

KENNEDALE CITY COUNCIL
AGENDA
REGULAR MEETING
October 13, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

WORK SESSION - 5:30 PM
REGULAR SESSION - 7:00 PM

I. CALL TO ORDER

II. WORK SESSION

***NOTE: Pursuant to Section 551.071, Texas Government Code, the City Council reserves the right to adjourn into Executive Session at any time during the work session or the regular session to discuss posted executive session items or to seek legal advice from the City Attorney on any item posted on the agenda.**

- A. Discuss any item on the agenda
- B. Discuss City Council meeting schedule
- C. MOVE INTO EXECUTIVE SESSION

III. REGULAR SESSION

IV. ROLL CALL

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

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

VIII. VISITOR/CITIZENS FORUM

At this time, any person with business before the Council not scheduled on the agenda may speak to the Council. No formal action can be taken on these items at this meeting.

IX. REPORTS/ANNOUNCEMENTS

In addition to any specific matters listed below, the city council may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

A. Governance/Operational Report including Balanced Scorecard

B.

Mayor: Updates and information, if any

- Presentation of Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting to City of Kennedale Finance Department and Sakura Moten Dedrick, Director of Finance & Information Technology, for Fiscal Year Ended September 30, 2013.

X. CONSENT ITEMS

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are considered to be routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately.

A. Consider approval of minutes from September 11, 2014 regular meeting

B. Consider approval of minutes from September 18, 2014 public hearing

C. Consider approval of minutes from September 25, 2014 special meeting

D. Consider approval of minutes from September 22, 2014 special meeting

E. Consider approval of minutes from September 23, 2014 special meeting

F. Consider approving the City Manager to execute an interlocal agreement with the County for construction of Bloxom Park Road

G. Consider Resolution 430 authorizing participation in various cooperative purchasing programs.

H. Consider Resolution 431 adopting an amended City of Kennedale Financial Management Policy.

I. Consider Resolution 432 adopting an amended City of Kennedale Identity Theft Prevention Program Policy.

J. Consider Resolution 433 adopting an amended City of Kennedale Grant Submission & Acceptance Policy.

K. Consider Resolution 434 adopting an amended City of Kennedale Fraud Policy.

L. Consider Resolution 435 adopting an amended City of Kennedale Unclaimed Property Policy.

M. Consider Resolution 436 adopting an amended City of Kennedale Purchasing Policy.

N. Consider Resolution 437 adopting an amended City of Kennedale Procurement Card Program Policy.

O. Consider Resolution 438 adopting an amended City of Kennedale Investment Policy.

P. Consider Resolution 439 adopting an amended City of Kennedale Internal Controls & Cash Handling Policy.

Q. Consider Resolution 440 adopting an amended Kennedale Fund Balance Policy.

R. Consider Resolution 441 approving Tarrant County to award the 40th Year CDBG contract to Tejas Construction Co. in the amount of \$132,623.00. In addition the City of Kennedale agrees to participate in the cost of the construction to the extent the final construction cost exceeds the available funding.

XI. REGULAR ITEMS

A. Consider approval of Ordinance 556 to amend the number of members and the number of members required for a quorum on the Parks and Recreation Board

B. City Council to consider making appointments to the Board of Adjustment/Building Board of Appeals, Keep Kennedale Beautiful Commission, Kennedale Economic Development Corporation, Parks and Recreation Board, Planning and Zoning Commission and Library Advisory Board

C. Consider Ordinance 558 amending Stormwater Drainage Utility Fees.

XII. EXECUTIVE SESSION

A. The City Council will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, legal issues regarding nonconforming uses, discussion of zoning issues in the city, and legal issues regarding the preparation of developer's agreements.

B. The City Council will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property for the following:

1. Discuss acquisition of sewer easement at 425 Corry A Edwards Drive
2. Discuss acquisition of land at 501 and 601 Dick Price Road

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

XIV. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact the City Secretary at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the October 13, 2014, agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.



Kelly Cooper, City Secretary

Date: October 13, 2014

Agenda Item No: WORK SESSION - A.

I. Subject:

Discuss any item on the agenda

II. Originated by:

III. Summary:

Opportunity to review regular agenda items

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: October 13, 2014

Agenda Item No: WORK SESSION - B.

I. Subject:

Discuss City Council meeting schedule

II. Originated by:

Bob Hart

III. Summary:

Discuss options available to change the meeting dates of City Council from Thursday to another day of the week.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: October 13, 2014

Agenda Item No: WORK SESSION - C.

I. Subject:
MOVE INTO EXECUTIVE SESSION

II. Originated by:

III. Summary:

City Council will move into Executive Session following the Work Session.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
None

VII. Alternative Actions:

VIII. Attachments:

Date: October 13, 2014

Agenda Item No: REPORTS/ANNOUNCEMENTS - A.

I. Subject:

Governance/Operational Report including Balanced Scorecard

II. Originated by:

Bob Hart

III. Summary:

City Manager will provide a Governance Operational Report for Council.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

1.	Executive Limitations	Executive Limitations.pdf
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POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT

The City Manager shall not cause or allow any organizational practice, activity, decision, or circumstance that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.

City operations are in compliance with the global constraint policy.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF CUSTOMERS OF CITY SERVICES

With respect to interactions with customers, the City Manager shall not cause or allow conditions, procedures, or decisions that are unsafe, untimely, undignified, or unnecessarily intrusive.

The City Manager will not

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing customer information that fail to protect against improper access to the material.
3. Operate facilities without appropriate accessibility and privacy.
4. Operate without establishing with customers a clear understanding of what may be expected and what may not be expected from the service offered.
5. Operate without informing customers of this policy or providing a way to be heard for persons who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

City operations are operating in compliance with the policy on treatment of customers.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF STAFF

With respect to the treatment of paid and volunteer staff, the City Manager shall not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

The City Manager will not

1. Operate without written personnel rules that (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
2. Retaliate against any staff member for nondisruptive expression of dissent.

3. Allow staff to be unaware of City Manager's interpretations of their protections under this policy.
4. Allow staff to be unprepared to deal with emergency situations.

City operations are in compliance with the treatment of staff policy.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: EMERGENCY CITY MANAGER SUCCESSION

In order to protect the Council from sudden loss of the City Manager Services, the City Manager shall not permit there to be less than one other person familiar enough with Council and City Manager issues and procedures to be able to maintain organization services.

Kelly Cooper is the most informed of staff members. The department heads collectively are aware of on-going activities and projects.

Date: October 13, 2014

Agenda Item No: REPORTS/ANNOUNCEMENTS - B.

I. Subject:

Mayor: Updates and information, if any

- Presentation of Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting to City of Kennedale Finance Department and Sakura Moten Dedrick, Director of Finance & Information Technology, for Fiscal Year Ended September 30, 2013.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

Certificate has been provided for handout.

VIII. Attachments:

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - A.

I. Subject:

Consider approval of minutes from September 11, 2014 regular meeting

II. Originated by:

Kelly Cooper, Director of Human Resources

III. Summary:

Please see the attached minutes for your approval

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Minutes September 11, 2014	09.11.2014 CC Minutes.doc
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**KENNEDALE CITY COUNCIL
MINUTES
REGULAR MEETING
September 11, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

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

II. WORK SESSION

A. Operational Update.

Bob Hart provided information on the following topics, and asked the Council to begin thinking about the issues as they will be discussed at length over the next year.

- Economic Development - Topics discussed included the upcoming opening of Link Street, initiatives related to Village Creek, cleanup at Bloxom Park, and Kennedale Parkway.
- Planning - Topics discussed included Oak Crest, updating the zoning code, looking at lot sizes, water use, and updating the parks and trails master plan.
- Public Works - Topics discussed included the water/wastewater master plan, street connectivity, water connectivity, mowing, and water supply issues.
- Stormwater – Topics discussed include water quality testing, public safety,
- Growth Corridor – Topics discussed included regional highway exchanges,
- Other topics discussed included public safety, drug task force participation, the Kee Branch water line, development in the Southern portion of town, and access points along Kennedale Parkway.

III. REGULAR SESSION

Mayor Johnson called the meeting to order at 7:00PM.

IV. ROLL CALL

Present: Brian Johnson, Charles Overstreet, Kelly Turner, Frank Fernandez, Liz Carrington

Absent: Michael Walker

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

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

VIII. VISITOR/CITIZENS FORUM

One individual signed up to speak.

1. Michael Chandler, Chair of the Keep Kennedale Beautiful Commission, announced that the annual "Bring It" recycling event would be held on Saturday, October 18th. He also noted that this year the Commission would be working with the middle school to arrange an Arbor Day event.

IX. REPORTS/ANNOUNCEMENTS

A. Updates from the Mayor.

Mayor Johnson noted that today was Amethyst Sloane's last meeting as she has taken a position at another entity. He also noted that he and Bob Hart attended a recent Southeast Transportation Partnership meeting which was informative.

B. Updates from Councilmembers.

Councilmember Carrington noted that she met with the Trinity River Water District regarding the future cleanup of Village Creek.

C. Updates from the City Manager.

Bob Hart noted that the city held a small September 11th Memorial ceremony this morning that went well.

X. CONSENT ITEMS

A. Consider executing an Interlocal Agreement with Tarrant County for pavement reconstruction at the Kennedale Public Works Facility.

B. Consider approval of minutes from August 14, 2014 regular meeting.

C. Consider approval of minutes from August 15, 2014 special meeting.

D. Consider approval of Fort Worth Wholesale "Water" Customer Advisory Committee (WCAC) Members.

E. Consider approval of Fort Worth Wholesale "Wastewater" Customer Advisory Committee (WCAC) Members.

F. Consider renewing an Interlocal Agreement with Tarrant County for High Ridge Road/Link Street.

Motion To approve the consent agenda as presented. **Action** Approve, **Moved By** Charles Overstreet, **Seconded By** Kelly Turner.

Motion Passed Unanimously

XI. REGULAR ITEMS

A. Public hearing to receive input on the Fiscal Year 2014-2015 Proposed Budget.

1. Staff Presentation

Bob Hart presented very brief information on the proposed budget, noting that there is no proposed change to the tax rate.

2. Public Hearing

Mayor Johnson opened the public hearing. No one signed up to speak and the hearing was closed.

3. Staff Response and Summary

No response was necessary.

4. Council Action

Motion To approve the tabling of the adoption of the FY2014-2015 Budget to September 25, 2014 since we will not be taking specific action at this time. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Liz Carrington.

Motion Passed Unanimously

B. Public hearing to receive input on the Fiscal Year 2014-2015 Tax Revenue Increase.

1. Staff Presentation

Bob Hart presented information on the tax revenue increase, noting that this year's revenue increase amounted to approximately \$57,000.00.

2. Public Hearing

Mayor Johnson opened the public hearing. No one signed up to speak and the hearing was closed.

3. Staff Response and Summary

No response was necessary.

Mayor Johnson announced that the vote on the tax rate would be held on September 25, 2014 at 5:30PM in Kennedale City Hall Council Chambers.

C. Consider casting a ballot for the Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election.

Motion To cast a ballot for the following candidates to the Texas Municipal League Intergovernmental Risk Pool Board of Trustees Election: Place 1 - Robert Herrera , Place 2 - John Fullen , Place 3 – George Shackelford , Place 4 – Peter Vargas. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Charles Overstreet.

Motion Passed Unanimously

D. Consider appointing Kelly Cooper as the interim City Secretary.

Motion To appoint Kelly Cooper as the interim City Secretary. **Action** Approve, **Moved By** Frank Fernandez, **Seconded By** Liz Carrington.

Motion Passed Unanimously

Mayor Johnson recessed into executive session at 7:32PM.

XII. EXECUTIVE SESSION

A. The City Council will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, legal issues regarding nonconforming uses, discussion of zoning issues in the city, and legal issues regarding the preparation of developer's agreements.

B. The City Council will meet in closed session pursuant to Section 551.087 of the Texas Government Code to deliberate the offer of a financial or other incentive to a business prospect that the city council seeks to locate within the city limits.

1. Discuss projects at 1298 W Kennedale Parkway.
2. Discuss projects at 5409 High Ridge Road.

C. The City Council will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property for the following:

1. Discuss Land Acquisition groundwater storage tanks in the areas of Dick Price Road and Linda Road, and Eden Road/Swiney-Hiett Rd/Mansfield Cardinal Road.

D. The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. Personnel - Discuss hiring new City Secretary

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

Mayor Johnson reconvened into executive session at 8:32 PM.

Motion To authorize City Manager Bob Hart to negotiate purchase of land as discussed in Executive Session. **Action** Approved, **Moved By** Kelly Turner, **Seconded By** Liz Carrington.
Motion Passed Unanimously

XIV. ADJOURNMENT

Motion To adjourn. **Action** Adjourn, **Moved By** Kelly Turner **Seconded By** Liz Carrington.
Motion Passed Unanimously

The meeting was adjourned at 8:34PM.

APPROVED:

ATTEST:

Mayor Brian Johnson

City Secretary

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - B.

I. Subject:

Consider approval of minutes from September 18, 2014 public hearing

II. Originated by:

Kelly Cooper, Director of Human Resources

III. Summary:

Please see the attached minutes for your approval.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Minutes 9.18.2014	CC Minutes. 9.18.2014.docx
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**KENNEDALE CITY COUNCIL
MINUTES
SPECIAL MEETING September 18, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

Mayor Pro Tem, Kelly Turner called the meeting to order at 5:32 PM.

III. REGULAR SESSION

Mayor Pro Tem, Kelly Turner called the meeting to order at 5:32 PM.

IV. ROLL CALL

Present: Charles Overstreet, Kelly Turner, Frank Fernandez, Liz Carrington

Absent: Mayor Brian Johnson, Mike Walker

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

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

VIII. VISITOR/CITIZENS FORUM

IX. REPORTS/ANNOUNCEMENTS

No Reports or announcement where made.

X. CONSENT ITEMS

No consent items.

XI. REGULAR ITEMS

A. Public hearing to receive input on the Fiscal Year 2014-2015 Tax Revenue Increase.

1. Staff Presentation

Bob Hart presented information on the tax revenue increase, noting that this year's revenue increase amounted to approximately \$57,000.00

2. Public Hearing

Kelly Turner opened the public hearing.

Hollis Matthews requested to speak. He spoke regarding three areas: deficit growing each year, budget not under control and going in the wrong direction, and look at raising taxes.

No others signed up to speak and the hearing was closed.

3. Staff Response and Summary

No response was provided from staff.

The Mayor Pro Tem, announced that the vote on the tax rate would be held on September 25, 2014 at 5:30 PM in Kennedale City Hall Council Chambers, 405 Municipal Drive.

XII. EXECUTIVE SESSION

No Items were discussed in Executive Session.

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

XIV. ADJOURNMENT

Motion to adjourn. **Action** Adjourn, **Moved By** Charles Overstreet, **Seconded By** Liz Carrington. **Motion passed Unanimously.**

The meeting was adjourned at 5:41PM

APPROVED:

ATTEST:

Mayor Pro Tem Kelly Turner

City Secretary Kelly Cooper

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - C.

I. Subject:

Consider approval of minutes from September 25, 2014 special meeting

II. Originated by:

Kelly Cooper, Director of Human Resources

III. Summary:

Please see the attached minutes for your approval.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	City Council Minutes.9.25.2014	CC Minutes.9.25.2014.docx
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**KENNEDALE CITY COUNCIL
MINUTES
SPECIAL MEETING
September 25, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

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

II. WORK SESSION

No Items were discussed.

III. REGULAR SESSION

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

IV. ROLL CALL

Present: Charles Overstreet, Mike Walker, Frank Fernandez, Brian Johnson, Liz Carrington
Absent: Kelly Turner

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

VIII. VISITOR/CITIZENS FORUM

No one spoke at Visitor/Citizens Forum

IX. REPORTS/ANNOUNCEMENTS

No Reports were given.

X. CONSENT ITEMS

No Items on Consent

XI. REGULAR ITEMS

A. DISCUSS AND CONSIDER AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015; AMENDING BUDGET FIGURES FOR THE PRIOR FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014; 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 OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

Bob Hart presented information on the proposed budget, noting that there is no proposed change to the tax rate.

Motion To approve Ordinance 554 adopting the budget for the fiscal year beginning October 1, 2014, amending budget figures for the prior fiscal year and appropriating resources for each department and project. **Action** Approved, **Moved By** Charles Overstreet, **Seconded By** Liz Carrington.

Motion Passed Unanimously

B. DISCUSS AND CONSIDER AN ORDINANCE FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF KENNEDALE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014 AND ENDING SEPTEMBER 30, 2015; DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE CLAUSE.

Bob Hart presented information regarding adoption of the tax rate.

Motion To move that the property tax rate be increased by the adoption of a tax rate of \$.0747500, which is effectively a 0.85 percent increase in the tax rate. **Action** Approve, **Moved By** Liz Carrington, **Seconded By** Charles Overstreet.

Motion Passed Unanimously

C. Discuss and consider approval for ratification of property tax increase in FY2014-15 Adopted Budget.

Motion To move that this budget will raise more revenue from property taxes than last year's budget by an amount of \$103,362, which is a 2.49 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$72,755.

Action Approve, **Moved By** Liz Carrington, **Seconded By** Charles Overstreet.

Motion Passed Unanimously

XII. EXECUTIVE SESSION

XIII. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

XIV. ADJOURNMENT

Motion To adjourn. **Action** adjourn, **Moved By** Liz Carrington, **Seconded By** Charles Overstreet.
Motion Passed Unanimously

The meeting was adjourned at 5:36 p.m.

APPROVED:

ATTEST:

Mayor Brian Johnson

City Secretary Kelly Cooper

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - D.

I. Subject:

Consider approval of minutes from September 22, 2014 special meeting

II. Originated by:

Kelly Cooper, Director of Human Resources

III. Summary:

Please see the attached minutes for your approval.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	City Council Minutes.9.22.2014	CC Minutes.9.22.2014.docx
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**KENNEDALE CITY COUNCIL
MINUTES
SPECIAL MEETING - 5:30PM
September 22, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order 5:39 PM

Present: Mike Walker, Charles Overstreet, Frank Fernandez, Kelly Turner, Liz Carrington, Brian Johnson

Absent:

II. APPLICANT INTERVIEWS

A. City Council interviewed the following applicants for advisory boards: Tom Pirtle, Rebecca Clark, Carolyn Williamson, Sharon Dehnel, Billy Gilley, Darlene Winters, and Jeff Nevarez.

III. ADJOURNMENT

The meeting was adjourned at 8:20 PM

APPROVED:

ATTEST:

Mayor Brian Johnson

City Secretary Kelly Cooper

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - E.

I. Subject:

Consider approval of minutes from September 23, 2014 special meeting

II. Originated by:

III. Summary:

Please see the attached minutes for your approval.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	City Council Minutes.9.23.2014	CC Minutes.9.23.2014.docx
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**KENNEDALE CITY COUNCIL
MINUTES
SPECIAL MEETING - 5:30PM
September 23, 2014
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order 5:35 PM

Present: Mike Walker, Charles Overstreet, Frank Fernandez, Kelly Turner, Brian Johnson

Absent: Liz Carrington

II. APPLICANT INTERVIEWS

A. City Council interviewed the following applicants for advisory boards: Mike Chandler, Laurie Sanders, Ernest Harvey, Mark Yearly, Harry Browne, Rick Adams, Robert Mundy, Pat Turner, Alan Pederson.

III. ADJOURNMENT

The meeting was adjourned at 8:50 PM

APPROVED:

ATTEST:

Mayor Brian Johnson

City Secretary Kelly Cooper

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - F.

I. Subject:

Consider approving the City Manager to execute an interlocal agreement with the County for construction of Bloxom Park Road

II. Originated by:

III. Summary:

City Manager will provide Council with a briefing of this item.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Bloxom Park Interlocal Agreement	Bloxom Park.pdf
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THE STATE OF TEXAS
COUNTY OF TARRANT

INTERLOCAL AGREEMENT

BACKGROUND

This Interlocal Agreement is between County of Tarrant ("COUNTY"), and the City of Kennedale ("CITY");

Sections 791.001 – 791.029 of the Texas Government Code provide legal authority for this Agreement;

During the performance of the governmental functions and the payment for the performance of those governmental functions the parties will make the performance and payment from current revenues legally available to that party; and

The Commissioners Court of the COUNTY and the City Council of the CITY each find:

- a. This Agreement serves the common interest of both parties;
- b. This Agreement will benefit the public;
- c. The division of costs fairly compensates both parties to this Agreement; and
- d. The CITY and COUNTY have authorized their representative to sign this Agreement.

The Parties therefore agree as follows:

TERMS AND CONDITIONS

1. COUNTY RESPONSIBILITY

COUNTY will furnish the labor and equipment for the following project:

The new construction of Bloxom Park Road at a width of 30 feet and a length of approximately 1,225 feet. This new construction will include:

- 1.1 Stabilize and compact sub-grade at a depth of ten inches;
- 1.2 Apply asphalt emulsion prime coat;
- 1.3 Place and compact four (4) inches of Type B Hot Mix Asphalt Concrete;
- 1.4 Place and compact three (3) inches of Type D Hot Mix Asphalt Concrete; and
- 1.5 Place flexible base on shoulders at roadway edges and, if needed, in the sub-grade.

2. CITY RESPONSIBILITY

- 2.1 CITY will pay all trucking charges and furnish all materials for the project including stabilization materials, hot mix asphalt, asphalt emulsion, and flexible base.
- 2.2 CITY will furnish a site for dumping waste materials generated during this project.
- 2.3 CITY will furnish all rights of way, plan specifications and engineering drawings.
- 2.4 CITY will furnish necessary traffic controls including Type A barricades to redirect traffic flow to alternate lanes during the construction phase of the project.
- 2.5 CITY will provide temporary driving lane markings.
- 2.6 If a Storm Water Pollution Prevention Plan is required, the CITY will be responsible for the design and development of the Plan. CITY will pay for all cost (including subcontractor materials, labor and equipment) associated with the implementation and maintenance of the Plan.
- 2.7 CITY will ensure that the project is cleared of obstructions which could damage county equipment during construction.
- 2.8 CITY will verify the location of all utility locations, mark those locations and then remove the utilities that will interfere with the progress of the project.
- 2.9 CITY will provide a stockpile site for materials used for this project.
- 2.10 CITY will provide soil lab testing for this project.

3. PROCEDURES DURING PROJECT

COUNTY retains the right to inspect and reject all materials provided for this project. CITY will provide quality assurance inspection for the project. If the CITY has a complaint regarding the construction of the project, the CITY must complain in writing to the COUNTY within 30 days of project completion. Upon expiration of 30 days after project completion, the CITY becomes responsible for maintenance of the project.

4. NO WAIVER OF IMMUNITY

This agreement does not waive COUNTY rights under a legal theory of sovereign immunity. This agreement does not waive CITY rights under a legal theory of sovereign immunity.

5. OPTIONAL SERVICES

- 5.1 If requested by CITY, the COUNTY may apply permanent striping;
- 5.2 If necessary, COUNTY may furnish traffic control personnel;
- 5.3 The CITY will pay for engineering services, and if required, the CITY will pay for storm water run-off plans, and continuation of services and plan;

- 5.4 If a Storm Water Prevention Plan is provided by CITY, COUNTY will be responsible for the implementation and maintenance of the Plan during the duration of the project;
- 5.5 If requested by CITY, the COUNTY will install reinforced concrete pipe furnished by the CITY.

6. TIME PERIOD FOR COMPLETION

CITY will give the COUNTY notice to proceed at the appropriate time. However, COUNTY is under no duty to commence construction at any particular time.

7. THIRD PARTY

The parties do not enter into this agreement to protect any specific third party. The intent of this agreement excludes the idea of a suit by a third party beneficiary. The parties to this agreement do not consent to the waiver of sovereign immunity under Texas law to the extent any party may have immunity under Texas law.

8. JOINT VENTURE & AGENCY

The relationship between the parties to this agreement does not create a partnership or joint venture between the parties. This agreement does not appoint any party as agent for the other party.

9. EFFECTIVE DATE

This agreement becomes effective when signed by the last party whose signing makes the agreement fully executed.

COUNTY OF TARRANT

CITY OF KENNEDALE

COUNTY JUDGE

Date: _____

Attest:

Authorized City Official

Date: _____

Attest:

APPROVED AS TO FORM*

CITY SECRETARY

ASSISTANT DISTRICT ATTORNEY

ASSISTANT CITY ATTORNEY

COMMISSIONER PRECINCT TWO
ANDY NGUYEN

*By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney(s).

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - G.

I. Subject:

Consider Resolution 430 authorizing participation in various cooperative purchasing programs.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

In an effort to streamline purchasing efforts and remain in compliance with State law, it is our intent to bring forth this policy to Council for review at least annually. Any new programs or changes will be recommended at that time.

The Purchasing Policy adopted by the Council allows the City to utilize cooperative purchasing programs with the approval of City Council. Purchases made through an approved Cooperative Purchasing Program satisfy state law competitive bid requirements, as well as any internal quote process.

Attached is a resolution approving participation in those programs specifically listed in the resolution. Below is a listing that incorporates all programs, as well as a brief description of each program for which staff seeks Council approval. This list remains the same as last year's submission.

FEDERAL

US General Services Administration (GSA): GSA Advantage has been the most reliable and proven source for thousands of Federal purchasers worldwide. GSA Advantage offers the most comprehensive selection of approved products and services from GSA/VA Schedules, as well as all GSA Global Supply products. <http://www.gsa.gov>

STATE OF TEXAS

Department of Information Resources (DIR): Primary responsibility is to negotiate volume purchase agreements for quality products and services available to all Texas state agencies. <http://www.dir.state.tx.us>

Texas Building and Procurement Commission (TBPC): Primary responsibility is to provide goods, services and facilities to the State of Texas. One part of fulfilling this responsibility is to establish term contracts available to all Texas state agencies. <http://www.tbpc.state.tx.us>

Texas Multiple Award Schedules (TXMAS): Established by TPASS. Adapts existing contracts that have been competitively awarded by the federal government or any other governmental entity of any state. The

vast majority of TXMAS Contracts are adapted from GSA Federal Supply Service contracts.
<http://www.window.state.tx.us/procurement/prog/txmas/>

Texas Procurement and Support Services (TPASS): Awards and manages hundreds of statewide contracts on behalf of more than 200 state agencies and 1,700 local government agencies.
<http://www.window.state.tx.us/procurement/>

MUNICIPALITY & COUNTY & SCHOOL

City of Fort Worth, Texas. <http://fortworthgov.org>

Tarrant County, Texas. <http://tarrantcounty.com>

Parker County, Texas. <http://www.co.parker.tx.us>

Texas Interlocal Purchasing System (TIPS): Sponsored by the Region VIII Education Service Center (ESC) and is available for use by all public and private schools, colleges, universities, cities, counties, and other government entities in the State of Texas. TIPS has competitively bid their contracts and has followed the HUB guidelines of the State of Texas. <http://www.tips-texas.com>

OTHER PUBLIC & PRIVATE ENTITIES

Houston-Galveston Area Council (H-GAC): Region-wide voluntary association of local governments in the 13-county Gulf Coast Planning region of Texas. Includes 1,600+ local governments, state agencies and qualifying non-profit corporations that provide one or more governmental functions and services. The program was established pursuant to the Texas' "Interlocal Cooperation Act" that allows governmental and qualifying non-profit entities to use the Act to obtain commonly needed services, including purchasing. <https://hgacbuy.com>

Local Government Purchasing Cooperative (BuyBoard): Created to increase the purchasing power of government entities and to simplify their purchasing by using a customized electronic purchasing system, called the BuyBoard. The Cooperative is administered by the Texas Association of School Boards (TASB) and is endorsed by the Texas Municipal League (TML) and the Texas Association of Counties (TAC).
<http://buyboard.com>

The Cooperative Purchasing Network (TCPN): Provides quality contracts and services that are compliant with bid laws, convenient to use, and always competitively priced. TCPN is available for use by all public and private schools, colleges, universities, cities, counties, and other government entities in the State of Texas. <http://www.tcpn.org/>

US Communities: Nonprofit instrumentality of government that assists public agencies in reducing the cost of purchased goods through pooling the purchasing power of public agencies nationwide. This is accomplished through competitively solicited contracts for quality products through lead public agencies. They focus on high use, high volume items. <http://www.uscommunities.org>

Western States Contracting Alliance: Alliance of 15 states joining forces to get the quality goods and services at cost effective prices. This program focuses on state governments. Although Texas is not one of the original states forming WSCA, we are eligible for WSCA pricing. <http://www.aboutwsca.org>

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Cooperative Purchasing Programs	Resolution 430 To Adopt Cooperative Purchasing Programs.doc
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RESOLUTION NO. 430

A RESOLUTION OF THE CITY OF KENNEDALE, TEXAS, AUTHORIZING PARTICIPATION IN VARIOUS COOPERATIVE PURCHASING PROGRAMS

WHEREAS, Chapter 271 of the Texas Local Government Code authorizes a local government to participate in a cooperative purchasing program and provides that purchases made pursuant to an agreement with a local cooperative organization satisfy state laws requiring the local government to seek competitive bids for the purchase of the goods or services; and

WHEREAS, the Purchasing Policy of the City of Kennedale authorize purchases from a cooperative purchasing program or other approved state program provided that the City Council has approved participation; and

WHEREAS, City's participation in the cooperative purchasing programs and other approved state programs will improve efficiency in the purchasing process by allowing the City to meet competitive bid requirements, to identify and purchase goods and services from qualified vendors of commodities, to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings that such programs provide; and

WHEREAS, upon consideration of the cooperative purchasing programs specified in this Resolution, and all matters attendant and related thereto, the City Council is of the opinion that the City's participation in these programs is beneficial and should be approved, that this Resolution be adopted, and that the City Manager or his designee is appointed as the Program Coordinator for the City's membership in such cooperative programs; and

WHEREAS, in the event that participation in any of the cooperative purchasing programs approved by this Resolution requires the execution of an Agreement and / or the payment of a fee, the City Manager or his designee is hereby authorized to execute any necessary Agreements for participation in such program(s) and the Program Coordinator is authorized to approve the payment of applicable fees provided that funds are budgeted and available for such participation.

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

Section 1. The foregoing premises, which are hereby found to be true and to be in the best interest of the City of Kennedale and its citizens, are hereby adopted.

Section 2. The City's participation in the following cooperative purchasing programs is hereby authorized and approved in accordance with the terms of this Resolution:

US General Services Administration (GSA)
Department of Information Resources (DIR)
Texas Building and Procurement Commission (TBPC)
Texas Multiple Award Schedules (TXMAS)
Texas Procurement and Support Services (TPASS)
City of Fort Worth Cooperative Purchasing Program
Parker County Cooperative Purchasing Program
Tarrant County Cooperative Purchasing Program
Texas Interlocal Purchasing System (TIPS)
Houston-Galveston Area Council (H-GAC)
Local Government Purchasing Cooperative (BuyBoard)
The Cooperative Purchasing Network (TCPN)
US Communities
Western States Contracting Alliance

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - H.

I. Subject:

Consider Resolution 431 adopting an amended City of Kennedale Financial Management Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

A Financial Management Policy provides guidelines to enable the City staff to achieve a long-term, stable financial condition, while conducting daily operations and providing services that are consistent with the Council-Manager form of government established in the City Charter.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Financial Management Policy	20141001 Financial Management Policy.pdf
2.	Financial Management Resolution	Resolution 431 To Amend Financial Management Policy.doc

CITY OF KENNEDALE



FINANCIAL MANAGMENT POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JUNE 10, 2004

PREFACE

A Financial Management Policy provides guidelines to enable the City staff to achieve a long-term, stable financial condition, while conducting daily operations and providing services that are consistent with the Council-Manager form of government established in the City Charter.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

DECEMBER 11, 2008
NOVEMBER 5, 2009
OCTOBER 14, 2010
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014

I. PURPOSE

The City of Kennedale's financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Texas Local Government Code and the City of Kennedale Charter. The policies are intended to assist the City Council and City staff in evaluating current activities and proposals for future programs. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

II. ANNUAL BUDGET (CHARTER REQUIREMENTS)

- A. Fiscal Year – The fiscal year shall begin on the first day of October (1st) and end on the last day of the following September (30th). The fiscal year will also be established as both the accounting and budget year.
- B. Submission – The City Manager, on or before the first day of August (1st) of each year, shall prepare and submit to the City Council an annual proposed budget (generally during an workshop or retreat) for the ensuing fiscal year designed to meet the goals and objectives of the City Council. It must contain the following:
 - 1) Budget Message shall explain the budget both in fiscal terms and in terms of work programs for the ensuing fiscal year. It shall outline the proposed financial policies of the City and shall include a forecast of a five-year estimate of revenues and expenditures, as well as an effect on taxation;
 - 2) Comparative figures for the estimated income and expenditures for the ensuing fiscal year compared to the combination of: actual income and expenditures through, the latest complete accounting period that information is available for at the commencement of budget preparation, and the estimated income and expenditures for the incomplete portion of the current fiscal year. FOR EXAMPLE: for upcoming FY11/12 budget, comparative should display FY09/10 actual, FY10/11 through April (assuming budget is prepared at this time), FY10/11 year-end estimate, and FY11-12 proposed budget;
 - 3) Proposed Expenditures of each office, department or function;
 - 4) Schedule of debt service requirements due on all outstanding indebtedness and on any proposed debt;
 - 5) Source or basis of the estimates;
 - 6) Balanced budget in which the total of the proposed expenditures shall not exceed the total estimated income and the balance of available funds; and

- 7) Other information as may be required by the Council or deemed desirable by the City Manager.
- C. Public Hearing – Shall be conducted by the Council, allowing interested citizens to express their opinions concerning items of expenditures and/or revenues. The notice of hearing shall be published in the official newspaper of the City of Kennedale not less than ten (10) or more than 30 days before the hearing.
- D. Adoption – Following the public hearing, the Council shall further analyze the proposed budget, making any additions or deletions which it feels appropriate, and shall by ordinance, with or without amendment, adopt the budget before the first (Oct 1st) day of the ensuing fiscal year by a majority vote. On final adoption, the budget shall be in effect for the budget year and shall constitute the official appropriations for the current year and the basis of the official levy of the property tax. Should the Council take no final action before the first (1st) day of the ensuing fiscal year, the amounts appropriated for the current fiscal year shall be deemed adopted on a month to month basis.

III. BASIS OF ACCOUNTING & BUDGETING

- A. Accounting – The City of Kennedale finances shall be accounted for in accordance with generally accepted accounting principles as established by industry practice and applicable governing Accounting Standards Boards.
 - 1) The financial transactions of the City of Kennedale are accounted for and recorded in individual funds. These funds account for revenues and expenditures according to their intended purpose and are used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Governmental funds are used to account for the government's general government activities and include the General, Special Revenue, Internal, Debt Service and Capital Project funds.
 - 2) Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to pay liabilities of the current period. Substantially all material revenues are considered to be susceptible to accrual. A thirty-day availability period is used for revenue recognition for all governmental fund type revenues, to include fines and forfeitures. Expenditures are recognized when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which are recorded when due.

Compensated absences, claims, and judgments are recorded when the obligations are expected to be paid with current available financial resources.

- 3) The City of Kennedale does not utilize encumbrance accounting for operating use at year-end.
 - 4) The Proprietary fund types are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.
- B. The budgets shall be prepared and adopted on a cash basis for all governmental funds and modified accrual basis for proprietary funds. The capital projects funds adopt project-length budgets at the time of their presentation. Annual appropriations lapse at fiscal year-end for operating and debt service funds.

IV. BUDGET ADMINISTRATION

- A. All expenditures of the City of Kennedale shall be made in accordance with the annual budget. Budgetary control is maintained at the individual expenditure account level by each department head through the review of all requisitions.
- B. The following represents the City of Kennedale budget amendment policy delineating responsibility and authority for the amendment process. Transfers between expenditure accounts in one department may occur with the approval of the Department Head and Director of Finance. Transfers between operating departments may occur with the approval of the City Manager's Office. Transfers between funds must be accomplished by budget amendment approved by the City Council. Budget amendments calling for new fund appropriations must also be approved by the City Council. Should the City Council decide a budget amendment is necessary, the amendment is adopted in ordinance format, and the necessary budgetary changes are then made.
- C. As a matter of course, continuous budget monitoring requires that deviations from expected amounts of revenue and/or expenditures be noted and estimates revised, if necessary, to avoid financial distress. Budget amendments are thus considered prudent financial management techniques and are deemed to fulfill the requirements of City Charter.

V. FINANCIAL REPORTING

- A. Following the conclusion of the fiscal year, the Director of Finance shall cause to be prepared a Comprehensive Annual Financial Report (CAFR) in accordance with generally accepted accounting and financial reporting principles established by industry practice

and statements issued by the Governmental Accounting Standards Board (GASB). The document shall also satisfy all criteria of the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

- B. The CAFR shall show the status of the city's finances on the basis of generally accepted accounting principles (GAAP). The CAFR shall show fund revenues and expenditures on both a GAAP basis and budget basis for comparison purposes. In most cases, this reporting conforms to the way the city prepares its budget. Differences in format are acknowledged through reconciliations. Liabilities for post-employment benefits and compensated absences (accrued but unused sick and vacation leave) are not reflected in the budget, but are accounted for in the CAFR's government-wide financial statements. The government-wide financial statements modify the presentation of the governmental funds by presenting their results in the same manner as proprietary funds.
- C. Included as part of the CAFR shall be the results of the annual audit prepared by independent certified public accountants designated by the City Council.
- D. Each fiscal year, the Director of Finance will analyze accounts receivable balances and, if necessary, write off uncollectible accounts in accordance with applicable statutes after review by the City Manager or his designee.
- E. The City Manager shall present a monthly financial report and such additional information as may be required by the City Council. All income and expenses for the preceding month and for the year to date shall be shown and compared to the fiscal budget. These reports will be prepared by the Finance Department and distributed to and reviewed by each department head. Information obtained from financial reports and other operating reports is to be used by department heads to monitor and control the budget as authorized by the City Manager.
- F. The auditor's report on City's financial statements shall be completed and submitted to the City Council within one hundred twenty (120) days after the City's fiscal year end.

VI. REVENUES

- A. To protect the City of Kennedale's financial integrity, the City will maintain a diversified and stable revenue system to shelter it from fluctuations in any particular revenue source.
 - 1) The City will strive to keep the revenue system simple, which will result in a decrease of compliance costs for the taxpayer or service recipient and a corresponding decrease in avoidance to pay.

- 2) The City will strive to understand its revenue sources and predict the reliability of revenue streams. City will enact consistent collection policies so that management may reasonably rely upon the certainty that revenues will materialize according to budgets, plans, and programs.
- B. For every annual budget, the City of Kennedale shall levy two property tax rates: operation/maintenance and debt service. The debt service levy shall be sufficient for meeting all principal and interest payments associated with the City's outstanding debt for that budget year. The debt service levy and related debt service expenditures shall be accounted for in the General Debt Service fund. The operation and maintenance levy shall be accounted for in the General Fund.
- 1) The City of Kennedale will maintain a policy of levying the lowest tax rate on the broadest tax base. Mandated exemptions will be provided to home owners, senior citizens and disabled citizens. On an annual basis during the budget process, City Council will review the exemption for senior citizens and disabled persons with a goal to maintain a tax benefit of approximately 30% of the average home value.
 - 2) Property shall be assessed at 100% of the fair market value as appraised by Tarrant Central Appraisal District. Reappraisal and reassessment will be done regularly as required by State law. A 99% collection rate on current assessments and a 1% collection rate on delinquent assessments and penalties will serve as "the goal" for tax collections.
- C. The City of Kennedale will establish user charges and fees at a level that attempts to recover the full cost of providing the service.
- 1) User fees, particularly utility rates, should identify the relative costs of serving different classes of customers.
 - 2) The City will make every reasonable attempt to ensure accurate measurement of variables impacting taxes and fees (e.g. verification of business sales tax payments, verification of appraisal district property values, accuracy of water meters, etc.)
 - 3) The City will strive to maintain equity in the revenue system structure. That is, the City will seek to minimize or eliminate all forms of subsidization among entities, funds, services, utilities, and customers.
- D. The City of Kennedale will attempt to maximize the application of its financial resources by obtaining supplementary funding through agreements with other public and private agencies for the provision of public services or the construction of capital improvements. The City of Kennedale will consider market rates and charges levied by

other public and private organizations for similar services in establishing tax rates, fees and charges.

- E. When developing the annual budget, the City Manager shall project revenues from every source based on actual collections from the preceding year and estimated collections of the current fiscal year, while considering known circumstances, which will impact revenues for the new fiscal year. The revenue projections for each fund should be made conservatively so that total actual fund revenues exceed budgeted projections.

VII. OPERATING EXPENDITURES

- A. Operating expenditures shall be accounted, reported, and budgeted for in the following major categories:
 - 1) Personnel
 - 2) Supplies
 - 3) Maintenance
 - 4) Sundry
 - 5) Debt
 - 6) Transfers
 - 7) Capital
 - 8) Grants
- B. The annual budget shall appropriate sufficient funds for operating, recurring expenditures necessary to maintain established quality and scope of city services.
- C. The City of Kennedale will constantly examine the methods for providing public services in order to reduce operating, recurring expenditures and/or enhance quality and scope of public services with no increase to cost.
- D. Personnel expenditures will reflect the minimum staffing needed to provide established quality and scope of city services. To attract and retain employees necessary for providing high-quality service, the City shall maintain a compensation and benefit package competitive with the public and, when quantifiable, private service industries.
- E. Supplies expenditures shall be sufficient for ensuring the optimal productivity of City employees.
- F. Maintenance expenditures shall be sufficient for addressing the deterioration of the City's capital assets to ensure the optimal productivity of the capital assets. Maintenance should be conducted to ensure a relatively stable level of maintenance expenditures for every budget year.

- G. Sundry expenditures include fees for attorneys, auditors, consultants and other services that require specialized expertise.
- H. The City of Kennedale will utilize contracted labor for the provision of city services whenever private contractors can perform the established level of service at less expense to the City. The City will regularly evaluate its agreements with private contractors to ensure the established levels of service are performed at the lowest possible cost.
- I. Existing capital equipment shall be replaced when needed to ensure the optimal productivity of City of Kennedale employees. New capital purchases shall be made only to enhance employee productivity, improve quality of service, or expand scope of service.
- J. To assist in controlling the growth of operating expenditures, operating departments will submit their annual budgets to the City Manager within fiscal parameters provided by the City Manager's Office.
- K. All purchases shall be in accordance with City's Purchasing Policy and in accordance with State law.
- L. All invoices will be paid within thirty (30) days of receipt in accordance with State law. Procedures will be used to take advantage of all purchase discounts where considered cost effective. Payments will be processed in order to maximize the city's investable cash.
- M. The City will pursue every opportunity to provide for the public's and City employees' safety. Health insurance coverage and property and casualty insurance coverage will be reviewed annually as to amount of coverage provided and cost effectiveness.
- N. The City will maintain property, liability and workman's compensation coverage through participation in the Texas Municipal League's (TML) Intergovernmental Risk Pool. The Pool maintains reinsurance coverage to protect the Pool in the event of excessive losses.

XIII. DEBT EXPENDITURES

- A. The City of Kennedale will issue debt only to fund capital projects, which cannot be supported by current, annual revenues.
- B. The City will strive to maintain a bond coverage ratio of 1.50 times in the Water/Sewer Fund.
- C. To minimize interest payments on issued debt, the City will maintain a rapid debt retirement policy by issuing debt with maximum maturities not exceeding 20 years (i.e.,

the life of the bonds will not exceed the useful life of the projects financed). Retirement of debt principal will be structured to ensure constant annual debt payments.

- D. The City of Kennedale will attempt to maintain unenhanced, underlying base bond ratings (prior to insurance) of A+ (Standard & Poor's) on its general obligation debt. The City shall continue to seek to enhance its credit quality by frequent contact and visits with the rating agencies and monitoring the current trends and guidance from the agencies.
- E. When needed to minimize annual debt payments, the City of Kennedale will obtain insurance for new debt issues.
- F. In order to minimize the impact of debt issuance on the property tax rate and to assist the City in meeting its arbitrage requirements, the City will consider the sequential sale of bonds for the purpose of financing capital projects.
- G. The City will maintain procedures that comply with arbitrage rebate and other federal requirements. City will attempt, within legal bounds, to adopt strategies, which will minimize the arbitrage rebate of interest earnings on unspent bond proceeds it must pay to the federal government.

IX. CAPITAL EXPENDITURES

- A. The City of Kennedale will develop a multi-year plan for capital projects, which identifies all projects likely to be constructed within a five year horizon. The multi-year plan will reflect for each project the likely source of funding and attempt to quantify the project's impact to future operating expenditures.
- B. Capital projects will be constructed to:
 - a. Protect or improve the community's quality of life;
 - b. Protect or enhance the community's economic vitality;
 - c. Support new development; and/or
 - d. Provide significant rehabilitation of City infrastructure for sustained service.
- C. Capital project expenditures will not be authorized by the City Council without identification and commitment of revenue sources sufficient to fund the improvement. Potential funding sources include, but are not limited to, reserve funds, debt issuances, matching fund revenues, user fees, grants, or reallocation of existing capital funds with the recognition that construction of previously authorized capital projects may be delayed or postponed.

- D. Capital Improvement Planning and Programming shall include the following categories for the determination of funding for individual projects: design costs, right-of-way costs, utility construction/adjustment costs, construction costs, appropriate contingency funds, furnishings and equipment, and direct project administration services provided by City employees or outside forces.
- E. Cost incurred for advanced planning of capital projects may be funded from reimbursement of appropriate debt or operating funds.
- F. The City will intend to maintain adequate funding levels in the developer participation fund to ensure that no City obligation for participation goes unfunded for a period of more than one (1) year.
- G. To minimize the issuance of debt, the City of Kennedale will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. "pay-as-you-go").

X. UTILITY CAPITAL EXPENDITURES

- A. The City of Kennedale uses three funding sources for Utility Capital expenditures.
 - 1) Utility rates are designed to provide for a depreciation reserve, which accumulates resources to replace or rehabilitate aging infrastructure.
 - 2) The multi-year financial plan provides debt strategies to finance needed capital items.
 - 3) Annual transfers may be made from utility operations to maintain adequate funding for capital items.

XI. FUND TRANSFERS

- A. Fund transfers may occur when surplus fund balances are used to support non-recurring capital expenses or when needed to satisfy debt service obligations.
- B. Fund transfers are used to pay for the following types of costs:
 - 1) Administrative - Transfer from Water/Sewer Fund (Proprietary Fund) and Economic Development Corporation Fund (Component Unit) to reimburse the General Fund for recurring support costs, such as personnel, materials, etc.

- 2) Payment In Lieu Of Taxes (PILOT) – Transfer from Water/Sewer Fund (Proprietary Fund) to the Street Improvement Fund (General Fund) to pay franchise fees. These are otherwise known as right-of-way fees.

XII. FUND BALANCE

- A. The annual budget shall be presented to Council, with each fund reflecting minimum ending fund balances as follows:
 - 1) General Fund 25% of Expenditures
 - 2) General Debt Service Fund 10% of Expenditures
 - 3) Water/Sewer Fund (Working Capital) 25% of Expenditures
 - 4) Water/Sewer Debt Service Fund Compliance With Bond Covenants
 - 5) Economic Development Corporation Fund 25% of Expenditures
- B. Fund balances, which exceed the minimum level established for each fund, may be appropriated for non-recurring capital projects or programs.
- C. The City of Kennedale will exercise diligence in avoiding the appropriation of fund balance for recurring operating expenditures. In the event that fund balance is appropriated for recurring operating expenditures to meet the needs of the community, the budget document shall include an explanation of the circumstances requiring the appropriation, and the methods to be used to arrest the future use of fund balance for operating expenditures.
- D. For financial statement purposes, all governmental fund balances will be classified as follows:
 - 1) Nonspendable - Amounts that cannot be spent; legally or contractually required to be maintained.
 - 2) Restricted - Amounts that have external enforceable legal restrictions.
 - 3) Committed - Amounts that can only be used for specific purposes as directed through formal action of the City Council. Amounts can only be changed or revoked through similar formal action of the Council.
 - 4) Assigned - Amounts intended to be used for specific purposes as designated by management.
 - 5) Unassigned - Remaining amounts that have not met the criteria for nonspendable, restricted, committed or assigned.

- E. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

XIII. LONG-TERM FINANCIAL PLAN

The City of Kennedale will adopt the annual budget in the context of a long-term financial plan, or other multi-year budget analysis. The long-term financial plans will establish assumptions for revenues, expenditures and changes to fund balances over a five year horizon. The assumptions will be evaluated periodically as part of the budget development process.

XIV. CASH MANAGEMENT & INTERNAL CONTROLS

- A. Written Procedures - The Director of Finance is responsible for developing written guidelines on accounting, cash handling, segregation of duties, and other financial matters, which will be approved by the City Manager. The Finance Department will assist department heads as needed in tailoring such guidelines to fit each department's requirements, as well as periodically review staffing and training to ensure adequacy.
- B. Department Heads' Responsibility - Each department head is responsible to the City Manager to ensure that proper internal controls are followed throughout his or her department to safeguard City funds, that all guidelines on accounting and internal controls are implemented, and that all independent auditor control recommendations are addressed.
- C. Cash – City cash shall be deposited on a daily basis in all instances. At no time shall cash be collected and warrant less frequent deposits.
- D. Investments - The City's investment portfolio shall be managed in accordance with the Public Funds Investment Act and the City's Investment Policy. The timing and amount of cash needs and availability shall be systematically projected in order to maximize interest earnings from investments. As per state law, the Director of Finance will issue quarterly reports on investment activity to the City Council. Each report will be issued within thirty (30) days from the end of the quarter.
- E. Fixed Assets and Inventory - Such assets will be reasonably safeguarded and properly accounted for and prudently insured. The fixed asset inventory will be updated regularly.

XV. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

RESOLUTION NO. 431

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
FINANCIAL MANAGEMENT POLICY**

WHEREAS, on June 10, 2004, City Council adopted the document entitled, “Financial Management Policy,” a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Kennedale; and

WHEREAS, the benefits of financial management policies are to improve and streamline the decision-making process, enhance credibility, provide a sense of continuity, and provide a means for dealing with fiscal emergencies; and

WHEREAS, the City Council has reviewed the City’s Financial Management Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Financial Management Policy dated October 13, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - I.

I. Subject:

Consider Resolution 432 adopting an amended City of Kennedale Identity Theft Prevention Program Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The Federal Trade Commission (FTC) adopted rules on identity theft “red flags” (i.e., warning signs) pursuant to the Fair and Accurate Credit Transactions (FACT) Act of 2003. The new rules requires any business with a “covered account” to adopt and implement an identity theft program. Most cities that operate a municipal utility will be affected by these new rules. A covered account is one where an entity (such as a municipal utility) provides a service or good before the consumer pays for it. For example, most municipal water utilities provide water to the customer, then the utility bills the customer later based on consumption.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Identity Theft Prevention Program Policy	20141001 Identity Theft Prevention Program Policy.pdf
2.	Resolution 432 Identity Theft	Resolution 432 To Amend Identity Theft Prevention Program.doc

CITY OF KENNEDALE



IDENTITY THEFT PREVENTION PROGRAM POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 13, 2008

PREFACE

The Federal Trade Commission (FTC) recently adopted rules on identity theft “red flags” (i.e., warning signs) pursuant to the Fair and Accurate Credit Transactions (FACT) Act of 2003. The new rules, which mandate action by November 1, 2008 (recently extended to May 1, 2009), require any business with a “covered account” to adopt and implement an identity theft program. Most cities that operate a municipal utility will be affected by these new rules.

A covered account is one where an entity (such as a municipal utility) provides a service or good before the consumer pays for it. For example, most municipal water utilities provide water to the customer, then the utility bills the customer later based on consumption.

A city with such accounts must adopt and implement a written program that: (1) identifies relevant identity theft “red flags” to the utility or other covered entity; (2) provides for detection of those red flags; (3) provides for appropriate responses to any red flags that are detected; and (4) ensures that the program is updated periodically to address changing risks.

Red flags may include unusual account activity, altered identity documents that are used to apply for an account, and a variety of other signs. Appropriate action in response to a red flag might include, among other actions, verification of personal information, contacting the customer, or other action that would prevent identity theft.

It is our intent to bring forth this ITPP to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

NOVEMBER 5, 2009

OCTOBER 14, 2010

OCTOBER 13, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

I. PROGRAM ADOPTION

The City of Kennedale ("City") developed this Identity Theft Prevention Program ("Program") pursuant to the Federal Trade Commission's Red Flags Rule ("Rule"), which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. 16 C. F. R. § 681.2. This Program was developed for the Utility Department of the City ("Utility") with oversight and approval of the City Council. After consideration of the size and complexity of the Utility's operations and account systems, and the nature and scope of the Utility's activities, the City Council determined that this Program was appropriate for the City's Utility, and therefore approved this Program on November 13, 2008.

II. PURPOSE AND DEFINITIONS

A. Establish an Identity Theft Prevention Program

To establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with the opening of a covered account or an existing covered account and to provide for continued administration of the Program in compliance with Part 681 of Title 16 of the Code of Federal Regulations implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003

B. Establishing and Fulfilling Requirements of the Red Flags Rule

The Red Flags Rule ("Rule") defines "Identity Theft" as "fraud committed using the identifying information of another person" and a "Red Flag" ("Red Flag") as a pattern, practice, or specific activity that indicates the possible existence of Identity Theft.

Under the Rule, every financial institution and creditor is required to establish an "Identity Theft Prevention Program" tailored to its size, complexity and the nature of its operation. The Program must contain reasonable policies and procedures to:

- 1) Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
- 2) Detect Red Flags that have been incorporated into the Program;
- 3) Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
- 4) Ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from Identity Theft.

C. Red Flags Rule Definitions Used In This Program

- 1) City: The City of Kennedale, Texas.
- 2) Covered Account: Under the Rule, a "covered account" is:

- a) Any account the Utility offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; or
- b) Any other account the Utility offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the Utility from Identity Theft.
- 3) Creditors: The Rule defines creditors “to include finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunications companies. Where non-profit and government entities defer payment for goods or services, they, too, are to be considered creditors.”
- 4) Identifying Information is defined under the Rule as “any name or number that may be used, alone or in conjunction with any other information, to identify a specific person,” including: name, address, telephone number, social security number, date of birth, government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer’s Internet Protocol address, or routing code.
- 5) Program: The Identity Theft Prevention Program for the City.
- 6) Program Administrator: The Director of Finance is the Program Administrator for the Program.
- 7) Utility: The Utility is the Utility Department for the City.

III. IDENTIFICATION OF RED FLAGS

In order to identify relevant Red Flags, the Utility considers the types of accounts that it offers and maintains, the methods it provides to open its accounts, the methods it provides to access its accounts, and its previous experiences with Identity Theft. The Utility identifies the following red flags, in each of the listed categories:

A. Notifications and Warnings From Consumer Credit Reporting Agencies

- 1) Red Flags
 - a) Report of fraud accompanying a consumer credit report;
 - b) Notice or report from a consumer credit agency of a credit freeze on a customer or applicant;
 - c) Notice or report from a consumer credit agency of an active duty alert for an applicant; and
 - d) Indication from a consumer credit report of activity that is inconsistent with a customer’s usual pattern or activity, including but not limited to:
 - Recent and significant increase in volume of inquiries
 - Unusual number of recent credit applications
 - A material change in use of credit
 - Accounts closed for cause or abuse

B. Suspicious Documents

1) Red Flags

- a) Identification document or card that appears to be forged, altered or inauthentic;
- b) Identification document or card on which a person's photograph or physical description is not consistent with the person presenting the document;
- c) Other document with information that is not consistent with existing customer information (such as if a person's signature on a check appears forged); and
- d) Application for service that appears to have been altered or forged.

C. Suspicious Personal Identifying Information

1) Red Flags

- a) Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates, lack of correlation between Social Security number range and date of birth);
- b) Identifying information presented that is inconsistent with other sources of information (for instance, Social Security number or an address not matching an address on a credit report);
- c) Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
- d) Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
- e) Social Security number presented that is the same as one given by another customer;
- f) An address or phone number presented that is the same as that of another person;
- g) A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required) or an applicant cannot provide information requested beyond what could commonly be found in a purse or wallet; and
- h) A person's identifying information is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account

1) Red Flags

- a) Change of address for an account followed by a request to change the account holder's name;
- b) Payments stop on an otherwise consistently up-to-date account;
- c) Account used in a way that is not consistent with prior use (example: very high activity);
- d) Mail sent to the account holder is repeatedly returned as undeliverable;
- e) Notice to the Utility that a customer is not receiving mail sent by the Utility;
- f) Notice to the Utility that an account has unauthorized activity;
- g) Breach in the Utility's computer system security; and
- h) Unauthorized access to or use of customer account information.

E. Alerts from Others

1) Red Flag

- a) Notice to the Utility from a customer, identity theft victim, fraud detection service, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

IV. DETECTING RED FLAGS

A. New Accounts

In order to detect any of the Red Flags identified above associated with the opening of a new account, Utility personnel will take the following steps to obtain and verify the identity of the person opening the account:

1) Detect

- a) Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification;
- b) Verify the customer's identity (for instance, review a driver's license or other identification card);
- c) Review documentation showing the existence of a business entity;
- d) Request additional documentation to establish identity; and
- e) Independently contact the customer or business.

B. Existing Accounts

In order to detect any of the Red Flags identified above for an existing account, Utility personnel will take the following steps to monitor transactions with an account:

- 2) Detect
 - a) Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
 - b) Verify the validity of requests to close accounts or change billing addresses; and
 - c) Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event Utility personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag:

A. Prevent and Mitigate

- 1) Continue to monitor an account for evidence of Identity Theft;
- 2) Contact the customer, sometimes through multiple methods;
- 3) Change any passwords or other security devices that permit access to accounts;
- 4) Not open a new account;
- 5) Close an existing account;
- 6) Do not close the account, but monitor or contact authorities;
- 7) Reopen an account with a new number;
- 8) Notify the Program Administrator for determination of the appropriate step(s) to take;
- 9) Notify law enforcement; or
- 10) Determine that no response is warranted under the particular circumstances.

B. Protect Customer Identifying Information

In order to further prevent the likelihood of identity theft occurring with respect to Utility accounts, the Utility will take the following steps with respect to its internal operating procedures to protect customer identifying information:

- 1) Ensure that its website is secure or provide clear notice that the website is not secure;
- 2) Where and when allowed, ensure complete and secure destruction of paper documents and computer files containing customer information;
- 3) Ensure that office computers are password protected and that computer screens lock after a set period of time;
- 4) Change passwords on office computers on a regular basis;

- 5) Ensure all computers are backed up properly and any backup information is secured;
- 6) Keep offices clear of papers containing customer information;
- 7) Request only the last 4 digits of social security numbers (if any);
- 8) Ensure computer virus protection is up to date; and
- 9) Require and keep only the kinds of customer information that are necessary for utility purposes.

VI. PROGRAM UPDATES

This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the Utility from Identity Theft. At least annually, the Program Administrator will consider the Utility's experiences with Identity Theft situation, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of accounts the Utility maintains and changes in the Utility's business arrangements with other entities, consult with law enforcement authorities, and consult with other City personnel. After considering these factors, the Program Administrator will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Program Administrator will update the Program or present the City Council with his or her recommended changes and the City Council will make a determination of whether to accept, modify or reject those changes to the Program.

VII. PROGRAM ADMINISTRATION

A. Oversight

Responsibility for developing, implementing and updating this Program lies with an Identity Theft Committee for the Utility. The Committee is headed by a Program Administrator who may be the head of the Utility or his or her appointee. Two or more other individuals appointed by the head of the Utility or the Program Administrator comprise the remainder of the committee membership. The Program Administrator will be responsible for the Program administration, for ensuring appropriate training of Utility staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

B. Staff Training and Reports

Initially, all Utility staff shall be trained either by or under the direction of the Program Administrator in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected. Thereafter, all Utility staff shall undergo update training not less than annually. Additionally, all new Utility employees shall undergo training.

All Utility staff shall submit reports as needed concerning the Utility's compliance with the program, the training that has been given and the effectiveness of the policies and procedures in addressing the risk of Identity Theft, including recommendations for changes to the Program. While incidents of Identity Theft are to be reported immediately to the Program Administrator, the reports shall contain a recap of the incident and include the steps taken to assist with resolution of the incident.

C. Service Provider Arrangements

In the event the Utility engages a service provider to perform an activity in connection with one or more accounts, including but not limited to franchise utility providers, the Utility will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

- 1) Require, by contract or contract amendment, that service providers have such policies and procedures in place; and
- 2) Require, by contract or contract amendment, that service providers review the Utility's Program and report any Red Flags to the Program Administrator.

D. Specific Program Elements and Confidentiality

For the effectiveness of Identity Theft prevention Programs, the Red Flag Rule envisions a degree of confidentiality regarding the Utility's specific practices relating to Identity Theft detection, prevention and mitigation. Therefore, under this Program, knowledge of such specific practices is to be limited to the Identity Theft Committee and those employees who need to know them for purposes of preventing Identity Theft. Because this Program is to be adopted by a public body and thus publicly available, it would be counterproductive to list these specific practices here. Therefore, only the Program's general red flag detection, implementation and prevention practices are listed in this document.

VIII. ANNUAL REVIEW

It is recommended that The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

RESOLUTION NO. 432

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
IDENTITY THEFT PREVENTION PROGRAM (ITPP) POLICY**

WHEREAS, on November 13, 2008, City Council adopted the document entitled, "Identity Theft Prevention Program Policy," the Fair and Accurate Credit Transactions Act of 2003, Pub. L. 108-159, ("Red Flags Rule") requires certain financial institutions and creditors with "covered accounts" to prepare, adopt, and implement an identity theft prevention program to identify, detect, respond to and mitigate patterns, practices or specific activities which could indicate identity theft; and

WHEREAS, the City of Kennedale maintains certain continuing accounts with utility service customers and for other purposes which involve multiple payments or transactions, and such accounts are "covered accounts" within the meaning of the Red Flags Rule; and

WHEREAS, the City Council has reviewed the City's Identity Theft Prevention Program Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Identify Theft Prevention Program Policy dated October 13, 2014, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - J.

I. Subject:

Consider Resolution 433 adopting an amended City of Kennedale Grant Submission & Acceptance Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

From time to time, various city departments have the opportunity to seek, apply for and receive grant funding for, but not limited to federal, state and local sources. In an effort to support and advance the mission, goals and objectives of the City of Kennedale, this newly created policy establishes standard practices and procedures to create uniformity, economy, efficiency and effectiveness in the proper management and accounting of such grants.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Grant Submission & Acceptance Policy	20141001 Grant Submission & Acceptance Policy.pdf
2.	Resolution 433 Grant Submission & Acceptance	Resolution 433 To Amend Grant Submission & Acceptance Policy.doc

CITY OF KENNEDALE



GRANT SUBMISSION & ACCEPTANCE POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: MARCH 11, 2010

PREFACE

From time to time, various city departments have the opportunity to seek, apply for and receive grant funding for, but not limited to federal, state and local sources. In an effort to support and advance the mission, goals and objectives of the City of Kennedale, this policy establishes standard practices and procedures to create uniformity, economy, efficiency and effectiveness in the proper management and accounting of such grants.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 14, 2010

OCTOBER 13, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

I. PURPOSE

To establish standard practices and procedures to create uniformity, economy, efficiency and effectiveness in the proper management and accounting of grants including, but not limited to federal, state and local sources.

II. POLICY

In an effort to support and advance the missions, goals and objectives of the City of Kennedale, city departments shall from time to time have the opportunity to seek, apply for and receive grant funding.

All solicitations for external funding, whether they require or make promise of matching funds from the City, must receive the appropriate Department Director, City Manager and/or City Council, and then Finance Department approval prior to application submission.

III. GRANT OFFICIALS

It is the policy of each Department Director to designate a Project Manager to maintain stringent control over all monies administered by their department and to ensure that all funds are used only for authorized purposes and managed in accordance with the city's budget and Finance Department. It is also the responsibility of the Project Manager within each department to maintain control over all documentation necessary to facilitate and manage the awarded grant. All grants are required to have three different grant officials.

A. Authorized Official

- 1) Only the City Manager, or an authorized designee, shall be authorized to sign all grant documents and be listed as the authorized official on behalf of the City of Kennedale.

B. Project Manager

- 1) The Project Manager shall be responsible for the day-to-day operations of the project. Each department within the city may have a different project manager per grant. The Project Manager must be a city employee and will have sole responsibility for program reporting.

C. Financial Officer

- 1) The Financial Officer is required to be the Chief Financial Officer (CFO) or Director of Finance for the City of Kennedale. This person shall be responsible for maintaining financial records, account for all grant funds, supplying required

financial reports as deemed necessary and providing all information during any and all grant funding audits.

III. GRANT SEARCH

- A. Each department within the city is responsible for monitoring grant announcements to identify new grant opportunities and actively pursue specific grants for existing or potential projects and/or programs and disseminating that information throughout the department.
- B. Each department shall be responsible in developing its project, program and research ideas.
- C. Each department shall be responsible to review funding agencies, compare the types of proposals and the amount of funding awarded with the goals of your project.

IV. GRANT SUBMISSION

- A. There may be several application processes each year depending on funding. When grant opportunities are discovered, each department shall be responsible for preparing a calendar for the grant application process. Special attention should be made to application deadlines.
- B. Once grant opportunities are identified, project managers must obtain the appropriate Department Director, City Manager and/or City Council, and then Finance Department approval prior to application submission. In the event that the City Manager deems it necessary to seek City Council approval, each department is responsible for the preparation and submission of a Staff Memo and supporting resolution to Council for the consideration of funding.
- C. The Finance Department aids Project Managers in the financial structure of the proposed projects. In order to successfully do such, the Project Manager must be knowledgeable of the financial and administrative requirements of the grantor agency, application instruction, and all other financial aspects of the proposed grant. Project managers and/or grant writers may submit applications to the Finance Department for review and analysis for accuracy and compliance with all applicable financial rules and regulations, including any applicable cash match requirement. The applications may be returned to the Project Manager as necessary for any revisions.
- D. The Project Manager will obtain all appropriate signatures and submit the grant applications, as well as any supporting documentation to the grantor agency by the submission deadline. The Project Manager shall also coordinate with other city departments should their involvement be required upon grant award and acceptance.

V. GRANT ACCEPTANCE

- A. Should funds be awarded, each grant must be scheduled for City Council acceptance and/or acknowledgement. In the event the City Manager deems acceptance necessary, the Project Manager shall prepare a packet and place the grant on the appropriate City Council agenda. The city shall officially accept each grant by completing all administrative requirements and obtaining appropriate signatures as specified in the Statement of Award. Each grant awarded outlines acceptance deadlines. Special care must be met to meet these deadlines.
- B. In cases where a local or other match is required by the city, the City Manager and Finance Department must work closely together with the Project Manager in order to meet the financial requirements of the grant.

VI. ESTABLISHING & MAINTAINING BUDGETS

- A. Once grants have been accepted and/or acknowledged by the City Council, the Finance Department shall set up the appropriate accounting/budget requirements, which will allow the city department to properly manage grant funds. Special care must be taken in that each grant has its own specific terms and conditions of expending funds.
- B. Expenditure and revenue reports shall be monitored by the Project Manager and Finance Department on a monthly basis for problems or errors. Necessary adjustments to the accounting system should be made at that time by the appropriate personnel.

VII. PAYMENT AUTHORIZATIONS

- A. All expensed funds, to include invoices, travel requests, purchase requests, etc., will be reviewed by the Project Manager to ensure that the appropriate line items are utilized according to grant application budget.
- B. The Finance Department shall have exclusive authority to deposit all grant funding received into appropriate accounts designated by Finance Department personnel.
- C. The Finance Department shall ensure that appropriate accounting measures are met to provide payments for each expense within the grant process and according to the city's Purchasing Policy.
- D. The Finance Department will assign general ledger numbers to segregate revenues and expenses unique to each project and budget category.
- E. As deemed necessary, the Finance Department shall produce monthly accounting reports in accordance with grant requirements.

- F. The Finance Department will shall have exclusive authority to schedule, attend and monitor outside auditing of grant funds. All appropriate financial documents will be produced by finance department for audits.

VIII. GRANT REIMBURSEMENT

Grant funds cannot be obligated before the beginning or after the end of the grant period. Furthermore, each granting authority will provide specific requirements for the entity requesting reimbursement of funds. However, in an effort to ensure funds are reimbursed and received in a timely manner, please note the items below in reference to the following areas:

A. Travel Costs

- 1) Reimbursement is based on a cost for reasonable and allowable expenditures. Special attention should be made to the terms and conditions of your grant. Travel expenses to include mileage, per diem and lodging must comply with state and Internal Revenue Service (IRS) travel requirements, unless otherwise stated in your grant requirements.
- 2) Should travel be required for training, proof of attendance and/or training certificates must be maintained.
- 3) Records and supporting data must be documented for travel expenditures.

B. Salaries

- 1) Contact the Finance Department in order to calculate appropriate salary and/or benefits for the grant budget.
- 2) Maintain accurate record of timecards, including name of personnel, hours worked, assignments processed and signature of personnel and supervisor for each grant funding expended.
- 3) Maintain accurate records for volunteers, including name of volunteer, hours worked, assignments processed and signature of volunteer and supervisor for each grant project.
- 4) Maintain log of daily activities performed for all hours worked.
- 5) Clear distinction must be made for all personnel to accurately differentiate between time spent on grant activities and time spent on other activities.

- 6) Overtime compensation to any personnel must be budgeted and/or approved prior to payment.

C. Purchasing

- 1) While each grant may have specific guidelines, any and all purchases must also comply with the city's Purchasing Policy.
- 2) An inventory of all items purchased through external funding must be updated and maintained by the Finance Department, with particular attention paid to the categorization of fixed assets.

IX. GRANT REPORTING

- A. Project Managers must report their progress in meeting goals, objectives and measures stated in their application. These progress reports are used to comply with local, state and federal requirements.
- B. Each grant will outline the necessary reporting requirements. The Project Manager will take every precaution to meet these deadlines.
- C. The Project Manager will prepare and provide the necessary reports to each department in order to obtain the appropriate information and signatures as required by the grant.

X. GRANT CLOSING

- A. Closure is initiated by the Project Manager as outlined by the grant. The following steps shall be monitored by the Project Manager:
 - 1) Ensure that all grant funds have been properly recorded and a final Financial Status Report submitted.
 - 2) Ensure that all grant funds have been properly recorded and any other reports submitted as required.
 - 3) Demonstrate that all budgeted expenditures have been captured and grant funds have been used appropriately.
 - 4) Ensure that the grantor has accepted all required reports. This includes completion of final expenditure report and inventory reports for any equipment purchased with grant funds. The inventory total must equal the total equipment as reported on the final expenditure report. Any unused funds disbursed from the grantor agency must be returned with the final report.

- 5) All expenditure reports for the granting agency have been reconciled to the city's accounting system.
 - 6) Request disposition of equipment purchased with grant funds, following grant requirements and city's disposition policy.
- B. Once these items are complete, the Project Manager should notify the Finance Department that the grant should be closed within the city's accounting system. It is also the Finance Department's responsibility to closely monitor the overall status of all grants and work with each city department to ensure appropriate closure.

XI. RECORDKEEPING

- A. Each department must maintain all grant records, supporting documents, statistical records, and all other records pertinent to your grant for at least three (3) years following the closure of the most recent audit report or submission of the final expenditure if the audit report requirement has been waived. Records should be retained in their original format.
- B. While each department is responsible for maintaining the aforementioned items, the Finance Department will maintain any and all grant documents related to the reimbursement of funds, as well as other basic documentation for auditing purposes (e.g., copy of grant application, award letter, other supporting documentation, etc.).
- C. If any litigation, claim, negotiation, audit, or other action involving grant records has been started before the expiration of three years, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three (3) year period, whichever is later.
- D. Grantors may require retention periods in excess of three (3) years. Departments must ensure they comply with retention requirements specified by each grantor.
- E. Retention requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, cancelled checks, and related documents and records.

XII. ANNUAL REVIEW

It is recommended that The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

RESOLUTION NO. 433

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
GRANT SUBMISSION & ACCEPTANCE POLICY**

WHEREAS, on March 11, 2010, City Council adopted the document entitled, “Grant Submission & Acceptance Policy,” which establishes standard practices and procedures to create uniformity, economy, efficiency and effectiveness in the proper management and accounting of such grants, and

WHEREAS, the City Council has reviewed the City’s Grant Submission & Acceptance Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Financial Management Policy dated October 13, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - K.

I. Subject:

Consider Resolution 434 adopting an amended City of Kennedale Fraud Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

A fraud policy is established to facilitate the development of controls that will aid in the prevention, deterrence and detection of fraud against City of Kennedale.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Fraud Policy	20141001 Fraud Policy.pdf
2.	Resolution 434 Fraud Policy	Resolution 434 To Amend Fraud Policy.doc

CITY OF KENNEDALE



FRAUD POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JANUARY 13, 2005

PREFACE

The aim of the Fraud Policy is to safeguard the reputation and financial viability of the City of Kennedale through improved management of fraud risk.

The fraud policy is established to facilitate the development of controls that will aid in the prevention, deterrence and detection of fraud against City of Kennedale. It is the intent of City of Kennedale to promote consistent organizational behavior by providing guidelines and assigning responsibility of the development of controls and conduct of investigations.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

DECEMBER 11, 2008
NOVEMBER 5, 2009
OCTOBER 14, 2010
OCTOBER 13, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014

I. BACKGROUND

The City of Kennedale fraud policy is established to facilitate the development of controls that will aid in the detection, deterrence and prevention of fraud against City of Kennedale. It is the intent of City of Kennedale to promote consistent organizational behavior by providing guidelines and assigning responsibility of the development of controls and conduct of investigations.

II. SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with City of Kennedale.

Any investigative activity required will be conducted with regard to the suspected wrongdoer's length of service, position/title, or relationship to the City of Kennedale.

III. POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her inquiry. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any irregularity that is detected or suspected must be confidentially reported immediately to the City Manager, who coordinates all investigations with the legal counsel and other affected areas both internal and external.

IV. ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- A. Any dishonest or fraudulent act;
- B. Misappropriation of funds, securities, supplies, or other assets;
- C. Impropriety in the handling or reporting of money or financial transactions;
- D. Profiteering as a result of insider knowledge of City activities;
- E. Disclosing confidential and proprietary information to outside parties;

- F. Disclosing to other persons activities engaged in contemplated by the City of Kennedale;
- G. Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the City of Kennedale. Exception: Gifts less than \$25 in value;
- H. Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and /or
- I. Any similar or related irregularity.

V. OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by departmental management and Human Resources.

If there is any question as to whether an action constitutes fraud, contact the appropriate department head for guidance.

VI. INVESTIGATION RESPONSIBILITIES

City Manager has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. Should an investigation substantiates that fraudulent activities have occurred, the City Manager will issue reports to appropriate designated personnel, and if appropriate, to the City Council.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

VII. CONFIDENTIALITY

All parties involved will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the City Manager Office immediately, and **should not attempt to personally conduct investigations or interview/interrogations** related to any suspected fraudulent act (see REPORTING PROCEDURE section below).

Investigation results **will not be disclosed or discussed** with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the City of Kennedale from potential civil liability.

VIII. AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

All searches must be authorized in advance by the City Manager and conducted under the direction of the Department Head and/or City Manager. The City Manager or designee will have:

- A. Free and unrestricted access to all City of Kennedale records and premises at any time, whether owned or rented; and
- B. The authority to conduct unannounced searches or inspections of the worksite, including, but not limited to, City property used by employees such as lockers, file cabinets, desks, vehicles and offices, whether secured, unsecured or secured by a lock provided by the employee; and
- C. If reasonable suspicion exists, the authority to conduct unannounced searches or inspection of the employee's personal property located on City premises, included purses, lunch boxes, brief cases and private vehicles or vehicles used to conduct City business located on City property; and
- D. **Employees are not entitled to any expectation of privacy with respect to such or similar items. Employee refusal to cooperate with a search will likely be subject to disciplinary action, up to and including termination.**

IX. REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will **contact his or her department head immediately**. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the City Manager or his designee or the legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: **"I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation" or any other specific reference.**

The reporting individual should be informed of the following:

- A. Do not contact the suspected individual in an effort to determine facts or demand restitution.
- B. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the legal counsel or the investigating agency.

X. TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the legal counsel before any such action is taken. Should the employee believe the management decision inappropriate for the facts presented, the facts will be presented to executive level management for a decision through the appropriate appeals process in personnel policy.

XI. ADMINISTRATION

City Management is responsible for the administration, revision, interpretation, and application of this policy.

XII. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

RESOLUTION NO. 434

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
FRAUD POLICY**

WHEREAS, on January 13, 2005, City Council adopted the document entitled, "Fraud Policy," a framework in which the aim is to safeguard the reputation and financial viability of the City of Kennedale through improved management of fraud risk; and

WHEREAS, a fraud policy is established to facilitate the development of controls that will aid in the prevention, deterrence and detection of fraud against City of Kennedale. It is the intent of City of Kennedale to promote consistent organizational behavior by providing guidelines and assigning responsibility of the development of controls and conduct of investigations; and

WHEREAS, the City Council has reviewed the City's Fraud Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Fraud Policy dated October 13, 2014, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - L.

I. Subject:

Consider Resolution 435 adopting an amended City of Kennedale Unclaimed Property Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

All financial institutions, businesses, government entities, and organizations that are holding abandoned property belonging to Texas residents should file a report with the Texas Comptroller's office. Title 6 of the Texas Property Code governs the State of Texas Unclaimed Property Program. Chapters 72 through 75 apply to the reporting, delivery and claims process for abandoned property. Chapter 76 applies specifically to unclaimed property held and reported by Texas counties, municipalities, independent school districts and junior colleges.

The aim of the Unclaimed Property Policy is to guide the City of Kennedale in the required annual review of its records and reporting of all tangible and intangible property presumed abandoned that is held or is owed in the ordinary course of Kennedale's business and remained unclaimed by the owner for more than a specified period of time after it became payable or distributable.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are several recommended changes at this time, mainly due to an updated schedule of submission due dates recently changed by the state.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Unclaimed Property Policy	20141010 Unclaimed Property Policy.pdf
2.	Resolution 435 Unclaimed Property	Resolution 435To Amend Unclaimed Property Policy.doc

CITY OF KENNEDALE



UNCLAIMED PROPERTY POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 17, 2011

PREFACE

The aim of the Unclaimed Property Policy is to guide the City of Kennedale in the required annual review of its records and reporting of all tangible and intangible property presumed abandoned that is held or is owed in the ordinary course of Kennedale's business and remained unclaimed by the owner for more than a specified period of time after it became payable or distributable.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012

OCTOBER 10, 2013

OCTOBER 13, 2014

I. BACKGROUND

All financial institutions, businesses, government entities, and organizations that are holding abandoned property belonging to Texas residents should file a report with the Texas Comptroller's office. Title 6 of the Texas Property Code governs the State of Texas Unclaimed Property Program. Chapters 72 through 75 apply to the reporting, delivery and claims process for abandoned property. Chapter 76 applies specifically to unclaimed property held and reported by Texas counties, municipalities, independent school districts and junior colleges.

Unclaimed property can be any financial asset that appears to have been abandoned by the owner, such as the following:

- Uncashed dividends, payroll, cashier's checks;
- Stocks, bonds, mutual fund accounts;
- Utility deposits and other refunds;
- Bank accounts and safe deposit box contents;
- Insurance proceeds;
- Mineral interest or royalty payments; and/or
- Court deposits, trust funds, escrow accounts.

The abandonment period is the number of years that an entity holds the property before sending it to the state Comptroller's office. The property type determines the length of the abandonment period.

The City of Kennedale recognizes its responsibility to make a good faith effort to determine the whereabouts of the owner of property, and also recognizes that there are limits to what can be done to locate the rightful owner of property.

II. POLICY

On an annual basis, the City of Kennedale is required to review its records and determine whether it is holding any funds, securities or other property that has been unclaimed for the required dormancy period, and to report and remit these unclaimed funds to the State of Texas.

III. LEGAL REQUIREMENTS

A. Property is classified as unclaimed if it has reached the required abandonment period as of March 1st each year. The City must hold property until the appropriate abandonment period has run, and if property is determined to be unclaimed after this date, it must be included in the next annual remittance to the State.

- 1) The abandonment period is determined by the property type. For more specific detail, refer directly to the Texas Comptroller of Public Accounts: Unclaimed

Property Reporting Instructions. Instructions are subject to change due to new or revised requirements, so annual review of this manual is required.

- B. Prior to remitting property to the Comptroller's Office as described below, the City must mail a written notice to the owner on property valued at **more than \$250.00** no later than May 1st of the year in which the property is classified as unclaimed per Section 74.1011 of the Texas Property Code. This notice requirement does not apply if a letter has already been mailed to the missing owner earlier in the abandonment period. For sample letter, refer directly to the Texas Comptroller of Public Accounts: Unclaimed Property Reporting Instructions. Instructions are subject to change due to new or revised requirements, so annual review of this manual is required.
- C. Property that is valued at **more than \$100.00** will be delivered, along with the required report form(s), to the State Comptroller's Office by July 1st **following** the date the property is classified as unclaimed. Should the City not have unclaimed property individually valued at more than \$100, there is no report required.
 - 1) Property that is due July 1st may be remitted any time after the annual cut-off date of March 1st and before July 1st.
- D. Per Title 6, Chapter 76 of the Texas Property Code, property that is valued at **less than \$100.00** will be retained by the City.
 - 1) The City shall publish a notice in its official newspaper (general circulation in the jurisdiction of the holder) on or before July 1st in the calendar year **immediately following** the year in which the property report is filed. For example: Notices for property classified as unclaimed on March 1, 2013 must be published by July 1, 2014.
 - 2) At a minimum, the owner's name and last known address must be listed.
 - 3) If at all possible, the City will also include this notice on its official website.
 - 4) While the City is required to publish a notice, it may elect to advertise only those properties with a value greater than a specified amount of its choosing (i.e., greater than \$50.00 but less than \$100.00). For the City's purposes, the Finance Department will include **all** property valued at less than \$100.00.

IV. CLAIMS PROCESS

- A. There is no statute of limitation on filing a claim.
- B. Claimants must fill out a claim form and present proof of ownership.

- C. Within **90 days** from the date of receiving the returned claim form, the Finance Department will determine in good faith if the claim is valid. If the claim is valid, the City will pay the full amount of the claim.
- D. If the claim is determined to be invalid, it will be rejected. The claimant may appeal this decision in accordance with Section 76.504 of the Texas Property Code.

V. ACCOUNTING

- A. For property, which is valued at **less than \$100.00** and retained by the City, the Finance Department will transfer funds from the City's operating funds to the Unclaimed Property Fund on or before March 1st for property classified as unclaimed.
 - 1) Finance Department must void account payable entries code to a liability account in Unclaimed Property Fund versus hitting an expense line item.
- B. The Finance Department will transfer all funds retained by the City on **an annual basis**. This transfer will be conducted from the Unclaimed Property Fund to the General Fund. The General Fund will then become responsible for paying a valid claim should a valid claim be submitted.
 - 1) This action will clear out the liability account in the Unclaimed Property Fund and provide revenue to the General Fund.
- C. All publication and postage expenditures will be charged to Finance Department within the General Fund. These items are budgeted annually.
- D. For the purpose of simplicity, the Unclaimed Property Fund is not allocated earned interest. The City is not obligated to pay interest to a claimant. Only the original amount of the unclaimed property will be paid to the claimant.

VI. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

RESOLUTION NO. 435

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
UNCLAIMED PROPERTY POLICY**

WHEREAS, on November 17, 2011, City Council adopted the document entitled, “Unclaimed Property Policy,” a framework to guide the City of Kennedale in the required annual review of its records and reporting of all tangible and intangible property presumed abandoned that is held or is owed in the ordinary course of Kennedale’s business and remained unclaimed by the owner for more than a specified period of time after it became payable or distributable; and

WHEREAS, the City of Kennedale recognizes its responsibility to make a good faith effort to determine the whereabouts of the owner of property, and also recognizes that there are limits to what can be done to locate the rightful owner of property; and

WHEREAS, the City Council has reviewed the City’s Unclaimed Property Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Unclaimed Property Policy dated October 13, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - M.

I. Subject:

Consider Resolution 436 adopting an amended City of Kennedale Purchasing Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

State law (Local Government Code, Chapter 252: Purchasing and Contracting Authority of Municipalities) serves as the primary purchasing authority for the City of Kennedale. This Policy establishes standard practices and procedures to create uniformity, economy, efficiency and effectiveness in our purchasing program.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Purchasing Policy	20141001 Purchasing Policy.pdf
2.	Resolution 436 Purchasing Policy	Resolution 436 To Amend Purchasing Policy.doc

CITY OF KENNEDALE



PURCHASING POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 13, 2008

PREFACE

State law (Local Government Code, Chapter 252: Purchasing and Contracting Authority of Municipalities) serves as the primary purchasing authority for the City of Kennedale. In addition to several administrative updates, which further establish standard practices and procedures to create uniformity, economy, efficiency and effectiveness in our purchasing program, Staff incorporated a major revision due to a change in statute. Specifically, the expenditure threshold increased from \$25,000 to \$50,000 in reference to competitive bidding and proposal requirements per Senate Bill 1765.

This policy was formally adopted by the Council on November 13, 2008. However, prior to this date, it was created on May 16, 2005 and reviewed administratively.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

NOVEMBER 5, 2009

NOVEMBER 17, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

I. PURPOSE

The purpose of this policy is to establish standard practices and procedures to create a uniformity, economy, efficient and effective purchasing program for the City of Kennedale.

II. POLICY

It is the policy of the City of Kennedale to authorize purchases at time and place needed in the proper quantity and of the proper quality, all goods and services required for City operations. Goods and services shall be procured at the lowest possible cost consistent with prevailing economic conditions while establishing and maintaining a reputation for fairness and integrity, with the express intent to promote open and fair conduct in all aspects of the purchasing process.

III. GOVERNING AUTHORITY

The primary governing authority for the City of Kennedale's Purchasing Policy shall be the City's Charter, in conjunction with Chapter 252 of the Local Government Code: Purchasing and Contracting Authority of Municipalities. All procurement activity shall be governed in accordance with applicable federal, state, and local statutes, ordinances, and codes.

IV. CODE OF ETHICS

Every time items are purchased, city funds are committed. Therefore, this is a responsibility that should not be taken lightly. By participating in the purchasing process, employees of the City of Kennedale agree to:

- A. Make purchases in the conduct of the City's business only. **To acquire or purchase goods and services for other than official use of the City is fraudulent use and may subject the employee to disciplinary action, up to and including dismissal as specified in the City's Personnel Policy and/or criminal prosecution.**
- B. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- C. Demonstrate loyalty to the City of Kennedale by diligently following the lawful instructions of the employer, using reasonable care, and only authority granted.
- D. Refrain from any private business or professional activity that would create a conflict between personal interests and the interest of the City of Kennedale.
- E. Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence purchasing decisions.

- F. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether as payment for services or not; and never accept for himself or herself or for family members, favors or benefits under circumstance which might be construed by reasonable persons as influencing the performance of Governmental duties.
- G. Engage in no business with the City of Kennedale, directly or indirectly, which is inconsistent with the conscientious performance of Governmental duties.
- H. Handle confidential or proprietary information belonging to employer or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- I. Never use any information gained confidentially in the performance of Governmental duties as a means of making private profit.
- J. Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- K. Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.
- L. Expose corruption and fraud wherever discovered.
- M. Uphold these principles, ever conscious that public office is a public trust.

V. FUND AVAILABILITY & PAYMENT AUTHORIZATION

- A. Verification of fund availability is the responsibility of the User Department.
- B. Finance Department shall verify available funds through the City's financial reporting system during requisition entry. If funds are not available at the time, no purchase will be made until funds are made available with approval from City Manager.
- C. At a minimum, payment approval is required from Department Head to pay for **all** products and/or services.
- D. As a tax-exempt government agency, the City of Kennedale does **not** pay sales tax on applicable items. The cardholders can request a copy of the City's tax exemption certificate from Accounts Payable City's. Furthermore, a sales tax identification number is provided on the face of the City's Procurement Card should it be utilized. Employees are responsible for ensuring that the vendor does not include sales tax in the transaction, unless an item is subject to sales tax. **If tax is included in error, the employee may be responsible for reimbursing the tax to the City if it is not recovered**

from the vendor. Contact Accounts Payable for questions in regards to which purchases are subject to tax.

- E. Approved invoices are forwarded directly to the Finance Department with the appropriate supporting documentation and signatures. **If an employee misplaces or loses a receipt or is unable to provide adequate details concerning a purchase, a *Missing Or Lost Receipt Form* must accompany the employer's request for payment. Recurring instances of misplaced or lost receipts may result in the revocation of employee purchasing privileges. Furthermore, the employee will be responsible for reimbursing the City of Kennedale for all applicable charges, and the City is authorized to deduct any applicable charges from the payroll of the employee if not otherwise reimbursed.**
- F. Payments for goods and services must be paid **no later than 30 days after the later of:**
 - 1) Receipt of goods/services OR receipt of the invoice for the goods/services.
 - 2) Goods/services will be considered received when they have been accepted as usable by the User Department.

VI. LEGAL REQUIREMENTS

- A. Texas Local Government Code, Subchapter B, Section 252.021 defines the requirements for competitive bids. Under no circumstances shall multiple requisitions be used in combination to avoid otherwise applicable bidding requirements or City Council approval. Intentionally splitting purchases to circumvent the competitive bid process (i.e. two or more purchases made to keep the amount under \$50,000) will result in disciplinary action.
- B. Likewise, intentionally splitting purchases to circumvent the three (3) quote requirement process (i.e. two or more purchases made to keep the amount under \$3,000.01) will result in disciplinary action.
- C. Purchases made through an approved Cooperative Purchasing Program satisfy state law competitive bid requirements, as well the City of Kennedale's requirement for any quote process. Cooperative purchasing occurs when **two or more** governmental entities coordinate some or all purchasing efforts to reduce administrative costs, take advantage of quantity discounts, share specifications, and create a heightened awareness of legal requirements. Cooperative purchasing can occur through interlocal agreements, state contracts, piggybacking, and joint purchases.
- D. Any exemption per Section 252.022, General Exemption of Texas Local Government Code will need the approval from City Manager. The Department Head will need to include a written explanation, as well as copies of all the quotes for City Manager review. Upon

approval from City Manager, attach written explanation and all documentation and send to Finance Department for payment.

VII. QUOTES

- A. Purchases of non-contract goods or services totaling **\$3000 or less require no quotation**. In such instances, departments should make every effort to use the City's procurement card.
- B. Except where otherwise exempted by applicable State law, purchases totaling **\$3,000.01 to \$49,999.99 require a minimum of three (3) quotes**. All quotations received must be in writing from the vendor and will be evaluated by the Department Head who will then authorize the purchase.
 - 1) Chapter 252.0215 of the Local Government Code: Competitive Bidding in Relation to Historically Underutilized Business (HUB) Vendors, states that a municipality, in making an expenditure of **more than \$3,000 but less than \$50,000**, shall contact **at least two HUBs** on a rotating basis. If the list fails to identify a disadvantaged business in the county in which the City is situated, the City is exempt from this section.
 - 2) Historically Underutilized Business (HUB) are defined as any business determined by the State of Texas to be a disadvantaged (minority/woman owned) vendor.
 - 3) Refer to Appendix B for specific instructions on how to conduct a HUB search.

VIII. SEALED COMPETITIVE PROCESS

Except as otherwise exempted by applicable State law, requisitions for item(s) whose aggregate total cost is **\$50,000 or more** must be processed as competitive solicitations (e.g. sealed bids, request for proposals).

- 1) With the approval from the City Manager to begin the competitive process, the User Department shall prepare a bid package with specifications and any other pertinent information. Along with the specifications and other information, the Department may submit suggested vendors for the item(s) requested.
- 2) A notice will be published in Kennedale's official newspaper to indicate the City's intent to accept bids in accordance with State law. **Bids must be advertised for two (2) consecutive weeks with the first publication at least 14 days prior to the bid opening date.**
- 3) Vendor pre-bid conferences may be conducted if, in the opinion of requesting Department, further explanation or coordination is needed due to the nature of the bid.

- 4) The City Secretary or designee shall publicly open the bids received and read them aloud at a designated time and as indicated in the bid packet. The City Secretary or designee will indicate to those present when the Council will most likely address this item and will make available to those present the names of the vendors and the amount of their respective bids. In the case of an RFP, only the submitter's names will be announced. A tabulation will then be created. A representative from the User Department should be present during bid openings.

IX. AWARD OF CONTRACT

The City of Kennedale shall award contracts based on criteria deemed in the best interest of the City. The Texas Local Government Code, Section 252.043, states, in part:

- 1) If the competitive sealed bidding requirement applies to the contract for goods or services, the contract must be awarded to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.
- 2) Before awarding a contract under this section, a municipality must indicate in the bid specifications and requirements that the contract may be awarded either to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality.

X. RECIPROCITY

The State of Texas Reciprocity Law provides that the State or political subdivision cannot award contracts or purchases to non-resident bidders having local preference laws in their resident states, unless their bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

XI. DISCLOSURE OF INFORMATION

Access to bidder-declared trade secrets or confidential information shall be in accordance with the Texas Government Code Chapter 552, the Public Information Act, and applicable City policies implementing this chapter. The Texas Local Government Code Chapter 252.049(b) states, in part:

- A. If provided in a Request For Proposal (RFP), proposals shall be opened in a manner that avoids disclosure of the contents to competing offers and keeps the proposals secret during negotiations. All proposals are open for public inspection after the contract is awarded, but trade secrets and confidential information in the proposals are not open for public inspection.

XII. AUTOMATED INFORMATION TECHNOLOGY PURCHASES

Departments may contact the Finance Department for all technology procurements, so that it can coordinate with Information Technology to ensure that the appropriate solicitation procedure is used and product is sought. Automated information technology purchases include:

- A. The computers on which the information system is automated;
- B. A service related to the automation of the system, including computer software, or the computer; and
- C. A telecommunications apparatus or device that serves as a component of a voice, data, or video communications network for transmitting, switching, routing, multiplexing, modulating, amplifying, or receiving signals on the network.

XIII. PROFESSIONAL SERVICES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

Personal and professional services are exempted from the competitive bidding process and are procured through the use of Request for Qualification (RFQ) documents. The Finance Department is available to consult with departments regarding the preparation of information; however, the presentation of technical and qualifications aspects of personal and/or professional services included in the RFQ documents is the sole responsibility of the requesting department.

- A. Texas Government Code, Chapter 2254, Subchapter A, Professional Services, states that contracts for the procurement of defined professional services may not be awarded on the basis of competitive bids. Instead, they must be awarded on the basis:
 - 1) Of demonstrated competence and qualifications to perform the services;
 - 2) For a fair and reasonable price;
 - 3) Fees are allowed;
 - 4) Must be consistent with and not higher than the recommended practices and fees published by the applicable professional associations; and
 - 5) May not exceed any maximum provided by law.
- B. Professional Services, for the purposes of Government Code Chapter 2254, are defined as those “services within the scope of the practice, as defined by state law, of accounting, architecture, landscape architecture, land surveying, medicine, optometry,

professional engineering, real estate appraising, or professional nursing, or provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant, an architect, a landscape architect, a land surveyor, a physician, including a surgeon, an optometrist, a professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse.”

XIV. SOLE SOURCE PURCHASES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

Sole-source purchases are items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies as defined by local government code. When a department has identified a specific item with unique features or characteristics essential and necessary to the requesting department and no alternate products are available, a written justification must be provided to the Finance Department upon purchase. The legislature exempted certain items from sealed bidding in the Vernon's Texas Codes Annotated - Local Government Code Section 252.022 (a) 7, in part:

- A. Items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies;
- B. films, manuscripts, or books;
- C. gas, water and other utility services;
- D. capital replacement parts or components for equipment;
- E. books, papers, and other library materials for a public library that are available only from the person holding exclusive distribution rights to the materials; and
- F. management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits.

XV. EMERGENCY PURCHASES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

Valid emergencies are those that occur as a result of the breakdown of equipment, which must be kept in operation to maintain the public's safety or health, or whose breakdown would result in the disruption of City operations. When this situation occurs, the department shall contact the Finance Department to conduct the procurement of supplies and services. The Legislature exempted certain items from the competitive sealed process in the Texas Local Government Code Section 252.022(a), including, but not limited to:

- A. A procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;

- B. A procurement necessary to preserve or protect the public health or safety of the municipality's residents;
- C. A procurement necessary.

XVI. INELIGIBLE VENDORS

- A. An ineligible vendor shall not be allowed to conduct business until:
 - 1) Financial arrears are paid in full.
 - 2) Inappropriate practices are corrected.
 - 3) Vendors have satisfied any and all penalties imposed by the City.
 - 4) If applicable, a listing of ineligible vendors will be developed and distributed annually by the Finance Department to all other departments, unless a greater frequency is determined by the Director of Finance.
 - 5) At the recommendation of a User Department, the Finance Department may declare a vendor ineligible if it has failed to comply with the terms of a previous award, specifications of a bid or conducted inappropriate business practices.
 - 6) The penalty imposed may be for a period of up to twelve (12) months during which time bids submitted by such vendor shall not be considered.
 - 7) A penalty greater than twelve (12) months due to the severity of the infraction requires the approval of the City Manager or designee.
- B. The City of Kennedale reserves the right to change, modify, amend, revoke or rescind all or part of this policy in the future.

XVII. AUDIT OF DEPARTMENTAL RECORDS

The Finance Department may audit User Department purchasing files to ensure compliance with the procedures described herein.

XVIII. 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 PURCHASING MATRIX

PURCHASE	\$0 - \$3,000.00	\$3,000.01 - \$49,999.99	\$50,000 & Above
SIGNATURES REQUIRED	▪ Department Head	▪ Department Head ▪ City Manager	▪ City Manager ▪ City Council
PURCHASE ORDER	▪ Not Required ▪ Only If Vendor Needs	▪ Not Required ▪ Only If Vendor Needs	▪ Not Required ▪ Only If Vendor Needs
LEGAL REQUIREMENT	▪ N/A	▪ Three (3) Quotes ▪ Two (2) Of Three (3) Quotes Must Be HUB Vendors In Tarrant County ▪ If HUB(s) not listed, City Is Exempt	▪ Competitive Bid Or ▪ Competitive Proposal
EXEMPT FROM LEGAL REQUIREMENT	▪ N/A	▪ Cooperative Programs Purchases ▪ Sole Source Purchases ▪ Emergency Purchases ▪ Professional Service Purchase	▪ Cooperative Programs Purchases ▪ Sole Source Purchases ▪ Emergency Purchases ▪ Professional Service Purchase - MUST USE REQUEST FOR QUALIFICATIONS PROCESS. REFER TO SECTION XIII.
MINIMUM PAYMENT DOCUMENT(S)	▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents	▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents	▪ Pay Request ▪ Invoice (Not Quote) ▪ Applicable Receipts ▪ Backup Documents
PAYMENT TERMS	▪ TX Prompt Payment Act (No Later 30 Days)	▪ TX Prompt Payment Act (No Later 30 Days)	▪ TX Prompt Payment Act (No Later 30 Days)

Cooperative Programs (Approved Annually As Of 10/03/12): US General Services Administration (GSA), Department of Information Resources (DIR), Texas Building and Procurement Commission (TBPC), Texas Multiple Award Schedules (TXMAS), Texas Procurement and Support Services (TPASS), City of Fort Worth Cooperative Purchasing Program, Parker County Cooperative Purchasing Program, Tarrant County Cooperative Purchasing Program, Texas Interlocal Purchasing System (TIPS), Houston-Galveston Area Council (H-GAC), Local Government Purchasing Cooperative (BuyBoard), The Cooperative Purchasing Network (TCPN), US Communities and Western States Contracting Alliance.

APPENDIX B

CITY OF KENNEDALE, TEXAS HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROCEDURES

Excerpts from the Texas Local Government Code, Chapter 252, Subchapter B:

- A. Section 252.0215, “ A municipality, in making an expenditure of **more than \$3,000 but less than \$50,000**, shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the comptroller pursuant to Chapter 2161, Government Code. If the list fails to identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt from this section.”
- B. Centralized Master Bidders List & Historically Underutilized Business (HUB) Search
 - 1) Go to <http://www.window.state.tx.us/procurement/cmb/cmbhub.html>
 - 2) Click “HUBS on CMBL.”
 - 3) Enter “Class Code, Item Code, District” if available. Description of each is provided by clicking on link directly below.
 - 4) Select “Tarrant” on Texas County dropdown list.
 - 5) Click “Submit Search.”
 - 6) Select appropriate Output Fields on “Select Fields For Detail List” page.
 - 7) Click “Go.”
 - 8) Results will appear.

RESOLUTION NO. 436

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
PURCHASING POLICY**

WHEREAS, on November 13, 2008, the City Council adopted the document entitled, “Purchasing Policy,” as guidelines for future City procurement; and

WHEREAS, a Purchasing Policy establishes standard practices and procedures to create uniformity, economy, efficiency and effectiveness in our purchasing program; and

WHEREAS, the City Council has reviewed the City’s Purchasing Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the Purchasing Policy dated October 13, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - N.

I. Subject:

Consider Resolution 437 adopting an amended City of Kennedale Procurement Card Program Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The City of Kennedale Purchasing Policy allows the City to utilize cooperative purchasing programs with the approval of City Council. Furthermore, city purchases made through an approved Cooperative Purchasing Program satisfy state law competitive bid requirements and any internal quote process.

The State of Texas or Texas Procurement and Support Services (TPASS) originally secured a contract with JPMorgan Chase to provide MasterCard corporate travel and procurement charge card services for state agencies, universities and eligible State of Texas CO-OP entities from June 13, 2003 through August 31, 2010. Council approved the City's participation in 2010. Since this time, the State has secured another vendor; however, the City elected to remain with JPMorgan Chase through a cooperative purchasing program agreement with the City of Fort Worth to receive the same type of benefits that we did while on the state contract.

Our JPMorgan Chase Procurement Card Program continues to allow for more flexibility of use, simplified tracking and invoicing, streamlining of payments, enhanced customer service, and online access to view charges and make changes to organizational features and settings. In addition, the Program Administrator (Director of Finance) has the ability to restrict card usage based on necessity, as well as issue out temporary cards to employees specifically for travel.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Procurement Card Program Policy	20141001 Procurement Card Program Policy.pdf
2.	Resolution 437 Procurement Card Program	Resolution 437 To Amend Procurement Card Program Policy.doc

CITY OF KENNEDALE



PROCUREMENT CARD PROGRAM POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JANUARY 24, 2003

PREFACE

The Procurement Card Program Policy aids in establishing a more efficient, cost-effective method of purchasing and paying for small dollar transactions, as well as high volume, repetitive purchases. The Procurement Card Program is as an alternative to the traditional purchasing process (departmental purchase orders) for supplies, materials and travel. Furthermore, the Procurement Card can be used with any supplier that accepts MasterCard as a form of payment.

If used to its potential, the Procurement Card Program will result in a significant reduction in the volume of purchase orders and related documentation, including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

JUNE 10, 2010
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014

I. PURPOSE

The Procurement Card Program (herein referred to as the “Program”) is intended to streamline and simplify the Purchasing and Accounts Payable functions by eliminating waste and low value activities. The Procurement Card (herein referred to as the “Card”) is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage.

The Program is designed as an alternative to a variety of processes including petty cash, check requests and low dollar purchase orders. It is not intended to avoid or bypass appropriate procurement of payment procedures. Rather, the Program complements the existing processes available. The Card is a MasterCard credit card that is issued by JP Morgan Chase. Some minimal record keeping is essential to ensure the successful use of the Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Procurement Card Program Policy provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other program information.

Every time the Card is utilized, city funds are committed. Therefore, this is a responsibility that should not be taken lightly. **Each cardholder is responsible for all charges made to his/her specific card, and any intentional misuse or fraudulent abuse may result in disciplinary action, up to and including dismissal.**

The Card has no impact on personal credit. Although the Card lists an individual's name, the card is actually issued to the City of Kennedale.

II. DEFINITIONS

For the purpose of this policy the following definitions apply:

- A. Program Administrator – Individual who has a direct relationship with the Bank and is the City’s point of control for the Program, monitors all usage of the card, and is the point of contact for any cardholder questions or problems. All procurement card requests, issues and cancellations must go through the Program Administrator. The Program Administrator and his/her designated assistant are knowledgeable on all the procedures in the Procurement Card Program Policy and are responsible for ensuring all cardholders are properly trained in the use of the Card before it is issued. The Program Administrator will also report to the City Manager any Cardholder infractions or potential infractions. **For the purposes of this program, the Director of Finance will serve as the Program Administrator, with the Accounts Payable Clerk acting as the designated backup until such time that the City Manager chooses to designate differently.** The Director of Finance is responsible for developing written guidelines on accounting, cash handling, and other financial matters in relation to the Program.

- B. Approver – The Department Head or his/her designee is responsible for designating cardholders and approvers. The Department Head shall designate which employees will be issued a card, and with the guidance of the Finance Department, determine what transaction and merchant limits shall apply to the Card's use. The Department Head ensures that purchases are authorized and within City policies. Departments may implement more stringent internal authorization procedures that its cardholders must follow in order to make purchases with the Card. In addition, activity reports are available for additional review by the Department Head if so requested.
- C. Cardholder - Individual who has been issued the Card and who is authorized to make purchases in accordance with these procedures.
- D. Single Purchase/Transaction Limit - A dollar limitation of purchasing authority delegated to a Cardholder, which represents the maximum amount that can be charged to the Card for a single purchase or transaction. This dollar limit may vary from Cardholder to Cardholder.
- E. Cycle/Monthly Limit - A dollar amount limitation of purchasing authority delegated to a Cardholder, which represents the maximum amount that can be charged to the Card during a period of one calendar month. This dollar limit may vary from Cardholder to Cardholder.
- F. Vender - A company from which a Cardholder is purchasing materials and/or equipment or services under the provisions of this procedure. Also referred to as supplier, merchant, etc.

III. PROCEDURES

- A. Obtaining The Card - Only full/part-time employees of the City of Kennedale are eligible to receive the Card. Contractors or temporary employees are **not** eligible, unless authorized by the City Manager.
 - 1) Department Head must request the Card via the *Procurement Card Enrollment Form (Appendix A)*.
 - 2) If needed, the Department Head may consult with the Program Administrator to determine appropriate transaction limits.
 - 3) The Program Administrator will request the issue of the Card from JPMorgan Chase.
 - 4) Upon receipt of the Card, the Program Administrator will conduct Cardholder training, and upon completion, the Cardholder will sign the *Procurement Cardholder Acknowledgement Form (Appendix B)*.

- 5) The new cardholder will also be instructed as to where he/she can find the Procurement Card Program Policy and Purchasing Policy for reference purposes.
- B. Activating The Card - The Cardholder must call (800) 316-6056 to activate the Card before using it.
- C. Authorized Use Of The Card - The Cardholder is responsible for the security of their Card, and the transactions made against it. When a Cardholder receives his/her Card, only that Cardholder is authorized to use that card. The Cardholder may make transactions on behalf of others in their Department. However, the Cardholder is responsible for all use of his/her Card. **At no time should the Cardholder loan or let other individuals utilize his/her card.**
- 1) The Card is to be used in the conduct of the City's business only. The use of the Card to acquire or purchase goods and services for other than official use of the City is fraudulent use and may subject the employee to disciplinary action, up to and including dismissal as specified in the City's Personnel Policy and/or criminal prosecution.
 - 2) The total value of a transaction shall not exceed a Cardholder's single purchase limit.
 - 3) The Cardholder will retain vendor's receipts and/or records of telephone, Internet, and/or mail orders and file for future reconciliation of the Card statement.
- D. Unauthorized Use Of The Card - The credit card shall **not** be utilized for any of the following:
- 1) Personal identification or purchases, to include the payment of spouse/family expenses incurred while traveling. Only City business expenses are allowable, and the Cardholder should pay personal expenses separately.
 - 2) A purchase that exceeds the Cardholder's single and/or monthly purchase limits;
 - 3) Cash refunds and advances;
 - a. When an item is returned, the vendor shall issue the Cardholder a credit, which should appear on a subsequent statement. **Under no circumstances should the Cardholder accept cash in lieu of a credit to the credit card account. However, should cash be received, a Cardholder must return it to the City. Otherwise, the City is authorized to deduct any applicable charges from the payroll of the employee if not otherwise reimbursed.**
 - 4) Any purchase of goods/services or at a merchant type not considered prudent or of good judgment;

- 5) Fuel and/or maintenance purchases on any **personal** vehicles whether for city purpose or not (city owned vehicles are authorized);
 - 6) Alcohol or liquor of any kind;
 - 7) Separate, sequential, and component purchases or any transaction made with the intent to circumvent the City's Purchasing Policy or state law;
 - 8) Any other purchase specifically excluded in the City's Purchasing Policy.
- E. Cardholder Revocation - The Card is subject to revocation at any time at the discretion of the Department Head. The Program Administrator, if not the Director of Finance, may also recommend to the Director of Finance and Department Head that the Card be revoked upon indication of any violation of the Procurement Card Program Policy. When a Card is revoked, changes are made on-line and take effect immediately. The Program Administrator is further authorized to temporarily suspend use of the Card via electronic methods if unauthorized use is discovered and such use poses a threat to internal financial controls.
- F. Cardholder Separation – Prior to separation from the City of Kennedale, the Cardholder shall surrender the Card and all current credit card receipts and documentation to his/her Approver. Upon receipt, the Approver will follow the steps outlined under Section VI: Cardholder Statement Review & Payment Submission, and then forward the Card to the Program Administrator to be destroyed.

IV. CARDHOLDER LIMITS

As part of a Cardholder's application, the Department Head will identify which levels of transaction and cycle spending limits best accommodates the department and City's business requirements. **Suggested levels** for limits are outlined below; however, selection may vary based on particular need or function.

<u>Position</u>	<u>Single Transaction Limit</u>	<u>Monthly Cycle Limit</u>
Line Staff	\$500	\$1,000
Supervisor	\$1000	\$2,500
Dept Head	\$3,000	\$5,000
City Manager	\$3,000	\$25,000

V. CARDHOLDER PURCHASES

- A. Sales Tax - As a tax-exempt government agency, the City of Kennedale does **not** pay sales tax on applicable items. The City's sales tax identification number is provided on the face of the Card, and Cardholders can request a copy of the City's tax exemption certificate

from Accounts Payable should it be needed. Cardholders are responsible for ensuring that the vendor does not include sales tax in the transaction, unless an item is subject to sales tax. **If tax is included in error, the Cardholder may be responsible for reimbursing the tax amount to the City if it is not recovered from the vendor.** Contact Accounts Payable for questions in regards to which purchases are subject to tax.

- B. Returns - Each Cardholder is responsible for coordinating returns with the vendor and ensuring a proper credit slip is obtained. Credit shall be issued to the Cardholder account. **Under no circumstances should the Cardholder accept cash in lieu of a credit to the credit card account. However, should cash be received, a Cardholder must return it to the City. Otherwise, the City is authorized to deduct any applicable charges from the payroll of the employee if not otherwise reimbursed.**
- C. Point Of Sale Decline - Should a Cardholder be declined at the point of sale for any reason, please contact either the JP Morgan Chase Bank Customer Service Center 24 hours a day, 7 days a week at (800) 316-6056 or the Program Administrator. Every effort will be made to determine why the transaction was declined.
- D. Restricted Vendors - The Program may restrict certain types of vendors based on their use. The restriction of vendors is accomplished by the Program Director upon the Cardholder's application; therefore, if you present the Card for payment to any of these "opted-out" vendors, the authorization request will be declined. Should an authorization request be declined, please contact either the JP Morgan Chase Bank Customer Service Center 24 hours a day, 7 days a week at (800) 316-6056 or the Program Administrator. Once it is determined that the authorization request was denied due to vendor type/use restriction, the Program Administrator will work with the Cardholder to ascertain whether or not the restriction should remain or be lifted.
- E. Vendor Refusal Of Card - Vendors are to be encouraged to become involved in the Program so that Cardholders can leverage their purchasing efforts most effectively. Vendors may contact their local bank or financial institution to become credit card capable. For those vendors that are unwilling to participate in the Program, alternative sources should be found. Cardholders may also feel free to make contact with any vendors he/she would like to begin accepting the Card.
- F. Errors & Disputes - In the case of an error, first contact the vendor directly and try to reach an agreement. Most disputes can be resolved in this manner. If you are unable to reach an agreement with the vendor, complete a *Procurement Card Transaction Dispute Form* and send it to JP Morgan Chase Bank. All disputes must be submitted in writing to JP Morgan Chase Bank within **sixty (60) days** of the statement date via the following:
 - 1) Fax (847) 931-8861; or

2) Mail to: JP Morgan Chase Commercial Card, Attention: Disputes Department, PO Box 2015, Elgin, Illinois 60121.

- G. Lost Or Stolen Cards - If a card is lost or stolen, **both** JP Morgan Chase Bank's Customer Service and the Program Administrator should be notified immediately. The Customer Service Center is available 24 hours a day, 7 days a week and can be contacted at (800) 316-6056. A *Procurement Card Lost/Stolen Card Notification Form* should also be completed as soon as possible and submitted to the Program Administrator. A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be destroyed.

VI. CARDHOLDER STATEMENT REVIEW & PAYMENT SUBMISSION

Each Cardholder is responsible for the accurate review of his/her monthly statement, as well as the timely submission to Accounts Payable with all appropriate signatures, supporting receipts and documentation to pay his/her bill.

Monthly, each Cardholder will receive a statement(s) from Accounts Payable identifying each transaction made against the Card during the prior billing cycle. While the cycle cut-off date may vary, it generally occurs during the **first week of every month (5th)**. The City of Kennedale is required to pay JP Morgan Chase Bank in full each month **no later than the 30th calendar day after statement close** for all purchases made during the prior billing cycle. Therefore, please pay specific attention to the request deadline stipulated by Accounts Payable upon initial dissemination of the statement.

The statement (with attached receipts/documentation) must be reconciled against Cardholder retained receipts/documentation, signed by the Cardholder as proof of reconciliation, and then forwarded to the Department Head or his/her designee for approval.

Always obtain a receipt when using the Card. Furthermore, detailed receipts must be presented for all meal reimbursements (i.e., credit card charge slip will **not** be considered adequate documentation). Alcoholic beverage purchases are strictly prohibited from card usage, and the purpose of the business meal, and the names of those in attendance must also be indicated.

If the Cardholder misplaces or loses a receipt or is unable to provide adequate details concerning a purchase, a *Missing Or Lost Receipt Form* must accompany the Cardholder's request for payment. Recurring instances of misplaced or lost receipts may result in the revocation of Cardholder privileges. Furthermore, the Cardholder will be responsible for reimbursing the City of Kennedale for all applicable charges, and the City is authorized to deduct any applicable charges from the payroll of the Cardholder if not otherwise reimbursed.

NOTE: During the month of September, purchases may be restricted to facilitate the Fiscal Year end closing. It is imperative that careful planning is done to ensure that appropriate levels of supplies are on hand to last until the beginning of the new Fiscal Year.

VII. CARDHOLDER RECORD KEEPING

- A. Any Means - Whenever a credit card purchase is made, either over-the-counter or by other means, documentation shall be obtained as proof of purchase. Such documentation will be used to verify the purchases listed on the Cardholder's monthly statement of account.
- B. Over-the-Counter - When the purchase is made over-the-counter, the Cardholder shall retain the invoice and "customer copy" of the charge receipt. The Cardholder is responsible for checking that the vendor lists the quantity and fully describes the item(s) prior to the Cardholder signing the slip.
- C. Internet - When the purchase is made over the Internet, the Cardholder shall print a copy of the receipt and order confirmation before exiting the site.
- D. Telephone - When a purchase is made over the telephone, the Cardholder shall have the vendor fax them a copy of the receipt.
- E. Mail - When the purchase is made by mail, the Cardholder shall retain all confirmations and shipping documentation.

VIII. CARDHOLDER SECURITY

It is the Cardholder's responsibility to safeguard the Card and account number to the same degree that a Cardholder safeguards his/her personal credit information. A violation of this trust may result in that Cardholder having his/her card withdrawn and possible disciplinary action.

If a card is lost or stolen, **both** JP Morgan Chase Bank's Customer Service and the Program Administrator should be notified immediately. The Customer Service Center is available 24 hours a day, 7 days a week and can be contacted at (800) 316-6056. A *Procurement Card Lost/Stolen Card Notification Form* should also be completed as soon as possible and submitted to the Program Administrator. A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be destroyed.

A Cardholder may have two (2) cards replaced due to loss. Any additional requests may result in the revocation of Cardholder privileges. If a Cardholder is determined to be negligent in regards to security, replacement cards will not be issued.

IX. JP MORGAN CHASE

- A. Payment - The Card is a corporate pay arrangement with JP Morgan Chase. Account balances will be **paid in full each month no later than the 30th calendar day after statement close**. The Program Administrator will receive a centralized statement detailing all Cardholder activity. A copy of the centralized statement will be provided to each applicable Cardholder to review, complete the appropriate form, obtain appropriate signature(s) and return all attached receipts and documentation. Accounts Payable will designate a pay request deadline to Cardholders upon initial dissemination of the centralized statement in order to ensure payment will be made to JP Morgan Chase as agreed. Cardholders should **not** receive a separate cardholder statement directly from JP Morgan Chase. Should this occur, please disregard the statement and notify Accounts Payable.
- B. Audit – All cardholder activity is subject to audit by Corporate Audit, the Program Administrator, his or her designee, Approvers, and any other appropriate City of Kennedale personnel or outside audit firm. Audits help ensure adherence to the Program's policies and procedures.
- C. Customer Service – There are several methods or avenues available for assistance.
- 1) For Individual Cardholder: The Program is serviced using a team approach with JP Morgan Chase Bank's Customer Service Center, which can be reached at (800) 316-6056. This center is available 24 hours a day, 7 days a week to assist the Cardholder with general questions about the procurement card account. If a card is lost or stolen, **both** Customer Service and the Program Administrator should be notified immediately. A *Procurement Card Lost/Stolen Notification* Form should also be completed as soon as possible and submitted to the Program Administrator.
 - 2) For Program Administrator Only: The Program Coordinator Service Team for the State of Texas is a specialized group that provides service strictly to Program Administrators and helps with day-to-day activities and updating of Merchant Account Code (MAC) authorizations. This group can be contacted at (888) 508-9758, (888) 297-0785 fax, or email ccs-public-sector@jpmchase.com. The Program Coordinators are available from 7:00 AM to 6:00 PM CST. When calling the Program Coordinators, please be prepared to provide a Company Number, Agent Number and Security Identifier. **Individual Cardholders should not utilize this phone number.**
 - 3) For Program Administrator Only: Client Application Support provides assistance with the Smart Data On-Line software application. This group answers questions about functionality, resets Program Administrator passwords and helps trouble shoot any other application related issues. Client Application Support can be contacted at (877) 967-1100, Option 2.

X. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.



CITY OF KENNEDALE
PROCUREMENT CARD ENROLLMENT FORM
(Appendix A)

I. EMPLOYEE/CARDHOLDER INFORMATION

Name: _____ Social Security (Last 4 Only): _____

Department/Division: _____ Mother's Maiden Name: _____

Date of Birth: _____ Office Phone: _____

II. CARD LIMITS: MAXIMUM PURCHASE LIMITS: Please note that these are "suggested" levels based on position; however, selection may vary based on particular need or function.

<u>Position</u>	<u>Single Transaction Limit</u>	<u>Monthly Cycle Limit</u>
Line Staff	\$500	\$1,000
Supervisor	\$1000	\$2,500
Dept Head	\$3,000	\$5,000
City Manager	\$3,000	\$25,000

Single Transaction Limit Requested: _____

Monthly Cycle Limit Requested: _____

Department Head Name: _____

Department Head Signature: _____ Date: _____

II. CARD ORDER & RECEIPT

Date Ordered: _____ Who Ordered: _____

Date Received: _____

Cardholder's Name as it Appears on the Card: _____

Card Number: _____ Expiration Date: _____



CITY OF KENNEDALE
PROCUREMENT CARDHOLDER ACKNOWLEDGEMENT FORM
(Appendix B)

I understand that the general use of the City of Kennedale credit card for small purchases is a standard procedure of the City.

- 1) I will be expected to use the credit card issued to me as directed by the provisions of the City's Procurement Card Program Policy.
- 2) I will not permit another person to use the credit card issued to me. Any such purchases made with my card will be considered to be made by me and my responsibility.
- 3) I will be responsible for the safe keeping of the credit card issued to me and if lost or stolen, I will report its loss immediately to **both** JP Morgan Chase Bank's Customer Service and the Program Administrator (Finance Department).
- 4) I understand that my personal credit will not be affected by any use of the City of Kennedale's credit card.
- 5) By accepting the Card, I recognize that I may be subject to periodic internal control reviews and audits designed to protect the interests of the City, and I agree to comply with these reviews and audits.
- 6) In the event of termination of employment whether for retirement, voluntary separation, resignation or dismissal, I also agree to surrender and cease use of the Card. In addition, I must surrender and cease use of the Card in the event of transfer or relocation.
- 7) I may also be asked to surrender the Card at any time deemed necessary by management.
- 8) The use of a City credit card to acquire or purchase goods and services for other than the official use of the City is fraudulent use. An employee guilty of fraudulent use will be subject to disciplinary action, up to and including dismissal.
- 9) I agree that any reimbursement owed the City may be deducted from my wages as outlined in the City Procurement Card Program Policy.

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document, as well as the City of Kennedale's Procurement Card Program Policy.

Employee Name: _____

Employee Signature: _____

Date: _____



CITY OF KENNEDALE
PROCUREMENT CARD LOST/STOLEN/FRAUD NOTIFICATION FORM
(Appendix C)

Cardholder's Name: _____

Card Number: _____

Card Was (Please Check One):

_____ Lost
_____ Stolen
_____ Other (Describe): _____

Describe How Card Was Lost/Stolen: _____

Was Police Report Filed (Circle): Yes or No

If Yes: Department: _____

Report Number: _____

Credit Card Company Notified: Date: _____

Time: _____

Cardholder's Signature: _____

Date: _____

Finance Director's Signature: _____

Date: _____



CITY OF KENNEDALE
PROCUREMENT CARD TRANSACTION DISPUTE FORM
(Appendix D)

Cardholder's Name: _____ Card Number: _____

Cardholder's Signature: _____ Date: _____

Vendor Name: _____

Statement Date: _____ Transaction Date: _____

Transaction #: _____ Posting Date: _____

Amount Disputed: _____

_____ There is a difference in the amount I authorized, and the amount I was billed (a copy of your charge must be attached).

_____ I only transacted one charge and I was previously billed for it (date of previous charge _____).

_____ The above transaction is mine but I am disputing the transaction (please state your reasons why in detail).

_____ I do not recognize the above transaction.

_____ I have received a credit voucher for the above transaction, but it has not yet appeared on my account (a copy of the credit voucher must be attached).

_____ My account has been charged for the above transaction, but I have not received the merchandise. The details of my attempt to resolve the dispute with the vendor and the vendor's response are indicated below.

Attach the completed form to your monthly statement for review and approval by your Approving Supervisor and Accounts Payable.

RESOLUTION NO. 437

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
PROCUREMENT CARD POLICY**

WHEREAS, the City Council allows the City to utilize cooperative purchasing programs with the approval of City Council; and.

WHEREAS, on January 24, 2003, the City Council adopted the document entitled, "Procurement Card Program Policy," a guide to aid in establishing a more efficient, cost-effective method of purchasing and paying for small dollar transactions, as well as high volume, repetitive purchases, and

WHEREAS, the City Council has reviewed the Procurement Card Program Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the Procurement Card Program Policy dated October 13, 2014, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - O.

I. Subject:

Consider Resolution 438 adopting an amended City of Kennedale Investment Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

State law (Government Code, Chapter 2256: Public Funds Investment Act) requires the Council to review the City Investment Policy at least annually. Furthermore, it is also the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Investment Policy	20141001 Investment Policy.pdf
2.	Resolution 438 Investment Policy	Resolution 438 To Amend Investment Policy.doc

CITY OF KENNEDALE



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, at the highest rates obtainable at the time of the investment.

Effective cash management is recognized as essential to good fiscal management. An aggressive 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

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 Financial Report (CAFR) 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 may 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 ten 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, credit risk, market risk, investment strategies, 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. Fully collateralized repurchase or reverse repurchase agreements, including flexible repurchase agreements (flex repo), with a defined termination date secured by a combination of cash and obligations of the United States or its agencies and instrumentalities pledged to the City held in the City's name by a third party selected by the City. Repurchase agreements must be purchased through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas. The securities received for repurchase agreements must have a market value greater than or equal to 103 percent at the time funds are disbursed. All transactions shall be governed by a Master Repurchase Agreement between the City and the primary government securities dealer or financial institution initiating Repurchase Agreement transactions.

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received

under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

H. 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.

I. Investment instruments not 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.

J. 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.....25%
 - Local Government Investment Pools (*See D.(5) below*).....100%.
 - Money Market Mutual Funds (*See D.(5) below*).....100%
 - Obligations of states, agencies, cities & other political subdivisions of any state.....25%
 - Repurchase Agreements (*See D. (4) below*).....50%
 - State of Texas Obligations & Agencies.....25%
 - US Treasury & US Agency Callables.....25%
 - US Government Agencies & Instrumentalities.....100%
 - US Treasury Notes/Bills.....100%
- 4) The City shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
 - 5) The City shall not invest more than 50% of the investment portfolio in any individual money market mutual fund or government investment pool.
 - 6) 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.

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 National Association of Securities Dealers (N.A.S.D.) 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 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 may 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 limited to one year or less. Constant \$1 NAV investment pools and money market mutual funds shall be an integral component in maintaining

daily liquidity. 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 limited to one year 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 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 _____

RESOLUTION NO. 438

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE
INVESTMENT POLICY**

WHEREAS, on September 13, 2001, City Council adopted the document entitled, “Investment Policy,” a framework that provides the 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 has reviewed the City’s Investment Policy.

**NOW, THEREFORE, BE IT RESOLVED 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 October 13, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - P.

I. Subject:

Consider Resolution 439 adopting an amended City of Kennedale Internal Controls & Cash Handling Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The goal of the City of Kennedale's Internal Controls & Cash Handling Policy is to ensure adequate measures by effectively safeguarding, depositing and accounting for cash on behalf of the City and to maintain public trust. Additionally, this policy will provide guidance to departments on improving cash handling skills, and thus, limit not only the City's losses, but also the City's involvement in investigation of losses of funds.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Internal Controls & Cash Handling Policy	20141001 Internal Controls & Cash Handling Policy.pdf
2.	Resolution 439 Internal Controls	Resolution 439 To Amend Internal Controls & Cash Handling Policy.doc

CITY OF KENNEDALE



INTERNAL CONTROLS & CASH HANDLING POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 17, 2011

PREFACE

The intent of the City of Kennedale's Internal Controls & Cash Handling Policy is to provide management with reasonable, but not absolute, assurance that resources are being utilized and accounted for accurately, appropriately, consistently and completely. The reliability with which the city can place upon its financial records is further dependent upon the effectiveness of procedures and controls that must also ensure that transaction processes, in terms of cash, are not exposed to unauthorized access and use.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

I. PURPOSE

The goal of this Internal Controls & Cash Handling Policy is to ensure adequate internal controls by effectively safeguarding, depositing, and accounting for Cash on behalf of the City of Kennedale and to maintain public trust. Additionally, this policy will provide guidance to departments on improving cash handler (hereby referred to as “cashier/custodian”) skill and accountability, therefore limiting not only the City’s losses, but also the City’s involvement in investigations of losses of funds. The term “Cash” applies to currency, coin, check, money order, credit card, electronic funds, and other negotiable instruments payable in money to the City.

II. ADMINISTRATIVE PROCEDURES

Enforcement of the cash management program is included but limited to the following:

- A. A random drawer audit conducted under the direction of the Director of Finance.
- B. Any deficiencies in regard to the set procedures will be reported to the Director of Finance and the City Manager in the form of a memorandum outlining the deficiencies.
- C. The Director of Finance will notify the Department Head involved and explain these deficiencies, and the Department Head will be responsible for taking appropriate action to correct deficiencies.
- D. If in a subsequent audit these deficiencies still exist, the Director of Finance will advise the Department Head that the deficiencies still exist.
- E. The Director of Finance and the Department Head will notify the City Manager of the existing situation.
- F. The City Manager will review the existing situation and may take appropriate action to resolve deficiencies and ensure that the procedures as outlined are administered properly.

III. DELEGATION OF AUTHORITY

- A. The Director of Finance is authorized to promulgate rules for establishing procedures for the receipt, handling and deposit by City officers and employees of City Cash into the City Treasury for: the method of documentation on all such transactions; regular reporting to the Director of Finance; certifying and rescinding certification by the Director of Finance of all City officers and employees who are authorized to receive or handle City monies in the regular course of their employment or departmental activities; inspection of departmental cash records, including overages or shortages; inspection of departmental practices and procedures in handling City Cash; and

contracting with agents to collect City Cash and their collection procedures. The Director of Finance may enforce these rules through on-site inspections; by rescinding certification of any officer or employee who fails to comply with the Director of Finance's procedures and, in the event of noncompliance by a department or office, requiring that payments to personnel be authorized by the Director of Finance, or deposited at his/her office.

- B. The Director of Finance, as the City's banker, is required by law to receive, retain, and disburse all City revenue and keep detailed records of these transactions. The Director of Finance is charged with the responsibility of overseeing the proper receipting and to safeguard all City funds.
- C. **The Director of Finance is responsible for the administration of the cash management program; however, he/she may delegate applicable responsibilities as appropriate. For the purposes of this policy, the term "Finance Department" refers to the Payroll & Accounting Specialist. In the Payroll & Accounting Specialist's absence, Finance Department duties will be delegated to the Director of Finance and/or Accounts Payable Clerk.**
- D. Through certification, the responsibility and accountability of the daily collection of funds is delegated to the cashier/custodians.

IV. DUTIES OF CITY DEPARTMENT HEADS

The Director of any City department who anticipates receiving City Cash on a regular basis in the course of its activities shall:

- A. Assign the receiving of City Cash only to those persons who are certified by the Director of Finance for performing these functions;
- B. Collaborate with the Director of Finance to establish and maintain a system of procedures, documentation and reporting on receipts handling and deposit of City money;
- C. Notify the Director of Finance and Police Department of any theft of City Cash immediately upon discovery. **Written notice shall be given no later than twenty-four hours after discovery.**
- D. Allow the Director of Finance or designee to make on-site inspections and observe the processing of City Cash, and to make inspections of departmental collection records.

V. DUTIES OF CITY PERSONNEL

Any City officer or employee, who receives City Cash in the normal scope and course of his/her duties, shall:

- A. Immediately turn in the Cash on the same day to the Finance Department no later than 5:00 p.m. **Note:** Several departments, such as the Police, Animal Control and Library Department collect cash through their individual department, and then submit it through Utility Billing's Cash Receipts to be later deposited to the Finance Department.
- B. Comply with rules promulgated by the Director of Finance for handling and processing of City Cash and for documentation and dissemination of records, and with departmental internal procedures, established in conformity with the Director of Finance procedures;
- C. Notify the employee's Department Head and Director of Finance of any loss or theft of City money immediately upon discovery. **Written notice shall be given to them no later than twenty-four hours after discovery;**
- D. Be subject to disciplinary action, up to and including termination for failure to comply with each department's operating policies, Director of Finance's procedures and/or duties described in this policy.

VI. LIABILITY FOR LOSS

- A. As between a department and its officers and the Director of Finance, the department has primary responsibility for care and liability for loss of City Cash in its custody until deposited in the City Treasury or entrusted to a custodian certified by the Director of Finance.
- B. Compliance with the procedures approved by the Director of Finance establishes a presumption that a City department or office exercised due care in its custody and care of City Cash.

VII. CERTIFICATION OF CASHIERS & CUSTODIANS

- A. Only persons who are approved by the Director of Finance shall receive and handle City Cash on a regular basis in the scope and course of their employment. **A signed Certificate of Responsibility must be obtained from the cashier/custodian and supervisor verifying receipt of this policy.**
- B. In addition, the Director of Finance **may** require that the cashier/custodian complete a certification or training and/or pass an examination on: the secure processing of moneys, cash procedures and applicable departmental rules, and thereafter take refresher instruction or training at periodic intervals or when the need arises.

VIII. ESTABLISHMENT/INCREASE OF CASH FUNDS

All requests for the establishment of cash funds must be made to the Director of Finance. The Director of Finance will maintain a complete listing of all cash funds. The department location, cashier/custodian and the amount of the cash fund are to be maintained upon this written listing.

- A. An initial request for establishment or request for increase should be submitted to the Director of Finance for the amount of the funds requested.
- B. No funds are to be established out of cash receipts by any department.
- C. Upon establishment of a cash fund, a cashier/custodian should be appointed by the Director of Finance. Cash funds must have one cashier/custodian responsible for the disbursement of cash. In the absence of the cashier/custodian, a designated individual should make all disbursements from the cash fund. Should it become necessary to change cashier/custodians, the Department Head should notify the Director of Finance and request an audit of the cash fund to be performed prior to transferring the cash fund to the new cashier/custodian.

IX. TERMINATION OF CASH FUNDS

- A. The Department Head should notify the Director of Finance that the cash fund is to be closed and request that an audit be performed prior to closing the cash fund.
- B. The Director of Finance will perform an audit of the cash fund. Any shortages or variances are to be investigated and resolved by the Department Head and the Director of Finance. **If the shortages or variances cannot be resolved, the Department Head is to provide a written explanation to the effect that a shortage or variance occurred, which he or she could not resolve, to the Director of Finance.**
- C. Upon completion of the cash audit, the cashier/custodian should deposit any cash on hand with the Finance Department and provide a copy of the deposit slip to the Director of Finance with any outstanding vouchers.
- D. The Director of Finance will provide the Finance Department with details of the expense accounts to be debited for preparation of a journal entry to close the cash fund. A copy of the details should also be attached to the journal entry as supporting documentation.

X. SECURITY OF CASH FUNDS

- A. Cash funds are to be kept in locked boxes or drawers. The locked box is to be kept in a secure area, where only the designated cashier/custodian and the Department Head have keys and access to the funds.

- B. Provisions should be made in departments where more than one cash fund exists to secure all funds which are not being utilized. Only the Department Head or his/her designated cashier/custodian should have access to an employee's cash fund in the event of their absence.
- C. Only the person responsible for the cash fund and the Department Head should maintain keys and have access to the funds.
- D. Bank bags must be locked and kept out of sight when transporting city funds for deposit to the Finance Department or Utility Billing Customer Service.
- E. All funds must be reviewed randomly.
- F. The use of surveillance cameras may be used to monitor city funds.

XI. REGULATION OF PETTY CASH FUNDS

Petty cash funds are available for making emergency or immediate purchases of items that are not easily obtained through normal purchasing channel. Petty cash funds are to be maintained only for this purpose, and no department shall possess a petty cash fund without establishing such a fund as outlined Section VIII: Establishment/Increase of Cash Funds.

A. Maintenance of Petty Cash Funds

- 1) Cash funds must have one custodian responsible for the disbursement of cash. In the absence of the custodian, only the Department Head or his/her designated custodian should make all disbursements from the petty cash fund.
- 2) Each cash fund should have a set amount of funds to be accounted for. The Finance Department will not process payment authorizations to reimburse petty cash if the request exceeds the established amount of the petty cash fund.
- 3) **The petty cash fund is to be reconciled on a daily basis by the fund custodian.**
- 4) **The cash custodian should process a payment authorization to reimburse their petty cash fund as necessary.** The payment authorization requesting reimbursement of petty cash is to be processed with enough lead-time to prevent the remaining petty cash funds from being depleted prior to the issuance of the reimbursement check. All check payments to reimburse the petty cash fund are to be made payable to the City of Kennedale.
- 5) A petty cash voucher must be completed to support all disbursements of cash from the petty cash fund. The petty cash voucher must be completed in its

entirety and approved by the Department Head prior to the disbursement of any cash from the custodian.

- 6) Each petty cash voucher must be accompanied by a receipt ticket upon reimbursement or return of unused funds.
- 7) Three (3) signatures are required on all petty cash vouchers. All petty cash vouchers must be signed by the employee receiving the cash and by the Department Head approving the transaction. The petty cash custodian will then sign the voucher as cash is actually disbursed from the fund.
- 8) **Employees are not to be reimbursed for sales tax.** It is the responsibility of the Department Head to ensure that employees are aware of the City's exempt status.
- 9) Petty cash in advance is not to be held by any employee longer than a twenty-four period. Receipts and used funds must be returned and be reconciled to vouchers within the twenty-four hour period.
- 10) Expenditures for purchases made from the petty cash fund are not to exceed \$100.00. Purchases that exceed \$100.00 should be purchased through normal purchasing process.

B. Prohibited expenses include the following:

- 1) Loans to employees;
- 2) IOUs for employee personal use;
- 3) Cashing personal, payroll and expense checks for the Department Head, petty cash custodian, or any other employees or City official; and
- 4) Traveling or training expenses, such as use of personal vehicle, parking and entertainment (these expenditures should be reimbursed by submitting the proper expense report form to Finance Department).

C. Documents Which Serve as Support for Disbursement of Petty Cash

- 1) A cash register receipt, provided that the date is current enough to support said purchase;
- 2) Cash receipt tickets from the place of purchase provided that the date is current, items purchased are listed and the ticket is signed by the employee as receiving said merchandise;

- 3) Proof of purchase in the form of a valid receipt provided the date is current and the type of the purchase or expenditure can be easily determined;
- 4) No refunds for purchases will be made without proof of purchase;
- 5) A petty cash voucher properly completed with authorizations for a cash advance.

XII. REGULATION OF CHANGE FUNDS

Changes funds, or cash drawers, are to be maintained for the purpose of making change. Change funds are not to be co-mingled with other cash funds. Change funds are to be maintained only for this purpose and no department shall possess a change fund without establishing such a fund with the Director of Finance.

A. Maintenance of a Change Fund

- 1) Each change fund should have one person responsible for that fund or drawer at any one given time. In the areas where more than one change fund is used, each employee should work out of his/her own change fund. Employees are not to work out of another employee's change fund.
- 2) Each change fund should be established for a set amount as outlined in this section, and this same amount should be maintained at all times. If an increase in a cash fund is needed, a request should be sent to the Director of Finance outlining the need and amount of funds requested is required.
- 3) **Change funds are not to be used as petty cash funds.** They are to be used only for making change.
- 4) Cash receipts are not to build up in a change fund. These receipts are to be removed and deposited as outlined in Section XIII: Regulation of Deposits.
- 5) Receipts for all cash should be utilized so that an audit may be done at any time and the amount of the change fund can be verified.

B. Cashing of Personal Checks from a Change Fund

- 1) Cashing of personal, payroll, and expense checks is strictly prohibited.

XIII. REGULATION OF DEPOSITS

The City of Kennedale collects cash through various departments in a decentralized manner; however, all cash is then turned in to the Finance Department for deposit to the bank no later than

5:00 p.m. on a daily basis. At no time shall cash be held. Furthermore, all deposits must be verified by the Finance Department. **Note:** Several departments, such as the Police, Animal Control and Library Department collect cash through their individual department, and then submit it through Utility Billing's Cash Receipts to be later deposited to the Finance Department.

A. Losses/Shortages/Overages

The Director of Finance makes a clear distinction between a "loss" and "shortage" of City money. This is determined by the cash handler's ability to obtain physical custody of the money and how that person safeguards the money. **Cashiers/custodians must report all losses to the Finance Department immediately.**

- 1) A shortage is an unintentional collection error such as a change making error. An overage occurs when a cash handler has collected too much money and cannot immediately return the excess to a specific customer.
- 2) On the other hand, a loss of City money is when a cash handler has obtained physical custody of money and then due to reasons like negligence, an act of God or an unlawful action, cannot deposit that money with the City.
- 3) An example of negligence is leaving City money unattended and not properly safeguarding that money from loss.

XIV. REGULATION OF RETURN CHECKS

- A. All return checks will be charged a return check fee as determined by the City Council. The fee is applicable when a customer, taxpayer or employee check for payment of fees, fines, court costs, taxes, utilities or other charges has been dishonored by the maker's bank and returned to the City of Kennedale. The fee, plus the base amount of check, will be payable to the City by means of cash, money order or cashier's check.
- B. If a customer, taxpayer or employee fails to honor the returned check within thirty days, the check will be turned over for collection or criminal sanctions, depending on which option is applicable.

XV. ACTION TAKEN IN EVENT OF THEFT

The danger of security and loss is a constant threat when handling money. Fund custodians are expected to safeguard City funds against loss. Custodians should be familiar with what to do in times of emergency. In these circumstances, **protecting human life should be the first concern.** Thefts are to be reported and handled in compliance with the City of Kennedale's Fraud Policy. Following the complete investigation performed in accordance with the Fraud Policy, the Director of Finance will conduct a review of the cash handling procedures and related internal controls and issue a report of his/her conclusions on improvements to cash

handling procedures. The report will be discussed for implementation with the related department head in an effort to prevent future thefts from occurring.

XVI. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.



CITY OF KENNEDALE
CASH HANDLING CERTIFICATE OF RESPONSIBILITY
(Appendix A)

I have read and understand the City of Kennedale Internal Controls & Cash Handling Policy. A copy of the Internal Controls & Cash Handling Policy has been provided to me. I agree to be held responsible and accountable for the handling of City funds according to the City of Kennedale's Internal Controls & Cash Handling Policy for the following purpose(s):

Please Initial

_____ Cash Drawer/Change Fund
_____ Petty Cash Fund
_____ Other

I have also been informed and understand that surveillance camera equipment and other devices may be used to monitor City funds.

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document, as well as the City of Kennedale's Internal Controls & Cash Handling Policy.

Training/Exam Date (If Applicable): _____

Employee Name: _____
Employee Signature: _____
Date: _____

Department Head Name: _____
Department Head Signature: _____
Date: _____

Director of Finance Name: _____
Director of Finance Signature: _____
Date: _____

RESOLUTION NO. 439

A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE INTERNAL CONTROLS & CASH HANDLING POLICY

WHEREAS, on November 17, 2011, City Council adopted the document entitled, “Internal Controls & Cash Handling Policy” a framework setting forth procedures that govern the handling, deposit and safekeeping of City Cash; and

WHEREAS, the term “City Cash” applies to currency, coin, checks, money orders, credit, charge and debit card payments, other electronic payment media and other negotiable instruments payable in money to the City; and

WHEREAS, this policy establishes best practices and standards that can be applied across all City department that have the potential to handle cash; and

WHEREAS, employees that have been authorized to receive City Cash share the stewardship of financial assets for the City across departmental divisions; and

WHEREAS, the policy ensures that City Cash is accounted for and available for investment or an authorized expenditure; and

WHEREAS, the City Council has reviewed the City’s Internal Controls & Cash Handling Policy.

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

The City Council of the City of Kennedale, Texas hereby approves the Internal Controls & Cash Handling Policy dated October 13, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - Q.

I. Subject:

Consider Resolution 440 adopting an amended Kennedale Fund Balance Policy.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The objective of the Governmental Accounting Standards Board Statement Number 54 (GASB 54) is "to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions."

Prior to the recent guidelines provided by GASB 54, the fund balance for governmental funds was divided into 3 classifications: *reserved*, *designated* and *unreserved*. *Reserved* fund balance was simply to isolate the portion of fund balance that was **not** available for the following period's budget, so that *unreserved* fund balance could serve as a measure of current available financial resources. *Unreserved* fund balance, in turn, was further subdivided into *designated* and *undesignated* portions. *Designated* fund balance represented management's intended use of resources and reflected actual plans approved by government's senior management (i.e., our self-imposed limitations on the use of otherwise available current financial resources). *Undesignated* fund balance was that which was available for appropriation or spending and not subject to legal limitation.

Given the new GASB 54 guideline, and in order to be consistent with recommended practices, GASB54 not only advises us to update current policies and procedures, but it also eliminates the aforementioned three fund balance classifications and requires governments to incorporate five new categories in their place: *Nonspendable*, *restricted*, *committed*, *assigned* and *unassigned*.

Previous Categories

Reserved

Unreserved - Designated

Unreserved - Undesignated

New Categories

Nonspendable, Restricted, Committed

Assigned

Unassigned

Nonspendable Fund Balance typically takes one of two forms. It might be in a form that is not expected to be converted to cash, such as inventory or prepaid expenses. Alternatively, there might be legal or contractual reasons that require it to be maintained intact, such as the corpus of a permanent fund, where

the principal can never be spent.

Restricted Fund Balance is for those funds that must be spent for specific purposes due to restrictions by external parties. External parties include creditors, grantors, contributors, or laws or regulations of other governments.

Committed Fund Balance occurs when the City Council sets aside funds to be used solely for a specific purpose. This constraint on use can only be imposed by the highest level of decision making authority and the constraint can only be removed or changed by that same authority.

Assigned Fund Balance is for amounts intended to be used for specific purposes, but the intent does not have to be determined by the highest level of decision making authority. In this case, the funds might be constrained by a body (such as a budget or finance committee) or an official to whom the City Council has delegated the authority to assign amounts (such as the City Manager or CFO).

Unassigned Fund Balance is the amount of the General Fund's fund balance that has not been restricted, committed or assigned. It is available for any purpose.

It is the recommendation of our independent auditors that our main policies be reviewed by the Director of Finance for updates in relation to our internal control practices and submitted to Council at least annually. In order to demonstrate our review, it is custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Fund Balance Policy	20141001 Fund Balance Policy.pdf
2.	Resolution 440 Fund Balance	Resolution 440 To Amend Fund Balance Policy.doc

CITY OF KENNEDALE



FUND BALANCE POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: SEPTEMBER 22, 2011

PREFACE

The purpose of this policy is to establish guidelines for fund balance levels within each of City of Kennedale's funds. It is essential that the City maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, or adverse circumstances. The fund balance level is also designed to provide an appropriate amount of working capital for the City's general operations. In general, the City of Kennedale should strive to avoid appropriating fund balance for recurring expenses. However, in the event that fund balance is used to support recurring expenses, the budget should clearly identify the uses of fund balance and provide an explanation of the circumstances requiring the use of fund balance. In addition, the budget should also address the future potential uses of fund balance for operating expenditures.

It is our intent to bring forth this policy to Council for review at least annually. In order to demonstrate that review, it will be custom practice for the governing board of a municipality to adopt a resolution to make the review an official public record.

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

I. BACKGROUND

The Governmental Accounting Standards Board (GASB) has adopted Statement 54 (GASB 54), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010.

The City of Kennedale elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current October 1, 2010 – September 3, 2011 fiscal year.

II. DEFINITIONS & CATEGORIES

Fund Balance is defined as the difference between a fund's assets and liabilities. According to the Governmental Accounting Standards Board (GASB) statement number 54, fund balance must be allocated into one the following five categories:

Non-Spendable Fund Balance - Includes amounts that are not in a spendable form or are legally or contractually required to be maintained intact. Examples include inventory or endowments.

Restricted Fund Balance - Includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include grants and hotel occupancy taxes.

Committed Fund Balance - Includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned Fund Balance - Comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned Fund Balance - Is the residual classification of the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

Note: The above fund balance categories only apply to governmental funds.

III. POLICY

Committed Fund Balance

The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an ordinance adopted by the City Council. The ordinance must either adopt or rescind the commitment, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance

The City Council authorizes the City Manager, Director of Finance or their designee as the official authorized person to assign fund balance to a specific purpose approved by this fund balance policy.

Order of Expenditure of Fund Balance

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds. Normally, this would result in the use of restricted, then committed, then assigned, and lastly, unassigned fund balance.

Minimum Unassigned Fund Balance

It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to twenty-five percent (25%) of budgeted expenditures for unanticipated expenditures, unforeseen revenue fluctuations, or other adverse circumstances. The fund balance level, however, may be reduced to the equivalent of fifteen percent (15%) of budgeted expenditures in unusual financial circumstances. However, if such a situation occurs, the City will implement necessary corrective action within a five-year plan to restore the unassigned fund balance to twenty percent (25%) of budgeted expenditures.

As for the General Fund Debt Service Fund, it is the goal of the City to achieve and maintain an unassigned fund balance equal to ten percent (10%). Should the fund balance level be reduced to five percent (5%) in unusual financial circumstances, the City will implement necessary corrective action within a five-year plan to restore the unassigned fund balance to ten percent (10%) of budgeted expenditures.

Non-Governmental Fund Balance

The fund balance categories discussed above do not apply to proprietary funds according to GASB 54. While not required by the GASB, the City recognizes the need to apply a minimum balance policy to the proprietary funds maintained by the City. Therefore, the City shall maintain a minimum ending working capital balance (current assets minus current liabilities) of

at twenty-five percent (25%) of budgeted expenditures for the Water/Sewer Fund. If the working capital level should fall below the desired minimum, the City will implement necessary corrective action within a five-year plan to restore the working capital balance to twenty percent (25%) of budgeted expenditures.

IV. ANNUAL REVIEW

The Director of Finance shall, at a minimum, submit proposed amendments of this policy to the City Council annually.

RESOLUTION NO. 440

**A RESOLUTION ADOPTING AN AMENDED CITY OF KENNEDALE FUND
BALANCE POLICY**

WHEREAS, on September 22, 2011, City Council adopted the document entitled, “Fund Balance Policy,” a framework for fiscal decision-making to ensure that financial resources are available to meet the present and future needs of the citizens of Kennedale; and

WHEREAS, the Governmental Accounting Standards Board ("GASB") has adopted Statement 54 ("GASB 54"), a new standard for governmental fund balance reporting and governmental fund type definitions that became effective in governmental fiscal years starting after June 15, 2010, and

WHEREAS, the City of Kennedale, Texas (“City”) elects to implement GASB 54 requirements, and to apply such requirements to its financial statements beginning with the current October 1, 2010 – September 30, 2011 fiscal year.

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

The City Council of the City of Kennedale, Texas hereby approves the amended Fund Balance Policy dated October 13, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: CONSENT ITEMS - R.

I. Subject:

Consider Resolution 441 approving Tarrant County to award the 40th Year CDBG contract to Tejas Construction Co. in the amount of \$132,623.00. In addition the City of Kennedale agrees to participate in the cost of the construction to the extent the final construction cost exceeds the available funding.

II. Originated by:

III. Summary:

This years recommended project is the sanitary sewer rehabilitation of Caylebaite and Broadway Streets. The project replaces approximately 1200 LF of pipe and several manholes. The low bidder for the 40th Year CDBG Project is Tejas Construction Co. in the amount of \$132,623.00. The 40th Year CDBG Construction Funds amount to \$124,670.00. The difference between the available CDBG monies and the bid price is \$7,953.00 and will require supplemental City funding. The 2014-2015 water Utility budget includes up to \$50,000 for this purpose. Tejas Construction Co. has performed numerous projects in the City of Kennedale and is an approved contractor.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	TN&P 40th Year CDBG	TNP 40th Year CDBG Project.pdf
2.	Resolution 441 CDBG Grant Project	Resolution 441 Block Grant.doc

October 1, 2014

Mr. Larry Ledbetter
City of Kennedale
405 Municipal Drive
Kennedale, TX 76060

Re: **40th Year CDBG Project – Kennedale
SS Replacement for Caylebaite and
Broadway
Recommendation for Award**

Dear Larry,

The bid opening for the **'Sanitary Sewer Replacement for Caylebaite and Broadway** was held at the offices of Tarrant County Community Development on, Wednesday, October 1, 2014. Base Bid II of the subject project involves reconstruction of approximately 1,200 LF of existing sanitary sewer pipe on Caylebaite and Broadway. Six formal bids were received at the 10:00 AM bid opening. They appear on the attached bid tabulation. We have reviewed the bids for accuracy and omissions and they are in order.

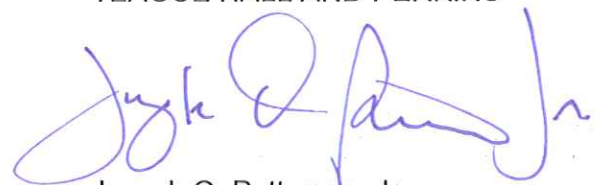
The low bid for Base Bid II was submitted by Tejas Construction Co., in the amount of \$132,623.00. Tejas a local Utility Contractor who has performed satisfactorily on other City and CDBG projects. Based on their capabilities and acceptability by the City, we determined they were competent to perform the work.

The 40th Year CDBG construction funds amount to \$124,670.00. The difference between the available CDBG monies and the bid price is \$7,953.00 and will require supplemental City funding, if the project is to be awarded.

We suggest the City recommend to Tarrant County the award of the 40th Year CDBG to Tejas Construction Co. in the amount of \$132,623.00. In addition, the City of Kennedale should agree to participate in the cost of the construction to the extent the final construction cost exceeds the available funding.

We appreciate your consideration of this recommendation and thank you for the opportunity to, again, be of service to the City of Kennedale.

Sincerely yours,
TEAGUE NALL AND PERKINS



Joseph O. Patterson, Jr.
Project Manager

Attachment

xc: Larry Hoover, City of Kennedale
Brad Hearne, Tarrant County



TEAGUE NALL AND PERKINS, INC.
CONSULTING ENGINEERS

TNP JOB NO: TAR14184
ENGINEER'S ESTIMATE: \$ 149,339
BID DATE: OCTOBER 1, 2014
BID TIME: 10:00 AM

BID TABULATION REPORT

CLIENT: TARRANT COUNTY
DESCRIPTION: SANITARY SEWER IMPROVEMENTS FOR CAYLEBAITE AND BROADWAY

				Tejas Commercial		Utiltex Construction		Canary Construction		Excel 4 Construction		Backle Services		R & D Burns	
				UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
ITEM NO.	DESCRIPTION OF ITEMS	QUANTITY	UNIT												
BASE BID I: SANITARY SEWER LINE A AND LINE B															
1	Site Preparation and Restoration	1	LS	\$7,500.00	\$7,500.00	\$6,700.00	\$6,700.00	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$7,500.00	\$7,500.00
2	10" SDR-35 PVC SS Connect to Existing Pipe by Open Cut (approx. 8' Depth)	10	LS	\$55.00	\$550.00	\$95.00	\$950.00	\$78.00	\$780.00	\$70.00	\$700.00	\$125.00	\$1,250.00	\$85.00	\$850.00
3	8" DR-26 (160 psi) PVC Sanitary Sewer by Open Cut (approx. 4' to 8' Depth)	369	LF	\$45.00	\$16,605.00	\$70.00	\$16,974.00	\$95.00	\$25,830.00	\$95.00	\$35,055.00	\$75.00	\$27,675.00	\$80.00	\$29,520.00
4	8" HDPE, DR-17 IPS, Sanitary Sewer (Pipe Burst)	519	LF	\$65.00	\$33,735.00	\$45.00	\$23,355.00	\$55.00	\$28,545.00	\$68.00	\$30,102.00	\$65.00	\$33,735.00	\$72.00	\$37,368.00
5	6" SDR-26 PVC (160 psi) for Sewer Service	12	LF	\$35.00	\$420.00	\$20.00	\$240.00	\$45.00	\$540.00	\$44.00	\$528.00	\$75.00	\$900.00	\$45.00	\$540.00
6	4" SDR-26 PVC (160 psi) for Sewer Service	130	LF	\$20.00	\$2,600.00	\$20.00	\$2,600.00	\$40.00	\$5,200.00	\$37.00	\$4,810.00	\$75.00	\$9,750.00	\$45.00	\$5,850.00
7	4" Diameter Sanitary Sewer Manhole (approx. 6' Deep)	5	EA	\$2,800.00	\$14,000.00	\$4,000.00	\$20,000.00	\$4,000.00	\$20,000.00	\$4,275.00	\$21,375.00	\$3,300.00	\$16,500.00	\$4,500.00	\$22,500.00
8	5" Diameter Sanitary Sewer Manhole (approx. 8' Deep) with Inside Drop	1	EA	\$4,500.00	\$4,500.00	\$7,000.00	\$7,000.00	\$5,000.00	\$5,000.00	\$6,200.00	\$6,200.00	\$4,600.00	\$4,600.00	\$6,000.00	\$6,000.00
9	476" Sanitary Sewer Service Tap/Tee	8	EA	\$800.00	\$6,400.00	\$1,700.00	\$13,600.00	\$560.00	\$4,480.00	\$815.00	\$6,520.00	\$900.00	\$7,200.00	\$900.00	\$7,200.00
10	476" Sanitary Sewer Service Cleanout with Bolt-on Cover	8	EA	\$300.00	\$2,400.00	\$800.00	\$6,400.00	\$500.00	\$4,000.00	\$75.00	\$600.00	\$250.00	\$2,000.00	\$350.00	\$2,800.00
11	Asphalt Pavement repair for Sewer Main (4" HMAc over 6" Flexible or Stabilized Base)	50	LF	\$18.00	\$900.00	\$55.00	\$2,750.00	\$45.00	\$2,250.00	\$51.00	\$2,550.00	\$45.00	\$2,250.00	\$55.00	\$2,750.00
12	Asphalt Pavement repair for Sewer Service (4" HMAc over 6" Flexible or Stabilized Base)	50	LF	\$18.00	\$900.00	\$55.00	\$2,750.00	\$45.00	\$2,250.00	\$51.00	\$2,550.00	\$45.00	\$2,250.00	\$55.00	\$2,750.00
13	Remove Existing Sanitary Sewer Main	369	LF	\$1.00	\$369.00	\$3.00	\$1,107.00	\$15.00	\$5,535.00	\$15.00	\$5,535.00	\$50.00	\$18,450.00	\$10.00	\$3,690.00
14	Water Main Lowering	1	EA	\$2,500.00	\$2,500.00	\$6,500.00	\$6,500.00	\$7,500.00	\$7,500.00	\$4,500.00	\$4,500.00	\$3,000.00	\$3,000.00	\$4,500.00	\$4,500.00
15	4" Thick Reinforced Concrete Driveway/Sidewalk Repair	75	LF	\$30.00	\$2,250.00	\$30.00	\$2,250.00	\$45.00	\$3,375.00	\$30.00	\$2,250.00	\$50.00	\$3,750.00	\$45.00	\$3,375.00
16	6" Gravel Driveway Repair	50	LF	\$15.00	\$750.00	\$26.00	\$1,300.00	\$30.00	\$1,500.00	\$27.00	\$1,350.00	\$25.00	\$1,250.00	\$35.00	\$1,750.00
17	Asphalt Driveway Repair (4" HMAc over 6" Flexible or Stabilized Base)	20	LF	\$18.00	\$360.00	\$55.00	\$1,100.00	\$50.00	\$1,000.00	\$51.00	\$1,020.00	\$40.00	\$800.00	\$55.00	\$1,100.00
18	Remove Existing Manhole	2	EA	\$500.00	\$1,000.00	\$650.00	\$1,300.00	\$560.00	\$1,120.00	\$500.00	\$1,000.00	\$500.00	\$1,000.00	\$500.00	\$1,000.00
19	6" Thick Concrete Manhole Collar	5	EA	\$350.00	\$1,750.00	\$625.00	\$3,125.00	\$500.00	\$2,500.00	\$350.00	\$1,750.00	\$500.00	\$2,500.00	\$500.00	\$2,500.00
20	Post-Construction SS Video (Pipe Burst)	519	LF	\$2.00	\$1,038.00	\$1.00	\$519.00	\$5.00	\$2,595.00	\$2.00	\$1,038.00	\$2.00	\$1,038.00	\$2.50	\$1,297.50
21	Trench Safety	530	LF	\$2.00	\$1,060.00	\$9.00	\$4,770.00	\$2.00	\$1,060.00	\$1.00	\$530.00	\$5.00	\$2,650.00	\$3.00	\$1,590.00
22	Pipe Burst Sag Repair	100	LF	\$65.00	\$6,500.00	\$35.00	\$3,500.00	\$25.00	\$2,500.00	\$32.00	\$3,200.00	\$75.00	\$7,500.00	\$50.00	\$5,000.00
23	Concrete Encasement as Directed	20	LF	\$30.00	\$600.00	\$25.00	\$500.00	\$40.00	\$800.00	\$81.00	\$1,620.00	\$75.00	\$1,500.00	\$55.00	\$1,100.00
24	Miscellaneous Utility Allowance	1	LS	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00
TOTAL BASE BID I					\$116,187.00		\$136,790.00		\$140,860.00		\$145,755.00		\$164,548.00		\$160,030.50

TEAGUE MALL AND PERKINS, INC.
CONSULTING ENGINEERS

TNP JOB NO: TAR14184
ENGINEERS ESTIMATE: S 149,339
BID DATE: OCTOBER 1, 2014
BID TIME: 10:00 AM

BID TABULATION REPORT

CLIENT: TARRANT COUNTY
DESCRIPTION: SANITARY SEWER IMPROVEMENTS FOR CAYLEBAITE AND BROADWAY

ENGINEER'S ESTIMATE: S 149,339																							
BID DATE: OCTOBER 1, 2014																							
BID TIME: 10:00 AM																							
BIDDERS																							
Tejas Commercial				Utiltex Construction				Canary Construction				Excel 4 Construction				Backie Services				R & D Burns			
ITEM NO.	DESCRIPTION OF ITEMS	QUANTITY	UNIT	COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL						
BASE BID II : SANITARY SEWER LINE A, LINE B AND LINE C																							
1	Site Preparation and Restoration	1	LS	\$7,500.00	\$7,500.00	\$7,000.00	\$7,000.00	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$7,500.00	\$7,500.00								
2	12" SDR-35 PVC Sanitary Sewer by Open Cut (approx. 6' to 10' Depth)	298	LF	\$54.00	\$16,092.00	\$39.00	\$17,562.00	\$78.00	\$23,244.00	\$115.00	\$34,270.00	\$70.00	\$20,860.00	\$125.00	\$37,250.00								
3	8" DR-26 (160 psi) PVC Sanitary Sewer by Open Cut (approx. 6' Depth)	369	LF	\$45.00	\$16,605.00	\$46.00	\$16,974.00	\$70.00	\$25,830.00	\$95.00	\$35,055.00	\$70.00	\$25,830.00	\$100.00	\$36,900.00								
4	8" HOPE, DR-17 IPS, Sanitary Sewer (Pipe Burst)	519	LF	\$65.00	\$33,735.00	\$45.00	\$23,355.00	\$55.00	\$28,545.00	\$58.00	\$30,102.00	\$50.00	\$25,950.00	\$72.00	\$37,368.00								
5	6" SDR-26 PVC (160 psi) for Sewer Service	12	LF	\$35.00	\$420.00	\$20.00	\$240.00	\$45.00	\$540.00	\$44.00	\$528.00	\$75.00	\$900.00	\$45.00	\$540.00								
6	4" SDR-26 PVC (160 psi) for Sewer Service	130	LF	\$20.00	\$2,600.00	\$20.00	\$2,600.00	\$40.00	\$5,200.00	\$37.00	\$4,810.00	\$65.00	\$8,450.00	\$45.00	\$5,850.00								
7	4" Diameter Sanitary Sewer Manhole (approx. 6' Deep)	5	EA	\$2,800.00	\$14,000.00	\$4,000.00	\$20,000.00	\$4,000.00	\$20,000.00	\$4,250.00	\$21,250.00	\$3,400.00	\$17,000.00	\$4,500.00	\$22,500.00								
8	5" Diameter Sanitary Sewer Manhole (approx. 6' Deep) w/ 8" Inside Drop	1	EA	\$4,500.00	\$4,500.00	\$7,000.00	\$7,000.00	\$5,000.00	\$5,000.00	\$6,100.00	\$6,100.00	\$4,600.00	\$4,600.00	\$6,000.00	\$6,000.00								
9	476" Sanitary Sewer Service Tap/Tee	8	EA	\$750.00	\$6,000.00	\$1,700.00	\$13,600.00	\$560.00	\$4,480.00	\$815.00	\$6,520.00	\$900.00	\$7,200.00	\$900.00	\$7,200.00								
10	476" Sanitary Sewer Service Cleanout with Bolt-on Cover	8	EA	\$300.00	\$2,400.00	\$800.00	\$6,400.00	\$500.00	\$4,000.00	\$75.00	\$600.00	\$250.00	\$2,000.00	\$350.00	\$2,800.00								
11	Asphalt Pavement Repair for Sewer Main (4" HMAAC over 6" Flexible or Stabilized Base)	50	LF	\$18.00	\$900.00	\$55.00	\$2,750.00	\$45.00	\$2,250.00	\$51.00	\$2,550.00	\$45.00	\$2,250.00	\$55.00	\$2,750.00								
12	Asphalt Pavement Repair for Sewer Service (4" HMAAC over 6" Flexible or Stabilized Base)	50	LF	\$18.00	\$900.00	\$55.00	\$2,750.00	\$45.00	\$2,250.00	\$51.00	\$2,550.00	\$45.00	\$2,250.00	\$55.00	\$2,750.00								
13	Remove Existing Sanitary Sewer Main	667	LF	\$1.00	\$667.00	\$3.00	\$2,001.00	\$15.00	\$10,005.00	\$34.00	\$1,700.00	\$55.00	\$2,750.00	\$55.00	\$2,750.00								
14	Water Main Lowering	1	EA	\$2,500.00	\$2,500.00	\$6,500.00	\$6,500.00	\$2,500.00	\$2,500.00	\$15.00	\$10,005.00	\$50.00	\$33,350.00	\$10.00	\$6,670.00								
15	4" Thick Reinforced Concrete Driveway/Sidewalk Repair	75	LF	\$30.00	\$2,250.00	\$30.00	\$2,250.00	\$45.00	\$3,375.00	\$15.00	\$1,005.00	\$50.00	\$3,200.00	\$10.00	\$6,670.00								
16	6" Gravel Driveway Repair	50	LF	\$15.00	\$750.00	\$26.00	\$1,300.00	\$30.00	\$1,500.00	\$34.00	\$1,700.00	\$50.00	\$3,200.00	\$10.00	\$6,670.00								
17	Asphalt Driveway Repair (4" HMAAC over 6" Flexible or Stabilized Base)	20	LF	\$18.00	\$360.00	\$55.00	\$1,100.00	\$50.00	\$1,000.00	\$27.00	\$1,350.00	\$25.00	\$1,250.00	\$45.00	\$3,375.00								
18	Remove Existing Manhole	2	EA	\$500.00	\$1,000.00	\$650.00	\$1,300.00	\$560.00	\$1,120.00	\$51.00	\$1,020.00	\$40.00	\$1,600.00	\$35.00	\$1,750.00								
19	6" Thick Concrete Manhole Collar	5	EA	\$350.00	\$1,750.00	\$625.00	\$3,125.00	\$500.00	\$2,500.00	\$51.00	\$1,020.00	\$40.00	\$1,600.00	\$35.00	\$1,750.00								
20	Post-Construction SS Video (Pipe Burst)	817	LF	\$2.00	\$1,634.00	\$1.00	\$817.00	\$5.00	\$4,085.00	\$500.00	\$1,000.00	\$500.00	\$1,000.00	\$500.00	\$1,000.00								
21	Pipe Burst Sag Repair	100	LF	\$65.00	\$6,500.00	\$35.00	\$3,500.00	\$25.00	\$2,500.00	\$2.00	\$1,634.00	\$2.00	\$1,634.00	\$2.50	\$2,042.50								
22	Trench Safety	830	LF	\$2.00	\$1,660.00	\$9.00	\$7,470.00	\$2.00	\$1,660.00	\$31.00	\$3,100.00	\$75.00	\$7,500.00	\$55.00	\$5,500.00								
23	Concrete Encasement	20	LF	\$20.00	\$400.00	\$25.00	\$500.00	\$40.00	\$800.00	\$1.00	\$830.00	\$5.00	\$4,150.00	\$3.00	\$2,490.00								
24	Miscellaneous Utility Allowance	1	LS	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$52.00	\$1,040.00	\$75.00	\$1,500.00	\$3.00	\$1,100.00								
TOTAL BASE BID II					\$132,623.00		\$157,614.00		\$169,884.00		\$184,464.00		\$190,924.00		\$208,935.50								

APPROVED BY:

RESOLUTION NO. 441

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS AUTHORIZING FUNDING PARTICIPATION WITH TARRANT COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT FOR SANITARY SEWER REPLACEMENT IMPROVEMENTS WITHIN THE CITY OF KENNEDALE, TEXAS AND PROVIDING AN EFFECTIVE DATE

WHEREAS, in the City Council meeting of October 13, 2014, the City Council of the City of Kennedale approved the 40th Year Community Development Block Grant Project (CDBG) to replace 1,200 linear feet of sanitary sewer lines for Caylebaite and Broadway in the City of Kennedale, Texas; and

WHEREAS, the budget for the project approved on October 13, 2014, reflected an estimated construction cost in an amount of \$132,623.00 with the City of Kennedale pledging to participate in the cost of the construction to the extent the final construction cost exceeds the available funding; and

WHEREAS, the City funds will be budgeted in the 2014/2015 fiscal year budget and will be utilized for project costs in excess of the CDBG funds available for the project.

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

Section 1.

That all matters stated in the preamble of this resolution are true and correct and are incorporated herein as if copied in their entirety.

Section 2.

That this resolution shall be effective upon its passage.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

OFFICIAL SEAL

Date: October 13, 2014

Agenda Item No: REGULAR ITEMS - A.

I. Subject:

Consider approval of Ordinance 556 to amend the number of members and the number of members required for a quorum on the Parks and Recreation Board

II. Originated by:

Bob Hart

III. Summary:

Bob Hart will provide the staff report.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Ordinance 556	ORDINANCE 556 Parks.docx
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ORDINANCE NO. 556

AN ORDINANCE AMENDING CHAPTER 16, ARTICLE II, “PARKS AND RECREATION BOARD,” SECTION 16-11 AND SECTION 16-12, OF THE CODE OF ORDINANCES OF THE CITY OF KENNEDALE, TEXAS, AS AMENDED, BY AMENDING THE NUMBER OF MEMBERS AND THE NUMBER OF MEMBERS REQUIRED FOR A QUORUM; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas 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, the City Council previously adopted an ordinance providing for the creation and appointment of Parks and Recreation Board; and

WHEREAS, the City Council now desires to amend said ordinance to revise the provisions regarding membership on the board and quorum necessary to make decisions.

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

SECTION 1.

Chapter 16, Article II, Section 16-11 of the Kennedale City Code is hereby amended to read as follows:

“Sec. 16-11. - Membership.

(a) Appointed by majority vote of the city council, this board shall consist of seven (7) regular members designated by places 1 through 7. Appointments shall take place in October of each year, with places 1, 3, 5, and 7 appointed in odd numbered years and places 2, 4, and 6 appointed in even numbered years. The term for each place shall be two (2) years. Members must meet the following qualifications:

- (1) Be a registered voter of the city;
- (2) Shall have resided in the corporate limits of the city for at least one (1) year; and
- (3) Continue residency in the city during the term of office.

- (b) The city council shall appoint a replacement to fill any vacancy for the unexpired term of the members whose place has become vacant.
- (c) The city council shall have the authority to remove any member at any time, with or without cause.”

SECTION 2.

Chapter 16, Article II, Section 16-12 of the Kennedale City Code is hereby amended to read as follows:

“Sec. 16-12. - Organization, rules, and requirements.

- (a) By November of each year, the membership shall determine, by simple majority vote, a chair and a vice chair. The terms of the chair and vice chair shall be one (1) year. It will be the duty of the chair to preside over meetings and to assist in setting meeting agendas. If the chair is absent the vice chair shall assume the duties of that office.
- (b) Members of the board shall meet at least ten (10) times per year, on a regular day and time selected by its members. The chair may call special meetings as necessary.
- (c) The board shall conduct meetings and govern its proceedings according to the city council's adopted rules of order, abide by the Texas Open Meetings Law, and shall keep a record of its proceedings, including votes and attendance, and shall submit these records to the city secretary's office.
- (d) Members of the board shall not take any action unless a quorum is present. A quorum shall consist of four (4) members. Each member, including the chair, is entitled to one (1) vote, and action of the board shall require a majority of those members present.
- (e) The city manager shall designate a city employee to serve as staff liaison to the board.
- (f) Members of the board shall receive one dollar (\$1.00) for each regular meeting attended as compensation for the performance of their duties, but no compensation shall be paid for special meetings. In addition, members may receive reimbursement of authorized expenses attendant to the performance of their duties.”

SECTION 3.

This Ordinance shall be cumulative of all other ordinances of the City of Kennedale, and shall not repeal any of the provisions of such ordinance except in those instances when a provision of such ordinances are in direct conflict with the provisions of this ordinance, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 4.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, 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 5.

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

PASSED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 13th day of October, 2014.

APPROVED:

MAYOR, BRIAN JOHNSON

ATTEST:

CITY SECRETARY, KELLY COOPER

APPROVED AS TO FORM AND LEGALITY:

City Attorney

Date: October 13, 2014

Agenda Item No: REGULAR ITEMS - B.

I. Subject:

City Council to consider making appointments to the Board of Adjustment/Building Board of Appeals, Keep Kennedale Beautiful Commission, Kennedale Economic Development Corporation, Parks and Recreation Board, Planning and Zoning Commission and Library Advisory Board

II. Originated by:

City Council, City Council

III. Summary:

Consider making the following appointments:

To the Board of Adjustment/Building Board of Appeals:

Reappoint Rick Adams to Place 2
Reappoint Martin Young to Place 4
Reappoint Jeff Nevarez to Place 6
Place 8 will remain vacant

To the Keep Kennedale Beautiful Commission:

Appoint Darlene Winters to Place 2
Reappoint Michael Chandler to Place 4
Reappoint Laurie Sanders to Place 8
Place 6 will remain vacant

Kennedale Economic Development Corporation:

Reappoint Pat Turner to Place 2
Reappoint Robert Mundy to Place 4
Reappoint Mark Yeary to Place 6

Parks and Recreation Board:

Appoint Jeff Nevarez to Place 2
Reappoint Alan Pederson to Place 6
Place 4 will remain vacant

Planning and Zoning Commission:

Reappoint Carolyn Williamson to Place 1
Appoint Harry Browne to Place 2
Reappoint Thomas Pirtle to Place 4
Reappoint Ernest Harvey to Place 6
Appoint Billy Gilley to Place 8

Library Advisory Board:
Reappoint Sharon Dehnel to Place 2
Reappoint Rebecca Clark to Place 4

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

Date: October 13, 2014

Agenda Item No: REGULAR ITEMS - C.

I. Subject:

Consider Ordinance 558 amending Stormwater Drainage Utility Fees.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

Back in May 2010, Council amending Chapter 23, Article IX "Stormwater (Drainage) Utility System," of the Kennedale City Code of ordinances (1991) by adding and establishing a monthly Stormwater Utility Fee for the purpose of funding the Stormwater (Drainage) Utility System.

As adopted, the monthly Stormwater (Drainage) Utility Fee is currently as follows:

- 1) Residential Units. The monthly Stormwater (Drainage) Utility Fee for each residential dwelling unit or ERU shall be \$2.50 beginning July 1, 2010.
- 2) Religious Organization Units. The monthly Stormwater (Drainage) Utility Fee for each religious organization shall be \$2.50 beginning July 1, 2010.
- 3) Non-Residential Units. The monthly Stormwater (Drainage) Utility Fee for the impervious area measured in square feet on each non-residential parcel shall be \$0.00090 per square foot (SF), or \$0.90 per 1,000 SF, beginning July 1, 2010.

Because the Stormwater (Drainage) Utility Fee or the Stormwater (Drainage) Utility rate may be revised by the City Council via ordinance from time to time as permitted by this Article and the Act, this ordinance proposes to increase the aforementioned fee/rate as outlined below. *Note: Staff brought these revisions forward to Council in the FY14-15 Proposed Budget during the Aug 15, 2014 retreat. Furthermore, Council subsequently approved the FY14-15 budget with such revisions on September 25, 2014. This ordinance seeks to codify such action.*

Monthly Stormwater (Drainage) Utility Fee is increased as follows:

- 1) Residential Units. The monthly Stormwater (Drainage) Utility Fee for each residential dwelling unit or ERU shall be \$3.50 beginning November 1, 2014.
- 2) Religious Organization Units. The monthly Stormwater (Drainage) Utility Fee

for each religious organization shall be \$3.50 beginning November 1, 2014.

3) Non-Residential Units. The monthly Stormwater (Drainage) Utility Fee for the impervious area measured in square feet on each non-residential parcel shall be \$0.00126 per square foot (SF), or \$1.26 per 1,000 SF, beginning November 1, 2014.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Ordinance 558 Stormwater Drainage Utility	Ordinance 558 To Amend Stormwater Utility Fees.doc
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ORDINANCE NO. 558

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS AMENDING CHAPTER 23, ARTICLE IX "STORMWATER (DRAINAGE) UTILITY SYSTEM", OF THE KENNEDALE CITY CODE OF ORDINANCES (1991), AS AMENDED, BY ADDING A NEW DIVISION 2 "STORMWATER (DRAINAGE) UTILITY FEES" TO ESTABLISH MONTHLY STORMWATER (DRAINAGE) UTILITY FEES FOR THE PURPOSE OF FUNDING THE STORMWATER (DRAINAGE) UTILITY SYSTEM; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION; 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 City Council of the City of Kennedale, Texas ("City Council") has adopted Ordinance No. 447, to create a stormwater (drainage) utility system and provide stormwater (drainage) service to collect and direct stormwater runoff for benefitted properties within the utility service area upon payment of stormwater (drainage) utility fees; and

WHEREAS, the City Council, after holding a public hearing and finding that the fees are nondiscriminatory, reasonable, and equitable, now desires to levy a schedule of stormwater (drainage) utility fees for stormwater (drainage) service; and

WHEREAS, in setting the schedule of stormwater (drainage) utility fees, the fees are based on an inventory of improved parcels within the utility service area.

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

SECTION 1.

The City Council hereby establishes stormwater (drainage) utility fees as set forth herein. Stormwater (drainage) utility fees shall be levied against all benefitted properties within the utility service area unless exempt under Division 1, Section 23-513. These fees shall be imposed and issued with utility billing statements issued on and after November 1, 2014.

SECTION 2.

Chapter 23 “Water, Sewers, and Sewage Disposal”, of the Kennedale City Code, is hereby amended to add a new Division 2 to Article IX “Stormwater (Drainage) Utility System”, which shall read as follows:

“DIVISION 2. STORMWATER (DRAINAGE) UTILITY FEES

Sec. 23-526. Applicability.

The City Council hereby establishes the stormwater (drainage) utility fees as set forth herein. A stormwater (drainage) utility fee shall be levied against all benefitted property within the utility service area unless exempt under Division 1, Section 23-513.

Sec. 23-527. Fee calculation.

(a) *Stormwater (Drainage) Utility Fee Calculation.* Stormwater (drainage) utility fees shall be calculated based on the total stormwater runoff potential for benefitted properties for all customers within the utility service area. The total stormwater runoff potential shall be measured by a calculation of impervious area in square feet (“SF”) which may utilize credits or other factors for porous pavements or partially impervious areas based on established criteria adopted by the Director of Public Works.

(b) *Stormwater Utility Fee.* The total stormwater runoff potential for the service area shall be allocated between the customer classes based on the relative amount of impervious area in each class established in Division 1, Section 23-506(a).

(1) *Residential Property Class.* Stormwater utility fees for the residential property class of customers, as defined in Division 1, Section 23-504 shall be as followings:

- (A) A monthly, flat-rate fee per a single-family equivalent residential unit (“ERU”); or
- (B) One (1) flat-rate ERU fee per dwelling unit on a residential parcel.
- (C) The flat-rate fee is established in the fee schedule listed in Subsection (c)(1).
- (D) The monthly stormwater fee is based on the average impervious area for an ERU, which is two thousand eight hundred (2,800) SF.

- (2) *Religious Organization Class.* A stormwater (drainage) utility fee for each improved property owned by a religious organization shall equal the ERU fee established for the residential class.
- (3) *Non-Residential Property Class.* A stormwater (drainage) utility fee for each improved non-residential property or allocated portion of an improved non-residential property shall equal the product of impervious area in square feet ("SF") times the stormwater (drainage) utility rate established in the rate schedule listed in Subsection (c)(2).

(c) *Schedule of Monthly Fees and Rates.* The monthly stormwater (drainage) utility fee shall be as follows:

- (1) *Residential Units.* The monthly stormwater (drainage) utility fee for each residential dwelling unit or ERU shall be \$3.50 beginning November 1, 2014.
- (2) *Religious Organization Units.* The monthly stormwater (drainage) utility fee for each religious organization shall be \$3.50 beginning November 1, 2014.
- (3) *Non-Residential Units.* The monthly stormwater utility fee for the impervious area measured in square feet on each non-residential parcel shall be \$0.00126 per square foot (SF), or \$1.26 per 1,000 SF, beginning November 1, 2014.
- (4) *Revision of Fees or Rates.* The stormwater (drainage) utility fee or the stormwater (drainage) utility rate may be revised by the City Council via ordinance from time to time as permitted by this Article and the Act.

[Sec. 23-528 to Sec. 23-545 Reserved]"

SECTION 3.

This Ordinance shall be cumulative of all provisions of all existing ordinances and of the Kennedale City Code (1991), as amended, including but not limited to all ordinances of the City of Kennedale affecting stormwater (drainage) utility fees or rates 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 4.

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 5.

All rights and remedies of the City of Kennedale are expressly saved as to any and all violations of the provisions of the Kennedale City Code (1991), as amended, or any other ordinances regarding stormwater (drainage) utility fees or rates 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 6.

The City Secretary of the City is hereby authorized to publish this Ordinance in book or pamphlet form for general distribution among the public, and the operative provisions of this Ordinance as so published shall be admissible in evidence in all courts without further proof than the production thereof.

SECTION 7.

The City Secretary of the City of Kennedale is hereby directed to publish the caption penalty clause publication clause and effective date clause of this ordinance in every issue of the official newspaper of the City of Kennedale for two days or one issue of the newspaper if the official newspaper is a weekly newspaper as authorized by Section 3.10 of the City of Kennedale Charter.

SECTION 8.

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 THIS 13TH DAY OF OCTOBER, 2014.

Mayor, Brian Johnson

ATTEST:

City Secretary, Kelly Cooper

APPROVED AS TO FORM AND LEGALITY:

City Attorney

Date: October 13, 2014

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:

The City Council will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda, legal issues regarding nonconforming uses, discussion of zoning issues in the city, and legal issues regarding the preparation of developer's agreements.

II. Originated by:

Bob Hart

III. Summary:

At this time the city council will meet in executive session.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: October 13, 2014

Agenda Item No: EXECUTIVE SESSION - B.

I. Subject:

The City Council will meet in closed session pursuant to Section 551.072 of the Texas Government Code to deliberate the purchase, exchange, lease, or value of real property for the following:

1. Discuss acquisition of sewer easement at 425 Corry A Edwards Drive
2. Discuss acquisition of land at 501 and 601 Dick Price Road

II. Originated by:

Bob Hart

III. Summary:

At this time the City Council will meet in Executive Session

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments: