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KENNEDALE CITY COUNCIL

AGENDA
REGULAR MEETING
March 16, 2015
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. Receive FY13/14 audit findings from Patillo, Brown & Hill.

B. Council Budget Planning Session - May 16
(Including two Capstone presentations and Interaction with International Fellows)

C. Creation of Development Code Advisory Committee

D. Receive and review the 2014 year-end report of the Police Department's Uses of Force

E. Discuss Police body cameras

F. Discussion of items on regular agenda

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. Updates from City Council

B. Updates from the Mayor
   1. Proclamation presentation to Meals On Wheels, Inc. of Tarrant County - March for Meals

C. Updates from the City Manager
   1. Governance Report
   2. Balanced Scorecard

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 February 16, 2015 regular meeting

B. Consider approval of a Municipal Advisory Agreement with SAMCO Capital Markets, Inc.

C. Approval to award bid and authorize the City Manager to execute a contract with Dowager Utility Construction, Ltd for the construction of water and wastewater improvements on Bloxom Road, Kennedale, Texas

D. Consider approval of the Interlocal Agreement for Rabies Control with the City of Fort Worth

E. Consider approval of contract extension until January 31, 2020 for solid waste and recycle collection with Progressive Waste Solutions of Texas, Inc.

F. Consider approval of Resolution 447 authorizing the submission of a grant application for Police Body Cameras

XI. REGULAR ITEMS

A. Discuss and consider approval of Ordinance 568 amending the FY2013-14 budget.

B. Discuss and consider action for approval of Independent Auditor's Report for year ended September 30, 2014.

C. **CASE # PZ 15-01** Public hearing and consideration of Ordinance 566 approval regarding a request by Wal-Mart Stores, Inc. for a zoning change from “C-0” Retail commercial district to “C-1” Restricted commercial district for approximately 1.014 acres at 4850 US 287 Hwy, legal description of Southwest Crossing Addition Block 1R Lot 2.

1. Staff presentation
2. Applicant presentation
3. Public hearing
4. Applicant response
5. Staff response and summary
6. Action by the City Council

D. Consider approval of an Ordinance 567 amending the city's schedule of administrative fees.

XII. EXECUTIVE SESSION

A. The City Council may meet in closed session at any time during the work session or the regular 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 on any item posted on the agenda and the following items:

1. Legal issues relative to amortization
2. Legal issues relative to a development agreement

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 March 16, 2015, 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.

Leslie Galloway

Leslie Galloway, City Secretary

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: WORK SESSION - A.

I. Subject:
Receive FY13/14 audit findings from Patillo, Brown & Hill

II. Originated by:
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:
Receive FY13/14 audit findings from Patillo, Brown & Hill.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
None

VII. Alternative Actions:
Auditors will go over findings in detail, as in previous years. Staff will ask for your acceptance of the audit during regular session; however, auditor will give a very brief overview as opposed to information provided during the work session.

VIII. Attachments:

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Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: WORK SESSION - B.

I. Subject:
Council Budget Planning Session - May 16
(Including two Capstone presentations and Interaction with International Fellows)

II. Originated by:

III. Summary:
Saturday May 16th is confirmed as the budget planning session. Mike Conduff will facilitate. During the month of May, the City will host two international fellows. They will attend the budget planning session as well.

In anticipation of the session, you will need to schedule two Capstone presentations – citizen opinion survey (currently underway) and an asset management plan – during the first 10 days of May. I will need a day or two that will work best for your schedules.

Finally, if you have a meeting or activity that the fellows could join, I will need that information to include in the final schedule.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: March 16, 2015

Agenda Item No: WORK SESSION - C.

I. Subject:
Creation of Development Code Advisory Committee

II. Originated by:

III. Summary:

A priority in the current year budget is to revise the zoning and development codes to compliment the comprehensive land use plan. The staff has prepared and distributed an RFQ seeking to identify consulting firms to prepare and recommend ordinances to accomplish this objective. The RFQs are due on March 13th. The selected firm will be submitted to the City Council at the April 20th meeting. The process will take about 14 months to complete and will require guidance from an advisory committee. It is anticipated that the group will meet four times during the process. Two public meetings are planned along with an on-line input process. TOASE will be involved in the review process as well.

This item has been placed on the workshop agenda in order to informally "appoint" such a committee. A nine-member representative group would include representatives from the Council (2), P&Z (2), EDC (2), Parks & Recreation (1), Board of Adjustments (1), and Chamber of Commerce (1). The representative would be:

1. Kelly Turner, Chair
2. Mike Walker, Vice-chair
3. Earnest Harvey
4. Stephen Brim
5. Robert Mundy
6. Adrianne Kay
7. Mike Chandler
8. Pat Vader
9. Carl Hall

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

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Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: WORK SESSION - D.

I. Subject:
Receive and review the 2014 year-end report of the Police Department's Uses of Force

II. Originated by:
Tommy Williams, Police Chief

III. Summary:
Each year the department conducts a review of all uses of force. This is action that is required under Recognition Program standards as a best practice.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
None

VII. Alternative Actions:

VIII. Attachments:

1.	2014 Use of Force Report	2014 Use of Force Report.pdf

Kennedale Police Department

Use of Force

Analysis

2014

Use of Force Analysis for 2014

This analysis was conducted for the purpose of reviewing the Kennedale Police Department's Use of Force for calendar year 2014. The Kennedale Police Department takes its obligations seriously to provide the most effective and efficient police service with the least adverse impact on our citizens. The Kennedale Police Department is committed to protecting the rights of all persons and in using force only when necessary, and to the extent necessary, to achieve legal objectives. This analysis is conducted each year to comply with Texas Law Enforcement Best Practice 6.10 and to attempt to identify methods for reducing the number of incidents and the inherent risks involved.

Officers are trained by the department to use only the level of force necessary to bring a person under control and complete a legal objective. Police/citizen encounters can however, change instantly, and officers may be required to react quickly in using force to subdue a resisting subject. While officers prefer to escalate their level of force in an orderly manner in order to use the lowest level possible, the response of a subject may limit that ability and force officers to use whatever level of force is immediately available to protect themselves and the public.

Use of Force Reporting Requirements

Texas Law Enforcement Best Practice 6.03 and Kennedale Police Department General Order 6.3, requires a written report to be completed anytime an officer uses force. Officers must identify the force used by each officer involved, suspect actions, reason for the contact, and any injuries. The officer's report must indicate the use of force from empty hand control to the use of deadly force. The officers must include less-lethal or non-lethal weapons. The officers also must report any vehicle pursuits as a use of deadly force. The officers also report any time their service firearm is pointed at a suspect.

Each individual Use of Force Report is immediately reviewed by the Officer's Supervisor, and through the Chain of Command to the Chief of Police. At the time of the incident, the Use of Force is reviewed to ensure the use was appropriate and within the guidelines of Department Policy and Law. If the officer used force inappropriately, a departmental investigation is required and the officer may receive additional training or in some cases discipline up to and including termination from employment. This analysis is not intended to determine if an officer acted inappropriately, but to identify department wide trends that may suggest changes in policy, training, equipment or supervision.

Use of Force Comparison 2013/2014

There were a total of 26 Reported Uses of Force this year compared to last year. This represents a difference of 9. There were a total of 16,857 citizen contacts this year (calls for service, arrests, citations, field interviews, and other contacts) which creates an index of only one Use of Force for every 0.0015 citizen contacts.

The individual Use of Force incident is attached in attachment A. Use of force incidents were down from 26 in 2013 to 15 in 2014.

Use of Force	2013	2014	Difference
Physical Control	22	4	-17
OC Spray	0	0	0
Impact Weapon	0	0	0
Non/Less Lethal	0	0	0
ECD Use "TASER"	0	0	0
TASER Display	3	1	0
Other	0	0	0
Firearm Discharge	0	0	0
Firearm Pointed at subject	1	9	+7
Vehicle Pursuits	0	2	+2
TOTAL	**26**	**16**	**11**

There was a decrease of physical control force in 2014. The decrease can be accounted for more officers involved with the call for service verses one officer calls for service. I was unable to see any unusual behavior or patterns.

There was an increase in firearms pointed at the suspect. There are several contributions that can affect this use of force. The most common is where multiple officers are involved in one incident.

Individual Officer Use of Force

In 2014, 15 officers were involved in use of force situations. These officer's actions were reviewed by the department for appropriateness. While each individual use of force is reviewed immediately after the event to ensure it is in compliance with department policy and law, patterns of behavior can also indicate the need for additional training or supervision. Officers can have significantly different rates in their use of force depending on the crime activity in the part of the city where they are assigned, their type of assignment, the time of day they work and their experience level.

The department has three patrol shifts.

Day shift (7am-3pm) had 1 use of force incident.

Evening shift (3pm-11pm) had 5 use of force incidents.

Night shift (11pm-7am) had 3 use of force incidents.

Physical Control

In 2014, Kennedale Police Officers used physical control four times during incidents they were assigned to deal with.

Included in the category are all those incidents requiring only physical force to complete handcuffing or bring a resisting subject under control. If physical control was insufficient to bring the individual under control and a higher level of force was used, that incident is reported in the highest level used by the officers.

In the four instances this year, physical control was sufficient to bring the person under control. Included in this category are all those instances where simple use of or issuance of verbal commands was not sufficient or effective. It includes those instances where officers place their hands on a subject and use more force than simply a strong grip, must forcibly handcuff a person, the use of pressure point control tactics or other soft hand techniques. This category also includes taking the person to the ground in order to forcible handcuff.

OC Pepper Spray

In 2014, Kennedale Police Officers did not use department issued Oleoresin Capsicum (OC) spray chemical agent during an arrest or other incident.

Oleoresin Capsicum is a chemical compound derived from various pepper plants and is mixed with a propellant that is used by many law enforcement agencies as a less-lethal alternative to higher and more injury producing levels of force. The chemical spray is usually directed at a resisting subject's face and the spray immediately causes a burning of the eyes, nose, and mouth causing the subject to close their eyes and in most cases stops any physical resistance. The burning will usually dissipate within 30 minutes and most often has no long term after effects.

Included in the category are those incidents where OC Spray was the highest level of force needed to complete handcuffing or bring a resisting subject under control. If the use of OC

Spray was insufficient to bring the individual under control and a higher level of force was used, that incident is reported in the highest level used by the officers.

Also included in this category are all those instances where simple use of or issuance of verbal commands was not sufficient or effective and may include other instances where other lower levels of force were used but were ineffective in resolving the issue.

Impact Weapons / Baton

In 2014, Kennedale Police Officers did not use department issued impact weapon during an arrest or other incident.

Impact weapons include the use of the department issued ASP Baton, the use of a closed fist or any other implement that was used to deliver a strike to a person.

The department issues and trains officers in the use of the collapsible baton. Training is provided to instruct officers in the proper placement of strikes that will temporarily stun an opponent allowing the officer time to complete handcuffing. Batons tactics training provided by the department avoids the use of any strikes directed at the head of an individual. If an officer does not have the time or opportunity to deploy the ASP or other less-lethal options, officers may have to defend themselves with their bare hands. If closed fist strikes were required then those instances are reported in this category.

Included in the category are those incidents where an impact weapon was the highest level of force needed to complete handcuffing or bring a resisting subject under control. If the use of an impact weapon was insufficient to bring the individual under control and a higher level of force was used, that incident is reported in the highest level used by the officers.

Also included in this category are all those instances where simple use of or issuance of verbal commands was not sufficient or effective and may include other instances where other lower levels of force were used but were ineffective in resolving the issue.

Less Lethal Weapon

In 2014, Kennedale Police Officers did not use department issued less lethal Weapons during an arrest or other incident.

The department has a number of less lethal munitions available that can be fired from specially designed firearms that are designed to inflict surprise, pain or trauma that is less severe than the use of deadly force. These less lethal munitions include pepper-ball munitions fired from guns similar to paintball guns. While these rounds are designed to be less lethal than regular firearms, they are still able to cause significant damage to an individual and as such are used only as a last resort when time and opportunity permit.

Included in the category are those incidents where a non/less lethal weapon was the highest level of force needed to bring a subject under control. If the use of OC Spray was insufficient to bring the individual under control and a higher level of force was used, that incident is reported in the highest level used by the officers.

Electronic Control Device

In 2014, Kennedale Police Officers deployed but did not discharge department issued Electronic Control Device during an arrest or other incident.

Electronic Control Devices, commonly called Tasers, are pistol type devices that fire two small darts that are designed to imbed themselves in the skin or clothing of a resisting or combative suspect. The darts are connected to the device by small flexible wires which transmit a short 5 second high voltage/low amperage charge through the darts. This causes disruption of muscle activity and is accompanied by pain which most often temporarily disables the individual. There are usually no long term side effects of the use of the device on healthy individuals.

The Kennedale Police Department trains their officers in the proper and appropriate use of Electronic Control Devices and has policies designed to only allow it use against active aggression toward officers and not in cases of passive non-compliance or as punishment of any kind.

Included in the category are those incidents where the use of an ECD was the highest level of force needed to bring a subject under control. If the use of an ECD was insufficient to bring the individual under control and a higher level of force was used, that incident is reported in the highest level used by the officers.

In one instance this year, the mere threat of the use of an ECD was sufficient to bring the person under control

Firearms

In 2014, Kennedale Police Officers did not discharge their firearms during an arrest or other incident. Officers did display their weapon eight times during 2014 without further use of force.

Firearms are by definition Deadly Force, and their use is very restricted. Officers must comply with not only their intensive training, but with the department's Deadly Force Policy and state law. When an officer fires their weapon in the line of duty, whether or not an individual is hit, a detailed investigation is undertaken to determine if that use was in compliance with both policy and law.

Citizen and Internal Complaints Regarding the Use of Force

During 2014, the Kennedale Police Department received no complaints of unnecessary or inappropriate use of force.

Recommendations

Based on the findings during the analysis, the use of force was used correctly and reported. I recommend we continue to train our use of force and deadly force policy with each use of force training we do. I do recommend we purchase new Electronic control devices. The current TASER model is worn from daily use from officers having to share the TASER.

T. W[illegible] 010

Chief of Police

02/26/2015

Date

Officer Use of Force 2014

DATE	INCIDENT	# OF OFFICERS	FORCE USED	SHIFT	WITHIN POLICY	CORRECTIVE ACTION
1/10/2014	Interference of public duties	1	Empty Hand Control	NIGHTS	Y	None
3/27/2014	Assist TCSO on shots fired call	3	Firearm Pointed	EVENING	Y	None
4/6/2014	Domestic Disturbance	1	Firearm Pointed	DAYS	Y	None
4/22/2014	Demented Person	2	Empty Hand Control	EVENING	Y	None
6/15/2014	Traffic Stop	1	Vehicle Pursuit	EVENING	N	written counseling
6/25/2014	Building check/with suspect inside	1	Firearm Pointed	NIGHTS	Y	None
6/25/2014	subject with a gun	3	Firearm Pointed	EVENING	Y	None
8/29/2014	pedestian stop/Theft suspect	3	Firearm Pointed/Taser Threat	NIGHTS	Y	None
8/29/2014	Traffic Stop	1	Vehicle Pursuit	EVENING	N	Termination
	Total Incdents	Total				
	9	16				

Date: March 16, 2015

Agenda Item No: WORK SESSION - E.

I. Subject:
Discuss Police body cameras

II. Originated by:
Tommy Williams, Police Chief

III. Summary:

The Police Department has applied for a grant to purchase body cameras for officers. This request includes cameras as well as an upgrade to the existing server for data storage. The cameras being considered are manufactured by the same company that makes our mobile video systems. This will reduce costs as we don't have to purchase a new stand-alone server but can simply upgrade the vehicle video server. Using this camera system will allow the linking of the body camera video footage with the car video footage when downloaded.

IV. Fiscal Impact Summary:
The total money being requested is $25,000. This will cover 21 cameras, mounting hardware, and the server upgrade.

V. Legal Impact:

VI. Recommendation:
None

VII. Alternative Actions:

VIII. Attachments:

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: REPORTS/ANNOUNCEMENTS - A.

I. Subject:
Updates from City Council

II. Originated by:
City Council, City Council

III. Summary:
Updates and information.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
None

VII. Alternative Actions:

VIII. Attachments:

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Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: REPORTS/ANNOUNCEMENTS - B.

I. Subject:
Updates from the Mayor
1. Proclamation presentation to Meals On Wheels, Inc. of Tarrant County - March for Meals

II. Originated by:
City Council, City Council

III. Summary:
Updates and information from the Mayor

Presentation of proclamation to Meals on Wheels, Inc. of Tarrant County in honor of *March for Meals*

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
None

VII. Alternative Actions:

VIII. Attachments:

1.	Proclamation	March for Meals Month.docx

PROCLAMATION

Meals On Wheels, Inc. of Tarrant County
March for Meals Proclamation

WHEREAS, on March 22, 1972, President Richard Nixon signed into law a measure that amended the Older Americans Act of 1965 and established a national nutrition program for seniors 60 years and older; and

WHEREAS, the observance of the March for Meals campaign provides an opportunity to support Meals On Wheels programs that deliver vital and critical services by donating, volunteering, and raising awareness about senior hunger and isolation; and

WHEREAS, for the past 42 years, the citizens of Tarrant County have benefited from the delivery of nearly 18 million meals to our homebound elderly and disabled neighbors; and

WHEREAS , Meals On Wheels case managers make over 14,000 home visits annually to act as advocates for clients, resulting in improvement in the lives of the homebound citizens of Tarrant County with continued personal independence; and

WHEREAS, this organization has a volunteer force of over 5,000 caring individuals who donate their time, vehicles, gasoline, and energy to deliver nearly 1 million fresh, nutritious meals annually to Tarrant County residents; and

WHEREAS, volunteer drivers are the backbone of the Meals On Wheels Home-delivered Meals program, not only delivering nutritious meals to homebound seniors and individuals with disabilities, but also providing caring concern and attention to their welfare; and

WHEREAS, Meals On Wheels provides nutritious meals and a powerful socialization opportunity for seniors to help combat loneliness and isolation, and helps them maintain their health and independence, and avoid unnecessary hospitalizations or premature institutionalization;

NOW THEREFORE BE IT RESOLVED, that the City of Kennedale, Texas urges every citizen to take time this month to honor our Meals On Wheels programs, the seniors they serve, and the volunteers who care for them. Our recognition of, and involvement in, the national 2015 March for Meals campaign can enrich our entire community and help combat senior hunger and isolation in America.

Now, I **Brian Johnson**, Mayor of the City of Kennedale, do hereby proclaim the month of March 2015 as

~ March for Meals Month ~

Dated this 16th day of March, 2015

____
Mayor, Brian Johnson

Attest: ____________________________
City Secretary, Leslie Galloway

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Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: REPORTS/ANNOUNCEMENTS - C.

I. Subject:
Updates from the City Manager
1. Governance Report
2. Balanced Scorecard

II. Originated by:
Bob Hart

III. Summary:
Updates and information, if any.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Executive Limitations	Executive Limitations.docx
2.	Balanced Scorecard - February 2015	Balanced Scorecard Attachment.pdf

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. The only unlawful act in which I was involved was illegal parking – received and paid a ticket for the violation. The illegal parking was due, in part, to the influence of the mayor.

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

With respect to interactions with customers, the City A1anager 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. We have had three water customers that have required extra attention this past month.

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 stair, (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 non-disruptive 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. Staff is heavily involved in the preparation of an asset management plan in order to safeguard the city's assets.

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, and I have been more attentive to this in staff meetings.

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Kennedale family oriented, economically prosperous, business friendly and conveniently located, providing opportunities to live, work and play

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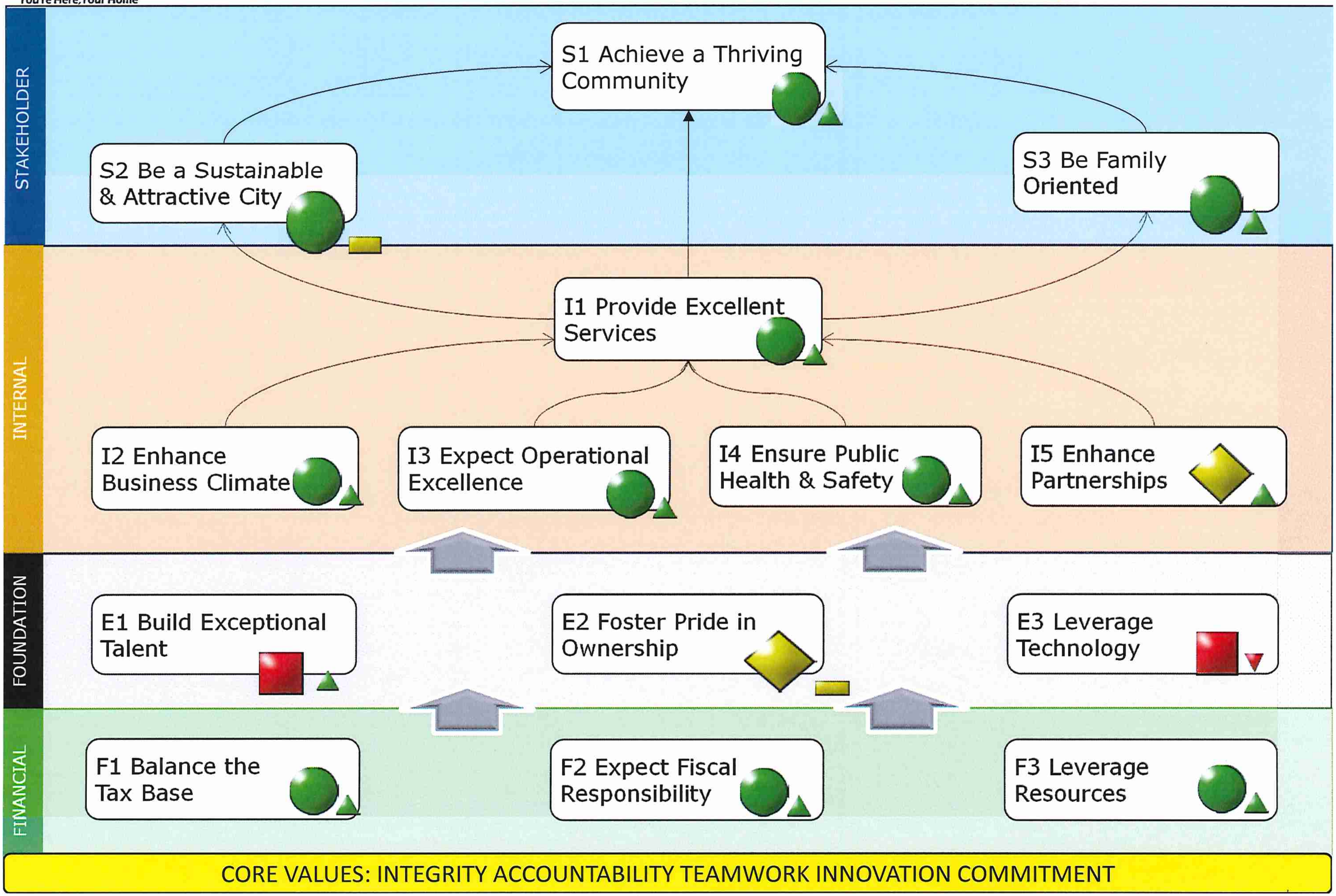
13-1
Feb 2015



Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: CONSENT ITEMS - A.

I. Subject:
Consider approval of minutes from February 16, 2015 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.	City Council Meeting Minutes - February 16, 2015	February 16, 2015.pdf

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KENNEDALE CITY COUNCIL

MINUTES
February 16, 2015
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

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

I. CALL TO ORDER

Mayor Johnson called the meeting to order at 5:36 p.m.

II. WORK SESSION

A. Discussion of items on regular agenda

1. Regular agenda item B. Case PZ 14-10 / Ordinance 562. Bob Hart provided information regarding the request. There was a brief discussion by Council members.

2. Regular agenda item D. Resolution 444. Bob Hart stated that if the City chooses to support the Kennedale Senior Housing project it will require Council approval. Council discussed at length a variety of issues including potential building code requirements, integration into a walking community, number of units, Fire and Police resources and economics.

Mayor Johnson recessed into executive session 6:14 p.m.

III. EXECUTIVE SESSION

A. The City Council may meet in closed session at any time during the work session or the regular 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 on any item posted on the agenda and the following items:

1. Development Agreement for Cowtown Speedway
2. Legal issues in relation to amortization

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

Mayor Johnson reconvened into open session at 6:55 p.m.

No action required.

V. REGULAR SESSION

Mayor Johnson opened the regular session at 7:00 PM.

VI. ROLL CALL

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

Absent: None

VII. INVOCATION

VIII. UNITED STATES PLEDGE

IX. TEXAS PLEDGE

X. VISITOR/CITIZENS FORUM

Patty Perry, 6911 Mansfield Cardinal Road spoke against the decision made by City Council at the January 19, 2015 meeting in regard to approval of Ordinance 561, which allowed for property at 6901 Mansfield Cardinal Road to be rezoned from R-2 to PD. Additional she stated that there was an abandoned trailer in the trailer park across the street from her home which is problematic.

Dorian Johnson, 6911 Mansfield Cardinal Road-Lot F, also spoke against the decision made by City Council at the January 19, 2015 meeting in regard to approval of Ordinance 561, which allowed for property at 6901 Mansfield Cardinal Road to be rezoned from R-2 to PD.

XI. REPORTS/ANNOUNCEMENTS

A. Updates from the Mayor

Mayor Johnson informed the group that he and Frank Fernandez attended the general meeting of the Southeast Tarrant Transportation Partnership (SETTP). He stated that business on the agenda included the I-820/I-20 flyover bill and the purposed funding for the I-360/I-30 Interchange. Frank Fernandez noted that Mayor Johnson was elected Treasurer of the SETTP Board.

B. Updates from City Council

Charles Overstreet stated that he attended the Tarrant Regional Transportation Coalition (TRTC) meeting in February. He received information about the mass transit flyover bill and the rail transportation from downtown Fort Worth to the Dallas-Fort Worth (DFW) Airport.

Mike Walker attended the Legislative Day in Austin, along with EDC members and several others. Walker added that they meet with State Representative Bill Zedler, and he feels they made Kennedale a bit more visible.

Kelly Turner announced that he was appointed to the North Central Texas Council of Government (NTCOG) Emergency Preparedness Planning Committee; noting that it had been a 3-year effort to become part of the Committee. Turner added that the Committee reports on regional preparedness and emergency readiness.

C. Updates from the City Manager
   1. Citizens Opinion Survey

Bob Hart provided an update that included the citizen's survey being conducted as part of the Capstone project with students from UTA. Bob stated that the survey would run for approximately six weeks, with a formal report in May.

XII. CONSENT ITEMS

A. Consider approval of minutes from January 19, 2015 regular meeting

B. Consider approval of Resolution 445 calling the General Election

C. Consider approval of Resolution 443 to authorize designating the position of City Secretary to encompass the duties of Records Manager

Motion To approve the consent agenda with a correction to the January 19, 2015 minutes; Regular agenda item D, section 4 to read: Motion passed with a vote of 3-2, with Kelly Tuner and Frank Fernandez voting against. **Action** Approve, **Moved By** Liz Carrington, **Seconded By** Kelly Turner.
Motion passed Unanimously

XIII. REGULAR ITEMS

A. **Case PZ 14-10** Public hearing and consider approval of Ordinance 562 approval regarding a request by the City of Kennedale to amend Section 17-430 (i) “Authorized Special Exceptions” and Section 17-431 “Definitions” of Article VI “Zoning” of Chapter 17 “Planning and Land Development” of the Kennedale City Code to authorize the Board of Adjustment to grant special exceptions for special functions in single family residential districts.

1. Staff Presentation made by City Planner Rachel Roberts, who reviewed the purposed changes to Section 17-430(i) and Section 17-431, Article VI of the Kennedale City Code.

2. Public Hearing

   Kelli Rod, 945 Little School Road spoke against the special function exemption being requested. She recommended limiting events to a maximum of two (2) events per year and amending the language to reflect something that is for the greater good of the community, rather than for non-profit use.

3. Staff Summary and Recommendation

   Staff recommends the approval to reduce the number of annual events from six (6) to three (3). It was noted that that there are standards that must be met for special exception approval, which includes the limit of attendance numbers and hours. It was stated that any documentation proving that these standards were not met in the past, may be brought forward for consideration of future applicant request. The Board of Adjustment will review all requests on a case-by-case basis and will have the final say of any future special function exemptions.

4. Action by the City Council

Motion To approve Case # PZ 14-10 and Ordinance 562, with the stipulation that the number of events be reduced to three (3) per calendar year. **Action** Approve, **Moved By** Mike Walker, **Seconded By** Kelly Turner.
Motion passed Unanimously

B. Consider approval of Ordinance 565 to amend Chapter 11 “Licenses, Taxation and Miscellaneous Business Regulations”, Article V “Amusement Machine Establishments” of the City Code of the City of Kennedale by revising the permit fees for amusement machine establishments.

Staff presentation by Rachel Roberts who stated that the amusement machine establishment fees are not set in the schedule of uses, therefore, requiring the amendment of Chapter 11 of the City Code. Rachel stated that the current fees do not cover the City’s cost to review the permit applications and to inspect the facilities, which makes it necessary to revise the permit fees.

Motion To approve Ordinance 565 revising the permit fees for amusement machine establishments. **Action** Approve, **Moved By** Frank Fernandez, **Seconded By** Charles Overstreet.
Motion passed Unanimously

C. Consider authorizing staff to initiate amortization proceedings relative to Kennedale Speedway

City Manager Bob Hart stated that the development agreement with Texas Raceway is complete and the agreement with Cowtown Speedway is in progress; however, he has not been able to initiate an agreement with Kennedale Speedway. Staff is requesting the authorization to initiate amortization proceedings.

Motion To approve authorizing staff to initiate amortization proceedings. **Action** Approve, **Moved By** Charles Overstreet, **Seconded By** Kelly Turner.
Motion passed Unanimously

D. Consider approval of Resolution 444 relative to support for a proposed Kennedale Seniors project at 328-332 S. New Hope Road for its revitalization efforts and providing for local political subdivision funding

Bob Hart explained to Council that Resolution 444 was proposes that the City of Kennedale support the application to the State, made by Homestead Development to move forward with a 136 unit senior housing project on New Hope Road for seniors, ages 55+. City Manager Hart stated that if the application was successful, Homestead Development would have to enter into a development agreement with the City. Additionally, it was noted that the proposed land use would require rezoning of the property.

Emanuel Glockzin, Jr, President of Homestead Development, and his associate, Wade Bienski were available to answer City Council questions. Discussion ensued.

Motion To approve Resolution 444 supporting the proposed Kennedale Senior Housing Project. **Action** Approve, **Motion By** Charles Overstreet, **Seconded By** Mike Walker.
Motion passed with a vote of 4-1; with Frank Fernandez voting against approval.

E. Consider approval of Resolution 446 authorizing participation in the Solar Ready II Project and Adoption of Solar Energy Best Management Practices

Bob Hart presented this request stating authorization to participate in the program allows the City of Kennedale to be a participant in the training programs and to make some recommendations in regard to the development of standards.

Motion To approve Resolution 446 authorizing participation. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Liz Carrington.
Motion passed Unanimously

F. Consider authorizing the emergency sewer line repairs near Briar Court and along Village Creek

Bob Hart informed Council members that there had been a collapse in the sewer line near Briar Court. He stated that temporary repairs were made, with permanent repairs pending approval by Council. Additionally, Bob Hart informed Council that the City was currently working with an Engineer to address another critical sewer line issue near I-20, where the support structures have collapsed on the main sewer line. Bob added that heavy rains would most likely cause the line to break. City staff request authorization for emergency repairs at both locations. Discussion continued concerning the options available and if repairs would be considered permanent fixes.

Motion To approve authorizing two (2) emergency sewer line repairs. **Action** Approve, **Moved By** Frank Fernandez, **Seconded By** Charles Overstreet.
Motion passed Unanimously

XIV. ADJOURNMENT

Motion To Adjourn. **Action** to Adjourn, **Moved By** Kelly Turner, **Seconded By** Liz Carrington. **Motion passed Unanimously**

The meeting was adjourned at 8:02 p.m.

APPROVED: ATTEST:

____________________________ ____________________________

Brian Johnson, Mayor Leslie Galloway, City Secretary

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: CONSENT ITEMS - B.

I. Subject:
Consider approval of a Municipal Advisory Agreement with SAMCO Capital Markets, Inc.

II. Originated by:
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:
Our financial advisor' company, Southwest Securities, was purchased by Plains Capital Bank. Following the acquisition and the resulting concern over segregation of duties, the financial advisors for the City, Mark McLiney and Andrew Friedman, left the firm to join SAMCO Capital Markets, Inc. ("SAMCO"). While the City has not been overly active in issuing debt, they have assisted in the bond ratings and subsequent reviews with Moody's and S&P. Moreover, the EDC is in negotiations concerning the TownCenter, and it is important to maintain continuity. Therefore, it is recommended that the City terminate its relationship with Southwest Securities and engage SAMCO for financial services.

Staff recommends that the City engage SAMCO as the City's financial advisor and authorize the mayor to sign the contract.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	SAMCO Municipal Advisory Agreement	Kennedale, City of 2015.pdf

SAMCO CAPITAL MARKETS, INC.
8700 Crownhill Boulevard ●Suite 601
San Antonio Texas, 78209

PUBLIC FINANCE
TELEPHONE 210-832-9760
877-349-1371
FACSIMILE 210-832-9794

SALES
TELEPHONE 210-832-9750
877-340-1370
FACSIMILE 210-832-9733

MUNICIPAL ADVISORY CONTRACT

February 16, 2015

The Honorable Mayor and City Council
City of Kennedale
405 Municipal Dr.
Kennedale, Texas 76060

Ladies and Gentlemen:

1. We understand that the City, from time to time, will consider the issuance of debt obligations and that in connection with the authorization, issuance, sale and delivery of such obligations you desire the Mark McLiney Municipal Advisory team to perform professional services in the capacity of Municipal Advisors for the City.

2. We agree to provide all services related to the development and implementation of a debt management plan. These services include, but are not limited to, the structuring of a bond model, the formulation of a bond program, the analysis and completion of refunding programs, consultation regarding bond elections, consultation regarding bond ratings, consultation regarding the available types of financings, etc. The services include communicating and coordinating with other professionals involved in bond transactions and related services (e.g. bond counsel, rating agent, credit enhancement providers, verification agent, arbitrage rebate provider, etc.). The advice and assistance includes serving as a fiduciary to the Issuer and representing the Issuer's interest in the sale and distribution of any debt obligations.

3. We agree to direct and coordinate the entire program of financing herein contemplated. It is specifically understood and agreed, however, that this obligation on our part shall not cover payment of any expenses associated with the issuance of the obligations or the expenses of any litigation, if such would occur.

4. As consideration for the services rendered by us and as reimbursement for the expenses which we are to incur, it is understood and agreed that the City is to pay and we are to accept, a cash fee for such professional services in accordance with the fee schedule set forth as follows. Such fee shall become due and payable simultaneously with the delivery of the bonds to the purchaser. It is understood that a miscellaneous expense will be added to the fee to cover reimbursables. This amount shall be capped at $5,000.

FEE SCHEDULE

The following schedule is an estimate of fees due for Municipal Advisory work. The actual fee will be more or less based upon work performed.

Base Fee – Any issue				$ 5,000			
Plus $12.50	per $1,000 next	$500,000	or	$11,250	for	$500,000	Bonds
Plus $8.00	per $1,000 next	$500,000	or	$15,250	for	$1,000,000	Bonds
Plus $5.50	per $1,000 next	$1,500,000	or	$23,500	for	$2,500,000	Bonds
Plus $3.50	per $1,000 next	$2,500,000	or	$32,250	for	$5,000,000	Bonds
Plus $2.00	per $1,000 next	$5,000,000	or	$42,250	for	$10,000,000	Bonds
Plus $1.00	per $1,000 next	$10,000,000	or				

Fees for Refunding Bonds, Revenue Bonds or Bonds issued to State or Federal Agencies shall be computed from the above schedule, plus 25%. For any issue of Refunding Bonds and/or other Debt Instruments involving Escrow Agreements, it is understood and agreed that our fee will be the fee schedule set out above plus 10%. For Bonds issued pursuant to a Bond Election our fee will include an additional $5,000 to cover costs associated with the Bond Election.

SAMCO Capital Markets, Inc. will bill the Issuer at Closing for each issue of obligations a net amount which will include a fee calculated on the above schedule as well as costs and expenses, where applicable, incurred on behalf of the Issuer for the Bond Attorneys, preparation, printing and distribution of the Notice of Sale, Official Statement, Uniform Bid Form or Private Placement Memorandum, independent consultants, information meetings, if any, presentations to rating agencies and rating fees, if any, printing of Obligations, and all appropriate costs and expenses associated with the closing and delivery of the Obligations.

5. If appropriate, we will assist with the annual filing of all documents related to the Securities Exchange Commission Rule 15c2-12 (Continuing Disclosure). It is understood that we are not your agent for Continuing Disclosure because SAMCO Capital Markets, Inc. cannot be assured of being informed on a timely manner of all material events which require filing during the year. It is further understood that any fees due us for our work in this capacity will be determined on a case by case basis.

6. Due to the personal nature of municipal advisory consulting services, this Agreement is being entered into with the Mark McLiney Municipal Advisory Group of SAMCO Capital Markets. The Issuer expects that all files will be held in duplicate by the group and the company. At the full discretion of the Issuer, this Agreement can be automatically assigned to and transferred to the Mark McLiney Municipal Advisory Group.

7. This Agreement will commence on the date of acceptance and shall remain in effect until terminated or replaced with a subsequent agreement. This Agreement can be terminated at any time, with or without cause, with simple written notice.

Respectfully submitted,

SAMCO CAPITAL MARKETS, INC.

BY:

____
Mark M. McLiney

ACCEPTANCE

ACCEPTED and adopted by the City Council of the City of Kennedale on this the 16th day of February, 2015

____
Mayor

KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: CONSENT ITEMS - C.

I. Subject:
Approval to award bid and authorize the City Manager to execute a contract with Dowager Utility Construction, Ltd for the construction of water and wastewater improvements on Bloxom Road, Kennedale, Texas

II. Originated by:

III. Summary:

Construction of new water and waste water utilities in Bloxom Park will enable the City to efficiently serve the needs and expectations of the citizens and businesses. The area is currently served by Arlington water and failing septic systems. Sealed bids were opened February 19, 2015 for the referenced project. One of the bids was non-compliant since Addendum No. 2 was not acknowledged but was by the other nine bidders.

After careful review of the bid documents and reference checks of the low bidder, staff recommends award of the contract to Dowager Utility Construction, Ltd of Dallas, TX. for the base bid, in the amount of $294,858.40

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Bid Tab	After Bid Tab.pdf
2.	Bid Award Recommendation	Bid Award Recom Ltr-Owner.pdf
3.	Notice of Award	Notice of Award.pdf

CITY OF KENNEDALE
BLOXOM PARK RD UTILITY IMPROVEMENTS-WATER AND SEWER
BID OPENING: 2:00 PM Thursday, 2/19/15

BIDDERS

				Dowager Utility Construction, Ltd.		**Brett Construction Co.**		**Interstate Pipeline Utility Construction LLC**		**B & R Utility Construction, LLC**		**Excel 4 Construction, LLC**		**SYB Construction Co., Inc.**		**D.T. Utility Contractors, Inc.**		**Tejas Commercial Construction, LLC**		**Atkins Bros. Equipment Co., Inc.**	
Item No.	**Description**	**Qty.**	**Unit**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**	**Unit Price**	**Total Price**
	BASE BID ITEMS																				
1	Mobilization and Bonds	1	LS	$12,000.00	$12,000.00	$3,500.00	$3,500.00	$12,686.00	$12,686.00	$16,500.00	$16,500.00	$8,100.00	$8,100.00	$35,536.00	$35,536.00	$7,800.00	$7,800.00	$15,000.00	$15,000.00	$2,500.00	$2,500.00
2	Prepare/Implement SPW3	1	LS	$3,000.00	$3,000.00	$2,500.00	$2,500.00	$11,900.00	$11,900.00	$1,900.00	$1,900.00	$3,500.00	$3,500.00	$1,000.00	$1,000.00	$4,800.00	$4,800.00	$3,000.00	$3,000.00	$1,000.00	$1,000.00
3	8" PVC, AWWA C900, DR18	2704	LF	$28.00	$75,712.00	$23.75	$64,220.00	$25.25	$68,276.00	$25.00	$67,600.00	$30.00	$81,120.00	$21.50	$58,136.00	$29.00	$78,416.00	$33.00	$89,232.00	$49.00	$132,496.00
4	Trench Safety	2704	LF	$0.10	$270.40	$1.00	$2,704.00	$0.40	$1,081.60	$0.80	$2,163.20	$0.50	$1,352.00	$0.10	$270.40	$1.50	$4,056.00	$0.25	$676.00	$1.00	$2,704.00
5	Fire Hydrant Assemblies	5	EA	$4,400.00	$22,000.00	$4,550.00	$22,750.00	$4,285.00	$21,425.00	$4,900.00	$24,500.00	$4,000.00	$20,000.00	$4,250.00	$21,250.00	$5,100.00	$25,500.00	$4,200.00	$21,000.00	$3,500.00	$17,500.00
6	8"x8" Tapping Sleeve and Valve	1	EA	$2,200.00	$2,200.00	$3,625.00	$3,625.00	$3,733.00	$3,733.00	$4,100.00	$4,100.00	$4,500.00	$4,500.00	$4,250.00	$4,250.00	$3,200.00	$3,200.00	$3,500.00	$3,500.00	$2,000.00	$2,000.00
7	1" Long Water Service	11	EA	$900.00	$9,900.00	$1,200.00	$13,200.00	$1,152.00	$12,672.00	$1,000.00	$11,000.00	$1,000.00	$11,000.00	$1,050.00	$11,550.00	$975.00	$10,725.00	$925.00	$10,175.00	$1,100.00	$12,100.00
8	1' Short Water Service	10	EA	$600.00	$6,000.00	$950.00	$9,500.00	$946.00	$9,460.00	$700.00	$7,000.00	$800.00	$8,000.00	$660.00	$6,600.00	$750.00	$7,500.00	$800.00	**$8,000.00**	$900.00	$9,000.00
9	Cut, Cap and Abandon Existing Water Main	1	LS	$500.00	$500.00	$750.00	$750.00	$600.00	$600.00	$1,500.00	$1,500.00	$700.00	$700.00	$1,000.00	$1,000.00	$500.00	$500.00	$750.00	$750.00	$2,000.00	$2,000.00
10	Repair Rock Drives/Roads (6"Deep)	108	SY	$20.00	$2,160.00	$11.00	$1,188.00	$19.25	$2,079.00	$12.00	$1,296.00	$36.00	$3,888.00	$15.00	$1,620.00	$40.00	$4,320.00	$20.00	$2,160.00	$30.00	$3,240.00
11	Remove and Repair Existing Concrete Drain (as needed for Const)	25	SY	$70.00	$1,750.00	$50.00	$1,250.00	$75.00	$1,875.00	$90.00	$2,250.00	$50.00	$1,250.00	$85.00	$2,125.00	$58.00	$1,450.00	$60.00	$1,500.00	$60.00	$1,500.00
12	6"x6" Tapping Sleeve and Valve	1	EA	$2,000.00	$2,000.00	$2,950.00	$2,950.00	$3,008.00	$3,008.00	$3,200.00	$3,200.00	$3,850.00	$3,850.00	$3,525.00	$3,525.00	$3,000.00	$3,000.00	$3,250.00	$3,250.00	$2,000.00	$2,000.00
13	8" Gate Valve	1	EA	$1,200.00	$1,200.00	$1,550.00	$1,550.00	$1,250.00	$1,250.00	$1,350.00	$1,350.00	$1,500.00	$1,500.00	$1,325.00	$1,325.00	$1,050.00	$1,050.00	$1,450.00	$1,450.00	$1,100.00	$1,100.00
14	Ductile Iron Fittings	0.5	Ton	$6,000.00	$3,000.00	$15,500.00	$7,750.00	$10,944.00	$5,472.00	$8,000.00	$4,000.00	$4,800.00	$2,400.00	$7,200.00	$3,600.00	$6,400.00	$3,200.00	$6,000.00	$3,000.00	$3,500.00	$1,750.00
15	8" PVC, ASTM D3034, SDR 26 Gravity Sewer Line (6'-8' Depth)	1598	LF	$27.00	$43,146.00	$28.75	$45,942.50	$23.70	$37,872.60	$27.00	$43,146.00	$32.00	$51,136.00	$37.50	$59,925.00	$30.00	$47,940.00	$39.00	$62,322.00	$48.00	$76,704.00
16	8" PVC, ASTM D3034, SDR 26 Gravity Sewer Line (8'-10' Depth)	875	LF	$27.00	$23,625.00	$30.75	$26,906.25	$26.00	$22,750.00	$29.00	$25,375.00	$32.00	$28,000.00	$39.00	$34,125.00	$36.00	$31,500.00	$43.00	$37,625.00	$78.00	$68,250.00
17	8" PVC, ASTM D3034, SDR 26 Gravity Sewer Line (10'-12' Depth)	225	LF	$27.00	$6,075.00	$33.25	$7,481.25	$29.40	$6,615.00	$31.00	$6,975.00	$32.00	$7,200.00	$41.00	$9,225.00	$44.00	$9,900.00	$52.00	$11,700.00	$98.00	$22,050.00
18	TV Inspection After Work Completed	2698	LF	$2.00	$5,396.00	$3.00	$8,094.00	$2.00	$5,396.00	$1.50	$4,047.00	$1.50	$4,047.00	$1.00	$2,698.00	$3.25	$8,768.50	$1.75	$4,721.50	$2.00	$5,396.00
19	5'Ø Manhole (6' Deep)	9	EA	$3,300.00	$29,700.00	$3,250.00	$29,250.00	$3,037.00	$27,333.00	$4,000.00	$36,000.00	$4,400.00	$39,600.00	$4,100.00	$36,900.00	$4,000.00	$36,000.00	$4,200.00	$37,800.00	$5,500.00	$49,500.00
20	Extra Depth for Manholes	47.9	VF	$200.00	$9,580.00	$300.00	$14,370.00	$195.00	$9,340.50	$200.00	$9,580.00	$170.00	$8,143.00	$150.00	$7,185.00	$175.00	$8,382.50	$185.00	$8,861.50	$200.00	$9,580.00
21	4"Ø Long Sewer Service Lateral	10	EA	$700.00	$7,000.00	$1,300.00	$13,000.00	$960.00	$9,600.00	$850.00	$8,500.00	$1,100.00	$11,000.00	$1,250.00	$12,500.00	$450.00	$4,500.00	$900.00	$9,000.00	$2,000.00	$20,000.00
22	4"Ø Short Sewer Service Lateral	11	EA	$400.00	$4,400.00	$750.00	$8,250.00	$805.00	$8,855.00	$500.00	$5,500.00	$865.00	$9,515.00	$600.00	$6,600.00	$250.00	$2,750.00	$850.00	$9,350.00	$1,000.00	$11,000.00
23	Connect to Existing Sewer Main	1	EA	$2,000.00	$2,000.00	$850.00	$850.00	$530.00	$530.00	$650.00	$650.00	$175.00	$175.00	$500.00	$500.00	$1,500.00	$1,500.00	$1,500.00	$1,500.00	$1,000.00	$1,000.00
24	Seeding and Fertilizer	2698	LF	$1.00	$2,698.00	$1.00	$2,698.00	$4.00	$10,792.00	$1.80	$4,856.40	$1.00	$2,698.00	$3.50	$9,443.00	$5.75	$15,513.50	$2.00	$5,396.00	$2.00	$5,396.00
25	Repair Rock Drives/Roads (6"Deep)	44	SY	$20.00	$880.00	$11.00	$484.00	$25.25	$1,111.00	$21.00	$924.00	$36.00	$1,584.00	$15.00	$660.00	$40.00	$1,760.00	$20.00	$880.00	$40.00	$1,760.00
26	Repair Concrete Drives	12	SY	$70.00	$840.00	$75.00	$900.00	$103.00	$1,236.00	$130.00	$1,560.00	$65.00	$780.00	$65.00	$780.00	$80.00	$960.00	$72.00	$864.00	$60.00	$720.00
27	Repair Asphalt Pavement	55	SY	$60.00	$3,300.00	$75.00	$4,125.00	$119.00	$6,545.00	$60.00	$3,300.00	$50.00	$2,750.00	$69.00	$3,795.00	$60.00	$3,300.00	$45.00	$2,475.00	$50.00	$2,750.00
28	Trench Safety	2698	LF	$1.00	$2,698.00	$2.00	$5,396.00	$1.75	$4,721.50	$4.00	$10,792.00	$1.00	$2,698.00	$1.00	$2,698.00	$1.50	$4,047.00	$2.00	$5,396.00	$1.00	$2,698.00
29	Slit Fence and/or Hay Bales	2698	LF	$2.00	$5,396.00	$1.00	$2,698.00	$1.75	$4,721.50	$2.50	$6,745.00	$1.00	$2,698.00	$2.00	$5,396.00	$5.00	$13,490.00	$2.00	$5,396.00	$0.10	$269.80
30	Clearing and Grubbing for 20' Wide Easement	628	LF	$4.00	$2,512.00	$5.00	$3,140.00	$21.00	$13,188.00	$20.00	$12,560.00	$30.00	**$18,840.00**	$11.00	$6,908.00	$20.00	$12,560.00	$7.50	$4,710.00	$2.00	$1,256.00
31	Remove and Repair Existing Concrete Drain (as needed for Const)	56	SY	$70.00	$3,920.00	$50.00	$2,800.00	$65.50	$3,668.00	$80.00	$4,480.00	$50.00	$2,800.00	$85.00	$4,760.00	$58.00	$3,248.00	$60.00	$3,360.00	$60.00	$3,360.00
	Total Base Bid (Unit Price Calculated)			**$294,858.40**		**$313,822.00**		**$329,792.70**		**$333,349.60**		**$344,824.00**		**$355,885.40**		**$361,636.50**		**$374,050.00**		**$472,579.80**	
	BASE BID TOTAL (OVERALL BID - WRITTEN)			$294,858.40		$313,822.00		$329,792.70		$333,349.60		$335,824.00		$355,885.40		$361,636.50		$374,050.00		$472,579.80	
	DIFFERENCE			$0.00		$0.00		$0.00		$0.00		$9,000.00		$0.00		$0.00		$0.00		$0.00	

NOTES: Bold and/or Italicized indicates discrepancies. Bid tab for informational purposes only.

GARY BURTON ENGINEERING, INC.
Consulting • Planning • Permitting • Design • Management (F-2812)

TYLER:	14531 State Hwy 155 S – Tyler TX 75703	• Ph 903-561-6984 • Fax 903-561-6757
FORT WORTH:	6320 Southwest Blvd Ste 102 – Fort Worth TX 76109	• Ph 817-599-9067 • Fax 817-599-9104

February 25, 2015

Mr. Larry Ledbetter
City of Kennedale
405 Municipal Dr
Kennedale TX 76060-2249

**RE: Bloxom Park Rd Utility Improvements - Water and Sewer
Recommendation of Contract Award**

Dear Mr. Ledbetter:

At the Bid Opening on 2/19/15 for the referenced project, 10 bids were received. One of the bids was non-compliant since Addendum No. 2 was not acknowledged but was by the other nine bid submittals. Enclosed is the tabulation of bids shown in order from the lowest of $294,858.40 to the highest of $472,579.80.

After careful review of the Bid Documents and reference checks of the low bidder, we recommend award of contract to Dowager Utility Construction, Ltd of Dallas, TX for the base bid in the amount of $294,858.40.

This project's construction cost was estimated at $341,000.

If the City is in agreement with our recommendation, please execute the attached Notice of Award upon award of the contract by City Council and return to us for further processing of contract documents.

If you have any questions, please contact me at (817) 599-9067 or acepak@gbei-tx.com.

Sincerely,

Anthony J. Cepak, P.E.
Engineer/Project Manager

ENCLOSURES

CC: Larry Ledbetter – City of Kennedale
Gary L. Burton, III, P.E. – GBEI
Sara Rivas, E.I.T. – GBEI

NOTICE OF AWARD

Dated: ______________________

TO: Dowager Utility Construction, Ltd.
(BIDDER)

ADDRESS: 2464 Manana Dr
Dallas TX 75220

PROJECT Bloxom Park Road Utility Improvements - Water and Sewer

OWNER's CONTRACT NO. ______________________

CONTRACT FOR City of Kennedale - Bloxom Park Road Utility Improvements - Water and Sewer
(Insert name of Contract as it appears in the bidding documents)

You are notified that your Bid dated __________________________ for the above Contract has been considered. You are the apparent Successful Bidder and have been awarded a contract for:

Bloxom Park Road Utility Improvements - Water and Sewer
(Indicate total Work, alternates or sections or Work awarded)

The Contract Price of your contract is Two Hundred Ninety-Four Thousand Eight Hundred Fifty-Eight Dollars and Forty Cents. ($ 294,858.40).

3 copies of each of the proposed Contract Documents (including Half-size Drawings) accompany this Notice of Award.
3 sets of the Full-size Drawings will be delivered separately or otherwise made available to you immediately.

You must comply with the following conditions precedent within 15 days of the date you receive this Notice of Award.

1. You must deliver to the OWNER 3 fully executed counterparts of the Agreement including all the Contract Documents. This includes the associated Drawings. Each of the Contract Documents must bear your signature.

2. You must deliver with the executed Agreement, the Contract Security (Bonds) as specified in the Instructions to Bidders (paragraph 15), EJCDC General Conditions (paragraph 5.1) and Supplementary Conditions (paragraph 50) and the Bond Notice.

3. (List other conditions precedents).

____

____

____

Failure to comply with these conditions within the time specified will entitle OWNER to consider your bid in default, to annul this Notice of Award and to declare your Bid Security forfeited.

Within 10 days after you comply with the above conditions, OWNER will return to you one fully signed counterpart of the Agreement with the Contract Documents attached.

ACCEPTANCE OF NOTICE TO AWARD

City of Kennedale
Owner

By: ______________________
Authorized Signature

____
Printed Name & Title

Dowager Utility Construction, Ltd.
Contractor

By: ______________________
Authorized Signature

____
Printed Name & Title

____
Date

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: CONSENT ITEMS - D.

I. Subject:
Consider approval of the Interlocal Agreement for Rabies Control with the City of Fort Worth

II. Originated by:

III. Summary:
This is the annual contract from the City of Fort Worth for impoundment of seized and stray animals.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Interlocal Agreement for Rabies Control with the City of Fort Worth	Interlocal Agreement with City of Fort Worth.pdf

STATE OF TEXAS §
§
COUNTY OF TARRANT §

INTERLOCAL AGREEMENT FOR RABIES CONTROL

CITY OF FORT WORTH AND CITY OF KENNEDALE

THIS AGREEMENT is made and entered into by and between the City of Fort Worth, a home-rule municipal corporation situated in Tarrant, Denton, Parker, and Wise Counties, Texas, acting by and through its duly authorized Assistant City Manager (hereinafter referred to as "City"), and the City of Kennedale, a home-rule municipal corporation located in Tarrant County, Texas, acting by and through its duly authorized Mayor (hereinafter referred to as "Kennedale").

WHEREAS, Chapter 791 of the Texas Government Code authorizes the formulation of interlocal cooperation agreements between and among municipalities and counties for the performance of governmental functions; and

WHEREAS, Chapter 826 of the Texas Health and Safety Code, also known as the Rabies Control Act of 1981 (hereinafter referred to as the "Act"), requires governing bodies of each municipality to designate a local rabies control authority to enforce the Act and minimum standards for rabies control adopted by the Texas Department of State Health Services; and

WHEREAS, Section 826.016 of said Act authorizes a municipality to enter into agreements with public entities to carry out activities required or authorized under the Act; and

WHEREAS, Kennedale wishes to participate in an interlocal agreement with City for the purpose of limited rabies control in the City of Kennedale; and

WHEREAS, Kennedale and City mutually desire to be subject to the provisions of Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act.

NOW, THEREFORE, it is agreed as follows:

1. PURPOSE

The purpose of this Interlocal Agreement is to enter into an Agreement between City and Kennedale whereby, subject to the terms and conditions hereinafter set forth and consideration specified below, City agrees to provide Kennedale with limited rabies control services in the City of Kennedale, and City agrees to provide impoundment and quarantine facilities for animals pursuant to this Agreement for the benefit of Kennedale.

2.
DEFINITIONS

For the purposes of this Agreement, the following definitions shall apply:

ACT shall mean the Rabies Control Act of 1981, codified as Chapter 826 of the Texas Health and Safety Code.

ANIMAL shall mean any living, vertebrate creature, domestic or wild, other than Homo sapiens.

ANIMAL CARE AND CONTROL CENTER shall mean the facility located at 4900 Martin Street, Fort Worth, Texas, which is operated by the City for the purpose of impounding and caring for animals as prescribed by law.

BITE shall mean a bite or scratch capable of transmitting rabies, which is inflicted by an animal on a human.

CAT shall mean a commonly domesticated member of the Felidae (feline) family, other than a lion, tiger, bobcat, jaguar, panther, leopard, cougar, or other prohibited animal.

CITY shall mean the City of Fort Worth.

DANGEROUS DOG shall mean a dog that makes an unprovoked attack on a person or other animal that causes bodily injury and occurs in a place other than an enclosure in which the dog is being kept and that was reasonably certain to prevent the dog from leaving the enclosure on its own; or a dog that commits unprovoked acts in a place other than an enclosure in which the dog was being kept and that was reasonably certain to prevent the dog from leaving the enclosure on its own and those acts cause a person to reasonably believe that the dog will attack and cause bodily injury to that person.

DAY shall mean a calendar day or any part thereof.

DOG shall mean *Canis familiaris*.

QUARANTINE shall mean the strict confinement of a biting animal, in accordance with the Act and the Rules.

RABIES shall mean an acute viral disease of man and animal affecting the central nervous system and usually transmitted by an animal bite.

RULES shall mean the rules adopted by the Texas Department of State Health Services for rabies control and eradication under 25 TAC § 169.21 et seq.

STRAY shall mean roaming with no physical restraint beyond the premises of an animal's owner or keeper.

3.
TERM

Unless terminated pursuant to the terms herein, this Agreement shall be for a term of one year, beginning upon the date of its execution by the Fort Worth City Manager or designee. In addition, the term may be extended by mutual written agreement of the parties, for up to three additional (3) one-year terms.

4.
SERVICES BY CITY

A. Hours
City agrees to perform the services described herein for Kennedale in the City of Kennedale, between the hours of 9:00 a.m. and 5:00 p.m. only, Tuesday thru Saturday, and 9:00 a.m. to 4:00 p.m. Sunday and Monday, excluding holidays, with no after-hours service provided.

B. Rabies Response
In the manner and to the extent that it deems appropriate and in accordance with the Rules and the Act, bite animals which are presented by Kennedale to the City will be handled by the City pursuant to Section 6.

C. Impoundment of Animals
City will impound animals delivered to the City's Animal Care and Control Center by Kennedale officials pursuant to Section 6.

5.
DUTIES OF KENNEDALE

A. Kennedale agrees that it will retain all responsibility for enforcement of all aspects of the Act not covered in Paragraph 4 of this Agreement, including criminal enforcement.

B. Kennedale agrees that it will pursue, at its discretion, the issuance and execution of warrants or other court orders necessary for the seizure of animals requiring quarantine or testing under Paragraph 4 (C) of this Agreement, whose owners have failed or refused to place them for quarantine or testing. Kennedale further agrees that City is not required to pursue the issuance and execution of such warrants.

6.
IMPOUNDMENT AND DISPOSITION OF ANIMALS

A. A live, stray animal impounded by the City under this Agreement shall be held for a period of not less than seventy-two (72) hours, unless released earlier to its owner or as described in subsection 6.G. below. A quarantined animal shall be held or presented for testing according to the Act and the Rules. The Kennedale shall provide in writing to the

City the date of the bite incident and the animal's date of release from quarantine. Kennedale shall pay charges for impounded animals, until disposition, as specified in Exhibit "A".

B. Prior to the expiration of the impoundment period, the City may destroy an impounded animal if the Animal Services Administrator or Animal Control Manager of the City or the Animal Care and Control Center's veterinarian recommends and approves such action.

C. Impounded animals will be released to their owners upon:
   (1) Proof of identification;
   (2) Payment of Exhibit "B" fees;
   (3) Purchase of a City license tag if the animal is a dog or cat and the owner resides within the City; and
   (4) The animal is vaccinated against rabies at the owner's expense if the animal is a dog or a cat over 12 weeks of age and the owner does not have an unexpired rabies vaccination certificate for the animal.

D. The ownership of impounded and/or quarantined animals that have not been released to their owners on the expiration of the impoundment and/or quarantine period, submitted for rabies testing, or entered into the Fort Worth Feral Cat Program shall lie with Kennedale, and Kennedale authorizes the City to place the animals for adoption, to transfer them to other animal welfare agencies, to be humanely euthanized, or to be released in accordance with Section 6(F), at the discretion of the City or as required by law.

E. Kennedale will be billed for all impounded and/or quarantined animals delivered by or from the City of Kennedale for the number of days held during the impoundment period and/or for the number of days held up to the date reclaimed by the owner or otherwise disposed of in accordance with this agreement. The number of days, for billing purposes, will begin on the day that the animal is impounded.

F. A live, stray Cat impounded by the City under this Agreement shall be handled according to the following:

   a. If a stray, neighborhood or feral cat is brought to the animal shelter, the City shall:
      i. Advise the presenting person of the City's Feral Cat Policy that all cats that enter FWACC that do not go into a rescue or adoption program, and which are fit for release under the City's Feral Cat Policy, will be sterilized, rabies vaccinated, microchipped and ear tipped by the City or its designee and returned to a location near where the cat was living and/or found. The City will not euthanize any stray, neighborhood or feral cats that are brought into Fort Worth Animal Care and Control (FWACC) unless:
         1. They are deemed unfit for release, adoption or rescue due to age, injury or disease, or

2. They have previously been deemed a public nuisance, defined as dangerous to human life, health or welfare, or to threaten to become detrimental to the public health or welfare.

ii. Determine if cat is fit for release, adoption or rescue. For the purposes of this policy, the City shall determine when there is a potential threat to public health or safety, when feral cats are in unsafe or inappropriate areas, or if the cats are at risk of harm or suffering, in its sole discretion.

iii. Determine if the cat has been previously deemed to be a nuisance,

1. If the feral cat has not been previously deemed to be a nuisance, it will be subject to release as a feral cat at or near the location where it was captured in Kennedale.
2. If the feral cat has been previously deemed by the City to be a nuisance, City will not release the cat to a Caretaker to be returned to environment in which it has been previously removed as a nuisance. City will release cat to another entity that agrees to relocate cat in an area the City determines will not pose a nuisance threat (i.e. barn cat program), potentially in Kennedale. If no other solution is identified for a cat deemed more than once to be a nuisance, the cat will be humanely euthanized.

b. Community, feral, and free roaming stray cats are exempt from the standard holding period described in Section 6.A. above. The ownership of such cats originating from Kennedale is deemed to lie with Kennedale. Kennedale authorizes the City or its agents to release community, feral or stray cats obtained in Kennedale back into in Kennedale, or to otherwise dispose of the cats through the above described City's Feral Cat Policy. Kennedale hereby appoints the City of Fort Worth, or any entity registered as a Feral Cat Sponsor or Caretaker under the City's Feral Cat Program, or that entity's designee, as Kennedale's agent for the limited purpose of returning cats to the address where the cat was living and/or found.

c. Kennedale represents and agrees that the City's release of any community, feral, or stray cat in accordance with this Subsection 6(F) is not a violation of any Kennedale ordinance or other law, and that Kennedale will not prosecute the City, its employees, contractors, volunteers, or agents for any violation of an ordinance or law, or bring any civil or criminal action in any way related to or resulting from the release or disposition of said cats.

d. Kennedale shall compensate the City for services related to community, feral, or free roaming stray cats in accordance with Exhibit A.

7.
EXCLUSIONS

A. Nothing in this Agreement shall be deemed as designating the City or an officer or employee of the City as the "local health authority" or "local rabies control authority" of Kennedale as those terms are defined or used in Title 10, Health and Safety Code, Vernon's Texas Codes Annotated.

B. Nothing in this Agreement shall be deemed as requiring the City to investigate reports of dangerous dogs, to register dangerous dogs, or otherwise regulate dangerous dogs in the

City of Kennedale, under the authority of Chapter 822 Subchapter D. of the Health and Safety Code, Vernon's Texas Codes Annotated.

C. Nothing in this Agreement shall be deemed as requiring the City to quarantine or present for testing domestic animals that have been bitten by or directly exposed by physical contact to a rabid animal or its fresh tissues.

D. City shall not impound stray animals if Kennedale fails to enact and maintain rules or ordinances pursuant to Sections 826.015 and 826.033 of the Texas Health and Safety Code that require animals to be restrained at all times.

8.
RESPONSIBILITY FOR EMPLOYEES

City employees who provide services under this Agreement are deemed to be City employees when providing such services. City will exercise complete control over the hiring, training, supervision, and conduct of such employees. City will be responsible for all wages and applicable payroll deductions, unemployment taxes, workers' compensation insurance, vacations, holidays, and fringe benefits for such employees and for all uniforms, vehicles, and equipment (except as provided in Paragraph 5(D) of this Agreement) used by such employees for providing services under this Agreement. Kennedale shall have no direct supervisory authority over such employees except in emergency situations where the exercise of supervision by Kennedale becomes necessary. Regarding workers' compensation insurance, the City shall not waive its right to subrogate against Kennedale for losses incurred in the course of City's services rendered to Kennedale under this Agreement.

9.
COMPENSATION

A. As fair compensation for the services rendered Kennedale agrees to pay City for its services based on the schedule attached hereto as Attachment A, as pertinent, which is hereby incorporated as a part of this Agreement as if it were set forth at length. City may adjust any fee listed in Attachment A during the term of this Agreement by giving Kennedale 120 days written notice.

B. The number of boarding days, for billing purposes, will begin on the day that the animal is impounded and continue as long as the animal is held. In addition to boarding fees, a quarantine fee will be charged on all animals placed into quarantine, and an administrative fee will be charged on all animal impoundments. Euthanasia and disposal fees and head and shipment preparation fees shall be as described in Attachment A.

C. Kennedale will not pay City more than **$35,000.00** in total per contract year, for services rendered during the term of this Agreement. This amount shall herein constitute a **not to exceed** limitation placed upon this Agreement, and when such amount is reached, City will cease providing such services. City agrees to provide Kennedale with an itemized monthly bill. Kennedale agrees to promptly pay such bills upon presentation by the City, such payments to be made from current revenues available to Kennedale, within thirty (30) days of receipt. In the event of the termination of this Agreement, City shall bill Kennedale for any outstanding balance, regardless of the amount, and Kennedale agrees to promptly pay such bill, within thirty (30) days of receipt.

D. Pursuant to the requirements of Section 791.011(d)(3) of the Texas Government Code, the amount due City shall be paid from revenues available to Kennedale in that current fiscal year.

10.
FEES CHARGED ANIMAL OWNERS

Kennedale hereby agrees that City may charge, or cause to be charged, the fees set out in "Exhibit B" to the owners of animals that have been impounded or quarantined. "Exhibit B" is hereby incorporated as a part of this Agreement as if it were set forth at length. City is hereby authorized to increase said fees during the terms of this Agreement by giving the Kennedale 120 days' notice. If an animal's owner reclaims the animal and pays the kenneling fees, then the City will not charge the Kennedale for kenneling such animal under the Fee Schedule in "Exhibit A." If a quarantined animal's owner reclaims the animal and pays the quarantine fees, then the City will not charge the Kennedale such fees. A check written by an owner in payment of these fees is considered a contingent payment. If the check written by an owner is subsequently dishonored, the check shall not be considered payment and Kennedale shall be responsible to City for the fees.

11.
LIABILITIES

A. To the extent permitted by law, Kennedale shall be responsible for all work-related deaths, injuries or diseases of Kennedale employees, and for property damage, personal injury or death caused by such employees relating to work provided pursuant to this Agreement.

B. To the extent permitted by law, City shall be responsible for all work-related deaths, injuries or diseases of City employees, and for property damage, personal injury or death caused by City employees or volunteers relating to work provided pursuant to this Agreement.

C. Kennedale shall be responsible for all property damage, personal injuries and death caused by the use of City and Kennedale equipment and vehicles caused by Kennedale employees or volunteers pursuant to this Agreement. Furthermore, Kennedale shall be responsible for the repair or replacement of all such equipment and vehicles damaged, destroyed, lost or stolen by Kennedale employees or volunteers during the provision of services hereunder.

D. City shall be responsible for all property damage, personal injuries and death caused by the use of City equipment and vehicles caused by City employees or volunteers pursuant to this Agreement. Furthermore, City shall be responsible for the repair or replacement of all such equipment and vehicles damaged, destroyed, lost or stolen caused by City employees or volunteers during the provision of services hereunder.

12.
IMMUNITY & THIRD PARTIES

A. Kennedale expressly waives its right to assert immunity from suit for a claim forming the basis of a suit between the City and Kennedale alleging a breach of this Agreement. Kennedale does this as consideration for the City's offer to enter into this Contract with Kennedale. No third party may use this waiver in any way and no waiver of immunity in favor of a third party is intended by this Agreement.

B. Nothing in this Agreement shall be construed to benefit any third party other than an employee or officer of Kennedale or City while in the performance of this Agreement. This Agreement may not be construed to expand the liability of City or Kennedale beyond the scope of chapter 101 of the Texas Civil Practice and Remedies Code unless specifically stated herein.

13.
TERMINATION

It is further agreed by and between City and Kennedale that City and Kennedale shall each have the right to terminate this Agreement upon thirty (30) days' written notice to the other party.

14.
ENTIRETY

This Agreement contains all commitments and agreements of the parties hereto, and no other oral or written commitments shall have any force or effect if not contained herein.

15.
MODIFICATION

This Agreement may be modified by the mutual agreement of the parties, if the modification is in writing and signed by City and Kennedale.

16.
SEVERABILITY

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

17.
AUTHORITY

This Agreement is made for City and Kennedale as an Interlocal Agreement pursuant to VTCA, Government Code, Chapter 791.

18.
AUTHORIZATION

The undersigned officer and/or agents of the parties hereto are properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

19.
FORCE MAJEURE

It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war; civil commotion; acts of God; inclement weather; governmental restrictions, regulations, or interferences; fires; strikes; lockouts, national disasters; riots; material or labor restrictions; transportation problems; or any other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

20.
FISCAL FUNDING LIMITATION

If for any reason, at any time during any term of this Agreement, either city fails to appropriate funds sufficient for that city to fulfill its obligations under this Agreement, that city may terminate this Agreement to be effective on the later of (i) thirty (30) days following delivery of written notice of the city's intention to terminate or (ii) the last date for which funding has been appropriated by the City Council for the purposes set forth in this Agreement.

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SIGNATURE PAGE
INTERLOCAL AGREEMENT FOR RABIES CONTROL
CITY OF FORT WORTH AND KENNEDALE

CITY OF FORT WORTH

____
Charles W. Daniels
Assistant City Manager

Date: ________________

RECOMMENDED

____
Dr. Timothy Morton
Asst. Code Compliance Director

APPROVED AS TO FORM

____
Arthur N. Bashor
Assistant City Attorney

ATTEST:

____
Mary J. Kayser
City Secretary

M&C ______________

KENNEDALE

____
Mayor or Manager

APPROVED AS TO FORM

____
Assistant/ City Attorney

EXHIBIT A

SCHEDULE OF FEES PAID BY KENNEDALE

DAILY BOARD FEE	
Kenneling (per dog, cat or other small animal)	$30.00 per day
Quarantine (per animal)	$50.00 per day
Quarantine fee (per animal)	$100.00
SERVICE CALLS AND RABIES RESPONSE (Excluding head preparation and shipment)	
Per Request	$100.00
HEAD PREPARATION AND SHIPMENT	
Per Animal Head	$150.00
EDUCATIONAL SERVICES	
Per Staff Hourly Charge	$70.00
EUTHANIZATION AND DISPOSAL	
Per animal	$100.00
SPAY OR NEUTER FEE	
Per cat	$50.00
Per dog	$80.00
RABIES VACCINATION FEE	
Per animal	$ 9.00
MICROCHIP FEE	
Per animal	$12.00
AFTER-HOURS, WEEKEND AND EMERGENCY ANIMAL CONTROL RESPONSE	
Per Request	$200.00
ADMINISTRATIVE FEE	
Per impoundment or service request	$50.00

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EXHIBIT B

SCHEDULE OF FEES TO BE PAID TO CITY BY OWNERS RECLAIMING ANIMALS

RABIES VACCINATION FEE

Per reclaimed dog or cat	$ 9.00

SPAY OR NEUTER FEE

Per cat	$50.00
Per dog	$80.00

MICROCHIP FEE

Per reclaimed dog or cat	$12.00

DAILY BOARD FEES:

Kenneling (dog, cat, small animal)	$30.00 per day
Kenneling (other than dogs, cats or small animal)	$30.00 per day
Quarantined animals	$50.00 per day

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KENNEDALE
You're Here, Your Home
www.cityofkennedale.com

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: CONSENT ITEMS - E.

I. Subject:
Consider approval of contract extension until January 31, 2020 for solid waste and recycle collection with Progressive Waste Solutions of Texas, Inc.

II. Originated by:
Bob Hart

III. Summary:
The City recently approved a contract with Progressive Waste of Texas, Inc. to initiate a curb-side recycling program effective April 1. Progressive Waste has requested a two-year extension to the contract (2018 to 2020) in order to amortize the cost of the recycling containers that will be provided to each residential customer. The request is consistent with the prior discussions on cost recovery. Hence, the contract extension is recommended. Paragraph 4 (b) was added in order to comply with state reporting requirements.

Staff recommends the contract be approved as submitted and authorize the mayor to sign the agreement.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Progressive Waste Solutions Letter	Progressive Waste Solutions.pdf
2.	Second Amentment to Contract Agreement	Second Amendment to Contract.pdf

Progressive
Waste Solutions

February 16, 2015

Bob Hart
City Manager
City of Kennedale
405 Municipal Drive
Kennedale, Texas 76060

Re: Citywide Recycle Collection

Bob,

Progressive Waste Solutions is excited that the Kennedale City Council voted in favor of adding single stream, 65 gallon cart, city wide recycling collection. The first collection date will be Wednesday, April 1, 2015. Progressive will deliver the carts to each home the prior week.

Per our conversation, the January 5, 2015 letter stated that the recycling rate will be $3.60 per home per month with a five year contract reflecting the additional capital investment for the carts. This will add 2 years to the current Contract and extend the term to 2020 instead of 2018.

Customer service, to both the City of Kennedale and its citizens, is paramount in our thought process from the corporate level to the street. We take the delivery of environmental services very seriously, and realize that without excellent service, we cannot succeed. We consider our relationships with our municipal customers to be a public/private partnership in which we take great pride.

Progressive Waste Solutions wants to thank you for your business and we look forward to continue partnering with the City of Kennedale.

Sincerely,

Norm Bulaich
Municipal Marketing Manager

SECOND AMENDMENT TO CONTRACT

This **Second Amendment to Contract** (the "Second Amendment") is entered into as of the ________ day of __________, 2015 to be effective on April 1, 2015, by and between the City of Kennedale, Texas, a municipal corporation of Tarrant County, Texas (the "City") and Progressive Waste Solutions of TX, Inc., a Texas corporation (the "Contractor").

RECITALS:

WHEREAS, the City and IESI TX Corporation entered into a Consolidated Contract for Residential and Commercial Solid Waste and Recycle Collection dated as of November 1, 2007 (the "Agreement"); and

WHEREAS, the City and IESI TX Corporation entered into an Amendment to Contract with an effective date of March 1, 2011 (the "First Amendment", with the Agreement, collectively referred to as the "Contract");

WHEREAS, on June 20, 2012, IESI TX Corporation changed its name to Progressive Waste Solutions of TX, Inc.; and

WHEREAS, the City and Contractor desire to amend and extend the Contract as more fully described herein.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and in the Contract, the City and Contractor hereby agree as follows:

1. Term. The parties hereby agree to amend Section 2 of the Contract by extending the termination date of the Contract to January 31, 2020. This Agreement may be renewed for two (2) successive terms of five (5) years by mutual consent of the parties hereto.

2. Recycling Container. The definition of "Recycling Container" in Section 3.P. of the Contract is hereby deleted in its entirety and replaced with the following:

   "Recycling Container: A container with at least sixty-five (65) gallons of capacity that is provided by the Contractor for each residential customer to utilize for the collection of Recyclable Materials."

3. Duties and Obligations of Single-Family Residential Unit. The following sentence is hereby added to Section 4.A(10) of the Contract:

   "Each residential customer shall place all Recyclable Materials in its designated Recycling Container."

4. Contractor's Duties and Obligations - Residential.

(a) Collection. The first (1st) sentence of Section 4.B(1) of the Contract is hereby deleted in its entirety and replaced with the following:

"Collection: Contractor agrees to make one (1) weekly collection for Acceptable Waste and Recyclable Materials."

(b) Residential Recycling Containers. Section 4.B(9) of the Contract is hereby deleted in its entirety and replaced with the following:

"Residential Recycling Containers: Contractor shall provide each residential customer with one (1) Recycling Container. The residential customers shall have the same duties and obligations regarding time and placement of the Recycling Containers as they do with all Acceptable Waste. Contractor represents that Recyclable Materials collected under this Agreement will be sent to the recycling market for processing. The weight of the Recyclable Materials will be reported by commonly accepted categories (i.e., paper, glass, plastics, metals, organic materials, etc.) based on what is collected within the City; additionally, such information will be reported to regional organizations and the Texas Recycling Data Initiative, as applicable."

5. Rate Sheet. The Rate Sheet attached to the First Amendment with an effective date of March 1, 2011 is hereby modified by changing the residential curbside collection rate from "$8.83 per month", which is currently $8.89 per month, as increased pursuant to the Contract to "$12.49 per residential unit per month".

6. Reaffirmation. The parties hereto hereby restate and reaffirm their agreement with all of the terms and provisions of the Contract, as amended hereby.

7. Counterparts; Facsimile Signatures. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which collectively shall constitute one and the same instrument representing this Second Amendment between the parties hereto, and it shall not be necessary for the proof of this Second Amendment that any party produce or account for more than one such counterpart. Facsimile signatures shall be given the same force and effect as original signatures and shall be treated for all purposes and intents as original signatures.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment as of the ______ day of ________________, 2015.

PROGRESSIVE WASTE SOLUTIONS OF TX, INC.

By:____________________________
John Gustafson, Vice President

CITY OF KENNEDALE, TEXAS

By:____________________________
Name: _________________________
Title: Mayor

ATTEST:

By:____________________________
Name: _________________________
Title: City Secretary

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: CONSENT ITEMS - F.

I. Subject:
Consider approval of Resolution 447 authorizing the submission of a grant application for Police Body Cameras

II. Originated by:
Tommy Williams, Police Chief

III. Summary:
The Kennedale Police Department seeks approval to authorize the submission of a grant application to purchase Police Body Cameras.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 447	Resolution 447.doc

CITY OF KENNEDALE, TEXAS
RESOLUTION NO. 447

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION FOR POLICE BODY CAMERAS

WHEREAS, The City of Kennedale agrees to provide no matching funds for the said project as required by the Justice Assistance Grant application; and

WHEREAS, The City of Kennedale agrees that in the event of loss or misuse of the Criminal Justice Division funds, the City of Kennedale assures that the funds will be returned to the Criminal Justice Division in full.

WHEREAS, The City of Kennedale designates Bob Hart, City Manager, as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that the City of Kennedale approves submission of the grant application for Police Body Cameras to the Office of the Governor, Criminal Justice Division.

Passed and Approved this ____ day of _____________, 2015.

Grant Number: 2873101

Signed by:

____
Brian Johnson, Mayor

ATTEST:

____
Leslie Galloway, City Secretary

APPROVED AS TO FORM AND LEGALITY:

____
Wayne K. Olson, City Attorney

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Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Discuss and consider approval of Ordinance 568 amending the FY2013-14 budget

II. Originated by:
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The purpose of this budget amendment is to ensure that we are in compliance with budgetary guidelines. Generally, staff completes two budget amendments each year, if necessary. The first budget amendment occurs in mid-fiscal year, and the second occurs after the end of the fiscal year to align with the result of the audit. We did not find it necessary to bring forth a mid-fiscal year amendment to Council for the FY13/14 budget. However, we do find it necessary to bring forth a year end amendment, and it must be adopted prior to final acceptance of the FY13/14 audit.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Ordinance 568	Ordinance To Amend Fiscal Year Budget.doc
2.	Appendix A - FY13/14 Budget Amendments	Budget Amendments.pdf

ORDINANCE NO. 568

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS AMENDING THE BUDGET OF THE CITY OF KENNEDALE, TEXAS; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AN AMENDMENT; PROVIDING A SAVINGS AND REPEALER CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas Fiscal Year 2013-2014 Budget was adopted within the time and in the manner required by State Law; and

WHEREAS, the City Council of the City of Kennedale, Texas hereby finds and determines that it is prudent to amend specific line items due to unforeseen situations that have occurred in the City and impacted those line items; and

WHEREAS, the City Council of the City of Kennedale, Texas further finds that the amendments, as set forth in Exhibit "A," will serve in the public interest and are necessary to support City operations; and

WHEREAS, the City Council of the City of Kennedale, Texas finds and determines that the change in the Budget for the stated municipal purpose serves best interests of the taxpayers, is necessary and warrants action at this time;

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

SECTION 1.

That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2.

The City of Kennedale, Texas, Fiscal Year 2013-2014 Budget is hereby amended to fund the line items as stated in Exhibit "A." This Amendment No. 1 (Exhibit "A") to the Original Budget of the City of Kennedale, Texas, for the Fiscal Year 2013-2014 shall be attached to and made part of the Original Budget by the City Secretary and shall be filed in accordance with State Law. This Ordinance is hereby adopted and shall constitute the first budget amendment that has occurred since the October 1, 2013 effective date of the City's Fiscal Year 2013-2014 Budget.

SECTION 3.

That this Ordinance shall be cumulative of all other Ordinances of the City affecting the Fiscal Year 2013-2014 Budget of the City and shall not repeal any of the provisions of such Ordinances except in those instances where provisions of those Ordinances are in direct conflict with the provisions of this Ordinance; whether such Ordinances are codified or uncodified, and all other provisions of the Ordinances of the City of Kennedale, codified or uncodified, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

SECTION 4.

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining portions of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 5.

The City Secretary of the City of Kennedale is hereby directed to engross and enroll this Ordinance in the Ordinance records of the City and to properly record this Ordinance in accordance with the City Charter.

SECTION 6.

This Ordinance shall take effect from and after its date of passage in accordance with law, and it is so ordained.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 16th day of March 2015.

APPROVED:

____
Mayor, Brian Johnson

ATTEST:

____
Leslie Galloway, City Secretary

APPENDIX A
FY13-14 AMEND #1

CITY OF KENNEDALE (03/16/15)	LINE ITEM	DEPARTMENT	ORIGINAL BUDGET	AMENDED BUDGET	DIFFERENCE	EXPLANATION
GENERAL FUND						
01-4155-00-00	BUILDING PERMITS	REVENUE	$ (60,000.00)	$ (176,640.00)	$ (116,640.00)	Balance out amendments.
01-5575-04-00	EQUIPMENT RENTAL	MUNICIPAL COURT	$ 3,072.00	$ 3,412.00	$ 340.00	Based on usage tied to copier maintenance agreement.
01-5570-07-01	SPECIAL SERVICES	FINANCE	$ 34,980.00	$ 40,280.00	$ 5,300.00	Based on final allocation invoice from Tarrant County Tax Collector.
01-5101-12-01	SALARIES	COMMUNITY DEVELOPMENT	$ 175,284.00	$ 198,284.00	$ 23,000.00	Based on department reorganization and full-time permit clerk.
01-5705-90-00	TRANSFER OUT-CAP REPLACE FUND	NONDEPARTMENTAL	$ 75,000.00	$ -	$ (75,000.00)	Move budget to correct line item; miscoded upon initial entry.
01-5796-90-00	TRANSFER OUT-CT SECURITY FUND	NONDEPARTMENTAL	$ -	$ 75,000.00	$ 75,000.00	Move budget to correct line item; miscoded upon initial entry.
01-5702-90-00	TRANSFER OUT-DEBT SERVICE FUND	NONDEPARTMENTAL	$ -	$ 88,000.00	$ 88,000.00	Based on transfer required to balance out debt service fund shortage.
		Total	**$ 228,336.00**	**$ 228,336.00**	**$ -**	
WATER/SEWER FUND						
10-5570-01-01	SPECIAL SERVICES	UTILITY BILLING	$ 3,600.00	$ 168,600.00	$ 165,000.00	Based on Global CIS monthly contract fee; did not originally budget.
10-5594-01-01	INTERGOV-ARLINGTON SEWER	UTILITY BILLING	$ 523,152.00	$ 549,152.00	$ 26,000.00	Based on sewer usage.
10-5409-01-02	WASTEWATER SYSTEM MAINTENACE	OPERATIONS	$ 46,000.00	$ 23,000.00	$ (23,000.00)	Balance out amendments.
10-5410-01-02	WATER SYSTEM MAINTENANCE	OPERATIONS	$ 100,000.00	$ 69,000.00	$ (31,000.00)	Balance out amendments.
10-5412-01-02	METERS/BOXES/HYDRANTS	OPERATIONS	$ 47,681.00	$ 32,131.00	$ (15,550.00)	Balance out amendments.
10-5530-01-02	ELECTRIC SERVICES	OPERATIONS	$ 265,000.00	$ 198,000.00	$ (67,000.00)	Balance out amendments.
10-5570-01-02	SPECIAL SERVICES	OPERATIONS	$ 35,042.00	$ 10,042.00	$ (25,000.00)	Balance out amendments.
10-5580-01-02	ENGINEERING SERVICES	OPERATIONS	$ 90,000.00	$ 8,000.00	$ (82,000.00)	Balance out amendments.
10-5820-01-02	BUILDING IMPROVEMENTS	OPERATIONS	$ 16,000.00	$ -	$ (16,000.00)	Balance out amendments.
10-5834-01-02	WATER LINE INSTALLATION	OPERATIONS	$ 25,000.00	$ -	$ (25,000.00)	Balance out amendments.
10-5859-01-02	CDBG SEWER PROJECT	OPERATIONS	$ 50,000.00	$ -	$ (50,000.00)	Balance out amendments.
10-5603-01-03	2007 $4.365M GO RFND-PRINCIPAL	DEBT SERVICE	$ 99,450.00	$ -	$ (99,450.00)	Balance out amendments.
10-5644-01-03	2007 $2.9M CO-PRINCIPAL	DEBT SERVICE	$ 120,000.00	$ -	$ (120,000.00)	Balance out amendments.
10-5635-90-00	DEPRECIATION EXPENSE	NONDEPARTMENTAL	$ -	$ 363,000.00	$ 363,000.00	Based on expenses tied to fixed assets.
		Total	**$ 1,420,925.00**	**$ 1,420,925.00**	**$ -**	
CAPITAL BOND FUND						
13-4410-00-00	MISCELLANEOUS REVENUE	REVENUE	$ -	$ (78,500.00)	$ (78,500.00)	Balance out amendments.
13-5625-03-00	ENGINEERING SERVICES	PENNSYLVANIA AVE/OTHER ROADS	$ -	$ 78,500.00	$ 78,500.00	Based on expenses tied to Sidewalk Grant Project.
		Total	**$ -**	**$ -**	**$ -**	
PARK DEDICATION FUND						
14-4409-01-00	BRICK PAVERS	PAVER REVENUE	$ -	$ (350.00)	$ (350.00)	Balance out amendments.
14-5580-01-00	BRICK PAVERS	PAVER EXPENSES	$ -	$ 350.00	$ 350.00	Based on resident activity.
		Total	**$ -**	**$ -**	**$ -**	
EDC4B FUND						
15-5595-01-00	ADMIN CHARGE-GENERAL FUND	ADMINISTRATION	$ 110,388.00	$ 215,000.00	$ 104,612.00	Due to General Fund reimbursement for FY12-13 (EDC cash position).
15-5800-01-00	LAND	ADMINISTRATION	$ -	$ 48,100.00	$ 48,100.00	Purchase of land for potential hotel lot.
15-5646-01-03	2011 $1.7M TX LEVERAGE-PRI	DEBT SERVICE	$ 54,171.00	$ 46,459.00	$ (7,712.00)	Balance out amendments.
15-5847-03-00	CONSTRUCTION	TOWN CENTER REDEVELOPMENT	$ 30,000.00	$ -	$ (30,000.00)	Balance out amendments.
15-5847-04-00	CONSTRUCTION	TEXAS LEVERAGE PROGRAM	$ 150,000.00	$ 35,000.00	$ (115,000.00)	Balance out amendments.
		Total	**$ 344,559.00**	**$ 344,559.00**	**$ -**	
STREET IMPROVEMENT FUND						
17-5407-12-02	STREET MAINTENANCE	COMMUNITY DEVELOPMENT	$ 222,000.00	$ 414,000.00	$ 192,000.00	Based on Link Street Project; offsetting reimbursement received FY14-15.
17-5404-12-03	PARK MAINTENANCE	COMMUNITY DEVELOPMENT	$ 20,000.00	$ 32,000.00	$ 12,000.00	Based on Link Street Project; offsetting reimbursement received FY14-15.
		Total	**$ 242,000.00**	**$ 446,000.00**	**$ 204,000.00**	
LEOSE FUND						
34-4094-00-00	LEOSE POLICE TRAINING GRANT	REVENUES	$ -	$ (1,800.00)	$ (1,800.00)	Balance out amendments.

APPENDIX A
FY13-14 AMEND #1

CITY OF KENNEDALE (03/16/15)	LINE ITEM	DEPARTMENT		ORIGINAL BUDGET	AMENDED BUDGET	DIFFERENCE	EXPLANATION
34-5515-01-00	TRAINING/SEMINARS-LEOSE	EXPENDITURES		$ -	$ 1,800.00	$ 1,800.00	
			Total	**$ -**	**$ -**	**$ -**	
WATER IMPACT FUND							
61-4201-00-00	IMPACT FEES	REVENUES		$ (58,000.00)	$ (181,100.00)	$ (123,100.00)	Balance out amendments.
61-5710-00-00	TRANSFER OUT-W/S FUND	EXPENDITURES		$ 58,030.00	$ 181,130.00	$ 123,100.00	Increased income enabled fund to pay more towards water fund debt.
			Total	**$ 30.00**	**$ 30.00**	**$ -**	
SEWER IMPACT FUND							
62-4201-00-00	IMPACT FEES	REVENUES		$ (3,340.00)	$ (29,340.00)	$ (26,000.00)	Balance out amendments.
62-5710-00-00	TRANSFER OUT-W/S FUND	EXPENDITURES		$ 3,340.00	$ 29,340.00	$ 26,000.00	Increased income enabled fund to pay more towards water fund debt.
TREE REFORESTATION FUND							
83-5570-01-00	SPECIAL SERVICES	EXPENDITURES		$ 2,000.00	$ 3,450.00	$ 1,450.00	Based on planting of 500 live oak trees.

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Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: REGULAR ITEMS - B.

I. Subject:
Discuss and consider action for approval of Independent Auditor's Report for year ended September 30, 2014

II. Originated by:
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The auditor's opinion on the financial statements for the year ended September 30, 2014 is that the statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely-presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2014. The statements also present the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for major fund-types, thus demonstrating the City of Kennedale's end of year financial report is in conformity with the Generally Accepted Accounting Principles (GAAP) as provided by the Governmental Accounting Standard Boards (GASB) of America.

Our auditors will be present to review their findings with the Board, as well as provide bound copies of the report.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

Staff recommends Council accept the Independent Auditor's Report as presented by Patillo, Brown, & Hill, LLP.

VIII. Attachments:

1.	FY13-14 City Draft Audit	2014 Draft City Audit.pdf

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KENNEDALE, TEXAS

YEAR ENDED
SEPTEMBER 30, 2014

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF KENNEDALE, TEXAS

YEAR ENDED SEPTEMBER 30, 2014

Prepared By: Department of Finance

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INTRODUCTORY SECTION

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March 13, 2015

Honorable Mayor and City Council,
Citizens of Kennedale:

The City of Kennedale (the "City") Financial Management Policies requires that the City's Finance Department prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Comprehensive Annual Financial Report for the City of Kennedale, Texas for the fiscal year ended September 30, 2014, is hereby issued.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making representations, the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather that absolute, assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Pattillo, Brown and Hill LLP, Independent Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2014, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

The City of Kennedale was incorporated in 1947. The City of Kennedale is located at the apex of the southeast corner of Fort Worth and the southwest border of Arlington in south Tarrant County. The City currently occupies a land area of 6.2 square miles and serves a population of 7,740. The City is empowered to levy property tax on both real and business personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically, when deemed appropriate by the city council.

The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Councilmembers. The term of office is two years with the terms of the Mayor and two of the Councilmembers' terms expiring in even-numbered years and the other terms of the three Councilmembers expiring in odd-numbered years. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Secretary, and Municipal Judges. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the executive directors, and heads of departments, and the performance of functions within the municipal organization.

The City of Kennedale provides a full range of services including police, fire, emergency ambulance service, municipal court, library, parks, recreation, water, wastewater, solid waste collection and disposal, streets, storm water drainage, community development (planning and zoning), public improvements, and general administrative services.

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

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Kennedale operates.

Local Economy. After an election in July of 1947, the Town of Kennedale was incorporated with a population of 300 people. By 1950, the population had increased to 500 residents and a petition to the State of Texas was approved which changed the Township into a recognized City.

Kennedale is becoming one of Tarrant County's fastest growing cities. Fronted by the major highways of I-20 and 287, the City provides an excellent location for major retail and professional businesses. This transportation corridor provides quick and easy access to the Dallas/Fort Worth Intercontinental Airport, downtown Fort Worth just 15 minutes to the west, and downtown Dallas just 20-25 minutes to the east. Furthermore, the City of Kennedale is within just a short drive to major entertainment venues including, but not limited to, Six Flags over Texas, Hurricane Harbor, Texas Motor Speedway, the Ballpark at Arlington, home of the Texas Rangers baseball team, and Cowboy Stadium, home of the Dallas Cowboys football team.

Kennedale has experienced steady population growth in the last decade. Beautiful Village Creek slowly winds through the City and provides a tranquil feeling throughout the community. Current and future subdivisions are designed on oversized lots, which result in spacious residential areas that compliment the coveted rural setting.

Currently, the City is 6.2 square miles with the vast majority of this land undeveloped. This allows for selective locations for the incoming developments and pulls the citizen away from the crowds and traffic congestion of a major metropolitan city. As the economy continues to grow and expand into North Texas, Kennedale will be the leading choice for businesses and families alike.

The Kennedale Economic Development Corporation (KEDC) was formed in 1996 to spearhead the economic growth of the City. The KEDC is funded by a voter approved, half cent sales tax, which is used to offer grants and other economic incentives to existing and new businesses. The KEDC is pursuing a four-pronged approach to economic development: land assembly and clearing for resell, manufacturing expansion, retail development and quality of life improvements. The redevelopment of the north entry into Kennedale (Oak Crest area) is in progress. A master plan has been adopted. Link Street to Kennedale Parkway was opened in late 2014. The improved access has led to the development of a Popeye's and Burger King due to open in December 2014 and January 2015 respectively. Other retail sites have been secured and are ready for development. The KEDC is also working with property owners in the area to develop their land.

Accounting System and Budgetary Control. The City's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities incurred. Accounting records for the City's utilities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation for the City of Kennedale's financial planning and control. All agencies of the City of Kennedale are required to submit requests for appropriation to the City Manager on or before June of each year. These requests are used to develop a proposed budget. The proposed budget is then presented to the City Council for review on or before August. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Kennedale's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Transfer of appropriations within a department and within funds may be made with approval from the City Manager. Transfers between funds or additional appropriation require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Long-Term Financial Planning.

CURRENT YEAR PROJECTS

The City of Kennedale leveraged its resources by working with Tarrant County to enhance its transportation network. The road projects are funded by the City purchasing road material, and the Tarrant County Precinct 2 road crews building the roadways. This approach allowed the city to construct a new section of Link Street so that it connects with Kennedale Parkway. Opening Link Street will enhance the opportunity for economic development at the north entry to Kennedale (Oak Crest area).

Economic development continues to be a primary focus within Kennedale. Improving the north entrance (Oak Crest area) of Kennedale is an ongoing priority. Quick Trip has opened its new store following the closure of the sexually oriented businesses. Opening the Oak Crest area will enable the KEDC to recruit a hotel, restaurants, and office warehouse businesses. Two fast food restaurants (Popeye's and Burger King) will open in December 21014 and January 2015 respectively.

An important element of the City's strategic plan – *Imagine Kennedale 2015* was to close the racetracks and convert the property to residential use. The City began that process with an update of the Comprehensive Land Use Plan. The City created a Tax Increment Reinvestment Zone (TIRZ) to fund off-site infrastructure improvements, namely the extension of water and sewer service, reconstruction of New Hope Road, and the addition of hike and bike trails along the tributary of Village Creek. TIRZ participation agreements with Tarrant County, Tarrant College District, and the Tarrant County Health District were completed in 2013. The City has a development agreement to convert the property following the 2016 racing season. A water and sewer study to plan for the extension of the utility services is complete.

Staff completed implementation of a combined dispatch center and jail with Mansfield, and water billing changes through an AMI system.

FUTURE PROJECTS

Council, Board, and staff activities are guided by the City's strategic plan – *Imagine Kennedale 2015* – and the newly adopted Comprehensive Land Use Plan. These plans call for the creation of residential areas on the southwest portion of Kennedale. The TIRZ, noted earlier, will guide this effort. Redevelopment of Oak Crest will be a long-term effort, and it too is underway. Restoration of Village Creek as a park and water quality feature will consume staff time and resources for many years to come. Village Creek will require the assistance of the City of Arlington, the Corps of Engineers, the Trinity River Authority (TRA), the Tarrant Regional Water District, the University of Texas at Arlington (UTA), the Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), and the Texas Water Development Board (TWDB). A Section 205 Flood Control study by the US Army Corps of Engineers will begin in early 2015. Water quality testing will also begin in 2015 through UTA with guidance from TRA.

Beyond physical improvements in Kennedale, there will continue to be a focus on operational efficiencies and strategic planning. The city council adopted the Policy Governance model espoused by Dr. John Carver. The governance model is enhanced with the focus on staff development following the management philosophy of the Requisite Organization, the Competing Values Framework, and the Ethical Climate Dimensions model.

Efforts will begin as the city council updates the City's strategic plan to 2020 or beyond. The initial phase will include the development of an Asset Management Plan with assistance from UTA and the Public Sector Digest, and a citizen opinion survey (administered by UTA).

RELEVANT FINANCIAL POLICIES

The City continues to budget cautiously in regards to anticipated revenues due to the economy. The City was able to budget its revenue within a small variance and maintain responsibility in its expenditures resulting in a better than anticipated increase in fund balance in the General Fund. However, the City will continue on with its current plans and has continued to monitor its budget responsibly.

AWARDS AND ACKNOWLEDGEMENTS

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kennedale for its CAFR for the fiscal year ended September 30, 2013. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditors. We would like to express our sincere appreciation to those persons who have made possible the publication of this report. We would also like to thank the mayor and the members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

Bob Hart

Bob Hart
City Manager

Sakura M. Dedrick

Sakura Moten-Dedrick
Director of Finance & IT

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kennedale

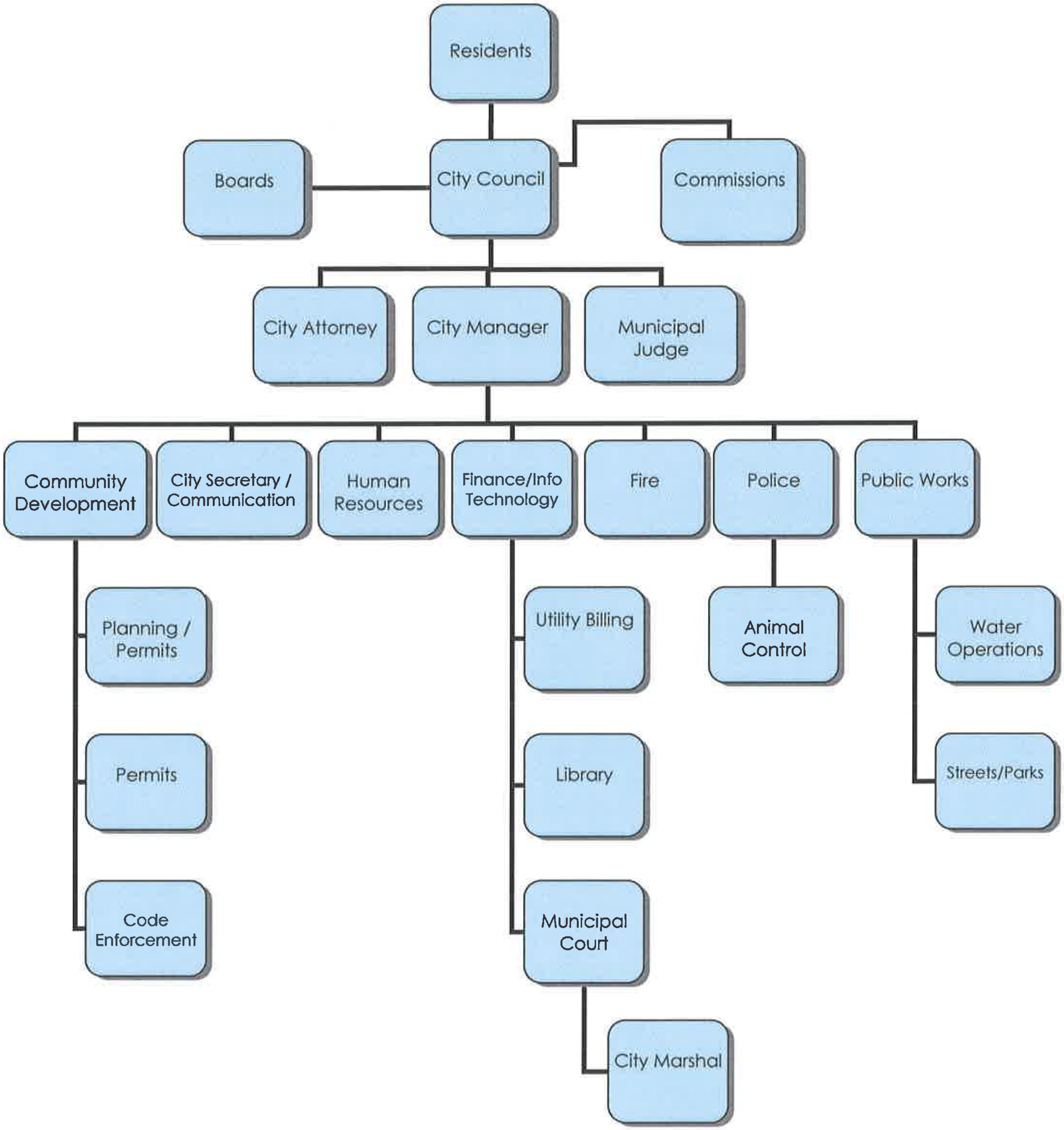
Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

CITY ORGANIZATIONAL CHART



"EXEMPLIFYING EXCELLENCE"

KENNEDALE CITY COUNCILMEMBER LISTING

ELECTED OFFICIALS

Mayor	Brian Johnson
Council Member Place 1	Charles Overstreet
Council Member Place 2	Liz Carrington
Council Member Place 3/Mayor Pro Tem	Mike Walker
Council Member Place 4	Kelly Turner
Council Member Place 5	Frank Fernandez

APPOINTED & KEY OFFICIALS

City Manager	Bob Hart
City Secretary/Communications Coordinator	Vacant (City Secretary/Communications)
City Attorney	Taylor, Olson Adkins, Sralla & Elam, LLP
Director of Finance & IT	Sakura Moten-Dedrick
Human Resources Director	Kelly Cooper
Police Chief	Tommy Williams
Fire Chief	Mike Mcmurray
Director Of Public Works	Larry Ledbetter
Director of Development Services	James Cowey
Director of Planning	Rachel Roberts

ECONOMIC DEVELOPMENT CORPORATION OFFICIALS

Director Place 1	Michael Johnson
Director Place 2	Pat Turner
Director Place 3	Ronald Whitley
Director Place 4 - President	Robert Mundy
Director Place 5	Adrienne Kay
Director Place 6	Jon Mark Yeary
Director Place 7	Rebecca Mowell

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor,
City Council and City Manager
City of Kennedale, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Kennedale, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Kennedale's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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AICPA
Governmental Audit Quality Center

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kennedale, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the Financial Statements, in 2014 the City adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion in not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of finding progress and budgetary comparison information on pages 4 through 11 and 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kennedale's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2015, on our consideration of the City of Kennedale's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Kennedale's internal control over financial reporting and compliance.

March 13, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Kennedale, Texas, we offer readers of the City of Kennedale financial statements, this narrative overview, and analysis of the financial activities of the City of Kennedale for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Kennedale exceeded its liabilities at the close of the most recent fiscal year by $34,112,664. Of this amount, $2,384,417 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- The City of Kennedale's net position increased by $715,022. This increase is due to an increase in charges for services, property taxes and other taxes, as well as decreased general government expenses. These changes were offset by decreased operating and capital grants and contributions and increased public safety and public works expenses.

- As of the close of the current fiscal year, the City of Kennedale's governmental funds reported combined ending fund balances of $1,589,974, an increase of $396,634 in comparison with the prior year. Approximately, 75.07% of this amount, $1,193,553 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $1,193,553 or 18.30% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City of Kennedale, Texas' basic financial statements. City of Kennedale's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Kennedale's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Kennedale's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Kennedale is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the full accrual basis of accounting.

In the Statement of Net Position and the Statement of Activities, the primary government is divided into two kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including administrative, police, fire, municipal court, community development, public works, parks, senior citizen center and library. Property taxes, sales taxes, franchise fees, license and permit fees finance most of these activities.

- **Business-type activities** – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and wastewater system and solid waste system are reported here.

The government-wide financial statements include not only the City of Kennedale itself (known as the primary government), but also a legally separate economic development corporation. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. City of Kennedale, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Kennedale can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Kennedale maintains 10 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and Capital Bond Fund, which are considered to be major funds. Data from the other 7 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Kennedale adopts an annual appropriated budget for its General Fund and Debt Service Fund. Budgetary comparison statements have been provided for the General Fund and the Debt Service Fund to demonstrate compliance with the budget.

Proprietary funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. There is one type of proprietary fund: Enterprise Fund. The City's Enterprise Fund is identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The City of Kennedale maintains one individual Enterprise Fund to account for its water and wastewater, and solid waste. This fund is considered to be a major fund of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the financial section.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a government's financial position. In the case of the City of Kennedale, assets exceeded liabilities by $34,112,664 at the close of the most recent fiscal year. By far the largest portion of the City's net position ($31,347,625 or 91.89%) reflects its investment in capital assets (e.g. land, building, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF KENNEDALE'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	Activities 2014	Activities 2013	Activities 2014	Activities 2013	2014	2013
Current and other assets	$ 2,275,619	$ 2,137,748	$ 2,175,513	$ 2,063,848	$ 4,451,132	$ 4,201,596
Capital assets	33,514,346	34,257,748	15,192,718	15,279,210	48,707,064	49,536,958
Total assets	35,789,965	36,395,496	17,368,231	17,343,058	53,158,196	53,738,554
Long-term liabilities	12,946,912	13,794,218	4,854,793	5,168,044	17,801,705	18,962,262
Other liabilities	624,538	658,241	619,289	608,738	1,243,827	1,266,979
Total liabilities	13,571,450	14,452,459	5,474,082	5,776,782	19,045,532	20,229,241
Net Position:						
Net investment in Capital Assets	20,904,287	21,100,450	10,443,338	10,217,885	31,347,625	31,318,335
Restricted	380,622	227,181	-	-	380,622	227,181
Unrestricted	933,606	615,406	1,450,811	1,348,391	2,384,417	1,963,797
Total net position	$ 22,218,515	$ 21,943,037	$ 11,894,149	$ 11,566,276	$ 34,112,664	$ 33,509,313

An additional portion of the City of Kennedale's net position ($380,622 or 1.12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($2,384,417 or 6.99%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

During the current fiscal year, the City's net position increased by $715,022. This increase represents the degree to which increases in ongoing revenues have outstripped similar increases in ongoing expenses. This increase follows a prior year decrease of $80,799 due to increases in charges for services, property taxes and other taxes as well as decreased general government expenses and interest on long-term debt.

CITY OF KENNEDALE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 1,660,099	$ 1,198,209	$ 3,775,546	$ 3,138,201	$ 5,435,645	$ 4,336,410
Operating grants and contributions	47,119	135,520	-	-	47,119	135,520
Capital grants and contributions	115,058	453,020	-	-	115,058	453,020
General revenues:						
Property taxes	4,143,977	3,951,116	-	-	4,143,977	3,951,116
Other taxes	1,965,297	1,826,608	-	-	1,965,297	1,826,608
Other revenues	509,676	426,792	218	535	509,894	427,327
Total revenues	8,441,226	7,991,265	3,775,764	3,138,736	12,216,990	11,130,001
Expenses:						
General government	1,242,021	1,338,046	-	-	1,242,021	1,338,046
Public safety	4,274,108	4,216,559	-	-	4,274,108	4,216,559
Public works	1,476,670	1,338,143	-	-	1,476,670	1,338,143
Culture and recreation	358,226	358,251	-	-	358,226	358,251
Interest on long-term debt	510,355	558,639	-	-	510,355	558,639
Water and wastewater	-	-	3,640,588	3,401,162	3,640,588	3,401,162
Total expenses	7,861,380	7,809,638	3,640,588	3,401,162	11,501,968	11,210,800
Change in Net Position	579,846	181,627	135,176	(262,426)	715,022	(80,799)
Net position beginning	21,943,037	21,801,713	11,566,276	11,828,702	33,509,313	33,630,415
Prior period adjustment	(304,368)	(40,303)	192,697	-	(111,671)	(40,303)
Net position, ending	$ 22,218,515	$ 21,943,037	$ 11,894,149	$ 11,566,276	$ 34,112,664	$ 33,509,313

Governmental activities. Governmental activities net position increased by $579,846. The increase is more than the prior year increase of $181,627 due primarily to an increase in charges for services, property taxes and other taxes and decreased general government expenses. These changes were offset by decreased operating and capital grants and contributions as well as increased public safety and public works expenses.

Business-type activities. Business-type activities net position increased by $135,176. Gross revenue of the Water and Sewer Fund was $3,775,764 for the fiscal year, which is $637,028 more than the 2012-2013 fiscal year gross revenue, $3,138,736. This increase is a result of an increase in charges for services. Direct operating expenses, excluding depreciation, were $2,960,030 for the fiscal year. Direct operating expenses are $233,824 more than 2012-2013 fiscal year direct operating expenses, $2,726,206, due to increased costs of sales and services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $1,589,974. $40,633 of this total is nonspendable to indicate the amount cannot be spent and $355,788 is restricted to indicate constraints placed on the use of the resources either externally imposed by creditors, by laws or regulations of other governments imposed or imposed by law through constitutional provisions or enabling legislation. The remaining balance of $1,193,553 constitutes unassigned fund balance.

Of the $1,589,974 ending fund balance, $315,816 is accounted for in non-major governmental funds. The General Fund balance is $1,234,186 at year end – an increase of $250,192. This increase was created primarily by a combination of increased property taxes, sales taxes, licenses and permits and charges for services, as well as decreased general government and capital outlay expenditures. These are offset by increases in public safety and public works expenditures.

In the General Fund, the City budgeted for a decrease of fund balance in the amount of $306,293. The fund balance in the General Fund increased by $250,192, or 25.43% during the current fiscal year. Significant revenue and expenditure increases and decreases were in the following areas:

- Sales taxes
- Licenses and permits
- Intergovernmental revenues
- Charges for services
- Public works
- Capital outlay

The Debt Service Fund balance decreased $20,980 to $2,849 at year end. This decrease is primarily the result of decreased transfers in from other funds. The Capital Bond Fund balance increased $36,990 to a year-end total of $37,123. This increase is caused by miscellaneous revenues greater than capital outlay expenditures related to engineering costs for projects.

Proprietary funds – The City of Kennedale's proprietary funds provide the same type of information found in government-wide financial statements, but in more detail.

Year-end net position in the water and wastewater fund amounted to $11,894,149. This is an increase of $135,176 from last year. See the business-type activity discussion above for more information.

General Fund budgetary highlights. The actual expenditures for the year were $6,523,102, which was $175,635 under budget.

For FY 2013-2014, the actual revenues were $6,856,568 as compared to the budgeted amount of $6,555,450. Contributing to the variance was lower than anticipated property tax revenue ($107,785 less than the budget), and fines and forfeitures ($37,878 less than the budget). Also contributing to the variance was higher than anticipated revenues from sales tax revenue ($57,683 higher than the budget), licenses and permits ($96,778 higher than the budget), charges for services ($88,152 higher than the budget) and other revenue ($133,209 higher than the budget).

With revenues exceeding expectation and expenditures below appropriations, the fund balance in the General Fund increased by $250,192, which was $556,485 higher than the final budgeted decrease.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The investment in capital assets for its governmental and business type activities as of September 30, 2014, amounts to $49,536,958 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, infrastructure, construction work in progress, and water and sewer systems. Approximately 69.16% of the capital assets are governmental and 30.84% are business type activities.

CITY OF KENNEDALE'S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	$ 3,988,595	$ 3,988,595	$ 233,452	$ 233,452	$ 4,222,047	$ 4,222,047
Buildings and improvements	4,968,901	4,959,866	5,253,412	5,169,849	10,222,313	10,129,715
Machinery and equipment	3,538,567	3,538,567	807,360	777,534	4,345,927	4,316,101
Infrastructure/water and wastewater distribution	35,036,791	25,891,576	13,682,836	13,673,351	48,719,627	39,564,927
Construction in progress	487,550	9,145,215	2,104,481	1,826,786	2,592,031	10,972,001
Less accumulated depreciation	(14,506,058)	(13,266,071)	(6,888,823)	(6,401,762)	(21,394,881)	(19,667,833)
Total capital assets, net	$ 33,514,346	$ 34,257,748	$ 15,192,718	$ 15,279,210	$ 48,707,064	$ 49,536,958

Major capital asset events during the current fiscal year included the following:

Governmental activities building improvements	$ 9,035
Governmental activities construction in progress	487,550
Governmental activities completed infrastructure additions	9,145,215
Business-type activities equipment purchase	29,826
Business-type activities improvements	9,485
Business-type activities building improvements	83,563
Business-type activities construction in progress	277,695

Additional information on the capital assets can be found in Note 3 on pages 33-34 of this report.

Long-term debt. At year-end, the City had total bonded debt and capital lease payable obligations of $17,269,599. Of this amount, $15,500,000 represents bonded debt backed by the full faith and credit of the City. The City's capitalized lease obligation of $1,769,599 pertains to the purchase of a fire truck, street equipment, utility vehicles and equipment and new water lines and meters.

OUTSTANDING DEBT AT YEAR-END
BONDS, CAPITAL LEASE AND LOAN PAYABLE

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Certificates of obligation bonds	$ 12,308,125	$ 13,068,675	$ 3,191,875	$ 3,411,325	$ 15,500,000	$ 16,480,000
Capital leases	140,436	221,065	1,629,163	1,721,658	1,769,599	1,942,723
Total	$ 12,448,561	$ 13,289,740	$ 4,821,038	$ 5,132,983	$ 17,269,599	$ 18,422,723

The City's certificates of obligation bonds continue to carry Baa1 from Moody's Investor Services.

Additional information on the long-term debt can be found in Note 3 on pages 35-37 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council approved a tax rate of $0.747500 per $100 assessed valuation for the new fiscal year. The budget was conservatively prepared in anticipation of a continued economic downturn. The fund balance for the General Fund is expected to increase slightly in fiscal year 2014-2015.

During the current year, the General Fund fund balance increased by $250,192, to $1,234,186. This increase was more than the anticipated decrease of $306,293 that was budgeted for fiscal year 2013-2014.

The Budget approach is based on six components:

1. Improve transparency for residents.

   Financial data and other pertinent documents have been added to the website. The city will maintain its gold level rating for transparency from the Texas State Comptroller's Office.

2. Governance.

   The City Council and staff will continue to focus on governance policies, and the involvement of Advisory Boards. A board handbook was completed. The City Council interviewed advisory board applicants against each Board's responsibilities and charge. The advisory board's discussions and exploration of issues are much improved. Board direction and feedback will continue in the future.

3. Encourage economic development.

   The City and the Kennedale Economic Development Corporation (KEDC) are working together on the redevelopment of the Oak Crest area. This development will improve north entry to the community and will be complimentary of the planned development of Village Creek Park. The

County constructed Link Street in order to open the area for access and development. The KEDC sold two lots for fast food restaurants: a Popeye's opened in mid-December and the Burger King opened in early January. The KEDC is also negotiating with a potential hotel developer to locate in the Oak Crest Area. Phase I of the Kennedale TownCenter is complete. Phase II is not expected to begin until additional residential housing is underway to support the TownCenter. Village Creek Park is moving into the initial phase with a Section 205 Flood Control Study by the US Army Corps of Engineers (authorized in the FY 15 federal budget). The Flood Control Study is expected to take 18 months to complete.

4. Residential development.

   The city is working with developers for the establishment of four subdivisions. These include The Vineyard (117 homes), Beacon Hill, phase II (48 homes), Hilltop (28 homes) and Falcon Crest (8 homes). Beacon Hill, The Vineyards and Falcon Crest are under construction. The City created a Tax Increment Reinvestment Zone (TIRZ) with support from Tarrant County, Tarrant County College District, and the Tarrant County Health District. The TIRZ will provide for an orderly closing of the race tracks and conversion of the property to residential development by early 2016. The anticipated initial phase will have 183 home sites.

5. Planning.

   The City will update the development and zoning codes and regulations to guide the physical development of the City consistent with the recently adopted Comprehensive Land Use Plan. This process will take 18 months to complete and require the active involvement of the Planning and Zoning Commission, KEDC, Parks and Recreation Board, Zoning Board of Adjustment, City Council, and interested residents. The City will also prepare an Asset Management Plan during the year. The City completed a water and sewer master plan during the past year. The study identified required system improvements and provided the data for the Capital Improvements Plan (CIP). The city installed an Automatic Metering Infrastructure (AMI) system with a customer support component. Analysis and testing of the rate structure vis-à-vis consumption patterns are in the early stages with the objective for the AMI system to provide the backbone of the city's water conservation program.

6. Organizational development.

   The quality delivery of services is of foremost importance. The City will continue staff development following the Requisite Organization principles, the Competing Values Framework, and the Ethical Climate Dimensions. Texas Wesleyan University completed an analysis of the city staff based on the Competing Values Framework and the Ethical Climate Dimensions in late December. This analysis will be the basis for further staff training.

The cumulative effect of these efforts is intended to generate a stronger investment image in the region.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Kennedale's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Kennedale, 405 Municipal Dr., Kennedale, Texas 76060.

BASIC
FINANCIAL STATEMENTS

CITY OF KENNEDALE, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
ASSETS				
Cash and investments	$ 1,777,432	$ 1,582,562	$ 3,359,994	$ 336,568
Receivables (net of allowances for uncollectibles)				
Taxes	296,924	-	296,924	55,464
Accounts	160,630	516,706	677,336	2,312
Inventories	-	76,245	76,245	-
Other assets	40,633	-	40,633	-
Capital assets:				
Land	3,988,595	233,452	4,222,047	1,340,853
Buildings and improvements	4,968,901	5,253,412	10,222,313	5,697,832
Machinery and equipment	3,538,567	807,360	4,345,927	-
Infrastructure/water and wastewater distribution	35,036,791	13,682,836	48,719,627	-
Construction in progress	487,550	2,104,481	2,592,031	171,641
Less: accumulated depreciation	(14,506,058)	(6,888,823)	(21,394,881)	(879,845)
Total capital assets	33,514,346	15,192,718	48,707,064	6,330,481
Total assets	35,789,965	17,368,231	53,158,196	6,724,825
LIABILITIES				
Accounts payable	226,013	316,850	542,863	3,355
Accrued liabilities	284,940	20,457	305,397	-
Due to other governments	24,391	-	24,391	-
Accrued interest payable	89,194	65,496	154,690	-
Customer deposits	-	216,486	216,486	14,899
Noncurrent liabilities:				
Due within one year	911,743	323,035	1,234,778	87,147
Due in more than one year	12,035,169	4,531,758	16,566,927	1,398,590
Total liabilities	13,571,450	5,474,082	19,045,532	1,503,991
NET POSITION				
Net investment in capital assets	20,904,287	10,443,338	31,347,625	4,844,744
Restricted for:				
Debt service	27,683	-	27,683	-
Capital improvements	341,663	-	341,663	-
Economic development	-	-	-	376,090
Other purposes	11,276	-	11,276	-
Unrestricted	933,606	1,450,811	2,384,417	-
Total net position	$ 22,218,515	$ 11,894,149	$ 34,112,664	$ 5,220,834

The notes to the financial statements are an integral part of this statement.

CITY OF KENNEDALE, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 1,242,021	$ 975,684	$ -	$ -
Public safety	4,274,108	567,835	45,705	-
Public works	1,476,670	115,110	-	115,058
Culture and recreation	358,226	1,470	1,414	-
Interest on long-term debt	510,355	-	-	-
Total governmental activities	7,861,380	1,660,099	47,119	115,058
Business-type activities:				
Water/Wastewater	3,640,588	3,775,546	-	-
Total business-type activities	3,640,588	3,775,546	-	-
Total primary government	$ 11,501,968	$ 5,435,645	$ 47,119	$ 115,058
Component Unit:				
Kennedale Economic Development Corporation	$ 866,382	$ 149,950	$ -	$ -

General revenues:
Taxes:
Property - general purposes
Property - debt service
Sales
Franchise
Investment earnings
Miscellaneous
Total general revenues
Change in net position

Net position, beginning

Prior period adjustment

Net position, ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Economic Development Corporation
$(266,337)	$ -	$(266,337)	$ -
(3,660,568)	-	(3,660,568)	-
(1,246,502)	-	(1,246,502)	-
(355,342)	-	(355,342)	-
(510,355)	-	(510,355)	-
(6,039,104)	-	(6,039,104)	-
-	134,958	134,958	-
-	134,958	134,958	-
$(6,039,104)	$ 134,958	$(5,904,146)	$ -
-	-	-	(716,432)
3,108,242	-	3,108,242	-
1,035,735	-	1,035,735	-
1,093,946	-	1,093,946	377,959
871,351	-	871,351	-
389	218	607	49
509,287	-	509,287	601,337
6,618,950	218	6,619,168	979,345
579,846	135,176	715,022	262,913
21,943,037	11,566,276	33,509,313	4,980,558
(304,368)	192,697	(111,671)	(22,637)
$ 22,218,515	$ 11,894,149	$ 34,112,664	$ 5,220,834

CITY OF KENNEDALE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	General	Debt Service	Capital Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 1,424,343	$ -	$ 37,273	$ 315,816	$ 1,777,432
Receivables (net of allowance for uncollectibles)					
Taxes	269,241	27,683	-	-	296,924
Accounts	153,145	-	-	7,485	160,630
Due from other funds	7,485	-	-	-	7,485
Prepaid items	40,633	-	-	-	40,633
Total assets	$ 1,894,847	$ 27,683	$ 37,273	$ 323,301	2,283,104
LIABILITIES					
Accounts payable	$ 225,863	$ -	$ 150	$ -	226,013
Accrued liabilities	284,940	-	-	-	284,940
Due to other governments	24,391	-	-	-	24,391
Due to other funds	-	-	-	7,485	7,485
Total liabilities	535,194	-	150	7,485	542,829
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	74,375	24,834	-	-	99,209
Unavailable revenue - ambulance	51,092	-	-	-	51,092
Total deferred inflows of resources	125,467	24,834	-	-	150,301
FUND BALANCES					
Nonspendable:					
Prepaid items	40,633	-	-	-	40,633
Restricted for:					
Debt service	-	2,849	-	-	2,849
Public safety	-	-	-	10,164	10,164
Economic development	-	-	-	1,112	1,112
Capital projects	-	-	37,123	304,540	341,663
Unassigned	1,193,553	-	-	-	1,193,553
Total fund balances	1,234,186	2,849	37,123	315,816	1,589,974
Total liabilites, deferred inflows of resources and fund balances	$ 1,894,847	$ 27,683	$ 37,273	$ 323,301	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					33,514,346
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.					150,301
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(13,036,106)
Net position of governmental activities					$ 22,218,515

The notes to the financial statements are an integral part of this statement.

CITY OF KENNEDALE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General	Debt Service	Capital Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	$ 3,091,746	$ 1,029,531	$ -	$ -	$ 4,121,277
Sales	1,093,946	-	-	-	1,093,946
Franchise fees	871,351	-	-	-	871,351
Licenses and permits	362,337	-	-	115,110	477,447
Fines and forfeitures	272,943	-	-	1,470	274,413
Public safety fees	243,002	-	-	-	243,002
Intergovernmental	45,311	-	-	2,920	48,231
Charges for services	614,145	-	-	-	614,145
Investment earnings	328	16	2	43	389
Contributions	-	-	-	2,314	2,314
Other	261,459	155,119	115,058	89,283	620,919
Total revenues	6,856,568	1,184,666	115,060	211,140	8,367,434
EXPENDITURES					
Current:					
General government	1,126,632	-	-	-	1,126,632
Public safety	4,050,516	-	-	1,800	4,052,316
Public works	1,051,794	-	-	-	1,051,794
Culture and recreation	271,752	-	-	350	272,102
Capital outlay	22,408	-	78,070	-	100,478
Debt service:					
Principal	-	841,178	-	-	841,178
Interest and fiscal charges	-	526,300	-	-	526,300
Total expenditures	6,523,102	1,367,478	78,070	2,150	7,970,800
EXCESS OF REVENUES OVER EXPENDITURES	333,466	(182,812)	36,990	208,990	396,634
OTHER FINANCING SOURCES (USES)					
Transfers in	-	161,832	-	-	161,832
Transfers out	(83,274)	-	-	(78,558)	(161,832)
Total other financing sources and (uses)	(83,274)	161,832	-	(78,558)	-
NET CHANGE IN FUND BALANCES	250,192	(20,980)	36,990	130,432	396,634
FUND BALANCES, BEGINNING	983,994	23,829	133	185,384	1,193,340
FUND BALANCES, ENDING	$ 1,234,186	$ 2,849	$ 37,123	$ 315,816	$ 1,589,974

The notes to the financial statements are an integral part of this statement.

CITY OF KENNEDALE, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the Statement of Activities (pages 12 - 13) are different because:	
Net change in fund balances - total governmental funds (page 15)	$ 396,634
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(743,402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	73,792
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	11,643
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	841,179
Change in net position of governmental activities (pages 12 -13)	$ 579,846

The notes to the financial statements are an integral part of this statement.

CITY OF KENNEDALE, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2014

	Business-type Activities- Enterprise Fund Water and Wastewater
ASSETS	
Current assets:	
Cash and investments	$ 1,582,562
Accounts receivable - net of allowances for uncollectibles	516,706
Inventories	76,245
Total current assets	2,175,513
Noncurrent assets:	
Capital assets:	
Land	233,452
Buildings and improvements	5,253,412
Equipment	807,360
Water and wastewater distribution	13,682,836
Construction in progress	2,104,481
Less: accumulated depreciation	(6,888,823)
Total capital assets	15,192,718
Total noncurrent assets	15,192,718
Total assets	17,368,231
LIABILITIES	
Current liabilities:	
Accounts payable	316,850
Accrued liabilities	20,457
Accrued interest	65,496
Customer deposits	216,486
Compensated absences	6,751
Capital leases payable	89,921
Certificates of obligation	226,363
Total current liabilities	942,324
Long-term liabilities:	
Compensated absences	27,004
Capital leases payable	1,539,242
Certificates of obligation	2,965,512
Total long-term liabilities	4,531,758
Total liabilities	5,474,082
NET POSITION	
Net investment in capital assets	10,443,338
Unrestricted	1,450,811
Total net position	$ 11,894,149

The notes to the financial statements are an integral part of this statement.

CITY OF KENNEDALE, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-type Activities- Enterprise Fund Water and Wastewater
OPERATING REVENUES	
Water sales	$ 1,846,930
Wastewater charges	1,222,892
Tap and collection fees	420,074
Other service charges	239,976
Miscellaneous income	45,674
Total operating revenues	3,775,546
OPERATING EXPENSES	
Cost of sales and services	1,606,604
Administration	1,353,426
Depreciation	487,061
Total operating expenses	3,447,091
OPERATING INCOME	328,455
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	218
Interest and fiscal charges on debt	(193,497)
Total nonoperating revenues (expenses)	(193,279)
Income before transfers	135,176
Transfers in	210,200
Transfers out	(210,200)
CHANGE IN NET POSITION	135,176
TOTAL NET POSITION, BEGINNING	11,566,276
PRIOR PERIOD ADJUSTMENT	192,697
TOTAL NET POSITION, ENDING	$ 11,894,149

The notes to the financial statements are an integral part of this statement.

CITY OF KENNEDALE, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Business-type Activities- Enterprise Fund Water and Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 4,014,710
Cash payments to employees for services	(1,355,690)
Cash payments to suppliers for goods and services	(1,607,407)
Cash provided by operating activities	1,051,613
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Loans repaid by other governments	607,000
Transfers from other funds	210,200
Transfers to other funds	(210,200)
Cash used for noncapital financing activities	607,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal repayments on debt	(311,945)
Interest and fiscal charges on debt	(194,251)
(Acquisition) disposal of capital assets	(400,569)
Cash used for capital and related financing activities	(906,765)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	218
Cash provided by investing activities	218
NET INCREASE IN CASH AND CASH EQUIVALENTS	752,066
CASH AND CASH EQUIVALENTS, BEGINNING	830,496
CASH AND CASH EQUIVALENTS, ENDING	$ 1,582,562
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 328,455
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	487,061
Change in assets and liabilities:	
Decrease (increase) in accounts receivable	239,164
Decrease (increase) in inventories	(13,066)
Increase (decrease) in accounts payable	9,571
Increase (decrease) in accrued liabilities	(958)
Increase (decrease) in customer deposits	2,692
Increase (decrease) in compensated absences	(1,306)
Total adjustments	723,158
Net cash provided by operating activities	$ 1,051,613

The accompanying notes are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Kennedale, Texas (the "City") was incorporated in 1947. The City operates as a home-rule City under a council-manager form of government and provides the following services as authorized by its charter: police, fire, planning, zoning and code enforcement, public works, streets, parks and recreation, public library, ambulance, water and sewer utilities and general administrative services. Sanitation collection services are provided through a private contractor.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies:

A. Reporting Entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the Town's operations and are appropriately presented as funds of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the Town.

***Discretely Presented Component Unit*:** The Kennedale Economic Development Corporation ("KEDC"). KEDC is a legally separate entity incorporated on December 2, 1996. The Corporation's purpose is to promote economic development within the City, including, but not limited to, construction, operation and administration, as permitted by Section 4B of the Act, as amended. The City Council appoints the governing board for this entity and is able to impose its will upon the Corporation. KEDC is presented as a governmental fund type.

A separately issued financial report is available for the Kennedale Economic Development Corporation. This report may be obtained by contacting the following office.

City of Kennedale, Texas
Director of Finance
405 Municipal Drive
Kennedale, Texas 76060

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as *general revenue.*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be *available* when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Debt Service Fund*** is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The ***Capital Bond Fund*** is a capital projects fund. It is used to account for the acquisition and construction of various capital improvements and is funded by general obligation bonds.

The City reports the following major proprietary fund:

The ***Water and Wastewater Fund*** accounts for the activities necessary for the provision of water and wastewater services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

D. Assets, Liabilities and Net Position or Equity

Deposits and Investments

The City pools substantially all cash and investments except for separate cash and investment accounts, which are maintained in accordance with legal restrictions. Investments maturing within one year of date of purchase are stated at cost or amortized cost; all other investments are stated at fair value, which is based on quoted market prices. Investment income is recorded in the funds in which the investments are recorded.

The City invests in The Texas Local Government Investment Pool (TexPool). The Texas Local Government Investment Pool (TexPool) is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAm by Standard & Poor's. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as the Office of the Comptroller of Public Accounts for review. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than fair value to report Net Position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

The City also invests in Texas Short-term Asset Reserve Program (TexSTAR). TexSTAR is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools and authorize eligible governmental entities to invest their public funds and funds under their control through the investment pools. TexSTAR is currently rated AAAm by Standard & Poor's and has an investment objective of achieving and maintaining a stable net asset value of $1.00 per share.

The City also invests in TexasTERM. TexasTERM is a local government investment portfolio established to allow counties, municipalities, school districts, municipal authorities and other governmental entities in Texas to pool their funds for investment under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, the PTIA and other cooperative statutes and under the statutes governing investment of funds by those local governments. TexasTERM is rated AAAm by Standard and Poor's. TexasTERM seeks to maintain a constant net asset value of $1.00 per share.

For purpose of presenting the proprietary fund cash flow statement, cash and cash equivalents includes demand deposits and investments with a maturity date within three months of the date acquired by the City.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied each October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The Tarrant County Tax Assessor/Collector bills and collects the City's property taxes. Any uncollected property taxes as of September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred revenue.

As a City that operates under a home-rule charter, the City has a tax rate limitation of $2.50 per $100 assessed valuation. For the year ended September 30, 2014, the City had a tax rate of $0.7475 per $100 of which $0.560454 was allocated for general government and $0.187046 was allocated for payment of principal and interest on general long-term debt.

Inventories and Prepaid Items

All inventories are valued using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain proceeds of the Enterprise Fund bonds and certain resources set aside for their repayment are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Assets	Years
Plants and buildings	20
Machinery and equipment	4 - 10
Infrastructure (streets and drainage)	35 - 125
Other structures	50

Compensated Absences

Vacation is earned in varying amounts up to a maximum of 160 hours per year for 40-hour week personnel with 6 or more years of service. Vacation leave does not accumulate from one year to the next for amounts over 160 hours.

40-hour per week personnel accrues one-half working day (4 hours) of sick leave for each full month of employment in the calendar year. Upon separation from employment, a permanent employee who has completed six months of employment is entitled to be paid the amount of salary for the employee's accumulated sick leave but not to exceed 60 hours for 40-hour per week employees.

All unused vested vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the period of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net Position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the city council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the city council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The city council has by resolution authorized the city manager and finance director to assign fund balance. The council may also assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The government-wide and fund level financial statements report restricted fund balances for amounts not available for appropriation or legally restricted for specific uses. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until then. The City does not have any items that qualify for reporting in this category in the current fiscal year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, unavailable, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and ambulance. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

<u>Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position</u>

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of Net Position. One element of that reconciliation explains, "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $13,036,106 difference are as follows:

Certificates of obligation bonds	$(12,308,125)
Premiums on issuance of debt (to be amortized over life of debt)	(161,498)
Capitalized lease obligations	(140,436)
Accrued interest payable	(89,194)
Compensated absences	(336,853)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$(13,036,106)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $743,402 difference are as follows:

Capital outlay (includes $396,107 not classified as capital expenditures on the fund statements)	$ 496,585
Depreciation expense	(1,239,987)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$(743,402)

Another element of that reconciliation states, "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this $841,179 difference are as follows:

Principal repayments:	
General obligation debt	$ 760,550
Capital lease	80,629
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 841,179

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $11,643 difference are as follows:

Compensated absences	$(4,301)
Accrued interest	5,516
Amortization of premium	10,428
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net* position *of governmental activities*	$ 11,643

3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U. S. Treasury, certain U. S. Agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the **Public Funds Investment Act**, the City has adopted a deposit and investment policy. That policy does address the following risks:

a. ***Custodial Credit Risk:*** Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2014, $1,412,771 of the City's $1,662,933 deposit balance was collateralized with securities held by the pledging financial institution. The remaining balance, $250,162, was covered by FDIC insurance.

b. ***Credit Risk:*** It is the City's policy to limit investments to investment types with an investment quality rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days. The City's investments were rated AAAm by Standard and Poor's Investors Services.

c. ***Interest Rate Risk:*** In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 90 days or less, dependent on market conditions.

d. ***Concentration of Credit Risk:*** The government's investment policy states the maximum percentage allowed for each different investment instrument that can be used to make up the portfolio.

At September 30, 2014, the primary government's investments consisted of:

	Fair Value
TexStar	$ 326,822
Texas Term	31,352
State Treasurer's Investment Pool (TexPool)	1,395,816
	$ 1,753,990

During the fiscal year, the City managed the investments of the KEDC. The KEDC investments are categorized in the same manner as the City's and consist of the following:

	Fair Value
State Treasurer's Investment Pool (TexPool)	$ 336,568
	$ 336,568

At September 30, 2014, all of the above investments are not categorized by risk. TexStar, TexPool, and Texas Term balances are not evidenced by securities that exist in physical or book entry form and, accordingly, are not categorized by risk. However, the nature of these funds requires that they be used to purchase investments authorized by the Texas Public Funds Investment Act of 1995. The primary objective of these investment pools is to provide a safe environment for the placement of public funds in short-term, fully collateralized investments.

Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Water and Wastewater	Nonmajor Governmental	Total
Receivables:					
Taxes	$ 399,737	$ 71,228	$ -	$ -	$ 470,965
Accounts	768,871	-	732,447	7,485	1,508,803
Gross receivables	1,168,608	71,228	732,447	7,485	1,979,768
Less: allowance for uncollectibles	(746,222)	(43,545)	(215,741)	-	(1,005,508)
Net total receivables	$ 422,386	$ 27,683	$ 516,706	$ 7,485	$ 974,260

Deferred Inflows of Resources

Governmental funds report *deferred inflows of resources - unavailable* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *deferred inflows of resources* reported in the governmental funds were as follows:

		Unavailable
General fund:		
Delinquent property taxes receivable	$	74,375
Ambulance charges		51,092
		125,467
Debt service fund:		
Delinquent property taxes receivable		24,834
Governmental Funds	$	150,301

Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Government activities:				
Capital assets, not being depreciated:				
Land	$ 3,988,595	$ -	$ -	3,988,595
Construction work in progress	9,145,215	487,550	9,145,215	487,550
Total capital assets not being depreciated	13,133,810	487,550	9,145,215	4,476,145
Capital assets, being depreciated:				
Buildings	4,959,866	9,035	-	4,968,901
Machinery and equipment	3,538,567	-	-	3,538,567
Infrastructure	25,891,576	9,145,215	-	35,036,791
Total capital assets being depreciated	34,390,009	9,154,250	-	43,544,259
Less accumulated depreciation:				
Buildings	1,971,891	163,572	-	2,135,463
Machinery and equipment	2,487,895	271,658	-	2,759,553
Infrastructure	8,806,285	804,757	-	9,611,042
Total accumulated depreciation	13,266,071	1,239,987	-	14,506,058
Total capital assets, being depreciated, net	21,123,938	7,914,263	-	29,038,201
Governmental activities capital assets, net	$ 34,257,748	$ 8,401,813	$ 9,145,215	$ 33,514,346

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 233,452	$ -	$ -	$ 233,452
Construction work in progress	1,826,786	277,695	-	2,104,481
Total capital assets not being depreciated	2,060,238	277,695	-	2,337,933
Capital assets, being depreciated:				
Buildings	5,169,849	83,563	-	5,253,412
Machinery and equipment	777,534	29,826	-	807,360
Improvements other than buildings	13,673,351	9,485	-	13,682,836
Total capital assets being depreciated	19,620,734	122,874	-	19,743,608
Less accumulated depreciation:				
Buildings	2,081,558	108,591	-	2,190,149
Machinery and equipment	601,598	57,993	-	659,591
Improvements other than buildings	3,718,606	320,477	-	4,039,083
Total accumulated depreciation	6,401,762	487,061	-	6,888,823
Total capital assets, being depreciated, net	13,218,972	(364,187)	-	12,854,785
Business-type activities capital assets, net	$ 15,279,210	$(86,492)	$ -	$ 15,192,718

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 91,330
Public safety	228,776
Public works	833,757
Culture and recreation	86,124
Total depreciation expense - governmental activities	$ 1,239,987
Business-type activities:	
Water and wastewater	$ 487,061
Total depreciation expense - business-type activities	$ 487,061

Discretely presented component units

A summary of discretely presented component units' capital assets for the year ended September 30, 2014, follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,703,328	$ 44,283	$ 406,758	$ 1,340,853
Construction in progress	2,997,966	47,465	2,873,790	171,641
Totals, capital assets, not being depreciated	4,701,294	91,748	3,280,548	1,512,494
Capital assets, being depreciated:				
Buildings	1,937,215	2,742,924	-	4,680,139
Improvements	886,827	130,866	-	1,017,693
Totals, capital assets being depreciated	2,824,042	2,873,790	-	5,697,832
Less accumulated depreciation for:				
Buildings	468,922	234,007	-	702,929
Improvements	126,031	50,885	-	176,916
Total accumulated depreciation	594,953	284,892	-	879,845
Total capital assets, being depreciated, net	2,229,089	2,588,898	-	4,817,987
Capital assets, net	$ 6,930,383	$ 2,680,646	$ 3,280,548	$ 6,330,481

Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2014 is as follows:

Interfund receivables/payables:

Receivable Fund	Payable Fund	Amount
General	Nonmajor	$ 7,485
Total		$ 7,485

The amount payable to the General Fund is to cover expenditures in the Capital Projects Fund. Interfund transfers:

Transfers In	Transfers Out	Amount
Debt Service	General Fund	$ 83,274
Debt Service	Nonmajor	78,558
Water and Wastewater	Water and Wastewater	210,200
Total		$ 372,032

The transfers were used to move unrestricted revenues collected in various funds to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

Capital Leases

The City has acquired certain fixed assets for governmental and business-type activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities	Total
Assets:			
Machinery and Equipment	$ 108,492	$ 218,489	$ 326,981
Buildings and Improvements	221,887	-	221,887
Construction in Progress	-	1,650,000	1,650,000
Less: Accumulated depreciation	(159,964)	(175,676)	(335,640)
Total	$ 170,415	$ 1,692,813	$ 1,863,228

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, were as follows:

Year Ending September 30,	Governmental Activities	Business-Type Activities
2014	$ 46,146	$ 152,813
2015	46,146	152,813
2016	20,414	152,813
2017	20,414	152,813
2018	20,414	152,813
2019-2023	-	764,063
2024-2028	-	611,250
Total minimum lease payments	153,534	2,139,378
Less: amount representing interest	13,098	510,215
Present value of minimum lease payments	$ 140,436	$ 1,629,163

Long-term Debt

General Obligation Bonds

The City issues certificates of obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenue. The original amount of general obligation bonds issued in prior years was $20,550,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	3.65 - 4.65	$ 10,610,000
Governmental activities - refunding	3.97	1,698,125
Business-type activities	4.10	2,140,000
Business-type activities - refunding	3.97	1,051,875
		$ 15,500,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2104	$ 803,637	$ 484,649	$ 226,363	$ 124,925
2015	852,900	456,146	237,100	115,559
2016	912,163	424,375	252,837	105,659
2017	943,338	390,117	261,662	95,260
2018	867,600	355,804	272,400	84,468
2019 - 2023	4,578,487	1,245,024	1,341,513	256,007
2024 - 2028	2,850,000	415,403	600,000	37,720
2029 - 2033	500,000	21,550	-	-
Total	$ 12,308,125	$ 3,793,068	$ 3,191,875	$ 819,598

General obligation bonds are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest income tax regulations under those provisions.

The various bond obligations contain certain financial limitations and restrictions. The ordinances authorizing the issuance of certificates of obligation bonds created an interest and sinking fund (general debt service fund). The ordinances require the City to ascertain a rate and amount of tax which will be sufficient to pay interest as it comes due and provide a reserve fund which is adequate to meet principal as it matures. The City is in compliance with all such significant financial restrictions.

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government activities					
General obligation bonds	$ 13,068,675	$ -	$ 760,550	$ 12,308,125	$ 803,637
Premium on bonds	171,926	-	10,428	161,498	-
Capital leases	221,065	-	80,629	140,436	40,735
Compensated absences	332,552	189,548	185,247	336,853	67,371
Governmental activity Long-term liabilities	$ 13,794,218	$ 189,548	$ 1,036,854	$ 12,946,912	$ 911,743
Business-type activities					
General obligation bonds	$ 3,411,325	$ -	$ 219,450	$ 3,191,875	$ 226,363
Capital leases	1,721,658	-	92,495	1,629,163	89,921
Compensated absences	35,067	25,629	26,941	33,755	6,751
Business-type activity Long-term liabilities	$ 5,168,050	$ 25,629	$ 338,886	$ 4,854,793	$ 323,035

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

Discretely Presented Long-Term Debt

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	990,000	-	45,000	945,000	50,000
Texas leverage fund loan	576,697	-	35,960	540,737	37,147
Long-term liabilities	1,566,697	-	80,960	1,485,737	87,147

Other Information

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an Intergovernmental Risk-Pool. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in TML is limited to payment of premiums. During the year ended September 30, 2014, the City paid premiums to TML for provisions of various liability, property and casualty insurance. The City has various deductible amounts ranging from $500 to $5,000 on various policies. At year-end, the City did not have any significant claims.

The City also provides workers' compensation insurance on its employees through TML. Workers' compensation is subject to change when audited by TML. At year-end, September 30, 2014, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is periodically the defendant in lawsuits arising principally in the normal course of operations. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and, accordingly, no provision for losses has been recorded.

Employees' Retirement System

Plan Description

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2013	Plan Year 2014
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The annual pension cost and net pension obligation/(asset) are as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/12	413,503	100%	-
09/30/13	414,854	100%	-
09/30/14	400,456	100%	-

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Actuarial Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortiztion period	21.0 years; closed period	19.9 years; closed period	30.0 years; closed period
Amortization period for new gains/losses	25 years	25 years	25 years
Asset valuation method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment rate of return *	7.0%	7.0%	7.0%
Projected salary increases *	varies by age and service	varies by age and service	varies by age and service
* Includes inflation at	3.0%	3.0%	3.0%
Cost-of-living adjustments	2.1%	2.1%	2.1%

Funded Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2013	$ 9,076,228	$ 11,192,430	81.1%	$ 2,116,202	$ 3,437,343	61.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Other Postemployment Benefits

Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB.

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2011	0.02%	0.02%	100%
2012	0.02%	0.02%	100%
2013	0.02%	0.02%	100%

Prior Period Adjustment

During the current fiscal year, a prior period adjustment was made to adjust water and sewer accounts receivable in the amount of $231,459 for items not included in accounts receivable at year end in the prior year. Amounts were not included in the accounts receivable balance obtained from the third party collector because they had been received prior to year-end; however, these payments had not been remitted to the City at year-end. Therefore, these amounts should have still been included in accounts receivable at year-end since they were not received by the City until October. The prior period adjustment increased net position in the proprietary fund and business-type activities as of October 1, 2013.

Change in Accounting Principles

As the result of implementing GASB Statement No. 65, the City has decreased beginning net positon as of October 1, 2013 by $304,368 for the governmental activities and by $38,762 for business-type activities. These decreases result from no longer deferring and amortizing bond issuance costs.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF KENNEDALE, TEXAS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budget Original	Budget Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	$ 3,199,531	$ 3,199,531	$ 3,091,746	$(107,785)
Sales	1,036,263	1,036,263	1,093,946	57,683
Franchise fees	827,948	827,948	871,351	43,403
Licenses and permits	148,919	265,559	362,337	96,778
Fines and forfeitures	310,821	310,821	272,943	(37,878)
Public safety fees	212,297	212,297	243,002	30,705
Intergovernmental	48,000	48,000	45,311	(2,689)
Charges for service	525,993	525,993	614,145	88,152
Investment earnings	788	788	328	(460)
Other	128,250	128,250	261,459	133,209
Total revenues	6,438,810	6,555,450	6,856,568	301,118
EXPENDITURES				
Current:				
General government	1,169,061	1,174,361	1,126,632	47,729
Public safety	4,124,987	4,148,327	4,050,516	97,811
Public works	847,625	1,051,625	1,051,794	(169)
Culture and recreation	298,754	300,204	271,752	28,452
Capital outlay	24,220	24,220	22,408	1,812
Total expenditures	6,464,647	6,698,737	6,523,102	175,635
EXCESS OF REVENUES OVER EXPENDITURES	(25,837)	(143,287)	333,466	476,753
OTHER FINANCING SOURCES (USES)				
Transfers out	(75,006)	(163,006)	(83,274)	79,732
Total other financing sources (uses)	(75,006)	(163,006)	(83,274)	79,732
NET CHANGE IN FUND BALANCE	(100,843)	(306,293)	250,192	556,485
FUND BALANCE, BEGINNING	983,994	983,994	983,994	-
FUND BALANCE, ENDING	$ 883,151	$ 677,701	$ 1,234,186	$ 556,485

CITY OF KENNEDALE, TEXAS

TEXAS MUNICIPAL RETIREMENT SYSTEM SCHEDULE OF FUNDING PROGRESS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014
(unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2011	$ 7,065,871	$ 9,646,174	73.3%	$ 2,580,303	$ 3,521,706	73.3%
12/31/2012	8,032,638	10,250,775	78.4%	2,218,137	3,498,642	63.4%
12/31/2013	9,076,228	11,192,430	81.1%	2,116,202	3,437,343	61.6%

CITY OF KENNEDALE, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2014
(Unaudited)

BUDGETARY INFORMATION - The City follows these procedures annually in establishing the budgetary data reflected in the budgetary comparison schedules:

1. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.

3. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.

4. The City Manager has the authority to transfer appropriation balances from one expenditure account to another such as from salaries to maintenance within a single fund as well as transfer appropriations between departments. The City Council, however, must approve any transfer of unencumbered appropriation balances or portions thereof from one fund to another as well as any increases in fund appropriations. At the end of the fiscal year, all appropriations lapse.

5. Annual budgets are only adopted for the General and Debt Service Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP").

6. The budgetary data presented has been amended from the original budget by the City Council. All significant supplemental appropriations were offset either by increased revenue or decreased expenditures in other accounts. Expenditures exceeded appropriations for public works in the General Fund. This excesse was covered by excess revenue and additional appropriations in other functions. Total expenditures did not exceed appropriations in the General Fund. Expenditures exceeded appropriations in principal in the Debt Service Fund. This excess was covered by expenditures under appropriations in interest and fiscal charges. Total expenditures did not exceed appropriations in the Debt Service Fund.

COMBINING FUND
STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds are used to account for specific revenue that is legally restricted to expenditures for particular purposes.

Police Seizure – to account for the receipt and expenditures of revenues derived from crime seizures that are for police purposes.

LEOSE – to account for grant revenue that is legally restricted to expenditures for LEOSE program.

TIF #1 (New Hope) Fund – to account for the construction of New Hope Road from funds contributed by the City, School District and County.

The ***Capital Projects*** Fund is used to account for financial resources to be used for the acquisition or construction of general major capital facilities. Financing is provided primarily by the sale of general obligation bonds and developer contributions.

Park Dedication – to account for the acquisition, improvement and maintenance of park areas funded by neighborhood park land dedication fees.

Capital Projects – to account for various constructions within the city from funds contributed by third parties.

Roadway Impact Fee – to account for the assessments to developers on projects identified in the roadway impact fee study that was adopted by the City Council on May 9, 2002.

Library Building – to account for the construction of a new library from funds contributed by third parties.

CITY OF KENNEDALE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	Special Revenue Funds		
	Police Seizure	LEOSE Fund	TIF #1 (New Hope) Fund
ASSETS			
Cash and investments	$ 10,156	$ 8	$ 1,112
Receivables (net of allowance for uncollectibles):			
Other	-	-	-
Total assets	$ 10,156	$ 8	$ 1,112
LIABILITIES			
Due to other funds	$ -	$ -	$ -
Total liabilities	-	-	-
FUND BALANCES			
Restricted for:			
Public safety	10,156	8	-
Economic development	-	-	1,112
Capital projects	-	-	-
Total fund balances	10,156	8	1,112
Total liabilities and fund balances	$ 10,156	$ 8	$ 1,112

Park Dedication	Capital Projects	Roadway Impact Fee	Library Building	Total Nonmajor Governmental Funds
Capital Projects Funds				
$ 34,070	$ -	$ 262,250	$ 8,220	$ 315,816
-	7,485	-	-	7,485
$ 34,070	$ 7,485	$ 262,250	$ 8,220	$ 323,301
$ -	$ 7,485	$ -	$ -	$ 7,485
-	7,485	-	-	7,485
-	-	-	-	10,164
-	-	-	-	1,112
34,070	-	262,250	8,220	304,540
34,070	-	262,250	8,220	315,816
$ 34,070	$ 7,485	$ 262,250	$ 8,220	$ 323,301

CITY OF KENNEDALE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds		
	Police Seizure	LEOSE Fund	TIF #1 (New Hope) Fund
REVENUES			
Intergovernmental	$ -	$ 1,808	$ 1,112
Fines and forfeitures	-	-	-
Licenses and permits	-	-	-
Investment earnings	1	-	-
Contributions	-	-	-
Other	10,152	-	-
Total revenues	10,153	1,808	1,112
EXPENDITURES			
Current:			
Public safety	-	1,800	-
Culture recreation	-	-	-
Total expenditures	-	1,800	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,153	8	1,112
OTHER FINANCING SOURCES(USES)			
Transfers out	-	-	-
Total other financing sources(uses)	-	-	-
NET CHANGE IN FUND BALANCES	10,153	8	1,112
FUND BALANCES, BEGINNING	3	-	-
FUND BALANCES, ENDING	$ 10,156	$ 8	$ 1,112

Capital Projects Funds				
Park Dedication	Capital Projects	Roadway Impact Fee	Library Building	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 2,920
-	-	-	1,470	1,470
-	-	115,110	-	115,110
5	4	32	1	43
-	-	-	2,314	2,314
874	78,257	-	-	89,283
879	78,261	115,142	3,785	211,140
-	-	-	-	1,800
350	-	-	-	350
350	-	-	-	2,150
529	78,261	115,142	3,785	208,990
-	(78,558)	-	-	(78,558)
-	(78,558)	-	-	(78,558)
529	(297)	115,142	3,785	130,432
33,541	297	147,108	4,435	185,384
$ 34,070	$ -	$ 262,250	$ 8,220	$ 315,816

CITY OF KENNEDALE, TEXAS

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes - property	$ 1,065,781	$ 1,065,781	$ 1,029,531	$(36,250)
Investment earnings	75	75	16	(59)
Other	155,118	155,118	155,119	1
Total revenues	1,220,974	1,220,974	1,184,666	(36,308)
EXPENDITURES				
Debt service:				
Principal	837,903	837,903	841,178	(3,275)
Interest and fiscal charges	531,567	531,567	526,300	5,267
Total debt service	1,369,470	1,369,470	1,367,478	1,992
Total expenditures	1,369,470	1,369,470	1,367,478	1,992
EXCESS OF REVENUES OVER EXPENDITURES	(148,496)	(148,496)	(182,812)	(34,316)
OTHER FINANCING SOURCES (USES)				
Transfers in	125,655	125,655	161,832	36,177
Total other financing sources (uses)	125,655	125,655	161,832	36,177
NET CHANGE IN FUND BALANCE	(22,841)	(22,841)	(20,980)	1,861
FUND BALANCE, BEGINNING	23,829	23,829	23,829	-
FUND BALANCE, ENDING	$ 988	$ 988	$ 2,849	$ 1,861

STATISTICAL SECTION

CITY OF KENNEDALE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014
STATISTICAL SECTION INDEX
(Unaudited)

This part of the City of Kennedale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TABLE 1

CITY OF KENNEDALE, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	$ 10,564,804	$ 12,250,813	$ 12,344,055	$ 12,612,099	$ 12,781,452	$ 11,814,703	$ 16,014,362	$ 20,730,909	$ 21,100,450	$ 20,904,287
Restricted	2,070,810	259,631	78,464	48,766	12,623	38,754	1,936,156	288,215	227,181	380,622
Unrestricted	2,127,810	3,995,504	3,921,649	3,766,881	3,842,214	4,168,387	1,023,286	782,589	615,406	933,606
Total governmental activities net position	$ 14,763,424	$ 16,505,948	$ 16,344,168	$ 16,427,746	$ 16,636,289	$ 16,021,844	$ 18,973,804	$ 21,801,713	$ 21,943,037	$ 22,218,515
Business-type activities:										
Net investment in capital assets	$ 7,832,602	$ 8,553,929	$ 6,903,231	$ 7,664,665	$ 8,245,479	$ 9,643,354	$ 10,134,416	$ 10,304,477	$ 10,217,885	$ 10,443,338
Restricted	635,342	924,985	924,985	-	-	-	-	-	-	-
Unrestricted	1,009,278	1,515,805	3,563,454	3,885,235	3,396,673	1,858,510	1,668,685	1,524,225	1,348,391	1,450,811
Total business-type activities net position	$ 9,477,222	$ 10,994,719	$ 11,391,670	$ 11,549,900	$ 11,642,152	$ 11,501,864	$ 11,803,101	$ 11,828,702	$ 11,566,276	$ 11,894,149
Primary government:										
Net investment in capital assets	$ 18,397,406	$ 20,804,742	$ 19,247,286	$ 20,276,764	$ 21,026,931	$ 21,458,057	$ 26,148,778	$ 31,035,386	$ 31,318,335	$ 31,347,625
Restricted	2,706,152	1,184,616	1,003,449	48,766	12,623	38,754	1,936,156	288,215	227,181	380,622
Unrestricted	3,137,088	5,511,309	7,485,103	7,652,116	7,238,887	6,026,897	2,691,971	2,306,814	1,963,797	2,384,417
Total primary government net position	$ 24,240,646	$ 27,500,667	$ 27,735,838	$ 27,977,646	$ 28,278,441	$ 27,523,708	$ 30,776,905	$ 33,630,415	$ 33,509,313	$ 34,112,664

CITY OF KENNEDALE, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental activities:										
General government	$ 1,053,375	$ 1,069,043	$ 1,051,485	$ 1,614,745	$ 1,281,430	$ 1,687,785	$ 1,346,455	$ 1,400,946	$ 1,338,046	$ 1,242,021
Public Safety	3,305,087	3,807,180	3,895,186	3,843,086	3,915,078	4,135,114	4,149,812	4,334,370	4,216,559	4,274,108
Public works	909,595	1,030,851	1,227,223	1,162,378	1,279,797	956,657	1,386,156	1,209,842	1,338,143	1,476,670
Culture and recreation	138,623	254,602	251,217	273,145	324,858	346,896	335,884	344,900	358,251	358,226
Economic development	-	-	-	-	-	2,006,635	-	-	-	-
Interest on long-term debt	163,618	191,755	184,457	297,360	438,799	490,601	536,449	578,936	558,639	510,355
Total governmental activities expenses	5,570,298	6,353,431	6,609,568	7,190,714	7,239,962	9,623,688	7,754,756	7,868,994	7,809,638	7,861,380
Business-type activities:										
Water and wastewater	2,207,935	2,628,222	2,377,911	2,542,766	2,722,295	3,002,002	3,334,413	3,240,582	3,401,162	3,640,588
Total business-type activities expenses	2,207,935	2,628,222	2,377,911	2,542,766	2,722,295	3,002,002	3,334,413	3,240,582	3,401,162	3,640,588
Total primary government program expenses	$ 7,778,233	$ 8,981,653	$ 8,987,479	$ 9,733,480	$ 9,962,257	$ 12,625,690	$ 11,089,169	$ 11,109,576	$ 11,210,800	$ 11,501,968
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	$ 712,712	$ 958,694	$ 489,421	$ 578,314	$ 476,934	$ 487,416	$ 514,732	$ 668,345	$ 554,664	$ 975,684
Public safety	627,204	717,527	648,597	607,201	485,605	435,195	460,983	459,955	556,655	567,835
Public works	106,801	175,655	57,840	37,377	26,018	25,174	44,910	58,007	52,299	115,110
Culture and recreation	50,571	115,403	66,291	2,424	2,180	1,674	2,023	1,554	34,591	1,470
Operating grants and contributions	139,802	99,692	191,039	143,139	74,554	67,924	64,217	83,005	135,520	47,119
Capital grants and contributions	1,346,349	1,397,176	-	402,146	1,215	1,424,036	2,793,402	2,872,517	453,020	115,058
Total governmental activities program revenues	2,983,439	3,464,147	1,453,188	1,770,601	1,066,506	2,441,419	3,880,267	4,143,383	1,786,749	1,822,276
Business-type activities:										
Charges for services:										
Water/Wastewater	2,495,593	3,209,086	2,552,255	2,585,218	2,833,378	2,856,494	3,633,725	3,264,892	3,138,201	3,775,546
Capital grants and contributions	-	843,221	-	-	-	-	-	-	-	-
Total business-type activities program revenues	2,495,593	4,052,307	2,552,255	2,585,218	2,833,378	2,856,494	3,633,725	3,264,892	3,138,201	3,775,546
Total primary government program revenues	$ 5,479,032	$ 7,516,454	$ 4,005,443	$ 4,355,819	$ 3,899,884	$ 5,297,913	$ 7,513,992	$ 7,408,275	$ 4,924,950	$ 5,597,822
NET (EXPENSE) REVENUES										
Governmental activities	$(2,586,859)	$(2,889,284)	$(5,156,380)	$(5,420,113)	$(6,173,456)	$(7,182,269)	$(3,874,489)	$(3,725,611)	$(6,022,889)	$(6,039,104)
Business-type activities	287,658	1,424,085	174,344	42,452	111,083	(145,508)	299,312	24,310	(262,961)	134,958
Total primary government net expense	(2,299,201)	(1,465,199)	(4,982,036)	(5,377,661)	(6,062,373)	(7,327,777)	(3,575,177)	(3,701,301)	(6,285,850)	(5,904,146)

(continued)

CITY OF KENNEDALE, TEXAS

CHANGES IN NET POSITION
(Continued)
LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property	2,504,352	2,638,356	2,891,614	3,194,210	3,555,215	3,945,627	3,811,589	4,010,855	3,951,116	4,143,977
Franchise	468,431	511,818	693,093	704,743	799,291	755,273	808,918	856,096	817,733	871,351
Sales	1,004,050	1,069,028	973,244	993,288	1,065,875	1,488,953	1,222,642	1,298,044	1,008,875	1,093,946
Investment earnings	104,592	239,006	242,876	190,424	86,660	14,263	6,401	2,885	724	389
Miscellaneous	119,841	173,600	193,773	401,026	815,390	363,708	976,899	385,640	426,068	509,287
Transfers	-	-	-	20,000	55,772	-	-	-	-	-
Total governmental activities	4,201,266	4,631,808	4,994,600	5,503,691	6,378,203	6,567,824	6,826,449	6,553,520	6,204,516	6,618,950
Business-type activities:										
Investment earnings	37,538	86,434	214,352	135,778	30,642	5,220	1,925	1,291	535	218
Miscellaneous	962,001	6,978	8,255	-	-	-	-	-	-	-
Transfers	-	-	-	(20,000)	(55,772)	-	-	-	-	-
Total business-type activities	999,539	93,412	222,607	115,778	(25,130)	5,220	1,925	1,291	535	218
Total primary government	5,200,805	4,725,220	5,217,207	5,619,469	6,353,073	6,573,044	6,828,374	6,554,811	6,205,051	6,619,168
CHANGE IN NET POSITION										
Governmental activities	1,614,407	1,742,524	(161,780)	83,578	204,747	(614,445)	2,951,960	2,827,909	181,627	579,846
Business-type activities	1,287,197	1,517,497	396,951	158,230	85,953	(140,288)	301,237	25,601	(262,426)	135,176
Total primary government	$ 2,901,604	$ 3,260,021	$ 235,171	$ 241,808	$ 290,700	$(754,733)	$ 3,253,197	$ 2,853,510	$(80,799)	$ 715,022

TABLE 3

CITY OF KENNEDALE, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	1,954,861	2,206,719	2,162,064	1,433,468	1,572,628	1,508,586	-	-	-	-
Nonspendable	-	-	-	-	-	-	31,348	5,751	46,486	40,633
Unassigned	-	-	-	-	-	-	1,332,648	1,108,068	937,508	1,193,553
Total general fund	$ 1,954,861	$ 2,206,719	$ 2,162,064	$ 1,433,468	$ 1,572,628	$ 1,508,586	$ 1,363,996	$ 1,113,819	$ 983,994	$ 1,234,186
All other governmental funds										
Reserved	$ 53,381	$ 61,105	$ 78,464	$ 48,766	$ 12,623	$ 38,754	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	1,892	1,613,553	9,076	11,525	5,409	6,995	-	-	-	-
Capital projects funds	2,027,553	199,587	1,701,253	9,233,185	7,171,604	2,863,606	-	-	-	-
Nonspendable	-	-	-	-	-	-	800	800	-	-
Restricted for:										
Debt service funds	-	-	-	-	-	-	50,965	90,920	23,829	2,849
Public safety	-	-	-	-	-	-	10,948	10,056	3	10,164
Economic development	-	-	-	-	-	-	-	-	-	1,112
Capital projects funds	-	-	-	-	-	-	1,874,243	187,239	185,514	341,663
Total all other governmental funds	$ 2,082,826	$ 1,874,245	$ 1,788,793	$ 9,293,476	$ 7,189,636	$ 2,909,355	$ 1,936,956	$ 289,015	$ 209,346	$ 355,788

Source: The City implemented GASB Statement No. 54 in fiscal year 2011.

TABLE 4

CITY OF KENNEDALE, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes	$ 3,970,653	$ 4,211,922	$ 4,501,130	$ 4,937,787	$ 5,559,101	$ 6,175,282	$ 5,862,988	$ 6,136,869	$ 5,799,322	$ 6,086,574
Licenses, fees and permits	526,515	863,073	533,138	328,638	183,454	191,016	209,047	311,921	261,451	477,447
Fines and penalties	205,432	338,261	409,850	348,630	276,347	234,065	259,073	246,438	298,964	274,413
Public safety fees	340,433	217,560	237,691	257,942	209,253	200,904	201,483	210,676	257,998	243,002
Charges for services	345,522	389,187	81,470	292,252	321,683	323,474	353,045	418,826	379,796	614,145
Intergovernmental	216,048	255,888	141,039	43,139	74,554	1,487,099	2,278,514	2,955,522	588,540	48,231
Investment earnings	104,592	239,006	242,876	190,424	86,660	14,263	6,401	2,885	724	389
Contributions	-	-	-	-	1,215	4,861	579,105	-	-	2,314
Other revenues	142,528	179,586	243,773	901,026	815,390	363,708	976,899	385,640	426,068	620,919
Total revenues	5,851,723	6,694,483	6,390,967	7,299,838	7,527,657	8,994,672	10,726,555	10,668,777	8,012,863	8,367,434
EXPENDITURES										
General government	1,070,024	1,008,572	1,030,068	1,594,288	1,347,642	1,777,568	1,263,666	1,276,738	1,238,641	1,126,632
Public Safety	764,102	566,520	593,442	530,189	435,273	440,498	513,351	553,941	552,481	560,845
Police	1,490,159	1,700,514	1,645,191	1,769,777	1,794,737	1,843,836	1,809,077	1,963,838	1,808,186	1,941,598
Fire	1,078,069	1,417,683	1,583,739	1,578,759	1,669,033	1,667,982	1,669,707	1,632,091	1,603,894	1,549,873
Other public works	569,404	764,483	793,397	685,053	874,612	613,759	974,083	840,656	684,840	1,051,794
Parks and recreation	40,524	38,657	39,086	37,147	39,689	40,935	49,279	47,298	50,964	49,387
Library	86,576	203,345	147,622	167,809	188,146	200,573	210,914	209,805	219,240	222,715
Economic development	-	-	-	-	-	2,006,635	-	-	-	-
Capital outlay	38,797	708,868	717,577	623,084	2,311,107	5,958,166	7,527,192	4,826,076	664,329	100,478
Debt service										
Principal	144,582	152,685	171,139	450,944	453,480	488,495	660,969	751,913	806,600	841,178
Interest and fiscal charges	156,818	199,551	175,078	248,077	434,390	452,946	494,039	589,539	552,879	526,300
Bond issuance costs	-	-	-	156,195	-	87,409	114,480	-	-	-
Total expenditures	5,439,056	6,760,878	6,896,339	7,841,322	9,548,109	15,578,802	15,286,757	12,691,895	8,182,054	7,970,800

(continued)

TABLE 4

CITY OF KENNEDALE, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(Continued)
LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	$ 412,667	$(66,395)	$(505,372)	$(541,484)	$(2,020,452)	$(6,584,130)	$(4,560,202)	$(2,023,118)	$(169,191)	$ 396,634
OTHER FINANCING SOURCES (USES)										
Debt issuance	790,000	-	2,995,388	7,235,000	-	2,000,000	3,260,000	-	-	-
Issuance of capital lease	-	-	-	-	-	154,388	119,597	125,000	-	-
Cost to issue debt	(34,416)	-	-	62,571	-	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-	85,419	63,616	-	-	-
Refunding bonds/lease issued	-	109,666	89,877	-	-	-	-	-	-	-
Paymt to refinance lease	-	-	(2,710,000)	-	-	-	-	-	-	-
Transfers in	97,187	73,714	57,545	599,646	397,667	158,850	949,476	92,038	295,373	161,832
Transfers out	(97,187)	(73,714)	(57,545)	(579,646)	(341,895)	(158,850)	(949,476)	(92,038)	(295,373)	(161,832)
Total other financing sources (uses)	755,584	109,666	375,265	7,317,571	55,772	2,239,807	3,443,213	125,000	-	-
NET CHANGE IN FUND BALANCES	$ 1,168,251	$ 43,271	$(130,107)	$ 6,776,087	$(1,964,680)	$(4,344,323)	$(1,116,989)	$(1,898,118)	$(169,191)	$ 396,634
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	5.6%	5.8%	5.6%	12.1%	12.9%	10.1%	15.3%	17.7%	18.1%	18.3%

TABLE 13

CITY OF KENNEDALE, TEXAS

PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

	Water Revenue Bonds						Special Assessment Bonds				Sales Tax Increment Bonds			
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Special Assessment Collections	Debt Service Principal	Debt Service Interest	Coverage	Sales Tax Increment	Debt Service Principal	Debt Service Interest	Coverage
2005	$ 2,347,364	$ 1,759,069	$ 588,295	$ 148,687	$ 50,005	$ 2.96	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2006	2,740,987	2,059,626	681,361	221,845	107,957	2.07	-	-	-	-	-	-	-	-
2007	2,560,510	1,803,788	756,722	179,594	199,707	2.00	-	-	-	-	-	-	-	-
2008	2,585,218	1,935,911	649,307	180,325	174,607	1.83	-	-	-	-	-	-	-	-
2009	2,833,378	2,090,622	742,756	189,150	167,140	2.08	-	-	-	-	-	-	-	-
2010	2,856,494	2,378,783	477,711	199,888	159,278	1.33	-	-	-	-	-	-	-	-
2011	3,633,725	2,704,590	929,135	206,800	151,059	2.60	-	-	-	-	-	-	-	-
2012	3,264,892	2,604,618	660,274	210,625	142,623	1.87	-	-	-	-	-	-	-	-
2013	3,138,201	2,726,206	411,995	219,450	133,933	1.17	-	-	-	-	-	-	-	-
2014	3,775,546	2,960,030	815,516	226,363	124,925	2.32	-	-	-	-	-	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

KENNEDALE
Planning and Zoning Commission
www.cityofkennedale.com

Staff Report to the Commissioners

Date: March 16, 2015

Agenda Item No: REGULAR ITEMS - C.

I. Subject:
CASE # PZ 15-01 Public hearing and consideration of Ordinance 566 approval regarding a request by Wal-Mart Stores, Inc. for a zoning change from "C-0" Retail commercial district to "C-1" Restricted commercial district for approximately 1.014 acres at 4850 US 287 Hwy, legal description of Southwest Crossing Addition Block 1R Lot 2.

1. Staff presentation
2. Applicant presentation
3. Public hearing
4. Applicant response
5. Staff response and summary
6. Action by the City Council

II. Originated by:
Rachel Roberts, City Planner

III. Summary:
Request: rezone from "C-O" to "C-1"
Location: 4850 US Hwy 287 (off the frontage road and Little School Rd)
Applicant: Wal-Mart Stores, Inc
Surrounding uses: surrounding uses are all commercial -- big box retail, commercial strip center with various typical strip center businesses (restaurant, nail salon, retail), and bank

Background.

This property is the last empty pad site at the Wal-Mart. It is bordered to the north by US 287, to the east by Little School Rd, to the south by EECU (credit union), and to the west by Wal-Mart.

The property can be served by existing curb cuts off the 287 frontage road and Little School Rd, so no additional curb cuts would be needed for new development. The property would be served by Arlington water and sewer utilities. The existing detention pond was designed to serve the entire development, including this pad site, and should be sufficient.

When this property was originally approved for the Wal-Mart development, Wal-Mart had represented that all the pad sites would be retail sites. One of the pad sites, however, was sold to a bank (EECU). The City subsequently rezoned the subject property as C-0 Retail Commercial to ensure the remaining lot would indeed have a retail use. In 2011, Chase Bank applied for a rezoning to C-1; the request was denied.

Staff Review.

Compliance with the Comprehensive Land Use Plan.
This property is included in an area designated as Urban Village in the Future Land Use Plan. This Urban Village stretches from the city limits at the US 287 frontage road down to Potomac (see attached excerpt from the FLUP). Most of the properties in the Urban Village character district are already developed. Creation of an Urban Village, therefore, is envisioned to occur over time--keeping in mind that a comprehensive plan typically covers a 20-year time frame.

As the Council is aware, the Zoning Code does not include any zoning districts that fit the Urban Village character. In terms of uses, C-1 uses are commercial and therefore would fit the Urban Village concept in that respect.

The area will gradually transition to an Urban Village character as redevelopment and infill development occur. In the meantime, the city must look for ways to allow uses of property now while laying the groundwork for the Urban Village. The city should explore using infrastructure requirements to spur the transition -- for example, requiring pedestrian connections between uses as new uses occur. At the current time, though, we do not have these requirements in place, and a straight rezoning request (e.g., not a request for a planned development district) does not allow the City to add infrastructure requirements as part of zoning approval.

Compliance with the Strategic Plan.
Several of the goals of the strategic plan are related to attracting businesses. The plan's strategies and action steps, though, are tied to developing TownCenter, creating a TIF district, and establishing a business park or industrial park. No consideration is given to establishing a retail or commercial district in the part of the city where this rezoning is requested.

Compliance with City Council priorities.
The Council priority "Achieve a Thriving Community" relates to business development and attraction, but the Council's goals for this priority include widening the range of the kinds of businesses and services available to residents. The area around the property you are considering is already served by convenience store/gas station businesses, so the rezoning request does not affect attainment of this goal. Adding another business, however, does help balance the ratio of businesses to residents, and a convenience store brings in sales tax, which helps rebalance the tax burden. Balancing the tax burden

is one of the Council priorities.

Staff Recommendation.

The proposed commercial use of a gas station with convenience store fits the City's intent for this property, since a convenience store is a retail use and would help balance the tax burden. The format does not fit the Urban Village. As described earlier, though, the Urban Village is not expected to occur with the development as it is now, as the surrounding properties are already developed in a character that does not fit the long-term vision for this area. Instead, the Urban Village character will have to be achieved through other means, over time.

The infrastructure can support the land use proposed through this rezoning request, so development staff do not have any concerns about a rezoning from that standpoint. Because the proposed use fits the City's intent for retail use and fits the commercial use aspect of the Urban Village in the comprehensive plan, staff recommends approval of the rezoning.

Please note, though, that once a rezoning to C-1 is approved, any use permitted in C-1 zoning districts would be permitted, including non-retail uses. If Wal-Mart decided not to pursue the gas station and convenience store, or if the store were to close in the future, a non-retail use may be developed at this site. As long as the Council believes the C-1 zoning district (permitted uses and development standards) at this location would be in the best interest of the general welfare of the city, however, staff recommends approval of the rezoning. If the Council does not believe a C-1 zoning designation at this site would benefit the general welfare of the community, it should not approve the rezoning. Another option in that case would be to suggest to the applicant that it pursue a change to the Schedule of Uses that would allow convenience stores in the C-0 zoning district.

Planning & Zoning Commission Recommendation.

The Planning & Zoning Commission considered this case and held a public hearing during its meeting on February 19. The Commission voted to recommend denying the request for rezoning.

Action by the City Council.

City code describes the Council's authority in approving requests for rezoning.

You may:
* grant the requested zoning change; or
* deny the requested zoning change; or
* change the zoning designation on a portion of the property for which zoning is requested; or
* initiate a request to consider changing all or a portion of such property to a district other than that requested and of a different character; or

* consider and approve any zoning classification in the adopted zoning ordinance having a lesser intensity and being more restrictive than the zoning designation requested by the applicant. (from Sec. 17-429 of the City Code)

Sample Motions.
The motions provided below are examples, and you are not required to use them.

I make a motion to approve Ordinance number _________.

I make a motion to approve Ordinance number _________ with the following changes .

I make a motion to deny Ordinance number _________.

I make a motion to postpone Case PZ 15-01 until ____________________.

IV. Notification:

V. Fiscal Impact Summary:

VI. Legal Impact:

VII. Recommendation:
Approve

VIII. Alternative Actions:

IX. Attachments:

1.	PZ 15-01 map showing site	PZ 15-01 map showing site.pdf
2.	Excerpt from Future Land Use Plan	Little School & 287 Urban Village.pdf
3.	PZ 15-01 application for rezoning	PZ 15-01 appl.pdf

Case PZ 15-01

Map Showing Site of Request

Parcel boundary data from the Tarrant Appraisal District
Road data from North Central Texas Council of Governments

Excerpt from the city's Future Land Use Plan:

area marked in orange is designated as an Urban Village

KENNEDALE
Planning Department
www.cityofkennedale.com

PETITION FOR

CHANGE OF ZONING CLASSIFICATION

ZONING CASE # 15-01
(assigned by city staff)

DATE: 1/17/2015

City Council
City of Kennedale
Kennedale, Texas 76060

HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL:

You are hereby respectfully requested to approve the following request for a change of zoning classification. I, the applicant, request to change the zoning classification of the property described on Exhibit "A" attached, from its current zoning classification of

" C0 " (RETAIL COMMERCIAL) to that of

" C1 " (RESTRICTED COMMERCIAL DISTRICT) in its entirety as shown on Exhibit "B" attached. The property totals some 1.014 acres.

A statement of why the zoning change should be approved is attached to this application. I understand that I must satisfy the Council that either the general welfare of all the city affected by the area to be changed will be enhanced, or that the property is unusable for the purposes allowed under existing zoning.

Legal Description is SOUTHWEST CROSSING ADDITION BLOCK 1R LOT 2

Present use of the property is UNDEVELOPED OUTLOT

Address of the property is 4850 US 287 HWY, KENNEDALE, TX

Property Owner's Name: WAL-MART STORES TEXAS LP

Address: 2001 SOUTHEAST 10TH STREET
BENTONVILLE, AR 72716-5535

Telephone Number: 479-204-9841

KENNEDALE
Planning Department
www.cityofkennedale.com

Applicant's Name: WAL-MART STORES, INC.

Address: 2001 SOUTHEAST 10TH STREET

BENTONVILLE, AR 72716-5535

Telephone Number: 479-204-9841

If applicant is not the owner, an owner's affidavit must be submitted with this application.

I, the applicant, understand that city staff, the Planning & Zoning Commission, or the City Council may request from me a site plan or other supporting documents concerning the nature, extent, and impact of my request for rezoning, in addition to what I supply with my application for a change in zoning.

I further certify that WAL-MART STORES TEXAS LP is the sole owner(s) of the property described in the legal description and shown in the map attached to this application, as of the date of this application.

Patricia Bell for Walmart
Applicant Signature

1-19-15
Date

January 17, 2015

City of Kennedale
405 Municipal Drive
Kennedale, TX 76060

STATEMENT OF WHY ZONING CHANGE REQUEST SHOULD BE APPROVED

The proposed project consists of a fueling station and convenience store. The improvements include a 2,750 square foot convenience store and a ten pump fuel canopy. The improvements will take place on Lot 2 of the Southwest Crossing Addition, which consists of 1.014 acres. Current zoning is C0 - Retail Commercial. C0 - Retail Commercial zoning does not allow fuel stations. We are proposing to re-zone the property to C1 - Restricted Commercial District.

All properties adjacent to the proposed fuel station located within Kennedale city limits are zoned C1 - Restricted Commercial District, which matches our proposed zoning requested. There are six outlots along the east and south perimeter of the Walmart Supercenter parking lot. All of the outlots in this development are zoned C1 - Restricted Commercial District, except the lot where the proposed fuel station is to be located. For this reason, we believe the proposed re-zoning is appropriate and compatible with the use of surrounding properties.

The fuel station will include a 2,750 square foot convenience store with retail area for general merchandise. The retail provided within the convenience store will be similar to the expected use under the current zoning. For this reason, we believe the proposed use of this property after re-zoning will closely match the intended use required by current zoning.

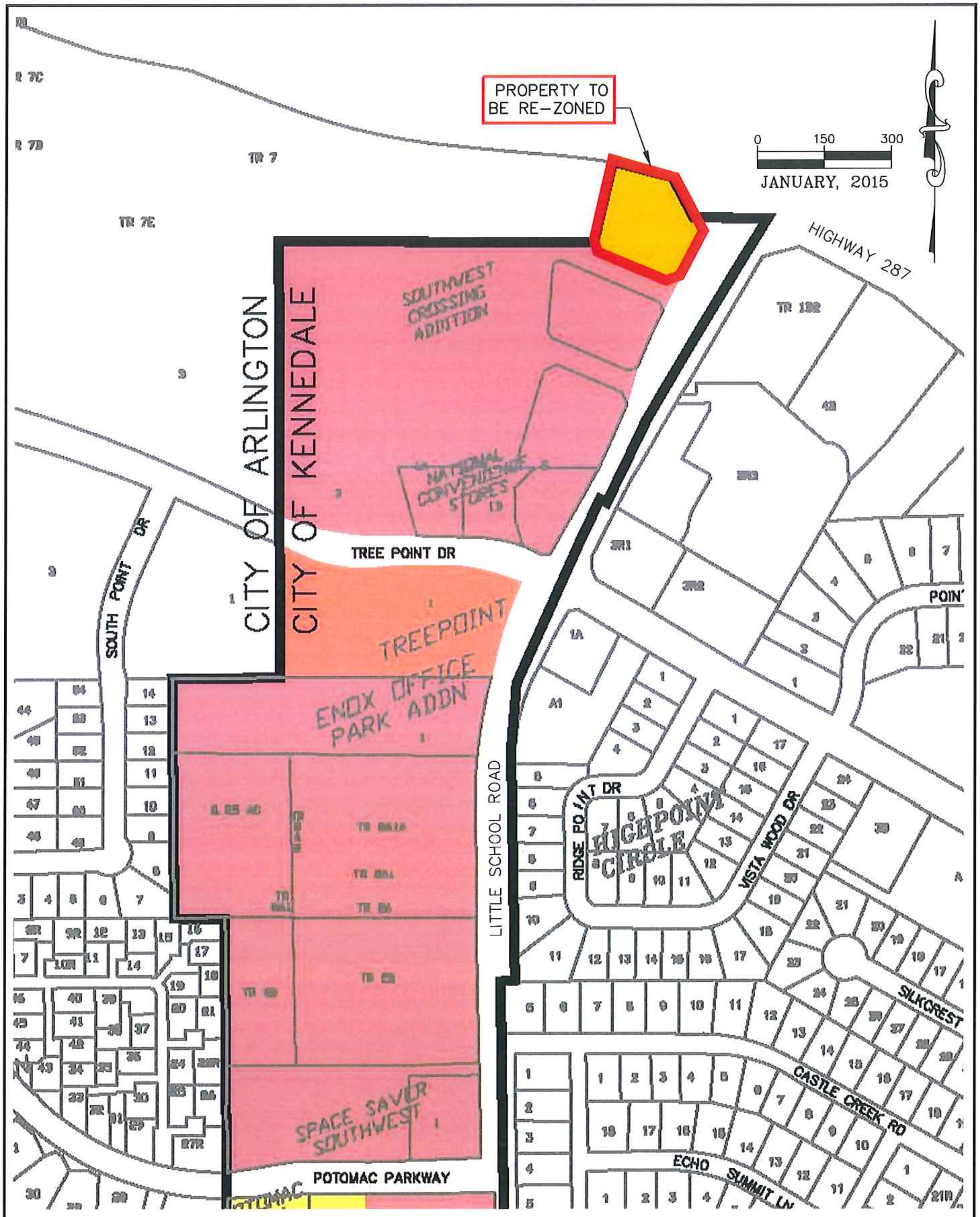
For the above stated reasons, we believe re-zoning Lot 2 of the Southwest Crossing Addition from C0 - Retail Commercial to C1 - Restricted Commercial District will enhance the general welfare of the City of Kennedale and allow for the immediate development of the property. If successful in rezoning the property, the Owner intends to begin construction in the spring of 2015.

The project will be designed in strict compliance with the City of Kennedale Code of Ordinances as well any other jurisdictional requirements.

Store #3284 Arlington, TX
Project No. 14-6001
January 19, 2015

A tract of land being Lot 2 of the "Amended Plat of Southwest Crossing Addition" described as follows:

Beginning at the Northeast corner of aforementioned lot being on the West right of way of Little School Road travel along a curve with a chord bearing of S25° 31' 31"W - 204.80' with a radius of 1174.92; thence S68° 33' 03"W – 33.27', thence N67° 08' 31"W – 166.47, thence N27° 01' 35"W – 22.94' thence N13° 05' 21"E – 187.27' to the South right of way of U. S. Highway 287, thence along a curve with a chord bearing of S79° 53' 03"E – 147.95' with a radius of 924.93 thence S28° 56' 00"E – 130.25' to the point of beginning and containing 1.014 acres of land.



COCHRAN

GENERAL NOTES / LEGEND

VICINITY MAP

WALMART FUEL

WALMART SUPERCENTER #3284

N

DWN. BY: KSK	APPD. BY: DVP
DATE: JAN. 19, 2015	
SCALE: 1"=300'	
PROJ. NO: 14-6001	
PLATE: 1	

ORDINANCE 566

AN ORDINANCE AMENDING ORDINANCE NO. 40, AS AMENDED; REZONING CERTAIN PROPERTY WITHIN THE CITY LIMITS OF THE CITY OF KENNEDALE FROM “C-0” RETAIL COMMERCIAL DISTRICT TO “C-1” RESTRICTED COMMERCIAL DISTRICT; PROVIDING FOR THE AMENDMENT OF THE OFFICIAL ZONING MAP TO REFLECT SUCH CHANGES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Kennedale Texas is a Home Rule municipality acting under its charter adopted by the electorate pursuant to Article XI, of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, pursuant to Chapter 211 of the Local Government Code, the City has adopted a comprehensive zoning ordinance and map regulating the location and use of buildings, other structures and land for business, industrial, residential, or other purposes, for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan; and

WHEREAS, Wal-Mart Stores Texas LP which has a proprietary interest in said property being an approximately 1.014 acre tract more particularly described as Southwest Crossing Addition Block 1R Lot 2, Tarrant County, Texas, has filed an application to rezone the property from its present classification of “C-0” Retail Commercial District to a "C-1" Restricted Commercial District; and

WHEREAS, a public hearing was duly held by the Planning and Zoning Commission of the City of Kennedale on February 19, 2015 and by the City Council of the City of Kennedale on March 16, 2015 with respect to the zoning changes described herein; and

WHEREAS, all requirements of law dealing with notice to other property owners, publication and all procedural requirements have been complied with in accordance with Chapter 211 of the Local Government Code; and

WHEREAS, the City Council does hereby deem it advisable and in the public interest to amend the City's Zoning Ordinance as described herein.

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

SECTION 1:

The Comprehensive Zoning Ordinance is hereby amended so that the zoning classification and the uses in the hereinafter described area shall be changed and or restricted as shown and described below:

> An approximately 1.014 acre tract more particularly described as Southwest Crossing Addition Block 1R Lot 2, Tarrant County, Texas ("the Property"), as more particularly described on Exhibit "A" attached hereto and incorporated herein, from "C-0" Retail Commercial District to "C-1" Restricted Commercial District.

SECTION 2.

The zoning districts and boundaries as herein established have been made in accordance with the comprehensive plan for the purpose of promoting the health, safety, morals and general welfare of the community. They have been designed to lessen congestion in the streets, to secure safety from fire, panic, flood and other dangers, to provide adequate light and air, to prevent overcrowding of land, to avoid undue concentration of population, to facilitate the adequate provisions of transportation, water, sewerage, parks and other public requirements. They have been made after a full and complete hearing with reasonable consideration among other things of the character of the district and its peculiar suitability for the particular uses and with a view of conserving the value of the buildings and encouraging the most appropriate use of land throughout the community.

SECTION 4.

The City Secretary is hereby directed to amend the official zoning map to reflect the changes in classifications approved herein.

SECTION 5.

The use of the properties hereinabove described shall be subject to all the applicable regulations contained in the Comprehensive Zoning Ordinance and all other applicable and pertinent ordinances of the City of Kennedale, Texas.

SECTION 6.

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Kennedale, Texas (1991), as amended, including but not limited to all Ordinances of the City of Kennedale affecting zoning and land use, and shall not repeal any of the provisions of such ordinances except in those instances where provisions of such ordinances are in direct conflict with the provisions of this ordinance.

SECTION 7.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists enforcement of any of the provisions of this ordinance shall be fined not more than Two Thousand Dollars ($2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 8.

All rights or remedies of the City of Kennedale Texas are expressly saved as to any and all violations of any ordinances governing zoning or of any amendments thereto that have accrued at the time of the effective date of this Ordinance and as to such accrued violations and all pending litigation both civil and criminal same shall not be affected by this Ordinance but may be prosecuted until final disposition by the Courts.

SECTION 9.

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 10.

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 11.

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 ON THIS 16th DAY OF MARCH 2015.

APPROVED:

____

Mayor, Brian Johnson

ATTEST:

____

City Secretary, Leslie Galloway

EFFECTIVE: _________________________

APPROVED AS TO FORM AND LEGALITY:

____
City Attorney, Wayne K. Olson

Exhibit A
Legal Description

A tract of land being Lot 2 of the "Amended Plat of Southwest Crossing Addition" described as follows:

Beginning at the Northeast corner of aforementioned lot being on the West right of way of Little School Road travel along a curve with a chord bearing of S25" 31' 31'W- 204.80' with a radius of 1174.92; thence S68" 33' 03"W-
33.27', thence N67" 08' 31'W- 166.47, thence N27" 01' 35'W- 22.94' thence N13" 05' 21"E - 187.27' to the South right of way of U. S. Highway 287, thence along a curve with a chord bearing of S79" 53' 03"E- 147.95' with a radius of 924.93 thence S28" 56' OO"E -130.25' to the point of beginning and containing 1.014 acres of land.

Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: REGULAR ITEMS - D.

I. Subject:
Consider approval of an Ordinance 567 amending the city's schedule of administrative fees

II. Originated by:
Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:
The purpose of this ordinance is to set forth those fees and charges authorized to be charged by the City of Kennedale pursuant to specific authorization by the City Council. Fees and charges help offset both direct and indirect costs associated with the administration, investigation and implementation of ordinances and regulations applicable to development, as well as numerous other City activities and operations.

The City Council last approved revisions to this "schedule" of fees and charges on November 17, 2014 (Administrative Fees: Pavilion Rentals, Library, Water Deposits). For the purposes of this update, City staff would like to incorporate several changes, which are denoted in red on attached Schedule of Fees. In terms of staff's reasoning for the denoted items:

Water/Sewer Fees - Normally, a meter set fee is paid upfront and then Public Works goes out to install a meter. Unfortunately, the City has encountered a growing issue. Because some builders fail to have everything ready at the initial meter set, Public Works has found that it is making multiple trips out to the same location. Because we currently do not address this in our schedule of fees, staff would like for Council to consider the incorporation of a Meter Set Reinspection Fee. This will address the time and cost associated with each additional visit made after the initial one.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Ordinance 567	O567.docx
2.	Exhibit A: Schedule of Fees	Schedule of Fees (Proposed).pdf

ORDINANCE NO. 567

AN ORDINANCE AMENDING SECTION 2-3 OF THE KENNEDALE CITY CODE (1991), AS AMENDED, BY AMENDING, REPEALING, OR PROVIDING FOR FEES FOR CERTAIN CITY SERVICES; PROVIDING FOR THE ADOPTION OF ADDITIONAL FEES BY ORDINANCE; PROVIDING FOR THE REPEAL OF FEES INCONSISTENT WITH THE FEES ESTABLISHED HEREIN; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale 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, in order to offset costs associated with the administration, investigation and implementation of ordinances and regulations applicable to development and other activities, the City Council has previously established a schedule of fees; and

WHEREAS, the City Council now desires to update its schedule of fees by amending or repealing certain fees and adopting new fees; and

WHEREAS, the City Council desires to repeal all previously adopted fees, which are inconsistent with fees established by this ordinance.

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

SECTION 1.

Section 2-3 of the Kennedale City Code (1992), as amended, is hereby amended to read as follows:

"Sec. 2-3. Fees for Licenses, Inspections, Permits, etc.

(a) All persons, firms or corporations applying for licenses, inspections, permits or other city services, activities or uses that, by their nature, require the applicant to pay a fee incident to such application, shall be required to pay the following fees as established in Exhibit "A."

(b) The City Council shall periodically review the need for and the amount of fees for city services, uses and activities and shall adopt or revise it from time to time.

(c) In addition to the fees established in paragraph (a) above, the City Council may adopt other ordinances from time to time establishing various fees for city services, activities and uses.

(d) It shall be a violation of this Section to conduct any activity or commence any use for which the payment of a fee is required unless such fee has been paid."

SECTION 2.

The fees set forth in Exhibit A attached to this ordinance are hereby adopted.

SECTION 3.

This ordinance shall be cumulative of all provisions of ordinances of the City of Kennedale, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, 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, 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.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance shall be fined not more than Five Hundred Dollars ($500.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 6.

All rights and remedies of the City of Kennedale are expressly saved as to any and all violations of the provisions of Section 2-3 of the Kennedale City Code (1991), as amended, or any other ordinance or code provision affecting fees which have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 7.

The City Secretary of the City of Kennedale is hereby directed to publish the caption, penalty clause, publication clause and effective date 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 52.011 of the Local Government Code.

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, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 16th day of March, 2015.

APPROVED:

____
Mayor, Brian Johnson

ATTEST:

____
Leslie Galloway, City Secretary

EXHIBIT A: SCHEDULE OF FEES
(03-16-14 Draft)

ADMINISTRATIVE FEES (CURRENT)

Ballfields		
KYA-Annual Lease Agreement		
Day	$20.00	
Night	$40.00	
Business License	$25.00	
Itinerant Vendor License	$100.00	
Certificate of Occupancy	$55.00	
Credit Card Fees		
Municipal Court	3%	When payment of any fee, fine court cost or other charge related to Kennedale Municipal Court is made by credit card via phone, online or in-person, a fee equaling three (3) percent per fine, fine, court cost or other charge paid by credit card will be added to the fee, fine, court cost or other charge paid.
Utility Billing	$0.00	When payment of any fee or other charge related to Kennedale Utility Billing is made by credit card online or in-person, no fee will be required.
Permitting	3%	When payment of any fee or other charge related to Kennedale Permitting is made by credit card via phone, online or in-person, a fee equaling three (3) percent per fee or other charge paid by credit card will be added to the fee or other charge paid.
Miscellaneous/Other Activity	$0.00	When payment of any fee or other charge related to any other miscellaneous activity is made by credit card online or in-person, no fee will be required. Phone payments are not accepted.
		If, for any reason, a payment by credit card is not honored by the credit card company on which the funds are drawn, the city shall collect the same acount as the fee charged for the collection of a check drawn on an accouant with insufficient funds from the person who owes the fee, fine, court cost or other charge in addition to the original fee, fine, courst cost or other charge.
Returned Check	$30.00	
Request For		
Annexation	$200.00	
Zoning Change or Amendment	$500.00	0-10 Acres
	$1,500.00	10 Plus More Acres
Variance	$250.00	
Special Use Permit	$250.00	
Zoning Verification Letter	$30.00	
Fingerprinting of Citizens for Record Checks	$10.00	Per Card
Gathering Station Inspection	$1,000.00	
Printouts/Copies From Plotter	$1.00	Per Square Foot

EXHIBIT A: SCHEDULE OF FEES
(03-16-14 Draft)

Request for Vehicle Accident Reports	$6.00	Per Report
Community Center Rentals		
Residents (Living W/In Boundaries of Kennedale ISD)	$30.00	Per Hour During Library's Normal Hours, Minimum $100 Required
	$40.00	Per Hour During Library's Closed Hours, Minimum $100 Required
Non-Residents	$40.00	Per Hour During Library's Normal Hours, Minimum $100 Required
	$50.00	Per Hour During Library's Closed Hours, Minimum $100 Required
Deposit (Applies To All Users)	$150.00	May Be Refunded Upon Successful Inspection
Senior Citizen Center Rentals		
Members (Current Application/Renewal On File)	$75.00	Flat Fee Per Day
Non-Members	$125.00	Flat Fee Per Day
Member Deposit (Current Application/Renewal On File)	$75.00	May Be Refunded Upon Successful Inspection
Non-Member Deposit	$150.00	May Be Refunded Upon Successful Inspection
Pavilion Rentals		
Residents (Living W/In Boundaries of Kennedale ISD)	$60.00	For 2 Hours, $90 For 4 Hours, $115 For 6 Hours, $140 For 8 Hours
Non-Residents	$120.00	For 2 Hours, $180 For 4 Hours, $230 For 6 Hours, $280 For 8 Hours
Deposit (Applies To All Users)	$50.00	May Be Refunded Upon Successful Inspection
Library		
Overdue Book	$0.25	Per Day
Photocopies From Copier	$0.10	Per Page
Printouts From Computer	$0.25	Per Page
Materials Lost or Damaged Beyond Repair	$5.00	Processing Fee + Listed Retail Price
Repair of Inventory Material	Actual Cost	
Replace Lost or Damaged Audiobook Binder	$5.00	
Replace Lost or Damaged CD Case	$1.50	
Replace Lost or Damaged DVD Case	$2.00	
Interlibrary Loan	No Charge	
Library Card Replacement	$2.00	
Repair of CD/DVD	$1.00	
Transmittal Fax Only (Local)	$1.00	First Page, $.25 Each Page Thereafter
Transmittal Fax Only (Long Distance)	$2.00	First Page, $.50 Each Page Thereafter
Mowing and/or Cleaning Property (Contractor)	Actual Cost	Plus $100.00 Administrative Fee
Deposit-Residential Water	$60.00	Renter's Deposit $90. If Any Account Is Finaled Out With A Minimum Balance Of $45 And Is 30 Days Past Due, A Double Deposit Is Required Per Account To Re-Establish Service.
Deposit-Residential Sewer	$30.00	Renter's Deposit $60. If Any Account Is Finaled Out With A Minimum Balance Of $45 And Is 30 Days Past Due, A Double Deposit Is Required Per Account To Re-Establish Service.
Deposit-Commercial Water	$100.00	If Any Account Is Finaled Out With A Minimum Balance Of $45 And Is 30 Days Past Due, A Double Deposit Is Required Per Account To Re-Establish Service.

Deposit-Commercial Sewer	$50.00	If Any Account Is Finaled Out With A Minimum Balance Of $45 And Is 30 Days Past Due, A Double Deposit Is Required Per Account To Re-Establish Service.
Deposit-Commercial/Industrial w/High Consumption	-	1/6 of Annual Consumption
Deposit-Water for Cleanup (15 Day Temp Service)	$30.00	Per Day
Use of Bulk Unmetered Water	-	Rate Times Estimated Gallons
Deposit-Use of Bulk Water Meter (Fire Hydrant)	$600.00	Plus $50 Service Fee
Deposit-Use of Bulk Water Meter (Gas Drilling)	$1,000.00	Plus $50 Service Fee
Water Administrative Fee (Appear On Cut List)	$20.00	
Establishment Fee	$15.00	Applied To All New Accounts
Disconnect Service At The Main	Actual Cost	
Utility Equipment	Actual Cost	Meter, Meter Base, MTU, Register, Bullhead And Any Other Associated Equipment Installed For Water/Sewer Metering Purposes
Move City Utilities	Actual Cost	
Private Water Well Permit & Inspection	$75.00	
Liquid Waste Permit	$50.00	
Liquid Waste Trip Ticket Book	$20.00	
Wrecker License and/or Permit	$20.00	
Garage Sale Permit	$10.00	
Preliminary Plat	$300.00	Plus $10.00 Per Lot
Final Plat	$300.00	Plus $10.00 Per Lot
Replat	$500.00	0-10 Acres
	$1,500.00	10 Plus More Acres
Minor Plat, Vacated Plat, Amended Plat	$300.00	Plus $10.00 Per Lot

PERMIT FEES

MECHANICAL CODE PERMITS & INSPECTIONS		
Single Family, Duplex, Townhouse, Etc.	$110.00	Per Air Handling Unit
Apartments, Condominiums, Triplex & Larger	$110.00	Each Dwelling
Commercial Cooling/Heating System		
Less Than 100 tons	$110.00	Per Air Handling Unit
101+ More Tons	$110.00	Per Air Handling Unit
MISCELLANEOUS		
Replacement of Furnaces, Condensing Unit or Cooling/Heating System	$55.00	
Vent-A-Hood For Commercial Cooking	$55.00	
Minimum Fee For Single Permit	$55.00	
Plan Review (Single Family)	$55.00	New/Remodel/Addition
Plan Review (Commerical, Industrial)	20%	Of Building Permit Cost, New/Remodel/Addition
Plan Review (All Other)	$25.00	
Plan Re-Review	$25.00	

Re-Inspection Fee	$55.00	
Mechanical Code Appeal	$100.00	
All Unlisted Permits Per Inspection	$55.00	
FIRE CODE PERMITS, INSPECTIONS & FEES		
Fire Report	$15.00	
EMS Report	$15.00	
Fire Inspection (Annual, Bi-Annual of CO)	No Charge	
Re-Inspection	No Charge	
2nd Re-Inspection	$55.00	
3rd or more Re-Inspection	-	Fee Doubles For Each Subsequent Inspection
Fire Site Plan Review	$55.00	
Building/Fire Plan Review	$55.00	
Fire Code Appeal	$100.00	
Fire Suppression Systems	$55.00	
Engine Standby Fee	$150.00	Hourly
Brush Truck Standby Fee	$75.00	Hourly
HazMat Squad Standby Fee	$300.00	Hourly
Fire Marshall Standby Fee	$40.00	Hourly
Paramedic Standby Fee	$30.00	Hourly
False Alarm (3rd or M'ore)	$55.00	Fee Doubles For Each SubsequentAlarm
Ambulance Fees	Actual Cost	The actual cost of ambulance service shall be established according ot the reasonable and customary reimbursement allowances used by applicable insurance carriers, as reviewed and approved by the City Manager on a quarterly basis.
OIL & GAS WELL PERMITS & FEES		
Fee Assessed Per Application Per Pad Site		
1st Well Requested On An Application for Pad Site	$5,000.00	Each Additional Well On Same Application for Same Pad Site Is Same Cost as 1st Well. Also, Additional Wells Requested After Submission of Original Application For Particular Pad Site Shall Be Counted As New Application.
Annual Inspection Per Well	$2,000.00	$300 Per Additional Well On Same Pad Site
Annual Air Sampling & Reporting Fee Per Pad Site For Low-To-Moderate Impact Sites	$12,000.00	
Annual Air Sampling & Reporting Fee Per Pad Site For High Impact Sites (To Be Determined By City)	$45,000.00	May Be Paid In Quarterly Installments

EXHIBIT A: SCHEDULE OF FEES
(03-16-14 Draft)

Annual Air Sampling & Reporting Fee As Needed	$12,000.00	Per Instance Of Additional Monitoring

BUILDING CODE PERMITS, INSPECTIONS AND PLAN REVIEWS

Construction Table Based On Total Valuation:

$1.00 to $500.00	$23.50	
$501.00 to $2,000.00	$23.50	For the first $500.00 plus $3.05 for each additional $100.00, or fraction thereof, to and including $2,000.00
$2,001.00 to $25,000.00	$69.25	For the first $2,000.00 plus $14.00 for each additional $1,000.00, or fraction thereof, to and including $25,000.00
$25,001.00 to 50,000.00	$391.25	For the first $25,000.00 plus $10.10 for each additional $1,000.00, or fraction thereof, to and including $50,000.00
$50,001.00 to $100,000.00	$643.75	For the first $50,000.00 plus $7.00 for each additional $1,000.00, or fraction thereof, to and including $100,000.00
$100,001.00 to $500,000.00	$993.75	For the first $100,000.00 plus $5.60 for each additional $1,000.00, or fraction thereof, to and including $500,000.00
$500,001.00 to $1,000,000.00	$3,233.75	For the first $500,000.00 plus $4.75 for each additional $1,000.00, or fraction thereof, to and including $1,000,000.00
$1,000,001.00 & Up	$5,608.75	For the first $1,000,000.00 plus $3.65 for each additional $1,000.00, or fraction thereof

<u>MISCELLANEOUS</u>

Alterations and Repairs To Existing Structures	-	Per Construction Table Above
Detached Garages	-	Per Construction Table Above
Carports	-	Per Construction Table Above
Patio Covers	-	Per Construction Table Above
Portable Building (Max.150 sq. ft.)	-	Per Construction Table Above
Accessory Building (Max. 150 sq. ft.)	-	Per Construction Table Above
Swimming Pool (Above ground)	-	Per Construction Table Above
Swimming Pool (In-ground)	-	Per Construction Table Above
Fireplace	-	Per Construction Table Above
Demolition	$55.00	
Underground Storage Tanks (Includes Gas Lines To Tank)	-	Per Construction Table Above
Tent (Commercial) >200 sq.ft.	$55.00	
Carnival or Temporary Amusement	$55.00	
Canopy> 400 sq.ft.	$55.00	
Signs	-	Per Construction Table Above
Fence	-	Per Construction Table Above
Drive Approach	$55.00	
Reinspection Fee	$55.00	
Moving Buildings into the City	$100.00	
Building Code Appeal	$100.00	
Tree Mitigation Fee	$200.00	Per Caliper Inch

EXHIBIT A: SCHEDULE OF FEES
(03-16-14 Draft)

<u>PLUMBING CODE PERMITS & INSPECTIONS</u>		
Single Family, Duplex, Townhouse, Etc.	$0.06	Per Square Foot
Apartments, Condominiums, Triplex, Etc.	$0.05	Per Square Foot
Commercial/Industrial New Construction	$0.06	Per Square Foot
Unit Fee Schedule		
Each Plumbing Fixture, Trap or Set Fixture, Etc.	$55.00	
Each Building Water Line	$55.00	
Each Building Sewer Line	$55.00	
Installation/Repair of Water Piping and/or Water Treatment Equipment	$55.00	
Repair or Alteration of Drainage or Vent Piping	$55.00	
Each Lawn Sprinkler System On Any One Meter, Including Backflow Protection	$55.00	
Private Sewage Disposal System	$55.00	
Industrial Waste Pre-Treatment Interceptor	$55.00	
Gas Fired Applicable W/Special Vent Pipe	$55.00	
Each Gas Piping System (1-4 Outlets)	$55.00	
Each Gas Piping System (5 Plus More Outlets)	$55.00	
Repair of Existing Piping	$55.00	
Fireplace Piping & Valve	$55.00	
Gas Line Pressure Check	$55.00	
Yard Line Pressure Check	$55.00	
<u>MISCELLANEOUS</u>		
Reinspection Fee	$55.00	
Minimum Calculation		
Single Residence	$55.00	
Non-Residence Unit	$55.00	
Plumbing Code Appeal	$100.00	
All Unlisted Permits Per Inspection	$55.00	
<u>ELECTRICAL CODE PERMITS & INSPECTIONS</u>		
Single Family, Duplex, Townhouse, Etc.	$0.06	Per Square Foot
Apartments, Condominiums, Triplex, Etc.	$0.05	Per Square Foot
Commercial/Industrial New Construction	$0.06	Per Square Foot
In-Ground, Residential Swimming Pool	$110.00	
Electric Generators Used By Carnival, Circuses, Travling Shows, Exhibits	$55.00	
<u>MISCELLANEOUS</u>		
Fixed Residential Appliances Or Receptacle Outlets, Etc. (As In City Code)	$55.00	
Receptacles, Switch, Lighting or Other Outlet Holding Devices	$55.00	

Services of 600 Volts or Less:		
Not Over 200 Amps	$55.00	
Over 600 Volts or Over 1,000 Amps	$55.00	
(As in City Code) each Power Apparatus	$2.00	
Rating in Horsepower, Etc.		
Up To & Including 1, Each	$55.00	
Over 1, Up To 10, Each	$55.00	
Over 10, Up To 50, Each	$55.00	
Over 50, Up To 100, Each	$55.00	
Over 100, Each	$55.00	
Signs, Outline Lighting or Marquees From		
One Branch Circuit, Each	$55.00	
Additional Branch Outlets	$55.00	
Temporary Power To Any Structure (Max 90 Days)	$55.00	
Miscellaneous		
Minimum For Any Single Permit, Except Temporary Construction Pole Reconnects	$55.00	
Reinspection Fee	$55.00	
Electrical Code Appeal	$100.00	
All Unlisted Permits Per Inspection	$55.00	

REGISTRATION

Contractor Registration Fees In Accordance With Article XIII, Chapter 4 of This Code		
Initial Registration	$100.00	
Annual Renewal	$50.00	
Sub-Division Construction Inspection Fees	4%	Of Construction Cost

WATER & WASTEWATER FEES

Water Tap Fee (No Street Cut)		
¾”	$475.00	Plus $300 Meter Set Fee Plus Cost Of Meter
1”	$525.00	Plus $350 Meter Set Fee Plus Cost Of Meter
1 ½”	$950.00	Plus $550 Meter Set Fee Plus Cost Of Meter
2”	$1,075.00	Plus $700 Meter Set Fee Plus Cost Of Meter
3” or Larger	Actual Cost	Plus Actual Cost Meter Set Fee Plus Cost Of Meter
Water Tap Fee (With Street Cut or Bore)		
¾”	$925.00	Plus $300 Meter Set Fee Plus Cost Of Meter
1”	$975.00	Plus $350 Meter Set Fee Plus Cost Of Meter
1 ½”	$1,400.00	Plus $550 Meter Set Fee Plus Cost Of Meter
2”	$1,525.00	Plus $700 Meter Set Fee Plus Cost Of Meter
3” or Larger	Actual Cost	Plus Actual Cost Meter Set Fee Plus Cost Of Meter
Sewer Tap Fee (No Street Cut)		
4”	$425.00	
6”	$600.00	

8” or Larger	Actual Cost	
Sewer Tap Fee (With Street Cut or Bore)		
4”	$875.00	
6”	$1,050.00	
8” or Larger	Actual Cost	
Meter Calibration Fee		
City Staff	$45.00	Only If Meter Determined Accurate
Independent Testing Company	$125.00	Only If Meter Determined Accurate
Meter Tampering Fee		
Tampering with Meter	$200.00	Per Offense Plus Cost Of Repair/Replacement And Labor
Tampering with Lock or Cutting Lock	$200.00	Per Offense Plus Cost Of Repair/Replacement And Labor
Meter Set Reinspection Fee	$100.00	Per Additional Trip After Initial Meter Set Fee

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Staff Report to the Honorable Mayor and City Council

Date: March 16, 2015

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:
The City Council may meet in closed session at any time during the work session or the regular 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 on any item posted on the agenda and the following items:

1. Legal issues relative to amortization
2. Legal issues relative to a development agreement

II. Originated by:

III. Summary:
At this time the City Council will meet in executive session.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments: