$ 4,242**	**$ 4,500**	**$ 1,725**	**$ 1,725**
BEGINNING FUND BALANCE — OCT 1		**$ 82,313**	**$ 86,555**	**$ 86,555**	**$ 88,280**
ENDING FUND BALANCE — SEPT 30		**$ 86,555**	**$ 91,055**	**$ 88,280**	**$ 90,005**

OVERVIEW: UNCLAIMED PROPERTY FUND

The Unclaimed Property Fund (85) is used for holding property valued at $100 or less that is presumed abandoned or unclaimed subject to Title VI, Chapter 76, of the Texas Property Code.

Strategic Priorities

Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 85 - UNCLAIMED PROPERTY

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
85-4401-00-00	INVESTMENT INCOME	-	-	-	-
TOTAL REVENUES		**$ -**	**$ -**	**$ -**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
85-5261-06-01	POSTAGE	-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**
REVENUES OVER (UNDER) EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
85-5760-06-01	TRANSFER OUT	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		**$ -**	**$ -**	**$ -**	**$ -**
NET CHANGE IN FUND BALANCE		**$ -**	**$ -**	**$ -**	**$ -**
BEGINNING FUND BALANCE — OCT 1		**$ 334**	**$ 334**	**$ 334**	**$ 334**
ENDING FUND BALANCE — SEPT 30		**$ 334**	**$ 334**	**$ 334**	**$ 334**



EDC Funds

OVERVIEW: ECONOMIC DEVELOPMENT CORPORATION

A component unit of the City of Kennedale, the Economic Development Corporation (EDC) is primarily funded by a .50% sales tax levied on items sold in the City of Kennedale. Revenue also comes in the form of rent paid by tenants of the TownCenter, the proportionate share of investment income, and other fees related to operating the TownCenter. For FY27, the EDC has budgeted $75,000 in grants for entrepreneurs looking to establish, or further grow, their business in Kennedale.

Strategic Priorities	
Growth Management	Housing
Future Land Use	Parks, Recreation, and Open Space
Transportation	Utilities, Infrastructure, and City Services
Economic Development	

FUND 15 ECONOMIC DEVELOPMENT CORPORATION

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-4002-00-00	MMD TAX-CURRENT YEAR	-	-	-	
15-4081-00-00	SALES TAX	1,029,007	1,045,223	1,045,223	1,081,806
15-4104-00-00	CHRISTMAS EVENT DONATION	17,500	5,000	25,850	20,000
15-4401-00-00	INVESTMENT INCOME	118,427	120,000	67,738	60,000
15-4409-00-00	MISCELLANEOUS INCOME	10,428	10,000	6,913	50,000
15-4412-00-00	LAND PROCEEDS	-	-	-	-
15-4413-00-00	SIGN FOUNDATION REVENUE	12,000	-	-	-
15-4805-00-23	RENTAL FEES-SHOPPING CENTER	294,717	240,000	240,000	184,000
15-4808-00-00	RENTAL FEES-LAND	36,000	18,000	36,000	18,000
TOTAL REVENUES		**$ 1,518,078**	**$ 1,438,223**	**$ 1,421,724**	**$ 1,413,806**

-

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5280-06-01	MINOR EQUIP/SMALL TOOLS<$5K			11	
15-5403-06-01	BUILDING MAINTENANCE	10,541	25,000	25,000	35,000
15-5501-06-01	ADVERTISING	-	7,000	2,500	5,000
15-5510-06-01	ASSOC DUES/PUBLICATICATIONS	557	1,500	2,500	1,500
15-5525-06-01	TRAINING/SEMINARS	-	-	-	500
15-5565-06-01	LEGAL SERVICES	707	12,000	15,000	22,000
15-5570-06-01	SPECIAL SERVICES	147,541	125,000	52,000	75,000
15-5571-06-01	SPECIAL EVENTS	94,159	53,000	54,949	80,000
15-5578-06-01	TRAVEL	637	2,500	450	2,000
15-5615-06-01	FUNCTIONAL GRANT	11,778	125,000	55,000	75,000
15-5800-06-01	LAND	757	-	621,932	-
TOTAL OPERATIONS		**$ 266,678**	**$ 351,000**	**$ 829,342**	**$ 296,000**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5628-06-06	2007 $1.2M TAX BOND-INTEREST	20,503	14,248	14,248	7,298
15-5629-06-06	2007 $1.2M TAX BOND-PRINCIPAL	90,000	100,000	100,000	105,000
15-5645-06-06	2011 $1.7M TX LEVERAGE – INT	5,777	2,421	669	-
15-5646-06-06	2011 $1.7M TX LEVERAGE – PRIN	50,219	58,925	58,970	-
TBD	Private Financed Land - Principal	-	-	-	324,740
TBD	Private Financed Land - Interest	-	-	-	28,748
TOTAL DEBT SERVICE EXPENDITURES		**$ 166,499**	**$ 175,594**	**$ 173,886**	**$ 465,786**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5403-53-23	BUILDING MAINTENANCE	36,922	758,405	758,405	40,000
15-5405-53-23	TOWN CENTER PLAZA	15,458	-	-	20,000
15-5530-53-23	ELECTRIC SERVICES	7,178	-	7,265	7,500
15-5545-53-23	INSURANCE-PROPERTY	16,970	15,360	21,299	26,000
15-5570-53-23	SPECIAL SERVICES	12,664	18,000	75,000	
15-5595-53-23	LANDSCAPING---CAM	2,286	-		
15-5870-53-23	FOUNTAIN	-	80,000	80,000	-
15-5870-53-23	MONUMENTS FOR CITY ENTRANCES	-	84,000	-	100,000
15-5870-53-23	OTHER EQUIPMENT	-	70,000	68,130	20,000
TOTAL TOWN SHOPPING CENTER EXPENDITURES		**$ 91,478**	**$ 1,025,765**	**$ 1,010,099**	**$ 213,500**

TOTAL EXPENDITURES	**$ 524,655**	**$ 1,552,359**	**$ 2,013,327**	**$ 975,286**
REVENUES OVER (UNDER) EXPENDITURES	**$ 993,424**	**$ (114,136)**	**$ (591,603)**	**$ 448,520**

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
15-5595-06-01	ADMIN CHARGE – GENERAL FUND	(540,545)	(454,738)	(454,738)	(491,103)
15-5702-06-01	TRANSFER OUT – DEBT SERVICE	(138,847)	(136,432)	(136,432)	(138,975)
15-5717-06-01	TRANSFER OUT - PUBLIC WORKS	-	(92,493)	(92,493)	(98,460)
TOTAL OTHER FINANCING SOURCES (USES)		**$ (679,392)**	**$ (683,663)**	**$ (683,663)**	**$ (728,538)**

NET CHANGE IN FUND BALANCE	**$ 314,032**	**$ (797,799)**	**$ (1,275,266)**	**$ (290,018)**
BEGINNING FUND BALANCE — OCT 1	**$ 2,192,554**	**$ 2,506,586**	**$ 2,506,586**	**$ 1,231,320**
ENDING FUND BALANCE — SEPT 30	**$ 2,506,586**	**$ 1,708,787**	**$ 1,231,320**	**$ 941,302**

FUND 95 ECONOMIC DEVELOPMENT CORPORATION BOND RESERVE FUND

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
95-4401-00-00	INVESTMENT INCOME	7,054	6,500	4,259	4,250
TOTAL REVENUES		**$ 7,054**	**$ 6,500**	**$ 4,259**	**$ 4,250**

-

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
		-	-	-	-
TOTAL EXPENDITURES		**$ -**	**$ -**	**$ -**	**$ -**

-

REVENUES OVER (UNDER) EXPENDITURES		**$ 7,054**	**$ 6,500**	**$ 4,259**	**$ 4,250**

-

Account	Description	FY25 Actual	FY26 Budget	FY26 Projected	FY27 Budget
TRANSFERS IN (OUT)		-	-	-	-
TOTAL OTHER		**$ -**	**$ -**	**$ -**	**$ -**

-

NET CHANGE IN FUND BALANCE		**$ 7,054**	**$ 6,500**	**$ 4,259**	**$ 4,250**
BEGINNING FUND BALANCE — OCT 1		**$ 136,884**	**$ 143,938**	**$ 143,938**	**$ 148,197**
ENDING FUND BALANCE — SEPT 30		**$ 143,938**	**$ 150,438**	**$ 148,197**	**$ 152,447**

2026 Tax Rate Calculation Worksheet
Taxing Units Other Than School Districts or Water Districts

Form 50-856

CITY OF KENNEDALE
Taxing Unit Name

(817) 985-2105
Phone *(area code and number)*

405 Municipal Dr Kennedale TX 76060
Taxing Unit's Address, City, State, ZIP Code

http://www.cityofkennedale.com
Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per $100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 and JETI Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 and JETI Agreements.*

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet.*

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

Taxing units must include a hyperlink to a document that evidences the accuracy of each entry in the worksheet other than an entry making a mathematical calculation.[1] Source materials must contain data for all worksheets used, including supplemental worksheets.

Insert hyperlink:

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	**Prior year total taxable value.** Enter the amount of the prior year taxable value on the prior year tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17).[2]	$ 1,273,189,302
2.	**Prior year tax ceilings.** Counties, cities and junior college districts. Enter the prior year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision last year or a prior year for homeowners age 65 or older or disabled, use this step.[3]	$ 211,915,938
3.	**Preliminary prior year adjusted taxable value.** Subtract Line 2 from Line 1.	$ 1,061,273,364
4.	**Prior year total adopted tax rate.**	$ 0.69619 /$100
5.	**Prior year taxable value lost because court appeals of ARB decisions reduced the prior year's appraised value.** **A. Original prior year ARB values:** $ 64,660,020 **B. Prior year values resulting from final court decisions:** - $ 60,395,200 **C. Prior year value loss.** Subtract B from A.[4]	$ 4,264,820

[1] Tex. Tax Code §§5.07(g)(4) and 26.04(d-1)
[2] Tex. Tax Code §26.012(14)
[3] Tex. Tax Code §26.012(14)
[4] Tex. Tax Code §26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
6.	**Prior year taxable value subject to an appeal under Chapter 42, as of July 25.** **A. Prior year ARB certified value:** $ 4,890,000 **B. Prior year disputed value:** - $ 733,500 **C. Prior year undisputed value.** Subtract B from A. [5]	$ 4,156,500
7.	**Prior year Chapter 42 related adjusted values.** Add Line 5C and Line 6C.	$ 8,421,320
8.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Add Line 3 and Line 7.	$ 1,069,694,684
9.	**Prior year taxable value of property in territory the taxing unit deannexed after Jan. 1 of the prior year.** Enter the prior year value of property in deannexed territory. [6]	$ 0
10.	**Prior year taxable value lost because property first qualified for an exemption in the current year.** If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in the current year does not create a new exemption or reduce taxable value. **A. Absolute exemptions.** Use prior year market value: $ 0 **B. Partial exemptions.** Current year exemption amount or current year percentage exemption times prior year value: + $ 17,816,043 **C. Value loss.** Add A and B. [7]	$ 17,816,043
11.	**Prior year taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/ scenic appraisal or public access airport special appraisal in the current year.** Use only properties that qualified for the first time in the current year; do not use properties that qualified in the prior year. **A. Prior year market value:** $ 254,900 **B. Current year productivity or special appraised value:** - $ 532 **C. Value loss.** Subtract B from A. [8]	$ 254,368
12.	**Total adjustments for lost value.** Add Lines 9, 10C and 11C.	$ 18,070,411
13.	**Prior year captured value of property in a TIF.** Enter the total value of the prior year captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the prior year taxes were deposited into the tax increment fund. [9] If the taxing unit has no captured appraised value in line 18D, enter 0.	$ 33,657,332
14.	**Prior year total value.** Subtract Line 12 and Line 13 from Line 8.	$ 1,017,966,941
15.	**Adjusted prior year total levy.** Multiply Line 4 by Line 14 and divide by $100.	$ 7,086,984
16.	**Taxes refunded for years preceding the prior tax year.** Enter the amount of taxes refunded by the taxing unit for tax years preceding the prior tax year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for the prior tax year. This line applies only to tax years preceding the prior tax year. [10]	$ 0
17.	**Adjusted prior year levy with refunds.** Add Lines 15 and 16. [11]	$ 7,086,984

[5] Tex. Tax Code §26.012(13)
[6] Tex. Tax Code §26.012(15)
[7] Tex. Tax Code §26.012(15)
[8] Tex. Tax Code §26.012(15)
[9] Tex. Tax Code §26.03(c)
[10] Tex. Tax Code §26.012(13)
[11] Tex. Tax Code §26.012(13) and (15)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
18.	**Total current year taxable value on the current year certified appraisal roll today.** This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. [12]	
	A. Certified values: ..... $ 1,214,069,709	
	B. Counties: Include railroad rolling stock values certified by the Comptroller's office: ..... + $ 0	
	C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: ..... - $ 0	
	D. Tax increment financing: Deduct the current year captured appraised value of property taxable by a taxing unit in a tax increment reinvestment zone for which the current year taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 24 below. [13] Adjustments to the taxable value must be calculated separately for each reinvestment zone using Form 50-110.[14] Enter the total from Form 50-110 ..... - $ 31,510,721	
	E. Total current year value. Add A and B, then subtract C and D.	$ 1,182,558,988
19.	**Total value of properties under protest or not included on certified appraisal roll.** [15]	
	A. Current year taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. [16] ..... $ 30,982,514	
	B. Current year value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. [17] ..... + $ 0	
	C. Total value under protest or not certified. Add A and B.	$ 30,982,514
20.	**Current year tax ceilings.** Counties, cities and junior colleges enter current year total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in the prior year or a previous year for homeowners age 65 or older or disabled, use this step.[18]	$ 188,775,931
21.	**Anticipated contested value.** Affected taxing units enter the contested taxable value for all property that is subject to anticipated substantial litigation. [19] An affected taxing unit is wholly or partly located in a county that has a population of less than 500,000 and is located on the Gulf of Mexico.[20] If completing this line, the taxing unit must include supporting documentation in Section 9.[21] Taxing units that are not affected, enter 0.	$ 0
22.	**Current year total taxable value.** Add Lines 18E and 19C, then subtract Lines 20 and 21.[22]	$ 1,024,765,571
23.	**Total current year taxable value of properties in territory annexed after Jan. 1, of the prior year.** Include both real and personal property. Enter the current year value of property in territory annexed. [23]	$ 0
24.	**Total current year taxable value of new improvements and new personal property located in new improvements.** New means the item was not on the appraisal roll in the prior year. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, of the prior year and be located in a new improvement. New improvements **do** include property on which a tax abatement agreement has expired for the current year. [24]	$ 4,167,897

[12] Tex. Tax Code §§26.012(6) and 26.04(c-2)
[13] Tex. Tax Code §26.03(c)
[14] Tex. Tax Code §26.03(e)
[15] Tex. Tax Code §26.01(c) and (d)
[16] Tex. Tax Code §26.01(c)
[17] Tex. Tax Code §26.01(d)
[18] Tex. Tax Code §26.012(6)(B)
[19] Tex. Tax Code §§26.012(6)(C) and 26.012(1-b)
[20] Tex. Tax Code §26.012(1-a)
[21] Tex. Tax Code §26.04(d-3)
[22] Tex. Tax Code §26.012(6)
[23] Tex. Tax Code §26.012(17)
[24] Tex. Tax Code §26.012(17)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
25.	**Total adjustments to the current year taxable value.** Add Lines 23 and 24.	$ 4,167,897
26.	**Adjusted current year taxable value.** Subtract Line 25 from Line 22.	$ 1,020,597,674
27.	**Current year NNR tax rate.** Divide Line 17 by Line 26 and multiply by $100. [25]	$ 0.694395 /$100
28.	**COUNTIES ONLY.** Add together the NNR tax rates for each type of tax the county levies. The total is the current year county NNR tax rate. [26]	$ 0 /$100

Voter Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the tax rate. The type of taxing unit will determine the rate components that apply to a taxing units' overall voter-approval tax rate.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit's debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

SECTION 2: Maintenance and Operations (M&O) and Debt Tax Rate Worksheet

This section calculates two components of the voter-approval tax rate:

1. **Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt Rate:** The debt rate includes the minimum dollar amount required to be paid toward debt service for the current year.[27] This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
29.	**Prior year M&O tax rate.** Enter the prior year M&O tax rate.	$ 0.483073 /$100
30.	**Prior year taxable value, adjusted for actual and potential court-ordered adjustments.** Enter the amount in Line 8 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,069,694,684
31.	**Total prior year M&O levy.** Multiply Line 29 by Line 30 and divide by $100.	$ 5,167,406
32.	**Adjusted prior year levy for calculating NNR M&O rate.** **A.** **M&O taxes refunded for years preceding the prior tax year.** Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2025. This line applies only to tax years preceding the prior tax year. + $ 0 **B.** **Prior year taxes in TIF.** Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no current year captured appraised value in Line 18D, enter 0. – $ 236,847 **C.** **Prior year transferred function.** If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- $ 0 **D.** **Prior year M&O levy adjustments.** Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. $ -236,847 **E.** Add Line 31 to 32D.	$ 4,930,559
33.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,020,597,674
34.	**Current year NNR M&O rate (unadjusted).** Divide Line 32E by Line 33 and multiply by $100.	$ 0.483105 /$100

[25] Tex. Tax Code §26.04(c)
[26] Tex. Tax Code §26.04(d)
[27] Tex. Tax Code §26.012(3)

Line	M&O and Debt Tax Rate Worksheet		Amount/Rate
35.	**Rate adjustment for state criminal justice mandate.** [28]		
	A. Current year state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose.	$ 0	
	B. Prior year state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies.	– $ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0 /$100
36.	**Rate adjustment for indigent health care expenditures.** [29]		
	A. Current year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year, less any state assistance received for the same purpose.	$ 0	
	B. Prior year indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state assistance received for the same purpose.	– $ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0 /$100	
	D. Enter the rate calculated in C. If not applicable, enter 0.		$ 0 /$100
37.	**Rate adjustment for county indigent defense compensation.** [30]		
	A. Current year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, of the prior tax year and ending on June 30,of the current tax year, less any state grants received by the county for the same purpose.	$ 0	
	B. Prior year indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2024 and ending on June 30, 2025, less any state grants received by the county for the same purpose.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0 /$100	
	D. Multiply B by 0.05 and divide by Line 33 and multiply by $100.	$ 0 /$100	
	E. Enter the lesser of C and D. If not applicable, enter 0.		$ 0 /$100
38.	**Rate adjustment for county hospital expenditures.** [31]		
	A. Current year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, of the prior tax year and ending on June 30, of the current tax year.	$ 0	
	B. Prior year eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2024 and ending on June 30, 2025.	$ 0	
	C. Subtract B from A and divide by Line 33 and multiply by $100.	$ 0 /$100	
	D. Multiply B by 0.08 and divide by Line 33 and multiply by $100.	$ 0 /$100	
	E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.		$ 0 /$100

[28] Tex. Tax Code §26.044
[29] Tex. Tax Code §26.0441
[30] Tex. Tax Code §26.0442
[31] Tex. Tax Code §26.0443

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
39.	**Rate adjustment for defunding municipality.** This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code Section 26.0444 for more information. **A.** **Amount appropriated for public safety in the prior year.** Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year. $ 0 **B.** **Expenditures for public safety in the prior year.** Enter the amount of money spent by the municipality for public safety during the preceding fiscal year $ 0 **C.** Subtract B from A and divide by Line 33 and multiply by $100 $ 0 /$100 **D.** Enter the rate calculated in C. If not applicable, enter 0.	$ 0 /$100
40.	**Adjusted current year NNR M&O rate.** Add Lines 34, 35D, 36D, 37E, and 38E. Subtract Line 39D.	$ 0.483105 /$100
41.	**Adjustment for prior year sales tax specifically to reduce property taxes.** Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in the prior year should complete this line. These entities will deduct the sales tax gain rate for the current year in Section 3. Other taxing units, enter zero. **A.** Enter the amount of additional sales tax collected and spent on M&O expenses in the prior year, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent $ 1,029,006.59 **B.** Divide Line 41A by Line 33 and multiply by $100 $ 0.100823 /$100 **C.** Add Line 41B to Line 40.	$ 0.583928 /$100
42.	**Current year voter-approval M&O rate.** Enter the rate as calculated by the appropriate scenario below. **Special Taxing Unit.** If the taxing unit qualifies as a special taxing unit, multiply Line 41C by 1.08. **- or -** **Other Taxing Unit.** If the taxing unit does not qualify as a special taxing unit, multiply Line 41C by 1.035.	$ 0.604365 /$100
D42.	***Disaster Line 42 (D42):* Current year voter-approval M&O rate for taxing unit affected by disaster declaration.** [32] If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate a rate equal to the lesser of: **A.** The voter-approval tax rate calculated in the manner provided for a special taxing unit. Multiply line 41C by 1.08 [33] $ 0 /$100 **- or -** **B.** The voter-approval M&O tax rate calculated in the manner provided for a taxing unit other than a special taxing unit plus the disaster relief rate. [34] Complete Section 5 through Line 68 to complete D42(B). a. Enter the **disaster relief cost.** $ 0 b. **Disaster relief rate**. Divide Line D42(B)(a) by Line 26 and multiply by 100 $ 0 /$100 c. Add Line D42(B)(b) to Line 42. $ 0.604365 /$100 d. Enter the **current year unused increment rate** from Line 68 $ 0.05015 /$100 e Add Line D42(c) to Line D42(d). $ 0.654515 /$100 The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of: 1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred; or 2) the third tax year after the tax year in which the disaster occurred. **C.** Enter Line D42(A) if less than Line D42(B)(e). If Line D42(B)(e) is less than line D42(A), enter Line D42(B)(c). [35] If the taxing unit does not qualify, do not complete Disaster Line 42 (Line D42).	$ 0 /$100

[32] Tex. Tax Code §26.042
[33] Tex. Tax Code §26.042(a-2)(1)
[34] Tex. Tax Code §§26.042(a-1) and 26.042(a-2)(2)
[35] Tex. Tax Code §26.042(a-2)

Line	M&O and Debt Tax Rate Worksheet	Amount/Rate
43.	**Total current year debt to be paid with property taxes and additional sales tax revenue.** Debt means the interest and principal that will be paid on debts that: **(1)** are paid by property taxes; **(2)** are secured by property taxes; **(3)** are scheduled for payment over a period longer than one year; and **(4)** are not classified in the taxing unit's budget as M&O expenses. **A. Debt** also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here. [36] Enter debt amount ..... $ 2,501,803 **B.** Subtract **unencumbered fund amount** used to reduce total debt. ..... – $ 0 **C.** Subtract **certified amount spent from sales tax to reduce debt** (enter zero if none) ..... – $ 0 **D.** Subtract **amount paid** from other resources ..... – $ 0 **E. Adjusted debt.** Subtract B, C and D from A.	$ 2,501,803
44.	**Certified prior year excess debt collections.** Enter the amount certified by the collector. [37]	$ 448,933
45.	**Adjusted current year debt.** Subtract Line 44 from Line 43E.	$ 2,052,870
46.	**Current year anticipated collection rate.** **A.** Enter the current year anticipated collection rate certified by the collector. [38] ..... 100 % **B.** Enter the prior year actual collection rate. ..... 101.34 % **C.** Enter the 2024 actual collection rate. ..... 100.33 % **D.** Enter the 2023 actual collection rate. ..... 99.29 % **E.** If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%. [39]	100 %
47.	**Current year debt adjusted for collections.** Divide Line 45 by Line 46E.	$ 2,052,870
48.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 1,024,765,571
49.	**Current year debt rate.** Divide Line 47 by Line 48 and multiply by $100.	$ 0.200325 /$100
50.	**Current year voter-approval M&O rate plus current year debt rate.** Add Lines 42 and 49.	$ 0.80469 /$100
D50.	***Disaster Line 50 (D50):* Current year voter-approval M&O and debt tax rate for taxing unit affected by disaster declaration.** Complete this line if the taxing unit calculated the voter-approval M&O tax rate in the manner provided by Line D42. Add Line D42(C) and 49.	$ 0 /$100
51.	**COUNTIES ONLY.** Add together the voter-approval M&O and debt tax rates for each type of tax the county levies. The total is the current year county voter-approval M&O and debt tax rate.	$ 0 /$100

[36] Tex. Tax Code §26.012(7)
[37] Tex. Tax Code §§26.012(10) and 26.04(b)
[38] Tex. Tax Code §26.04(b))
[39] Tex. Tax Code §26.04(h), (h-1) and (h-2)

SECTION 3: Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
52.	**Taxable Sales.** For taxing units that adopted the sales tax in November of the prior tax year or May of the current tax year, enter the Comptroller's estimate of taxable sales for the previous four quarters.[40] Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November of the prior year, enter 0.	$ 0
53.	**Estimated sales tax revenue.** Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. [41] **Taxing units that adopted the sales tax in November of the prior tax year or in May of the current tax year.** Multiply the amount on Line 52 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. [42] **- or -** **Taxing units that adopted the sales tax before November of the prior year.** Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	$ 1,029,007
54.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 1,024,765,571
55.	**Sales tax adjustment rate.** Divide Line 53 by Line 54 and multiply by $100.	$ 0.100413 /$100
56.	**Current year NNR tax rate, unadjusted for sales tax.**[43] Enter the rate from Line 27 or 28, as applicable, on the *No-New-Revenue Tax Rate Worksheet*.	$ 0.694395 /$100
57.	**Current year NNR tax rate, adjusted for sales tax.** **Taxing units that adopted the sales tax in November the prior tax year or in May of the current tax year.** Subtract Line 55 from Line 56. Skip to Line 58 if you adopted the additional sales tax before November of the prior tax year.	$ 0.593982 /$100
58.	**Current year voter-approval tax rate, unadjusted for sales tax.**[44] Enter the rate from Line 50, Line D50 (disaster) or Line 51 (counties) as applicable, of the *M&O and Debt Tax Rate Worksheet*.	$ 0.80469 /$100
59.	**Current year voter-approval tax rate, adjusted for sales tax.** Subtract Line 55 from Line 58.	$ 0.704277 /$100

SECTION 4: Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
60.	**Certified expenses from the Texas Commission on Environmental Quality (TCEQ).** Enter the amount certified in the determination letter from TCEQ. [45] The taxing unit shall provide its tax assessor-collector with a copy of the letter. [46]	$ 0
61.	**Current year total taxable value.** Enter the amount from Line 22 of the *No-New-Revenue Tax Rate Worksheet*.	$ 1,024,765,571
62.	**Additional rate for pollution control.** Divide Line 60 by Line 61 and multiply by $100.	$ 0 /$100
63.	**Current year voter-approval tax rate, adjusted for pollution control.** Add Line 62 to one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties) or Line 59 (taxing units with the additional sales tax).	$ 0.704277 /$100

[40] Tex. Tax Code §26.041(d)
[41] Tex. Tax Code §26.041(i)
[42] Tex. Tax Code §26.041(d)
[43] Tex. Tax Code §26.04(c)
[44] Tex. Tax Code §26.04(c)
[45] Tex. Tax Code §26.045(d)
[46] Tex. Tax Code §26.045(i)

SECTION 5: Unused Increment Rate

The unused increment rate is the rate equal to the sum of the prior 3 years Foregone Revenue Amounts divided by the current taxable value. [47] The Foregone Revenue Amount for each year is equal to that year's adopted tax rate subtracted from that year's voter-approval tax rate adjusted to remove the unused increment rate multiplied by that year's current total value. [48]

The difference between the adopted tax rate and adjusted voter-approval tax rate is considered zero in the following scenarios:

- a tax year in which a taxing unit affected by a disaster declaration calculates the tax rate under Tax Code Section 26.042; [49]
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a); [50] or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval. [51]

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit. [52]

Line	Unused Increment Rate Worksheet	Amount/Rate
64.	**Year 3 Foregone Revenue Amount. Subtract the 2025 unused increment rate and 2025 actual tax rate from the 2025 voter-approval tax rate. Multiply the result by the 2025 current total value**	
	A. Voter-approval tax rate (Line 69)	$ 0.745716 /$100
	B. Unused increment rate (Line 68)	$ 0.00947 /$100
	C. Subtract B from A	$ 0.736246 /$100
	D. Adopted Tax Rate	$ 0.69619 /$100
	E. Subtract D from C	$ 0.040056 /$100
	F. 2025 Total Taxable Value (Line 61)	$ 1,037,671,633
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 415,649.74
65.	**Year 2 Foregone Revenue Amount. Subtract the 2024 unused increment rate and 2024 actual tax rate from the 2024 voter-approval tax rate. Multiply the result by the 2024 current total value**	
	A. Voter-approval tax rate (Line 68)	$ 0.727523 /$100
	B. Unused increment rate (Line 67)	$ 0.013264 /$100
	C. Subtract B from A	$ 0.714259 /$100
	D. Adopted Tax Rate	$ 0.70619 /$100
	E. Subtract D from C	$ 0.008069 /$100
	F. 2024 Total Taxable Value (Line 60)	$ 1,215,300,957
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 98,062.63
66.	**Year 1 Foregone Revenue Amount. Subtract the 2023 unused increment rate and 2023 actual tax rate from the 2023 voter-approval tax rate. Multiply the result by the 2023 current total value**	
	A. Voter-approval tax rate (Line 67)	$ 0.706208 /$100
	B. Unused increment rate (Line 66)	$ 0 /$100
	C. Subtract B from A	$ 0.706208 /$100
	D. Adopted Tax Rate	$ 0.70619 /$100
	E. Subtract D from C	$ 0.000018 /$100
	F. 2023 Total Taxable Value (Line 60)	$ 1,174,395,219
	G. Multiply E by F and divide the results by $100. If the number is less than zero, enter zero.	$ 211.39
67.	**Total Foregone Revenue Amount.** Add Lines 64G, 65G and 66G	$ 513,923.76
68.	**2026 Unused Increment Rate.** Divide Line 67 by Line 22 of the *No-New-Revenue Rate Worksheet*. Multiply the result by 100	$ 0.05015 /$100
69.	**Total 2026 voter-approval tax rate.** Add Line 68 to one of the following lines (as applicable): Line 50, Line D50 (only if Line D42(B) was used), Line 51 (counties), Line 59 (taxing units with additional sales tax) or Line 63 (taxing units with pollution)	$ 0.754427 /$100

[47] Tex. Tax Code §26.013(b)
[48] Tex. Tax Code §26.013(a)(1-a), (1-b), and (2)
[49] Tex. Tax Code §§26.04(c)(2)(A) and 26.042(a)
[50] Tex. Tax Code §26.0501(a) and (c)
[51] Tex. Local Gov't Code §120.007(d)
[52] Tex. Local Gov't Code §26.04(c)(2)(B)

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise $500,000, and the current debt rate for a taxing unit. [53]

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit. [54]

Line	De Minimis Rate Worksheet	Amount/Rate
70.	**Adjusted current year NNR M&O tax rate.** Enter the rate from Line 40 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.483105 /$100
71.	**Current year total taxable value.** Enter the amount on Line 22 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,024,765,571
72.	**Rate necessary to impose $500,000 in taxes.** Divide $500,000 by Line 71 and multiply by $100.	$ 0.048791 /$100
73.	**Current year debt rate.** Enter the rate from Line 49 of the *M&O and Debt Tax Rate Worksheet.*	$ 0.200325 /$100
74.	**De minimis rate.** Add Lines 70, 72 and 73.	$ 0.732221 /$100

SECTION 7: Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year. [55]

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
75.	**2025 adopted tax rate.** Enter the rate in Line 4 of the *No-New-Revenue Tax Rate Worksheet.*	$ 0 /$100
76.	**Adjusted 2025 voter-approval tax rate.** Use the taxing unit's Tax Rate Calculation Worksheets from the prior year(s) to complete this line. [56] If a disaster occurred in 2025 and the taxing unit calculated its 2025 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) of the 2025 worksheet due to a disaster, complete the applicable sections or lines of *Form 50-856-a, Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet.* **- or -** If a disaster occurred prior to 2025 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 42 (D42) in 2025, complete form 50-856-a, *Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet* to recalculate the voter-approval tax rate the taxing unit would have calculated in 2025 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the years following the disaster. [57] Enter the final adjusted 2025 voter-approval tax rate from the worksheet.	$ 0 /$100
77.	**Increase in 2025 tax rate due to disaster.** Subtract Line 76 from Line 75.	$ 0 /$100
78.	**Adjusted 2025 taxable value.** Enter the amount in Line 14 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,017,966,941
79.	**Emergency revenue.** Multiply Line 77 by Line 78 and divide by $100.	$ 0
80.	**Adjusted current year taxable value.** Enter the amount in Line 26 of the *No-New-Revenue Tax Rate Worksheet.*	$ 1,020,597,674
81.	**Emergency revenue rate.** Divide Line 79 by Line 80 and multiply by $100. [58]	$ 0 /$100
82.	**Current year voter-approval tax rate, adjusted for emergency revenue.** Subtract Line 81 from one of the following lines (as applicable): Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (taxing units with the additional sales tax), Line 63 (taxing units with pollution control) or Line 69 (taxing units with the unused increment rate).	$ 0 /$100

[53] Tex. Tax Code §26.012(8-a)
[54] Tex. Tax Code §26.063(a)(1)
[55] Tex. Tax Code §26.042(b)
[56] Tex. Tax Code §26.042(c)
[57] Tex. Tax Code §26.042(b)
[58] Tex. Tax Code §26.042(b)

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate. ..... $ 0.694395 /$100
As applicable, enter the current year NNR tax rate from: Line 27, Line 28 (counties), or Line 57 (adjusted for sales tax).

Indicate the line number used: 27

Voter-approval tax rate ..... $ 0.754427 /$100
As applicable, enter the current year voter-approval tax rate from: Line 50, Line D50 (disaster), Line 51 (counties), Line 59 (adjusted for sales tax), Line 63 (adjusted for pollution control), Line 69 (adjusted for unused increment), or Line 82 (adjusted for emergency revenue).

Indicate the line number used: 69

De minimis rate. ..... $ 0.732221 /$100
If applicable, enter the current year de minimis rate from Line 74.

SECTION 9: Addendum

An affected taxing unit that enters an amount described by Tax Code Section 26.012(6)(C) in line 21 must include the following as an addendum:

1. Documentation that supports the exclusion of value under Tax Code Section 26.012(6)(C); and
2. Each statement submitted to the designated officer or employee by the property owner or entity as required by Tax Code Section 41.48(c)(2) for that tax year.

Insert hyperlinks to supporting documentation:

SECTION 10: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit's certified appraisal roll or certified estimate of taxable value, in accordance with requirements in the Tax Code. [59]

print here Jonathan Horton
Printed Name of Taxing Unit Representative

sign here Digitally signed by Jonathan Horton Date: 2026.07.31 08:04:36 -05'00'
Taxing Unit Representative

7/31/2026
Date

[59] Tex. Tax Code §26.04(c-2) and (d-2)

Notice about 2026 Tax Rates

(current year)

Form 50-212

Property Tax Rates in the City of Kennedale
(taxing unit's name)

This notice concerns the 2026 *(current year)* property tax rates for the City of Kennedale *(taxing unit's name)*.

This notice provides information about two tax rates taxing units use in adopting the current tax year's tax rate. The no-new-revenue tax rate would impose the same amount of taxes as last year if you compare properties taxed in both years. In most cases, the voter-approval tax rate is the highest tax rate a taxing unit can adopt without holding an election. In each case, the taxing unit calculates these rates by dividing the total amount of taxes by the current taxable value with adjustments as required by state law. The rates are given per $100 of property value.

Taxing units preferring to list the rates can expand this section to include an explanation of how they calculated these tax rates.

This year's no-new-revenue tax rate ..... $ .694395 /$100

This year's voter-approval tax rate ..... $ .754427 /$100

To see the full calculations, please visit www.cityofkennedale.com *(website address)* for a copy of the Tax Rate Calculation Worksheet.

Unencumbered Fund Balances

The following estimated balances will be left in the taxing unit's accounts at the end of the fiscal year. These balances are not encumbered by corresponding debt obligation.

Type of Fund	Balance
Debt Service	$ 0.00

Current Year Debt Service

The following amounts are for long-term debts that are secured by property taxes. The taxing unit will pay these amounts from upcoming property tax revenues *(or additional sales tax revenues, if applicable)*.

Description of Debt	Minimum Dollar Amount of Principal or Contract Payment to be Paid From Property Taxes	Minimum Dollar Amount of Interest to be Paid From Property Taxes	Other Amounts to be Paid	Total Payment
$3,720,000 GO Refunding Series 2016	$ 315,000.00	$ 8,636.75	$	$ 323,636.75
$1,260,000 GO Refunding Series 2020	130,000.00	8,974.50		138,974.50
$1,540,000 GO Refunding Series 2020A	155,000.00	8,753.50		136,753.50
$5,735,000 C/O Series 2021	275,000.00	103,150.00		378,150.00
$17,065,000 C/O Series 2023	85,000.00	96,000.00		181,000.00
$2,980,000 GO Series 2024	100,000.00	118,925.00		218,925.00
$10,810,000 C/O Series 2024	365,000.00	421,987.50		786,987.50
$5,000,000 C/O Series 2026	100,000.00	210,375.00		310,375.00

Total required for 2026 (current year) debt service ..... $ 2,501,802.25

– Amount *(if any)* paid from funds listed in unencumbered funds ..... $ 0.00

– Amount *(if any)* paid from other resources ..... $ 0.00

– Excess collections last year ..... $ 448,933

= Total to be paid from taxes in 2026 (current year) ..... $ 2,052,869.25

+ Amount added in anticipation that the taxing unit will collect only 100 (collection rate) % of its taxes in 2026 (current year) ..... $ 0.00

= Total Debt Levy ..... $ 2,052,869.25

This notice contains a summary of the no-new-revenue and voter-approval calculations as certified by Jonathan Horton (designated individual's name), Director of Finance (designated individual's position), 7/31/2026 (date).

Director of Finance 07/31/2026

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

Statements required in notice if the proposed tax rate exceeds the no-new-revenue tax rate but does not exceed the voter-approval tax rate, as prescribed by Tax Code §§26.06(b-2).

NOTICE OF PUBLIC HEARING ON TAX RATE

This notice only applies to a taxing unit other than a special taxing unit or municipality with a population of less than 30,000, regardless of whether it is a special taxing unit.

PROPOSED TAX RATE	$ .696190	per $100
NO-NEW-REVENUE TAX RATE	$ .694395	per $100
VOTER-APPROVAL TAX RATE	$ .754427	per $100

The no-new-revenue tax rate is the tax rate for the 2026 (current tax year) tax year that will raise the same amount of property tax revenue for the City of Kennedale (name of taxing unit) from the same properties in both the 2025 (preceding tax year) tax year and the 2026 (current tax year) tax year.

The voter-approval tax rate is the highest tax rate that the City of Kennedale (name of taxing unit) may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that the City of Kennedale (name of taxing unit) is proposing to increase property taxes for the 2026 (current tax year) tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON 8/18/26 5:30 pm (date and time)

at 405 Municipal Drive, Kennedale, TX 76060 (meeting place).

The proposed tax rate is not greater than the voter-approval tax rate. As a result, the City of Kennedale (name of taxing unit) is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Council (name of governing body) of the City of Kennedale (name of taxing unit) at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE TAX RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount = (tax rate) x (taxable value of your property) / 100

(List names of all members of the governing body below, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating absences.)

FOR the proposal: _____

AGAINST the proposal: _____

PRESENT and not voting: _____

ABSENT: _____

Visit Texas.gov/PropertyTaxes to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by the City of Kennedale *(name of taxing unit)* last year to the taxes proposed to the be imposed on the average residence homestead by the City of Kennedale *(name of taxing unit)* this year.

	2025	2026	Change
Total tax rate (per $100 of value)	$0.696190	$0.696190	No change
Average homestead taxable value	$335,000	$334,006	Decrease of 0.297%
Tax on average homestead	$2,332.24	$2,325.32	Decrease of $6.92, or 0.297%
Total tax levy on all properties	$8,644,951	$8,602,444	Decrease of $42,507 or 0.492%

For assistance with tax calculations, please contact the tax assessor for Tarrant County *(name of taxing unit)* at 817-844-1100 *(telephone number)* or taxoffice@tarrantcountytx.goc *(email address)*, or visit www.tarrantcountytx.gov/en/tax.html *(internet website address)*

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.2.

SUBJECT

Discuss and take action on the ratification of the property tax for Fiscal Year 2027.

ORIGINATED BY
Jon Horton, CPA
Director of Finance

SUMMARY
This vote is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate as required by Chapter 21, Tax Code, or other law.

RECOMMENDATION
Approve using the following language:

I move to ratify the property tax increase as reflected in the adopted FY27 budget.

ATTACHMENTS

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.3.

SUBJECT

Discuss and hold a Roll Call Vote to take action on an ordinance of the City of Kennedale, Texas, levying municipal ad valorem taxes for use and support of the municipal government of the City of Kennedale, Texas, for the 2026-2027 fiscal year at the rate of $0.696190 per one hundred dollars ($100.00), and for each year thereafter until otherwise provided, on all taxable property within the corporate limits of the City of Kennedale; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid; approving the tax rolls; providing a severability clause; repealing conflicting ordinances; providing a savings clause; and providing an effective date.

ORIGINATED BY
Jon Horton, CPA
Director of Finance

SUMMARY
A taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The vote on the ordinance, resolution, or order setting the tax rate must be separate from the vote adopting the budget. This final vote is necessary since we are adopting a rate above the no-new-revenue tax rate.

This must be a record vote with at least 60% of Council members voting in favor.

RECOMMENDATION
Approve using the following language:

I move that the property tax rate be decreased by the adoption of a tax rate of $0.696190, which is effectively a 0.492% decrease in the tax rate.

ATTACHMENTS

CITY OF KENNEDALE, TEXAS
ORDINANCE NO. 804

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS AFFIXING AND LEVYING MUNICIPAL AD VALOREM TAXES ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF KENNEDALE, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2026, AND ENDING SEPTEMBER 30, 2027 AND FOR EACH YEAR THEREAFTER UNTIL OTHERWISE PROVIDED, AT THE RATE OF $0.696190 PER ONE HUNDRED DOLLARS ($100.00), AND FOR DIRECTING THE ASSESSMENT THEREOF; PROVIDING FOR A DATE ON WHICH SUCH TAXES BECOME DUE AND DELINQUENT TOGETHER WITH PENAL TIES AND INTEREST THEREON; PROVIDING FOR PLACE OF PAYMENT; PROVIDING FOR APPROVAL OF THE TAX ROLLS PRESENTED TO THE CITY COUNCIL; PROVIDING FOR REPEALING, SAVINGS, AND SEVERABILITY CLAUSES; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas ("City") is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council of the City hereby finds that the tax for the fiscal year beginning October 1, 2026, and ending September 30, 2027, levied for current expenses of the City and the general improvements of the City and its property must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, the City Council further finds that taxes for the year 2026-2027, hereinafter levied therefore are necessary to pay interest and to provide the required sinking fund on outstanding bonds of the City issued for City purposes, and on bonds proposed to be issued for such purposes during the ensuing year; and

WHEREAS, the City Council approved on August 18, 2026, a separate budget ordinance for the fiscal year beginning October 1, 2026, and ending September 30, 2027; and

WHEREAS, the City Council provided notice of the effective tax rate as required by law; and

WHEREAS, pursuant to Section 26.05 of the Texas Tax Code, the City Council held a public hearing on the proposed tax rate on August 18, 2026, during a regular City Council Meeting at 5:30 p.m., held in the Kennedale City Hall Council Chambers, located at 405 Municipal Drive, Kennedale, Texas, and took action on the proposed rate at the close of the public hearing; and

WHEREAS, all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been complied with; and

WHEREAS, the City Council has, by record vote, approved separately each of the two components of the tax rate set forth.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS THAT:

SECTION 1.

All of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2.

The real and personal property tax appraisal rolls as certified by the Chief Appraiser of the Tarrant County Appraisal District to the City Council for the 2026-2027 tax year are hereby accepted.

SECTION 3.

There is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2026, and ending September 30, 2027, and for each fiscal year thereafter until it be otherwise provided and ordained, on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Kennedale, Texas, and not exempt from taxation by the constitution of the State of Texas and valid state laws, an ad valorem tax rate of $0.696190 on each One Hundred Dollars ($100.00) assessed value of taxable property, which tax rate is apportioned and distributed as follows:

A. For the purpose of defraying the current maintenance and operation expenses of the City (General Fund), a tax of $0.495865 on each One Hundred Dollars ($100.00) assessed value of all taxable property.

B. For the purpose of creating a Debt Service Fund to pay the interest and principle on all outstanding indebtedness, a tax of $0.200325 on each One Hundred Dollars ($100.00) assessed value of all taxable property within the City which shall be applied to the payment of such interest and maturities of all outstanding bonded indebtedness.

Total tax rate: $0.696190.

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.

THE TAX RATE WILL DECREASE BY 0.492% PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY $12.79.

SECTION 4.

All monies collected and hereby appropriated are set apart for the specific purposes indicated, and the funds shall be accounted for in such a manner as to readily show balances at any time.

SECTION 5.

All ad valorem taxes herein levied shall become due and payable on October 1, 2026, and all ad valorem taxes for the year shall become delinquent after January 31, 2027. There shall be no discount for payment of taxes prior to said January 31, 2027. Payment of such taxes shall be due in one full installment except as otherwise required by law. A delinquent tax shall incur all penalties and interest authorized by state law, Section 33.01 of the Tax Code.

SECTION 6.

Taxes herein levied and uncollected as of January 31, 2027, shall be a first and prior lien against the property, which lien shall be superior and prior to all other liens.

SECTION 7.

Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that the taxes become delinquent on or after February 1, 2027 but not later than May 1, 2027 and that remain delinquent on July 1, 2027, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty and interest then due shall be added as collection costs to be paid by the taxpayer

SECTION 8.

Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all taxes that become delinquent on or after June 1, 2027, shall, in order to defray the costs of collection, incur an additional penalty in the amount of 20% of the delinquent tax, penalty, and interest.

SECTION 9.

Taxes are payable at the offices of the County Tax Assessor-Collector. The City shall have available all rights and remedies provided by law for the enforcement of the collection of taxes levied under this Ordinance.

SECTION 10.

All provisions of any ordinance in conflict with this Ordinance are hereby repealed; but such repeal shall not abate any pending prosecution for violation of the repealed ordinance, nor shall the repeal prevent prosecution from being commenced for any violation if occurring prior to the repeal of the ordinance. Any remaining portions of conflicting ordinances shall remain in full force and effect.

SECTION 11.

It is hereby declared to be the intention of the City Council that if any of the phrases, clauses, sentences, paragraphs, and sections of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clauses, sentence, paragraph, or section.

SECTION 12.

All rights or remedies of the City under previous ordinances are expressly saved as to penalties for liabilities for any delinquencies and penalties for prior years and under prior ordinances of the City, and such delinquencies and penalties owed shall not be affected by this Ordinance, but may be collected through any remedy available under law.

SECTION 13.

This Ordinance shall be in full force and effect from and after its passage, and it is so ordained.

PASSED AND APPROVED ON THIS THE 18th DAY OF AUGUST 2026, BY A VOTE OF ___ AYES, ___ NAYS, AND ___ ABSTENTIONS AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS.

	Aye	**Nay**	**Abstention**
David Glover, Place 1	_____	_____	_____
Bryant Griffith, Place 2	_____	_____	_____
Kenneth Michels, Place 3	_____	_____	_____
Ryon Ray, Place 4	_____	_____	_____
Jeff Nevarez, Place 5	_____	_____	_____

APPROVED:

_____
Brian Johnson, Mayor

ATTEST:

_____
Tina Cox, Interim City Secretary

APPROVED AS TO FORM AND LEGALITY:

_____
Carvan Adkins, City Attorney

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.4.

SUBJECT
Discuss and take action on Ordinance 805 authorizing the issuance, sale and delivery of up to $5,000,000 in aggregate principal amount of "combination tax and revenue certificates of obligation, series 2026"; for the purpose of acquiring vehicles and equipment, and acquiring, constructing, improving, repairing and equipping capital improvements for authorized city purposes (including water and sewer system improvements, parks improvements, and street, sidewalk, and drainage improvements); securing the payment thereof by authorizing the levy of an annual ad valorem tax and a pledge of certain surplus revenues of the city's municipal waterworks and sewer system; and approving and authorizing the execution of all other instruments and procedures related thereto.

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

1.	CO Ordinance - Kennedale 2026 - 1	CO Ordinance - Kennedale 2026 - 1.pdf

ORDINANCE NO. ___

ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $_____ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S MUNICIPAL WATERWORKS AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

DATE OF APPROVAL: AUGUST 18, 2026

TABLE OF CONTENTS

Recitals	.....	1
Section 1.	Amount and Purpose of the Certificates of Obligation.....	2
Section 2.	Designation, Date, Denominations, Numbers, and Maturities of Certificates of Obligation.....	3
Section 3.	Interest.....	3
Section 4.	Characteristics of the Certificates of Obligation; Approval of Paying Agent/Registrar Agreement	4
Section 5.	Form of Certificate of Obligation	8
Section 6.	Interest and Sinking Fund; Tax Levy; Security Interest	16
Section 7.	Surplus Revenues.....	17
Section 8.	Construction Fund.....	18
Section 9.	Investments	18
Section 10.	Empowered	18
Section 11.	Defeasance of the Certificates of Obligation	19
Section 12.	Damaged, Mutilated, Lost, Stolen, or Destroyed Certificates of Obligation.....	20
Section 13.	Custody, Approval, and Registration of the Certificates of Obligation; Bond Counsel's Opinion, Bond Insurance, and Cusip Numbers.....	21
Section 14.	Covenants Regarding Tax-Exemption of Interest on the Certificates of Obligation.....	22
Section 15.	Continuing Disclosure Undertaking	25
Section 16.	Sale and Delivery of the Certificates of Obligation.....	29
Section 17.	Approval of Official Statement.....	30
Section 18.	Authority for Officers to Execute Documents and Approve Changes	30
Section 19.	Ordinance a Contract; Amendments.....	30

Section 20. Remedies in Event of Default 31

Section 21. Interested Parties 32

Section 22. Incorporation of Recitals 32

Section 23. Severability 32

Section 24. Effective Date 32

Signatures

Paying Agent/Registrar Agreement ..... Exhibit A

Written Procedures Relating to Continuing Compliance with Federal Tax Covenants ... Exhibit B

Description of Annual Financial Information ..... Exhibit C

ORDINANCE NO. 771

ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $_____ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S MUNICIPAL WATERWORKS AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

THE STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

WHEREAS, the **CITY OF KENNEDALE, TEXAS** (the "***City***"), in Tarrant County, Texas, is a political subdivision of the State of Texas operating as a home-rule municipality pursuant to the Constitution and laws of the State of Texas and its City Charter, which was initially approved by the qualified voters of the City on January 17, 1998, and which was most recently amended by the qualified voters of the City on May 4, 2024; and

WHEREAS*,** the City Council of the City hereby determines that it is necessary and desirable to (i) acquire vehicles and equipment for various city departments, including the fire department; (ii) acquire, construct, improve, repair, expand, and equip improvements to the city's waterworks and sewer system; (iii) acquire, construct, improve, repair, and equip, streets, sidewalks, trails, bridges, parking structures, and drainage improvements, together with rights-of-way acquisition, traffic and street signalization, landscaping, utility relocation, lighting improvements, and other improvements incidental thereto (iv) acquire, construct, improve, repair, expand, and equip municipal parks and recreational facilities generally accessible to the public, (v) purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes, including in relation to the aforementioned capital improvements; and (vi) payment of professional services in connection therewith including legal, engineering, architectural and fiscal fees and the costs of issuance (collectively, the "Projects***"); and

WHEREAS, the City Council of the City intends to finance the Projects from proceeds derived from the sale of Combination Tax and Revenue Certificates of Obligation issued by the City pursuant to Sections 271.041 - 271.064, Texas Local Government Code, as amended (the "***Act***"); and

WHEREAS, none of the Projects being financed with the Certificates of Obligation being issued pursuant to this Ordinance were included in a bond proposition to authorize the issuance of bonds for the same purpose that was submitted to the voters of the City during the preceding three years and failed to be approved; and

WHEREAS, on June 16, 2026, the City Council adopted a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation in the principal amount not to exceed *$5,000,000* to finance the Projects; and

WHEREAS, the principal amount of the Certificates of Obligation authorized by this Ordinance plus the net original issue premium generated from the pricing of the Certificates of Obligation which is allocated to be used to pay costs of the Projects, as further described in Section 16 of this Ordinance, does not exceed the maximum amount of *$5,000,000* set forth in the notice of intention described in the preceding recital; and

WHEREAS, the Notice with respect to the Projects was duly: (i) published in the *Fort Worth Star-Telegram*, which is a newspaper of general circulation in the City, in its issues of June 24, 2026 and July 1, 2026, in satisfaction of Section 271.049(a)(1) of the Act, and (ii) posted continuously on the City's website from June 17, 2026, through the date of passage of this Ordinance in satisfaction of Section 271.049(a)(2) of the Act; and

WHEREAS, the Notice published in the *Fort Worth Star-Telegram* stated that the City Council would consider the approval of this Ordinance at a Regular Meeting to be held on August 18, 2026; and

WHEREAS, the City received no petition signed by at least five percent of the qualified electors of the City protesting the issuance of Certificates of Obligation prior to the approval of this Ordinance; and

WHEREAS, it is considered to be in the best interest of the City that said interest bearing Certificates of Obligation be issued; and

WHEREAS, the Certificates of Obligation authorized by this Ordinance are being issued by in the City in accordance with the provisions of the Act, Chapter 1201, Texas Government Code, and other applicable laws of the State of Texas; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THAT:

SECTION 1. AMOUNT AND PURPOSE OF THE CERTIFICATES OF OBLIGATION. The certificate of obligation or certificates of obligation of the City further described in Section 2 of this Ordinance and referred to herein as the "Certificates of Obligation" are hereby authorized to be issued and delivered in the aggregate principal amount of ***$_____*** ***FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, CONTRACTUAL OBLIGATIONS TO BE INCURRED TO (I) ACQUIRE VEHICLES AND EQUIPMENT FOR VARIOUS CITY DEPARTMENTS, INCLUDING THE FIRE DEPARTMENT; (II) ACQUIRE, CONSTRUCT, IMPROVE, REPAIR, EXPAND, AND EQUIP IMPROVEMENTS***

TO THE CITY'S WATERWORKS AND SEWER SYSTEM; (III) ACQUIRE, CONSTRUCT, IMPROVE, REPAIR, AND EQUIP, STREETS, SIDEWALKS, TRAILS, BRIDGES, PARKING STRUCTURES, AND DRAINAGE IMPROVEMENTS, TOGETHER WITH RIGHTS-OF-WAY ACQUISITION, TRAFFIC AND STREET SIGNALIZATION, LANDSCAPING, UTILITY RELOCATION, LIGHTING IMPROVEMENTS, AND OTHER IMPROVEMENTS INCIDENTAL THERETO (IV) ACQUIRE, CONSTRUCT, IMPROVE, REPAIR, EXPAND, AND EQUIP MUNICIPAL PARKS AND RECREATIONAL FACILITIES GENERALLY ACCESSIBLE TO THE PUBLIC, (V) PURCHASE OF MATERIALS, SUPPLIES, EQUIPMENT, MACHINERY, BUILDINGS, LAND, AND RIGHTS-OF-WAY FOR AUTHORIZED NEEDS AND PURPOSES, INCLUDING IN RELATION TO THE AFOREMENTIONED CAPITAL IMPROVEMENTS; AND (VI) PAYMENT OF PROFESSIONAL SERVICES IN CONNECTION THEREWITH INCLUDING LEGAL, ENGINEERING, ARCHITECTURAL AND FISCAL FEES AND THE COSTS OF ISSUANCE.

SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE CERTIFICATES OF OBLIGATION. Each certificate of obligation issued pursuant to and for the purpose described in Section 1 of this Ordinance shall be designated **CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026**, and initially there shall be issued, sold and delivered hereunder one fully registered certificate of obligation, without interest coupons, dated September 1, 2026, in the aggregate principal amount of ***$_____***, numbered T-1 (the "***Initial Certificate of Obligation***"), with certificates of obligation issued in replacement thereof being in the denomination of $5,000 or any integral multiple thereof and numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Certificate of Obligation being payable to the initial purchaser designated in Section 16 hereof), or to the registered assignee or assignees of said certificates of obligation or any portion or portions thereof (in each case, the "***Registered Owner***"), and the certificates of obligation shall mature and be payable serially on ***February 1*** in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

YEAR OF MATURITY	PRINCIPAL AMOUNT ($)	YEAR OF MATURITY	PRINCIPAL AMOUNT ($)	YEAR OF MATURITY	PRINCIPAL AMOUNT ($)
2027		2034		2041	
2028		2035		2042	
2029		2036		2043	
2030		2037		2044	
2031		2038		2045	
2032		2039		2046	
2033		2040			

The term "***Certificates of Obligation***" as used in this Ordinance shall mean and include the Certificates of Obligation initially issued and delivered pursuant to this Ordinance and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "***Certificate of Obligation***" shall mean any of the Certificates of Obligation.

SECTION 3. INTEREST. The Certificates of Obligation shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance to their respective dates of maturity or prior redemption at the following rates per annum:

YEAR OF MATURITY	INTEREST RATE (%)	YEAR OF MATURITY	INTEREST RATE (%)	YEAR OF MATURITY	INTEREST RATE (%)
2027		2034		2041	
2028		2035		2042	
2029		2036		2043	
2030		2037		2044	
2031		2038		2045	
2032		2039		2046	
2033		2040			

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance.

SECTION 4. CHARACTERISTICS OF THE CERTIFICATES OF OBLIGATION; APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT.

(a) Registration, Transfer, and Exchange; Authentication. The City shall keep or cause to be kept at the designated corporate trust or commercial banking office (initially located in Dallas, Texas) of **BOKF, NA** (the "***Paying Agent/Registrar***") books or records for the registration of the transfer and exchange of the Certificates of Obligation (the "***Registration Books***"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as *Exhibit A* is a copy of the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor, Mayor Pro-Tem and City Secretary of the City are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate of Obligation to which payments with respect to the

Certificates of Obligation shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Certificates of Obligation shall be made within three business days after request and presentation thereof. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Certificate of Obligation or Certificates of Obligation shall be paid as provided in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance. Registration of assignments, transfers and exchanges of Certificates of Obligation shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. Each substitute Certificate of Obligation shall bear a letter and/or number to distinguish it from each other Certificate of Obligation.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate of Obligation, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Certificate of Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates of Obligation and Certificates of Obligation surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Certificate of Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates of Obligation in the manner prescribed herein, and said Certificates of Obligation shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of Certificates of Obligation as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Certificate of Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates of Obligation which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Certificates of Obligation and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates of Obligation, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates of Obligation.

(c) In General. The Certificates of Obligation (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates of Obligation to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 50

days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates of Obligation, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates of Obligation, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. The Initial Certificate of Obligation is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate of Obligation issued in exchange for the Initial Certificate of Obligation issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate of Obligation delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION below, manually executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate of Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Certificates of Obligation that at all times while the Certificates of Obligation are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates of Obligation under this Ordinance. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates of Obligation, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates of Obligation, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System for Certificates of Obligation. The Certificates of Obligation issued in exchange for the Certificates of Obligation initially issued to the purchaser specified in Section 16 herein shall be initially issued in the form of a separate single fully registered Certificate of Obligation for each of the maturities thereof. Upon initial issuance, the

ownership of each such Certificate of Obligation shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("***DTC***"), and except as provided in subsection (i) hereof, all of the outstanding Certificates of Obligation shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates of Obligation registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("***DTC Participant***") to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates of Obligation. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates of Obligation, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Certificates of Obligation, as shown on the Registration Books, of any notice with respect to the Certificates of Obligation, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates of Obligation, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates of Obligation. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate of Obligation is registered in the Registration Books as the absolute owner of such Certificate of Obligation for the purpose of payment of principal and interest with respect to such Certificate of Obligation, for the purpose of registering transfers with respect to such Certificate of Obligation, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates of Obligation only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Certificates of Obligation to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Certificate of Obligation certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only Systems. In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Certificates of Obligation that they be able to obtain certificated Certificates of Obligation, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates of Obligation to such successor securities depository or (ii) notify

DTC and DTC Participants of the availability through DTC of Certificates of Obligation and transfer one or more separate Certificates of Obligation to DTC Participants having Certificates of Obligation credited to their DTC accounts. In such event, the Certificates of Obligation shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Certificates of Obligation shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate of Obligation is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Certificate of Obligation and all notices with respect to such Certificate of Obligation shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(h) DTC Letter of Representation. The officers of the City are herein authorized for and on behalf of the City and as officers of the City to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Certificates of Obligation.

(i) Delivery of Initial Certificate of Obligation. On the closing date, one Initial Certificate of Obligation representing the entire principal amount of the series of Certificates of Obligation, payable in stated installments to the initial registered owner named in Section 16 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Certificate of Obligation, the Paying Agent/Registrar shall cancel the Initial Certificate of Obligation and deliver to the initial registered owner or its designee one registered definitive Certificate of Obligation for each year of maturity of the Certificates of Obligation, in the aggregate principal amount of all of the Certificates of Obligation for such maturity.

SECTION 5. FORM OF CERTIFICATE OF OBLIGATION. The form of the Certificates of Obligation, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached only to the Certificates of Obligation initially issued and delivered pursuant to this Ordinance), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

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FORM OF CERTIFICATE OF OBLIGATION

R- **UNITED STATES OF AMERICA** **PRINCIPAL AMOUNT**
STATE OF TEXAS
COUNTY OF TARRANT **$_____**
CITY OF KENNEDALE, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2026

INTEREST RATE	MATURITY DATE	DATE OF SERIES	CUSIP NO.
____%	February 1, 20__	September 1, 2026	489332 ___

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

ON THE MATURITY DATE specified above, the ***CITY OF KENNEDALE, TEXAS*** (the "***City***"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from September 1, 2026 (the "***Dated Date***") of this Certificate of Obligation, as shown on the records of the Paying Agent/Registrar (defined below), at the Interest Rate per annum specified above, payable on February 1, 2027, and semiannually on each February 1 and August 1 thereafter to the Maturity Date specified above; or the date of redemption prior to maturity, except that if this Certificate of Obligation is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate of Obligation or Certificates of Obligation, if any, for which this Certificate of Obligation is being exchanged is due but has not been paid, then this Certificate of Obligation shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate of Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate of Obligation shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate of Obligation at maturity or upon the date fixed for redemption prior to maturity, at the designated corporate trust or commercial banking office of **BOKF, NA**, Dallas, Texas, which is the "***Paying Agent/Registrar***" for this Certificate of Obligation. The payment of interest on this Certificate of Obligation shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as

of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate of Obligation (the "***Ordinance***") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the fifteenth day of the month next preceding each such date (the ***"Record Date***") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "***Special Record Date***") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "***Special Payment Date***" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Certificate of Obligation prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate of Obligation for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Certificates of Obligation shall be payable in the regular manner described above). The City covenants with the Registered Owner of this Certificate of Obligation that on or before each principal payment date, interest payment date and accrued interest payment date for this Certificate of Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates of Obligation, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate of Obligation shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE OF OBLIGATION is one of a series of Certificates of Obligation dated as of September 1, 2026, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of $_____ ***FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, CONTRACTUAL OBLIGATIONS TO BE INCURRED TO (I) ACQUIRE VEHICLES AND EQUIPMENT FOR VARIOUS CITY DEPARTMENTS, INCLUDING THE FIRE DEPARTMENT; (II) ACQUIRE, CONSTRUCT, IMPROVE, REPAIR, EXPAND, AND EQUIP IMPROVEMENTS TO THE CITY'S WATERWORKS AND SEWER SYSTEM; (III) ACQUIRE, CONSTRUCT, IMPROVE, REPAIR, AND EQUIP, STREETS, SIDEWALKS, TRAILS, BRIDGES, PARKING STRUCTURES, AND DRAINAGE***

IMPROVEMENTS, TOGETHER WITH RIGHTS-OF-WAY ACQUISITION, TRAFFIC AND STREET SIGNALIZATION, LANDSCAPING, UTILITY RELOCATION, LIGHTING IMPROVEMENTS, AND OTHER IMPROVEMENTS INCIDENTAL THERETO (IV) ACQUIRE, CONSTRUCT, IMPROVE, REPAIR, EXPAND, AND EQUIP MUNICIPAL PARKS AND RECREATIONAL FACILITIES GENERALLY ACCESSIBLE TO THE PUBLIC, (V) PURCHASE OF MATERIALS, SUPPLIES, EQUIPMENT, MACHINERY, BUILDINGS, LAND, AND RIGHTS-OF-WAY FOR AUTHORIZED NEEDS AND PURPOSES, INCLUDING IN RELATION TO THE AFOREMENTIONED CAPITAL IMPROVEMENTS; AND (VI) PAYMENT OF PROFESSIONAL SERVICES IN CONNECTION THEREWITH INCLUDING LEGAL, ENGINEERING, ARCHITECTURAL AND FISCAL FEES AND THE COSTS OF ISSUANCE.

ON FEBRUARY 1, 20___, or on any date thereafter, the Certificates of Obligation of this Series maturing on and after February 1, 20___, may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part (provided that a portion of a Certificate of Obligation may be redeemed only in an integral multiple of $5,000), at the redemption price of the principal amount of Certificates of Obligation called for redemption, plus accrued interest thereon to the date fixed for redemption. The City shall determine the maturity or maturities, and the principal amount of Certificates of Obligation within each maturity, to be redeemed. If less than all Certificates of Obligation of a maturity are to be redeemed, the particular Certificates of Obligation to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot.

AT LEAST 30 DAYS prior to the date fixed for any redemption of Certificates of Obligation or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the Registered Owner of each Certificate of Obligation to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. The notice with respect to an optional redemption of Certificates of Obligation may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date, or (2) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of an authorized representative to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is so rescinded. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates of Obligation or portions thereof which are to be so redeemed. If such written notice of redemption is mailed (and not rescinded), and if due provision for such payment is made, all as provided above, the Certificates of Obligation or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate of Obligation shall be redeemed a

substitute Certificate of Obligation or Certificates of Obligation having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

ALL CERTIFICATES OF OBLIGATION OF THIS SERIES are issuable solely as fully registered Certificates of Obligation, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Ordinance, this Certificate of Obligation, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Certificates of Obligation, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate of Obligation to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate of Obligation must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate of Obligation or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate of Obligation or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate of Obligation may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate of Obligation or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Certificate of Obligation or portion thereof shall be paid by the City, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

WHENEVER THE BENEFICIAL OWNERSHIP of this Certificate of Obligation is determined by a book entry at a securities depository for the Certificates of Obligation, the foregoing requirements of holding, delivering or transferring this Certificate of Obligation shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Certificates of Obligation is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates of Obligation.

IT IS HEREBY certified, recited, and covenanted that this Certificate of Obligation has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate of Obligation have been performed, existed, and been done in accordance with law; that this Certificate of Obligation is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate of Obligation, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits prescribed by law and that this Certificate of Obligation is additionally secured by a lien on and pledge of Surplus Revenues received by the City from the ownership and operation of the City's Municipal Waterworks and Sewer System, all as provided in the Ordinance authorizing the Certificates of Obligation.

THE CITY also has reserved the right to amend the Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates of Obligation.

BY BECOMING the Registered Owner of this Certificate of Obligation, the Registered Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Certificate of Obligation and the Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Certificate of Obligation to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-Tem of the City, and counter-signed with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate of Obligation.

Countersigned:

(facsimile signature)	(facsimile signature)
City Secretary	Mayor [Pro-Tem]
City of Kennedale, Texas	City of Kennedale, Texas

(CITY SEAL)

FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Certificate of Obligation has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Certificate of Obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

(COMPTROLLER'S SEAL)

_____
Comptroller of Public Accounts
of the State of Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate of Obligation is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate of Obligation has been issued under the provisions of the Ordinance described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for a certificate of obligation or certificates of obligation, or a portion of a certificate of obligation or certificates of obligation of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

BOKF, NA, DALLAS, TEXAS
Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Certificate of Obligation, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Certificate of Obligation and all rights hereunder unto _____

_____
/_____/_____
(Assignee's Social Security or Taxpayer Identification Number) (Please print or typewrite Assignee's name and address, including zip code)

_____

and hereby irrevocably constitutes and appoints _____ attorney to transfer the registration of this Certificate of Obligation on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____
NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

_____
NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate of Obligation in every particular, without alteration or enlargement or any change whatsoever.

INITIAL CERTIFICATE OF OBLIGATION INSERTIONS

The Initial Certificate of Obligation shall be in the form set forth above except that:

(A) Immediately under the name of the Certificate of Obligation, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the ***CITY OF KENNEDALE, TEXAS*** (the "***City***"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from September 1, 2026 (the "***Dated Date***") of this Certificate of Obligation, as shown on the records of the Paying Agent/Registrar (defined below), at the respective Interest Rates per annum specified below, payable on February 1, 2027, and semiannually on each February 1 and August 1 thereafter to the respective Maturity Dates specified below, or the date of redemption prior to maturity. The respective Maturity Dates, Principal Installments and Interest Rates for this Certificate of Obligation are set forth in the following schedule:

MATURITY DATE (FEBRUARY 1)	**PRINCIPAL INSTALLMENT ($)**	**INTEREST RATE (%)**

[Insert information from Sections 2 and 3 above]

(C) The Initial Certificate of Obligation shall be numbered "T-1."

SECTION 6. INTEREST AND SINKING FUND; TAX LEVY; SECURITY INTEREST.

(a) Interest and Sinking Fund; Tax Levy. A special Interest and Sinking Fund for the Certificates of Obligation (the "***Interest and Sinking Fund***") is hereby created solely for the benefit of the Certificates of Obligation, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates of Obligation. All ad valorem taxes levied and collected for and on account of the Certificates of Obligation shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which, together with "Surplus Revenues" with respect to the Certificates of Obligation (as described in Section 7 below) budgeted to pay principal and interest coming due during such fiscal year, will be sufficient to raise and produce the money required to pay the interest on the Certificates of Obligation as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates of Obligation as such principal matures (but never less than 2% of the original principal amount of the Certificates of Obligation as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost

of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the respective Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates of Obligation, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) Security Interest. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates of Obligation and the pledge of the ad valorem taxes and Surplus Revenues granted by the City under Section 6(a) and Section 7, respectively, of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates of Obligation are outstanding and unpaid such that the pledge of the ad valorem taxes or Surplus Revenues granted by the City under Section 6(a) and Section 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Certificates of Obligation the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 7. SURPLUS REVENUES. Pursuant to Section 271.052 of the Act and Chapter 1502, Texas Government Code, as amended, the Certificates of Obligation additionally shall be payable from and secured by surplus revenues derived by the City from the City's Municipal Waterworks and Sewer System remaining after (a) payment of all amounts constituting operation and maintenance expenses of said Municipal Waterworks and Sewer System, and (b) payment of all debt service, reserve, and other requirements and amounts required to be paid under all ordinances heretofore or hereafter authorizing (i) all bonds and (ii) all other obligations not on a parity with the Certificates of Obligation, which are payable from and secured by any Municipal Waterworks and Sewer System revenues, and (c) payment of all amounts payable from any Municipal Waterworks and Sewer System revenues pursuant to contracts heretofore or hereafter entered into by the City in accordance with law (the "***Surplus Revenues***"). If for any reason the City fails to deposit ad valorem taxes levied pursuant to Section 6 hereof to the credit of the Interest and Sinking Fund in an amount sufficient to pay, when due, the principal of and interest on the Certificates of Obligations, then Surplus Revenues may be deposited to the credit of the Interest and Sinking Fund and used to pay such principal and/or interest. The City reserves, and shall have, the right to issue bonds and other obligations not on a parity with the Certificates of Obligation, and to enter into contracts, in accordance with applicable laws, to be payable from and secured by any Municipal Waterworks and Sewer System revenues.

SECTION 8. CONSTRUCTION FUND. There is hereby created and established in the depository of the City, a fund to be called the *City of Kennedale, Texas Combination Tax and Revenue Certificates of Obligation (Series 2026) Construction Fund* (herein called the "***Construction Fund***"). Proceeds from the sale and delivery of the Certificates of Obligation (other than proceeds representing accrued interest on the Certificates of Obligation, if any, and any

premium on the Certificates of Obligation that is not used by the City to pay costs of issuance or costs related to the purpose for which the Certificates of Obligation have been issued in accordance with the provisions of Section 1201.042(d)(3) and (4), Texas Government Code, as amended, which shall be deposited in the Interest and Sinking Fund) shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the City for payment of all costs incurred in carrying out the purpose for which the Certificates of Obligation are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the projects being financed with proceeds of the Certificates of Obligation and the issuance of the Certificates of Obligation. All funds remaining on deposit in the Construction Fund upon completion of the projects being financed with the proceeds from the Certificates of Obligation, if any, shall be transferred to the Interest and Sinking Fund.

SECTION 9. INVESTMENTS. Funds on deposit in the Interest and Sinking Fund and the Construction Fund shall be secured by the depository bank of the City in the manner and to the extent required by law to secure other public funds of the City and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the City's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required, and investments purchased for and held in the Construction Fund shall have a final maturity of not later than the date the City reasonably expects the funds from such investments will be required to pay costs of the projects for which the Certificates of Obligation were issued. Income and profits from such investments shall be deposited in the respective Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the City and deposited in the Interest and Sinking Fund to pay all or a portion of the interest next coming due on the Certificates of Obligation. It is further provided, however, that any interest earnings on Certificate of Obligation proceeds which are required to be rebated to the United States of America pursuant to Section 14 hereof in order to prevent the Certificates of Obligation from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 10. EMPOWERED. The City Manager and the Director of Finance of the City are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

SECTION 11. DEFEASANCE OF THE CERTIFICATES OF OBLIGATION.

(a) Defeasance. Any Certificate of Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "***Defeased Certificate of Obligation***") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate of Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been

provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "***Future Escrow Agreement***") for such payment (1) lawful money of the United States of America sufficient to make such payment and/or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates of Obligation shall have become due and payable. Thereafter, the City will have no further responsibility with respect to amounts available to the Paying Agent/Registrar for the payment of such Defeased Certificate of Obligation, including any insufficiency therein caused by the failure of the escrow agent under such Future Escrow Agreement to receive payment when due on the Defeasance Securities. At such time as a Certificate of Obligation shall be deemed to be a Defeased Certificate of Obligation hereunder, as aforesaid, such Certificate of Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates of Obligation that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Certificates of Obligation for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates of Obligation immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Investment of Funds in Defeasance Securities. Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates of Obligation and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates of Obligation may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates of Obligation, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) Definition of Defeasance Securities. The term "***Defeasance Securities***" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the

purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Certificates of Obligation.

(d) Duties of Paying Agent/Registrar. Until all Defeased Certificates of Obligation shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates of Obligation the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) Selection of Certificates of Obligation to be Defeased. In the event that the City elects to defease less than all of the principal amount of Certificates of Obligation of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates of Obligation by such random method as it deems fair and appropriate.

SECTION 12. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES OF OBLIGATION.

(a) Replacement Certificates of Obligation. In the event any outstanding Certificate of Obligation is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new certificate of obligation of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate of Obligation, in replacement for such Certificate of Obligation in the manner hereinafter provided.

(b) Application for Replacement Certificates of Obligation. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates of Obligation shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner applying for a replacement certificate of obligation shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate of Obligation, as the case may be. In every case of damage or mutilation of a Certificate of Obligation, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate of Obligation so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate of Obligation shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest

on the Certificate of Obligation, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate of Obligation) instead of issuing a replacement Certificate of Obligation, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates of Obligation. Prior to the issuance of any replacement certificate of obligation, the Paying Agent/Registrar shall charge the registered owner of such Certificate of Obligation with all legal, printing, and other expenses in connection therewith. Every replacement certificate of obligation issued pursuant to the provisions of this Section by virtue of the fact that any Certificate of Obligation is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate of Obligation shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates of Obligation duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates of Obligation. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement certificate of obligation without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such certificates of obligations is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates of Obligation in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Certificates of Obligation issued in exchange for other Certificates of Obligation.

SECTION 13. CUSTODY, APPROVAL, AND REGISTRATION OF THE CERTIFICATES OF OBLIGATION; BOND COUNSEL'S OPINION, BOND INSURANCE, AND CUSIP NUMBERS. The Mayor or Mayor Pro-Tem of the City is hereby authorized to have control of the Certificates of Obligation initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates of Obligation pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates of Obligation said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates of Obligation, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City), a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Certificates of Obligation, if any, and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates of Obligation issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates of Obligation.

SECTION 14. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE CERTIFICATES OF OBLIGATION.

(a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates of Obligation as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "***Code***"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Certificates of Obligation or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates of Obligation, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates of Obligation (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates of Obligation being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates of Obligation being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates of Obligation, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates of Obligation, other than investment property acquired with --

(A) proceeds of the Certificates of Obligation invested for a reasonable temporary period of three years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Certificates of Obligation are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates of Obligation;

(7) to otherwise restrict the use of the proceeds of the Certificates of Obligation or amounts treated as proceeds of the Certificates of Obligation, as may be necessary, so that the Certificates of Obligation do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates of Obligation or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates of Obligation in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates of Obligation) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates of Obligation have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to establish reasonable expectations to prevent using the proceeds of the Certificates of Obligation in contravention of the requirements of section 149(g) of the Code (relating to hedge bonds).

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "***Rebate Fund***" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the holders of the Certificates of Obligation. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates of Obligation. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are

hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates of Obligation, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates of Obligation, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the City Manager and the Director of Finance of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates of Obligation.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (collectively referred to in this Section as the "***Projects***") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates of Obligation, or (2) the date the Certificates of Obligation are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The City covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates of Obligation. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as *Exhibit B* as the City's written procedures.

(g) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(h) Designation as Qualified Tax-Exempt Obligation. The City hereby designates the Certificate of Obligation as a "qualified tax-exempt obligation" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (a) that during the calendar year in which the Certificate of Obligation is issued, the City (including any subordinate entities) has not designated nor will designate the Certificate of Obligation or other obligations, which when aggregated with the Certificate Obligation, will result in more than $10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the City reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year in which the Certificate of Obligation is issued by the City (or any subordinate entities) will not exceed $10,000,000; and, (c) that the City will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Certificate of Obligation will not be considered a "private activity Certificate of Obligation" within the meaning of section 141 of the Code.

SECTION 15. CONTINUING DISCLOSURE UNDERTAKING.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"***EMMA***" means the Electronic Municipal Market Access system established and maintained by the MSRB.

"***Financial Obligation***" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"***MSRB***" means the Municipal Securities Rulemaking Board.

"***Rule***" means SEC Rule 15c2-12, as amended from time to time.

"***SEC***" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB through EMMA financial information and operating data with respect to the City of the general type included in

the final Official Statement authorized by this Ordinance, being the information described in *Exhibit C* hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in *Exhibit C* hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such required time, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Event Notices.

The City shall file notice of the following events with respect to the Certificates of Obligation to the MSRB through EMMA in a timely manner and not more than 10 business days after occurrence of the event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701BTEB), or other material notices or determinations with respect to the tax status of the Certificates of Obligation, or other material events affecting the tax status of the Certificates of Obligation;

7. Modifications to rights of the holders of the Certificates of Obligation, if material;

8. Certificate of Obligation calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Certificates of Obligation, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the City;

13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs 15 and 16 and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as provided by SEC Release No. 34-83885, dated August 20, 2018.

The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates of Obligation within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 11 of this Ordinance that causes Certificates of Obligation no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates of Obligation, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates of Obligation at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OF OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates of Obligation in the primary offering of the Certificates of Obligation in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates of Obligation consent to such amendment or

(b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates of Obligation. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates of Obligation in the primary offering of the Certificates of Obligation. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to subsection (b) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB=s Internet Web site or filed with the SEC.

SECTION 16. SALE AND DELIVERY OF THE CERTIFICATES OF OBLIGATION. The Certificates of Obligation are hereby initially sold and shall be delivered to _____ (the "***Purchaser***") at a price of ***$***_____, which amount is equal to par value thereof, plus a [net] original issue premium of ***$***_____, and less Purchaser's discount of ***$***_____), and accrued interest from September 1, 2026 to the date of delivery. ***$***_____ of such premium on the Certificates of Obligation shall be deposited into the Construction Fund to be used for the purposes for which the Certificates of Obligation are being issued and shall be counted against the amount noted in the Notice of Intention described in the sixth recital of this Ordinance; and ***$***_____ of such premium shall be used by the City to pay costs of issuance (including bond insurance premium and the Purchaser's discount described above) in accordance with the provisions of Section 1201.042(d), Texas Government Code, as amended. The City will deliver to the Purchaser an Initial Certificate in the aggregate principal amount of ***$***_____ payable in principal installments on the dates and in the principal amounts shown in Section 2 hereof, and bearing interest at the rates for each respective maturity as shown in Section 3 hereof. The Initial Certificate shall be registered in the name of _____. It is hereby officially found, determined, and declared that the Purchaser is the highest bidder for the Certificates of Obligation as a result of invitations for competitive bids. It is further officially found, determined, and declared that the Certificates of Obligation have ben sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Bidding Instructions and the Preliminary Official Statement, dated August 11, 2026, prepared and distributed in connection with the sale of the Certificates of Obligation. In satisfaction of Section 1201.022(a)(3), Texas Government Code, and upon consultation with the City's Financial Advisor, the City Council hereby determines that the final terms of the Certificates of Obligation as set forth in this Ordinance and resulting from the receipt of such competitive bids are in the City's best interest.

SECTION 17. APPROVAL OF OFFICIAL STATEMENT. The City hereby approves the form and content of the Official Statement relating to the Certificates of Obligation and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Certificates of Obligation by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement for the Certificates of Obligation, dated August 11, 2026, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

SECTION 18. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The Mayor, Mayor Pro-Tem, City Secretary, City Manager and the Director of Finance of the City shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates of Obligation, the sale of the Certificates of Obligation, the Official Statement, and the Paying Agent/Registrar Agreement, and all actions related to the issuance of the Certificates of Obligation which have previously been taken by such officials are hereby ratified and approved. In addition, prior to the initial delivery of the Certificates of Obligation, the Mayor, Mayor Pro-Tem, City Secretary, City Manager, Director of Finance, City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the Certificates of Obligation by the Attorney General's office. In case any officer whose signature shall appear on any Certificate of Obligation shall cease to be such officer before the delivery of such Certificate of Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Director of Finance of the City is further authorized to pay to the Attorney General of Texas prior to the delivery of the Certificates of Obligation, for the Attorney General's review of the transcript of proceedings related to the Certificates of Obligation, the amount required pursuant to Section 1202.004, Texas Government Code, as amended.

SECTION 19. ORDINANCE A CONTRACT; AMENDMENTS. This Ordinance shall constitute a contract with the Registered Owners of the Certificates of Obligation, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Certificate of Obligation remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change which is not to the prejudice of the Registered Owners. The City may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates of Obligation, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Certificate of Obligation over any other Certificate of Obligation, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates of Obligation required for consent to any such amendment, change, modification, or rescission. Whenever the City shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the City shall cause notice of the amendment, addition, or rescission to be sent

by first class mail, postage prepaid, to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 20. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Certificates of Obligation, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance and the continuation thereof for 30 days after the City has received written notice of such defaults, the Holders of any of the Certificates of Obligation shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

SECTION 21. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Purchaser and the registered owners of the Certificates of Obligation, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Purchaser and the registered owners of the Certificates of Obligation.

SECTION 22. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

SECTION 23. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 24. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its adoption by the City Council.

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PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS AT A REGULAR MEETING ON AUGUST 18, 2026 AT WHICH MEETING A QUORUM WAS PRESENT.

_____
Mayor, City of Kennedale, Texas

ATTEST:

_____
City Secretary, City of Kennedale, Texas

(City Seal)

** ** ** ** **

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

EXHIBIT B

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Certificates, the City's chief financial officer (the "***Responsible Person***"), which is currently the Director of Finance will:

(i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities financed with the Certificates must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Certificates will be entered into within six (6) months of the date of delivery of the Certificates (the "***Issue Date***");

(ii) monitor that at least 85% of the proceeds of the Certificates to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;

(iii) restrict the yield of the investments to the yield on the Certificates after three (3) years of the Issue Date;

(iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Certificates does not exceed an amount equal to the debt service on the Certificates in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Certificates for the immediately preceding 12-month period;

(v) ensure that no more than 50% of the proceeds of the Certificates are invested in an investment with a guaranteed yield for four years or more;

(vi) maintain any official action of the City (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Certificates any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;

(vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and

(viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Certificates are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Certificates the Responsible Person will:

(i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;

(ii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;

(iii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);

(iv) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;

(v) determine whether, at any time the Certificates are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;

(vi) determine whether, at any time the Certificates are outstanding, the facilities are sold or otherwise disposed of; and

(vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Certificates and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Certificates. If any portion of the Certificates is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Certificates. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 15 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. Within six months after the end of any fiscal year, commencing with the fiscal year ending in 2026, all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in Table 1, and under Tables 1 through 14 of Appendix A.

2. Within six months after the end of any fiscal year, commencing with the fiscal year ending in 2026, the annual audited financial statements of the City or the unaudited financial statements of the City in the event audited financial statements are not completed within twelve months after the end of any fiscal year.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 2 above.

STAFF REPORT

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: ITEMS FOR INDIVIDUAL CONSIDERATION VI.C.5.

SUBJECT

Discuss and approve bid award for health, dental, vision, life and AD&D, and voluntary life insurance and authorize the City Manager to sign the agreements.

ORIGINATED BY

Danielle Clarke, Director of Human Resources

SUMMARY

Earlier this year staff met with Brinson Benefits, the city's insurance consultant regarding the city's benefit plans, plan utilization and preparation for the July bid process. At that time the 12-month claims loss ratio was approximately 91%, with seven (7) large claimants over $20,000. Those claims ranged from approximately $20,500 to $52,000. These numbers are significantly higher than the last two years.

Brinson Benefits was initially confident the city would be able to renew our benefits at or below a 10% increase with the incumbent United Healthcare (UHC). In July 2026, staff received the insurance renewal with an overall increase of 46%. Staff immediately bid the insurance to review other competitive offers. The City advertised and received bids from three additional companies (Blue Cross, Evry Health, and TXHB).

After a review of the bids from Evry Health and TXHB, they were eliminated from consideration due to narrow provider networks and rate increases of more than 26%. Although United Healthcare did return with a lower final rate increase offer of 33%, it was decided that it would not be in the best financial interest of the city to renew with UHC.

Blue Cross Blue Shield presented an offer 22% higher than the city's current cost, which included a triple-option plan design, that provides employees with an additional choice and a combination of features from our existing plans. While the new plan is an HMO, it includes a broad network of providers, which should help minimize any disruption in access to care. From a cost perspective, the new option is also favorable, with some employees seeing a reduction in monthly premiums, some experiencing no change, and others seeing a modest increase of no more than $36 per month, depending on their coverage tier.

The HMO medical plan has a deductible of $7,250 for an individual, and 100% coverage after the deductible is met. The City will fund a Health Reimbursement Arrangement for employees on the HMO plan, lowering the individual deductible to $3,400. The HMO plan will also offer copays, with a Primary Care Visit copay of $45, and RX tiers starting at $0.

The HSA plan has a $7,500 individual deductible, and 100% coverage after the deductible is met. The HSA plan will continue to give employees access to the Health Savings Bank Account. The Buy-Up PPO plan

has a $6,250 individual deductible, 80% coinsurance coverage and primary physician copays of $45. A chart comparing the proposed plans is below.

The proposed budget initially presented to City Council provided an estimated increase of 10%. As bid, the best plan offering is a 22.41% increase in cost to the city.

As a result of the City maintaining our ancillary benefits with BCBS (the incumbent), BCBS provided a 1.5% decrease to our overall increase, which resulted in a savings of approximately $10,125. There will be no change in cost to our ancillary benefits.

After review of the bid proposals, staff recommends moving the city's medical insurance to Blue Cross Blue Shield. Staff also recommends making no change to the ancillary benefits (dental, vision, life). The overall increase in the health insurance line item is approximately $120,148, **based on current elections and staffing levels.**

RECOMMENDATION

It is recommended that the city accept the bid proposals of Blue Cross Blue Shield for medical insurance and ancillary benefits, for a total allocation of $1,189,426, while maintaining Brinson Benefits as the agent of record and authorize the City Manager to execute the agreement. Open enrollment must be completed before August 31, 2026.

BCBSTX PROPOSED PLAN DESIGN			
	HMO Blue Essentials	**HSA Blue Choice**	**Blue Choice PPO**
Individual Deductible	$7,250	$7,500	$6,250
Family Deductible	$18,400	$15,000	$18,400
Deductibles after HRA Contribution	**$3,400 / $6,800**	N/A	N/A
Coinsurance	100%	100%	80%
Individual out of pocket max	$8,150	$7,500	$8,400
Family out of pocket max	$18,400	$15,000	$18,400
Primary Care Visit	$45	D & C	$45
Specialist Office Visit	$90	D & C	$90
Urgent Care	$75	D & C	$75
Lab & XRAY	D & C	D & C	D & C
Imaging	D & C	D & C	D & C
Emergency Room	$500 copay + D & C	D & C	$750 copay + D & C
Inpatient	D & C	D & C	D & C
Outpatient	D & C	D & C	D & C
RX Tiers	$0/$10/$20/$50/$70/$100/$120	D & C	$0/$10/$20/$50/$70/$100/$120
Out-of-network benefits	NO	Yes	Yes

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.6.

SUBJECT

Annual Review of Investment Policy

ORIGINATED BY
Jon Horton, CPA
Director of Finance

SUMMARY
The Texas Public Funds Investment Act (PFIA), and the City's Investment Policy, requires an annual review of the City's Investment Policy and adoption of a resolution stating the review has been completed. The annual review was most recently completed on September 16, 2025.

There is a single change: Removal of RW Baird & Co. Incorporated/Jeffrey Carroll on the list of approved broker/dealers. We have closed all accounts at RW Baird and do not intend to re-open them.

RECOMMENDATION
Adopt a resolution affirming an update of the City's Investment Policy has taken place and accept the updated Policy as attached.

ATTACHMENTS

CITY OF KENNEDALE

KENNEDALE
Finance Department

INVESTMENT POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: SEPTEMBER 13, 2001

PREFACE

State and local public laws govern the investment process for City funds. Laws cannot ensure that public officials manage public funds in a disciplined and prudent manner. The actions of public officials responsible for investing public funds must be guided by knowledge, skills, systems, policies, procedures and confidence that can be described only as professional discipline.

It is the policy of the City of Kennedale, that giving due regard to safety and risk of investments, all available funds shall be invested in conformance with these legal and administrative guidelines. All City funds shall be invested to the maximum extent possible.

Effective cash management is recognized as essential to good fiscal management. A prudent cash management and investment policy will be pursued. To that end, investment interest will be used as a viable and material revenue source for all City funds. Earnings from investments will be used in a manner that will best serve the interest of the City of Kennedale.

The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

SUBSEQUENT REVIEW & ADOPTION

SEPTEMBER 12, 2002
OCTOBER 9, 2003
SEPTEMBER 9, 2004
SEPTEMBER 13, 2005
SEPTEMBER 14, 2006
SEPTEMBER 13, 2007
NOVEMBER 13, 2008
NOVEMBER 5, 2009
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015
OCTOBER 17, 2016
JUNE 18, 2018
JULY 19, 2022
AUGUST 29, 2023
DECEMBER 19, 2023
JUNE 17, 2025
SEPTEMBER 16, 2025
AUGUST 18, 2026

I. PURPOSE

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature ("Public Funds Investment Act") requires each city to adopt rules governing its investment practices and to define the authority of the investment official. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and prudent fiscal management of the City of Kennedale funds.

II. SCOPE

The Investment Policy applies to the investment and management of all funds under direct authority of the City of Kennedale.

A. These funds are accounted for in the City's Annual Comprehensive Financial Report (ACFR) and include the following:

1) General Fund;

2) Special Revenue Funds;

3) Capital Project Funds;

4) Enterprise/Proprietary Funds;

5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;

6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and

7) Any new fund created by the City, unless specifically exempted from this policy by the City or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

B. This policy excludes:

1) Employee Retirement and Pension Funds administered or sponsored by the City.

2) Defeased bond funds held in trust escrow accounts.

C. Review & Amendment: The City Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution stating the review has been completed and recording any changes made to either the policy or strategy statements.

III. PRUDENCE

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and

2) whether the investment decision was consistent with the written investment policy of the City.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the City recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Director of Finance, the City Manager and the City Council of the City of Kennedale, and that appropriate action is taken by the investment officials and their oversight managers to control adverse developments.

IV. OBJECTIVES

A. Preservation & Safety of Principal: Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.

B. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.

C. Yield: The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

V. RESPONSIBILITY & CONTROL

A. Delegation: Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Director of Finance by the City Manager. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Director of Finance may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Director of Finance and/or his representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.

B. Subordinates: All persons involved in investment activities shall be referred to as "Investment Officials." No person shall engage in an investment transaction, except as provided under the terms of this policy, the procedures established by the Director of Finance and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The Director of Finance shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials.

C. Internal Controls: Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy must be performed by the City's independent auditor.

D. Ethics & Conflicts of Interest: An investment officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council. For purposes of this section, an investment officer has a personal business relationship with a business organization if:

1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or

3) the investment officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer.

Investment officials of the City shall refrain from personal and business activities involving any of the City's custodians, depositories, broker/dealers or investment advisors which may influence the officer's ability to conduct his duties in an unbiased manner. Investment officials will not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the City's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the City and all transactions contemplated and completed by the City confidential, except when disclosure is required by law.

E. Investment Training Requirements: The Director of Finance and the Investment officials shall attend at least one ten-hour training session relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten-hour requirement, each investment officer shall receive not less than eight hours of instruction in their investment responsibilities at least once during each two year period that begins on October 1st and consists of the two consecutive fiscal years after that date. The investment training session shall be provided by an independent source. For purposes of this policy, an "independent source" from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City of Kennedale may engage in an investment transaction. Such training shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with investment laws, including the Texas State Public Funds Investment Act.

VI. AUTHORIZED INVESTMENTS

A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.

B. Direct obligations of the State of Texas or its agencies and instrumentalities.

C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.

D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent.

E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.

F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas;

1) and such Certificates of Deposit are:

- guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or

- secured by obligations described in Article VI, sections A through D above.

2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

Certificates of Deposit brokered by an authorized broker/dealer that has its main office or a branch office in Texas who contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

G. No-load money market mutual funds if the mutual fund:

1) is registered with and regulated by the Securities and Exchange Commission;

2) has a dollar-weighted average stated maturity of 90 days or fewer; and

3) includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.

H. Investment instruments <u>not</u> authorized for purchase by the City of Kennedale include the following:

1) Banker's Acceptances;

2) "Bond" Mutual Funds;

3) Collateralized Mortgage Obligations of any type; and

4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.

5) Repurchase agreements and reverse repurchase agreements.

I. If an investment in the City's portfolio becomes an unauthorized investment due to changes in the Investment Policy or the Public Funds Investment Act, or an authorized investment is rated in a way that causes it to become an unauthorized investment, the investment officials of the City shall review the investment and determine whether it would be more prudent to hold the investment until its maturity, or to redeem the

investment. Officials shall consider the time remaining until maturity of the investment, the quality of the investment, and the quality and amounts of any collateral which may be securing the investment in determining the appropriate steps to take.

VII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS

A. Bidding Process for Investments: It is the policy of the City to require competitive bidding for all investment transactions (securities and bank C.D.'s) except for:

1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and

2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three (3) bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed, as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

B. Maximum Maturities: The City of Kennedale will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.

C. Maximum Dollar-Weighted Average Maturity: Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted average maturity. However, under certain market conditions investment officials may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three (3) years.

D. Diversification: The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.

2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one (1) year shall not be greater than coupon interest and investment income received from the balance of the portfolio.

3) The following maximum limits, by instrument, are established for the City's total portfolio:

- Certificates of Deposit……50%
- Local Government Investment Pools *(See D.(4) below)*……..100%
- Money Market Mutual Funds *(See D.(4) below)*……..100%
- Obligations of states, agencies, cities & other political subdivisions of any state……..25%
- State of Texas Obligations & Agencies……50%
- US Treasury & US Agency Callables……25%
- US Government Agencies & Instrumentalities……100%
- US Treasury Notes/Bills……100%

4) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

VIII. AUTHORIZED BROKER/DEALERS & FINANCIAL INSTITUTIONS

A. Investment officials will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the City. These firms may include:

1) all primary government securities dealers; and

2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The investment officials may select up to six (6) firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list

will be reviewed and approved along with this investment policy at least annually by the investment committee. The approved broker/dealer list is included in Appendix B

B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:

1) Audited financial statements;

2) Proof of Financial Industry Regulatory Authority (FINRA) certification, unless it is a bank;

3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and

4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

IX. SAFEKEEPING & CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities and collateral will be held by a third-party custodian designated by the investment officials and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

X. COLLATERAL

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the City's bank depository contract.

A. Market Value: The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized City representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.

B. Collateral Substitution: Collateralized investments often require substitution of collateral. The Safekeeping bank must contact the City for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.

C. Collateral Reduction: Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the City to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.

D Letters of Credit: Letters of Credit, as defined in Article VI (A), are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a Letter of Credit can be acceptable collateral for City funds held by the City's bank depository.

XI. INVESTMENT REPORTS

A. Reporting Requirements: The investment officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 30 days following the end of the quarter.

B. Investment Records: An investment official designated by the City Manager shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the

reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.

C. Auditor Review: The City's independent external auditor must formally review the quarterly investment reports annually to ensure compliance with the State of Texas Public Funds Investment Act, and any other applicable State Statutes.

XII. INVESTMENT COMMITTEE

A. Members: An Investment Committee, consisting of the City Manager or designee and the Director of Finance, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.

B. Scope: The Investment Committee shall include in its deliberations, such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

XIII. INVESTMENT STRATEGY STATEMENTS

The City of Kennedale portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by the investment policy. The City of Kennedale maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

A. Operating Funds

1) Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.

2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

3) Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and comply with SEC Rule 2a-7. Investments for these funds shall not exceed an 18-month period from date of purchase.

4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

B. Reserve & Deposit Funds

1) Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.

2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

3) Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility. Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91 day Treasury bill.

C. Bond & Certificate Capital Project Funds & Special Purpose Funds

1) Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.

2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

3) Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate Capital Project Funds and Special Purpose Funds shall be the 91 day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

D. Debt Service Funds

1) Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.

2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.

3) Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and comply with SEC Rule 2a-7.

4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.

5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.

6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91 day Treasury bill.

XIV. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

APPENDIX A

CITY OF KENNEDALE, TEXAS
TEXAS PUBLIC FUNDS INVESTMENT ACT
CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Kennedale, Texas and _____ (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the City of Kennedale, Texas (as defined in the Act); and

The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the City of Kennedale, Texas; and

The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City of Kennedale, Texas that are not authorized by the investment policy of the City of Kennedale, Texas, except to the extent that this authorization is dependent on an analysis of the makeup of the City of Kennedale, Texas entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of the Business Organization

_____

Name _____

Title _____

Date _____

APPENDIX B

CITY OF KENNEDALE, TEXAS
INVESTMENT COMMITTEE
LIST OF APPROVED BROKER/DEALERS

- Frost Brokerage Services, Inc.
  Bryan Adkison and Brian Alphin
  100 N Walnut Creek Drive
  Mansfield, TX 76063

- BV Private Wealth LP
  Tyson Eubanks
  801 Cherry Street, Suite 2250
  Fort Worth, TX 76102

RESOLUTION NO. 653

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNDALE, TEXAS, ADOTING AN AMENDED INVESTMENT POLICY.

WHEREAS, on September 13, 2001, The City Council of the City of Kennedale adopted a document entitled, "Investment Policy", a framework that provides guidelines by which the City of Kennedale will maintain the minimum amount of cash in its bank accounts to meet daily needs, and to provide protection for its principal and liquidity while receiving the highest yield possible from investing all temporary excess cash; and

WHEREAS, this serves to satisfy the statutory requirements of defining and adopting a formal investment policy and is authorized by the Public Funds Investment Act as amended; and

WHEREAS, The City Council, City Manager, Finance Director, and other staff have reviewed the City's Investment Policy.

NOW THEREFORE, BE IT RESOLOVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS:

The City Council of the City of Kennedale, Texas hereby approves the amended Investment Policy dated August 18, 2026, attached hereto as "Exhibit A"

DULY PASSED AND APPROVED by the City Council of the City of Kennedale, Texas, on the 18th day of August 2026.

_____
Brian Johnson, Mayor

Attest:

_____
Tina Cox, Interim City Secretary

Approved as to Form and Legality:

_____
Carvan Adkins, City Attorney

City of KENNEDALE Texas EST. 1887
YOU'RE HERE YOUR HOME

STAFF REPORT
TO THE CITY COUNCIL

MEETING DATE: August 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.7.

SUBJECT

P&Z CASE 26-04 CONDUCT A PUBLIC HEARING AND CONSIDER ORDINANCE # 799 A PROPOSED AMENDMENT TO THE UNIFIED DEVELOPMENT CODE (UDC) ARTICLE 14," SIGNS" TABLE 14.7 "PERMANENT SIGN REQUIREMENTS" AND SECTION 14.8.15. "PROHIBITED SIGNS. THE PRIMARY ACTION BEING TO AMEND "POLE SIGN" PROVISIONS AND "CHANGEABLE ELECTRONIC VARIABLE MESSAGE (CEVMS)" STANDARDS. ZONING DISTRICTS AFFECTED INCLUDE THE "EMPLOYMENT CENTER DISTRICTS (EC-1 AND EC-2)" "COMMERCIAL AND INDUSTRIALDISTRICTS (C-0, C-1, C-2, & I).

ORIGINATED BY: Edward McRoy Director of Community Development

SUMMARY:

City Staff is concerned that standards in the Unified Development Code (UDC) for properties located along I-20 are somewhat restrictive with regards to pole signs and digital signs (Changeable Electronic Variable Message Sign or CEVMS). The restrictions can hamper businesses along this thoroughfare and limit the draw of economic activity into the City. Additionally, in Old Town (OT) Districts, the restriction against digital signage (CEVMS) limits the ability of governmental entities to promote programs or provide helpful information to the general public.

With the proposed ordinance, the following changes will take place:

I-20 Frontage Road Properties:
Allow pole signs within 40'of the I-20 frontage to be 75' high.
Allow these signs to be increased in size to 672 square feet. (a common billboard size).
Allow digital signs to be used.

UPDATE SINCE LAST MEETING

Changes to OT Zoning District sign standards have been completely removed from this draft. Digital signage will be addressed in a future UDC update.

Other:
Remove certain language relating to regulating message content.

The proposal **WILL NOT**:
Create new non-conforming situations.
Increase restrictions or limit uses already authorized.

RECOMMENDATIONS: Staff: Approval.
P&Z: Approval (4-0)

ATTACHMENTS

1	Current Ordinance Text	3	Proposed Text (RL-SO)
2	Proposed Ordinance	4	Graphic Examples

Attachment 3 - Graphic Examples and Imagery







ORDINANCE NO. 799

AN ORDINANCE AMENDING THE UNIFIED DEVELOPMENT CODE OF THE CITY OF KENNEDALE, TEXAS, SECTIONS 14.7, "PERMANENT SIGNS," AND 14.8, "PROHIBITED SIGNS," OF ARTICLE 14, "SIGNS," OF PART III, "DEVELOPMENT PROVISIONS AND DESIGN STANDARDS," TO REVISE SIGN REGULATIONS, INCLUDING STANDARDS FOR CERTAIN POLE SIGNS AND CHANGEABLE ELECTRONIC VARIABLE MESSAGE SIGNS; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas (the "City"), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City heretofore adopted the Unified Development Code of the City, as amended, which ordinance regulates and restricts the location and use of buildings, structures, and land for trade, industry, residence, and other purposes, and provides for the establishment of zoning districts of such number, shape, and area as may be best suited to carry out these regulations in conformance with Chapter 211 of the Texas Local Government Code; and

WHEREAS, Chapter 211 of the Texas Local Government Code authorizes municipalities to adopt and amend zoning regulations, including regulations governing the location, size, height, design, and placement of signs, in order to promote the public health, safety, morals, and general welfare; and

WHEREAS, the City Council finds that it is appropriate to amend Sections 14.7 and 14.8 of the Unified Development Code to update and clarify certain sign regulations, including standards applicable to pole signs and changeable electronic variable message signs in designated zoning districts; and

WHEREAS, the Planning and Zoning Commission considered the proposed amendments and made a recommendation to the City Council after notice and a public meeting as required by applicable law; and

WHEREAS, the City Council has conducted a public hearing on the proposed amendments and finds that adoption of this Ordinance is consistent with the Comprehensive Plan, serves the public health, safety, and welfare, and is in the best interests of the citizens of the City of Kennedale.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THAT:

SECTION 1.

Section 14.7 "Permanent Signs," of Article 14, "Signs," of Part III, "Development Provisions and Design Standards" of the Unified Development Code, as amended, of the Code of Ordinances, City of Kennedale, Texas, is hereby amended to read as follows:

"Section 14.7 - Permanent Signs

A. Permanent Sign Requirements.

***

Employment Center Districts (EC-1 and EC-2)	
Pole Signs	
Location/Setbacks (min.)	Pole signs on High Ridge Road shall be located between the I-20 frontage road and Link Street, but shall not be located within 100 feet of Link Street. Pole signs on Wrey Crest shall not be located within 100 feet of the Kennedale Parkway. Pole signs in lawful existence before adoption of the UDC shall be considered non-conforming. Pole signs shall be spaced a minimum of 200 feet apart, as measured from center of pole to center of pole.
Height (max.)	75 feet.
Size (max.)	672 square ft
Number (max.)	EC-1: three (3) pole signs total northeast of the Kennedale Parkway and two (2) southwest of Kennedale Parkway. No more than one (1) pole sign shall be permitted per lot. Five (5) total in EC-1. EC-2:. A maximum of one (1) pole sign per qualifying lot shall be permitted within the EC-2 district.
Other	Pole signs shall not be permitted without a signed, recorded agreement, and an approved sign plan.

***

Sign, changeable electronic variable message (CEVMS).	
Location	Permitted only within 40 feet of I- 20 frontage road right-of-way.
Number (max.)	One (1) per parcel or lot.
Other	1. Must be on a monopole. 2. Any change of pictures or information on the message board sign shall not produce the illusion of moving objects, expanding or contracting shapes, rotation or any similar effect of animation. 3. Any change of pictures or information on the message board sign shall not change more often than once every 8 seconds. 4. No lighted sign or message board sign shall have a luminance of greater than 300 foot-candles, nor shall any such sign have a luminance greater than 200 foot-candles for any portion of the sign within a circle two (2) feet in diameter. The restriction of luminance in this section shall be determined from any other premises or from any public right-of-way.
Commercial and Industrial Districts	
***	
Pole Sign	
Location/Setbacks (min.)	10 feet
Height (max.)	Type A 10 feet. Type B 32 feet if fronting/facing I-20 frontage road. Type C 75 feet if fronting/facing I-20 and within 40’ of frontage road
Size (max.)	Type A 10 square feet, Type B 32 square feet if fronting I-20 frontage road. Type C 672 square ft. if fronting/facing I-20 and within 40’ of frontage road

Number (max.)	One (1) per lot or parcel per 300 feet of frontage, none if monument or business center sign present.
Other	1. For any sign fronting I-20 frontage road, the sign must be closer to that frontage than any other right-of-way. 2. For a Type C TXDOT separation and spacing standards for a billboard or off-site advertising sign must be met.

***

Sign, changeable electronic variable message (CEVMS).	
Location	Permitted only on a monument or pole sign.
Number (max.)	One (1) per parcel or lot.
Other	1. Any change of pictures or information on the message board sign shall not produce the illusion of moving objects, expanding or contracting shapes, rotation or any similar effect of animation. 2. Any change of pictures or information on the message board sign shall not change more often than once every 8 seconds. 3. No lighted sign or message board sign shall have a luminance of greater than 300 foot-candles, nor shall any such sign have a luminance greater than 200 foot-candles for any portion of the sign within a circle two (2) feet in diameter. The restriction of luminance in this section shall be determined from any other premises or from any public right-of-way.

SECTION 2.

Section 14.8 "Prohibited Signs," of Article 14, "Signs," of Part III, "Development Provisions and Design Standards" of the Unified Development Code, as amended, of the Code of Ordinances, City of Kennedale, Texas, is hereby amended to read as follows:

"Section 14.8 – Prohibited Signs.

***

15. Electronic Reader Board/Message signs and Changeable Electronic Variable Message signs (CEVMS) in the Village Districts."

SECTION 3.

This Ordinance shall be cumulative of the Unified Development Code, as amended, and all provisions of other ordinances affecting zoning and land use, and of the Code of Ordinances, City of Kennedale, Texas, as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

SECTION 4.

It is hereby declared to be the intention of the City Council of the City that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such invalid or unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 5.

Any person, firm, or corporation who violates disobeys, omits, neglects, or refuses to comply with or who resists enforcement of any of the provision of this Ordinance shall be fined in accordance with Section 1-6 of the Kennedale City Code. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 6.

All rights and remedies of the City are expressly saved as to any and all violations of the provisions of the Unified Development Code or any ordinances governing zoning that have accrued at the time of the effective date of this Ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this Ordinance, but may be prosecuted until final disposition by the courts.

SECTION 7.

The City Secretary of the City is hereby directed to publish the caption and penalty clause of this Ordinance as required by law

SECTION 8.

This Ordinance shall be in full force and effect from and after the date of its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THIS _____ DAY OF _____, 2026.

APPROVED:

_____

MAYOR, BRIAN JOHNSON

ATTEST:

_____

INTERIM CITY SECRETARY, TINA COX

APPROVED AS TO FORM AND LEGALITY:

_____

CARVAN ADKINS, CITY ATTORNEY

STAFF REPORT
TO THE CITY COUNCIL

MEETING DATE: August 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.8.

SUBJECT

PZ CASE #26-14 Consider approval of a proposed Replat of property located at 439 Mansfield Cardinal Rd., Parcel # 06356354, proposed for 39 residential townhome lots and 2 common area lots proposed to be called Lot 1-R1, LOT'S 2-39, BLOCK 1,LOT 40 HOA, LOT 41 POND, BLOCK 1 Kennedale Oaks Addition Being a replat of Lot 1-R,Block 1 Harris Hills Estates in all approximately 6.180 acres situated in the Jesse B. Renfro Survey, Abstract No 1260 in the City of Kennedale, Tarrant County, Texas.

ORIGINATED BY: Edward McRoy, Director of Community Development

AREA SUMMARY

Current Zoning	Proposed Zoning	Comprehensive Plan Designation
PD-TH (Ord 758)	N/A - No Change	Residential High Density

Nearby Zoning/Use			
North	C-2 – Commercial	East	R-3 Residential
South	C-2 Commercial	West	MF Multi-Family

BACKGROUND / ANALYSIS / REVIEW

This plat proposes splitting a single lot with slightly more than six (6) acres into thirty-nine (39) townhome lots and three (3) common area lots. The property has been rezoned three times in recent history for PD purposes. The first was for tiny homes, then for a senior facility, and now for Townhomes.

A preliminary plat was approved on 05/22/2025. Based on this approval, construction plans were submitted and groundwork was initiated on the site. The preliminary plat expired prior to submitting a final plat request. The current request was submitted and labeled “final plat” to resolve this matter.

Current City Staff has determined that the preliminary plat of 2025 was submitted in error. The property had already been platted. The correct procedure to modify an already platted property is a replat, it is not a preliminary plat. It also appears that a number of zoning requirements of the PD were not identified or adequately considered in evaluating the 2025 preliminary plat. Possibly, because of these factors, a number of features on the submitted plat do not comply with the PD standards.

FINDINGS & CONCLUSIONS: The proposed plat:

Complies with the Future Land Use Plan
Does not Comply with the PD Zoning District requirements (ORD 758)
Does not Comply with the Subdivision Standards of the UDC

RECOMMENDATIONS

P&Z – No Action – Lack of Quorum - Result – Deemed Approve (See UDC Sec 26.15 5. A.)

Staff – Approve Conditionally subject to satisfaction of Staff Comments within one year of the approval date and no variance or exception from the City's subdivision, zoning, or PD requirements is requested or granted with a failure to comply within one year to be considered a motion for denial.

ATTACHMENTS

1	Location Map	4	Proposed Plat	7	Application Materials
2	Zoning Map	5	Staff Comments /Corrections Needed	8	Tax Statement
3	Land Use Plan Map	6	PD Zoning Ord 758		

PZ 26-14 SiteMap



7/17/2026, 1:44:49 PM

City Limits

TAD Parcels

1:2,257

0 0.02 0.04 0.08 mi

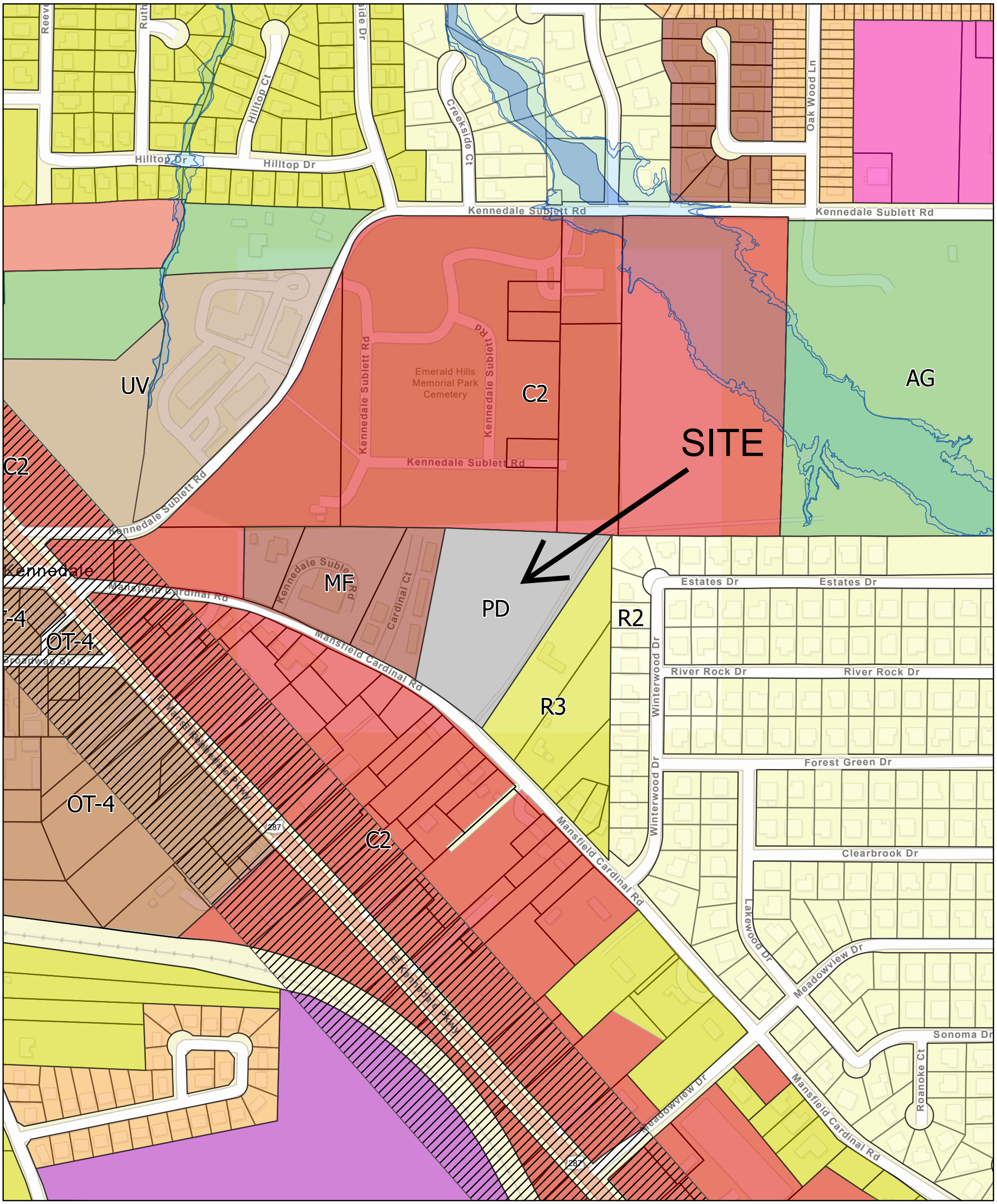
0 0.04 0.07 0.14 km

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community

Web AppBuilder for ArcGIS

Esri Community Maps Contributors, Tarrant County College, City of Arlington, TX, City of Fort Worth, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies,

PZ 26-14 Zoning Map



7/19/2026, 11:07:30 AM

Overlay Districts - Floodplain
- Floodway
- 1% Annual Chance Flood Hazard
- 0.2% Annual Chance Flood Hazard
- Overlay Districts - Business 287 and Interstate 20/820 Loop

Zoning (View)
- AG - Agricultural District
- C1 - Restricted Commercial District
- C2 - General Commercial District
- D - Two Family (Duplex) Residential District
- I - Industrial District
- MF - Multi-Family District
- OT-4 - Old Town Sub-District 4
- R2 - Single Family Residential District
- R3 - Single Family Residential District
- TH - Townhome District
- UV - Urban Village District
- PD - Planned Development District
- City Limits
- TAD Parcels

1:4,514

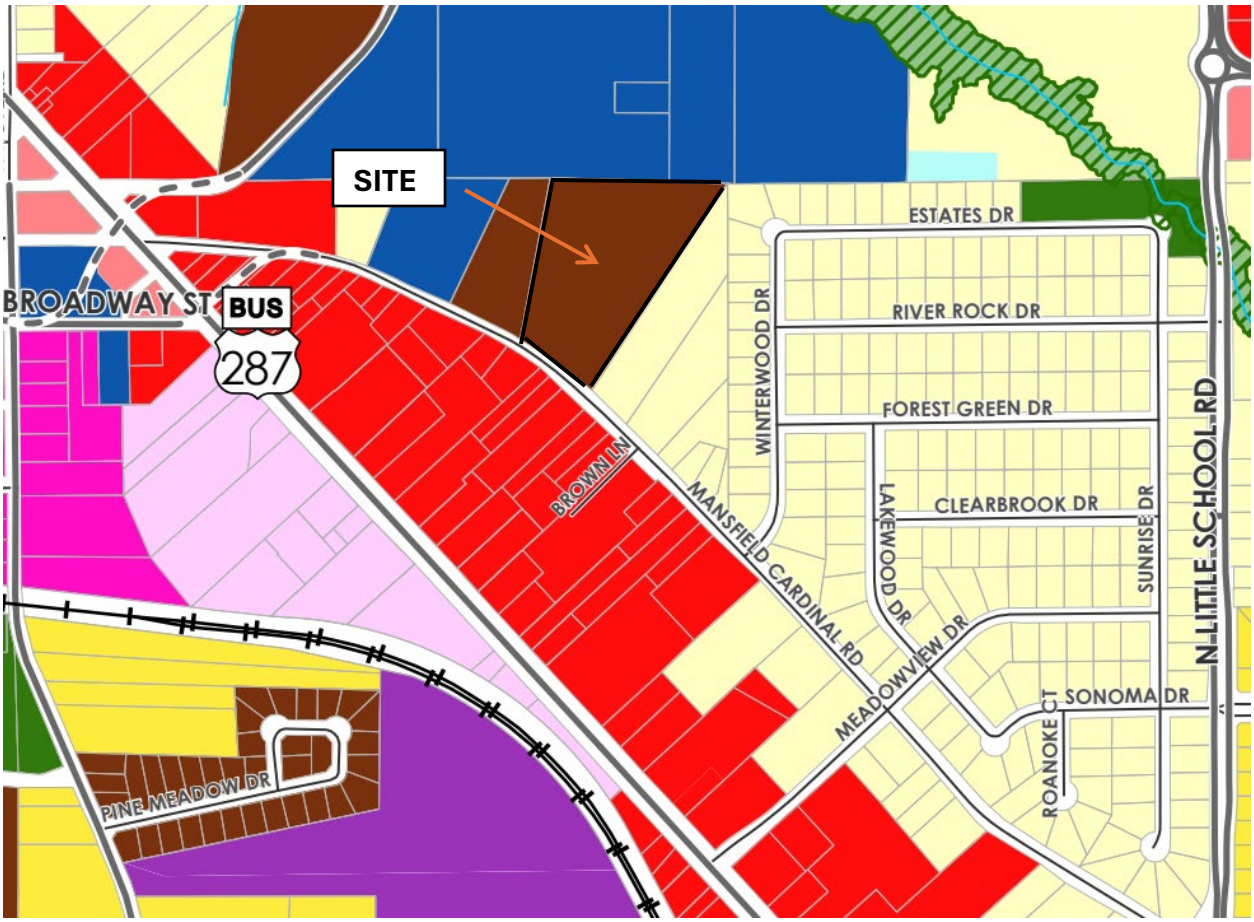
0 0.04 0.09 0.17 mi

0 0.05 0.1 0.2 km

Sources: Esri, TomTom, Garmin, FAO, NOAA, USGS, (c) OpenStreetMap contributors, and the GIS User Community

Web AppBuilder for ArcGIS
Esri Community Maps Contributors, Tarrant County College, City of Arlington, TX, City of Fort Worth, Texas Parks & Wildlife, © OpenStreetMap, Microsoft, CONANP, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies,

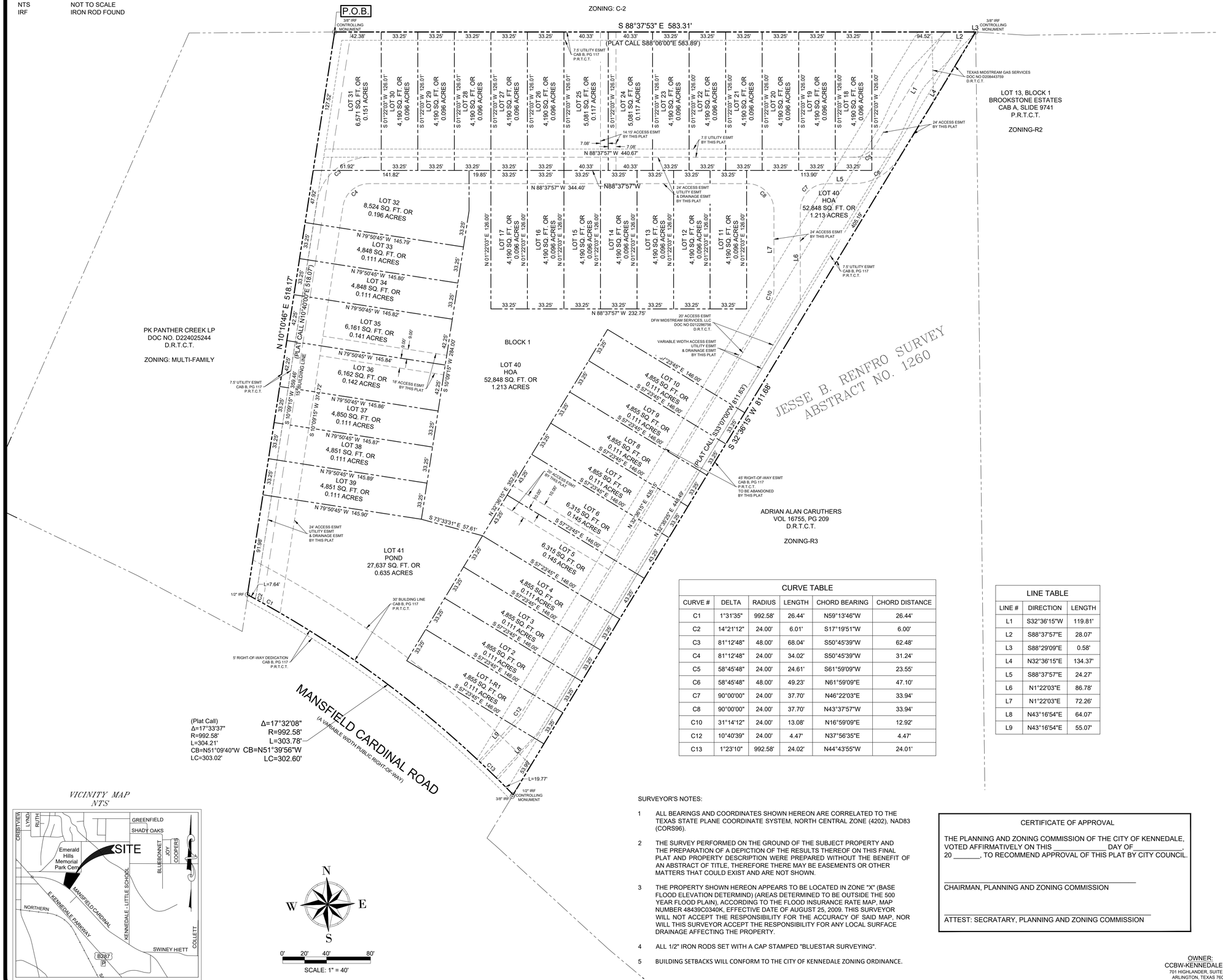
PZ 26-14 Future Land Use Map





LEGEND

HOA	HOME OWNERS ASSOCIAION
P.R.T.C.T.	PLAT RECORDS TARRANT COUNTY TEXAS
D.R.T.C.T.	DEED RECORDS TARRANT COUNTY TEXAS
ESMT	EASEMENT
NTS	NOT TO SCALE
IRF	IRON ROD FOUND



CURVE TABLE					
CURVE #	DELTA	RADIUS	LENGTH	CHORD BEARING	CHORD DISTANCE
C1	1°31'35"	992.58'	26.44'	N59°13'46"W	26.44'
C2	14°21'12"	24.00'	6.01'	S17°19'51"W	6.00'
C3	81°12'48"	48.00'	68.04'	S50°45'39"W	62.48'
C4	81°12'48"	24.00'	34.02'	S50°45'39"W	31.24'
C5	58°45'48"	24.00'	24.61'	S61°59'09"W	23.55'
C6	58°45'48"	48.00'	49.23'	N61°59'09"E	47.10'
C7	90°00'00"	24.00'	37.70'	N46°22'03"E	33.94'
C8	90°00'00"	24.00'	37.70'	N43°37'57"W	33.94'
C10	31°14'12"	24.00'	13.08'	N16°59'09"E	12.92'
C12	10°40'39"	24.00'	4.47'	N37°56'35"E	4.47'
C13	1°23'10"	992.58'	24.02'	N44°43'55"W	24.01'

LINE TABLE		
LINE #	DIRECTION	LENGTH
L1	S32°36'15"W	119.81'
L2	S88°37'57"E	28.07'
L3	S88°29'09"E	0.58'
L4	N32°36'15"E	134.37'
L5	S88°37'57"E	24.27'
L6	N1°22'03"E	86.78'
L7	N1°22'03"E	72.26'
L8	N43°16'54"E	64.07'
L9	N43°16'54"E	55.07'

SURVEYOR'S NOTES:

1 ALL BEARINGS AND COORDINATES SHOWN HEREON ARE CORRELATED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE (4202), NAD83 (CORS96).

2 THE SURVEY PERFORMED ON THE GROUND OF THE SUBJECT PROPERTY AND THE PREPARATION OF A DEPICTION OF THE RESULTS THEREOF ON THIS FINAL PLAT AND PROPERTY DESCRIPTION WERE PREPARED WITHOUT THE BENEFIT OF AN ABSTRACT OF TITLE, THEREFORE THERE MAY BE EASEMENTS OR OTHER MATTERS THAT COULD EXIST AND ARE NOT SHOWN.

3 THE PROPERTY SHOWN HEREON APPEARS TO BE LOCATED IN ZONE "X" (BASE FLOOD ELEVATION DETERMIND) (AREAS DETERMINED TO BE OUTSIDE THE 500 YEAR FLOOD PLAIN), ACCORDING TO THE FLOOD INSURANCE RATE MAP, MAP NUMBER 48439C0340K, EFFECTIVE DATE OF AUGUST 25, 2009. THIS SURVEYOR WILL NOT ACCEPT THE RESPONSIBILITY FOR THE ACCURACY OF SAID MAP, NOR WILL THIS SURVEYOR ACCEPT THE RESPONSIBILITY FOR ANY LOCAL SURFACE DRAINAGE AFFECTING THE PROPERTY.

4 ALL 1/2" IRON RODS SET WITH A CAP STAMPED "BLUESTAR SURVEYING".

5 BUILDING SETBACKS WILL CONFORM TO THE CITY OF KENNEDALE ZONING ORDINANCE.

OWNER'S CERTIFICATE

STATE OF TEXAS }
COUNTY OF TARRANT }

WHEREAS CCBW-KENNEDALE LLC, is the sole owner of a 6.180 acre tract of land situated in the **JESSE B. RENFRO SURVEY, ABSTRACT NO. 1260**, in the City of Kennedale, Tarrant County, Texas, being Lot 1-R, Block 1, Harris Hill Estates, an addition in the City of Kennedale, Tarrant County, Texas, according to the plat thereof recorded in Cabinet B, Slide 117, Plat Records, Tarrant County, Texas, being that certain tract of land described in a deed to CCBW-KENNEDALE LLC, recorded in Document Number D221309941, Deed Records, Tarrant County, Texas, being more particularly described by metes and bounds as follow:

BEGINNING at a 3/8 inch iron rod found for the common corner of said Lot 1-R, Block 1, and a tract of land described in a deed to Rogers and Rogers, Inv., recorded in Volume 6016, Page 727, Deed Records, Tarrant County, Texas, being in the south line of a tract of land described in a deed to Emerald Hills Memorial Park Holdings, LLC, recorded in Document Number D215199677, Deed Records, Tarrant County, Texas;

THENCE S 88°37'53" E, along the common line of said Lot 1-R, Block 1, and said Emerald Hills Memorial Park Holdings, LLC tract, a distance of 583.31 feet to a 3/8 inch iron rod found for the common corner of said Emerald Hills Memorial Park Holdings, LLC tract, a tract of land described in a deed to Adrian Alan Caruthers, recorded in Volume 16775, Page 209, Deed Records, Tarrant County, Texas, and Lot 13, Block 1, Brookstone Estates, an addition in the City of Kennedale, Tarrant County, Texas, according to the plat thereof recorded in Cabinet A, Slide 9741, Plat Records, Tarrant County, Texas;

THENCE S 32°36'15" W, along the common line of said Lot 1-R, Block 1, and said Caruthers tract, a distance of 811.68 feet to a 1/2 inch iron rod found for the southeast corner of said Lot 1-R, Block 1, and being in the northeasterly right-of-way line of Mansfield Cardinal Road (a variable with public right-of-way), said point being in a curve to the left having a radius of 992.58 feet, a delta angle of 17°32'08";

THENCE along the southerly line of said Lot 1-R, Block 1, along the northerly right-of-way line of said Mansfield Cardinal Road, and along said curve to the left an arc distance of 303.78 feet, a chord bearing and distance of N 51°39'56" W, 302.60 feet to a 1/2 inch iron rod found for the south west corner of said Lot 1-R, Block 1, being in the east line of said line of said Rogers and Rogers, Inv., tract;

THENCE N 10°10'46" E, along the common line of said Lot 1-R, Block 1, and said Rogers and Rogers Inv. tract, a distance of 518.17 feet to the **POINT OF BEGINNING**, and containing 269,192 square feet or 6.180 acres of land more or less.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT, **CCBW-KENNEDALE LLC,** acting by and through the undersigned, its duly authorized agent, does hereby adopt this plat designating the hereinabove described real property as a **LOT 1-R1, LOT'S 2-39, LOT 40 HOA, LOT 41 POND, BLOCK 1, HARRIS HILL ESTATES** an Addition to the City of Kennedale, Tarrant County, Texas.

WITNESS MY HAND at Kennedale, Tarrant County, Texas on this the _____ day of _____, 2026.

By: _____
AUTHORIZED AGENT FOR CCBW-KENNEDALE LLC

STATE OF TEXAS
COUNTY OF TARRANT

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on the _____ day of _____, 2026.

_____
Notary Public in and for
The State of Texas
My Commission expires:_____

SURVEYOR'S CERTIFICATE

THIS is to certify that I, Roy Rodriguez, a Registered Professional Land Surveyor of the State of Texas, Registration No. 5596, hereby certify that this correctly represents a survey made under my supervision on March 24, 2025. The subdivision boundary corners are marked with iron pins.

PRELIMINARY
RELEASED 3/24/2025 FOR REVIEW PURPOSES ONLY. THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSES.
Roy Rodriguez Date
Texas Registration No. 5596

STATE OF TEXAS
COUNTY OF JOHNSON

BEFORE ME, the undersigned authority, on this day personally appeared Roy Rodriguez, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on the _____ day of _____, 2026.

_____
Notary Public in and for
The State of Texas

My Commission expires:_____

CERTIFICATE OF APPROVAL

THE PLANNING AND ZONING COMMISSION OF THE CITY OF KENNEDALE, VOTED AFFIRMATIVELY ON THIS _____ DAY OF_____, 20 _____, TO RECOMMEND APPROVAL OF THIS PLAT BY CITY COUNCIL.

_____
CHAIRMAN, PLANNING AND ZONING COMMISSION

_____
ATTEST: SECRATARY, PLANNING AND ZONING COMMISSION

OWNER:
CCBW-KENNEDALE LLC
701 HIGHLANDER, SUITE 350
ARLINGTON, TEXAS 76015

FINAL PLAT
LOT 1-R1, LOT'S 2-39, BLOCK 1
LOT 40 HOA, LOT 41 POND, BLOCK 1
KENNEDALE OAKS ADDITION
6.180 ACRES
BEING A REPLAT OF
LOT 1-R, BLOCK 1
HARRIS HILL ESTATES
SITUATED IN THE
JESSE B. RENFRO SURVEY, ABSTRACT NO. 1260
CITY OF KENNEDALE, TARRANT COUNTY, TEXAS

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(1) NOTES: The basis of bearings for this survey is the Texas State Plane Coordinate System Grid, North Central Zone (4202), North American Datum 1983(2002).
(2) (CM) = Controlling monument.
(3) Unless otherwise noted, subject property is affected by any and all notes, details, easements and other matters that are shown on or as part of the recorded plat and/or as part of the title commitment provided.

BLUESTAR SURVEYING
FIRM NUMBER 10147300
1013 CEDAR BREAK CT, BURLESON, TEXAS 76033
817-659-9206
WWW.BLUESTARSURVEYING.COM

JN 19-015-FP | GF # | DATE: 3/24/25

CORRECTIONS LIST

Project Type: Preliminary Plat | **Project Title:** Re-Plat
ID # 26-000417 | **Started:** 07/02/2026 at 5:21 PM

Address

439 Mansfield Cardinal,
Kennedale, TX USA
76060

Legal

Harris Hills Estates Block
1 Lot 1r Blk 1 Lot 1r
Harris Hills Estates Block
1 Lot 1r

Property Info

Property ID: 06356354

Description

PZ Case - 26-14 Replat Original Prelim Plat expired 05/25/2026 and it was determined that a preliminary plat was not needed.

CORRECTION / ADDED ON	DESCRIPTION	PRIORITY
Miscellaneous		Required: 9 | Corrected: 0
Street Names *By: Edward McRoy* *07/19/2026 at 11:05 AM* NOTE	(Informational) For addressing purposes, Please show and label a proposed name for the shown 24' access easement and note on that this will be a "Private Street".	**Normal**

Informational Note - Comment Types Please be aware of the following

Normal

[N/A]

By: Edward McRoy
07/17/2026 at 7:01 PM

NOTE

Comments are categorized into three(3) different types as descried below:

(Action) Comments listed with this are those that require a correction of a deficiency, where additional information or an additional process is required, or where information submitted is insufficient.

(Conditional) Comments listed with this indicate situations in which a correction or a deficiency MAY apply IF certain circumstances are true, but information supplied or available is insufficient to make such a determination. Applicants typically must supply additional information or amend submitted materials in these circumstances. Submittal of new information in response to a (Conditional) comment may result in additional (Action) items be identified or additional modifications being required to submitted plans.

(Informational) Comments listed with this indicate advice, information, questions, suggestions, or observations that do not require corrective action, but which may be provided to better inform the applicant on potential options, alterations, processes or circumstances which City Staff believes may be helpful for improved design or operations, or which may benefit the applicant, the City, or general public for the enhancement of health, safety, or general welfare of the community.

Access Easements [COK Ordinance 758]
By: Edward McRoy
07/17/2026 at 6:40 PM
REQUIRED

The following are related to the proposed access easements on the site

A) (Action) A 40' wide looping private access easement for vehicular travel with a sidewalk is required to transit through this development as established in Ordinance 758 Section IV Subsection H. The proposed 24' access easement is insufficient to meet this standard. Correct as appropriate.

B) (Action) An existing "45' Right of Way Easement" is shown to be abandoned on the east side of this site. Clarify the status of this easement and what parties may have rights or interests in its use.

C) (Conditional) If the easement referred to in Item B above would isolate off-site properties from a public roadway, or parities with a legal interest would be damaged by such abandonment this must be addressed prior to the filing of the plat. Additionally, if said easement was dedicated to the public in general or to the City additional steps may be needed to effect this change (COK UDC 26.22)

High

Replat - Common Areas/Lots W Detention [UDC 26.19.C.3. & UDC 16.4A]
By: Edward McRoy
07/17/2026 at 5:58 PM
REQUIRED

(Action) Add a note to the face of the plat stating, "Lots 40 and 41 are private common areas to be owned and maintained by an HOA for common and drainage, purposes. The City shall retain a right of entry and a right, but not an obligation, to maintain these areas as necessary for public health, safety, or welfare. The City may assess costs thus incurred on an HOA or owners who have not adequately maintained them."

Normal

Notes - UDC and PD Reference [UDC 26.19.C.3.]
By: Edward McRoy
07/17/2026 at 4:41 PM
REQUIRED

(Action) Change the shown Note 5 on the face of the plat to read “Development of this property is subject to the City of Kennedale Unified Development Ordinance and PD-TH zoning established by Ordinance 758.”

Normal

Plat - Replat - CC Approval Block [UDC 26.17.B.2.] *By: Edward McRoy* *07/17/2026 at 4:19 PM* REQUIRED	(Action) Add or modify (as needed), a standard City Council Approval Box being no greater than two (2) inches high and four and one-half (4 1/2) inches wide containing the following information: The City Council of the City of Kennedale, Texas voted affirmatively on this the _____ day of _____, 20____, to approve this plat for filing of record. _____ Mayor, City of Kennedale _____ Attest: City Secretary	Normal
Plat - Replat - General Notes - Covenants and Restrictions [LGC CH 212.014 (3)] *By: Edward McRoy* *07/17/2026 at 4:19 PM* REQUIRED	(Action) Add a note to the face of the plat stating, "This plat does not amend or remove any covenants or deed restrictions".	Normal
Replat - Firelane and Acess Easement [COK Ordinance 758] *By: Edward McRoy* *07/17/2026 at 4:12 PM* REQUIRED	(Action) The PD for this site (Established with Ordinance # 758), requires a continuous looping sidewalk to be located within a 40' wide private "firelane and access" easement. (See Exhibit B Section IV Subsection H). The provided "access" easement shown is only 24' wide. Correct as needed.	High
Replat - Minimum Average Lot Size [COK Ordinance 718] *By: Edward McRoy* *07/17/2026 at 3:48 PM* REQUIRED	(Action) Ordinance 758 establish a minimum average lot size of 5,450 square feet. The provided residential lots as shown yield an average lot size of only 4,8,38.949 square feet. Correct as needed by increasing lot sizes.	High

Plat - Replat - Title Block [UDC 26.17.B.2.]

By: Edward McRoy
07/17/2026 at 3:13 PM

REQUIRED

In the Title Block:

A) (Action) above the plat name, denote that this is a "Replat" and not a "Final Plat"

B) (Informational) For simplicity and readability it is recommended that the name of the plat be amended to simply read "Kennedale Oaks Addition".

C) (Conditional) If the plat name is not changed as suggested in item B above change ..."LOT'S 2-39" to "LOTS 2-39" as a grammatic correction.

Normal

Replat - Minimum Lot Width [Ordinance 758]

By: Edward McRoy
07/17/2026 at 3:10 PM

REQUIRED

(Action) With the exception of Lots 5, 6, 24, 25, 31, 32, 35, and 36 the remaining residentiallots do not appear to meet the minimum 35' lot width standard at the Setback Line established in Ordinance 758 Exhibit B. Section III Subsection B) 12. Correct as needed and provide a table indicating the specific width, depth, and area of each residential lot or label this on the graphic.

High

SCANNED

ORDINANCE NO. 758

AN ORDINANCE AMENDING THE UNIFIED DEVELOPMENT CODE OF THE CITY OF KENNEDALE, TEXAS, BY CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY WITHIN THE CITY OF KENNEDALE, BEING APPROXIMATELY 6.18 ACRES DESCRIBED AS "KENNEDALE OAKS", LOT 1R, BLOCK 1 OF THE HARRIS HILL ESTATE, LOCATED AT 439 MANSFIELD CARDINAL ROAD FROM "PD" PLANNED DEVELOPMENT DISTRICT TO "PD-TH" PLANNED DEVELOPMENT TOWNHOME DISTRICT; PROVIDING FOR THE AMENDMENT OF THE OFFICIAL ZONING MAP TO REFLECT SUCH CHANGE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR A PENALTY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas (the "City"), is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5, of the Texas Constitution and Chapter 9 of the Local Government; and

WHEREAS, pursuant to Chapter 211 of the Local Government Code, the City has adopted a comprehensive zoning ordinance and map regulating the location and use of buildings, other structures and land for business, industrial, residential or other purposes, for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan; and

WHEREAS, the property owners of a certain tract or parcel of land have requested a zoning classification change on the property from its current classification of "PD" Planned Development District to "PD-TH" Planned Development Townhome District; and

WHEREAS, a public hearing was duly held by the Planning and Zoning Commission of the City on September 8, 2022, and by the City Council of the City on October 18, 2022, with respect to the zoning change described herein; and

WHEREAS, all requirements of law dealing with notice to other property owners, publication and all procedural requirements have been complied with in accordance with Chapter 211 of the Local Government Code; and

WHEREAS, the City Council of the City does hereby deem it advisable and in the public interest to amend the Unified Development Code, as amended, as described herein.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THAT:

SECTION 1.

The Unified Development Code, as amended, is hereby amended so that the permitted uses in the hereinafter described area shall be altered, changed and amended as shown and described below:

A certain tract or parcel of land, known as ±6.18 acres, described as "Kennedale Oaks", being lot 1R, Block 1 of the Harris Hill Estate, located at 439 Mansfield Cardinal Road, City of Kennedale, Tarrant County, Texas (the "Property"), shall be rezoned from "PD" Planned Development District to "PD-TH" Planned Development Townhome District as depicted in **Exhibit "A"** Zoning Map.

SECTION 2.

The zoning districts and boundaries herein established have been made in accordance with the comprehensive plan for the purpose of promoting the health, safety, morals, and general welfare of the community. They have been designed to lessen congestion in the streets, to secure safety from fire, panic, flood and other dangers, to provide adequate light and air, to prevent overcrowding of land, to avoid undue concentration of population, to facilitate the adequate provisions of transportation, water, sewerage, parks and other public requirements. They have been made after a full and complete hearing with reasonable consideration among other things of the character of the district and its peculiar suitability for the particular uses allowed and with a view of conserving the value of the buildings and encouraging the most appropriate use of land throughout the community.

SECTION 3.

The Development Standards for the Property, attached hereto as **Exhibit "B"**, is hereby approved and incorporated herein. The use of the Property described above shall be subject to the restrictions, terms and conditions set forth in the Development Standards; shall conform to the permitted standards and regulations of the Unified Development Code; and shall conform to all applicable regulations contained in the Zoning Ordinance and all other applicable and pertinent ordinances of the City.

Any further amendments to the permitted standards and regulations of the standards described herein shall require public hearings and approval by the Planning and Zoning Commission and the City Council.

SECTION 4.

The City Secretary is hereby directed to amend the official zoning map to reflect the changes in classifications approved herein.

SECTION 5.

This Ordinance shall be cumulative of the Unified Development Code, as amended, and all other ordinances of the City of Kennedale, Texas, affecting zoning and land use, and shall not repeal any of the provisions of such ordinances except in those instances where provisions of such ordinances are in direct conflict with the provisions of this Ordinance.

SECTION 6.

All rights or remedies of the City of Kennedale, Texas, are expressly saved as to any and all violations of the Unified Development Code, as amended, that have accrued at the time of the effective date of this Ordinance and as to such accrued violations and all pending litigation, both civil and criminal, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the Courts.

SECTION 7.

It is hereby declared to be the intention of the City Council of the City of Kennedale that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, or sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such invalid or unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 8.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars ($2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 9.

The City Secretary of the City of Kennedale is hereby directed to publish the caption, the penalty clause, the publication clause, and the effective date clause of this Ordinance as provided by Section 3.10 of the Charter of the City of Kennedale.

SECTION 10.

This Ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE ON THIS 19th DAY OF DECEMBER, 2023.

APPROVED:

MAYOR, JAN JOPLIN

ATTEST:

CITY SECRETARY, RACANNE BYINGTON

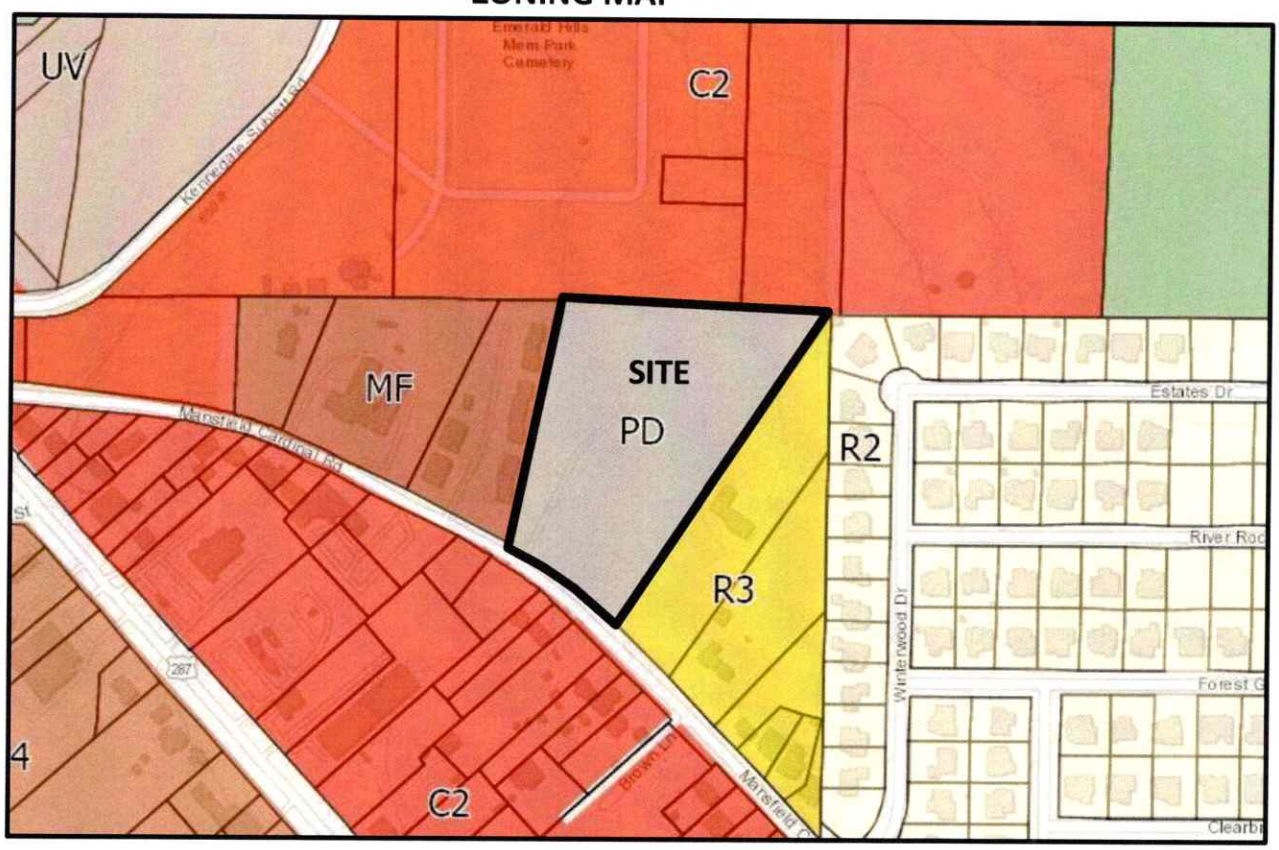
CITY OF KENNEDALE
SEAL
TARRANT COUNTY, TEXAS

439 MANSFIELD CARDINAL RD.

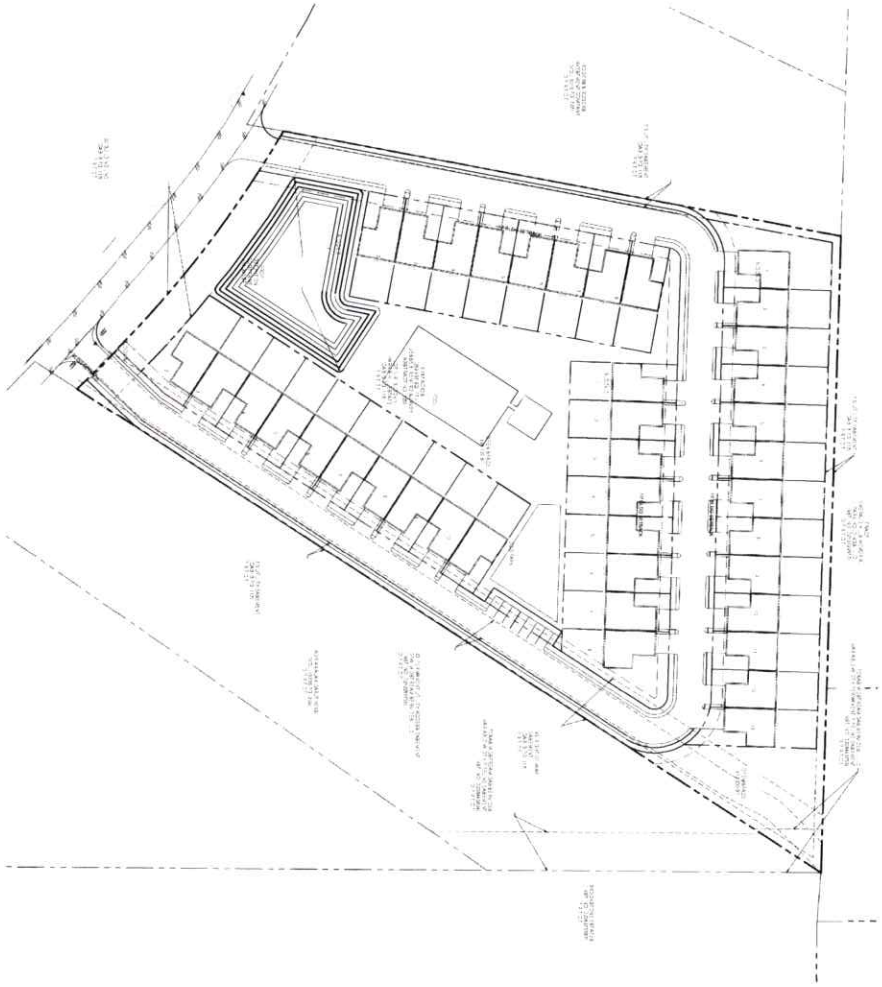


KENNEDALE
www.cityofkennedale.com

439 MANSFIELD CARDINAL RD.
ZONING MAP



KENNEDALE
www.cityofkennedale.com



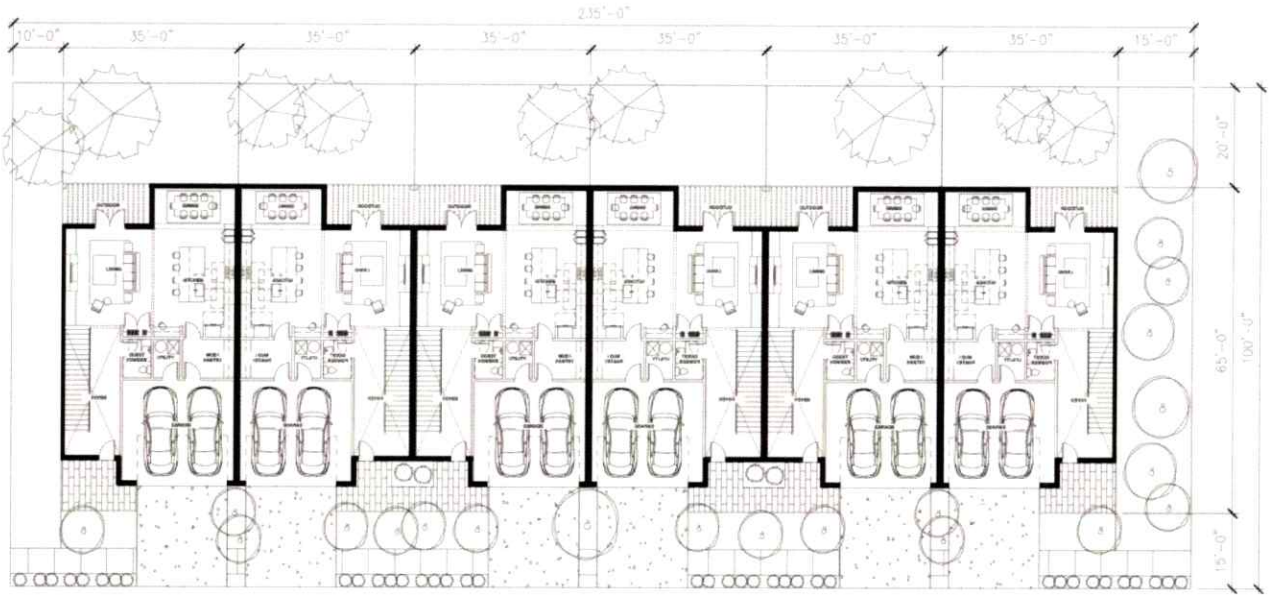
SITE DATA TABLE	
BLOCK ID	# OF LOTS
BLOCK A	
BLOCK B	10
BLOCK C	8
BLOCK D	9
TOTAL	39

N

BGE, Inc.
700 N Pearl St., Suite 2100
Dallas, TX 75201
Tel. 972-464-4800 • www.bgeinc.com
TBPE Registration No. F-1046

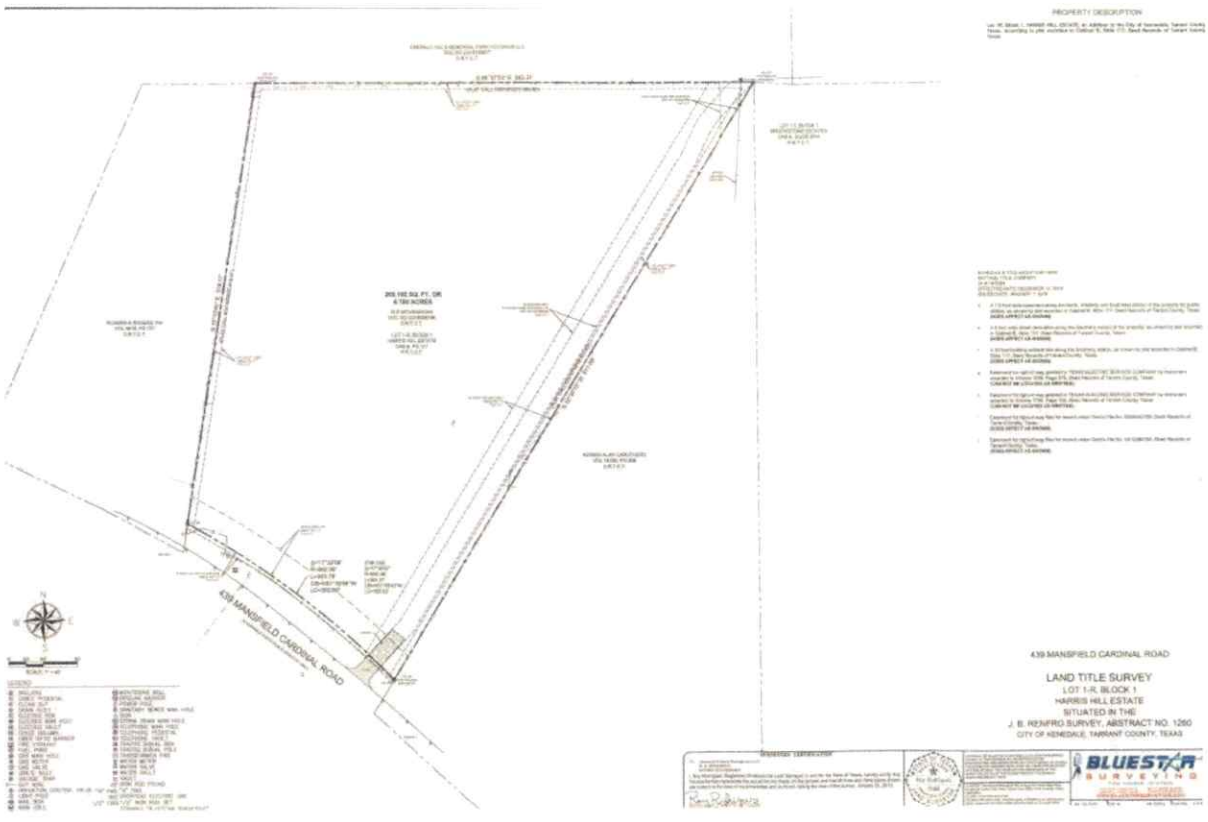
KENNEDALE OAKS
SITE LAYOUT EXHIBIT
City of Kennedale, Tarrant County, Texas
JUNE 2023

439 MANSFIELD CARDINAL RD.



KENNEDALE
www.cityofkennedale.com

439 MANSFIELD CARDINAL RD.



KENNEDALE
www.cityofkennedale.com

Exhibit "B"

KENNEDALE OAKS
DEVELOPMENT STANDARDS FOR TOWNHOME (TH) RESIDENTIAL
(PLANNED DEVELOPMENT)

Kennedale Oaks is a townhome community located off Mansfield Cardinal Road in Kennedale, Texas.

The intent of these PD guidelines is to promote a community that upholds and enhances the quality of the surrounding environment. This neighborhood will feature high-quality attached townhomes that are desirable in a higher density residential area.

I. **Purpose:** This lot type is designed to allow a minimum of three (3) to thirteen (13) attached dwellings per building. Each dwelling (townhome) will be situated on a platted lot of not less than three thousand five hundred (3,500) square feet and up to a maximum of three thousand six hundred thirty (3,675) square feet. A Homeowner's Association (HOA), or similar managing authority for common areas, shall be created for the purpose of maintaining all common areas, private firelane and access easements, public access, and utility easements. If required, the Town of Kennedale will maintain any dedication of public right of ways and water and sanitary sewer easements.

II. **Permitted Uses:** Land use and structures shall comply with uses permitted for townhome residential districts (TH) in Section 3 of the City of Kennedale Unified Development Code and in accordance with the following:

A) Conditional Uses: Any conditional uses may be permitted as noted herein.

III. **Development Regulations**

A) Plan Requirements: No application for a building permit for the construction of a building or structure shall be approved unless a plat, meeting all the requirements of the City of Kennedale, has been approved by the City Council and recorded in the Tarrant County Plat Records.

B) Area Regulations: The following minimum standards shall be required as measured from property lines:

1. Minimum Lot Size:	3,500 square feet
2. Maximum Lot Size:	7,400 square feet
3. Average Lot Size:	5,450 square feet

* Minimum lot width shall be 35 feet (measured at front lot line).

4. Lot Coverage:	80% maximum
5. Density:	8 units max. per acre
6. Dwelling Size (Minimum):	1,600 square feet
7. Dwelling Size (Maximum):	2,200 square Feet

8. Front Yard Setback: 10 feet
* Front porches shall be allowed to encroach up to five feet into the front setback.

9. Rear Yard setback: 10 feet

10. Side Yard setback (interior): 0 feet between units; 0 Feet at end of building

11. Side Yard Setback Adjacent to Street: 15 feet

12. Lot Width (Minimum): 35 feet

13. Lot Depth (Minimum): 86 feet

14. Garage Setback (Driveways): 18 feet minimum*

* Minimum distance measured from edge of public access curb/gutter to face of garage.

C) Parking:

1. All off-street parking shall be located between the edge of public access/face of curb to face of garage and measured at eighteen (18) feet minimum.

2. Minimum parking spaces per unit, regardless of bedroom count, shall be two (2) spaces per unit. The garage parking spaces and/or parking areas in front of the garages may count towards the parking calculations.

3. A minimum of one (1) bicycle rack shall be provided for every ten (10) units to meet UDC requirements.

4. Loading zone requirements shall be excluded from the development.

5. Surface parking lot requirements shall be excluded from the development.

6. On-street parking shall be restricted along Mansfield Cardinal Road and the private firelane/access easement. If required, "no parking" signs shall be installed.

IV. Design Standards:

A) Building Form Standards: All buildings shall meet, at minimum, the building form and design standards outlined in the Unified Development Code Section 3.7 (B) and (C).

B) Architectural Enhancements: Each Townhome dwelling may utilize the following architectural or design features:

a. Building materials may consist of any combination of vinyl/fiber cement siding, masonry, such as stucco, tile/porcelain/artificial stone, brick, and natural stone.

C) Siting

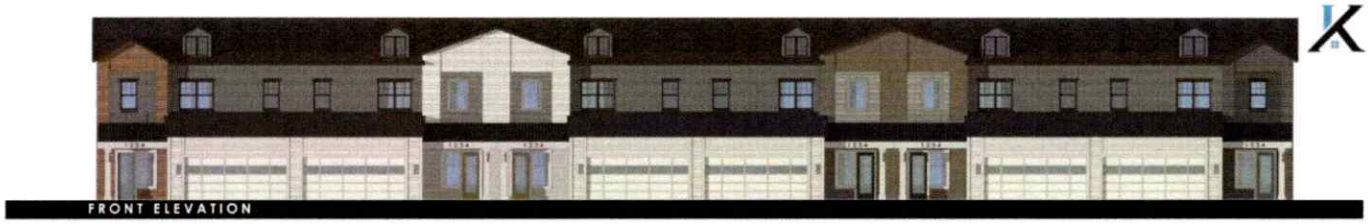
a. The parking setback shall be a minimum of eighteen (18) feet and shall be measured from the face of curb/access drive (parallel to the public access easement) to the front façade of the garage.

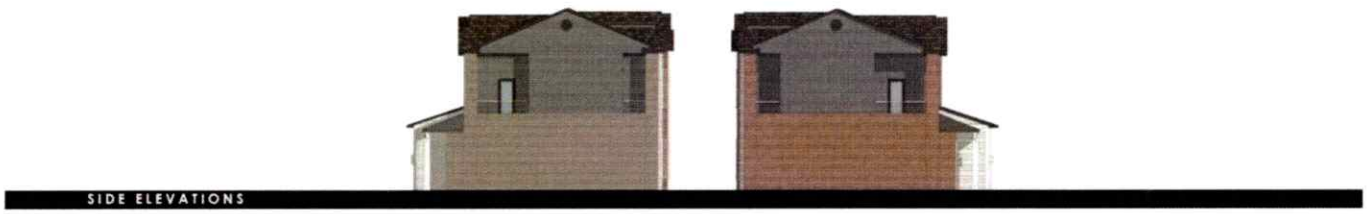
D) Elements:

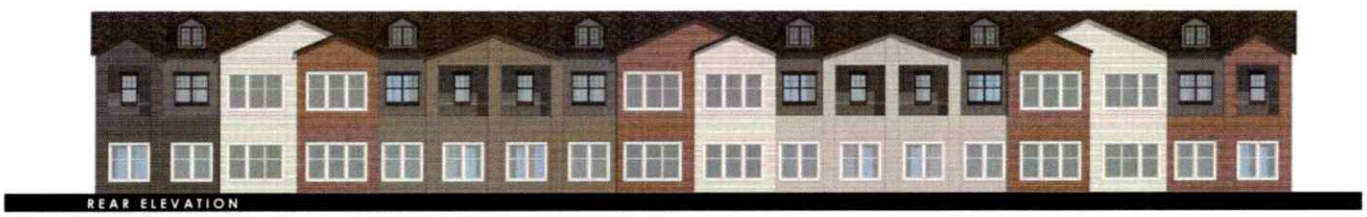
a. The minimum and maximum ground floor fenestration (1st Floor) shall be between 3% and 80%.

b. The minimum and maximum upper story fenestration (2nd Floor) shall be between 10% and 70%.

E) Elevations: Refer to presentation:







F) Fences/ Walls/ Retaining Walls:

a. Fences, screen walls and retaining walls shall be maintained by a Homeowner's Association or similar managing authority.

b. Maximum privacy fence height shall be seven (7) feet and allowed along rear and common lot lines.

c. HVAC Screening: All buildings shall be designed such that the mechanical equipment (HVAC), except venting & stacks, is not visible from Cardinal Mansfield Road.

G) Garages:

a. All units and/or lots shall provide a minimum two-car garage.

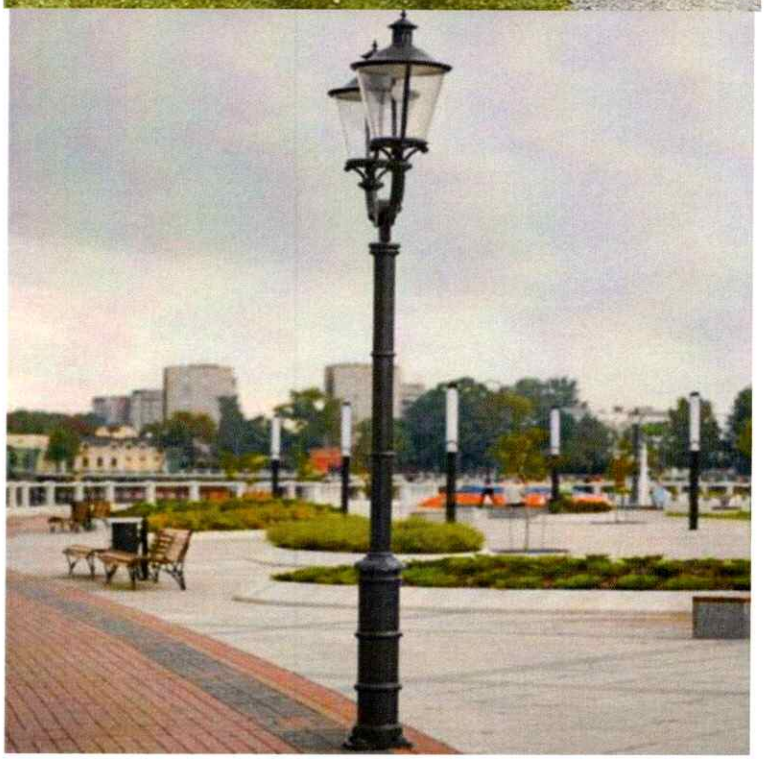
b. Garages may face and access from a dedicated public access easement and/or public right of way.

H) Sidewalks: A 5' wide sidewalk will be required within the development and provide a continuous loop within the development. The sidewalk will be located within a 40' wide private firelane and access easement. In addition, a 5' wide sidewalk will be required within the public right of way of Mansfield Cardinal Road.

I) Landscaping: Landscaping, at minimum, shall conform to the requirements outlined in Article 13 of the Unified Development Code. All site landscaping, including maintenance of the right-of-way, shall be HOA-maintained.

J) Exterior Lighting: All exterior lighting, including streetlights, shall be decorative and complement the design of the development. Examples of appropriate light fixtures and streetlights are provided below:





K) Refuse Facilities: Each resident will be responsible for trash & recycling collection through an individual 3rd party vendor. Rollout bins will be utilized and stored inside the proposed garages.

L) Amenities: All development amenities, including pools, parks, and open-space areas, shall be HOA-maintained.

Any regulation not specifically addressed herein or shown on Table A shall be in accordance with the current ordinances of the City of Kennedale for Townhome (TH) District.

Planned Development Regulations Summary Table 'A'

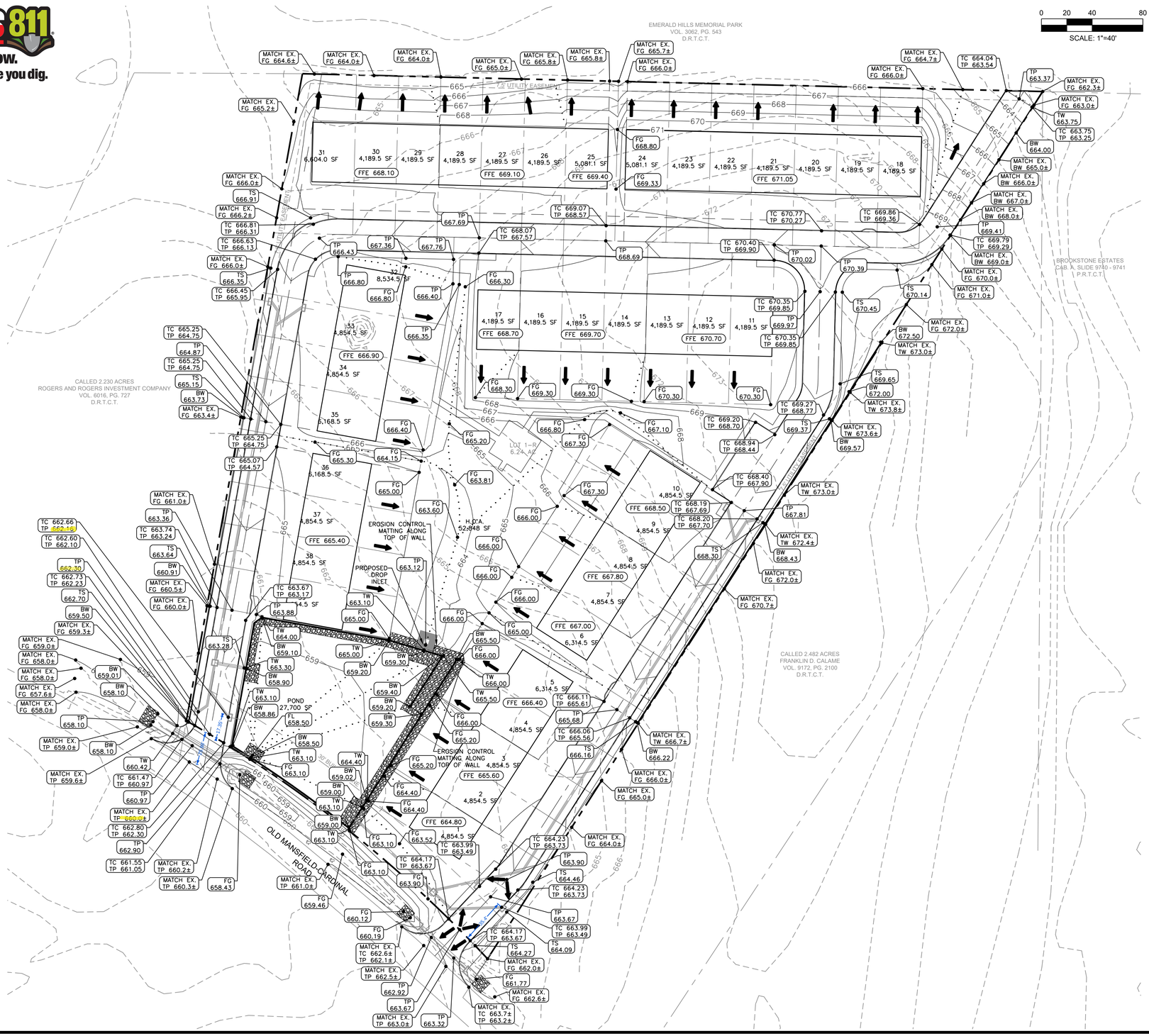
PLANNED DEVELOPMENT REGULATIONS - TABLE 'A'		
	UDC Form-Based Code	Proposed
Base Zoning	TH	PD
Uses	Vacant	Townhomes
Setbacks (Minimum)		
Front Yard - Primary	10 Feet	10 Feet
Front Yard - Secondary	10 Feet	10 Feet
Side Yard (Interior Common Lot Line)	0 Feet	0 Feet
Side Yard (Exterior End of Building)	0 Feet	0 Feet
Side Yard (Adjacent to Street)	15 Feet	15 Feet
Rear Yard	20 Feet	10 Feet
Lot Dimensions (Minimum)		
Lot Width (Minimum)	40 Feet	35 Feet
Lot Depth (Minimum)	80 Feet	100 Feet
Lot Area (Minimum)	3000 SF	3,500 SF
Building Height (Maximum)	2nd Story Top Wall Plate	3 stories
Minimum ground floor clear height	9 Feet	9 Feet
Minimum upper story clear height	9 Feet	9 Feet
Max garden wall height	10 Feet	10 Feet
Max privacy fence height	7 Feet	8 Feet
Minimum build-to percentage	75%	50%
Minimum parking setback	30 Feet	18 Feet
Garden wall	Permitted on unbuilt RBL	Permitted on unbuilt RBL
Privacy fence (Lots)	Permitted on common and rear lot lines only	Permitted on common and rear lot lines only
Min/Max ground floor (1st Floor) façade fenestration	33% to 80%	3% to 80%
Min/Max upper story (2nd Floor) fenestration	20% to 70%	10% to 70%
Max blank wall limitation	30 Feet	30 Feet
Max distance between façade entrances	60 Feet	70 Feet
Balconies	Permitted	Permitted
ROW Section/Access Easement	50 Feet	40 Feet
Parking	Up to 1,000SF: one (1) space/unit Above 1,000SF: one and a quarter (1.25)	(2) parking enclosed spaces/unit
Bicycle Parking	One (1) parking rack / ten (10) units	One (1) parking rack / ten (10) units

KENNEDALE OAKS

CAUTION NOTICE TO CONTRACTOR

THE CONTRACTOR IS SPECIFICALLY CAUTIONED THAT THE LOCATION AND/OR ELEVATION OF EXISTING UTILITIES AS SHOWN ON THESE PLANS ARE BASED ON RECORDS OF THE VARIOUS UTILITY COMPANIES AND, WHERE POSSIBLE, MEASUREMENTS TAKEN IN THE FIELD. THE INFORMATION IS NOT TO BE RELIED ON AS BEING EXACT OR COMPLETE. THE CONTRACTOR MUST CALL THE APPROPRIATE UTILITY COMPANY AT LEAST 48 HOURS BEFORE ANY EXCAVATION TO REQUEST EXACT FIELD LOCATION OF UTILITIES. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO RELOCATE ALL EXISTING UTILITIES WHICH CONFLICT WITH THE PROPOSED IMPROVEMENTS SHOWN ON THE PLANS.

Texas 811
Know what's below.
Call before you dig.



NORTH

0 20 40 80

SCALE: 1"=40'

LEGEND

- W — EXISTING WATER LINE
- OHE — EXISTING OVER HEAD ELECTRIC
- SS — EXISTING SANITARY SEWER LINE
- SS — PROPOSED SANITARY SEWER LINE
- W — PROPOSED WATER LINE
- GAS — PROPOSED GAS LINE
- UG — UNDER GROUND ELECTRIC CONDUIT
- SF — SILT FENCE
- PROPERTY BOUNDARY LINE
- PROPOSED 6" CURB
- PROPOSED WALL

NOTE:
WALLS IN EXCESS OF 4-FEET MUST BE STRUCTURALLY DESIGNED

NO.	DESCRIPTION	BY	DATE
1.	FIRST SUBMITTAL	MA	04/02/25
2.	SECOND SUBMITTAL	MA	07/14/25
3.	THIRD SUBMITTAL	MA	10/21/25
4.			
5.			
6.			
7.			

SCALE
HOR. :
VER. :
DRAWN : JON G.
CHECKED : ED A.
DATE : 10-21-25
PROJECT NO. : 24-008

ANWAR B. ARSHOUK
92819
PROFESSIONAL ENGINEER
10-21-2025

GRADING PLAN

KENNEDALE OAKS ADDITION
KENNEDALE, TX

105 E OAK ST. SUITE 203
MANSFIELD, TX 76063
PHONE (817) 563-6900
FAX (817) 796-1042
FIRM # 13916
MA ENGINEERING & CONSTRUCTION

Released For Construction
10/22/2025
City of KENNEDALE Texas

SHEET
7.1

OWNER'S AUTHORIZATION FORM

Name: Charles Williams

Company Name: CCBW - Kennedale, LLC

Address: 701 Highlander Blvd, Suite 350, Arlington, TX 76015

Telephone: (214) 606-4234 Email: chouse@pioneerrealtycapital.com

CHECK ONE OF THE FOLLOWING:

- ☐ I will represent the application myself; or
- ☒ I hereby designate Edward Arshouk (name of project representative) to act in the capacity as my agent for submittal, processing, representation, and/or presentation of this development application. The designated agent shall be the principal contact person for responding to all requests for information and for resolving all issues of concern relative to this application.

I am the owner of the property and further confirm that the information provided on this form is true and correct. By signing below, I agree that the City of Kennedale (the "City") is authorized and permitted to provide information contained within this application to the public. The City is also authorized and permitted to reproduce any information submitted in connection with the application, if such reproduction is associated with the application in response to a Public Information Request. By signing this application, staff is granted access to your property to perform work related to your case.

Owner's Signature: Charles Williams Date: March 21, 2025

TARRANT COUNTY TAX OFFICE

100 E. Weatherford, Room 105 • Fort Worth, Texas 76196-0301 • 817-884-1100
taxoffice@tarrantcountytx.gov
In God We Trust

RICK BARNES
Tax Assessor-Collector

TAX CERTIFICATE FOR ACCOUNT : 00006356354
AD NUMBER: 17240 1 1R
CERTIFICATE NO : 147866944

DATE : 5/29/2026
FEE : $10.00

COLLECTING AGENCY

RICK BARNES
PO BOX 961018
FORT WORTH TX 76161-0018

REQUESTED BY

CCBW-KENNEDALE LLC

701 HIGHLANDER STE 350
ARLINGTON TX 76015

PROPERTY DESCRIPTION

HARRIS HILLS ESTATES BLOCK 1 L
OT 1R

0000439 MANSFIELD CARDINAL RD
6.185 ACRES

PROPERTY OWNER

CCBW-KENNEDALE LLC

701 HIGHLANDER STE 350
ARLINGTON TX 76015

YEAR	TAX UNIT	AMOUNT DUE
2025	CITY OF KENNEDALE	$0.00
2025	Tarrant County	$0.00
2025	JPS HEALTH NETWORK	$0.00
2025	TARRANT COUNTY COLLEGE	$0.00
2025	KENNEDALE ISD	$0.00
	TOTAL	$0.00

ISSUED TO : CCBW-KENNEDALE LLC
ACCOUNT NUMBER: 00006356354
TOTAL CERTIFIED TAX: $0.00

As Deputy Tax Assessor/Collector for Tarrant County , I do hereby certify pursuant to Texas Property Tax Code Section 31.08 that the delinquent taxes, penalties and attorney fees due for only the above described property are as listed below according to the current tax records. Additional taxes may become due on the described property, which are not reflected herein, if the said described property has or is receiving any special statutory valuations that may trigger tax rollback provisions and other changes to the appraisal roll made subsequent to the issuance of this certificate.

This certificate applies to ad valorem taxes only and does not apply to any special assessment levies.

_____Deputy

TAX ASSESSOR-COLLECTOR
TARRANT COUNTY, TEXAS

CASH RECEIPT
RECEIPT NUMBER: 147866947
TAX YEAR: 2025
COLLECTED BY:

RICK BARNES
PO BOX 961018
FORT WORTH, TX 76161-0018

DATE: 5/29/2026

PAID BY:

CCBW-KENNEDALE LLC
701 HIGHLANDER STE 350
ARLINGTON, TX 76015

DATE	AMOUNT
5/29/2026	10.00

*** THIS IS A RECEIPT ***

RICK BARNES
PO BOX 961018
FORT WORTH, TX 76161-0018

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: August 18, 2026

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM VI.C.9.

SUBJECT:
Consider and approve a construction contract with Tanksco, Inc. for the rehabilitation of the T3-Elevated Storage Tank.

ORIGINATED BY:
Kristian Sugrim

SUMMARY:
The T3 – Elevated Storage Tank, a 1.0 MG composite tank, located at 500 Gail Drive, has had minimal maintenance since it was installed in 2001 – 2002. An inspection conducted in January 2021 found several AWWA and OSHA deficiencies that were not addressed. Subsequently, another inspection was performed in September 2025 that provided similar outcomes. In 2023, staff started working with the City of Arlington and Freese and Nichols Incorporated, FNI, for low-cost solutions for the rehabilitation of this water tank.

This project entails the full rehabilitation of the interior and exterior coating systems, including structural repairs and replacement of appurtenances. The work also includes the replacement of existing interior and exterior lightning, and installation of water sampling taps, piping and heat trace.

Bids for the contract were opened publicly and read out loud on Tuesday, July 7, 2026, at 2:00 p.m. Of the eight bids received, the apparent low bidder was Tanksco, Inc. On Monday, July 27, 2026, the Kennedale City Council unanimously approved Tanksco's bid. Tanksco is qualified and has previous experience working with area municipalities on EST projects. Favorable reviews and references were received.

Funding for the tank rehabilitation was approved by the Kennedale's City Council as a budget item for FY 2025/2026.

RECOMMENDATION:
Staff recommends that the Kennedale's City Council authorize the execution of the construction contract with Tanksco, Inc. for the rehabilitation of the T3-EST at One Million Eleven Thousand and Eight Hundred dollars, $1,011,800.00.

ATTACHMENTS:

00 52 13 AGREEMENT

This Agreement is between City of Kennedale (Owner) and **[name of Contractor to be inserted at time of Contract execution]** (Contractor).

Owner and Contractor agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is designated as follows:

Rehab of T3 EST
KEN25806

ARTICLE 2 – DESIGN PROFESSIONAL

2.01 The Design Professional for this Project is:

Freese and Nichols, Inc.
801 Cherry St., Suite 2800
Fort Worth, TX 76102

ARTICLE 3 – CONSTRUCTION MANAGER

3.01 The Construction Manager for this Project is:

Freese and Nichols, Inc.
801 Cherry St., Suite 2800
Fort Worth, TX 76102

ARTICLE 4 – CONTRACT TIMES

4.01 Contract Times

A. The Work is required to be substantially complete within 120 days after the date when the Contract Times commence to run as provided in the General Conditions and complete and ready for final payment in accordance with the General Conditions within 30 days after the date of Substantial Completion.

4.02 Liquidated Damages

A. Owner and Contractor recognize that the Contract Times specified for Milestones, Critical Operations, and Substantial Completion and Final Completion are of the essence in the Contract. Owner and Contractor recognize that the Owner will suffer financial loss if the Work is not completed within the Contract Times specified in this Agreement as may be adjusted in accordance with the General Conditions. Owner and Contractor also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration preceding the actual loss suffered by Owner if the Work is not completed within the Contract Times.

Accordingly, instead of requiring proof of the amount of these damages, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):

1. Contractor agrees to pay Owner $2,500 for each day that expires after the time specified in this Agreement for Substantial Completion until the Work is substantially complete.
2. Contractor agrees to pay Owner $500 for each day that expires after the time specified in this Agreement for Final Completion until the Work is completed and ready for final payment in accordance with the General Conditions.

B. Liquidated damages for failing to timely attain Substantial Completion and Final Completion are not additive and will not be imposed concurrently.

C. OPT will determine whether the Work has been completed within the Contract Times. Assessment of liquidated damages by the Owner does not waive the Owner's right to assess or collect additional damages which the Owner may sustain by the failure of the Contractor to perform in accordance with the terms of the Contract.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner will pay Contractor for completion of the Work in accordance with the Contract Documents at the prices shown in this Agreement. The Contract Price has been computed in accordance with the General Conditions. Contractor acknowledges that for unit price items, estimated quantities are not guaranteed and are solely for the purpose of comparing Bids, and that final payment will be based on actual quantities determined in accordance with the Contract Documents.

ARTICLE 6 – PAYMENT PROCEDURES

6.01 Submit Applications for Payment in accordance with the General Conditions. Applications for Payment will be processed by the Construction Manager per Section 01 29 00 "Application for Payment Procedures."

6.02 Owner will make progress payments on or about the 25th day of each month during performance of the Work. Payment is based on the total earned value of Work completed in the previous month in accordance with the Schedule of Values established as provided in the General Conditions.

6.03 Payment will be made for the total earned value of Work completed in the previous month after deducting:

A. Retainage calculated per this Agreement;

B. Set-offs determined in accordance with the General Conditions; and

C. The total amount of payments previously made.

6.04 Retainage

A. Progress payments will be made in an amount equal to 90 percent of the total earned value to date for completed Work and properly stored materials. The remaining 10 percent of the total earned value to date will be held as retainage in accordance with Tex. Gov't Code Chapter 2252.

6.05 Release or reduction in retainage is contingent upon the consent of surety to the reduction in retainage. Submit a Consent of Surety Company to Reduction of or Partial Release of Retainage form as provided by or approved by the Construction Manager.

6.06 Owner will pay the remainder of the Contract Price as recommended by Construction Manager in accordance with the General Conditions upon Final Completion and acceptance of the Work.

ARTICLE 7 – PAYMENT OF INTEREST

7.01 All moneys not paid when due as provided in the General Conditions will earn interest at the rate specified in Tex. Gov't Code Chapter 2251. Interest accrual will cease upon payment by the Owner.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

8.01 The Contractor makes the following representations:

A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Contractor is familiar with Laws and Regulations that may affect cost, progress, and performance of the Work.

D. Contractor has carefully studied the following Site related reports and drawings as identified in the Supplementary Conditions:

1. Geotechnical Data Reports regarding subsurface conditions at or adjacent to the Site;
2. Drawings of physical conditions relating to existing surface or subsurface structures at the Site;
3. Underground Facilities referenced in reports and drawings;
4. Reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site; and
5. Technical Data related to each of these reports and drawings.

E. Contractor has considered the:

1. Information known to Contractor;
2. Information commonly known to contractors doing business in the locality of the Site;
3. Information and observations obtained from visits to the Site; and
4. The Contract Documents.

F. Contractor has considered the items identified in this Article with respect to the effect of such information, observations, and documents on:

1. The cost, progress, and performance of the Work;
2. The means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and

3. Contractor's safety precautions and programs.

G. Based on the information and observations referred to in the preceding paragraphs, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

H. Contractor is aware of the general nature of Work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.

I. Contractor has correlated the information known to the Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

J. Contractor has given the Construction Manager written notice of all conflicts, errors, ambiguities, or discrepancies that the Contractor has discovered in the Contract Documents, and the written resolution provided by the Construction Manager is acceptable to the Contractor.

K. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

L. Contractor's entry into this Agreement constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

ARTICLE 9 – ACCOUNTING RECORDS

9.01 Accounting Record Availability: Contractor is to establish and maintain, in accordance with generally accepted accounting practices, full and detailed accounting records of materials incorporated into the Project, and labor, tools, materials, and equipment used for the Work, consistent with the requirements of the General Conditions and as necessary for proper financial management under this Agreement. Subject to prior written notice, provide Owner reasonable access during normal business hours to Contractor's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to the Cost of the Work and the Contractor's fee. Preserve all such documents for a period of 3 years after the final payment by the Owner.

ARTICLE 10 – OTHER REQUIREMENTS

10.01 Workers' Compensation Insurance

A. By signing this Agreement, Contractor certifies that it provides workers' compensation insurance coverage for all employees employed on this Project pursuant to Tex. Lab. Code Section 406.096(a).

B. As required by Section 406.096(b), Contractor must require each Subcontractor to certify in writing to the Contractor that the Subcontractor provides workers' compensation insurance coverage for all of the employees it employs on this Project. Contractor must provide these certifications to the Owner within 10 days of the Effective Date of the Agreement.

10.02 Prohibition on Contracts with Companies Engaged in Business with Iran, Sudan, or Foreign Terrorist Organizations

A. Tex. Gov't Code Chapter 2252, Subchapter F, prohibits the award of governmental contracts to companies engaged in business with Iran, Sudan, or foreign terrorist organizations.

B. By signing this Agreement, Contractor certifies that it is not ineligible to be awarded this Contract under Chapter 2252, Subchapter F.

10.03 Prohibition on Contracts with Certain Companies that Boycott Israel

A. Tex. Gov't Code Chapter 2271 prohibits a governmental entity from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract.

B. By signing this Agreement, Contractor certifies that it does not boycott Israel and will not boycott Israel during the term of this Contract.

10.04 Prohibition on Contracts with Companies That Discriminate Against Firearm and Ammunition Industries

A. Tex. Gov't Code Chapter 2274 prohibits a governmental entity from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

B. By signing this Agreement, Contractor certifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the contract.

10.05 Prohibition on Contracts with Certain Foreign-Owned Companies in Connection with Critical Infrastructure

A. Tex. Gov't Code Chapter 2275 prohibits a governmental entity from entering into certain contracts or other agreements relating to critical infrastructure if the governmental entity knows that the company has ownership interests held or controlled by citizens or the governments of China, Iran, North Korea, Russia or other countries designated by the State of Texas.

B. By signing this Agreement, Contractor certifies that it is not ineligible to be awarded this Contract under this Chapter 2275.

10.06 Prohibition on Contracts with Companies Boycotting Certain Energy Companies

A. Tex. Gov't Code Chapter 2276 prohibits a governmental entity from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1)does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract.

B. By signing this Agreement, Contractor certifies that it does not boycott energy companies and will not boycott energy companies during the term of this Contract.

10.07 Certificate of Interested Parties: Contractor must complete and submit a Certificate of Interested Parties (Form 1295) to the Owner with the signed Agreement as required by Tex. Gov't Code Section 2252.908.

ARTICLE 11 – VENUE

11.01 This Agreement shall be administered and interpreted under the laws of the State of Texas. Contractor agrees that venue lies exclusively in Tarrant County, Texas for any legal action.

ARTICLE 12 – CONTRACT DOCUMENTS

12.01 Contract Documents

A. Specifications Sections listed in Section 00 01 10 "Table of Contents" except as specifically excluded in Paragraph 12.02.

B. Drawings listed in the Sheet Index on the Drawings.

C. Addenda (Numbers 00 91 01 to 00 91 [XX], inclusive).

D. The following Funding Agency forms are Contract Documents:

1. Coronavirus Local Fiscal Recovery Fund Award Terms and Conditions – Section 9

E. The following are also Contract Documents which may be delivered or issued on or after the Effective Date of the Contract:

1. Notice to Proceed.
2. Contract Amendment(s).
3. Change Order(s).
4. Field Order(s).
5. Work Change Directive(s).

F. There are no Contract Documents other than those listed above in this Paragraph. The Contract Documents may only be amended, modified, or supplemented as provided in `the General Conditions.

12.02 Bidding Requirements and Informational Documents

A. The following Bidding Requirements are not Contract Documents:

1. 00 01 01 Project Cover Sheet
2. 00 01 07 Design Professional Seals
3. 00 01 10 Table of Contents
4. 00 11 16 Invitation to Bid
5. 00 21 13 Instructions to Offerors
6. 00 41 13 Bid Form
7. 00 41 16 Bid Form Exhibit A
8. 00 43 13 Bid Bond

9. 00 45 01 Nonresident Bidders
10. 00 45 02 Non Collusion Certification
11. 00 45 03 Conflict of Interest Questionnaire
12. 00 45 04 State Sales Tax Requirements
13. 00 45 13 Qualifications Statement

The Effective Date of the Contract is **[date to be inserted at the time of contract execution]**.

Owner: _____ *(typed or printed)*	Contractor: _____ *(typed or printed)*
By: _____ *(individual's signature)*	By: _____ *(individual's signature)*
Name: _____ *(typed or printed)*	Name: _____ *(typed or printed)*
Title: _____ *(typed or printed)*	Title: _____ *(typed or printed* *(Attach evidence of authority to sign)*
Address for giving notice:	Address for giving notice:
_____	_____
_____	_____
_____	_____
Designated representative:	Designated representative:
Name: _____	Name: _____
Title: _____	Title: _____
Address:	Address:
_____	_____
_____	_____
_____	_____
Phone: _____	Phone: _____
Email: _____	Email: _____

END OF SECTION

00 61 13 PERFORMANCE BOND

Contractor as Principal Name: Mailing address (principal place of business):	**Surety** Name: Mailing address (principal place of business):
Owner Name: City of Kennedale Mailing address (principal place of business): 405 Municipal Drive Kennedale, Texas 76060	Physical address (principal place of business): Telephone (Main): Telephone (Claims): Surety's state of incorporation:
Contract Project name and number: Rehab of T3 EST KEN25806 Contract Price: Effective Date of Contract:	***By submitting this bond, Surety affirms that it is licensed to provide and execute this bond and authorized to do business in Texas.*** **Local Agent for Surety** Name: Mailing address (principal place of business):
Bond Bond Amount: 100 percent of Contract Price Date of Bond: (Date of Bond cannot be earlier than Effective Date of Contract)	Telephone (Main): ***The address of the surety company to which any notice of claim should be sent may be obtained from the Texas Dept. of Insurance by calling the following toll-free number: 1-800-252-3439.***

Surety and Contractor, intending to be legally bound and obligated to Owner, do each cause this performance bond to be duly executed on its behalf by its authorized officer, agent, or representative. The Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally to this bond. The condition of this obligation is such that if the Contractor as Principal faithfully performs the Work required by the Contract then this obligation will be null and void; otherwise the obligation is to remain in full force and effect. Provisions of this bond shall be pursuant to the terms and provisions of Texas Government Code Chapter 2253 as amended and all liabilities on this bond shall be determined in accordance with the terms and provisions of said Chapter to the same extent as if it were copied at length herein. Venue lies exclusively in Tarrant County, Texas for any legal action.

Contractor as Principal	**Surety**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Email: _____	Email: _____
	(Attach Power of Attorney and place surety seal below)

END OF SECTION

00 61 16 PAYMENT BOND

Contractor as Principal Name: Mailing address (principal place of business):	**Surety** Name: Mailing address (principal place of business):
Owner Name: City of Kennedale Mailing address (principal place of business): 405 Municipal Drive Kennedale, Texas 76060	Physical address (principal place of business): Telephone (Main): Telephone (Claims): Surety's state of incorporation:
Contract Project name and number: Rehab of T3 EST KEN25806 Contract Price: Effective Date of Contract:	***By submitting this bond, Surety affirms that it is licensed to provide and execute this bond and authorized to do business in Texas.*** **Local Agent for Surety** Name: Mailing address (principal place of business):
Bond Bond Amount: 100 percent of Contract Price Date of Bond: (Date of Bond cannot be earlier than Effective Date of Contract)	Telephone (Main): ***The address of the surety company to which any notice of claim should be sent may be obtained from the Texas Dept. of Insurance by calling the following toll-free number: 1-800-252-3439.***

Surety and Contractor intending to be legally bound and obligated to Owner do each cause this payment bond to be duly executed on its behalf by its authorized officer, agent, or representative. The Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally to this bond. The condition of this obligation is such that if the Contractor as Principal pays all claimants providing labor or materials to Contractor or to a Subcontractor in the prosecution of the Work required by the Contract then this obligation will be null and void; otherwise the obligation is to remain in full force and effect. Provisions of the bond shall be pursuant to the terms and provisions of Texas Government Code Chapter 2253 as amended and all liabilities on this bond shall be determined in accordance with the terms and provisions of said Chapter to the same extent as if it were copied at length herein. Venue lies exclusively in Tarrant County, Texas for any legal action.

Contractor as Principal	**Surety**
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Email: _____	Email: _____
	(Attach Power of Attorney and place surety seal below)

END OF SECTION

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM VII.A.

SUBJECT
Boards and Commissions Appointments

SUMMARY
Chapter 551.071 Consultation with council on legal matters. Section 551.074 Personnel matters (1) to deliberate the appointments, employment, evaluation, reassignment, duties, discipline of dismissal of a public officer or employee. *Boards being evaluated include City Council, Economic Development Corporation, Keep Kennedale Beautiful, Parks & Recreation Board, Planning & Zoning Board, Board of Adjustments, and the Library Board.

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: AUGUST 18, 2026

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM VII.B.

SUBJECT
Potential Land Purchase

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS