

KENNEDALE CITY COUNCIL AGENDA
REGULAR MEETING
October 26, 2015
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

WORK SESSION at 6:30 PM
REGULAR SESSION at 7:00 PM

I. CALL TO ORDER

II. WORK SESSION

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

A. Discuss water delivery and billing/collection issues

B. 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

- Monarch Migration Day Proclamation
- Arbor Day Proclamation

C. Updates from the City Manager

X. MONITORING INFORMATION

A. Executive Limitations

B. Ends

- Balanced Scorecard

XI. INCIDENTAL ITEMS (CONSENT)

All matters listed under incidental items (consent) 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 the selection of Halff Associates to prepare a grant application through FEMA for federal funding of the purchase and removal of flood prone structures under the Hazard Grant Mitigation Program; and to assist the City of Kennedale in the implementation of a Hazard Grant Mitigation Program Plan; and to authorize the City Manager to execute a contract

B. Consider approval of contract with Freese and Nichols to conduct an Impact Fee Study

C. Approve Schedule of Investment Activity for quarter ending September 30, 2015

XII. REQUIRED APPROVAL ITEMS

XIII. DECISION ITEMS

A. Consider approval of minutes from September 21, 2015 meeting

B. Consider approval of minutes from October 6, 2015 Special Interview meeting

C. Consider approval of minutes from October 7, 2015 Special Interview meeting

D. Consider approval of minutes from October 19, 2015 meeting

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

F. Consider appointment of an Impact Fee Advisory Board

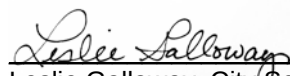
- G. Consider Resolution 463 authorizing participation in various cooperative purchasing programs
- H. Consider Resolution 464 adopting an amended City of Kennedale Financial Management Policy
- I. Consider Resolution 465 adopting an amended City of Kennedale Identity Theft Prevention Program Policy
- J. Consider Resolution 466 adopting an amended City of Kennedale Grant Submission & Acceptance Policy
- K. Consider Resolution 467 adopting an amended City of Kennedale Fraud Policy
- L. Consider Resolution 468 adopting an amended City of Kennedale Unclaimed Property Policy
- M. Consider Resolution 469 adopting an amended City of Kennedale Purchasing Policy
- N. Consider Resolution 470 adopting an amended City of Kennedale Procurement Card Program Policy
- O. Consider Resolution 471 adopting an amended City of Kennedale Investment Policy
- P. Consider Resolution 472 adopting an amended City of Kennedale Internal Controls & Cash Handling Policy
- Q. Consider Resolution 473 adopting an amended Kennedale Fund Balance Policy
- R. Consider approval of an Ordinance 579 amending the city's schedule of administrative fees

XIV. ADJOURNMENT

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

CERTIFICATION

I certify that a copy of the October 26, 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, City Secretary

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: WORK SESSION - A.

I. Subject:

Discuss water delivery and billing/collection issues

II. Originated by:

III. Summary:

Water service delivery and billing/collection issues

Ends Statement

Kennedale is a family-oriented community (1.0) providing a refuge (2.0) from the hectic pace of the Dallas/Fort Worth Metroplex. Open spaces, green belts, and trails enhance our serenity (3.0), quality of life (4.0) and community (5.0). With easy access (6.0) from major roadways, Kennedale is economically prosperous, business friendly and conveniently located, providing opportunities to shop, work and play (7.0).

- 4.0 Kennedale residents receive excellent municipal services with a staff that is proactive and responsive to residents needs
- 4.1 The Kennedale municipal government is well-governed
- 4.2 Residents and stakeholders feel safe at home and at work in Kennedale.
- 4.3 Fiscal Resources are managed productively, responsibly, and ethically.
- 4.4 Kennedale has a quality water, sewer, stormwater drainage, and solid waste utility system**
- 4.5 Residents and visitors receive fair treatment through the municipal court system
- 4.6 Buildings are constructed and maintained in compliance with national codes
- 4.7 Kennedale city government is financially responsible and sustainable
- 4.8 City staff maintains cooperative and collaborative working relationships based on an Integrative work culture consistent with the core values of integrity, accountability, teamwork, innovation, and commitment

Discussion outline

- 1. Water issues west of Mississippi
- 2. Based on the book – *Cadillac Desert*
- 3. Water issues in Texas
- 1. SAWS water supply strategy
- 2. West Texas reservoirs
- 3. aquifers

4. DFW population growth
5. Water supply to handle growth
6. Ground water over drafting issues
7. Conservation challenges
 1. AMI
 2. Education
 3. Price signals through time of fuse rates
8. Public private partnership with Fathom Water Management
 1. Service issues within context of **customer v owner/constituent**
 2. Point of sale (POS) status
 3. Kiosk
9. Asset management
10. Water rate structure for conservation and fixed cost recovery

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	November 2015 Rotarian Article	Article.pdf
2.	Fathom Customer Care Summary	Summary.pdf
3.	Fathom Information Packet	Information.pdf
4.	Kiosk Data	Kiosk.pdf
5.	Water Consumption A	Consumption.pdf
6.	Water Consumption B	Consumption B.pdf

California's drought may not be *your* drought,

In June, in the middle of the worst drought in California's settled history, San Francisco did something bold that got almost no attention. The city passed an ordinance requiring all new developments of a certain size – commercial or residential – to install water recycling systems right on-site. Any new development of 250,000 square feet or larger will have to collect rainwater and gray water, clean it, and reuse it in the building or development for toilets, washing machines, and landscaping irrigation. New buildings with the recycling systems also will be able to sell this water to nearby buildings and developments.

With that ordinance – which passed the board of supervisors unanimously – San Francisco became the first city in the United States to make on-site water recycling mandatory. In the middle of the drought, the city was getting ready for the next one, the drought that will come in 2022 or 2052.

The drought in California entered its fifth year this summer. In April, for the first time in history, California's governor, Jerry Brown, imposed mandatory water

restrictions on the state's water utilities, requiring residents to reduce their water use by 25 percent over 2013 amounts. In June, the first month in which this mandatory reduction was in force, residents surpassed that target, lowering municipal water use by 27 percent statewide, even though it was the hottest June in California history. In July, Californians did even better, cutting water use by 31 percent.

"It's a different world," Brown said. "We have to act differently."

He made the announcement in a meadow in the Sierra Nevada mountains, where there would normally be 5 ½ feet of snow on an April day. He was standing on bare ground. California gets one-third of its fresh water each year from melting snow, but in 2015, the snowpack was just 5 percent of the average, the lowest level ever documented. Ninety-five percent of the snow was missing – on top of the four driest years in state history.

California's drought has been extraordinary any way you measure it. And because California has the largest economy

in the United States, and has the largest population, and produces the most food – including half the nation's fruits and vegetables – the drought has affected places far beyond Sacramento and San Diego.

But at the heart of this is an insight, largely overlooked: California has done pretty great in this drought.

The state's economy is soaring – it has grown faster than the national economy in every year of the drought. California leads the country in creating new jobs, and it is attracting new residents faster than at any time in the last decade. Even its agricultural community – which uses 80 percent of the water the state requires each year – is increasing production and sustaining employment.

There are pockets of misery in the drought – communities where wells have run dry, where ordinary Americans struggle every day to get enough water, as if they lived in a developing nation without a water system instead of in the richest state in America. But the astonishing thing is how little impact the drought has

but it will be soon enough.

The way to plan for the turbulent future of water is by changing how people use it – not by hoping it will rain.

had on the most important economy in the country. The reason isn't that water doesn't matter. Water does matter, and California has spent the last 20 years getting ready for this drought.

If you look closely, what's really happening is that the state is pioneering a whole set of strategies and ideas that communities everywhere should grab hold of for themselves.

WITH THE WATER RECYCLING ORDINANCE, San Francisco's officials were doing something rare when it comes to water: They were acknowledging reality, understanding that the way to plan for the turbulent future of water is by changing how people use it – not by hoping it will rain.

San Francisco has done this before. California's last devastating drought stretched from 1987 to 1992, and once it ended, the city never relaxed its drought rules. Instead, it embarked on a determined effort to get residents and businesses to use even less water, permanently.

Today, two-thirds of all homes in San Francisco have low-flow toilets, extraordinary for a city of that age and density. Half of all homes in San Francisco have water-efficient washing machines. Since the last major drought, San Francisco has cut daily residential water use from 59 gallons per person to 49 gallons per person – less than half the U.S. average.

Scott Wiener is the city supervisor who wrote the water recycling law passed in June. "Water is kind of nuclear in California. We've been fighting about it for 150 years," he says. "This is the time to take bold policy steps. A crisis has a way of opening up political opportunities to make policy changes that would have been unthinkable 5 or 10 years before."

San Francisco's efforts are mirrored across the state. California has a famously convoluted water system – the engineering is complicated, with river-size volumes of water moved from the north down to farmers in the Central Valley and the sprawling metropolises of the south. The state's system of water rights and water law is equally complex, with farmers growing similar crops entitled to very different quantities of water at very different prices.

But in the southern cities in the last decade, a new ethic has taken hold: the idea that the cities need to strive for "water independence," that relying on water imported from Northern California and from the Colorado River doesn't make them secure, but dangerously vulnerable.

The Metropolitan Water District of Southern California is the vast water agency that stretches from Oxnard, north of Los Angeles, to the Mexican border 200 miles south, supplying water for 19 million people – half the state's population. Since 1990, the number of people in the MWD has increased by four million, but the district uses less water in 2015 than it did in 1990. Southern California has added enough people to fill Portland and Las Vegas without adding any new water. All the population and economic growth that's powered the region in the last 25 years has been accomplished while conserving water.

Water conservation often gets trivialized – low-flow showerheads, faucet aerators – in ways that disguise its power. But Southern California is just starting to change the water culture. Although use of recycled water in California has doubled in the last 20 years, it still accounts for only an estimated 11 percent of total urban water use in the state. Even when it comes to rain, Southern California is just getting started. The

region's sewers collect all the water that falls on urban areas as rain – often in just a few storms a year, but in huge volumes – and rather than saving it for future use, the system dumps that water into the Pacific.

But there are signs that people understand that the world has changed, that the Southern California culture needs to adapt. This spring, the MWD announced a dramatic expansion of a rebate program that encourages residents to remove their turf lawns and replace them with drought-tolerant plants. Las Vegas pioneered such "cash for grass" programs. Southern California's entire \$340 million in rebates was spoken for in a matter of weeks – with homeowners committing to remove 170 million square feet of lawn, the same amount it took Las Vegas 16 years to remove.

CALIFORNIA'S FARMERS are a more complicated story. As a group, they have adapted with determination and creativity to increasing competition for water. They also have done real damage to the state's water resources as they have struggled to survive the current drought.

In 1980, almost no farmers in California used micro- or drip-irrigation. Today, one-third of the state's irrigated acres rely on these techniques, and the amount of land that is flood-irrigated – a practice as imprecise as it sounds – has been cut in half.

Putting water right where the plants are, as drip irrigation does, means that although farmers apply 20 to 30 percent less water overall, individual plants get more water, and fields with precise irrigation have dramatically higher yields. Between 2000 and 2010, California farmers increased the value of their harvest by 40 percent for a fixed amount of water – in part through smarter irrigation, in part

Ultimately water problems are local. For people who live in Chicago or Dallas, not eating California tomatoes and lettuce, or skipping the California wine, won't help battle the drought.

by switching to higher-value crops like the almonds and pistachios that have gotten so much attention during the drought.

But California has a long tradition of allowing anyone to pump groundwater from underneath their own land – not only without paying for it but without even recording how much they use. In fact, it is the only state in which groundwater has been largely unregulated. And in the drought, farmers are making up for the water they have lost under carefully regulated formal irrigation systems by pumping from wells – replacing about 70 percent of their missing water.

The unregulated pumping is over-drafting California's aquifers, taking far more water out than will soon be replaced, even when rain does return. In some places in the Central Valley, the land itself is subsiding an inch a month or more because of the pumping, and the wells of towns and hundreds of homes have gone dry.

The farmers have been trading successful harvests in the drought for future water security. "People are counting on digging deeper and deeper into the ground, into the 'water account,' with the assumption that it will never dry up," says David Orth, general manager of the Kings River Conservation District, which sits in the middle of the Central Valley, California's agricultural heartland. "I'm not sure there's much more room for resiliency."

But here too, the current drought will prove to have been a turning point. In the fall of 2014, the legislature passed a far-reaching law that will not just regulate groundwater – it will permanently protect the state's aquifers. Every aquifer in California will be mapped and measured, and farmers and communities will be allowed to pump out only the amount of water that

will be returned, by nature or with human help. All groundwater will be managed as a permanently sustainable resource.

The sweeping groundwater law – considered the most advanced in the nation – is an example of how the crisis has opened the way for policy changes that would have been unimaginable just a few years ago, in a state where pumping groundwater has been considered a matter of personal freedom. Although the final rules balancing pumping and restoration don't take effect until 2042, California farmers will have to adapt their practices again. California will have to pioneer ways to put rain and flood-water more efficiently back into aquifers.

WATER PROBLEMS CAN BE DRAMATIC, they can have far-reaching impact, but ultimately water problems are local. For people who live in Chicago or Dallas, not eating California tomatoes and lettuce, or skipping the California wine, won't help battle the drought.

And while California has weathered the worst drought in its history with remarkable resilience, there is a limit to the state's short-term adaptability. There's no telling how long the drought will last. Since 2001, California has had only four wet years, or even average rainfall years. Californians may not be living in a drought. They may be living in their new climate.

Every community in the United States – indeed, in the developed world – has a water system, and every one of those water systems is at risk. But where the water seems to be flowing fine right now, residents may not see the risk, or want to – and that's as true of water professionals as it is of ordinary people.

Any water utility should be asking three basic questions: How is the water

supply we rely on changing? How would we cope if our water availability were 10 or 20 or 30 percent less than it is now? What can we do to build a cushion for our water supply and our water customers – can we teach people to use less, or create a second supply by reusing either wastewater or storm water?

If the answers to those questions are reassuring, then asking them is neither painful nor expensive. If the answers are scary, then asking the questions now is much less painful and expensive than it would be after waiting even six months or a year.

Those are the blunt lessons from the California drought that people anywhere – whether in arid areas like the Southwest or flush areas like the Great Lakes – should be taking to heart.

California has held up so well this time precisely because of all the slow but steady change in water policy and water attitude over the last 20 years. The state could be in crisis if the drought lasts another year or two – but it would have been in crisis already if not for the work already done.

And no one in California is waiting around for the rain to return. From the future skyscrapers of San Francisco to the future farmers of the Central Valley, Californians are putting in place innovative practices that will give their state a wider measure of resilience for the next drought. ■

INTERESTED IN WATER ISSUES?

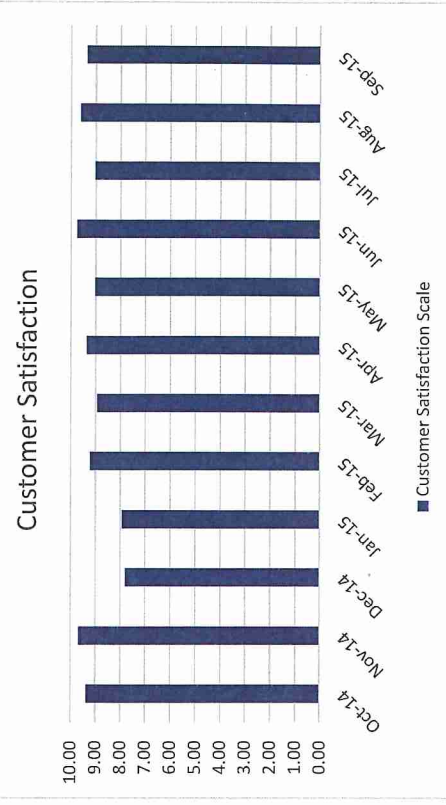
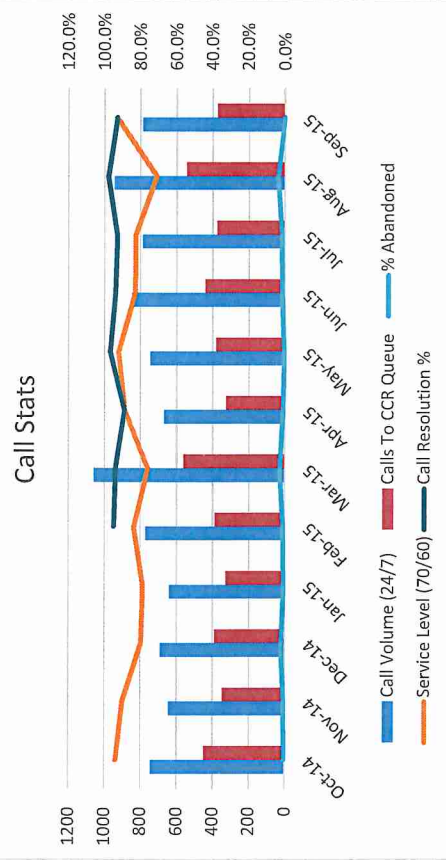
Learn more about this area of focus at www.rotary.org/water, or get involved with the Water and Sanitation Rotarian Action Group at www.wasrag.org.

WHAT WATER ISSUES AFFECT YOUR COMMUNITY?

Is your club working to address them? Tell us about it at rotarian@rotary.org or at facebook.com/therotarianmagazine.

FATHOM™ Customer Care Summary - City of Kennedale

Month	Call Volume (24/7)	Calls To CCR Queue	Calls Answered by CCR	Calls Abandoned	% Abandoned	Service Level (70/60)	Average Wait (sec)	Longest Wait (min)	Surveys Completed	Customer Satisfaction Scale	Call Resolution %
Oct-14	743	450	442	3	0.7%	94%	16	11	100	9.37	
Nov-14	643	346	338	3	0.9%	90%	25	9	75	9.68	
Dec-14	690	390	373	9	2.3%	80%	33	8	82	7.80	
Jan-15	640	327	309	3	0.9%	79%	34	10	86	7.93	
Feb-15	771	388	375	5	1.3%	84%	23	8	64	9.22	95%
Mar-15	1059	562	520	17	3.0%	76%	37	10	99	8.94	94%
Apr-15	668	326	317	4	1.2%	89%	16	7	65	9.36	89%
May-15	746	380	373	2	0.5%	92%	13	6	105	9.02	97%
Jun-15	849	441	420	7	1.6%	83%	28	9	109	9.76	94%
Jul-15	787	375	361	7	1.9%	83%	33	8	103	9.02	93%
Aug-15	946	544	496	21	3.9%	71%	59	35	154	9.62	98%
Sep-15	787	373	369	1	0.3%	93%	15	8	92	9.36	93%





Global Water Management LLC - FATHOM

City of Kennedale

Customer Care Information Packet

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City of Kennedale Water & Sewer Utility

Fathom Customer Care: 1 (855) 203-1318

Fathom Fax Number: (623) 518-4100

Fathom Web Address: <https://kennedale.gwfathom.com>

Customer Care Email Address: kennedale.support@gwfathom.com

Customer Care Business Hours: Monday-Friday, 8:00am to 5:30pm (UTC)

City Hall Business Hours: Monday-Friday 8:00am to 5:00pm (UTC)

City Web Address: <http://www.cityofkennedale.com/>

Frequently Used Phone Numbers:

- Arlington Water (817) 459-6777
- Fort Worth Water (817) 392-4477
- Progressive Waste Solutions (817) 222-2221



Emergency Hours/Contacts



Emergency Examples: Water main break, irrigation line break, sewer back up, emergency turn-off, water coming up in street.

8:00 am – 5:00 pm: Fathom to contact Gloria Rangel (Kennedale Public Works) at 817.985.2170.

After 5:00 pm: Fathom (or after-hours service) to contact Kennedale Police Department at 817.478.5416.
Police will then contact the on-call representative.

Payment Options:

- Remittance Address: P.O. Box 52747, Phoenix AZ 85072. Checks, money orders or cashier's checks should be made payable to "The City of Kennedale".
- Walk-In payments can be accepted at the local office (Monday-Friday, 8:00am to 5:00pm) located at 405 Municipal Dr. Kennedale, TX 76060. There is also a kiosk located in the lobby for after hour payments.
- E-Check or credit card online, IVR or live representative. ACH is also available for checking accounts and credit cards. The City absorbs the 2.8% credit card convenience fee.

Frequently Asked Questions



Common Customer Inquiries:

- Fathom began handling Customer Service and billing for the City of Kennedale as of September 1st, 2013.
- Customers need to update their online bill pay with new Fathom account # and remittance address. Any payments made to the old remittance address will be forwarded to the Phoenix lockbox but may cause a delay in payment.
- Services Fathom handles for Kennedale include water, wastewater, and storm drainage.
- Fathom handles the billing for rubbish, however, services are provided by Progressive Waste Solutions.
- Customers still make payments payable to the City of Kennedale, not Fathom.
- Closed accounts with outstanding final balances are sent to Valley Collection Services for final collections. Once an account status has been changed to "Collection Agency", the customer must make payment with VCS by calling (623) 931-4325.
- All customers received a new meter in October-December 2013. You are able to view their current water usage in STAR and the customer can view usage by logging into U2You. If you do not have access to STAR, please see your supervisor.
- All accounts are billed on a monthly basis. Water consumption is billed in gallons.
- Construction, fire hydrant and builder meter requests: Customers should contact the Utility Billing Administrator at the City of Kennedale at 817.985.2122.
- "Builder" accounts are billed at a flat rate for water only. Once a meter has been set at the property, bills will be based on actual usage. When a buyer places service in their name, all other services should be added to the account (Zen Desk ticket should be created to notify RM).

Kennedale Watering Restrictions:

Monday	No watering with sprinklers or irrigation systems
Tuesday & Friday	Non-residential sites (apartments, businesses, parks, fields, common areas, HOAs) only
Wednesday & Saturday	Residential addresses ending in 0, 2, 4, 6, 8
Thursday & Sunday	Residential addresses ending in 1, 3, 5, 7, 9
*Further information on water restrictions and conservation tips can be found at http://savetarrantwater.com	

Rubbish Inquiries:

Residential rubbish service entails twice a week curbside pickup on Wednesdays and Saturdays. Trash must be set out on the curb by 6:00am to ensure pick-up. Each residential customer shall provide and use containers (disposable or permanent) sufficient in number to hold the acceptable waste accumulating on premise.

Since Fathom handles the rubbish billing for all residential and some commercial customers, Fathom will handle any billing questions the customer may have. However, service related requests/complaints should be directed to Progressive Waste Solutions at 817.222.2221.

Curbside Recycling:

The City of Kennedale recently implemented a curbside recycling program for residential customers only. All customers received their new recycling bin by April 1st, 2015 and began to see the new charge on their statements near the end of that month. Recycling collection occurs every Wednesday and as with regular rubbish pickup, customers must place bins out by 6:00am to ensure pick-up.

Since Fathom only handles the billing for this program, customers with concerns regarding missed pick-ups, broken/missing bins or requests for additional bins should be directed to Progressive Waste Solutions at 817.222.2221.

For a list of accepted materials, please visit <http://cityofkennedale.com/DocumentCenter/View/1445>

Hazardous Household Waste:

City of Kennedale customers must first receive a voucher at City Hall in order to dispose of hazardous waste at the Environmental Collection Center. Proof of residence (current water bill or valid driver's license) will required at the time the voucher is requested. This service is free for city residents.

To Obtain Voucher

Business Hours: Monday – Friday 8:00am – 5:00pm
Address: 405 Municipal Drive, Kennedale Texas 76060
Phone: (817) 985-2120

Environmental Collection Center

Business Hours: Thursday - Friday 11:00am – 7:00pm & Saturday 9:00am – 3:00pm
Address: 6400 Bridge Street, Fort Worth Texas 76112
Phone: (817) 392-3279

For more info on hazardous waste disposal, please visit <http://fortworthtexas.gov/env/hazardouswaste/>

Service Line Warranties of America:

The city is contracted with SLWOA. It is insurance Kennedale residents can purchase on water and service lines that run from the meter to the house. If they purchase the insurance and they have a leak, they would contact Service Line Warranties of America. This is not something the city bills, they are billed directly from SLWOA. Any residents who purchased the warranty and have a leak or inquire about the warranty should be told to contact SLWOA directly at www.slwofa.com and 866.922.9006.

Discounts, Exemptions & Adjustments:

- The City of Kennedale does not offer tax exemptions on utility bills.
- Low income or permanently disabled customers may be eligible for discounted rates. To apply, customers must complete an affidavit and provide it back to the City with all required documentation.
- If a spouse becomes deceased, the surviving spouse may continue to receive the low income/disabled discount until the end of the fiscal year which spans from October to the following September.
- The City of Kennedale does offer leak adjustments on eligible accounts. Customer must submit a completed leak adjustment form to the City with all required documentation within 90 days after the date of the repair. For further details, refer to the Leak Adjustment Policy on page 15.
- A select few customers have a Senior Rubbish Exemption. New customers are not eligible to apply for this exemption. Customers who have recently had the exemption removed and are requesting to have it added back to their account should contact the City of Kennedale directly.

Work Orders:

Effective 6/12/2015, the City of Kennedale manages their work orders through CityWorks instead of SharePoint. Customer Care leadership and support have the ability to view historic work orders on the SharePoint website if needed. A few notes on work orders below...

- **Field Investigations:** If a customer is requesting to meet with a technician for a field investigation, they must provide a 48-hour notice and be at the property on the given day between 9:00am and 3:00pm (CST).
- **Scheduled Vacant Account Reactivation:** If a customer would like to be at the property when service is turned on, they must provide a 24-hour notice and be at the property on the given day between 9:00am and 11:00am or 1:00pm and 3:00pm (CST). Please indicate preference in order.
- **Compliance:** Create a compliance order that includes the customer's name, phone number, and a brief description of the problem. Also send email to kennedale.support@gwfathom.com with this information so that it may be forwarded to the City of Kennedale.
- **Backflow:** Customers with backflow inquiries or issues should contact Gloria Rangel (Kennedale Public Works) at grangel@cityofkennedale.com or 817.985.2170.

Move-In Process



First Things First:

- It is imperative to ask the customer if they've ever had services with the City of Kennedale before.
- If the customer states they have, please gather their name, previous address, and last 4 digits of their social security number or date of birth and search CIS to confirm there are no outstanding balances to be paid before starting new service. If an outstanding balance does exist, please see "Deposits" to determine whether or not the customer will be required to pay a double deposit.
- If a customer owes an outstanding balance that was incurred *prior to* Fathom's involvement with the City of Kennedale, the City will be notified of their new account (once active) and communication will be sent to the Customer from the City. Any balances incurred prior to Fathom's involvement will need to be settled with the City, not Fathom.
- If a customer owes an outstanding balance that was incurred *after* Fathom go-live and the status of the closed account is "Collection Agency", payment for the final balance must be made with Valley Collection Services by calling (623) 931-4325.
- If a customer is requesting service at a property that is currently past due or shut off due to non-payment, they may be required to provide their lease agreement or proof of ownership prior to starting new service. If it is determined that the new customer is attempting to secure service in their name in order to avoid payment of a debt for another party, the City of Kennedale reserves the right to refuse service until the full balance (including a deposit) has been paid. To determine if the customer must provide documentation, please see guidelines on page 6.



General Information:

- A deposit is required to be paid prior to starting new service. Please see "Deposits" for details.
- Service may not be started (or stopped) more than 7 calendar days in advance.
- All Vacant Account Reactivation work orders are completed the next business day.
- If a move-in is requested for an address that is not up to code, customer should contact the Code Compliance Office at 817.985.2134.
- The move-in disclaimer must be read for every move-in, regardless of whether or not service is already on. *"In the unlikely event of any property damage associated with service (re)activation without you being present, do you agree to accept full responsibility for any possible damage that may occur due to uncontrolled water flow beyond the meter, inside the home, such as a leaking faucet, plumbing fixtures or appliances?"*



Deposits:

Deposits are required prior to establishing service on a water/sewer account. The deposit may only be billed under extenuating circumstances with approval from Fathom Leadership or by request from the City of Kennedale. There is no instance in which a deposit can be waived.

- *Property Owner - residential = \$90.00* (\$60.00/water & \$30.00/sewer)
- *Tenant - residential = \$150.00* (\$90.00/water & \$60.00/sewer)
- *Commercial Properties = \$150.00*

Double Deposit Policy:

- Previous customers with a final account balance that is past the due date by **30 days or more** and is **\$45.00 or greater** will be required to pay a double deposit to re-establish service in addition to the outstanding final balance.
- Both deposits and past due balance should be required prior to establishing service. However, in times of hardship the second deposit can be billed with the first statement.
- **Exception:** If it can be confirmed by Customer Care that the customer did not receive a final bill due a Fathom error, customer will not be required to pay a double deposit.

Important Deposit Notes:

- Sewer only customers are only required to pay the appropriate "sewer" portion of the deposit.
- Rubbish only accounts are not required to pay a deposit.
- Deposits are refunded to the final bill only.
- If a customer is transferring service and would like to have service on at both locations past the 10th day, an additional deposit must be paid for the new location.
- A death certificate is required in order to transfer service into the next of kin's name without a deposit.



Transferring Service:

Water transfer from one location to another within 10 calendar days = No Additional Deposit

Water transfer from one location to another within 11 + calendar days = Additional Deposit

Water may only be left on at both properties for 10 days and should be scheduled for turn off on the 11th day at the original property, unless an earlier date has been specified.



Commercial Rubbish:

BEWARE! Of commercial accounts that Fathom bills for rubbish. There aren't many but they require special handling during the move-in process.

- Advise the new customer how many pick-ups per week the property is currently set up for (either 1 or 2). If the customer would like to change this preference, they have the option to do so during the move-in process only and should be advised of the difference in rates. If the customer does not opt to change the pick-up preference during the move-in process, they will only have the option to change once per year after receiving the bill insert notification toward the end of each year. (Insert must be returned to the City with preference change, not Fathom.)
- If the new move in customer requests to make a change to the number of pick-ups per week, submit a Zen Desk ticket for the multiplier to be changed. The customer should be advised that the preference change will go into effect with the beginning of the next month.
- After setting up the customer's account, advise them to contact Progressive Waste Solutions at 817.222.2221 to request a "Toter" (90-gallon trash can) be delivered to their property.



Lease Agreement/Proof of Ownership

A lease agreement or proof of ownership will be required for any customer who is requesting service at a property in which the following conditions exist:

- Property has an active account balance that is past the due date by **30 days or more** and is **\$45.00 or greater**.
- Service is currently shut off due to non-payment and a balance is still owed.

Required documentation should be provided to the City of Kennedale for review. Customers may take this to the City office (405 Municipal Dr., 8am-5pm M/F) or fax to (817.483.0182). If documentation is provided to Fathom, it will be passed along to the City via SharePoint by a member of the Operations Support Team.

- If the City of Kennedale determines the new move in is approved, the customer will be contacted by Fathom to collect deposit and the move-in will be scheduled for the next business day (unless a later date has been specified).
- If the City of Kennedale determines the move-in cannot be approved, they will provide a reason why and Fathom will contact the customer with further requirements.
- Every effort will be made to minimize the time it takes to review lease documents but in general, customers should be quoted a 48-hour response time after the documents have been provided to the City of Kennedale.

If it is determined that the new customer is attempting to secure service in their name in order to avoid payment of a debt for another party, the City of Kennedale reserves the right to refuse service until the full balance (including a deposit) has been paid.

Billing & Collections

Bill Date	Mail Date	Due Date	Penalties	Notice 1	IVR Start	Disconnect	Finalization
01/21/15	01/23/15	02/17/15	02/19/15	02/19/15	02/26/15	03/03/15	03/16/15
02/18/15	02/20/15	03/16/15	03/18/15	03/18/15	03/26/15	03/31/15	04/13/15
03/23/15	03/25/15	04/20/15	04/22/15	04/22/15	04/30/15	05/05/15	05/18/15
04/22/15	04/24/15	05/18/15	05/20/15	05/20/15	05/28/15	06/02/15	06/15/15
05/26/15	05/28/15	06/22/15	06/24/15	06/24/15	07/02/15	07/07/15	07/20/15
06/24/15	06/26/15	07/20/15	07/23/15	07/23/15	07/30/15	08/04/15	08/17/15
07/22/15	07/24/15	08/17/15	08/19/15	08/19/15	08/27/15	09/01/15	09/14/15
08/25/15	08/27/15	09/21/15	09/23/15	09/23/15	10/01/15	10/06/15	10/19/15
09/23/15	09/25/15	10/19/15	10/21/15	10/21/15	10/29/15	11/03/15	11/16/15
10/19/15	10/21/15	11/16/15	11/18/15	11/18/15	12/03/15	12/08/15	12/21/15
11/23/15	11/25/15	12/21/15	12/23/15	12/23/15	01/07/16	01/12/16	01/25/16
12/21/15	12/23/15	01/19/16	01/21/16	01/21/16	01/28/16	02/02/16	02/15/16

Utility Billing Cycle	Description
Read Date	Begins cycle
Bill Date	25 to 35 calendar days from previous bill date
Mail Date	Bill date plus 2 business days
Due Date	Bill date plus 25 calendar days (excludes Fridays, weekends and City holidays)
Penalty Fee Date/Disconnection Notice Date	Due date plus 2 business days
Payment Deadline Date Before Disconnection (Must pay by 5:00pm CST)	Penalty fee date plus 10 calendar days (Excludes Fridays, weekends and City holidays)
Disconnection Date	Payment deadline plus 1 business day
Reconnection Date	Disconnection day plus 1 business day
Account Finalization Date	Disconnection day plus 11 business days (excludes Fridays, weekends and City holidays)
*This "Billing and Payment Timeline" chart is also visible on the back of each statement.	

Payment Arrangements:

- There is no limit to the number of arrangements allowed in a 12 month period. Eligibility for future arrangements should be based on whether or not previous arrangements have been paid on time.
- If an arrangement is broken, the customer shall not be eligible again for 12 months.*
- A good faith payment of at least 25% of the past due balance is required to set a payment arrangement.*
- Customers should be forewarned that payment arrangements do not protect against penalties. (Check the penalty date on the "Billing and Collections" chart to see if the penalty date has already passed.)
- Payment arrangements cannot be made on the day of disconnection.
- A payment arrangement confirmation letter should be sent to confirm payment dates and amounts.

* Exceptions made for extenuating circumstances but must be pre-approved by leadership.

Payment/Arrangement Deadline:

In order to avoid disconnection, customers must make payment for the full past due balance or make a payment arrangement no later than 5pm (CST) on the day prior to the disconnect date.

Payment arrangements will not be granted on the day of disconnection.

Please Note: Accounts with past due balances less than \$45.00 will not be disconnected. This information is not to be shared with customers.

Disconnect/Reconnect Day:

On the disconnection date, the **full past due balance + penalties + \$20.00 administrative fee** must be paid to reconnect service on the next business day. If the customer is unable to pay the \$20.00 administrative fee at the time of reconnect, it can be billed but this option should not be offered upfront. The City of Kennedale does not offer same-day reconnects.

CSR's (Phone or U2You payments):

- Once full payment has been received and disclaimer is agreed to, process reconnect in CIS and generate the work order.
- Make sure to notate account in U2You with all pertinent payment and reconnect details.
- There is no need to call out to Public Works to notify them of the reconnect.

City of Kennedale (In office payments):

- Once full payment has been received and disclaimer is agreed to, please notate account in U2You indicating payment amount and any other pertinent details.
- Create a new reconnection work order in CityWorks.

To Stop Disconnection:

If a customer calls in to make a payment on disconnect day and the disconnect work order has not yet been completed, customer must make payment for full past due, penalties and \$20.00 administrative fee to stop disconnection. Once the payment has been received, the order must then be cancelled **directly through CityWorks**.

Reconnecting After Finalization:

If a customer is requesting reconnection after the account has been finalized (11 business days or more after disconnection), a new move in must be processed and a VAR order generated. The move in date used should be the next business day.

NOTE: Disclaimer must be read for all reconnects. Please see below.

"In the unlikely event of any property damage associated with service (re)activation without you being present, do you agree to accept full responsibility for any possible damage that may occur due to uncontrolled water flow beyond the meter, inside the home, such as a leaking faucet, plumbing fixtures or appliances?"

CITY OF KENNEDALE (RATES EFFECTIVE July 1, 2013)				
WATER RATES				
Service Within The City Limits:				
Meter Size	Residential Base	Senior/Disabled Base*	Commercial Base	Multiple Res/Comm Base
3/4"	\$13.87	\$13.87	\$13.87	\$13.87 Per Unit
1"	\$23.17	\$23.17	\$23.17	\$13.87 Per Unit
1.5"	\$46.19	\$46.19	\$46.19	\$13.87 Per Unit
2"	\$73.92	\$73.92	\$73.92	\$13.87 Per Unit
3"	\$161.87	\$161.87	\$161.87	\$13.87 Per Unit
4"	\$291.29	\$291.29	\$291.29	\$13.87 Per Unit
Volume	Residential Rate	Senior/Disabled Rate	Commercial Rate	Multiple Res/Comm Rate **
0-5000 Gallons	\$2.79 Per 1000 Gallons	\$2.79 Per 1000 Gallons	\$2.79 Per 1000 Gallons	N/A
5001-50000	\$5.27 Per 1000 Gallons	\$5.27 Per 1000 Gallons	\$5.27 Per 1000 Gallons***	N/A
50001+	\$6.19 Per 1000 Gallons	\$6.19 Per 1000 Gallons	\$5.27 Per 1000 Gallons***	N/A
* For senior/disables rate, a credit of \$7.50 per month/billing cycle will apply towards the applicable meter size for water service. **For multiple residential units on a single water meter, the volume charge shall be calculated on a per unit basis by dividing the total volume of water used by the number of residential units. ***For commercial rate, 2nd and 3rd tier volume charge is the same.				
Service Outside The City Limits:				
Meter Size	Residential Base	Senior/Disabled Base	Commercial Base	Multiple Res/Comm Base
3/4"	\$27.75	N/A	\$27.75	\$27.75 Per Unit
1"	\$46.33	N/A	\$46.33	\$27.75 Per Unit
1.5"	\$92.38	N/A	\$92.38	\$27.75 Per Unit
2"	\$147.85	N/A	\$147.85	\$27.75 Per Unit
3"	\$323.75	N/A	\$323.75	\$27.75 Per Unit
4"	\$582.58	N/A	\$582.58	\$27.75 Per Unit
Volume	Residential Rate	Senior/Disabled Rate	Commercial Rate	Multiple Res/Comm Rate *
0-5000 Gallons	\$2.79 Per 1000 Gallons	\$2.79 Per 1000 Gallons	\$2.79 Per 1000 Gallons	N/A
5001-50000	\$5.27 Per 1000 Gallons	\$5.27 Per 1000 Gallons	\$5.27 Per 1000 Gallons**	N/A
50001+	\$6.19 Per 1000 Gallons	\$6.19 Per 1000 Gallons	\$5.27 Per 1000 Gallons**	N/A
Note: Senior/disabled credit does not apply to service outside the city limits *For multiple residential units on a single water meter, the volume charge shall be calculated on a per basis by dividing the total volume of water used by the number of residential units **For commercial rate, 2nd and 3rd tier volume charge is the same.				
Gas Well Drilling:				
Meter Size	Residential Base	Senior/Disabled Base	Commercial Base	Multiple Res/Comm Base
2"	\$249.16	N/A	\$249.16	N/A
3"	\$545.58	N/A	\$545.58	N/A
4"	\$981.82	N/A	\$981.82	N/A
Volume	Residential Rate	Senior/Disabled Rate	Commercial Rate	Multiple Res/Comm Rate *
0-5000 Gallons	\$7.24 Per 1000 Gallons	N/A	\$7.24 Per 1000 Gallons	N/A
5001 + Gallons	\$7.24 Per 1000 Gallons	N/A	\$7.24 Per 1000 Gallons	N/A
SEWER RATES				
Service Within The City Limits:				
Base	Residential	Senior/Disabled	Commercial	Multiple Res/Comm
Per 1000 Gallons	\$17.19	\$17.19*	\$28.64	N/A
	\$4.09	\$4.09	\$4.48	N/A
*For senior/disabled rate, a credit of \$7.50 per month/billing cycle will apply towards the applicable base for sewer service				
Service Outside The City Limits:				
Base	Residential	Senior/Disabled	Commercial	Multiple Res/Comm
Per 1000 Gallons	\$34.37	N/A	\$57.28	N/A
	\$8.17	N/A	\$8.96	N/A

Sewer Rates:

Sewer charges are billed based on a winter average that is recalculated on a yearly basis. A "City Average" is used for customers who do not have enough history at the address to calculate their own average. For further information on this process, please see below.

2015 City Average = 5,300 gallons / 2014 City Average = 5,900 gallons

Kennedale Annual Sewer Winter Average Recalculation

Recalculating Winter Averages:

Applies to residential accounts that started service PRIOR to 11/15 of the previous year only. (Please see "City Average" section for accounts moved in after 11/15.)

- I. Average each account's individual consumption for the months of December (previous year), January and February (current year). See example below.

Water Consumption				
Account #	Dec. 2014	Jan. 2015	Feb. 2015	New Winter Average
1234567	6024	6358	6389	6257
7654321	5351	4992	4612	4985
9101112	5402	4171	4371	4648

- II. The new winter average will take effect with the March billing cycle.

Calculating a "City Average":

Applies to residential accounts that started service AFTER 11/15 only. These accounts will be charged for the "city average" until the next year when their actual consumption can be used to calculate their own unique average.

- III. After new winter averages have been calculated for all eligible accounts (see steps I & II), obtain the sum of each account's average and divide by the number of accounts or "average the averages". Round your figure to the nearest hundred (Ex. 7245 would be 7200, 7255 would be 7300).

Water Consumption				
Account #	Dec. 2014	Jan. 2015	Feb. 2015	New Winter Average
1234567	6024	6358	6389	6257
7654321	5351	4992	4612	4985
9101112	5402	4171	4371	4648
				Sum = 15,890
				Average = 5,296
				City Average = 5,300

- IV. This number will be the new "City Average" and will take effect with the March billing cycle.

Storm Drainage Rates:

Residential	\$2.50 per month
Impervious Area <i>Surfaces that do not absorb water (i.e. roofs, pavements, sidewalks, patios, gravel or crushed stone surfaces)</i>	\$0.90 per 1000 square feet
Funds are used to finance the Storm Water Management Program	

Rubbish Rates:

Residential Rubbish			
Effective	Amount	Tax (8.25%)	Total
7/1/2014	\$8.89	\$0.73	\$9.62
5/1/2013	\$8.78	\$0.72	\$9.50

Residential Recycling			
Effective	Amount	Tax (8.25%)	Total
4/1/2015	\$3.60	\$0.30	\$3.90

Commercial Accounts (Only if billed for rubbish by Fathom)			
Effective	Amount	Tax (8.25%)	Total
1/1/2015	1 pick-up per week \$19.78	\$1.63	\$21.41
	2 pick-ups per week \$27.50	\$2.27	\$29.77
7/1/2014	\$19.78	\$1.63	\$21.39
5/1/2013	\$19.55	\$1.61	\$21.16
*Except for at the time of move-in, commercial customers may only change their pick-up preference once per year. A bill insert will notify them of option to do so near the end of each year. Preference changes will take effect each January.			
* For questions about rates and service on commercial accounts that Fathom does NOT bill for rubbish, please advise customers to call Progressive Waste Solutions at 817.222.2221.			

Miscellaneous:

- Establishment Fee \$15.00
- Administrative (disconnect) Fee \$20.00
- Late Payment Penalty 10% of past due balance
- Tampering (Base) Fee \$200.00 (parts and labor cost will be additional fees)
- Returned Check Fee \$30.00 (After two returned payments within a 12 month time period, account will become CASH only for 12 months)
- Service Call Fee \$100.00 (Assessed to builder accounts if City goes to install the water meter and the box is not ready for install)



CITY OF KENNEDALE
UTILITY BILLING
405 MUNICIPAL DRIVE
KENNEDALE, TEXAS 76060
(817) 985-2122
FAX (817) 483-0182

LEAK ADJUSTMENT REQUEST

Request Date: _____ Account Number: _____

Customer Name on Account: _____

Phone Number: _____ Email: _____

Mailing Address: _____

Service Address (If Different From Above):

Date(s) of High Bill(s): _____

Repair Date: _____

Describe what was done to fix or correct the water leak problem(s). Proof of repair is required and must be submitted with this form (i.e., plumber itemized invoice, repair parts itemized receipt, or other documentation supporting any repairs).

Has a water leak adjustment been made for this service address on any previous occasion?

No _____ If Yes, When? _____

As the customer for the above noted property, I hereby apply for reimbursement under the City of Kennedale's Water Leak Adjustment Policy. I confirm that the above and attached information are true and accurate.

Customer's Name: _____

Customer's Signature: _____



CITY OF KENNEDALE
UTILITY BILLING
405 MUNICIPAL DRIVE
KENNEDALE, TEXAS 76060
(817) 985-2122
FAX (817) 483-0182

LEAK ADJUSTMENT REQUEST NOTICE

COMPLETION OF THIS FORM DOES NOT GUARANTEE AN ADJUSTMENT WILL BE MADE TO YOUR BILL. AS YOUR ACCOUNT MUST REMAIN CURRENT AND TO AVOID ADDITIONAL SERVICE CHARGES, CUSTOMERS ARE ADVISED TO PAY THE WATER AND/OR WASTEWATER AMOUNTS DUE WHILE YOUR ADJUSTMENT IS PENDING. ANY UNPAID AMOUNTS PENDING CONSIDERATION OF A WATER LEAK BILL ADJUSTMENT WILL BE TREATED IN THE SAME MANNER AS ALL OTHER UNPAID ACCOUNTS. REIMBURSEMENT WILL ONLY OCCUR ONCE A WATER LEAK ADJUSTMENT REQUEST IS GRANTED. ANY LEAK ADJUSTMENT MADE WILL DISPLAY AS A CREDIT ON YOUR UTILITY ACCOUNT.

A customer may receive only one adjustment during a twelve month period and only the two highest bills will be adjusted.

The water consumption in question (caused by the leak) must have already billed on your account.

Once your leak has been repaired, your leak adjustment request can be processed after the first full billing period, as long as the water consumption for that meter returns to normal.

If your leak is not completely repaired, an adjustment will not be offered. For Example: Simply turning the valve on a toilet or sprinkler system to the off position is not accepted as a repair.

Documentation of repair must be attached to your leak adjustment request form, and both must be submitted within 90 days after the date of the repair.

Acceptable forms of repair documentation are:

- A copy of a bill of service from a plumber or other service professional
- A copy of a receipt indicating that specific parts were purchased to make repairs

No leak adjustments are considered if the consumption in question was a result of an act of vandalism, criminal mischief or theft.

There will be no leak adjustments considered for swimming pools for any reason. However, an adjustment to the Average Winter Consumption (maximum sewer rate) may be considered.

Commercial accounts are considered for adjustment to both water and sewer, the same as Residential accounts.

Eligibility for a leak adjustment credit is considered on a case-by-case basis. Leak adjustment credits granted by the City of Kennedale is not required nor guaranteed to be granted for every request submitted, but are offered as a courtesy to encourage water conservation.



CITY OF KENNEDALE
UTILITY BILLING
21410 N 19TH AVE., SUITE 201
PHOENIX, AZ 85027
(855) 203-1318

FAX (623) 580-9659

Senior Citizens (over 60) or Disabled Credit Affidavit
Water/Sewer Credit

Name _____

Address _____

Inside City Limit YES NO

More than one unit at this address YES NO

Account Number _____

Phone Number _____

Birth date _____ Age _____
 Month Day Year

Proof of age

- ☐ Photo Identification
- ☐ Birth Certificate

Proof of disability

- ☐ Tarrant County Appraisal District Verification
- ☐ Social Security Administration Verification
- ☐ Veterans Administration

Total Annual Income \$ _____

- ☐ Social Security Document
- ☐ Latest Tax Return
- ☐ Interest Information from Banking Institution

Proof of Residency Electric Bill Photo Identification YES NO

Signed Acknowledgement Attached YES NO

09/09/13

I verify the accuracy of all the information provided to the City to obtain the discount and agree to reimburse the City if any of the submitted information is found to be false.

Signature _____

Print Name _____

Date _____
Month Day Year

Approved YES NO By _____

Comments _____

ACKNOWLEDGEMENT

State of Texas
County of Tarrant

Before me, a notary public, on this day personally appeared _____
Known to me or proved to me through Texas Drivers License to be the person whose name is
subscribed on the foregoing document and, being by me first duly sworn, declared that the
statements therein contained are true and correct.

Given under my hand and seal of office this ____ date of _____, 20__

Notary Public's Signature

Notary Seal

Printed Name

Commission Expires

09/09/13

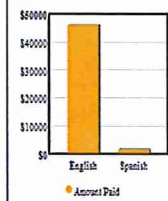


Graphs for the period April 1, 2014 To October 23, 2015 on KioskID:1

Total Collection: \$47,802.49
Total Transaction: 914Max time per success: 11m 53s
Min time per success: 37s

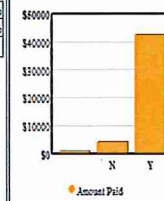
Collection

By Language



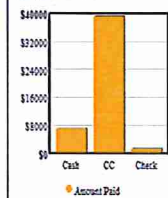
English	\$45,046.65	96.33 %
Spanish	\$1,755.84	3.67 %
Total:	\$47,802.49	

By Rating



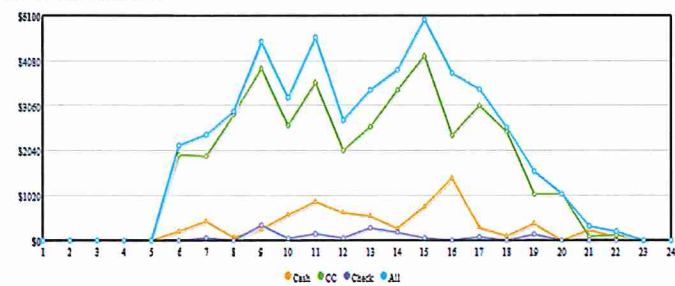
	\$941.86	1.97 %
N	\$4,236.80	8.86 %
Y	\$42,623.83	89.17 %
Total:	\$47,802.49	

By Payment mode

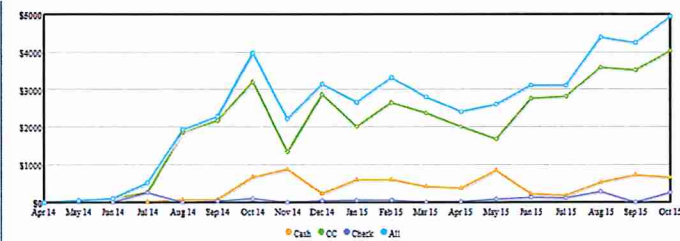


Cash	\$7,141.00	14.94 %
CC	\$39,261.59	82.13 %
Check	\$1,399.90	2.93 %
Total:	\$47,802.49	

Hourly basis success collections

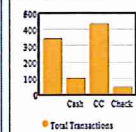


Monthly basis success collections



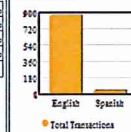
Transaction

By Payment mode



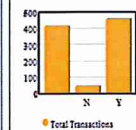
	342	37.42 %
Cash	98	10.72 %
CC	431	47.16 %
Check	42	4.7 %
Total:	914	

By Language



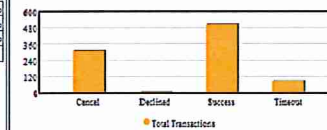
English	871	95.3 %
Spanish	43	4.7 %
Total:	914	

By Rating



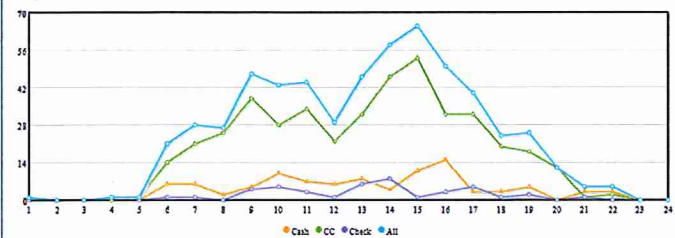
	414	45.3 %
N	44	4.81 %
Y	456	49.89 %
Total:	914	

By Transactions status

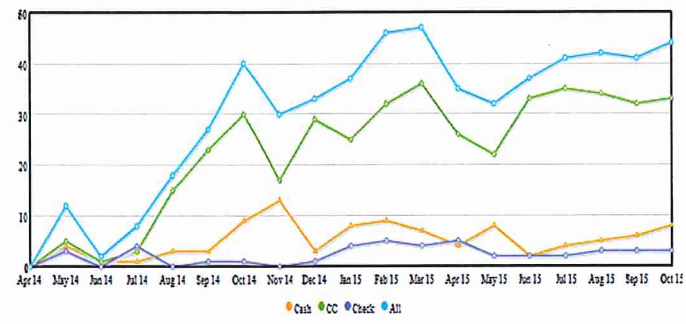


Cancel	312	34.14 %
Declined	9	0.99 %
Success	507	55.47 %
Timeout	86	9.41 %
Total:	914	

Hourly basis number of Transactions

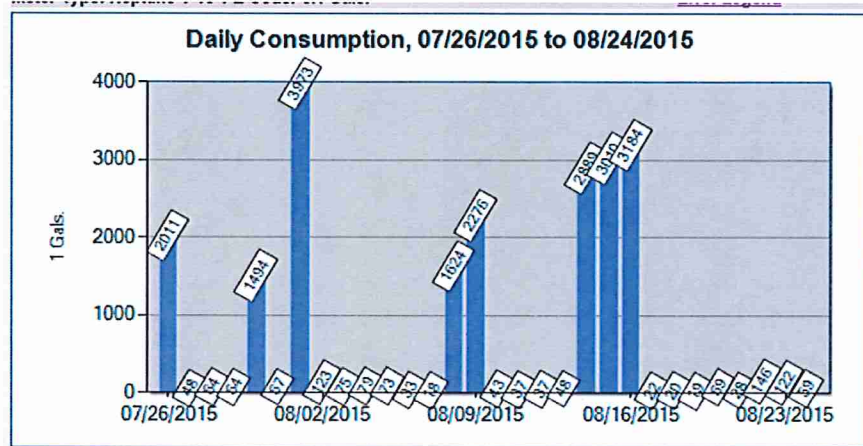


Monthly basis number of Transactions



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(CDT)		



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AM (CDT)		



Staff Report to the Honorable Mayor and City Council

Date: October 26, 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:



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: REPORTS/ANNOUNCEMENTS - B.

I. Subject:

Updates from the Mayor

- Monarch Migration Day Proclamation
- Arbor Day Proclamation

II. Originated by:

III. Summary:

Updates and information from the Mayor.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

1.	Monarch Migration Day Proclamation	Monarch Migration Day Proclamation.pdf
2.	Arbor Day Proclamation	Arbor Day Proclamation.pdf

PROCLAMATION

~MONARCH MIGRATION DAY~

October 19, 2015

WHEREAS, the monarch butterfly is an iconic North American species whose multigenerational migration and metamorphosis from caterpillar to butterfly has captured the imagination of millions of Americans; and

WHEREAS, our great state of Texas and City of Kennedale is within the monarch migration route which begins in Canada and ends in Mexico, a 3,000 mile journey that peaks in October; and

WHEREAS, the North American monarch population has declined by more than 90 percent in the past two decades due to habitat loss and environmental stress; and

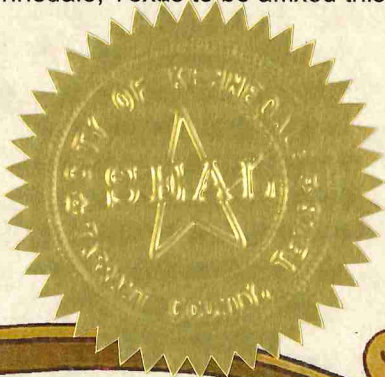
WHEREAS, businesses and residents along with local government have a critical role to play to help save the monarch butterfly by providing monarch friendly habitat within landscapes, public parks, medians, community gardens and municipal buildings that serve as community hubs; and

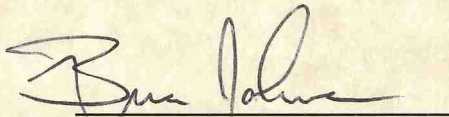
WHEREAS, Texas Parks and Wildlife has partnered with the Texas Department of Transportation, the National Wildlife Federation and the Lady Bird Johnson Wildflower Center to promote the expansion of milkweed and nectar-producing pollinator gardens across our state; and

WHEREAS, the Keep Kennedale Beautiful Commission has agreed to lead the charge, encouraging and educating the community in creating "monarch way stations", to sustain monarchs along their annual migration routes and produce habitats so that these magnificent butterflies will once again flourish.

NOW, THEREFORE, I, BRIAN JOHNSON, MAYOR OF THE CITY OF KENNEDALE, TARRANT COUNTY, TEXAS, do hereby proclaim October 19, 2015 as Monarch Migration Day in Kennedale, Texas, and I call upon all businesses and residents to commit to help restore habitat for the monarch by making simple landscape changes, grow milkweed or other nectar producing plants to promote the well-being and migration of this beautiful North American species.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kennedale, Texas to be affixed this 19th day of October 2015.




Mayor, Brian Johnson

PROCLAMATION

~ARBOR DAY~

November 7, 2015

WHEREAS, in the state of Texas, February 1889 was the first Arbor Day celebration; and

WHEREAS, in 1989 the legislature passed a resolution moving Texas Arbor Day to the last Friday in April to align with the traditionally observed national Arbor Day; and

WHEREAS, trees play an important role in the ecosystem in which we live by reducing the erosion of our precious topsoil by wind and water, cleaning the air we breathe and the water we drink, producing oxygen, providing habitat for birds and wildlife, and reducing heating and cooling costs by moderating temperature; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas and beautify our community; and

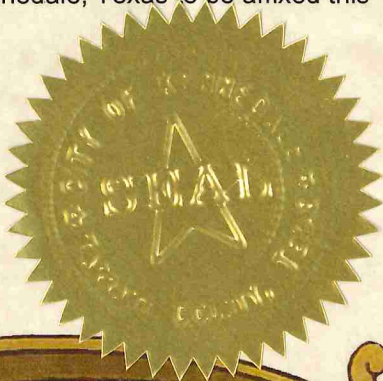
WHEREAS, trees, wherever they are planted are a source of joy and urban and community forestry is an essential component of a healthy future for the City of Kennedale; and

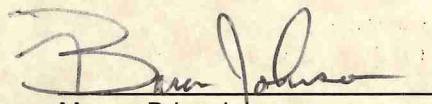
WHEREAS, the city of Kennedale has planted trees within the medians of Little School Road and Sublet Road in support of the Arbor Day Foundation and Tree City USA programs; and

WHEREAS, the Keep Kennedale Beautiful Commission is also planting trees within the City Parks and the community in support of the Arbor Day Foundation and Tree City USA programs.

NOW, THEREFORE, I, BRIAN JOHNSON, MAYOR OF THE CITY OF KENNEDALE, TARRANT COUNTY, TEXAS, do hereby proclaim November 7, 2015 as Arbor Day in Kennedale, Texas, and I call upon all residents to support efforts to protect our trees and to plant and care for trees to promote the well-being of this and future generations.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kennedale, Texas to be affixed this 19th day of October 2015.




Mayor, Brian Johnson



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: REPORTS/ANNOUNCEMENTS - C.

I. Subject:

Updates from the City Manager

II. Originated by:

Bob Hart

III. Summary:

Updates and information from City Manager, if any.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: MONITORING INFORMATION - A.

I. Subject:

Executive Limitations

B. Ends

- Balanced Scorecard

II. Originated by:

III. Summary:

Reports are attached for review.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Executive Limitations	Executive Limitations 10.2015.docx
2.	Balanced Scorecard	Balanced Scorecard.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.

Overall, City operations are in compliance with the global constraint policy. A potential deviation may be in how the TxDOT receivables are recorded on the sidewalk project because TxDOT takes longer than 60 days to reimburse submittal requests. This was discussed with our auditors and because it is from a state agency we will record the payment as a current account receivable.

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

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

The City Manager will not:

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

Cyber security issues are a major concern in compliance with point 2. The city backs up files on a daily basis to avoid more common hacking attempts. Limitations have been placed on what websites can be accessed. Both the city manager and IT analyst are members of InfraGard to better understand the risks involved.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF STAFF

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

The City Manager will not

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

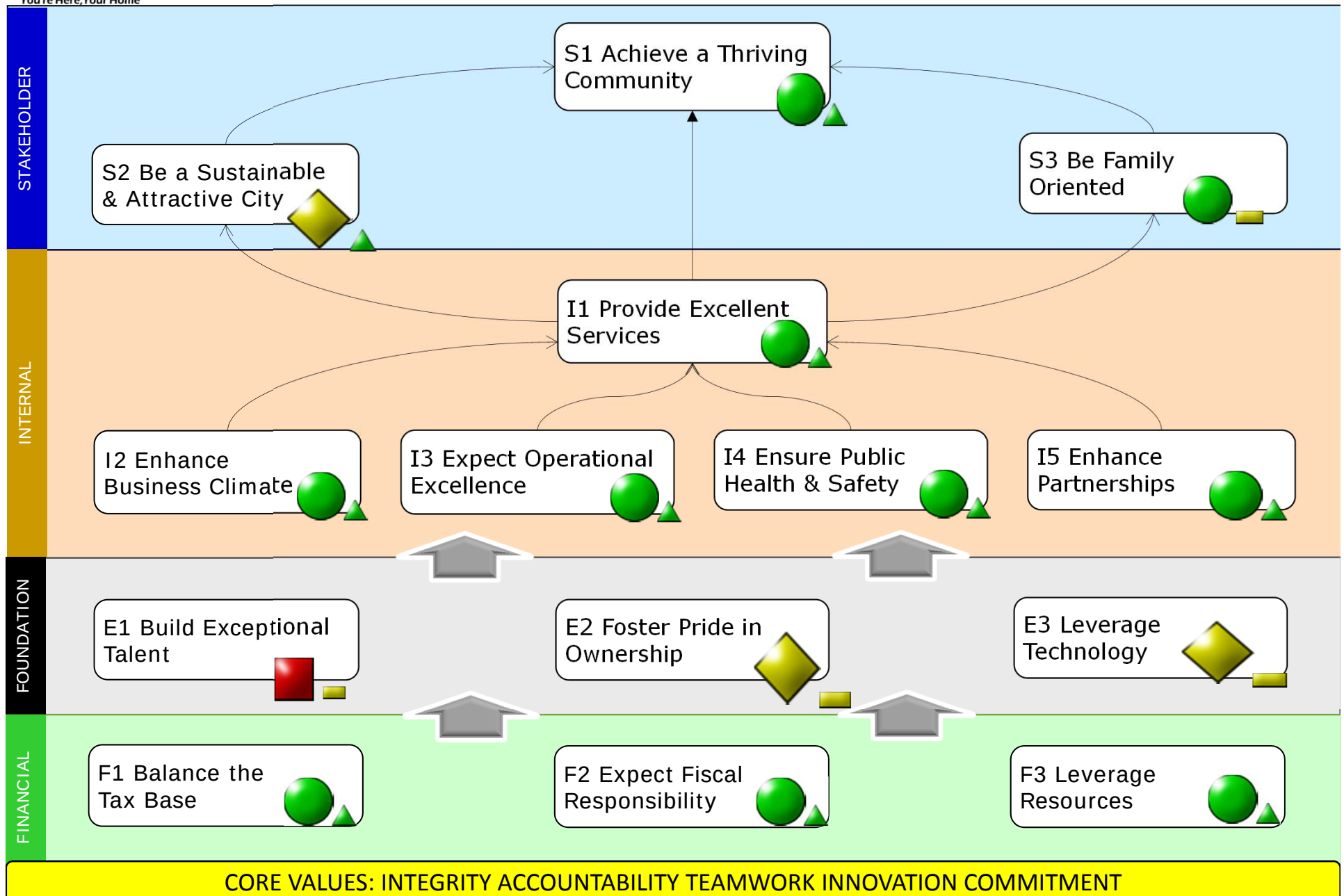
3. Allow staff to be unaware of City Manager's interpretations of their protections under this policy.
4. Allow staff to be unprepared to deal with emergency situations.

The city maintains current personnel policy and orientation booklet. City operations are in compliance with the treatment of staff policy. Staff was heavily involved in the preparation of an asset management plan. In addition staff is involved in the interview process consistent with our desired culture.

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.



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: INCIDENTAL ITEMS (CONSENT) - A.

I. Subject:

Consider the selection of Halff Associates to prepare a grant application through FEMA for federal funding of the purchase and removal of flood prone structures under the Hazard Grant Mitigation Program; and to assist the City of Kennedale in the implementation of a Hazard Grant Mitigation Program Plan; and to authorize the City Manager to execute a contract

II. Originated by:

Bob Hart

III. Summary:

B. The State of Texas received a presidential declaration following the flooding during the past spring. The presidential declaration includes flood mitigation grant funds. The grant program following this declaration is to purchase and remove residential structures from the flood plain. Staff recommends the city select an engineering firm to prepare an application for the grant cycle. Staff requested Refocus from firms to prepare an application. The City received two proposals: Halff & Associates and H2O Engineering. Staff reviewed the proposals and recommends that City Council award a contract to Halff & Associates because of their familiarity with Village Creek.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Halff Associates Request for Qualifactions	RFQ-Halff Assc.pdf
2.	H2O Partners Inc. Request for Qualifications	RFQ-H2O Partners Inc .pdf

City of Kennedale

Statement of Qualifications for Engineering Services Hazard Mitigation Grant Program and Implementation

Prepared by
Halff Associates
Jeffrey S. Ward & Associates
Tom Kyser, Real Estate Appraiser
October 15, 2015





October 15, 2015
1008-15-0085

Ms. Leslie Galloway
City Secretary
Kennedale City Hall
405 Municipal Drive
Kennedale, Texas 76060

RE: ***Qualifications Statement for Engineering Services: Hazard Mitigation Grant Program (HMPG) Application and Implementation for the City of Kennedale, Texas (FEMA-4223-DR)***

Dear Ms. Galloway:

Halff Associates, Inc. is pleased to present the following Qualification Statements (QS) to provide engineering and related services required to prepare a Hazard Mitigation Grant Program (HMPG) Application. If the grant submittal is successful, our team would be available for the Implementation Phase for the potential buyout and removal of flood prone structures located within the City of Kennedale, Texas. This QS is in response to your RFQ of October 1, 2015. The potential HMGP project would be made possible by the Presidential Disaster Declaration (FEMA-4223-DR).

Our Project Team will consist of Halff Associates, Jeffrey S. Ward & Associates, Inc. (JSWA), hazard mitigation consultants, with offices in Houston, and Mr. Tom Kyser, real estate appraiser. JSWA has teamed with Halff Associates on previous successful HMPG projects. The Halff-JSWA team has vast experience throughout the state of Texas in obtaining and executing federal and state grants and we are eager to assist the City of Kennedale in procuring funding for the proposed project. Mr. Kyser has assisted Halff with real estate appraisals for previous Kennedale studies. Ms. Angela Wright Davidson, P.E., CFM, will be our Project Manager for this project, since she brings extensive experience and intimate knowledge of the Village Creek project area.

We appreciate the opportunity to be of service to you and look forward to working with you on this project. We are prepared to begin work immediately on the project if selected. We understand that the need for the Implementation Phase will be dependent on federal and state agency review and approval. Please feel free to contact us if you have any questions.

Sincerely,

HALFF ASSOCIATES, INC.

T. Lynn Lovell, PE, CFM, D.WRE
Vice President

SECTION I – GENERAL TEAM INFORMATION

- **Halff Associates, Inc.** 4000 Fossil Creek Blvd, Fort Worth, Texas 76137 (Prime)
- **Contact: Mr. Lynn Lovell, PE, CFM, D.WRE, Vice President,** (817) 847-1422, llovell@halff.com
- **65 years in business**
- **520 employees**

Halff Associates Inc., an employee-owned business, provides services throughout Texas from our 13 offices across the state and new locations in Louisiana and Oklahoma. Halff is ranked #149 in Engineering News-Record magazine's list of the top 500 design firms in the United States. The firm's staff of 520 includes engineers, surveyors, architects, landscape architects and scientists. The firm was founded in Dallas in 1950 by Albert H. Halff, D.Eng., PE. Today Halff preserves Dr. Halff's legacy of integrity, dedication to client service and commitment to quality. We are a progressive firm committed to providing value with creative solutions to design challenges. Services provided by Halff include:

- H&H and Floodplain Engineering
 - Water Resources
 - Street Engineering
 - Water & Wastewater Infrastructure Engineering
 - Surveying
 - Utility Coordination/Relocation
 - Traffic Studies/Engineering
 - Real Estate/Right-of-Way Acquisition Services
 - Structural Engineering
 - Planning/Landscape Architecture
 - Architecture
 - Mechanical/Electrical/Plumbing Engineering
 - Environmental Engineering and Science
 - Subsurface Utility Engineering
 - Construction Management
-
- **Jeffrey S. Ward & Associates, Inc. (JSWA)** 2470 Grey Falls Drive, Suite 100, Houston, TX 77077 (Headquarters in Purcellville, Virginia)
 - **Mr. Jeffery Ward, CFM, President,** (540) 668-6945, email: jward@rstarmail.com
 - **20 +Years in business**
 - **11 employees (Jeff Ward and specialty contract employees)**

Jeffery S. Ward & Associates, Inc., is a hazard mitigation and acquisition firm with over 20 years of experience in mitigation planning and implementation of mitigation projects for the Federal Emergency Management Agency and for various states and communities throughout the United States. In addition to the principle of the company, Jeff Ward, the corporation has more than 10 subconsultants (subject matter experts) that are utilized on various previous and on-going projects. Mr. Ward has assisted Texas communities to obtain over \$660 million in state and federal grants. He has assisted communities nationwide in the acquisition and demolition of over 4,000 flood damaged and flood prone structures funded under FEMA HMGP, FMA, SRL, PDM, and RFC. He helps to ensure flood victims get treated fairly and equitably throughout the acquisition process. Many of these project included relocation assistance.



- **Tom Kyser, SRA, MAI, Real Estate Appraiser** 316 Bailey Avenue, Suite 118, Fort Worth, TX 76107
- **Tom Kyser, Real Estate Appraiser, (817) 332-4428**
- **38 years as independent appraiser**

Tom Kyser has been an independent fee appraiser since 1977. Work assignments have included dwellings, residential and non-residential subdivisions, commercial, office, retail and industrial improved properties, urban and rural land. Assignments have been completed for both public and private sector clients. Work generally includes Tarrant County and surrounding counties in Texas. Example clients include the Cities of Kennedale, Fort Worth, Arlington, Azle and Burleson as well as Tarrant and Parker counties, numerous banks and lending institutions, the FDIC and U.S. Army Corps of Engineers.

SECTION II - PROJECT ORGANIZATION

Relationship of Team Firms:

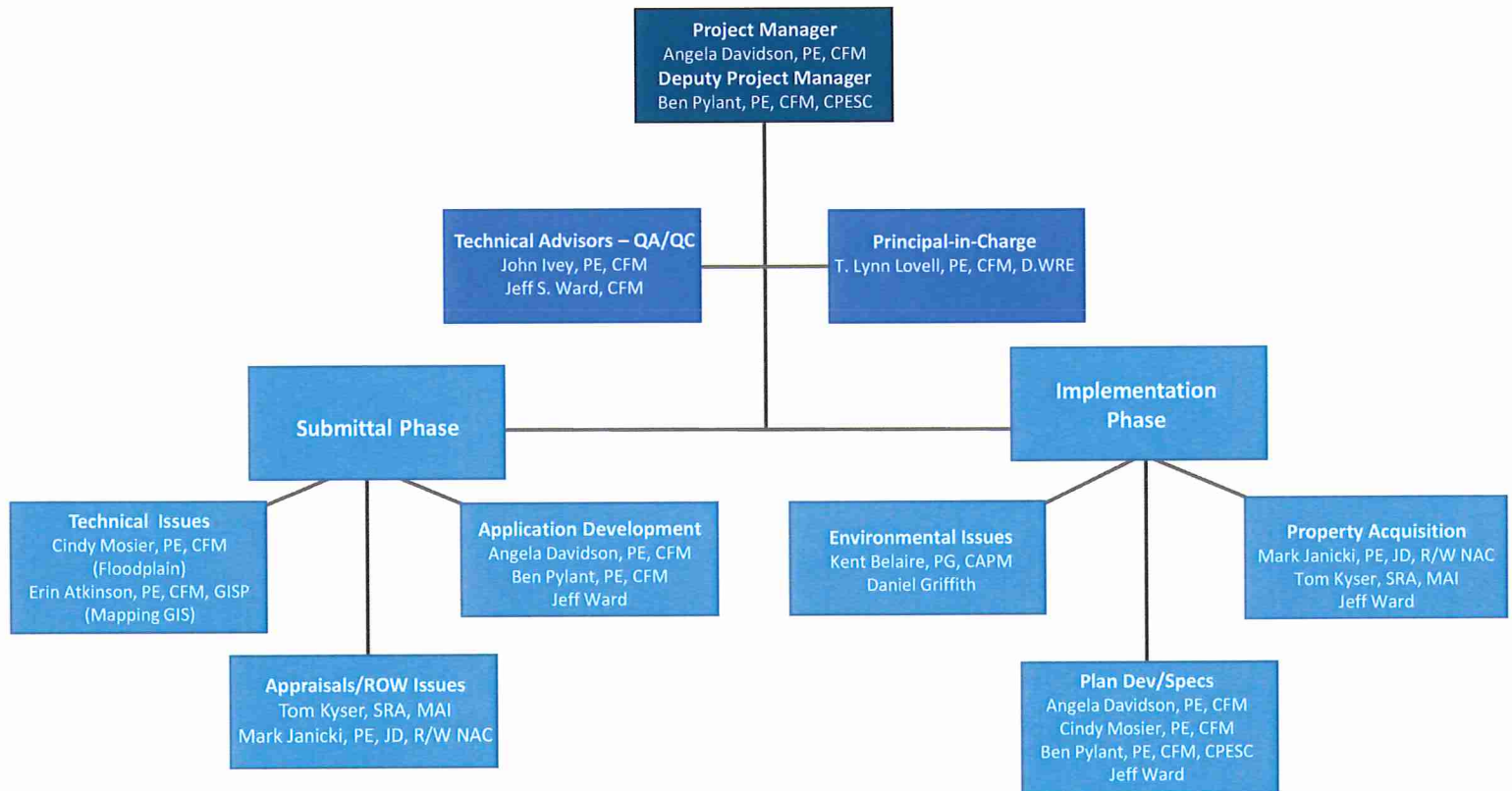
Halff will be the prime contractor and will be responsible for organizing and managing the HMGP application and follow up implementation phase. **JSWA** will serve as a technical advisor and provide grant application quality assurance control to Halff. JSWA will specifically provide reviews and guidance in the initial grant submittal phase, relying on their extensive nation-wide experience and success with similar projects. In the implementation phase, they will assist Halff in developing a practical and feasible flood prone property buyout plan, consistent with FEMA and TX DEM policies and criteria. In addition, if supplemental real estate appraisals are needed, **Tom Kyser**, a local certified Real Estate Appraiser, will be available to the team.

Key Personnel and Organization

The FEMA/TX DEM HGMP Grant application and follow up Implementation Phase will be prepared in the Fort Worth office of Halff with assistance from the Jeffrey S. Ward & Associates staff and **Tom Kyser** (Real Estate Appraisals). The Project Manager for this project will be **Angela Wright Davidson**, backed up by Deputy Project Manager, **Ben Pylant**. Technical issues and advice will be provide by **Cindy Mosier**, **T. Lynn Lovell (Principal-in-Charge)**, and **John Ivey**. Any GIS-related tasks will be provided by **Erin Atkinson**. In addition, assistance in the acquisition of the specific flood prone properties will be overseen by **Mark Janicki**, the Halff ROW and property acquisition manager from the Richardson office. Environmental issues will be addressed by two Halff staff members: **Danny Griffith** (Fort Worth) and **Kent Belaire** (Richardson).

See the Organization Chart for specific tasks and team relationships and **Appendix A – Resumes**, for qualifications of individual team members.

Team Organization Chart



SECTION III – TEAM EXPERIENCE AND REFERENCES

Halff Associates, Inc.

Halff has extensive experience with various FEMA and TX DEM grant programs in Texas, as listed below. A few specific projects are described in detail and references provided.

Type of Work	Project Name	Location	
HMGP Grants and Applications	East Mustang Creek	Wharton County	
HMGP Grants and Applications	Chigger Creek Detention Facility	City of Friendswood	
HMGP Grants and Applications	Drainage District #1 Water Pump Station Improve.	Hidalgo County	
HMGP Grants and Applications	Skyline Mobile Home Park Buyout Project	Haltom City	<i>See below</i>
FMA Grants and Applications	Tres Palacios Drainage Improvements (SRL)	City of El Campo	
FMA Grants and Applications	Valley View Branch Buyout Project	City of Hurst	<i>See below</i>
FMA Grants and Applications	Drainage Improvements	Town of Matagorda	
FMA Grants and Applications	Buyout Project	City of Richland Hills	<i>See below</i>
Corps of Engineers Project	SRL Johnson Creek – Floodplain Properties Buyout	Corps and City of Arlington	<i>See below</i>

- **Skyline/White Creek HMGP Project, Haltom City, Texas** – This project was for the acquisition of 124 parcels through the **HMGP** for Haltom City. The city prepared and submitted the grant application after the disastrous floods of June 2007. After the successful application was approved by FEMA and DEM, the city contracted with Halff to implement the “buy out” project. This was a FEMA/DEM voluntary acquisition of residential parcels improved with manufactured housing and relocation of eligible tenants. Services included project administration, negotiation, title curative, and relocation of residential and non-residential displaces. Significant coordination and reporting paperwork was required throughout the project. Mark Janicki and his staff in the Halff Richardson office completed this project.

Contact: Tom Ice, PE, City Engineer
City of Haltom City
4200 Hollis Street
Haltom City, TX 76111
Phone: (817) 222-7700
Email: tice@haltomcitytx.com

- **Johnson Creek Buyout and Recreational Facilities - Corps of Engineers, Fort Worth District** - Halff assisted the Fort Worth District Corps of Engineers in preparing plans and specifications for a three-phase non-structural (floodplain property buyout) flood control project on Johnson Creek in Arlington. The project was cost shared between the Corps of Engineers and the City of Arlington, requiring coordination with these two agencies in the planning, design, and construction of the project. Phase 1 included plans and specifications for demolition and removal of 70 houses from the Johnson Creek floodplain. Specific issues include tree preservation, asbestos/lead paint abatement, and customized bid documents for phased contracting with demolition contractors as individual house acquisitions were finalized. Later phases included park and recreation improvements and stream environmental restoration.

Contact: Mr. Elston Eckhardt, PE
Programs and Projects Management Division
Phone: (817) 886-1378
Email: Elston.D.Eckhardt@usace.army.mil

- **City of Hurst Valley View Buyout HMGP Project** - Halff was authorized to prepare the Valley View Buyout Demolition and Disposal Plan that includes contract documents for acquisition of six flood prone properties to be acquired by the City of Hurst, utilizing **HMGP** funding provided by the Federal Emergency Management Agency (FEMA) and administered by the Governors Division of Emergency Management (TxDEM). The six properties were located within the floodplain and floodway of Valley View Branch and had suffered flood losses during several past flood events. Halff prepared the Buyout Demolition and Disposal Plan and contract documents. During demolition and disposal, Halff assisted the City of Hurst with interpretation of contract documents and compliance with both TxDEM and FEMA requirements. The structures were removed, and the site was returned to natural conditions.

Contact: Mr. Ron Haynes, PE
Director of Public Works
City of Hurst
1505 Precinct Line Road
Hurst, TX 76054
Phone: (817) 788-7075
Email: Rhaynes@ci.hurst.tx.us

- **City of Richland Hills - FEMA Flood Mitigation Assistance (FMA) Acquisition Project** – Halff assisted the city in the acquisition and demolition of flood-prone properties located within the Special Flood Hazards Area and Floodway of Stream BFC-5 in Richland Hills. The project included preparation of a FEMA eGrant application, coordination with State and Federal agencies, preparation of FEMA Benefit-Cost Analysis to secure a FEMA project grant administered by the TWDB. The project ended up with only one Severe Repetitive Loss (SRL) property which was flooded repeatedly and was subject to flooding during a 2-year flood event.

Contact: Mr. Michael Barnes, PE
City Engineer
City of Richland Hills, TX,
3200 Diana Drive, Richland Hills, TX 76118
Phone: (817) 616-3835
Email: mbarnes@richlandhills.com

JSWA (Subconsultant to Halff)

Jeffery S. Ward & Associates, Inc., has more than 20 years of experience in hazard mitigation and acquisition, mitigation planning and implementation of mitigation projects for the FEMA and for various states and communities throughout the United States. The firm has assisted Texas communities to obtain over \$660 Million in state and federal grants and has assisted Communities in the acquisition and demolition of over 4,000 flood damaged and flood prone structures funded under **HMGP**, FMA, SRL, PDM, and RFC. Jeff Ward has served as Technical Assistant to the State of Texas for FEMA mitigation programs, has facilitated the development of approved Emergency Operations Plans for the City of Pearland and Hardin County and was the Mitigation consultant, under long term contract, to the Texas Medical Center (Houston) and all member facilities. He has assisted communities in Texas, Florida, Louisiana, New Jersey, and South Carolina with the preparation of successful (awarded) applications for **HMGP** project grants, Flood Mitigation Assistance (FMA) project grants, FMA planning grants, and Pre-Disaster Mitigation (PDM) project grants, PDM planning grants, and Engineering Study Grants. One specific example project and reference for JSWA:

- **Travis County Floodplain Properties Acquisitions** - JSWA is the lead mitigation consultant to Travis County for all involuntary and voluntary acquisitions. JSWA has assisted Travis County with the acquisition and demolition of over 150 flood-prone structures throughout the County. These acquisitions have been a mix of voluntary (FEMA and County funded) and involuntary (USACE funded) projects. Over 100 homes within the County fall within a neighborhood that is being acquired for open space preservation and parkland. This project is funded by the USACE and requires we follow URA for all owner and tenant occupied properties. This 100 home program is nearing completion and has been very successful. Services provided: Application development, Grant administration, Voluntary and Involuntary Buyout project execution, Comprehensive mitigation plan development.

Contact: Ms. Melinda Mallia
PO Box 1748, Austin, TX 78767-1748
Phone: (512) 854-4460

General Contact/Reference for Other TX Project:

Mr. Gilbert Ward
Texas Water Development Board
Federal and State Grants Coordinator
Phone: (512) 463-6418
Email: gilbert.ward@twdb.state.tx.us

SECTION IV - PROJECT APPROACH

PROJECT CONCEPT

The City of Kennedale has approximately fourteen (14) residential properties and two (2) mobile home parks (approximately thirty-five (35) units) located within the flood plain of Village Creek. The Village Creek watershed has experienced chronic flooding for decades with major flooding as recently as September 2010. Twenty-two (22) major flood events have been documented on the Village Creek watershed since 1916. A 2012 Halff study on Village Creek identified 70 and 133 flood-prone properties within the 10-year and 100-year floodplains, respectively. For several years the city has been gradually acquiring vacant floodplain properties near the developed tracts within the floodplain in a master plan of eventually removing all flood prone structures and converting the area to an open space environment.

Therefore, the city desires to submit a grant application through the FEMA HMGP to obtain supplemental funding for this "Floodplain Evacuation and Removal of Flood Prone Properties" Master Plan. The city recognizes the requirement for the voluntary agreement to sell specific properties from the citizens owning the identified tracts. To sell the specific properties. The acquisition and demolition of these properties within the Village Creek floodplain properties will protect citizens by removing historically flood prone buildings and thereby reducing future flood damages and risk of life. The removed properties will be deed restricted to open space uses for perpetuity in order to protect and preserve the restored floodplain.

PROJECT APPROACH

Submittal Phase

The approach in planning, organizing and management of this Phase of the project will be similar to the 2014 submittal performed for Kennedale by Halff:

1. Review the previous grant application submittal and work performed to see if opportunities exist for including additional properties in the new submittal.
2. Send out letters to potential volunteer property owners and follow up to obtain as many agreements as possible.
3. Prepare and submit the Grant Application using the current submittal module and related tools.

Communication will include regular updates to the City of Kennedale on project progress. Since it will be such a short schedule (2 months), most of the communication will be via email, phone calls, or called meetings with city staff, as needed.

Problem solving will be an ongoing process coordinated by the Project Manager, in consultation with technical advisors, and including the city staff, as required.

Quality Control will include reviews of draft submittal, computations of benefit/cost analysis, and other work products needed to complete the Submittal to DEM/FEMA. Jeffrey Ward will provide additional QA/QC for this application.

Schedule: Fairly straightforward: Two months to complete all needed tasks and submit to TX DEM on December 15, 2015.

Staff Availability – Angela Wright Davidson, the PM, will be available to complete the submittal process. She has significant support in the Fort Worth office with Ben Pylant, Cindy Mosier and Lynn Lovell.

Implementation Phase

1. Initiate all required tasks that run concurrently such as:
 - a. Any additional appraisals, if needed;
 - b. Environmental investigations,
 - c. Process of contacting property owners and negotiations for acquiring the ROW (i.e. properties)
 - d. Start plans and specifications for the overall demolition, removal, and restoration plans and specifications.

2. Assist city with bidding package and contractor selection.

3. Provide follow up and closure documents as needed.

4. Some key considerations/issues/possible tasks that the Halff Team will address include:

Buyout Services:

- Serving as buyout representative, representing the client during the entire buyout process
- Providing review and oversight of all title company activities
- Developing data for and preparing the determination of compensation and offer to sell
- Meeting with each parcel owner to describe the acquisition process
- Reviewing and verifying eligibility for buyout with each parcel owner
- Describing relocation assistance program to each parcel owner, where one is offered
- Performing all required grant administration to include reporting and reimbursement request preparation/processing
- Answering any questions and resolving any concerns that the parcel owner may have throughout all phases of the buyout

Demolition/Construction Administration:

- Soliciting interest and bids from local demolition contractors capable of handling and interested in providing demolitions
- Making recommendations to client on demolition firm(s) to be available on an as needed basis when demolition is required
- Assisting with the contracting vehicle between client and demolition firm(s)
- Assisting client with the solicitation of demolition bids on a home by home basis
- Providing recommendations to clients based on received demolition bids
- Assisting client in the oversight of demolition contractor to ensure demolitions are completed in a timely manner
- Facilitating invoicing and payment processes for all demolitions

Grant Administration:

- Providing support for public meetings (if required)
- Assisting in locating property owners
- Preparing required reports; state quarterly reports, client monthly reports, project status reports, and project completion reports
- Supporting the reimbursement request process by collecting supporting documentation for Increased Cost of Compliance (ICC), Public Assistance (PA), and various grants.
- Preparing reimbursement requests for all phases of the grant program to include all administrative elements, the actual acquisition and demolition of structures.



Communication will include all required regular status and financial reports to the TX-DEM/FEMA, plus regular updates to the City of Kennedale on project progress.

Problem solving will be an ongoing process coordinated by the Project Manager, in consultation with technical advisors, and including the city staff, as required.

Quality Control will include reviews of developed plans, computations of benefit/cost analysis, and related work products by Halff staff and Jeff Ward and his specialists.

Schedule: A detailed schedule will be prepared if the grant is awarded, based on the preliminary schedule in the Submittal. The normal time frame for a HGMP grant project is 2 years or less.

Staff Availability – Angela Wright Davidson, the PM, will be available to complete the implementation process. She has significant back up in the Fort Worth office, with Ben Pylant (Deputy PM) Cindy Mosier, and Lynn Lovell. Jeff Ward and Tom Kyser have indicated they will be available as needed.

INNOVATIVE STRATEGIES OR TECHNOLOGIES THAT COULD BE APPLIED TO THIS PROJECT

Halff has extensive City of Kennedale hydrologic, hydraulic, geographic, economic, and related analysis datasets and tools, including state-of-the-art GIS technology that can assist in merging the various components of the project. Halff uses GIS to automate the hazard analysis process and to visualize the results. In addition to the traditional tabular summaries associated with hazard mitigation planning, GIS provides the spatial component for the extent and magnitude of a potential hazard. As needed, Halff can

In addition, Halff has a vast knowledge of the historical flooding issues that have occurred in the Village Creek watershed within the City of Kennedale. Halff prepared the "Village Creek Flood Study within the City of Kennedale Texas" dated July 2012. The Flood Study included determining flood plains for the 1-, 2-, 5-, 10-, 25-, 50-, 100-, and 500-year frequency storm events. The study estimated that a 100-year flood event along Village Creek would damage 133 buildings and cause approximately \$6,356,000 damages. Halff also prepared a HMGP application titled "HMGP Application Package for the City of Kennedale Voluntary Acquisition/Demolition of Properties Located along Village Creek" for the previous disaster declaration (FEMA-4159-DR) in May 2014. The application was for the acquisition and demolition of 8 properties along Village Creek.

SECTION V - SUMMARY

In summary, we believe that with Halff's extensive local Kennedale knowledge, the addition of JSWA – the premier hazard mitigation specialty firm in the nation, and Tom Kyser, a highly knowledgeable local appraiser, the Halff Team is uniquely qualified for this HMGP project!

The reasons for this belief have been defined in this Qualifications Statement:

1. Extensive knowledge of the Village Creek floodplain within Kennedale, including detailed physical and economic information needed to execute this project. No Team can match the intimate knowledge of the flooding/floodplain/proposal solutions for this specific floodplain area that we have acquired the past 5 years.
2. Our Team includes highly qualified personnel, with numerous floodplain acquisition and demolitions projects, especially within Texas. Jeffrey S. Ward brings a unique set of flood hazard mitigation qualifications to the table.
3. The practical and state-of-the-art technology combined with the Halff Team experience and local knowledge assures the City optimum results for this project.
4. A clear understanding of the City's Vision for the projected future open space use of this floodplain area. This is because of the updated Kennedale Comprehensive Plan, prepared by Halff, which won the 2013 – APA Project Planning Award; awarded by the Texas Chapter of APA (American Planning Association).

APPENDIX A: RESUMES

HALFF ASSOCIATES, INC.

Angela Wright Davidson, PE, CFM – Project Manager

Master of Science/Environmental Engineering, Texas Tech University (2004)

Bachelor of Science/Environmental Engineering, Texas Tech University (2004)

Registrations

Professional Engineer, Texas – No. 101339 (2008)

Certified Floodplain Manager –No. 0896-05N (2005)

Since joining Halff Associates in June 2004, Ms. Wright has participated in hydrologic and hydraulic studies, flood control planning, erosion studies, floodplain management, grant applications, and TWDB loan applications. Representative projects include:

- **Hazard Mitigation Grant Program (HMGP) Application for the City of Kennedale, Texas** - Assisted the City of Kennedale in the preparation of the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program Application (2014) for funding assistance for the acquisition of certain flood prone properties within the City. This included obtaining signed agreements of property owners for future purchase of their buildings and land.
- **Village Creek Flood Study Within the City of Kennedale, Texas** – Project engineer for a floodplain assessment of Village Creek within the City of Kennedale, Texas. The project included updating the existing hydraulic models of Village Creek and preparation of a Flood Damage Analysis (HEC-FDA) model of the project area. Six non-structural flood reduction alternatives were analyzed to determine the most effective and economical **building buyout alternative**. A phased approach, beginning with the properties impacted by the most frequent flood events, was recommended. This study is currently being used by the Corps of Engineers as a basis of a possible flood prone properties buyout plan for Kennedale.
- **City of Kennedale/Arlington/Tarrant County/North Central Texas Council of Governments (NCTCOG) FY13 FEMA Cooperating Technical Partners (CTP)** – Project Manager for the detailed hydrologic and hydraulic models, and floodplain maps for Stream VC-3, a tributary to Village Creek within the City of Kennedale. These detailed hydrologic and hydraulic models were used to develop FEMA floodplain and floodway maps of Stream VC-3.
- **City of Richland Hills FEMA Community Rating System Initial Application**– Assisted the City of Richland Hills gain entry into the FEMA Community Rating System program. An initial CRS application was prepared using FEMA's 2013 CRS Coordinator's Manual to document credit for activities performed by the City, Tarrant County, NCTCOG, TCEQ and others that may benefit the City of Richland Hills. Coordination with FEMA, the Texas Water Development Board (TWDB) and Insurance Services Offices (ISO).

Ben Pylant, PE, CFM, CPESC – Deputy Project Manager

Bachelor of Science/Civil Engineering, Louisiana Tech University (2004)

Master of Business Administration, University of Texas at Arlington (2009)

Registrations

Professional Engineer, Texas – No. 105125 (2009)

Certified Floodplain Manager – No. 0891-05N (2005)

Certified Professional in Erosion and Sediment Control (CPESC) – No. 7022 (2012)

Mr. Pylant, a Team Leader in the Fort Worth office, joined Halff in 2004 and has extensive experience with grant applications, municipal master drainage plans, studies and design, bank stabilization, erosion control, water quality BMPs, and complex hydrologic and hydraulics modeling. He played a critical role in the FEMA Map Modernization program to update floodplain information for numerous counties throughout Texas. In addition, he has direct experience in preparation of successful flood protection planning grants and development of Storm Water Utilities. He has excellent communication and client relationship skills, with federal, municipal, and private clientele. Representative projects include:

- **MS4 Stormwater Plan Annual Report, Kennedale, Texarkana, Texas** – Prepared the annual report for the City of Kennedale MS4 storm water plan in 2014 and 2015.
- **TWDB, Flood Protection Planning Grant Application, City of Texarkana Master Drainage Plan, Texarkana, Texas** – Prepared the grant application to acquire TWDB funds to complete the Master Drainage Plan. Grant application required research and documentation of the current flooding situation and future flood protection planning needs of the city. Grant funds exceeding \$200,000 were awarded as a result.
- **TWDB, Flood Protection Planning Grant Application, City of Hurst, Fort Worth, and Bedford, Texas** – Prepared the grant application to acquire TWDB funds to complete the Master Drainage Plan. Grant application required research and documentation of the current flooding situation and future flood protection planning needs of the city. Grant funds exceeding \$64,000 were awarded as a result.
- **Rush Creek Watershed Study, Arlington, Texas** – Project Manager responsible for overseeing the preparation of hydrologic models and finalizing hydraulic models for the project. The Rush Creek watershed is the largest watershed in Arlington encompassing approximately 35 square miles of contributing drainage area. Through this project, the City has undertaken a comprehensive watershed study to updated flooding characteristics, redefine flood hazards, and proposed alternatives to reduce flood risks. This project required a high level of coordination among consultants, the City, and stakeholders to successfully complete this high profile study.

Cindy H. Mosier, PE, CFM – Technical

Bachelor of Science/Civil Engineering, University of Texas at Arlington (1993)

Registrations

Professional Engineer, Texas – No. 85527 (1999)

Certified Floodplain Manager – No. 0888-05N (2005)

Ms. Mosier is a Team Leader in the Fort Worth office of Halff Associates. Since joining Halff Associates in December 1993, she has participated, led or supervised the design and analysis of storm drainage systems, development of hydrologic and hydraulic models, flood control planning, and floodplain management. In addition she has significant experience in completion of floodplain land development projects and drainage reviews for land development projects for various municipalities. Representative project experience includes the following:

- **Village Creek Flood Study Within the City of Kennedale, Texas** – Project Manager for a floodplain assessment of Village Creek within the City of Kennedale, Texas. Ms. Mosier supervised and did quality control for this project which included updating the existing hydraulic floodplain model of Village Creek with 2009 TNRIS LIDAR data. A Flood Damage Analysis model of the project area was created and used to determine flood damages and benefit to cost ratios for six non-structural flood reduction alternatives. A phased approach, beginning with the properties impacted by the most frequent flood events, was recommended. This study is being used by the Corps of Engineers as a basis of a possible federal floodplain properties buyout plan for Kennedale.
- **Hazard Mitigation Grant Program (HMGP) Application for the City of Kennedale, Texas** – Served as Project Manager for this 2014 grant application. Assisted the City of Kennedale in the preparation of the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program Application for funding assistance for the acquisition of certain flood prone properties within the City.
- **City of Fort Worth FEMA Cooperating Technical Partner – FY13 Risk MAP Project** – Project Manager for a FEMA-floodplain mapping project for the city of Fort Worth. The project area included approximately 25 miles of stream draining a total land area of approximately 18 square miles. The flood study data served as leverage for the City in receiving FEMA funding as a CTP and resulted in updated floodplains and floodways for the study area. The study included the preparation of material for FEMA Physical Map Revisions/Letter of Map Revisions. Tasks also included contract administration support and coordination with the City and FEMA to ensure all monthly and quarterly reporting requirements were accomplished.
- **City of Richland Hills FEMA Community Rating System Initial Application**– Provided technical guidance and quality control on this application. Assisted the City of Richland Hills gain entry into the FEMA Community Rating System program. An initial CRS application was prepared using FEMA's 2013 CRS Coordinator's Manual to document credit for activities performed by the City, Tarrant County, NCTCOG, TCEQ and others that may benefit the City of Richland Hills. Coordination with FEMA, the Texas Water Development Board (TWDB) and Insurance Services Offices (ISO).

T. Lynn Lovell, PE, CFM, D. WRE – Principal-in-Charge

Master of Science/Civil Engineering/Water Resources, Texas Tech University (1969)

Bachelor of Science/Civil Engineering, Texas Tech University (1968)

Registrations

Professional Engineer, Texas – No. 34319 (1972)

Certified Floodplain Manager – No. 0352-01N (2001)

Mr. Lovell is a Vice President of Halff Associates, Inc., and has 45 years of experience in civil engineering and water resources planning and management. He spent thirteen years with the Fort Worth District, Corps of Engineers in water resources, where he was responsible for the preparation, coordination, and presentation of engineering studies for floodplain information, flood insurance reports, and portions of planning feasibility studies for flood control. Since joining Halff Associates in 1981, his duties have included water resources planning, water supply, storm water management, drainage criteria manual development, master drainage studies, hydraulic design, floodplain land reclamation, Representative projects include:

- **NCTCOG FEMA Cooperating Technical Partner (CTP), FY15** – Assisted the NCTCOG in coordination with the cities of Colleyville and Southlake on the FY 15 CTP efforts with FEMA Region VI. FY15 Projects will include detailed Hydrology and Hydraulics and related updated mapping and other non-regulatory products for tributaries within the Little Bear Creek Watershed. Assisted in obtaining the federal portion and matching funds for the project.
- **Kennedale/Arlington/Tarrant County/NCTCOG FEMA Cooperating Technical Partner (CTP), FY13** – Assisted the NCTCOG in coordination with Tarrant County and the cities of Kennedale and Arlington on the FY 13 CTP efforts with FEMA Region VI. FY13 Project included detailed Hydrology and Hydraulics for tributaries within the Village Creek Watershed. Over 7 miles of stream were studied with detailed methods utilizing HEC-HMS and HEC-RAS and ArcGIS. Floodplain Mapping and Flood Depth Grids were developed for all streams.
- **FEMA Map Modernization Projects** – Principal-in-Charge of Halff's flood insurance study re-mapping program. Mapping projects for 52 counties including, Travis, Wharton, Bastrop, Bexar, Dallas, Tarrant, Williamson, Bell, McClennan, Cooke, Parker, and Rockwall counties.
- **Village Creek Flood Study - City of Kennedale, Texas** – Principal-in-Charge for a floodplain damage assessment of Village Creek. Provided technical advice and guidance for this project which included updating the existing floodplains and developing a "buyout" strategy for flood prone buildings.

John P. Ivey, PE, CFM – Advisory

Bachelor of Science/Civil Engineering, Texas Tech University (1963)

Registrations

Professional Engineer, Texas – No. 35404 (1973)

Certified Floodplain Manager – No. 0004-96N (2001)

Mr. Ivey started his engineering with the US Department of Housing and Urban Development (HUD) Region VI before transferring to the Federal Insurance Administration (FIA) which is now the Federal Emergency Management Agency (FEMA). Mr. Ivey served as FIA's Deputy Engineer in Washington, D.C., as manager of the National Flood Mapping Program, and then served as the Regional Engineer for FEMA Region VI, located in Denton, Texas. Since joining Halff Associates in 1981 he has served as a Project Manager, managed Halff's Environmental Division, opened and managed Halff's Houston Office, served on over 20 national disaster recovery teams, and performed the first **mitigation planning** effort in Texas. He has direct experience with HMGP projects in Texas. Representative projects include:

- **FEMA Flood Mitigation Assistance (FMA) Acquisition Project, Richland Hills, Texas** – Project Manager for the acquisition and demolition of flood-prone properties located within the Special Flood Hazards Area and Floodway of Stream BFC-5 in Richland Hills, Texas. The project included preparation of a FEMA eGrant application, coordination with State and Federal agencies, preparation of FEMA Benefit-Cost Analysis to secure a FEMA project grant administered by the TWDB.
- **Skyline/White Creek HMGP Project, Haltom City, Texas** – Assisted the city in the acquisition of 124 parcels for Hazard Mitigation Grant Program (HMGP) for Haltom City. This was a FEMA/GDEM voluntary floodplain buyout project. Project includes voluntary acquisition of residential parcels improved with manufactured housing and relocation of eligible tenants.
- **City of Hurst Valley View Buyout HMGP Project** – Mr. Ivey was the Halff Associates Project Manager. Halff was authorized to prepare the Valley View Buyout Demolition and Disposal Plan that includes contract documents for acquisition of six flood prone properties to be acquired by the City of Hurst, utilizing **Hazard Mitigation Grant Program (HMGP)** funding provided by the Federal Emergency Management Agency (FEMA) and administered by the Governors Division of Emergency Management (TxDEM). The six properties were located within the floodplain and floodway of Valley Branch and had suffered flood losses during several past flood events. During demolition and disposal, Halff Associates assisted the City of Hurst with interpretation of contract documents and compliance with both TxDEM and FEMA requirements. The structures were removed, and the site was returned to natural conditions.

Mark M. Janicki, PE, JD, R/W NAC – ROW/Property Acquisition

Juris Doctor, Texas Wesleyan University (1994)

Bachelor of Science/Civil Engineering, Texas A&M University (1982)

Registrations

Professional Engineer, Texas – No. 65016 (1989)

Licensed Attorney, State Bar of Texas – No. 00790041 (1994)

Mr. Janicki is a professional civil engineer and a lawyer with 33 years of experience including 20 years of extensive ROW acquisition experience gained since 1994 and 12 years of engineering experience. He can assist communities and/or landowners during the negotiation process by explaining the proposed plan to the landowners. He has assisted cities in the DFW Metroplex in the acquisition of flood prone properties, both residential, commercial, and mobile homes. Representative projects include:

- **Little Fossil Creek, Haltom City, Texas** – Principal-in-Charge for acquisition of 64 ROW parcels and 15 relocations for flood protection and recreation facilities project for Haltom City, for a Corps of Engineers' project. Project includes acquisition and relocation of residential and non-residential businesses. Services include: project administration, negotiation, and preparation of relocation 1) replacement housing supplements, 2) rental assistance, 3) move reimbursement and subsequent claim forms.
- **Skyline/White Creek HMGP Project, Haltom City, Texas** – Principal-in-Charge for acquisition of 124 parcels for Hazard Mitigation Grant Program for Haltom City. This was a FEMA/GDEM voluntary floodplain buyout project. Project includes voluntary acquisition of residential parcels improved with manufactured housing and relocation of eligible tenants. Services included project administration, negotiation, title curative, and relocation of residential and non-residential displaces.
- **SH 365, Hidalgo County Regional Mobility Authority McAllen, Texas** – Principal-in-Charge of project consisting of the acquisition of 50 parcels and 4 relocations. Services included: Project Administration, Negotiation, Title Curative, Closing, and Eminent Domain support. (Current)
- **SH 183 Design-Build Project in Irving, Texas** – Right of Way Principal-in-Charge of easement acquisitions consisting of 68 parcels for utility relocations associated with the roadway project. Services include, Project Management, Project Administration, Negotiation, Title Curative, Closing and Eminent Domain support. (Current)
- **IH 35, TxDOT North Region, Waco, Texas** – Principal-in-Charge of project consisting of the acquisition of 62 right of way parcels for the expansion of the existing IH 35 facility. Services included: project management, project administration, negotiation assistance, title curative and condemnation support. (10/2014 – Present)
- **IBTC, Hidalgo County Regional Mobility Authority McAllen, Texas** – Principal-in-Charge of project consisting of the acquisition of 63 parcels and 43 relocations. Services included: Project Management, Project Administration, Negotiation, Title Curative and Closing (Current)

Kent Belaire, PG, CAPM – Environmental

Bachelor of Science/Geology, University of Texas at Austin (1979)

Registrations

Registered Professional Geologist, Texas – No. 398 (2002)

Registered TCEQ Corrective Action Project Manager CAPM – No. 00052

Mr. Belaire, is a Vice President and Team Leader, for Halff Associates' Environmental Services Group. His experience is in environmental consulting, site investigations, remedial alternatives analysis, demolition, remedial design, and remedial construction. His responsibilities include all phases of project development and management for remediation of environmentally impacted sites. He has served as project manager where the work has involved scope, budget, and schedule development, project controls, subcontractor procurement, technical and quality control management, agency interaction support, and project technical and financial reporting. Representative projects include:

- **Comprehensive Asbestos Surveys, Dallas, Texas** – Completed Comprehensive Asbestos Surveys required for the demolition of structures. Asbestos surveys were completed at bridges, retail properties, commercial office buildings, and warehouse facilities.
- **City of Dallas, Trinity Parkway EIS/Environmental Due Diligence Services, Dallas, Texas** – Project Manager for environmental due diligence task order required to support the construction of the proposed Trinity Parkway (toll road). Acquisition of approximately 128 parcels outside the Dallas Floodway will be acquired, ranging from small undeveloped tracts to large industrial properties. The environmental site assessment tasks are being performed for these properties prior to/during ROW acquisition to identify the risks and liabilities related to the environment and hazardous or other regulated substances.
- **The University of Texas System, Environmental Due Diligence Services, Multiple Locations, Texas** – Project Manager for multiple projects for The University of Texas System (UT) involving environmental services required for the acquisition of real estate to support expansion. Services were provided at several UT campuses located in Houston, San Antonio, Tyler, Palestine, Harlingen, and McAllen. Services included: the preparation of environmental site assessments, completion of subsurface investigations, and remedial alternative evaluations in accordance with TRRP requirements. The projects were performed in compliance with TCEQ, EPA, and other regulatory agency guidelines. Surface and subsurface investigations involving the installation of soil borings and monitor wells were completed to evaluate potential impacts associated with releases of organic and inorganic contaminants. Data developed during site investigations were utilized to evaluate remedial alternatives, develop remedial plans, prepare cost analyses, and prepare TCEQ regulatory submittals required for closure of affected sites. Twenty six projects were performed for UT System. *(Currently in progress)*

Daniel C. Griffith – Environmental

Bachelor of Science/Renewable Natural Resource Policy, Texas A&M University (2002)

Mr. Griffith joined Halff Associates in October 2003. He has an education in renewable natural resource policy and he has extensive experience in the Section 404 of the Clean Water Act permitting process, including jurisdiction determinations, permitting, mitigation planning, and mitigation monitoring. Additional project experience includes threatened and endangered species surveys, Section 7 coordination, NEPA projects, pipeline, and storm water projects. Project experience has recently expanded to corridor surveys and environmental assessments for water transmission pipeline projects, which includes evaluating route alternatives and selection of preferred alternatives. Mr. Griffith is experienced in project management in a corporate environment for clients that include multiple commercial and residential developers, city and county governments, state agencies, and utility companies.

Mr. Griffith coordinates and conducts tree inventories, develops urban forestry management plans, and develops tree mitigation plans for all tree removal projects. Mr. Griffith has current knowledge and field expertise in plant, bird, and animal species identification and population surveys; utilization of Trimble GPS equipment for field studies through the use of TerraSync; and interpretation of GPS data within Pathfinder Office, Microstation, and ESRI GIS products. Representative projects include:

- **City of Richland Hills Detention Ponds, Richland Hills, Texas** – As Environmental Scientist, conducted jurisdiction determination and obtained NWP 43 for construction of detention ponds for flood control.
- **City of Grand Prairie Central Park** – As Environmental Scientist, conducted jurisdictional determination and Section 404 permitting assessment for a proposed city park site in Grand Prairie, Texas. A NWP 39 was issued for the project.
- **City of Arlington Collins Street Expansion** – As Environmental Scientist, jurisdictional determination and Section 404 permitting assessment for the proposed Collins Street Expansion including crossings of Lynn Creek and Bowman Branch in Arlington, Texas. A NWP 14 was issued for the project in summer.
- **City of Wichita Falls McGrath Creek Drainage Improvements and Wichita Count Sikes Lake** – As Environmental Scientist, obtained NWP 3, NWP 7, and conducted jurisdictional determination for a two-mile stretch of McGrath Creek and Sikes Lake in Wichita Falls.
- **Union Pacific Intermodal Rail Facility** – As Environmental Scientist, conducted jurisdictional determination, NWP 39, and compensatory mitigation plan for 425-acre site for Dallas County (March 2004). In August 2010, assisted the permittee with resolving compensatory mitigation compliance for the issued NWP.
- **CMC Saginaw Property , Saginaw, Texas** – As Environmental Scientist, conducted wetland delineation, jurisdictional determination, and NWP 39 for a 20+ acre property (06/2011)

Erin Atkinson, PE, CFM, GISP - GIS/Mapping

Master of Science/Civil Engineering/Water Resources, Texas Tech University (2001)

Master of Science/Environmental Technology/Water Quality, Texas Tech University (1997)

Bachelor of Science/Wildlife Management, Texas Tech University (1995)

Registrations:

Licensed Professional Engineer, State of Texas – No. 97353 (2006)

Certified Floodplain Manager (CFM) – No. 0481-03 (2003)

Certified GIS Professional (GISP) – No. 48766 (2004)

Since joining Halff Associates in 2001, Mr. Atkinson has been involved with a variety of projects using Geographic Information System (GIS) technology to assist with the engineering process through spatial analysis. He is a Team Leader at Halff Associates and has extensive experience integrating GIS with floodplain management, storm water modeling, storm water utility, mitigation planning, GPS field assessment, asset inventory, environmental analysis, LIDAR analysis, web map development, project management with web-based mapping, and custom GIS training. Prior to joining Halff Associates, Mr. Atkinson was the director of the Geo-Spatial Technologies Laboratory at Texas Tech University. Representative projects include:

- **Flood Inundation Mapping, Grapevine, Texas** – Project manager for the mapping of multiple flood inundation levels for Grapevine Lake to support the infrastructure impact analysis associated with the floods of May 2015. Flood inundation extents were determined at one foot increments for a range of forty feet starting at the normal pool elevation
- **Imagery Comparison, North Central Texas Council of Governments, Arlington Texas** – Project manager for the NCTCOG/Google imagery comparison project. Performed a visual and accuracy comparison of NCTCOG 2013 imagery to available Google imagery for 13 predetermined locations. Documented image acquisition methods, positional accuracy, image quality, orthometric correction and end user capabilities for both imagery sources.
- **GIS Data Hosting and Web Map Development, Haslet, Texas** – Project manager for the City of Haslet enterprise GIS system. Designed and developed the GIS database schema and developed public and secured web maps using.
- **Storm Water GIS Development, Richland Hills, Texas** – Project Manager for the development of a storm water GIS geodatabase. Phase 1 of this project was to design and populate a geodatabase from existing source features saved in a variety of formats.

Tom Kyser, Real Estate Appraiser, SRA, MAI

Bachelor of Science, Southwest Texas State University (1970)

Registrations

General Real Estate Appraiser, Texas – No. TX-1320755-G

Affiliations

Appraisal Institute, Senior Residential Appraiser (SRA) – (1974)

Appraisal Institute Member (MAI) – (1983)

Greater Fort Worth Board of Realtors

Texas Association of Realtors

National Association of Realtors

Mr. Kyser has been self-employed as an independent fee appraiser since 1977. Work assignments have included dwellings, residential and non-residential subdivisions, commercial, office, retail, and industrial improved properties, urban and rural land. Assignments have been completed for both public and private sector clients. Mr. Kyser has over ten years of experience in appraising for eminent domain in all property types. He has been qualified as an expert witness and testified numerous times in special commissions, state courts, and bankruptcy court. Mr. Kyser's work area generally includes Tarrant County and surrounding counties in Texas.

Past Appraisals:

- City of Kennedale
- Fort Worth Independent School District
- City of Arlington
- City of Azle
- City of Burleson
- Parker County Appraisal District
- U.S. Army Corps of Engineers
- Tarrant County Water Board

JEFFERY S. WARD AND ASSOCIATES, INC.

Jeffrey S. Ward

Master of Business Administration, Georgetown University (Honors Graduate, Beta Gamma Sigma) (2000)

Internal Corporate Master Degree, Lockheed Martin Program Management Development Program (1997)

Bachelor of Science/Business Management and Finance, Salisbury State University (1984)

Experienced project manager of large, complex mitigation projects, funded under Federal, State, and Local programs. Proven facilitator of FEMA mitigation plans for Cities, Counties, Districts, and States. Unparalleled track record of successful mitigation project identification, grant application development, and grant implementation including; FMA, HMGP, PDM, SRL, and RFC. Flood damaged and flooded property acquisition, demolition, and elevation expert. Certified Floodplain Manager and nationally recognized expert in FEMA's Benefit Cost Analysis software.

- Assisted Communities throughout the Country in the acquisition and demolition of over 5,000 flood damaged and flood prone structures funded under HMGP, FMA, SRL, PDM, CDBG, and RFC. Ensure flood victims get treated fairly and equitably throughout the mitigation process. Many of the acquisitions included relocation assistance.
- Assisted Communities in Texas and Florida in the elevation of 100 flood prone structures funded under HMGP, FMA, and SRL. Ensure homeowners and displaced tenants get treated fairly and equitably throughout the mitigation process. Many of the acquisitions included relocation assistance.
- Completed an assignment for the Texas Water Development Board (State management of FEMA's FMA and SRL mitigation programs) to include the analysis and prioritization of 16,123 Repetitive Loss properties within the State of Texas. Analysis included data collection of building specific data for 75% of the RL properties in the State and the calculation of Benefit Cost Analysis (BCA) for all 16,123 properties listed on FEMA's Repetitive Loss (RL) and Sever Repetitive Loss (SRL) list using the Limited Data Module Software. This data was used to prioritize a list of Texas communities most likely to benefit from access to FMA and SRL mitigation funds.

CITY OF KENNENDALE



REQUEST FOR QUALIFICATIONS

HMGP GRANT DEVELOPMENT AND IMPLEMENTATION FOR THE PURCHASE AND
REMOVAL OF FLOOD PRONE STRUCTURES

City of Kennendale

Leslie Galloway

City Secretary

405 Municipal Drive

Kennendale, TX 76060

H2O Partners, Inc.

260 Addie Roy, Suite 150

Austin, TX 78746

info@h2opartnersusa.com

800-328-4151



October 15, 2015

H2O PARTNERS, INC.
RESPONSE TO CITY OF KENNENDALE
REQUEST FOR QUALIFICATIONS

TO PREPARE A GRANT APPLICATION FOR FEDERAL FUNDING
OF THE PURCHASE AND REMOVAL OF FLOOD PRONE
STRUCTURES UNDER THE FEMA HMGP AND ASSIST THE
CITY IN THE IMPLEMENTATION OF THE HMGP PLAN

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I. GENERAL INFORMATION

H2O Partners, Inc.

H2O Partners, Inc. (H2O Partners) is an industry trusted corporation with expertise in hazard mitigation planning and grant development. H2O Partners qualifies as a small business, a Women's Business Enterprise (WBE), and a Historically Underutilized Business (HUB). H2O Partners was formed in 2001 by Jo Ann Howard, former National Flood Insurance Program (NFIP) Administrator at the Federal Emergency Management Agency (FEMA).

Our mission is to build and improve the capability to prepare, respond, recover and mitigate natural disasters with a tailored, flexible and cost-effective approach. Comprised of 35 full-time employees and 30 contractor staff, H2O Partners has worked with cities, counties, schools and hospital systems, universities, councils of government, river authorities, and stakeholder groups nationwide in the development of Hazard Mitigation Assistance (HMA) structural and non-structural grants, including, Flood Mitigation Assistance (FMA) applications, Pre-Disaster Mitigation (PDM) Grant Program applications, and Hazard Mitigation Grant Program (HMGP) applications for acquisition and elevation projects.

In completing HMA projects, H2O Partners develops detailed scopes of work, reviews and completes all environmental and historical considerations, conducts Benefit Cost Analysis (BCA), coordinates with engineers and architects to develop budgets, and conducts correspondence and technical assistance.

Currently, H2O Partners is responsible for managing and monitoring Hazard Mitigation Assistance (HMA) applications on behalf of grantees such as the Texas Division of Emergency Management (TDEM), the New Mexico Department of Homeland Security and Emergency Preparedness (NMDHSEM), and New York State Governor's Office of Storm Recovery (GOSR). This work includes the review, management, and closeout of projects totaling in excess of \$600 million dollars.



Additionally, H2O Partners' experience covers extensive FEMA and state program areas, including:

- Developing and managing PDM and HMGP applications for school districts, hospitals, cities, and counties;
- Developing approved Hazard Mitigation Plans and Plan Updates for over 900 jurisdictions;
- Administering HUD Community Development Block Grants for Disaster Recovery (CDBG-DR) and HMA grants for sub-grantees;
- Managing FEMA HMA and Public Assistance (PA) grants for multiple states;
- Developing nationwide training on the National Flood Insurance Program (NFIP) to agents, lenders and claims adjusters, requiring subject matter expertise and program management;
- Providing guidance on NFIP compliance for Community Rating System (CRS) participation;
- Outreach for Risk Mapping, Assessment, and Planning (Risk MAP) Production and Technical Services (PTS) and Program Management (PM) Teams in FEMA Region II and VI;

- Assisting Hazard Mitigation Technical Assistance Program (HMTAP) to develop enhanced floodplain management standards, and review of HMGP Applications; and
- Providing high level policy guidance, technical assistance, training, and workflow improvements for the states of New York, Texas, Louisiana and Mississippi.

Hunt, Guillot & Associates, LLC (HGA)



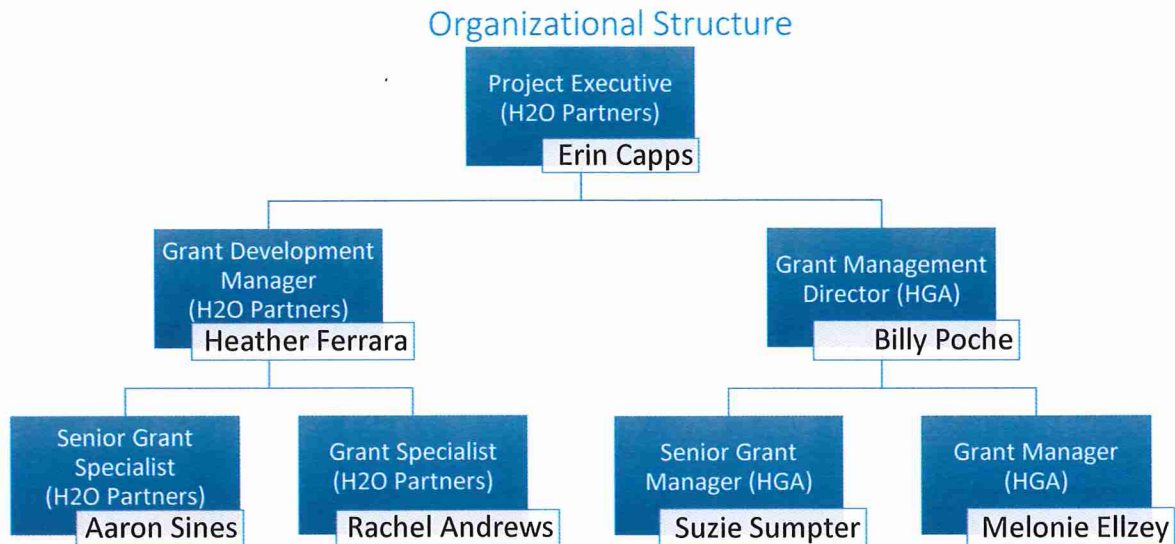
Hunt, Guillot & Associates, LLC (HGA), established in 1997, is a multi-disciplined project management and engineering services company providing professional, cost effective services throughout numerous industries. Over the last 18 years, founding partners, Trott Hunt and Jay Guillot, have led the company through its sustained growth to a staff of over 375 employees providing services in 30 states and several foreign countries. HGA provides project management, design, consulting, and on-site staffing solutions to ensure clients' success. HGA's corporate headquarters is located in Ruston, Louisiana with additional offices in state including Shreveport, Baton Rouge, New Orleans, and Lake Charles. HGA also has offices in Pittsburgh, Pennsylvania; Houston, Texas; New York City, New York; and Birmingham, Alabama.

HGA has provided grant and construction management services for some of the nation's costliest disasters. HGA's hazard mitigation projects include wind retrofit, hardening, road elevations, drainage, reconstruction, elevation, acquisition, pump stations, and safe rooms. HGA's staff of Grant Managers and Certified Floodplain Managers is currently managing over \$112 million in hazard mitigation funded projects at the local level in Louisiana for five parishes ("counties") and meeting onsite with homeowners on a daily basis. HGA has managed 364 elevations, 20 reconstructions, and 10 acquisitions under the FEMA HMA Program. Through the HUD Housing Rehabilitation Program, HGA is managing over 200 homes including minor and major rehabilitation with elevations. HGA also provided professional technical assistance to the Louisiana Department of Health & Hospitals pertaining to the \$32 million HMGP to provide generators. Additionally, HGA provides construction management services on the parish grant-funded projects, from the development of construction packages to inspecting reconstruction for compliance. HGA is currently providing construction management services such as change order management and inspections to the \$1B New York Rising Housing Recovery Program comprising 10,000 structures.

Contract Contact

H2O Partners principal place of business is located at 260 Addie Roy Road, Suite 150, Austin, TX 78746. Our website can be found at www.h2opartnersusa.com. The point of contact and person authorized to make representations, negotiations, and sign any contract for H2O is: Erin Capps, Vice President of Operations, 512-769-5483 (work), 512-329-6612 (fax), ecapps@h2opartnersusa.com.

II. PROJECT ORGANIZATION



Prime Contractor H2O Partners, Inc. and Subcontractor Hunt, Guillot & Associates, LLC (Consulting Team) will provide experienced professional staff to develop a grant application for federal funding of the purchase and removal of flood prone structures in the floodplain of Village Creek under the FEMA Hazard Mitigation Grant Program (HMGP), including 14 residential properties and two mobile home parks consisting of 35 units. H2O Partners will operate as the prime contractor, with staff managing at the executive level and managing the grant development portion of the contract including reporting on project deliverables. Subcontractor HGA will provide grant implementation and engineering oversight services and oversee the grant management portion. While the Consulting Team will work together for each phase of the acquisition project, H2O Partners will primarily be responsible for application development, while Subcontractor HGA will provide management and oversight of project implementation. As Project Executive, Erin Capps of H2O Partners, will be responsible for the executive management of HMGP development and implementation. Resumes for the Consulting Team are included in Appendix A.

Erin Capps, J.D. – Project Executive

Erin Capps is a licensed attorney with in-depth Stafford Act expertise. She has hands-on experience in developing and managing HMGP acquisition and elevation projects for communities in addition to the oversight of implementation of HMA grants on behalf of local jurisdictions and state and federal agencies. Ms. Capps' project management expertise successfully coordinating stakeholders, improving processes, and consistently monitoring the achievement of key program deliverables to produce high-quality, timely, efficient, and innovative results. She is proficient in presenting detailed performance reports that identify operational objectives, budget requirements, and financial estimates. Ms. Capps has managed projects on behalf of H2O Partners since 2008, including: overseeing all local HMA development and management projects totaling more than \$40 million; managing H2O's effort on the FEMA RiskMAP and HMTAP national contracts; establishing a team and implementing a project for New York State, responsible for overseeing more than \$200 million in acquisition projects; and acting as project manager

for the management of over 30 subrecipients, spanning a range of HMA projects from planning to safe rooms and acquisitions on behalf of the Texas Division of Emergency Management (TDEM).

Heather Ferrara, B.A., M.C.P. – Grant Development Manager

Heather Ferrara holds a Master's degree in Community Planning from Auburn University and is certified in ArcGIS. She has assisted with the development of HMGP and PDM grants, and hazard mitigation plans and updates in Alabama, Texas, and New York. She has performed multiple risk assessments through the use of HAZUS-MH, ArcGIS, and other statistical analysis tools. Ms. Ferrara has developed HMGP, PDM, and FMA applications on behalf of local communities in Texas and New York for planning and structural projects, including the acquisition of over 20 homes, the elevation of over 10 homes, and the development of community safe rooms for school districts. In addition to the development of HMA grant applications, Ms. Ferrara has managed over \$10 million in structural projects. Ms. Ferrara is adept at managing multiple facets of the HMA process from development to implementation and closeout, and has an excellent report with TDEM and FEMA Region VI mitigation staff.

Aaron Sines – Senior Grant Specialist

Aaron Sines has considerable expertise in FEMA HMA grant programs, particularly the Hazard Mitigation Grant Program, under which he has assisted states, cities, towns, private nonprofits, and homeowners. He is an expert in application development, including cost-effectiveness determinations, benefit-cost analysis, HMA guidance, and 44 CFR. Mr. Sines has developed Benefit-Cost Analyses for subrecipients and has provided technical assistance to communities on behalf of states and FEMA. He is an expert in the FEMA Benefit-Cost Tool, and has directly assisted hundreds of individual homeowners in the development and implementation of acquisition grants, including providing detailed training on the National Flood Insurance Program (NFIP) and Increased Cost of Compliance (ICC), determining duplication of benefits, reviewing and matching HMGP funding with other grant awards such as SBA and CDBG-DR, and identifying cost-saving methodologies for subrecipients. In his role overseeing the acquisition project on behalf of the New York State Governor's Office of Storm Recovery (GOSR), Mr. Sines manages more than \$50 million in HMGP acquisition applications.

Rachel Andrews, P.E., C.F.M. – Grant Specialist

As a Certified Floodplain Manager and Professional Engineer, Ms. Andrews has extensive experience with 44 CFR Section 404 Mitigation, floodplain management, and procurement standards. She successfully coordinates between various stakeholders and government entities to ensure compliance with the HMGP. Ms. Andrews utilizes her engineering background to assist local jurisdictions with HMGP and PDM compliance, and perform field inspections and site visits for home acquisition projects throughout Texas. Ms. Andrews has developed HMA applications on behalf of subrecipients and is currently responsible for the oversight and management of over \$80 million in home acquisition projects on behalf of TDEM. As a Grant Specialist, she produces detailed reports documenting inspection findings, reviews technical and non-technical documentation, coordinates with homeowners, conducts correspondence with project engineers and architects, and provides technical assistance to subrecipients and homeowners on cost reimbursement and management for acquisition projects.

Billy Poché – Project Manager

Billy Poché is a Homeland Security and Emergency Management expert with decades of “boots on the ground” experience. Mr. Poché served as the Team Lead and Liaison between prime and subcontractors for the multi-billion dollar mitigation grant program for the LA Office of Community Development following Hurricanes Katrina and Rita. This included the development of \$1.4 billion HMGP Elevation, Reconstruction Pilot and Individual Mitigation Measure grant application and assistance and outreach to over 100,000 residents. Mr. Poché also trained and oversaw 40 mitigation counselors in five statewide assistance call centers. As a member of the East Feliciana Parish Hazard Mitigation Committee, Mr. Poché assisted in the identification of critical infrastructure and prioritized projects within the Parish. During this time, he also served as Fire Chief for the Town of Slaughter and Slaughter Fire District, fulfilling the role of Operations Section Chief in the Parish EOC during multiple incidents. As Fire Chief, he developed proposals resulting in awards in excess of \$2.5 million in grants from Federal, State, and local organizations. He is currently serving as the Project Manager for multiple HMA projects across south Louisiana.

Suzie Sumpter, CFM – Senior Grant Manager

Suzie Sumpter has over 25 years of management experience including nine years in emergency management and disaster recovery. As a Senior Grant Manager, Ms. Sumpter works with engineers, architects, contractors, homeowners and local, state and federal staffs to ensure the successful administration of HMA and CDBG programs. Ms. Sumpter successfully manages all aspects of the grants to include application development, BCA reports, implementation, financial management and closeout of numerous elevation, reconstruction and infrastructure projects. Previously, as the Hazard Mitigation Specialist for St. Tammany Parish Government, Ms. Sumpter secured program funding, administered all aspects of the individual projects, and managed the overall grant. She was responsible for effectively completing the audit and closeout of the first PDM in the State of Louisiana and the elevation of the oldest known structure in St. Tammany Parish. Ms. Sumpter has managed, solely, up to 20 different mitigation grants for housing, totaling over \$75 million in funding while assisting with infrastructure grant awards totaling near \$100 million. With her hazard mitigation background and dedication to serving the public, she has successfully secured funding for over 900 homes and numerous infrastructure projects.

Melonie Ellzey, CFM – Grant Manager

Melonie Ellzey is the lead Grant Manager for the parish-wide hazard mitigation projects involving residential acquisitions and elevations for St. Tammany Parish and Lafayette Parish, Louisiana. Previously, Ms. Ellzey served as a Disaster Recovery Specialist for the Louisiana Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP), managing 44 awarded Hazard Mitigation grants totaling over \$111 million. She was responsible for overseeing correct accounting procedures, project monitoring, procurement contracting, project scoping, project milestones, Benefit Cost Analyses, grant budgets, cost reasonableness, grant application development, homeowner consultation, and public outreach. Her Hazard Mitigation background includes over \$100 million in approved funding for over 500 home elevations, 15 housing reconstructions, and 90 home acquisitions.

III. EXPERIENCE AND REFERENCES

The Consulting Team has been providing comprehensive, reliable support in the ongoing disaster recovery efforts across the States of Texas, Louisiana, and New York. Our Team has experience with HMGP projects and programs of varying sizes. Our experience encompasses small to large projects in mitigation and recovery, with much of the work in local jurisdictions. Projects and references specific to HMA acquisition and elevation experience are included below.

Village of Owego, New York

Services Provided:	Public Assistance (PA) and Hazard Mitigation Grant Program (HMGP) grant development and management	
Period of Performance:	August 2011-2015	
Geographic Locations:	Owego, NY	
Contract Value:	\$500,000	
Client Point of Contact:		
Name: Kevin Millar	Office Phone: (607) 687-3261	
Position: Mayor	Email: kjmilow@yahoo.com	

H2O Partners provided disaster recovery services on behalf of the Village of Owego including both Public Assistance and Hazard Mitigation technical assistance. H2O Partners' Hazard Mitigation Grant Program services included: preparing HMGP Grant Applications for Acquisition and Structural Elevation, including Scope of Work, budget, technical data, Cost-Benefit Analysis, and environmental and historical compliance review; tracking status of applications; monitoring of compliance of grant award; assisting agencies with the management and reporting requirements of the grant funds received; assisting with NFIP compliance activities; and conducting project closeout activities. H2O Partners' Public Assistance services for the Village included: assisting with the preparation and review of PA Project Worksheets (PWs); identifying alternative and improved projects; identifying and facilitating resolution of special consideration; providing compliance support and guidance on FEMA PA policies; reviewing eligibility of contracts and force account labor; identifying Stafford Act 406 mitigation funding opportunities; and completing quarterly and closeout reports.

Texas Division of Emergency Management

Services Provided:	Hazard Mitigation and Public Assistance technical support, grant monitoring, and closeout	
Period of Performance:	August 2013 – Present	
Geographic Locations:	State of Texas	
Contract Value:	\$1,000,000 annually	
Client Point of Contact:		
Name: Mike Ku	Office Phone: (512) 424-2397	
Position: Grants Administrator	Email: Michael.ku@dps.texas.gov	

H2O Partners provides oversight and administration of FEMA grants awarded by TDEM to sub-recipients. H2O Partners conducts highly technical reviews of over 3,500 Public Assistance and Hazard Mitigation

projects. H2O Partners' responsibilities include conducting technical assistance and training for jurisdictions throughout the state; coordinating with state and federal agencies on behalf of sub-recipients for project administration; drafting and reviewing Project Worksheets (PW) and coordinating with engineers, and FEMA Region VI; providing subject matter expertise in floodplain management, flood insurance, engineering and environmental permitting compliance; reviewing HMGP applications for eligibility, including procurement, engineering and architectures plans, insurance policies, environmental reviews, and Benefit-Cost Analysis; performing site inspections throughout the state; assisting sub-recipients in reporting details of cost and scope of work amendments to FEMA; and developing detailed weekly, monthly and quarterly reports to TDEM.

As part of this effort, H2O Partners is responsible for one of the largest applicants in the state, the Harris County Flood Control District (HCFCD). The HCFCD's acquisition program consists of over 60 properties. H2O Partners reviewed reimbursement requests for eligibility and accounting. The requests involved review of acquisition, demolition, and administrative costs. Post demolition, H2O Partners ensured that a warranty deed with restrictive covenant language was generated. This language identifies that the property will forever remain open space land.

Governor's Office of Storm Recovery (GOSR)

Services Provided:	Hazard Mitigation, Public Assistance, and Community Development Block Grant (CDBG) Consulting Services	
Period of Performance:	January 2014– Present	
Geographic Locations:	State of New York	
Contract Value:	\$2,000,000 annually	
Client Point of Contact:		
Name: Matt Goldstein	Office Phone: (212) 480-2663	
Position: Policy Manager	Email: Matthew.Goldstein@stormrecovery.ny.gov	

H2O Partners provides FEMA subject matter expertise to New York State, through the Governor's Office of Storm Recovery. H2O Partners was selected to review PA and HMGP projects for eligibility for CDBG Disaster Recovery funding, using knowledge of FEMA programs and experience in program management to help the State determine which projects are best suited for funding by both agencies. H2O Partners aids the State in the administration of a Global Match program, determining which projects may be eligible for a local match funded primarily by the State's available CDBG-DR dollars.

H2O Partners is responsible for reviewing over 16,000 Project Worksheets (PW) to determine eligibility with CDBG. This includes working with sub-recipients to collect documents that are not required in a FEMA PA PW, but are necessary for a HUD review. H2O Partners works directly with applicants in providing technical assistance and training. To date, H2O Partners has reviewed over 5,000 PWs and provided application development and technical assistance for over \$890 million in infrastructure projects. Additionally, H2O Partners has developed policies and procedures for the CDBG buyout process and applying CDBG-DR funds to HMGP applications, and reviewed and managed acquisition grants for over 765 properties and buyout properties for \$243,293,375.00.

Plaquemines Parish Government	
Services Provided:	Administrative Support and Consulting Services for Parish-wide HMGP
Period of Performance:	November 2012– Present
Geographic Locations:	Plaquemines Parish, Louisiana
Project Value:	\$31,824,256
Client Point of Contact:	
Name: Hilda Lott	Office Phone: (504) 297-5000
Position: Grant Administrator	Email: hlott@ppgov.net

Working with key officials from Plaquemines Parish Government, HGA is providing consulting services in the areas of administrative support and the execution of the parish-wide Hazard Mitigation Grant Program. FEMA awarded Plaquemines Parish an excess of \$31 million in federal monies to implement successful hazard mitigation measures for critical infrastructure and homes affected by Hurricanes Katrina, Gustav, and Isaac.

HGA is successfully managing and administering all facets of the hazard mitigation program to include retrofitting governmental complexes, water treatment facilities, and the elevation of public roadways in addition to the acquisition, elevation, and reconstruction of homes. This is being achieved by assisting with the development of the parish's HMGP processes; interfacing with local, state and federal representatives; storing and monitoring amendments and documents; and overall HMGP grant management throughout all phases of each project.

Lafayette Consolidated Government	
Services Provided:	HMA Application Development
Period of Performance:	June 2014– Present
Geographic Locations:	Lafayette, Louisiana
Project Value:	\$2,400,000
Client Point of Contact:	
Name: Melanie Jumonville	Office Phone: (337) 291-7177
Position: Project Manager	Email: mjumonville@lafayettela.gov

HGA is working with Lafayette Parish Officials, and municipal representatives to identify and develop applications for eligible projects for submission to GOHSEP and FEMA for approval. HGA assisted the LCG, GOHSEP, and FEMA to identify and eliminate potential issues that would delay application approval. HGA also assisted with the development of a non-bias ranking system to identify which projects would be considered. The ranking system criteria included insured properties, BCA, owner occupied, and SRL and RL properties. HGA has helped to identify the number and type of eligible projects to be developed to assist in parish-wide mitigation efforts regarding elevation and acquisition projects. HGA has been tasked with the following:

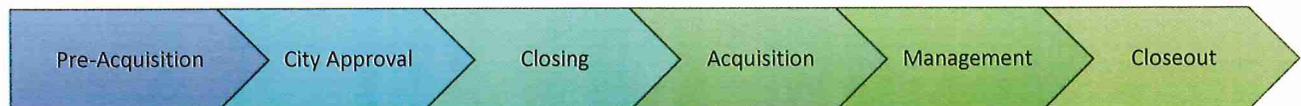
- Conduct individual and public meetings to educate homeowners and contractors with program requirements and mandates;
- Review plans and specifications, constructions details, and elevation certificates;

- Conduct pre-mitigation planning to ensure projects are compliant with local building codes;
- Interview contractors/subcontractors for proper insurance, qualifications, and financial stability;
- Develop a construction package to include a milestone inspection check sheet;
- Conduct onsite milestone inspections to ensure necessary compliances regarding program mandates and contractor payment request for reimbursement; and
- Develop and submit quarterly reports to the LCG and GOHSEP.

The HGA Team has compiled an extensive checklist used for all elevations and acquisitions that GOHSEP has reviewed for completeness. Upon completion of the mitigation program, HGA will work in coordination with the LCG and its municipalities to prepare and submit all closeout documents and to deliver all records. This will include the reconciliation and closeout of all project files, the preparation and submission of all financial reports and requests for reimbursement, and submission of all final progress reports.

IV. PROJECT APPROACH

Hazard Mitigation planning serves as a vital foundation for saving lives and protecting property from natural and technological or human-caused hazards. H2O Partners Inc., along with teaming partner Hunt Guillot & Associates, LLC (Consulting Team or Team) will provide experienced, professional staff to develop and manage Hazard Mitigation Assistance (HMA) grant projects for the City of Kennendale (City) through each step of the acquisition process.



HMGP Application Development

The FEMA HMA program is composed of several grant programs including the Hazard Mitigation Grant Program (HMGP). HMGP provides grants to local jurisdictions to implement long-term hazard mitigation measures after a major disaster declaration. The goals of HMGP are to prevent or reduce future losses to lives and property through the identification and funding of cost-effective mitigation measures, and minimize the costs of future disaster response and recovery. The Consulting Team has extensive experience in developing HMGP grant applications, has assisted communities in the review and management of HMGP applications on behalf of the State and FEMA, and has the experience and capacity to provide comprehensive project management to include all tasks from application to closeout.

In completing the HMGP applications, the Team will complete all elements of the applications, and provide technical assistance to the City of Kennendale including:

- Developing detailed narrative statement and scope of work;
- Performing Benefit Cost Analysis (BCA);
- Conducting the required environmental and historical considerations and reviews;
- Identifying hazards and historical occurrences;
- Completing detailed budget, including architectural and engineering estimates;
- Working with the City of Kennendale and any consultants hired by the City to solicit data;
- Detailing the proposed work schedule;
- Completing State and Federal assurance forms;
- Conducting correspondence with TDEM and FEMA; and
- Revising the applications if requested by TDEM or FEMA.

Developing Narrative, Scope of Work, and Hazard Identification

HMGP applications require a narrative statement or synopsis of the project and a scope of work. The narrative statement should be clear enough so that in processing the application, a State or FEMA reviewer will know exactly what the City is proposing. At a minimum, the narrative statement will include the project title, brief description, project amount, and general implementation schedule or period of performance. The Consulting Team will coordinate with the City of Kennendale officials in the

development and design of projects to confirm feasibility and aid in the cost estimation process. Then a scope of work for each project will be developed to determine cost reasonableness.

Conducting a Benefit-Cost Analysis (BCA)

Members of the Consulting Team have completed the FEMA Benefit-Cost Analysis (BCA) training and have the latest BCA software, version 5.2.1. The Team is highly experienced in both conducting and reviewing BCAs, and in the development and review of HMGP and PDM applications on behalf of states, FEMA Region VI, and FEMA Headquarters. Further the Team has conducted BCA training and provided technical assistance to sub-recipients in responding to Requests for Information.

The Consulting Team develops BCAs for HMA applications throughout the state and reviews BCAs in providing technical assistance to applicants on the following projects:

- *FEMA HMTAP*. H2O Partners conducted detailed reviews of BCAs for each application.
- *New York State Governor's Office of Storm Recovery (GOSR)*. The Team is responsible for the review and prioritization of HMGP projects which includes conducting detailed BCA reviews and creating Requests for Information to applicants where required.
- *Texas Division of Emergency Management (TDEM)*. Associate Consultant Rachel Andrews has reviewed and created BCAs on behalf of applicants.
- *Local Applications*. The Team has created detailed BCAs in developing HMGP and PDM applications for local jurisdictions in completing acquisition, elevation, and safe room construction projects.

Conducting Environmental and Historical Reviews

The Consulting Team will complete the required Environmental and Historical Preservation (EHP) reviews including any historical property that may be potentially affected by the grant, and any environmentally protected species, flora, and fauna. This review is separate from the completion of an environmental assessment, which may be necessary if FEMA predicates a grant award on the completion of a detailed assessment.

Project Budget and Implementation Schedule

The Consulting Team will follow FEMA guidance for HMA project development to ensure eligible project costs are included. The Team will also leverage experience in managing previous acquisition and elevation HMGP projects to develop a realistic timeline for completion. We will work with City officials in the development and design of projects to confirm feasibility and put in place a scope of work for each project to determine cost reasonableness.

Project schedules are essential and utilized from planning through project completion. The Consulting Team will use Primavera P6 project scheduling platform to create project schedules for each project. The Team will work closely with the City of Kennendale to develop and implement the work breakdown structure into the project schedule to best allocate resources and track progress. The Team will balance resource capacities and work to keep projects within budget and schedule.

HMGP Management

The Consulting Team will ensure all provisions of the Stafford Act and 44 CFR are followed throughout the management of the project and in the event of an audit. Through the Team's contract with TDEM, personnel are familiar with the common mistakes and shortfalls sub-recipients may encounter and have developed best practices and lessons learned to ensure the budget, schedule, and process are carefully managed in conjunction with all applicable state and federal guidelines and regulations.

The Consulting Team will assist the City in the management of any HMA grant projects including:

- Completing quarterly reports and conducting grant monitoring activities
- Reviewing requests for reimbursement
- Monitoring project budget and reports
- Conducting correspondence with State and FEMA
- Developing any amendments or change requests
- Assisting with interim and final site inspections
- Preparing grant close-out activities

Project Reporting and Tracking

The Consulting Team develops tracking and reporting tools on a contract-by-contract basis, tailoring each to the uniqueness of the contract and the client. Our reporting and tracking tools focus on enhancing data availability, reporting, and client strategy. Working at the local, state, and federal levels, the Consulting Team has built tracking databases and spreadsheets to:

- Track 763 acquisition properties, including documentation requirements and project costs;
- Manage application development for over \$1 billion worth of HMGP and CDBG infrastructure projects for a single client;
- Track reimbursement requests and remaining match dollars for HMGP projects for the State of Texas;
- Manage time against labor type and categories to track indirect, State Management Costs, and Direct Administrative Costs on behalf of states;
- Track local match requirement for up to seven disasters at a time, analyzing the value of individual projects in a global match scenario and ensuring that over \$439 million in local match was met; and,
- Report on all grants or sub-grants for a given sub-recipient or state, demonstrating type of project, project costs, percent complete, and more.

Review of Requests for Reimbursement

The Consulting Team has in-depth experience managing the financial functions of both small and large-scale disaster construction. Effective financial management, including expenditure tracking, budgetary management, and ensuring that procurement procedures are compliant with all state and federal regulations are critical to project success. For most federal grant programs construction prior to obtaining approval from FEMA or improper procurement can result in a projects total ineligibility. It is necessary to understand a project's budgetary constraints prior to putting a project out for bid, then to ensure that

proper procurement and bid processes are followed, and finally track expenditures including any cost over- or under-runs, costs outside the eligible scope of work, and reimbursement request. Reimbursement requests and payment processing are a significant factor for the completion of a large-scale project since a majority of sub-recipients may lack the budgetary capacity to implement a project without a quick return of federal funding.

The Consulting Team will be responsible for overseeing each reimbursement request, and conducting a detailed review of construction management, architecture, and engineering invoices. The Team has established a detailed tracking mechanism to monitor costs against the total budget and the budget for each scope area. This includes the careful review and analysis of matching funds such as voluntary resources, in-kind labor, and any additional grant funding.

Project Implementation

Assisting property owners and guiding them through the HMGP process is a significant step in assuring the successful development and implementation of a grant. The Consulting Team will conduct site visits to meet with property owners to resolve any issues. Acquisitions in particular can be an emotional process for property owners. Through our vast experience, we understand the recovery environment and have the compassion to work with our neighbors to provide the best solution available to them. Many property owners consider the HMGP application process to be difficult. The Consulting Team will interface with property owners in a professional manner and provide them with timely and accurate information to help guide them through the process.

Preparing Final Inspections and Close-Out Activities

The Consulting Team will conduct all closeout activities, which occur post-construction and involve satisfying multiple state and federal requirements, including a final Site Inspection. Consulting Team members have conducted thousands of site inspections for projects throughout the states of Texas, New York, and Louisiana, and will assist the City in the completion of the final inspection with TDEM and FEMA. The Consulting Team will also provide a checklist prior to the State or FEMA inspection to ensure all project elements and regulatory requirements have been reviewed and met.

Scope of work changes, expenditures, completion dates, and any special considerations that could delay project completion will be verified. All project work and documentation is reviewed for eligibility and submitted in a report for final inspection or review. The Team will also develop time extension requests if necessary, and prepare all requests and forms for close-out. The closeout process will include the reconciliation and closeout of all project files, the preparation and submission of all financial reports and requests for reimbursement, and submission of all final progress reports. Additionally, hard copies and electronic versions of all documents will be provided to TDEM, FEMA, and the City to retain.

The Team is experienced in utilizing TDEM's new grant management software which will be required of all sub-recipients for DR-4223. The Consulting Team has processed project reimbursement requests and close-outs through TDEM's grant management system (GMS). Upon completing the program, our Team will work in coordination with the City to prepare and submit all closeout documents.

V. SUMMARY

H2O Partners and Hunt, Guillot & Associates, LLC have the experience and capacity to provide comprehensive project management for projects in the floodplain of Village Creek including elevations, acquisitions, and drainage projects to include all tasks from application to closeout. We have been providing comprehensive, reliable support in the ongoing disaster recovery efforts across the States of Texas, New York, and Louisiana. In addition to overseeing the implementation of home acquisitions and final inspections of homes following Superstorm Sandy, the Consulting Team has developed and managed more than 500 acquisition and elevation projects, including the oversight and management of more than \$800 million in buyout programs for states.

We will monitor the projects to ensure construction work performed is observed as outlined in the design mitigation and construction plans. Consulting team member HGA, currently provides construction management services on grant-funded project from developing construction packages to inspecting reconstruction for compliance. In addition, HGA provides final inspections on homes in New York to ensure building codes, in addition to program requirements, were adhered to during reconstruction following Superstorm Sandy.

Our Team has experience with HMGP projects and programs of varying sizes. Our experience encompasses small to large projects in mitigation and recovery. Together the Team brings together a wealth of experience in assisting communities prepare, respond, recover and mitigate natural disasters with a tailored, flexible and cost-effective approach. The Consulting Team is well-versed in FEMA regulations and provides expertise in HMA grant development and implementation.

Erin Capps, J.D.

Project Executive

J.D., Baylor University Law School, 2007

B.S., Advertising/Business, University of Texas Austin, 2002, Magna cum Laude



H2O Partners, Inc.,

Project Manager, Texas Division of Emergency Management (2013-Present)

Ms. Capps is the project manager for Disaster Compliance Professional Services for the Texas Division of Emergency Management (TDEM) of five teams covering over 3500 projects. Ms. Capps oversees, administers, and monitors FEMA Public Assistance (PA) and Hazard Mitigation Grant Program (HMGP) projects stemming from hurricanes Ike, Dolly, the West Gas Explosion, and Memorial Day Flood events. She also directs teams conducting highly technical reviews of projects, in addition to providing subject matter expertise to sub-recipients, TDEM, and FEMA.

Hazard Mitigation Assistance, Planning and Grant Development Manager (2004 – Present)

Ms. Capps coordinates meetings and workshops, and oversees a team of technical writers to complete a plan within budget, scope, and timeline. Ms. Capps provides technical assistance to sub-recipients and edits risk and vulnerability assessments, including the review of detailed flood maps. Additionally, Ms. Capps supervises the development of Hazard Mitigation Grant Program (HMGP) and Pre-Disaster Mitigation (PDM) applications and grant projects. She reviews each application, including hazard history, previous flood data, repetitive loss data, benefit-cost analysis, and environmental compliance. Ms. Capps ensures quarterly reports are completed accurately and timely, verifies contractor compliance, oversees budgets, and verifies project schedules.

Senior Associate, Risk Assessment Mapping and Planning Partners (RAMPP) (2009-2012)

Ms. Capps provided assistance to FEMA under the Risk MAP program by conducting outreach, training, and technical assistance to communicate flood risk effectively to states, tribes, regional and local communities, and stakeholders. She also directed the coastal outreach group, reviewed project reports, and developed an outreach program on levee safety.

Senior Manager, Technical Assistance, Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), Baton Rouge, Louisiana (2005 – 2006, 2010-2012)

Ms. Capps provided Stafford Act policy development, subject matter expertise, and training to GOHSEP staff and sub-recipients. She was responsible for the development of internal procedures for managing the Public Assistance (PA) and Hazard Mitigation Assistance (HMA) grant programs. Ms. Capps conducted legislative and policy analysis regarding the application of state management funds and direct administrative costs and developed guidance, training, and testing curriculum for staff on the HMA grant life cycle.

Project Manager, Public Assistance and HMA, Village of Owego, New York (2012-2012)

Ms. Capps oversaw the development of grants, including reviewing and revising the scope of work (SOW), budget, and environmental and historical compliance. She reviewed and revised hazard mitigation buyout and elevation grants, ensured the timely, accurate completion of project reports, including quarterly reports. She also assisted in reviewing projects for fraud and duplication of efforts and directed closeout activities.

Project Manager, Public Assistance Technical Assistance Contract (PATAC) (2009-2012)

Ms. Capps was responsible for PATAC surge response and support, including compliance with background checks for quick deployment for areas in need of PATAC support. Her duties included reviewing and approving project schedules, budget, and scope; identifying training needs; initiating development of objectives and procedures for responses; and directing, monitoring, and appraising performance of subordinates' responses to review and development of PA Project Worksheets.

Project Lead, Hazard Mitigation Technical Assistance Program (HMTAP) Contract (2009-2012)

Ms. Capps provided programmatic support to FEMA headquarters' Mitigation Directorate and FEMA regions. She established teams for HMTAP grant-monitoring support; reviewed current floodplain management guides and provided edits to a national review team; developed higher standards for floodplain management; and performed technical review of Hazard Mitigation Grant Program (HMGP) applications for scope, budget, and conformance to 44 CFR.

Heather Ferrara, M.C.P.

Grant Development Manager

M.C.P., Community Planning, Auburn University, 2011

B.A., Studio Art, University of Alabama at Birmingham, 2008



H2O Partners, Inc.

Risk Assessment Coordinator and Lead Writer, Hazard Mitigation Planning, Multiple Projects (2011-Present)

As a Risk Assessment Coordinator and technical writer for H2O, Ms. Ferrara's responsibilities include:

- Creating hazard mitigation plan and plan updates.
- Preparing risk and vulnerability assessments for communities.
- Developing detailed GIS mapping tools for risk identification.
- Conducting community outreach and assisting communities with identifying and prioritizing risks.
- Performing updates to risk atlas tools in the U.S. and Mexico.
- Analyzing new development through RiskMAP and incorporating into GIS distribution tool.
- Authoring plan sections and handling all revisions for multi-jurisdictional plans, including updates for: Lubbock County, the West Central Texas Council of Governments (WCTCOG), the Concho Valley Council of Governments (CVCOG), Kaufman County, Houston County, and the City of Round Rock.

Development and management HMGP Project, Crockett ISD - DR 1791, (2012 - Present)

- Complete and draft scope, budget, timeline, and all necessary forms for a successful Hazard Mitigation Grant Program (HMGP) structural project totaling \$4 million dollars to develop a community safe room shelter for Crockett ISD.
- Perform all reviews and checks for NEPA/FEMA compliance in completing assessment.
- Oversee and submit quarterly reports, reimbursement requests, amendments and change requests, and all other requirements in the administration of the project.
- Conduct correspondence with FEMA Region VI and the Texas Division of Emergency Management (TDEM).

Grant Manager, Latexo ISD, (2011 - 2013)

H2O developed a Pre-Disaster Mitigation (PDM) and Hazard Mitigation Grant Program (HMGP) application for the ISD in conjunction with the City of Latexo for an approximately \$1,000,000.00 project. Ms. Ferrara's responsibilities included:

- Assisting with eligibility for subgrantee.
- Developing narrative description and Scope of Work (SOW).
- Compiling and reviewing budgets.
- Developing and reviewing Cost-Benefit Analysis (CBA).
- Writing and developing application.
- Conducting correspondence with TDEM and FEMA.
- Coordinating with environmental agencies.
- Identifying and examining special considerations, such as NFIP compliance.

Grant Manager, Woodsboro, ISD, (2011 - 2012)

H2O developed an HMGP application for the ISD to complete retrofits on school buildings in order to prevent damage from hurricane, tornado, and other high wind hazards. Ms. Ferrara's responsibilities included:

- Assisting with eligibility for subgrantee.
- Developing narrative description and Scope of Work (SOW).
- Compiling and reviewing budgets.
- Developing and reviewing Cost-Benefit Analysis (CBA).
- Writing and developing application.
- Conducting correspondence with TDEM and FEMA.
- Coordinating with environmental agencies.
- Identifying and examining special considerations, such as NFIP compliance.

Aaron M. Sines

Senior Grant Specialist

B.A., Philosophy, Minor Business Administration, University of Maine-Orono, 2007



H2O Partners, Project Manager, Hazard Mitigation Grant Program (HMGP) and Community Development Block Grant (CDBG), New York Governor's Office of Storm Recovery (April 2014 - Present)

- 20 Sub-Applicants, over 400 properties, over \$50 Million in HMGP applications submitted to FEMA.
- Provided complete range of technical assistance to all 20 sub applicants for Benefit Cost Analysis, application development, selecting a property list, eligible costs, post award management, and HMA rules and regulations governing the Acquisition/Demolition Program.
- Hosted 7 Homeowner Meetings
- Hosted 20 Community Meetings
- Coordinated Buyout Program between the Governor's Office of Storm Recovery and the Division of Homeland Security and Emergency Services.
- Responded to congressional and press inquiries about the Hazard Mitigation Grant Program
- Trained local community leaders how to administer an HMGP Buyout Program.
- Developed master budgets for 19 Acquisition/ Demolition applications.

U.S. Dept. of Homeland Security-FEMA. Flood Mitigation & Insurance Branch. (March 2006- April 2014)

- **Hazard Mitigation Grants (HMA) Specialist (404 Mitigation)**
Provided technical assistance in 6 different states including multiple deployments in Maine. Have worked on HMGP in all phases of the process from project identification to close-out. Acquisition/elevations, drainage improvements, planning, 5% initiative, flood proofing, bank stabilization, minor flood control projects.
- **Project Specialist (406 Mitigation)**
Identified dozens of 406 mitigation projects as alternatives to 404 mitigation projects.
- **Benefit Cost Analysis (BCA) Analyst**
Performed over 100 BCA's and trained dozens of fellow employees and public officials.
- **Hazard Mitigation Community Planner**
Assisted MEMA in the identification of projects for plan updates. Provided planning technical assistance in 3 different states.
- **Floodplain Management Specialist**
Performed hundreds of Substantial Damage determinations in Vermont during the response to Hurricane Irene.
- **Community Education and Outreach Specialist**
- **Hazard Mitigation Advisor Specialist**
2006 to present: Counseled thousands of disaster assistance applicants, providing information about all areas of mitigation from flood insurance to common mitigation practices and personal preparedness.
- **Risk Analysis**
- **Data and Records Management**

Rachel Andrews, PE, CFM

Grant Specialist

B.S., Civil Engineering, University of Texas, 1999

B.A., Spanish, University of Texas, 1999



H2O Partners, Inc.

Grant Monitor, Disaster Compliance Professional Services, Texas Division of Emergency Management (2013-Present)

Ms. Andrews assists with grant monitoring of FEMA Hazard Mitigation Grant Program (HMGP) projects from Hurricanes Ike and Dolly. Her responsibilities include:

- Assisting local jurisdictions with Hazard Mitigation Grant Program compliance
- Performing field inspections and site visits
- Conducting pre-construction, interim, and closeout meetings
- Providing hazard mitigation subject matter expertise and technical assistance including conducting environmental and Benefit-Cost Analysis (BCA) reviews
- Verifying compliance with state and federal regulations
- Producing and reviewing programmatic documents for project monitoring and closeout
- Developing weekly status reports for TDEM on project progress, budget, and compliance issues

Grant Specialist, Mitigation Planning Services, City of Austin (2015-Present)

- Provide HM subject matter expertise
- Conduct kick-off meeting
- Review mitigation plan for edits
- Conduct outreach to members of the public and stakeholders

National Flood Insurance Program Field Representative, Texas Water Development Board (2007-2012)

- Conduct pre-construction, interim, and closeout meetings
- Managed National Flood Insurance Program compliance in Texas
- Provided technical assistance to local officials and residents
- Ensured engineering compliance with Federal floodplain management regulations
- Conducted audits of regulatory programs by floodplain inspection
- Reviewed technical permitting documentation
- Delivered technical training and outreach to assist local floodplain managers, elected officials, and residents
- Performed written and verbal outreach in Spanish-speaking regions (Colonias) regarding flood risks

Nonpoint-Source Pollution Coordinator, Lower Colorado River Authority (2002-2007)

- Led meetings for cities and stakeholders of LCRA Watershed Management Ordinance compliance
- Conducted inspections; reviewed plans and permit applications
- Ensured compliance with nonpoint-source pollution control requirements
- Investigated pollution complaints per the Ordinance
- Produced technical and non-technical reports
- Developed educational materials on nonpoint-source pollution permitting and related issues
- Managed lake-wide lowerings per the U.S. Army Corps of Engineers Permit



Billy Poché
Project Manager

Career Highlights

- ❖ Subject Matter Expert in local hazard mitigation planning—currently serves as the lead over \$14.7M in hazard mitigation funds for multiple parishes.
- ❖ Served as Team Lead for mitigation support for the LA Office of Community Development following Hurricanes Katrina and Rita
- ❖ Served as Fire Chief of Slaughter, LA—supervised fire suppression, search and rescue, emergency medical, and HazMat response for a 36-square-mile rural area
- ❖ Designed & facilitated over 50 HSEEP tabletop, functional, and full-scale exercises and delivered over 100 training courses

Education, Training, Certifications, Awards & Affiliations

- ❖ Top Secret Clearance
- ❖ Train the Trainer Incident Command System (ICS) 300 and 400, GOHSEP, 2008
- ❖ Homeland Security Exercise & Evaluation Program (HSEEP) Train the Trainer, Department of Homeland Security, 2007

Relevant Experience

HGA, Project Manager, 2013-Present,

Serves as the lead over a team of grant managers responsible for \$14.7M in infrastructure and housing hazard mitigation funds for multiple parishes. Oversees multiple projects across all phases; monitors workflow; implements and maintains grant management best practices; and ensures program compliance. Meets with Parish, State, and Federal stakeholders regularly to provide technical assistance on policy and program requirements through the administration and closeout of the grant projects.

CRA, Inc., Project Manager, 2011-2012

Responsible for delivering hazardous materials instruction and delivering lectures and practical exercises involving emergency response and mitigation measures used during hazardous materials incidents. Served as HSEEP exercise planner, including providing oversight for the execution of the \$2.5M GOHSEP statewide exercise contract.

IEM, Inc., Exercise Planner, 2006-2010

Mitigation Support to LA OCD—Team Lead for a multi-billion dollar hazard mitigation grant program for the Louisiana Office of Community Development following Hurricanes Katrina and Rita. Oversaw 20-40 mitigation counselors in the assistance call center.

Alabama Emergency Management Agency Exercise Support Program—Designed and facilitated over 20 HSEEP tabletop, functional, and full-scale exercises.

FEMA National Preparedness Directorate Technical Assistance Program—Assisted in the design and development of a hurricane tabletop exercise (TTX) for Natchez, Mississippi. Provided facilitation support to the DHS Capability Assessment Pilot in Florida. As lead facilitator, presented ICS 100, 200, 700, and 800 to multiple agencies and jurisdictions. Presented training materials that covered ICS 100, 200, 700, and 800 and Hospital Incident Command System for Region 2 hospitals located in Louisiana.



Suzie Sumpter, CFM Senior Grant Manager

Career Highlights

- ❖ Over 25 years of management experience including 11 years in hazard mitigation
- ❖ Extensive experience writing and administering federal disaster and non-disaster grants to include research and implementation of federal, state, and local compliance regulations
- ❖ Senior Grant Manager over \$120M dollars in funding to elevate or reconstruction qualified structures including several historic structures
- ❖ Senior Grant Manager over 15 various infrastructure projects with grant funds totaling near \$100M dollars
- ❖ Successfully secured funding for 900+ homes and numerous infrastructure projects throughout Louisiana

Education, Training, Certifications, Awards & Affiliations

- ❖ Certified Floodplain Manager
- ❖ Completed 24 courses through FEMA Emergency Management Institute

Relevant Experience

HGA

Senior Grant Manager

Ms. Sumpter works with engineers, architects, contractors, homeowners and local, state and federal staffs to ensure the successful administration of Hazard Mitigation Assistance (HMA) and Community Development Block Grant (CDBG) programs. She develops policies and procedures for local governments to insure compliance with all guidance and regulations. Ms. Sumpter successfully manages all aspects of the grants to include application development, BCA reports, implementation, financial management and closeout of numerous elevation, reconstruction and infrastructure projects.

St. Tammany Parish Government

Hazard Mitigation Specialist

Ms. Sumpter worked to reduce the impact of disasters on homeowners affected by repetitive flooding or excessive damage from declared disasters by writing grant applications, securing program funding and administering all aspects of the individual projects as well as the management of the overall grant. Her skill set ensured that projects and funds complied with all local, state and federal guidelines and regulations. Ms. Sumpter assisted with the development of the local Hazard Mitigation Plan, led public outreach sessions, wrote policy and procedures, created and implemented forms to expedite the mitigation process. While maintaining project files, she reviewed engineering plans and contractor quotes for eligibility, monitored each project on site, performed milestone inspections, prepared and processed payments and filed quarterly reports. She was responsible for effectively completing the audit and closeout of the first PDM in the State of Louisiana. Ms. Sumpter successfully completed the elevation of the oldest known structure in St. Tammany Parish.

Prior Professional Experience

All American Medical & Chiropractic, Office Supervisor and Case Manager
Bella Dia, Owner
Covington Institute of Driving, Owner



Melonie Ellzey, CFM
Grant Manager

Career Highlights

- ❖ Has managed 44 awarded hazard mitigation grants totaling over \$111M
- ❖ Subject Matter Expert in accounting and grant management, including benefit cost analyses, budgets, cost reasonableness, writing applications, homeowner consultations, public outreach, payment processing, payment tracking, and reimbursement documentation.

Education, Training, Certifications, Awards & Affiliations

- ❖ Registered Certified Floodplain Manager
- ❖ Member of Association of Certified Floodplain Managers

Relevant Experience

HGA, 2013-Present

Grant Manager

Assisting in the administration of \$14.7M in hazard mitigation funds for multiple parishes. Duties include interfacing with homeowners to explain program guidelines; conducting BCAs; obtaining GPS coordinates and photos of identified eligible properties; meeting with Parish/State/Federal personnel; generating data for Hazard Mitigation Assistance program applications; and conducting quality control on VPAs.

GOHSEP, 2009-2013

Grant Manager

Provided guidance, oversight, and generally assisted sub-grantees for preparation of documentation, invoices, and information necessary to request reimbursement for approved federally funded FEMA Hazard Mitigation grants. Monitored the progress of sub-grantees assigned to ensure that all federal and state grant requirements were met and that files were closed in a timely manner.

Prior Professional Experience

Ruston Properties, Accounts Payable
Blue Rock Partners, Accounts Payable
Donnie Jarreau Real Estate/Construction, Accounts Payable/Receivable
Drusilla Seafood, Accounts Payable

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: INCIDENTAL ITEMS (CONSENT) - B.

I. Subject:

Consider approval of contract with Freese and Nichols to conduct an Impact Fee Study

II. Originated by:

III. Summary:

Contract – Cities are permitted under state law to impose impact fees on new development provided the city has conducted a study to justify these fees. In order to be valid, the study must have been done within a five year time period and based on a city's water, wastewater, and transportation master plans. The statute does permit a city to extend the application period for an additional three year period provided no significant changes have been completed within the five year study period. The City Council extended the prior study for a period of three years in 2013. Thus, in order to impose an impact fee in the future, an impact fee study must be done. Because the impact fee revenue is significant for the capital development of the utility and street system, staff recommends the study be initiated for future development. The study will be based on the utility system master plan completed by Freese & Nichols Engineering firm in 2014. Staff recommends Freese & Nichols Engineering Firm be engaged to complete the Impact Fee Study for a lump sum fee of \$98,000. The contract is attached.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Contract with Freese and Nichols for Impact Fee Study	Impact Fee Study.pdf
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AGREEMENT FOR PROFESSIONAL SERVICES

STATE OF TEXAS §

COUNTY OF TARRANT §

This AGREEMENT is entered into by the City of Kennedale, Texas hereinafter called "Owner" and Freese and Nichols, Inc., hereinafter called "FNI." In consideration of the AGREEMENTS herein, the parties agree as follows:

- I. **EMPLOYMENT OF FNI:** In accordance with the terms of this AGREEMENT: Owner agrees to employ FNI; FNI agrees to perform professional services in connection with the Project; Owner agrees to pay to FNI compensation. The Project is described as follows: Water, Wastewater & Roadway Impact Fee Study
- II. **SCOPE OF SERVICES:** FNI shall provide professional services in connection with Project as set forth in Attachment SC - Scope of Services and Responsibilities of Owner which is attached to and made a part of this AGREEMENT.
- III. **COMPENSATION:** Owner agrees to pay FNI for all professional services rendered under this AGREEMENT in accordance with Attachment CO - Compensation which is attached hereto and made a part of this AGREEMENT. FNI shall perform professional services as outlined in the "Scope of Services" for a lump sum fee of \$98,000. Details concerning the fee are included in Attachment CO.

If FNI's services are delayed or suspended by Owner, or if FNI's services are extended for more than 60 days through no fault of FNI, FNI shall be entitled to equitable adjustment of rates and amounts of compensation to reflect reasonable costs incurred by FNI in connection with such delay or suspension and reactivation and the fact that the time for performance under this AGREEMENT has been revised.
- IV. **TERMS AND CONDITIONS OF AGREEMENT:** The Terms and Conditions of Agreement as set forth as Attachment TC shall govern the relationship between the Owner and FNI.

Nothing under this AGREEMENT shall be construed to give any rights or benefits in this AGREEMENT to anyone other than Owner and FNI, and all duties and responsibilities undertaken pursuant to this AGREEMENT will be for the sole and exclusive benefit of Owner and FNI and not for the benefit of any other party.

This AGREEMENT constitutes the entire AGREEMENT between Owner and FNI and supersedes all prior written or oral understandings.

This contract is executed in two counterparts.

IN TESTIMONY HEREOF, they have executed this AGREEMENT, the ____ day of _____, 2015.

ATTEST:

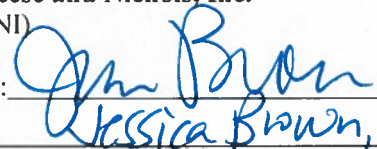
City of Kennedale, Texas
(OWNER)

By: _____

Print or Type Name and Title

ATTEST:

Freese and Nichols, Inc.
(FNI)

By: 

Print or Type Name and Title

SCOPE OF SERVICES AND RESPONSIBILITIES OF OWNER**ARTICLE I****Project Understanding**

Freese and Nichols, Inc. (FNI) understands that the City of Kennedale is seeking to update the existing water, wastewater, and roadway impact fee system, consistent with the requirements of Chapter 395 of the Texas Local Government Codes. The City seeks to do this by updating study areas, updating an existing conditions analysis, determining the growth in water demands and wastewater flows for the 10-year planning period, reviewing and updating the water and wastewater impact fee capital improvements program, determining projected vehicle-miles of growth for 10-year planning period, reviewing and updating the roadway impact fee capital improvements program, updating the land-use equivalency table and calculating the maximum fee per service-unit for service areas within Kennedale, updating the service unit equivalency table and calculating the maximum fee per service-unit for the water and wastewater systems within Kennedale. The study will be coordinated through a Capital Improvements Advisory Committee (appointed by the City) and culminate with adoption through a public hearing process.

Phase A. Kickoff Meeting, Data Collection & Land Use Assumptions

- A.1 **Project Kick-Off Meeting:** Freese and Nichols, Inc. (FNI) will meet with the City to review scope, project team, schedule of the project, and present a data request memorandum.
- A.2 **Water and Wastewater Data Collection:** FNI will compile information from the City including GIS files, facility sizing, recently completed or under construction system improvements, water production data, and wastewater flow data. FNI will utilize information from the Water/Wastewater Master Plan to develop future population projections and the Land Use Assumptions.
- A.3 **Roadway Data Collection:** FNI will coordinate with the City to obtain updated information including GIS files, demographic information, recently completed system improvements, and existing traffic count data. To support this study update, traffic count data will be collected at up to ten (10) locations throughout the city. This task effort will be facilitated through the use of a sub-consultant. A review of existing traffic count data will be made to determine optimal traffic count locations. Following completion of the data collection effort, data will be compiled into a database for use in subsequent analysis. FNI will provide the City with a Data Request Memorandum identifying any additional data needs for the impact fee study.
- A.4 **Develop Land Use Assumptions:** FNI will utilize available data on impending developments and available lots to develop 5-year, 10-year, and Buildout land use assumptions by service area. CCN, ETJ, and proposed annexation boundaries will be evaluated to define future water and wastewater service areas. Employment demographics will be derived from data by the North Central Texas Council of Governments (NCTCOG).
- A.5 **Progress Meeting #1:** FNI will meet with the City to discuss the land use assumptions, and load projections. FNI will address comments from City staff and make revisions as necessary.

Phase B. Water and Wastewater Impact Fee Analysis

- B.1 Review Historical Water Demands and Wastewater Flows: FNI will obtain and evaluate historical water usage and wastewater flow data to develop trends and calculate peaking factors. This data will be used to determine expected per-capita loads for future projections.
- B.2 Develop Water Demand and Wastewater Flow Projections: FNI will develop water demand and wastewater flow projections for 5-year, 10-year, and Buildout conditions using the future land use assumptions and historical usage trends. The projections will be used to evaluate the sizing and timing of the capital improvement projects.
- B.3 Identify Existing Projects Eligible for Impact Fee Cost Recovery: FNI will review recently completed water and wastewater improvements and determine which projects are eligible for future cost recovery from growth.
- B.4 Develop Water and Wastewater Impact Fee CIP: FNI will develop an impact fee CIP based on the improvements recommended as part of the capacity analysis. Impact fee eligible improvements are intended to serve growth within the next 10 years. Maps will be prepared showing the proposed water and wastewater capital improvement plan projects included in the impact fee calculation.
- B.5 Conduct Water and Wastewater Impact Fee Capacity Analysis for CIP Projects: FNI will utilize the water and wastewater capital improvements plan and land use assumptions to analyze the capacity for impact fee cost recovery for 10-year projected growth. FNI will utilize the capacity analysis and capital project costs to calculate the percentage of project cost eligible for impact fee cost recovery.
- B.6 Develop Service Unit Equivalents (SUEs) for Water and Wastewater Systems: FNI will utilize equivalent capacity of water meters to establish the service unit equivalents (SUEs) required in Chapter 395 of the Local Government Code for both existing and 10-year growth conditions.
- B.7 Calculate Maximum Allowable Impact Fees: FNI will develop maximum allowable water and wastewater impact fees in accordance with Chapter 395 of the Local Government Code using the 50% credit method based on the existing and proposed capital improvement costs to support 10-year growth based on projected increase in SUEs.

Phase C. Roadway Impact Fee Analysis, Report, and Presentations

- C.1 Update Roadway Impact Fee Service Areas: FNI will review and update, as necessary, the roadway service area structure to incorporate any recent municipal annexations. FNI will also review any revised changes to the service area structure to ensure compliance with state legislation (six-mile maximum). Following the completion of this task, City Staff will review and approve the service area structure prior to commencement of supplemental tasks. It is anticipated that minimal changes will be made to the service area structure.
- C.2 Existing Roadway Inventory and Analysis: FNI will assemble an inventory and analysis of existing major roadways, by service area (Task C.1) in the city. The inventory will contain the following information of existing major collector and arterial status roadways; roadway segment name and limits, length (in miles), number of lanes, facility type (divided, undivided), and functional classification (arterial, collector).

Existing conditions analyses will be prepared to calculate capacity provided and utilized of existing capital improvements within the city. Any roadway deficiencies identified will be summarized by service area for use in the capital improvements cost per service unit analysis. The existing conditions analysis will be based on PM peak hour directional traffic volume data collected in Task A.3.

- C.3 Determination of Projected Roadway Demand: Determination of projected roadway demand over the 10-year planning period will be based on socio-demographic data developed in the land use assumptions report prepared as part of the study process. The service unit equivalency table, updated in Task C.6, will serve as the basis for determination of the number of service units generated within individual service areas over the ten-year planning period.
- C.4 Prepare Roadway Capital Improvements Program: The impact fee capital improvements program (CIP) will be updated incorporating growth considerations from the LUA, the City Thoroughfare Plan, fiscal constraints, and City Staff input. This process will include the identification and recommendation of specific roadway projects for inclusion into the impact fee CIP list. Cost information of both existing and proposed capital projects will be collected and developed for inclusion into an updated CIP database. For completed projects (identified as part of the previous impact fee system CIP), incorporation of actual cost data will be included as per legislative requirements. The City will provide cost data for completed projects and will include costs incurred for construction, engineering right-of-way, and debt service. For project additions to the CIP, appropriate historic unit cost data will be collected from the City and used as a basis for cost estimates by FNI. We have assumed that (1) impact fee CIP scenario will be prepared as part of this study effort. Traffic count data collected in Task A.3 will be used to conduct an evaluation of existing impact fee CIP projects. This analysis will be used to ensure that excess capacity remains for projects to be retained in the impact fee program.

The initial roadway impact fee, credited the cost of the impact fee CIP by 50%. For scoping purposes, it is assumed that a financial analysis determining the maximum that could be charged (in excess of 50%) will not be conducted. Should such study be desired, a separate scope and fee will be provided.

- C.5 Roadway CIP Database Update and Maximum Fee Calculation: Impact Fee CIP project data will be compiled and input into a roadway projects database. This database will be prepared by service area and include the following information:
- a. Roadway segment name and limits
 - b. Number of lanes, length and facility type
 - c. Project cost information (construction, engineering, ROW, debt service)
 - d. Capacity provided by CIP projects, utilized and percent attributable to new development
 - e. Project cost attributable to new development

Based on data compiled into the CIP database, an updated maximum cost per service unit will be calculated for service areas within the City.

- C.6 Update Land Use Equivalency Table: The land use equivalency table will be updated/expanded based on City Staff input. Traffic data will be based on information presented in the Institute of Transportation Engineers, *Trip Generation Manual*, 9th Edition and any supplemental information of trip type activity. Subject to availability of data, up to three (3) land uses not listed in ITE's Trip Generation will be researched and incorporated. Trip length information will be derived from the latest work place data compiled by the North Central Texas Council of Governments.

Phase D. Impact Fee Report Development and Meeting Attendance

- D.1 Develop Draft Waste and Wastewater CIP Update and Impact Fee Report: FNI will prepare a Draft Water and Wastewater CIP Update and Impact Fee Report showing land use assumptions, water and wastewater impact fee eligible capital improvement costs, and maximum allowable water and wastewater impact fees. An electronic PDF copy and three hard copies of the draft report will be delivered to City.
- D.2 Develop Draft Roadway Impact Fee Report: FNI will prepare and deliver one (1) Draft Roadway Impact Fee Report documenting analyses, the CIP, cost calculations, and associated maximum cost per service unit. An electronic PDF copy and three hard copies of the draft report will be delivered to the City. The City will provide a consolidated list of comments of the draft report to FNI.
- D.3 Meetings with City Staff: FNI will meet with the City Staff up to three (3) times throughout the impact fee update process to discuss the findings, impact fee calculations, and recommendations for setting the water, wastewater and roadway impact fees for the City.
- D.4 Finalize Impact Fee Study Report: FNI will revise the Draft Impact Fee report to incorporate City Staff and CIAC comments. FNI will prepare and deliver ten (10) copies of the Final Water, Wastewater and Roadway Impact Fee Report. An electronic version of the final report (PDF format) will also be provided.
- D.5 Citizen Advisory Committee Presentations: FNI will conduct up to two (2) presentations to the Citizen Advisory Committee and/or the City Council. Topics may include impact fee program overview, summary of land use assumptions and capital improvements plan, or impact fee analysis and results. FNI will prepare presentation materials and exhibits for the Citizen Advisory Committee presentations.
- D.6 Attend City Council Public Hearing: FNI will attend one (1) Public Hearing to present and address questions about the land use assumptions, capital improvements plan, and impact fee calculations.

ARTICLE II

ADDITIONAL SERVICES: Additional Services to be performed by FNI, if authorized by Owner, which are not included in the above described basic services, are described as follows:

- A. Field surveying required for the preparation of designs and drawings.
- B. GIS mapping services outside of the scope of this project or assistance with these services.
- C. Providing services to investigate existing conditions or facilities, or to make measured drawings thereof, or to verify the accuracy of drawings or other information furnished by Owner.
- D. Providing renderings, model, and mock-ups requested by the Owner.
- E. Making revisions to drawings or other documents when such revisions are 1) not consistent with approvals or instructions previously given by Owner or 2) due to other causes not solely within the control of FNI.

- F. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by Owner.
- G. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications.
- H. Conducting pilot plant studies or tests.
- I. Preparing data and reports for assistance to Owner in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.
- J. Assisting Owner in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this AGREEMENT. Such services, if any, shall be furnished by FNI on a fee basis negotiated by the respective parties outside of and in addition to this AGREEMENT.
- K. Design, contract modifications, studies or analysis required to comply with local, State, Federal or other regulatory agencies that become effective after the date of this agreement.
- L. Meetings in excess of the number of trips included in Article I for periodic site visits or coordination meetings.
- M. Providing basic or additional services on an accelerated time schedule. The scope of this service include cost for overtime wages of employees and consultants, inefficiencies in work sequence and plotting or reproduction costs directly attributable to an accelerated time schedule directed by the Owner.
- N. Preparing statements for invoicing or other documentation for billing other than for the standard invoice for services attached to this professional services agreement.

ARTICLE III

TIME OF COMPLETION: FNI is authorized to commence work on the Project upon execution of this AGREEMENT and agrees to complete the services in accordance with the following schedule:

Complete Phases A through D within 10 months from Notice to Proceed

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in Owner or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation as outlined on the face of this AGREEMENT and in Attachment CO.

ARTICLE IV

RESPONSIBILITIES OF OWNER: Owner shall perform the following in a timely manner so as not to delay the services of FNI:

- A. Designate in writing a person to act as Owner's representative with respect to the services to be rendered under this AGREEMENT. Such person shall have contract authority to transmit instructions, receive information, interpret and define Owner's policies and decisions with respect to FNI's services for the Project.
- B. Provide all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Owner will require to be included in the drawings and specifications.
- C. Assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to the Project.
- D. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this AGREEMENT.
- E. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by FNI, obtain advice of an attorney, insurance counselor and other consultants as Owner deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of FNI.
- F. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
- G. Attend all project related meetings.
- H. Give prompt written notice to FNI whenever Owner observes or otherwise becomes aware of any development that affects the scope or timing of FNI's services.
- I. Furnish, or direct FNI to provide, Additional Services as stipulated in Attachment SC, Article II of this AGREEMENT or other services as required.
- J. Bear all costs incident to compliance with the requirements of this Article IV.

ARTICLE V

DESIGNATED REPRESENTATIVES: FNI and Owner designate the following representatives:

Owner's Designated Representative – Bob Hart, 923 E. Kennedale Parkway, Kennedale, TX 76060;
Phone: 817-985-2102; bhart@cityofkennedale.com

FNI's Designated Representative – Mazen Kawsmi, P.E.; 4055 International Plaza, Suite 200, Fort Worth, TX 76109; Phone 817-735-7432; Fax 817-735-7492; email mazen.kawsmi@freese.com

FNI's Accounting Representative – Jana Collier; 4055 International Plaza, Suite 200, Fort Worth, TX 76109; Phone 817-735-7354; Fax 817-735-7496; email jvc@freese.com

COMPENSATION

Compensation to FNI shall be the lump sum fee of Ninety Eight Thousand Dollars (\$98,000). If FNI sees the Scope of Services changing so that additional services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER'S approval before proceeding. Additional Services shall be computed based on the Schedule of Charges.

Schedule of Charges:

<u>Position</u>	<u>Min</u>	<u>Max</u>
Professional - 1	67	114
Professional - 2	87	146
Professional - 3	93	178
Professional - 4	136	217
Professional - 5	173	239
Professional - 6	164	435
Construction Manager - 1	84	195
Construction Manager - 2	103	148
Construction Manager - 3	127	158
Construction Manager - 4	160	216
CAD Technician/Designer - 1	56	98
CAD Technician/Designer - 2	89	127
CAD Technician/Designer - 3	114	163
Corporate Project Support - 1	41	95
Corporate Project Support - 2	69	170
Corporate Project Support - 3	75	330
Intern/ Coop	34	63

Rates for In-House Services**Travel**

Standard IRS Rates

Bulk Printing and Reproduction

	<u>B&W</u>	<u>Color</u>
Small Format (per copy)	\$0.10	\$0.25
Large Format (per sq. ft.)		
Bond	\$0.25	\$0.75
Glossy / Mylar	\$0.75	\$1.25
Vinyl / Adhesive	\$1.50	\$2.00
Mounting (per sq. ft.)	\$2.00	
Binding (per binding)	\$0.25	

OTHER DIRECT EXPENSES:

Other direct expenses are reimbursed at actual cost times a multiplier of 1.10. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office and other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members. For Resident Representative services performed by non-FNI employees and CAD services performed In-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

These ranges and rates will be adjusted annually in February.

335-22015

TERMS AND CONDITIONS OF AGREEMENT

1. **DEFINITIONS:** The term Owner as used herein refers to the City of Kennedale, Texas. The term FNI as used herein refers to Freese and Nichols, Inc., its employees and agents; also its subcontractors and their employees and agents. As used herein, Services refers to the professional services performed by Freese and Nichols pursuant to the AGREEMENT.
2. **CHANGES:** Owner, without invalidating the AGREEMENT, may order changes within the general scope of the WORK required by the AGREEMENT by altering, adding to and/or deducting from the WORK to be performed. If any change under this clause causes an increase or decrease in FNI's cost of, or the time required for, the performance of any part of the Services under the AGREEMENT, an equitable adjustment will be made by mutual agreement and the AGREEMENT modified in writing accordingly.
3. **TERMINATION:** The obligation to provide services under this AGREEMENT may be terminated by either party upon ten days' written notice. In the event of termination, FNI will be paid for all services rendered and reimbursable expenses incurred to the date of termination and, in addition, all reimbursable expenses directly attributable to termination.
4. **CONSEQUENTIAL DAMAGES:** In no event shall FNI or its subcontractors be liable in contract, tort, strict liability, warranty, or otherwise for any special, indirect, incidental or consequential damages, such as loss of product, loss of use of the equipment or system, loss of anticipated profits or revenue, non-operation or increased expense of operation or other equipment or systems.
5. **INFORMATION FURNISHED BY OWNER:** Owner will assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project. FNI shall have no liability for defects or negligence in the Services attributable to FNI's reliance upon or use of data, design criteria, drawings, specifications or other information furnished by Owner and Owner agrees to indemnify and hold FNI harmless from any and all claims and judgments, and all losses, costs and expenses arising therefrom. FNI shall disclose to Owner, prior to use thereof, defects or omissions in the data, design criteria, drawings, specifications or other information furnished by Owner to FNI that FNI may reasonably discover in its review and inspection thereof.
6. **INSURANCE:** FNI shall provide to Owner certificates of insurance which shall contain the following minimum coverage (All limits in thousands):

Commercial General Liability General Aggregate \$2,000	Workers' Compensation Each Accident \$500
Automobile Liability (Any Auto) CSL \$1,000	Professional Liability \$3,000 Annual Aggregate
7. **SUBCONTRACTS:** If, for any reason, at any time during the progress of providing Services, Owner determines that any subcontractor for FNI is incompetent or undesirable, Owner will notify FNI accordingly and FNI shall take immediate steps for cancellation of such subcontract. Subletting by subcontractors shall be subject to the same regulations. Nothing contained in the AGREEMENT shall create any contractual relation between any subcontractor and Owner.
8. **OWNERSHIP OF DOCUMENTS:** All drawings, reports data and other project information developed in the execution of the Services provided under this AGREEMENT shall be the property of the Owner upon payment of FNI's fees for services. FNI may retain copies for record purposes. Owner agrees such documents are not intended or represented to be suitable for reuse by Owner or others. Any reuse by Owner or by those who obtained said documents from Owner without written verification or adaptation by FNI will be at Owner's sole risk and without liability or legal exposure to FNI, or to FNI's independent associates or consultants, and Owner shall indemnify and hold harmless FNI and FNI's independent associates and consultants from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle FNI to further reasonable compensation. FNI may reuse all drawings, report data and other project information in the execution of the Services provided under this AGREEMENT in FNI's other activities. Any reuse by FNI will be at FNI's sole risk and without liability or legal exposure to Owner, and FNI shall indemnify and hold harmless Owner from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting therefrom.

9. **POLLUTANTS AND HAZARDOUS WASTES:** It is understood and agreed that FNI has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at the site, if any, and its compensation hereunder is in no way commensurate with the potential risk of injury or loss that may be caused by exposures to such substances or conditions. The parties agree that in performing the Services required by this AGREEMENT, FNI does not take possession or control of the subject site, but acts as an invitee in performing the services, and is not therefore responsible for the existence of any pollutant present on or migrating from the site. Further, FNI shall have no responsibility for any pollutant during clean-up, transportation, storage or disposal activities.
10. **OPINION OF PROBABLE COSTS:** FNI will furnish an opinion of probable project development cost based on present day cost, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs prepared by FNI hereunder will be made on the basis of FNI's experience and qualifications and represent FNI's judgment as an experienced and qualified design professional. It is recognized, however, that FNI does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices.
11. **CONSTRUCTION REPRESENTATION:** If required by the AGREEMENT, FNI will furnish Construction Representation according to the defined scope for these services. FNI will observe the progress and the quality of work to determine in general if the work is proceeding in accordance with the Contract Documents. In performing these services, FNI will endeavor to protect Owner against defects and deficiencies in the work of Contractors; FNI will report any observed deficiencies to Owner, however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for the supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or the safety precautions and programs incident to the work of the Contractor. FNI shall not be responsible for the acts or omissions of any person (except his own employees or agent) at the Project site or otherwise performing any of the work of the Project. If Owner designates a person to serve in the capacity of Resident Project Representative who is not a FNI's employee or FNI's agent, the duties, responsibilities and limitations of authority of such Resident Project Representative(s) will be set forth in writing and made a part of this AGREEMENT before the Construction Phase of the Project begins.
12. **PAYMENT:** Progress payments may be requested by FNI based on the amount of services completed. Payment for the services of FNI shall be due and payable upon submission of a statement for services to OWNER and in acceptance of the services as satisfactory by the OWNER. Statements for services shall not be submitted more frequently than monthly. Any applicable new taxes imposed upon services, expenses, and charges by any governmental body after the execution of this AGREEMENT will be added to FNI's compensation.
- If OWNER fails to make any payment due FNI for services and expenses within thirty (30) days after receipt of FNI's statement for services therefore, the amounts due FNI will be increased at the rate of one percent (1%) per month from said thirtieth (30th) day, and, in addition, FNI may, after giving seven (7) days' written notice to OWNER, suspend services under this AGREEMENT until FNI has been paid in full, all amounts due for services, expenses and charges.
13. **ARBITRATION:** No arbitration arising out of, or relating to, this AGREEMENT involving one party to this AGREEMENT may include the other party to this AGREEMENT without their approval.
14. **SUCCESSORS AND ASSIGNMENTS:** OWNER and FNI each are hereby bound and the partners, successors, executors, administrators and legal representatives of OWNER and FNI are hereby bound to the other party to this AGREEMENT and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this AGREEMENT.
- Neither OWNER nor FNI shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this AGREEMENT without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this AGREEMENT. Nothing contained in this paragraph shall prevent FNI from employing such independent associates and consultants as FNI may deem appropriate to assist in the performance of services hereunder.
15. **PURCHASE ORDERS:** If a Purchase Order is used to authorize FNI's Services, only the terms, conditions/instructions typed on the face of the Purchase Order shall apply to this AGREEMENT. Should there be any conflict between the Purchase Order and the terms of this AGREEMENT, then this AGREEMENT shall prevail and shall be determinative of the conflict.



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: INCIDENTAL ITEMS (CONSENT) - C.

I. Subject:

Approve Schedule of Investment Activity for quarter ending September 30, 2015

II. Originated by:

III. Summary:

In accordance with Public Funds Investment Act (PFIA), the investments should be reported quarterly. This is for the 4th quarter for FY 15 and subsequently will be presented for each quarter to Council to stay current with PFIA.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	September 30, 2015 Quarterly. Investment Report	September 30 2015 Qtrly Investment Report.pdf
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City of Kennedale, Texas

SCHEDULE OF INVESTMENT ACTIVITY

For The Quarter Ending September 30, 2015

**CITY OF KENNEDALE, TEXAS
INVESTMENT REPORT
FOR QUARTER ENDING SEPTEMBER 30, 2015**

The Quarterly Investment Report provides the City's investment portfolio position as of the report period indicated above. Fund of the City are invested in accordance with the City of Kennedale Investment Policy as originally adopted on September 13, 2001 and subsequently reviewed on October 19, 2015.

SUMMARY OF INVESTMENTS FOR THE QUARTER

94% of the City of Kennedale's investments are owned by the Pooled Cash Fund. The remaining 6% goes to the \$2.0M 2010 CO Bond Fund, \$1.7M TX Leverage Fund, and Clearing Funds. As of the reporting quarter, 50.34% of the City's investments are in investment pools, and 49.66% are invested in money market savings accounts.

INVESTMENT STRATEGIES

The City's main objectives in managing the portfolio are as follows: suitability, preservation & safety of principal, liquidity, marketability, diversification, and yield (91 Day Treasury Bill benchmark- earned .01-.03% during applicable quarter).

INVESTMENT PORTFOLIO ALLOWABLE BREAKDOWN

Certificates of Deposit (25%), Investment Pools (100%)*, Money Market Mutual Funds (100%)*, Repurchase Agreements (50%)*, Government Obligations (25%), US Treasury & US Agency Callables (25%), US Government Agencies & Instrumentalities (100%), and US Treasury Notes/Bills (100%)* (no more than 50% in any individual pool, fund, or repurchase agreement)

MONTHLY BALANCES- INVESTMENTS

Investment Pool	Account Name	Interest Rate	July 2015	August 2015	September 2015	Interest Earned
Texas Daily	Consolidated Cash	0.09%	\$ 31,372.92	\$ 31,375.87	\$ 31,379.22	\$ 8.94
TexStar	Consolidated Cash	0.07%	326,978.57	327,001.42	327,028.14	69.63
TexPool	\$1.7M TX Leverage	0.062%	19.25	19.25	19.25	-
TexPool	\$2.0M CO Bond	0.004%	29,440.42	29,442.18	29,444.21	5.34
TexPool	Dick Price Rd	0.005%	7.39	7.39	7.39	-
TexPool	Central Deposit	0.005%	1,369,208.53	990,291.72	965,235.93	227.05
TOTAL INVESTMENT POOLS			\$ 1,757,027.08	\$ 1,378,137.83	\$ 1,353,114.14	\$ 310.96

MONTHLY BALANCES- WELLSFARGO

Bank	Account Name	Interest Rate	July 2015	August 2015	September 2015	Interest Earned
Wellsfargo	Consolidated Cash	N/A	\$ 1,415,136.53	\$ 1,435,966.03	\$ 1,241,562.43	\$ -
Wellsfargo	Payroll Clearing	0.04%-0.05%	(25.94)	(25.45)	130,261.97	1.63
Wellsfargo	Section 125 Flex	0.04%-0.05%	25.93	25.76	25.76	-
Wellsfargo	Employee Health Benefit Trust	N/A	10.76	10.90	11.20	0.60
TOTAL WELLSFARGO			\$ 1,415,147.28	\$ 1,435,977.24	\$ 1,371,861.36	\$ 2.23

TOTAL MONTHLY BALANCES- ALL	\$ 3,172,174.36	\$ 2,814,115.07	\$ 2,724,975.50	\$ 313.19
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TRANSACTION ACTIVITY- INVESTMENTS

Investment Pool	Account Name	Balance 7/1/2015	Deposits	Withdrawals	Interest	Balance 9/30/2015
Texas Daily	Consolidated Cash	\$ 31,370.28	\$ -	\$ -	\$ 8.94	\$ 31,379.22
TexStar	Consolidated Cash	326,958.51	-	-	69.63	327,028.14
TexPool	\$1.7M TX Leverage	19.25	-	-	-	19.25
TexPool	\$2.0M CO Bond	29,438.87	-	-	5.34	29,444.21
TexPool	Dick Price Rd	7.39	-	-	-	7.39
TexPool	Central Deposit	1,680,250.26	797,965.24	(1,513,206.62)	227.05	965,235.93
TOTAL INVESTMENT POOLS		\$ 2,068,044.56	\$ 797,965.24	\$ (1,513,206.62)	\$ 310.96	\$ 1,353,114.14

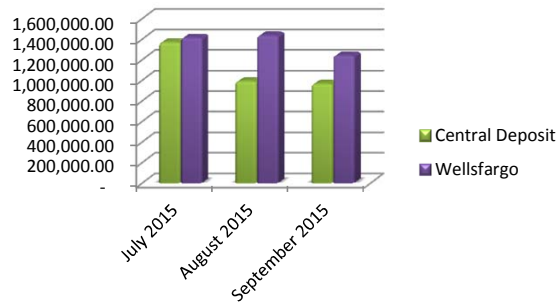
TRANSACTION ACTIVITY- WELLSFARGO

Bank	Account Name	Balance 7/1/2015	Deposits	Withdrawals	Interest	Balance 9/30/2015
Wellsfargo	Consolidated Cash	\$ 1,441,108.44	\$ 3,426,441.44	\$ (3,625,987.45)	\$ -	\$ 1,241,562.43
Wellsfargo	Payroll Clearing	1,450.99	1,016,737.84	(887,928.49)	1.63	130,261.97
Wellsfargo	Section 125 Flex	25.93	3,395.29	(3,395.46)	-	25.76
Wellsfargo	Employee Health Benefit Trust	10.60	119,433.05	(119,433.05)	0.60	11.20
TOTAL WELLSFARGO		\$ 1,442,595.96	\$ 4,566,007.62	\$ (4,636,744.45)	\$ 2.23	\$ 1,371,861.36

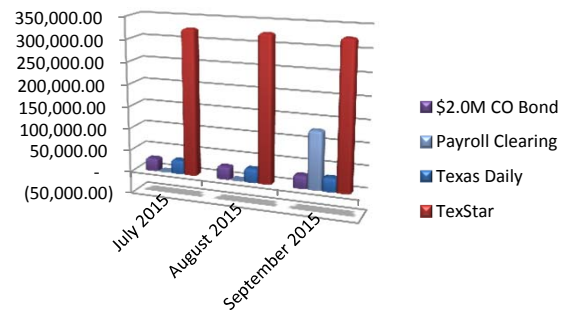
CASH BREAKDOWN BY FUND

	July 2015	August 2015	September 2015
01- General Fund	\$ 1,574,736.89	\$ 1,467,284.49	\$ 1,359,749.82
02- Debt Service Fund	92,370.71	13,815.00	14,374.82
04- Capital Project Fund	54,303.69	9,881.99	31,971.23
05- Capital Replacement Fund	13,964.87	29,408.03	32,322.45
07- Storm Drainage Utility Fund	79,393.34	88,193.70	74,850.87
10- Water/Sewer Fund	(40,521.82)	80,330.40	43,352.22
12- Court Security Fund	(30,023.29)	(35,116.51)	(34,862.13)
13- Capital Bond Fund	(318,364.09)	(372,748.32)	(305,273.27)
14- Park Dedication Fund	34,283.62	34,284.65	31,285.68
15- Economic Development Fund	153,629.04	140,187.13	90,294.82
16- Court Technology Fund	10,625.08	11,133.30	7,922.12
17- Streets Improvement Fund	586,408.42	578,838.04	610,351.11
18- Juvenile Case Manager Fund	29,534.33	28,849.97	28,107.72
19- EDC4B Capital Bond Fund	29,440.42	29,442.18	29,444.21
21- TIF #1 New Hope Fund	1,129.89	(2,360.86)	(25,439.90)
31- Police Seizure Fund	5,285.64	5,285.80	5,285.97
32- Library Building Fund	10,220.17	9,910.04	10,146.65
34- LEOSE Fund	228.47	-	-
41- Park Development Fund	39,202.37	36,142.10	33,845.71
45- Roadway Impact Fee Fund	337,886.96	341,575.92	346,601.78
61- Water Impact Fee Fund	254,908.59	87,659.89	104,311.14
62- Sewer Impact Fee Fund	63,773.74	42,355.17	46,563.80
65- Water Improvement Fund	0.16	0.16	-
83- Tree Reforestation Fund	67,793.44	67,795.47	67,797.59
85- Unclaimed Property Fund	1,990.24	1,990.24	1,990.24
95- EDC Reserve Fund	119,973.48	119,977.09	119,980.85
TOTAL ALL FUNDS	\$ 3,172,174.36	\$ 2,814,115.07	\$ 2,724,975.50

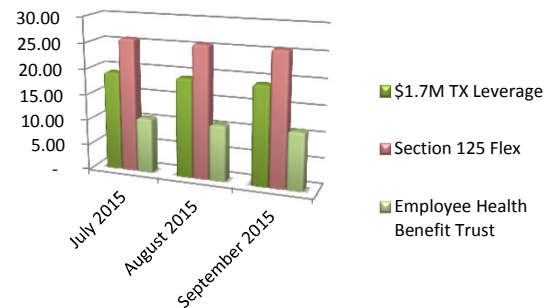
Main Accounts



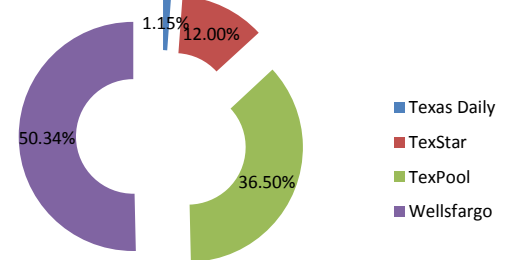
Other Accounts



Holding Accounts



Distribution of Money





Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - A.

I. Subject:

Consider approval of minutes from September 21, 2015 meeting

II. Originated by:

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 - September 21, 2015	September 21, 2015.pdf
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KENNEDALE CITY COUNCIL
MINUTES
REGULAR MEETING
September 21, 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

***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. Review Governance Training and Agenda Format

City Manager Bob Hart informed Council that Brian Johnson and Charles Overstreet had attended a Policy Governance Workshop in Atlanta, he stated that the information obtained from the workshop was used to prepare the new agenda format. Bob provided a brief explanation on the format changes in relation to policy governance; adding that we will try the new format and if we need to change it we can.

B. Discuss establishing a Water Rate Committee

Public Works Director Larry Ledbetter stated that it had been three (3) years since the last review of the water rates; therefore, we need to establish a Committee for a review. He added that city consultant Carolyn Marshall will be working with the committee on this project. Mayor Johnson stated that we need to get citizens from different neighborhoods and possibly someone from the school board to sit on the Committee.

C. Discuss Simple Recycling

A presentation was provided by HR Director Kelly Cooper for Simple Recycling. She explained that Simple Recycling offers Kennedale residents another option to recycle textiles and home goods with no cost to residents or the City. Kelly added that only about 5% of the donated items end up in a landfill. She concluded stating that references have been checked, with all positive feedback; the City Attorney has review the contract; and the Keep Kennedale Beautiful (KKB) Committee is in full support of the program.

It was noted that Keep Kennedale Beautiful Committee members were in attendance to show support for the Simple Recycling program; and that the item is listed later in the agenda for approval.

D. Discuss establishing a Charter Review Committee

City Manager Bob Hart reminded Council that at their budget workshop in May, they talked about updating the City Charter which was adopted in 1997. Bob stated that cities typically review their Charter every five (5) years. He noted that Kennedale's Charter was very well written, but a few areas need to be reviewed. Bob stated that a Charter Review Committee will need to be established and will meet for approximately ninety (90) days to formalize recommendations for the updates. Updates are due to City Council by January 2016, and will need to be finalized and added to the ballot by March for the May 2016 election.

Mayor Johnson stated that we would like to appoint a mix of the original Committee members with some suggested new members. Bob stated that this item is listed under Decision Items to be voted on later in the agenda.

E. Discussion of items on regular agenda

No items were discussed at this time. Council moved into executive session.

III. REGULAR SESSION

Mayor Johnson opened the regular session at 7:00 p.m.

IV. ROLL CALL

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

Absent: None

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.

Paula Kitchen, 4808 Andalusia Trail, Arlington, Texas 76017, spoke as a representative for the Cub Scout Day Camp Program. She thanked the City for the use of Sonora Park and requested the use of the park pavilion and ballfields for next year's event, to be held on June 13-17, 2016 from 8:00 a.m. to 5:00 p.m. The Cub Scouts presented Council members with ball caps from the camp as a show of thanks.

Chris Sunderman, 2200 Chrisman Trail, Mansfield, Texas 76063 is the incoming Cub Safe Shoot Event Coordinator for the Tejas District. He stated that the event is held every year, where Scouts bring BB guns

and do target shooting. The program teaches them to handle guns properly and safe technics. The group has used Sonora Park in the past and are requesting use of the facility on Sunday, November 1, 2015.

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

Liz Carrington stated that she, along with city employees Rachel Robert and Larry Hoover, the Army Corps of Engineers, and a member of the Texas Commission on Environmental Quality (TCEQ) conducted a day-long survey of Village Creek. They were looking at the habitats in the area to remediate Village Creek and bring it back to its natural wetland status.

Charles Overstreet stated that he, along with the Mayor and Bob Hart went to the Carver Institute in Atlanta for a governance workshop. He added that they learned how to make our Council more efficient, and looks forward to implementing the strategies they learned.

B. Updates from the Mayor

Mayor Johnson reported that he gave the State of the City address at the Chamber of Commerce luncheon this past week and it was well received.

C. Updates from the City Manager

There were no reports or announcements from the City Manager.

X. MONITORING INFORMATION

A. Executive Limitations

B. Ends

- Balanced Scorecard

Bob Hart stated that the updated information was in the agenda packet for review.

XI. INCIDENTAL ITEMS (CONSENT)

All matters listed under incidental items (consent) 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 agreement between the City of Kennedale and Alluvium Development for The Vineyard Phase 2.

B. Approve Schedule of Investment Activity for quarter ending June 30, 2015

C. Discuss and approve a contract with Simple Recycling and authorize the City Manager to sign the agreement

D. Discuss and consider approval of Ordinance 578 amending the FY 2014-15 budget

Motion To approve Incidental Items (Consent) agenda. **Action** Approve, **Moved By** Liz Carrington, **Seconded By** Charles Overstreet.
Motion passed Unanimously

XII. REQUIRED APPROVAL ITEMS

A. DISCUSS AND CONSIDER AN ORDINANCE 574 OF THE CITY OF KENNEDALE, TEXAS ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015, AND ENDING SEPTEMBER 30, 2016; AMENDING BUDGET FIGURES FOR THE PRIOR FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015; APPROPRIATING RESOURCES FOR EACH DEPARTMENT, PROJECT, OPERATION, ACTIVITY, PURCHASE, ACCOUNT AND OTHER EXPENDITURES; PROVIDING FOR EMERGENCY EXPENDITURES AND EXPENDITURES AS ALLOWED BY APPLICABLE STATE LAW; PROVIDING FOR THE FILING OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE

City Manager Bob Hart provided a short overview of the budget process, stating that Council has completed a planning session, the review process and the two required public hearings. Staff is now bringing the recommended FY 2015 -16 Budget forward for City Council approval.

Frank Fernandez questioned if the recommended budget included salary increases for all city employees. Bob Hart replies, yes, most employees.

Motion To approve Ordinance 574, adoption of the FY 2015-16 Budget. **Action** Approve, **Moved By** Charles Overstreet, **Seconded By** Liz Carrington.
Motion passed Unanimously

B. DISCUSS AND CONSIDER ORDINANCE 577 FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF KENNEDALE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2015 AND ENDING SEPTEMBER 30, 2016; DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING A SEVERABILITY CLAUSE; AND AN EFFECTIVE DATE CLAUSE

City Manager Bob Hart provided an overview of the tax increase, stating that the Ordinance for adoption recommends a tax rate of 76.75 cents. This is a 2 cent increase over the current fiscal year, and represents an increase of 3.24%. He noted that 100% of the increase will be taken to the fund balance, which will give the City a 17% general fund balance.

Mayor Johnson questioned what the 2 cent increase represented annually for the average household? Bob stated it was approximately \$30.

Councilman Fernandez questioned what is considered an average household? Bob replied \$174K.

There were lengthy discussions regarding the proposed increase and the need to increase the fund balance to position the City for emergencies and to increase our bond rating. Liz Carrington noted that most households will not notice the increase because the school district tax rate will see a 3% decrease.

Motion To approve Ordinance 577 fixing and levying Municipal Ad Valorem Taxes. **Action** Approve, **Moved By** Charles Overstreet, **Seconded By** Michael Walker.

Motion passed with a vote of 4-1; with Frank Fernandez voting against approval.

C. Discuss and consider approval for ratification of property tax increase in FY2015-2016 Adopted Budget

Bob Hart explained the calculations for the property tax increase. Mayor Johnson clarified that the vote is saying that this is an accurate number; noting that we have already approved the tax rate.

Motion To move that this budget will raise more revenue from property taxes than last year's budget by an amount of \$210,372, which is a 4.89 percent increase from last year's budget. The property tax revenue to be raised from property added to the tax roll this year is \$192,830. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Charles Overstreet.

Motion passed with a vote of 4-1; with Frank Fernandez voting against approval.

XIII. DECISION ITEMS

A. Consider establishing a Charter Review Committee and making appointments

Bob Hart stated that this was discussed during the work session. He added that the current Charter was adopted in 1997 and this will be the first review in 18 years. There are some legal issues that have arisen over the years and we may want to have discussions about better alignment with policy governance.

Mayor Johnson stated that items for review includes the role of the mayor to serve as chief governing officer; qualifications of the city manager to be consistent with the requisite organization principles; appointment of the city secretary; City Council terms from two years to three years; other areas consistent with policy governance; and technical areas based on law changes.

Mayor Johnson read the list of suggested individuals to serve on the Charter review committee: Frank Fernandez, Charles Overstreet, Earnest Harvey, Robert Mundy, John Clark, and Ray Cowan if he would consider it.

Motion To approve, as presented, with the addition that if any of the individuals identified cannot serve, the mayor can appoint others to the Committee. **Action** Approve, **Moved By** Michael Walker, **Seconded By** Kelly Turner.

Motion passed with a vote of 4-0; Frank Fernandez abstained.

B. Discuss and consider action related to nominations to the 2015-2016 Tarrant Appraisal District Board of Directors.

City Manager Hart stated that as a taxing jurisdiction within Tarrant County we have the ability to nominate someone to serve on the board of directors for the county-wide appraisal district. He noted that the City currently has seven (7) votes.

No nominations were made.

C. Consider approval of minutes from August 17, 2015 regular meeting

Motion To approve the August 17, 2015 regular meeting minutes. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Liz Carrington.

Motion passed Unanimously

D. Consider approval of minutes from September 9, 2015 Special Meeting

Motion To approve the September 9, 2015 special meeting minutes. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Charles Overstreet.

Motion passed Unanimously

E. Consider approval of minutes from September 17, 2015 Special Meeting

Motion To approve the September 17, 2015 special meeting minutes. **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Charles Overstreet.

Motion passed with a vote of 4-0; Mike Walker abstained.

XIV. EXECUTIVE SESSION

Mayor Johnson recessed into executive session at 6:00 p.m.

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

1. 213 Valley Lane
2. 1201 Bowman Springs Road

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

Mayor Johnson reconvened into open session at 6:30 p.m.

No action required.

XVI. ADJOURNMENT

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

Motion passed Unanimously

The meeting was adjourned at 7:48 p.m.

APPROVED:

ATTEST:

Brian Johnson, Mayor

Leslie Galloway, City Secretary



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - B.

I. Subject:

Consider approval of minutes from October 6, 2015 Special Interview meeting

II. Originated by:

III. Summary:

Please see the attached minutes for your approval.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	City Council Meeting Minutes - October 6, 2015	October 6, 2015 Interviews.pdf
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**KENNEDALE CITY COUNCIL AGENDA
SPECIAL MEETING
MINUTES**

October 6, 2015 - 5:30 p.m.

**CITY HALL CONFERENCE ROOM
405 MUNICIPAL DRIVE**

I. CALL TO ORDER

Council Members met in City Hall Conference Room at 5:30 p.m. to conduct Board interviews.

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

Absent: None

II. BOARD APPLICANT INTERVIEWS

A. At this time, City Council will begin interviews for all board applicants. Interviews will be conducted tonight (Tuesday, October 6th), tomorrow (Wednesday, October 7th), and at the next Regular Meeting (Monday, October 19th).

Mayor and Council members interviewed potential candidates for placement or reappointment to various Boards within the City. The following individuals were scheduled to be interviewed: Mike Johnson, Fred Winters, Carolyn Williamson, Michael Chandler, Vickie Chandler, David Cassady, Shirley Jackson, Becky Mowell, Adrienne Kay, and Ron Whitley.

III. ADJOURNMENT

Council completed interviews at 8:00 p.m.

APPROVED:

Brian Johnson, Mayor

ATTEST:

Leslie Galloway, City Secretary



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - C.

I. Subject:

Consider approval of minutes from October 7, 2015 Special Interview meeting

II. Originated by:

III. Summary:

Please see the attached minutes for your approval.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	City Council Meeting Minutes - October 7, 2015	October 7, 2015 Interviews.pdf
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**KENNEDALE CITY COUNCIL AGENDA
SPECIAL MEETING
MINUTES**

October 7, 2015 - 5:30 p.m.

**CITY HALL CONFERENCE ROOM
405 MUNICIPAL DRIVE**

I. CALL TO ORDER

Council Members met in City Hall Conference Room at 5:30 p.m. to conduct Board interviews.

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

Absent: None

II. BOARD APPLICANT INTERVIEWS

- A. At this time, City Council will continue interviewing the board applicants. Interviews began yesterday (Tuesday, October 6th), and will be completed at the next Regular Meeting (Monday, October 19th).

Mayor and Council members interviewed potential candidates for placement or reappointment to various Boards within the City. The following individuals were scheduled to be interviewed: Pat Vader, John Clark, Wilda Turner, Stephen Brim, Cesar Guerra, David Deaver, and Lana Sather.

B. Council Discussion and Review

Council evaluated the applicants and considered appointments at the conclusion of the interviews.

III. ADJOURNMENT

Council completed interviews and evaluations at 8:00 p.m.

APPROVED:

ATTEST:

Brian Johnson, Mayor

Leslie Galloway, City Secretary



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - D.

I. Subject:

Consider approval of minutes from October 19, 2015 meeting

II. Originated by:

III. Summary:

Please see the attached minutes for your approval.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	City Council Meeting Minutes - October 19, 2015	October 19, 2015.pdf
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KENNEDALE CITY COUNCIL
MINUTES
REGULAR MEETING
October 19, 2015
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

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

I. ROLL CALL

Present: Frank Fernandez, Brian Johnson, and Charles Overstreet

Absent: Kelly Turner, Liz Carrington, and Michael Walker

The Kennedale City Council regular session was canceled due to a lack of quorum.

II. WORK SESSION

Mayor Johnson called to order at 5:29 p.m.

- A. Interview two applicants for Board appointments (Conference Room)
- B. Discuss placement of candidates on the various advisory boards

Mayor Johnson and Council members Frank Fernandez and Charles Overstreet continued with the scheduled interviews for two (2) potential Board candidates and discussed placement of the candidates.

- C. Discussion of items on regular agenda

Council members and staff discussed upcoming items on the agenda. At this time it was concluded that there was not a quorum and the work session was adjourned. The meeting was rescheduled for Monday, October 26, 2015 with a work session at 6:30 p.m., and the regular session at 7:00 p.m.

Mayor Johnson adjourned the meeting at 6:20 p.m.

APPROVED:

ATTEST:

Brian Johnson, Mayor

Leslie Galloway, City Secretary

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - E.

I. Subject:

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

II. Originated by:

City Council, City Council

III. Summary:

Consider making the following appointments:

To the Board of Adjustment/Building Board of Appeals (BOA/BBA):

Reappoint Brian Cassady to Place 1
Reappoint Patrick Vader to Place 3
Reappoint Jeff Madrid to Place 5
Newly appointed John Clark to Place 7
Reappoint Lana Sather to Place 9 (Alternate)

To the Planning & Zoning Commission (P&Z):

Reappoint Carolyn Williamson to Place 1
Reappoint Stephen Brim to Place 3
Jeffrey Whitacre will remain in Place 5 (Appointed earlier this year to fill a vacancy)
Place 7 (formerly held by Donald Rawe) is now vacant
Place 9 (Alternate) will remain vacant

To the Parks & Recreation Board:

Reappoint David Deaver to Place 1
Reappoint Michael Chandler to Place 3
Newly appointed Azam Shaikh to Place 5
Place 7 (formerly held by Jill Turner) is now vacant
Place 9 will remain vacant

To the Keep Kennedale Beautiful Commission (KKB):

Newly appointed Cesar Guerra to Place 1
Place 3 will remain vacant
Reappoint Wilda Turner to Place 5
Reappoint Vickie Chandler to Place 7
Reappoint Fred Winters to Place 9

To the Library Advisory Board:

Reappoint Shirley Jackson to Place 1
Place 3 (formerly Elaine Brower) is now vacant
Reappoint Donald Rawe to Place 5

To the Economic Development Corporation Board (EDC):

Reappoint Michael Johnson to Place 1
Reappoint Ronald Whitley to Place 3
Reappoint Adrienne Kay to Place 5
Reappoint Rebecca Mowell to Place 7

To the TownCenter Development District (TDD):

Reappoint Robert Mundy to Place 1
Reappoint Brian Johnson to Place 3
Reappoint Frank Fernandez to Place 5

To the Tax Increment Reinvestment Zone (TIRZ):

Reappoint Robert Mundy (Chair) to Place 1
Reappoint Pat Turner (Vice Chair) to Place 3
Reappoint Jeni McGarry to Place 5
Reappoint Mark McClendon to Place 7

New Applicants:

John Clark applied for BOA/BBA
Cesar Guerra applied for P&Z, BOA, and EDC
Azam Shaikh applied, but did not select a specific board of interest

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - F.

I. Subject:

Consider appointment of an Impact Fee Advisory Board

II. Originated by:

III. Summary:

State law requires a city to prepare an impact fee study using an advisory committee. Moreover, if the city desires to recover any costs outside the city limits and in the Extraterritorial Jurisdiction (ETJ), the committee must include a property owner from the ETJ. Staff recommends the City Council consider appointing the Planning & Zoning Commission as the Impact Fee Advisory Committee and include either the owner of Steagall Nursery or Delbert Raines as the ETJ representative. Further, staff will request Freese & Nichols present to the City Council and P&Z an "Impact Fee 101" at a joint meeting during the November City Council workshop meeting time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - G.

I. Subject:

Consider Resolution 463 authorizing participation in various cooperative purchasing programs

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

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

FEDERAL

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

STATE OF TEXAS

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

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

Texas Multiple Award Schedules (TXMAS): Established by TPASS. Adapts existing contracts that have been competitively awarded by the federal government or any other governmental entity of any state. The vast majority of TXMAS Contracts are adapted from GSA Federal Supply Service contracts. <http://www.window.state.tx.us/procurement/prog/txmas/>

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

MUNICIPALITY & COUNTY & SCHOOL

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

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

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

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

OTHER PUBLIC & PRIVATE ENTITIES

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

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

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

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

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

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 463	Resolution 463.doc
2.	State of Texas CO-OP Program Application	Application & Documents to Sign.pdf

RESOLUTION NO. 463

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

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

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

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

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

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

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

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

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

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

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTTEST:

City Secretary, Leslie Galloway



State of Texas CO-OP Program

State of Texas CO-OP Application

Krystal Cump

Name of Authorized Individual

(NOTE: This person is authorized to sign for purchases and will receive all correspondence from CPA. Additional authorized signers or Agents of Record may be listed on the resolution with the signatures documented at the bottom of the resolution.)

City of Kennedale, Texas

Organization/Qualified Entity Name

405 Municipal Dr.

Address

Kennedale, Texas 76060

City, State, Zip Code

KCump@cityofkennedale.com

Email Address (More than one may be listed.)

817-985-2110

Phone Number

817-483-0720

Fax Number

The annual membership fee for participation in the State of Texas CO-OP is: **\$100.00 – FEE IS NON-REFUNDABLE**

Please make checks payable to:

Texas Comptroller of Public Accounts

Please mail to:

Texas Comptroller of Public Accounts

P.O. Box 13186

Austin, TX 78711

**PLEASE RETURN THIS FORM WITH PAYMENT
AND ALL REQUIRED DOCUMENTS AND SIGNATURES**

Questions? Contact the CO-OP at (512) 463-3368 or at coop@cpa.state.tx.us.



RESOLUTION

State of Texas

County of Tarrant

Whereas, the Texas Comptroller of Public Accounts is authorized to provide purchasing services for local governments pursuant to §§ 271.082 and 271.083 of the Local Government Code;

and WHEREAS, the City Council
(e.g., Commissioner's Court, City Council, School Board, Board of Directors)

of City of Kennedale, is a: (Check one of the following.)
(Name of Qualified Entity)

- | | |
|--|---|
| ☐ County | ☐ Independent School District |
| ☒ Municipality | ☐ Junior College District |
| ☐ Political Subdivision (Special Districts, Other) | ☐ Mental Health and Mental Retardation Community Center |
| ☐ Assistance Organization | ☐ Texas Rising Star Provider
(certified by the Texas Workforce Commission) |

defined as an entity qualified to participate in the Cooperative Purchasing Program of the Texas Comptroller of Public Accounts pursuant to § 271.081 of the Local Government Code; and

WHEREAS, in accordance with the requirements of 34 TAC §20.85 administrative rules, the Agent(s) of Record,

Kristal Crump, Finance Director
(Name of Person) (Title)

(and Bob Hart, City Manager) is/are authorized to execute
(Name of Person) (Title)

any and all documentation for City of Kennedale pertaining to its participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program; and

WHEREAS, City of Kennedale acknowledges its obligation to pay participation fees established
(Entity Name)

by the Texas Comptroller of Public Accounts.

NOW, THEREFORE BE IT RESOLVED, that request be made to the Texas Comptroller of Public Accounts to approve

City of Kennedale for participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program.
(Entity Name)

Adopted this 19 day of October, 2015 by City of Kennedale.
(Entity Name)

By: _____
(Signature of Chair)

Brian Johnson
(Printed Name)

Mayor
(Title of Chair)

Kristal Crump
(Signature of Agent of Record)

Kristal Crump / Finance Director
(Name/Title of Agent of Record)

(Signature of Agent of Record)

Bob Hart / City Manager
(Name/Title of Agent of Record)

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - H.

I. Subject:

Consider Resolution 464 adopting an amended City of Kennedale Financial Management Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

The only change recommended is to add a capitalization threshold of \$5,000 which is consistent with the state recommended threshold. Currently we do not have a threshold in place.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 464	Resolution 464.doc
2.	Exhibit "A" - Financial Management Policy	20151019 Financial Management Policy.docx

RESOLUTION NO. 464

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Financial Management Policy dated October 19, 2014, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



FINANCIAL MANAGMENT POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JUNE 10, 2004

PREFACE

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

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

SUBSEQUENT REVIEW & ADOPTION

DECEMBER 11, 2008

NOVEMBER 5, 2009

OCTOBER 14, 2010

NOVEMBER 17, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

I. PURPOSE

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

II. ANNUAL BUDGET (CHARTER REQUIREMENTS)

- A. Fiscal Year – The fiscal year shall begin on the first day of October (1st) and end on the last day of the following September (30th). The fiscal year will also be established as both the accounting and budget year.
- B. Submission – The City Manager, on or before the first day of August (1st) of each year, shall prepare and submit to the City Council an annual proposed budget (generally during an workshop or retreat) for the ensuing fiscal year designed to meet the goals and objectives of the City Council. It must contain the following:
 - 1) Budget Message shall explain the budget both in fiscal terms and in terms of work programs for the ensuing fiscal year. It shall outline the proposed financial policies of the City and shall include a forecast of a five-year estimate of revenues and expenditures, as well as an effect on taxation;
 - 2) Comparative figures for the estimated income and expenditures for the ensuing fiscal year compared to the combination of: actual income and expenditures through, the latest complete accounting period that information is available for at the commencement of budget preparation, and the estimated income and expenditures for the incomplete portion of the current fiscal year. FOR EXAMPLE: for upcoming FY15/16 budget, comparative should display FY13/14 actual, FY14/15 through May (assuming budget is prepared at this time), FY14/15 year-end estimate, and FY15-16 proposed budget;
 - 3) Proposed Expenditures of each office, department or function;
 - 4) Schedule of debt service requirements due on all outstanding indebtedness and on any proposed debt;
 - 5) Source or basis of the estimates;
 - 6) Balanced budget in which the total of the proposed expenditures shall not exceed the total estimated income and the balance of available funds; and

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

III. BASIS OF ACCOUNTING & BUDGETING

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

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

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

IV. BUDGET ADMINISTRATION

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

V. FINANCIAL REPORTING

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

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

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

VI. REVENUES

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

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

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

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

VII. OPERATING EXPENDITURES

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

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

XIII. DEBT EXPENDITURES

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

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

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

IX. CAPITAL EXPENDITURES

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

- D. Capital Improvement Planning and Programming shall include the following categories for the determination of funding for individual projects: design costs, right-of-way costs, utility construction/adjustment costs, construction costs, appropriate contingency funds, furnishings and equipment, and direct project administration services provided by City employees or outside forces.
- E. Cost incurred for advanced planning of capital projects may be funded from reimbursement of appropriate debt or operating funds.
- F. The City will intend to maintain adequate funding levels in the developer participation fund to ensure that no City obligation for participation goes unfunded for a period of more than one (1) year.
- G. The City will utilize \$5,000 as its threshold for capital purchases.
- H. To minimize the issuance of debt, the City of Kennedale will attempt to support capital projects with appropriations from operating revenues or excess fund balances (i.e. "pay-as-you-go").

X. UTILITY CAPITAL EXPENDITURES

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

XI. FUND TRANSFERS

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

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

XII. FUND BALANCE

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

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

XIII. LONG-TERM FINANCIAL PLAN

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

XIV. CASH MANAGEMENT & INTERNAL CONTROLS

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

XV. ANNUAL REVIEW

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - I.

I. Subject:

Consider Resolution 465 adopting an amended City of Kennedale Identity Theft Prevention Program Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 465	Resolution 465.doc
2.	Exhibit "A" - Identity Theft Policy	20151019 Identity Theft Prevention Program Policy.doc

RESOLUTION NO. 465

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Identify Theft Prevention Program Policy dated October 19, 2015, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



IDENTITY THEFT PREVENTION PROGRAM POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 13, 2008

PREFACE

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

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

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

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

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

SUBSEQUENT REVIEW & ADOPTION

NOVEMBER 5, 2009

OCTOBER 14, 2010

OCTOBER 13, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

I. PROGRAM ADOPTION

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

II. PURPOSE AND DEFINITIONS

A. Establish an Identity Theft Prevention Program

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

B. Establishing and Fulfilling Requirements of the Red Flags Rule

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

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

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

C. Red Flags Rule Definitions Used In This Program

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

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

III. IDENTIFICATION OF RED FLAGS

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

A. Notifications and Warnings From Consumer Credit Reporting Agencies

1) Red Flags

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

B. Suspicious Documents

1) Red Flags

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

C. Suspicious Personal Identifying Information

1) Red Flags

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

D. Suspicious Account Activity or Unusual Use of Account

1) Red Flags

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

E. Alerts from Others

1) Red Flag

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

IV. DETECTING RED FLAGS

A. New Accounts

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

1) Detect

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

B. Existing Accounts

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

2) Detect

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

V. PREVENTING AND MITIGATING IDENTITY THEFT

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

A. Prevent and Mitigate

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

B. Protect Customer Identifying Information

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

- 1) Ensure that its website is secure or provide clear notice that the website is not secure;
- 2) Where and when allowed, ensure complete and secure destruction of paper documents and computer files containing customer information;

- 3) Ensure that office computers are password protected and that computer screens lock after a set period of time;
- 4) Change passwords on office computers on a regular basis;
- 5) Ensure all computers are backed up properly and any backup information is secured;
- 6) Keep offices clear of papers containing customer information;
- 7) Request only the last 4 digits of social security numbers (if any);
- 8) Ensure computer virus protection is up to date; and
- 9) Require and keep only the kinds of customer information that are necessary for utility purposes.

VI. PROGRAM UPDATES

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

VII. PROGRAM ADMINISTRATION

A. Oversight

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

B. Staff Training and Reports

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

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

C. Service Provider Arrangements

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

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

D. Specific Program Elements and Confidentiality

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

VIII. ANNUAL REVIEW

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - J.

I. Subject:

Consider Resolution 466 adopting an amended City of Kennedale Grant Submission & Acceptance Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 466	Resolution 466.doc
2.	Exhibit "A" - Grant Submission & Acceptance Policy	20151019 Grant Submission & Acceptance Policy.doc

RESOLUTION NO. 466

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Grant Submission and Acceptance Policy dated October 19, 2015, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



GRANT SUBMISSION & ACCEPTANCE POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: MARCH 11, 2010

PREFACE

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

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

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 14, 2010

OCTOBER 13, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

I. PURPOSE

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

II. POLICY

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

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

III. GRANT OFFICIALS

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

A. Authorized Official

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

B. Project Manager

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

C. Financial Officer

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

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

III. GRANT SEARCH

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

IV. GRANT SUBMISSION

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

V. GRANT ACCEPTANCE

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

VI. ESTABLISHING & MAINTAINING BUDGETS

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

VII. PAYMENT AUTHORIZATIONS

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

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

VIII. GRANT REIMBURSEMENT

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

A. Travel Costs

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

B. Salaries

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

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

C. Purchasing

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

IX. GRANT REPORTING

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

X. GRANT CLOSING

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

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

XI. RECORDKEEPING

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

XII. ANNUAL REVIEW

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - K.

I. Subject:

Consider Resolution 467 adopting an amended City of Kennedale Fraud Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 467	Resolution 467.doc
2.	Exhibit "A" - Fraud Policy	20151019 Fraud Policy.docx

RESOLUTION NO. 467

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Fraud Policy dated October 19, 2015, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



FRAUD POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JANUARY 13, 2005

PREFACE

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

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

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

SUBSEQUENT REVIEW & ADOPTION

DECEMBER 11, 2008
NOVEMBER 5, 2009
OCTOBER 14, 2010
OCTOBER 13, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015

I. BACKGROUND

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

II. SCOPE OF POLICY

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

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

III. POLICY

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

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

IV. ACTIONS CONSTITUTING FRAUD

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

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

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

V. OTHER IRREGULARITIES

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

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

VI. INVESTIGATION RESPONSIBILITIES

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

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

VII. CONFIDENTIALITY

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

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

VIII. AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

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

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

IX. REPORTING PROCEDURES

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

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

The reporting individual should be informed of the following:

- A. Do not contact the suspected individual in an effort to determine facts or demand restitution.

- B. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the legal counsel or the investigating agency.

X. TERMINATION

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

XI. ADMINISTRATION

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

XII. ANNUAL REVIEW

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - L.

I. Subject:

Consider Resolution 468 adopting an amended City of Kennedale Unclaimed Property Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

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

There are were only minor corrections to language made in policy this year.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 468	Resolution 468.doc
2.	Exhibit "A" - Unclaimed Property Policy	20151019 Unclaimed Property Policy.docx

RESOLUTION NO. 468

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Unclaimed Property Policy dated October 19, 2015, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



UNCLAIMED PROPERTY POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 17, 2011

PREFACE

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

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

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012

OCTOBER 10, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

I. BACKGROUND

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

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

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

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

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

II. POLICY

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

III. LEGAL REQUIREMENTS

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

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

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

- B. Prior to remitting property to the Comptroller's Office as described below, the City must mail a written notice to the owner on property valued at **more than \$250.00** no later than May 1st of the year in which the property is classified as unclaimed per Section 74.1011 of the Texas Property Code. This notice requirement does not apply if a letter has already been mailed to the missing owner earlier in the abandonment period. For sample letter, refer directly to the Texas Comptroller of Public Accounts: Unclaimed Property Reporting Instructions. Instructions are subject to change due to new or revised requirements, so annual review of this manual is required.
- C. Property that is valued at **more than \$100.00** will be delivered, along with the required report form(s), to the State Comptroller's Office by July 1st **following** the date the property is classified as unclaimed. Should the City not have unclaimed property individually valued at more than \$100, there is no report required.
 - 1) Property that is due July 1st may be remitted any time after the annual cut-off date of March 1st and before July 1st.
- D. Per Chapter 74 of the Texas Property Code, property that is valued at **less than \$100.00** will be retained by the City.
 - 1) Per Title 6, Chapter 76 of the Texas Property Code, the City shall publish a notice in its official newspaper (general circulation in the jurisdiction of the holder) on or before July 1st in the calendar year **immediately following** the year in which the property report is filed. For example: Notices for property classified as unclaimed on March 1, 2015 must be published by July 1, 2015.
 - 2) At a minimum, the owner's name and last known address must be listed.
 - 3) If at all possible, the City will also include this notice on its official website.
 - 4) While the City is required to publish a notice, it may elect to advertise only those properties with a value greater than a specified amount of its choosing (i.e., greater than \$50.00 but less than \$100.00). For the City's purposes, the Finance Department will include **all** property valued at \$50.00 to \$99.99.

IV. CLAIMS PROCESS

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

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

V. ACCOUNTING

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

VI. ANNUAL REVIEW

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - M.

I. Subject:

Consider Resolution 469 adopting an amended City of Kennedale Purchasing Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 469	Resolution 469.doc
2.	Exhibit "A" - Purchasing Policy	20151019 Purchasing Policy.docx

RESOLUTION NO. 469

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the Purchasing Policy dated October 19, 2015, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



PURCHASING POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 13, 2008

PREFACE

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

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

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

SUBSEQUENT REVIEW & ADOPTION

NOVEMBER 5, 2009
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015

I. PURPOSE

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

II. POLICY

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

III. GOVERNING AUTHORITY

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

IV. CODE OF ETHICS

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

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

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

V. FUND AVAILABILITY & PAYMENT AUTHORIZATION

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

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

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

VI. LEGAL REQUIREMENTS

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

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

VII. QUOTES

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

VIII. SEALED COMPETITIVE PROCESS

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

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

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

IX. AWARD OF CONTRACT

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

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

X. RECIPROCITY

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

XI. DISCLOSURE OF INFORMATION

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

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

XII. AUTOMATED INFORMATION TECHNOLOGY PURCHASES

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

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

XIII. PROFESSIONAL SERVICES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

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

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

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

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

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

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

XV. EMERGENCY PURCHASES (EXEMPT FROM SEALED COMPETITIVE PROCESS)

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

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

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

XVI. INELIGIBLE VENDORS

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

XVII. AUDIT OF DEPARTMENTAL RECORDS

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

XVIII. ANNUAL REVIEW

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

APPENDIX A

CITY OF KENNEDALE, TEXAS PURCHASING MATRIX

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

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

APPENDIX B

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

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

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - N.

I. Subject:

Consider Resolution 470 adopting an amended City of Kennedale Procurement Card Program Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

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

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

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 470	Resolution 470.doc
2.	Exhibit "A" - Procurement Card Program Policy	20151019 Procurement Card Program Policy.docx

RESOLUTION NO. 470

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the Procurement Card Program Policy dated October 19, 2015, attached hereto as "Exhibit A."

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



PROCUREMENT CARD PROGRAM POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: JANUARY 24, 2003

PREFACE

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

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

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

SUBSEQUENT REVIEW & ADOPTION

JUNE 10, 2010
NOVEMBER 17, 2011
OCTOBER 3, 2012
OCTOBER 1, 2013
OCTOBER 13, 2014
OCTOBER 19, 2015

I. PURPOSE

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

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

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

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

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

II. DEFINITIONS

For the purpose of this policy the following definitions apply:

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

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

III. PROCEDURES

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

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

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

IV. CARDHOLDER LIMITS

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

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

V. CARDHOLDER PURCHASES

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

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

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

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

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

VI. CARDHOLDER STATEMENT REVIEW & PAYMENT SUBMISSION

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

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

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

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

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

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

VII. CARDHOLDER RECORD KEEPING

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

VIII. CARDHOLDER SECURITY

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

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

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

IX. JP MORGAN CHASE

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

X. ANNUAL REVIEW

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



CITY OF KENNEDALE
PROCUREMENT CARD ENROLLMENT FORM
(Appendix A)

I. EMPLOYEE/CARDHOLDER INFORMATION

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

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

Date of Birth: _____ Office Phone: _____

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

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

Single Transaction Limit Requested: _____

Monthly Cycle Limit Requested: _____

Department Head Name: _____

Department Head Signature: _____ Date: _____

II. CARD ORDER & RECEIPT

Date Ordered: _____ Who Ordered: _____

Date Received: _____

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

Card Number: _____ Expiration Date: _____



CITY OF KENNEDALE
PROCUREMENT CARDHOLDER ACKNOWLEDGEMENT FORM
(Appendix B)

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

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

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

Employee Name: _____

Employee Signature: _____

Date: _____



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

Cardholder's Name: _____

Card Number: _____

Card Was (Please Check One):

_____ Lost
_____ Stolen
_____ Other (Describe): _____

Describe How Card Was Lost/Stolen: _____

Was Police Report Filed (Circle): Yes or No

If Yes: Department: _____

Report Number: _____

Credit Card Company Notified: Date: _____

Time: _____

Cardholder's Signature: _____

Date: _____

Finance Director's Signature: _____

Date: _____



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

Cardholder's Name: _____ Card Number: _____

Cardholder's Signature: _____ Date: _____

Vendor Name: _____

Statement Date: _____ Transaction Date: _____

Transaction #: _____ Posting Date: _____

Amount Disputed: _____

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

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

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

_____ I do not recognize the above transaction.

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

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

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - O.

I. Subject:

Consider Resolution 471 adopting an amended City of Kennedale Investment Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

The recommended change is to remove the requirement prohibiting more than 50% of money be held in money market or investment pool accounts.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 471	Resolution 471.doc
2.	Exhibit "A" - Investment Policy	20151019 Investment Policy.doc

RESOLUTION NO. 471

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

WHEREAS, on September 13, 2001, City Council adopted the document entitled, “Investment Policy,” a framework that provides the guidelines by which the City of Kennedale will maintain the minimum amount of cash in its bank accounts to meet daily needs, and to provide protection for its principal and liquidity while receiving the highest yield possible from investing all temporary excess cash; and

WHEREAS, this serves to satisfy the statutory requirements of defining and adopting a formal investment policy and is authorized by the Public Funds Investment Act as amended; and

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Investment Policy dated October 19, 2015, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



INVESTMENT POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: SEPTEMBER 13, 2001

PREFACE

State and local public laws govern the investment process for City funds. Laws cannot ensure that public officials manage public funds in a disciplined and prudent manner. The actions of public officials responsible for investing public funds must be guided by knowledge, skills, systems, policies, procedures and confidence that can be described only as professional discipline.

It is the policy of the City of Kennedale, that giving due regard to safety and risk of investments, all available funds shall be invested in conformance with these legal and administrative guidelines. All City funds shall be invested, to the maximum extent possible, at the highest rates obtainable at the time of the investment.

Effective cash management is recognized as essential to good fiscal management. An aggressive cash management and investment policy will be pursued. To that end, investment interest will be used as a viable and material revenue source for all City funds. Earnings from investments will be used in a manner that will best serve the interest of the City of Kennedale.

The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law.

SUBSEQUENT REVIEW & ADOPTION

SEPTEMBER 12, 2002

OCTOBER 9, 2003

SEPTEMBER 9, 2004

SEPTEMBER 13, 2005

SEPTEMBER 14, 2006

SEPTEMBER 13, 2007

NOVEMBER 13, 2008

NOVEMBER 5, 2009

NOVEMBER 17, 2011

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

I. PURPOSE

Chapter 2256 of the Government Code, as amended from time to time by the Texas State Legislature (“Public Funds Investment Act”) requires each city to adopt rules governing its investment practices and to define the authority of the investment official. The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and prudent fiscal management of the City of Kennedale funds.

II. SCOPE

The Investment Policy applies to the investment and management of all funds under direct authority of the City of Kennedale.

A. These funds are accounted for in the City’s Annual Financial Report (CAFR) and include the following:

- 1) General Fund;
- 2) Special Revenue Funds;
- 3) Capital Project Funds;
- 4) Enterprise/Proprietary Funds;
- 5) Trust and Agency Funds, to the extent not required by law or existing contract to be kept segregated and managed separately;
- 6) Debt Service Funds, including reserves and sinking funds to the extent not required by law or existing contract to be kept segregated and managed separately; and
- 7) Any new fund created by the City, unless specifically exempted from this policy by the City or by law.

This investment policy shall apply to all transactions involving the financial assets and related activity of all the foregoing funds.

B. This policy excludes:

- 1) Employee Retirement and Pension Funds administered or sponsored by the City.

2) Defeased bond funds held in trust escrow accounts.

- C. Review & Amendment: The City Council is required by state statute and by this investment policy to review this investment policy and investment strategies not less than annually and to adopt a resolution stating the review has been completed and recording any changes made to either the policy or strategy statements.

III. PRUDENCE

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

In determining whether an investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

- 1) the investment of all funds, or funds under the entity's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
- 2) whether the investment decision was consistent with the written investment policy of the City.

All participants in the investment program will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transaction that might impair public confidence in the City's ability to govern effectively. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism which is worthy of the public trust. Nevertheless, the City recognizes that in a marketable, diversified portfolio, occasional measured losses are inevitable and must be considered within the context of the overall portfolio's investment rate of return.

Investment officials, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for market price changes, provided that these deviations from expectations are reported immediately to the Director of Finance, the City Manager and the City Council of the City of Kennedale, and that appropriate action is taken by the investment officials and their oversight managers to control adverse developments.

IV. OBJECTIVES

- A. Preservation & Safety of Principal: Preservation of capital is the foremost objective of the City. Each investment transaction shall seek first to ensure that capital losses are avoided, whether the loss occurs from the default of a security or from erosion of market value.
- B. Liquidity: The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which can be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets.
- C. Yield: The investment portfolio of the City shall be designed to meet or exceed the average rate of return on 91-day U.S. treasury bills throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio. Legal constraints on debt proceeds that are not exempt from federal arbitrage regulations are limited to the arbitrage yield of the debt obligation. Investment officials will seek to maximize the yield of these funds in the same manner as all other City funds. However, if the yield achieved by the City is higher than the arbitrage yield, positive arbitrage income will be averaged over a five year period, netted against any negative arbitrage income and the net amount shall be rebated to the federal government as required by federal regulations.

V. RESPONSIBILITY & CONTROL

- A. Delegation: Management responsibility to establish written procedures for the operation of the investment program consistent with this investment policy has been assigned to the Director of Finance by the City Manager. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting. The Director of Finance may delegate the daily investment responsibilities to either an internal investment official or an external investment advisor in combination with an internal investment official. The Director of Finance and/or his representative(s) will be limited by conformance with all federal regulations, ordinances, and the statements of investment strategy.
- B. Subordinates: All persons involved in investment activities shall be referred to as "Investment Officials." No person shall engage in an investment transaction, except as provided under the terms of this policy, the procedures established by the Director of Finance and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The Director of Finance shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate Investment Officials.

- C. Internal Controls: Internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by investment officials. Controls deemed most important would include: control of collusion, separation of duties, third-party custodial safekeeping, avoidance of bearer-form securities, clear delegation of authority, specific limitations regarding securities losses and remedial action, written confirmation of telephone transactions, minimizing the number of authorized investment officials, and documentation of and rationale for investment transactions.

In conjunction with the annual independent audit, a compliance audit of management controls on investments and adherence to the Investment Policy and the Investment Strategy may be performed by the City's independent auditor.

- D. Ethics & Conflicts of Interest: An investment officer of the City who has a personal business relationship with a business organization offering to engage in an investment transaction with the City shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree of affinity or consanguinity to an individual seeking to sell an investment to the City shall file a statement disclosing that relationship with the Texas Ethics Commission and the City Council. For purposes of this section, an investment officer has a personal business relationship with a business organization if:

- 1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- 2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- 3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

Investment officials of the City shall refrain from personal and business activities involving any of the City's custodians, depositories, broker/dealers or investment advisors which may influence the officer's ability to conduct his duties in an unbiased manner. Investment officials will not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the City's business for personal investment decisions, will in all respects subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchase and sales and will keep all investment advice obtained on behalf of the City and all transactions contemplated and completed by the City confidential, except when disclosure is required by law.

- E. Investment Training Requirements: The Director of Finance and the Investment officials shall attend at least one ten hour training session relating to their investment responsibilities within 12 months after assuming their duties. In addition to this ten hour requirement, each investment officer shall receive not less than ten hours of instruction in their investment responsibilities at least once during each two year period that begins on October 1st and consists of the two consecutive fiscal years after that date. The investment training session shall be provided by an independent source. For purposes of this policy, an “independent source” from which investment training shall be obtained shall include a professional organization, an institute of higher learning or any other sponsor other than a Business Organization with whom the City of Kennedale may engage in an investment transaction. Such training shall include education in investment controls, credit risk, market risk, investment strategies, and compliance with investment laws, including the Texas State Public Funds Investment Act.

VI. AUTHORIZED INVESTMENTS

- A. Obligations, including letters of credit, of the United States or its agencies and instrumentalities.
- B. Direct obligations of the State of Texas or its agencies and instrumentalities.
- C. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Texas, or the United States or its instrumentalities.
- D. Obligations of states, agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent.
- E. Joint Investment Pools of political subdivisions in the State of Texas which invest in instruments and follow practices allowed by current law. A pool must be continuously rated no lower than AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service.
- F. Certificates of Deposit issued by a depository institution that has its main office or branch office in Texas;
 - 1) and such Certificates of Deposit are:
 - guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund or their successors; or
 - secured by obligations described in Article VI, sections A through D above.

- 2) or such depository institution contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

Certificates of Deposit brokered by an authorized broker/dealer that has its main office or a branch office in Texas who contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Government Code (Public Funds Investment Act) as amended.

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

The term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

- H. No-load money market mutual funds if the mutual fund:

- 1) is registered with and regulated by the Securities and Exchange Commission;
- 2) has a dollar-weighted average stated maturity of 90 days or fewer; and
- 3) includes in its investment objectives the maintenance of a stable net asset value of one dollar for each share.

- I. Investment instruments not authorized for purchase by the City of Kennedale include the following:

- 1) Banker's Acceptances;

- 2) "Bond" Mutual Funds;
 - 3) Collateralized Mortgage Obligations of any type; and
 - 4) Commercial Paper, except that the City can invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments. A local government investment pool or money market mutual fund that invests in commercial paper must meet the requirements of Article VI, Sections E and H above.
- J. If an investment in the City's portfolio becomes an unauthorized investment due to changes in the Investment Policy or the Public Funds Investment Act, or an authorized investment is rated in a way that causes it to become an unauthorized investment, the investment officials of the City shall review the investment and determine whether it would be more prudent to hold the investment until its maturity, or to redeem the investment. Officials shall consider the time remaining until maturity of the investment, the quality of the investment, and the quality and amounts of any collateral which may be securing the investment in determining the appropriate steps to take.

VII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS

- A. Bidding Process for Investments: It is the policy of the City to require competitive bidding for all investment transactions (securities and bank C.D.'s) except for:
- 1) transactions with money market mutual funds and local government investment pools (which are deemed to be made at prevailing market rates); and
 - 2) treasury and agency securities purchased at issue through an approved broker/dealer.

At least three (3) bids or offers must be solicited for all other investment transactions. In a situation where the exact security being offered is not offered by other dealers, offers on the closest comparable investment may be used to establish a fair market price of the security. Security swaps are allowed, as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

- B. Maximum Maturities: The City of Kennedale will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.
- C. Maximum Dollar-Weighted Average Maturity: Under most market conditions, the composite portfolio will be managed to achieve a one-year or less dollar-weighted

average maturity. However, under certain market conditions investment officials may need to shorten or lengthen the average life or duration of the portfolio to protect the City. The maximum dollar-weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three (3) years.

D. Diversification: The allocation of assets in the portfolios should be flexible depending upon the outlook for the economy and the securities markets. In establishing specific diversification strategies, the following general policies and constraints shall apply.

- 1) Portfolio maturities and call dates shall be staggered in a way that avoids undue concentration of assets in a specific sector. Maturities shall be selected which provide for stability of income and reasonable liquidity.
- 2) To attain sufficient liquidity, the City shall schedule the maturity of its investments to coincide with known disbursements. Risk of market price volatility shall be controlled through maturity diversification such that aggregate realized price losses on instruments with maturities exceeding one (1) year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- 3) The following maximum limits, by instrument, are established for the City's total portfolio:
 - Certificates of Deposit.....25%
 - Local Government Investment Pools (*See D.(5) below*).....100%.
 - Money Market Mutual Funds (*See D.(5) below*).....100%
 - Obligations of states, agencies, cities & other political subdivisions of any state.....25%
 - Repurchase Agreements (*See D. (4) below*).....50%
 - State of Texas Obligations & Agencies.....25%
 - US Treasury & US Agency Callables.....25%
 - US Government Agencies & Instrumentalities.....100%
 - US Treasury Notes/Bills.....100%
- 4) The City shall not invest more than 50% of the investment portfolio in repurchase agreements, excluding bond proceeds and reserves.
- 5) The investment committee shall review diversification strategies and establish or confirm guidelines on at least an annual basis regarding the percentages of the total portfolio that may be invested in securities other than U.S. Government Obligations. The investment committee shall review quarterly investment reports and evaluate the probability of market and default risk in various investment sectors as part of its consideration.

VIII. AUTHORIZED BROKER/DEALERS & FINANCIAL INSTITUTIONS

- A. Investment officials will maintain a list of financial institutions and broker/dealers selected by credit worthiness, who are authorized to provide investment services to the City. These firms may include:
- 1) all primary government securities dealers; and
 - 2) those regional broker/dealers who qualify under Securities and Exchange Commission Rule 15C3-1(uniform net capital rule), and who meet other financial credit criteria standards in the industry.

The investment officials may select up to six (6) firms from the approved list to conduct a portion of the daily City investment business. These firms will be selected based on their competitiveness, participation in agency selling groups and the experience and background of the salesperson handling the account. The approved broker/dealer list will be reviewed and approved along with this investment policy at least annually by the investment committee.

- B. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the investment officials with the following:
- 1) Audited financial statements;
 - 2) Proof of National Association of Securities Dealers (N.A.S.D.) certification, unless it is a bank;
 - 3) Resumes of all sales representatives who will represent the financial institution or broker/dealer firm in dealings with the City; and
 - 4) An executed written instrument, by the qualified representative, in a form acceptable to the City and the business organization substantially to the effect that the business organization has received and reviewed the investment policy of the City and acknowledges that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the City and the organization that are not authorized by the City's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards.

IX. SAFEKEEPING & CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase agreements entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The only exceptions to DVP settlement shall be wire transactions for money market funds and government investment pools. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third party custodian designated by the investment officials and evidenced by safekeeping receipts or statements. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

X. COLLATERAL

The City's depository bank shall comply with Chapter 2257 of the Government Code, Collateral for Public Funds, as required in the City's bank depository contract.

- A. Market Value: The Market Value of pledged Collateral must be equal to or greater than 102% of the principal and accrued interest for cash balances in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) insurance coverage. The Federal Reserve Bank and the Federal Home Loan Bank are designated as custodial agents for collateral. An authorized City representative will approve and release all pledged collateral. The securities comprising the collateral will be marked to market on a monthly basis using quotes by a recognized market pricing service quoted on the valuation date, and the City will be sent reports monthly.
- B. Collateral Substitution: Collateralized investments often require substitution of collateral. The Safekeeping bank must contact the City for approval and settlement. The substitution will be approved if its value is equal to or greater than the required collateral value.
- C. Collateral Reduction: Should the collateral's market value exceed the required amount, the Safekeeping bank may request approval from the City to reduce Collateral. Collateral reductions may be permitted only if the collateral's market value exceeds the required amount.
- D. Letters of Credit: Letters of Credit, as defined in Article VI (A), are acceptable collateral for Certificates of Deposit. Upon the discretion of the City, a Letter of Credit can be acceptable collateral for City funds held by the City's bank depository.

XI. INVESTMENT REPORTS

- A. Reporting Requirements: The investment officials shall prepare a quarterly investment report in compliance with section 2256.023 of the Public Funds Investment Act of the State of Texas. The report shall be submitted to the City Council and the Investment Committee within 30 days following the end of the quarter.
- B. Investment Records: An investment official designated by the City Manager shall be responsible for the recording of investment transactions and the maintenance of the investment records with reconciliation of the accounting records and of investments carried out by an accountant. Information to maintain the investment program and the reporting requirements, including pricing or marking to market the portfolio, may be derived from various sources such as: broker/dealer research reports, newspapers, financial on-line market quotes, direct communication with broker/dealers, market pricing services, investment software for maintenance of portfolio records, spreadsheet software, or external financial consulting services relating to investments.
- C. Auditor Review: The City's independent external auditor may formally review the quarterly investment reports annually to ensure compliance with the State of Texas Public Funds Investment Act, and any other applicable State Statutes.

XII. INVESTMENT COMMITTEE

- A. Members: An Investment Committee, consisting of the City Manager or designee and the Director of Finance, shall review the City's investment strategies and monitor the results of the investment program at least quarterly. This review can be done by reviewing the quarterly written reports and by holding committee meetings as necessary. The committee will be authorized to invite other advisors to attend meetings as needed.
- B. Scope: The Investment Committee shall include in its deliberations, such topics as economic outlook, investment strategies, portfolio diversification, maturity structure, potential risk to the City's funds, evaluation and authorization of broker/dealers, rate of return on the investment portfolio, review and approval of training providers and compliance with the investment policy. The Investment Committee will also advise the City Council of any future amendments to the investment policy that are deemed necessary or recommended.

XIII. INVESTMENT STRATEGY STATEMENTS

The City of Kennedale portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value among asset groups shall be analyzed and

pursued as part of the investment program within the restrictions set forth by the investment policy. The City of Kennedale maintains portfolios which utilize four specific investment strategy considerations designed to address the unique characteristics of the fund groups represented in the portfolios.

A. Operating Funds

- 1) Suitability - All investments authorized in the Investment Policy are suitable for Operating Funds.
- 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.
- 3) Liquidity - Investment strategies for the pooled operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The dollar-weighted average maturity of operating funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less. Constant \$1 NAV investment pools and money market mutual funds shall be an integral component in maintaining daily liquidity. Investments for these funds shall not exceed an 18-month period from date of purchase.
- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.
- 6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Operating Funds shall be the 91 day Treasury bill.

B. Reserve & Deposit Funds

- 1) Suitability - All investments authorized in the Investment Policy are suitable for Reserve and Deposit Funds.
- 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.
- 3) Liquidity - Investment strategies for reserve and deposit funds shall have as the primary objective the ability to generate a dependable revenue stream to the appropriate reserve fund from investments with a low degree of volatility.

Except as may be required by the bond ordinance specific to an individual issue, investments should be of high quality, with short-to-intermediate-term maturities. The dollar-weighted average maturity of reserve and deposit funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.

- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.
- 6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Reserve and Deposit Funds shall be the 91 day Treasury bill.

C. Bond & Certificate Capital Project Funds & Special Purpose Funds

- 1) Suitability - All investments authorized in the Investment Policy are suitable for Bond and Certificate Capital Project Funds and Special Purpose Funds.
- 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.
- 3) Liquidity - Investment strategies for bond and certificate capital project funds, special projects and special purpose funds portfolios will have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The stated final maturity dates of investments held should not exceed the estimated project completion date or a maturity of no greater than five years. The dollar-weighted average maturity of bond and certificate capital project funds and special purpose funds, based on the stated final maturity date of each security, will be calculated and limited to three years or less.
- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.
- 6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Bond and Certificate

Capital Project Funds and Special Purpose Funds shall be the 91 day Treasury bill. A secondary objective of these funds is to achieve a yield equal to or greater than the arbitrage yield of the applicable bond or certificate.

D. Debt Service Funds

- 1) Suitability - All investments authorized in the Investment Policy are suitable for Debt Service Funds.
- 2) Preservation & Safety of Principal - All investments shall be high quality securities with no perceived default risk.
- 3) Liquidity - Investment strategies for debt service funds shall have as the primary objective the assurance of investment liquidity adequate to cover the debt service obligation on the required payment date. Securities purchased shall not have a stated final maturity date which exceeds the debt service payment date. The dollar-weighted average maturity of debt service funds, based on the stated final maturity date of each security, will be calculated and limited to one year or less.
- 4) Marketability - Securities with active and efficient secondary markets will be purchased in the event of an unanticipated cash requirement.
- 5) Diversification - Maturities shall be staggered throughout the budget cycle to provide cash flows based on anticipated needs. Investment risks will be reduced through diversification among authorized investments.
- 6) Yield - The City's objective is to attain a competitive market yield for comparable securities and portfolio constraints. The benchmark for Debt Service Funds shall be the 91 day Treasury bill.

XIV. ANNUAL REVIEW

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

APPENDIX A

CITY OF KENNEDALE, TEXAS TEXAS PUBLIC FUNDS INVESTMENT ACT CERTIFICATION BY BUSINESS ORGANIZATION

This certification is executed on behalf of the City of Kennedale, Texas and _____ (the Business Organization) pursuant to the Public Funds Investment Act, Chapter 2256, Texas Government Code, (the Act) in connection with investment transactions conducted between the Investor and the Business Organization.

The undersigned Qualified Representative of the Business Organization hereby certifies on behalf of the Business Organization that:

The undersigned is a Qualified Representative of the Business Organization offering to enter an investment transaction with the City of Kennedale, Texas (as defined in the Act); and

The Qualified Representative of the Business Organization has received and reviewed the Investment Policy furnished by the City of Kennedale, Texas; and

The Qualified Representative of the Business Organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Business Organization and the City of Kennedale, Texas that are not authorized by the investment policy of the City of Kennedale, Texas, except to the extent that this authorization is dependent on an analysis of the makeup of the City of Kennedale, Texas entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative of the Business Organization

Name _____

Title _____

Date _____

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - P.

I. Subject:

Consider Resolution 472 adopting an amended City of Kennedale Internal Controls & Cash Handling Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 472	Resolution 472.doc
2.	Exhibit "A" - Internal Controls & Cash Handling Policy	20151019 Internal Controls & Cash Handling Policy.docx

RESOLUTION NO. 472

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

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

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

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the Internal Controls & Cash Handling Policy dated October 19, 2015, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

ATTEST:

APPROVED:

City Secretary, Leslie Galloway

Mayor, Brian Johnson

CITY OF KENNEDALE



INTERNAL CONTROLS & CASH HANDLING POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: NOVEMBER 17, 2011

PREFACE

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

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

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

I. PURPOSE

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

II. ADMINISTRATIVE PROCEDURES

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

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

III. DELEGATION OF AUTHORITY

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

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

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

IV. DUTIES OF CITY DEPARTMENT HEADS

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

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

V. DUTIES OF CITY PERSONNEL

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

- A. Departments with tills and/or cash boxes will count their money and store in a secure place (preferably a safe) and money will be given to the Finance Department by 9:00 a.m. the following day. Departments not utilizing tills and/or cash boxes will turn in the cash on the same day to the Utility Billing Administrator no later than 5:00 p.m. **Note:** Several departments, such as the Police, Animal Control and Library Department collect cash through their individual department, and then submit it through Utility Billing's Cash Receipts to be later deposited to the Finance Department.
- B. Comply with rules promulgated by the Director of Finance for handling and processing of City Cash and for documentation and dissemination of records, and with departmental internal procedures, established in conformity with the Director of Finance procedures;
- C. Notify the employee's Department Head and Director of Finance of any loss or theft of City money immediately upon discovery. **Written notice shall be given to them no later than twenty-four hours after discovery;**
- D. Be subject to disciplinary action, up to and including termination for failure to comply with each department's operating policies, Director of Finance's procedures and/or duties described in this policy.

VI. LIABILITY FOR LOSS

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

VII. CERTIFICATION OF CASHIERS & CUSTODIANS

- A. Only persons who are approved by the Director of Finance shall receive and handle City Cash on a regular basis in the scope and course of their employment. **A signed Certificate of Responsibility must be obtained from the cashier/custodian and supervisor verifying receipt of this policy.**

- B. In addition, the Director of Finance **may** require that the cashier/custodian complete a certification or training and/or pass an examination on: the secure processing of moneys, cash procedures and applicable departmental rules, and thereafter take refresher instruction or training at periodic intervals or when the need arises.

VIII. ESTABLISHMENT/INCREASE OF CASH FUNDS

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

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

IX. TERMINATION OF CASH FUNDS

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

X. SECURITY OF CASH FUNDS

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

XI. REGULATION OF PETTY CASH FUNDS

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

- A. Maintenance of Petty Cash Funds
 - 1) Cash funds must have one custodian responsible for the disbursement of cash. In the absence of the custodian, only the Department Head or his/her designated custodian should make all disbursements from the petty cash fund.
 - 2) Each cash fund should have a set amount of funds to be accounted for. The Finance Department will not process payment authorizations to reimburse petty cash if the request exceeds the established amount of the petty cash fund.
 - 3) **The petty cash fund is to be reconciled on a daily basis by the fund custodian.**

- 4) **The cash custodian should process a payment authorization to reimburse their petty cash fund as necessary.** The payment authorization requesting reimbursement of petty cash is to be processed with enough lead-time to prevent the remaining petty cash funds from being depleted prior to the issuance of the reimbursement check. All check payments to reimburse the petty cash fund are to be made payable to the City of Kennedale.
 - 5) A petty cash voucher must be completed to support all disbursements of cash from the petty cash fund. The petty cash voucher must be completed in its entirety and approved by the Department Head prior to the disbursement of any cash from the custodian.
 - 6) Each petty cash voucher must be accompanied by a receipt ticket upon reimbursement or return of unused funds.
 - 7) Three (3) signatures are required on all petty cash vouchers. All petty cash vouchers must be signed by the employee receiving the cash and by the Department Head approving the transaction. The petty cash custodian will then sign the voucher as cash is actually disbursed from the fund.
 - 8) **Employees are not to be reimbursed for sales tax.** It is the responsibility of the Department Head to ensure that employees are aware of the City's exempt status.
 - 9) Petty cash in advance is not to be held by any employee longer than a twenty-four period. Receipts and used funds must be returned and be reconciled to vouchers within the twenty-four hour period.
 - 10) Expenditures for purchases made from the petty cash fund are not to exceed \$100.00. Purchases that exceed \$100.00 should be purchased through normal purchasing process.
- B. Prohibited expenses include the following:
- 1) Loans to employees;
 - 2) IOUs for employee personal use;
 - 3) Cashing personal, payroll and expense checks for the Department Head, petty cash custodian, or any other employees or City official; and
 - 4) Traveling or training expenses, such as use of personal vehicle, parking and entertainment (these expenditures should be reimbursed by submitting the proper expense report form to Finance Department).

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

- 1) A cash register receipt, provided that the date is current enough to support said purchase;
- 2) Cash receipt tickets from the place of purchase provided that the date is current, items purchased are listed and the ticket is signed by the employee as receiving said merchandise;
- 3) Proof of purchase in the form of a valid receipt provided the date is current and the type of the purchase or expenditure can be easily determined;
- 4) No refunds for purchases will be made without proof of purchase;
- 5) A petty cash voucher properly completed with authorizations for a cash advance.

XII. REGULATION OF CHANGE FUNDS

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

A. Maintenance of a Change Fund

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

B. Cashing of Personal Checks from a Change Fund

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

XIII. REGULATION OF DEPOSITS

The City of Kennedale collects cash through various departments in a decentralized manner; however, all cash is then turned in to the Finance Department for deposit to the bank no later than 5:00 p.m. on a daily basis. At no time shall cash be held. Furthermore, all deposits must be verified by the Finance Department. **Note:** Several departments, such as the Police, Animal Control and Library Department collect cash through their individual department, and then submit it through Utility Billing's Cash Receipts to be later deposited to the Finance Department.

A. Losses/Shortages/Overages

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

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

XIV. REGULATION OF RETURN CHECKS

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

XV. ACTION TAKEN IN EVENT OF THEFT

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

XVI. ANNUAL REVIEW

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



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

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

Please Initial

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

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

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

Training/Exam Date (If Applicable): _____

Employee Name: _____
Employee Signature: _____
Date: _____

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

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - Q.

I. Subject:

Consider Resolution 473 adopting an amended Kennedale Fund Balance Policy

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

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

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

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

Previous Categories

Reserved

Unreserved - Designated

Unreserved - Undesignated

New Categories

Nonspendable, Restricted, Committed

Assigned

Unassigned

Nonspendable Fund Balance typically takes one of two forms. It might be in a form that is not expected to be converted to cash, such as inventory or prepaid expenses. Alternatively, there might be legal or contractual reasons that require it to be maintained intact, such as the corpus of a permanent fund, where the principal can never be spent.

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

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

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

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

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

There are no recommended changes at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Resolution 473	Resolution 473.doc
2.	Exhibit "A" - Fund Balance Policy	20151019 Fund Balance Policy.docx

RESOLUTION NO. 473

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

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

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

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

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

The City Council of the City of Kennedale, Texas hereby approves the amended Fund Balance Policy dated October 19, 2015, attached hereto as “Exhibit A.”

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 19th day of October, 2015.

APPROVED:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

CITY OF KENNEDALE



FUND BALANCE POLICY

ORIGINALLY ADOPTED BY CITY COUNCIL: SEPTEMBER 22, 2011

PREFACE

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

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

SUBSEQUENT REVIEW & ADOPTION

OCTOBER 3, 2012

OCTOBER 1, 2013

OCTOBER 13, 2014

OCTOBER 19, 2015

I. BACKGROUND

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

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

II. DEFINITIONS & CATEGORIES

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

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

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

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

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

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

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

III. POLICY

Committed Fund Balance

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

Assigned Fund Balance

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

Order of Expenditure of Fund Balance

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

Minimum Unassigned Fund Balance

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

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

Non-Governmental Fund Balance

The fund balance categories discussed above do not apply to proprietary funds according to GASB 54. While not required by the GASB, the City recognizes the need to apply a minimum balance policy to the proprietary funds maintained by the City. Therefore, the City shall maintain a minimum ending working capital balance (current assets minus current liabilities) of at twenty-five percent (25%) of budgeted expenditures for the Water/Sewer Fund. If the working capital level should fall below the desired minimum, the City will implement necessary corrective action within a five-year plan to restore the working capital balance to twenty percent (25%) of budgeted expenditures.

IV. ANNUAL REVIEW

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

Staff Report to the Honorable Mayor and City Council

Date: October 26, 2015

Agenda Item No: DECISION ITEMS - R.

I. Subject:

Consider approval of an Ordinance 579 amending the city's schedule of administrative fees

II. Originated by:

Finance Director, 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 March 16, 2015 (Administrative Fees & Permit & Inspection Fees). For the purposes of this update, City staff would like to add some new fees. We have also reformatted and reorganized the Schedule of Fees to make it easier to utilize. In terms of staff's reasoning for the denoted items:

Planning and Development Section (page 6): Due to the increased cost associated with the engineering services associated with Preliminary, Minor and Final plats for major developments, we have added fees to the schedule. With the option of setting up escrows for major developments to pay an amount upfront that can be refunded if not fully utilized. We have also added a conditional use permit and commercial site plan review.

Utility Billing, Public Works, Water and Wastewater Section (page 7): We have set a flat fee associated with fire hydrant meters (construction meters) that covers the cost of the meters for the few months they are being used instead of charging the same monthly base rate for the meter that residents and commercial entities use.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Ordinance 579	Ordinance 579.docx
2.	Exhibit "A" - Schedule of Fees 2016	Schedule of Fees (Proposed) 2016.pdf

ORDINANCE NO. 579

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 19th day of October, 2015.

ATTEST:

APPROVED:

City Secretary, Leslie Galloway

Mayor, Brian Johnson

APPROVED AS TO FORM AND LEGALITY:

City Attorney, Wayne K. Olson

EXHIBIT B: SCHEDULE OF FEES

(10-19-15 Final)

SERVICE	COST	NOTES
ADMINISTRATIVE		
CHECK AND CREDIT CARD TRANSACTIONS		
Credit Card Payments		
Municipal Court and Permitting	3%	When payment of any fee, fine, court cost or other charge related to Kennedale Municipal Court or Permitting is made by credit card via phone, online or in-person, a fee equaling three (3) percent per fee, 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 and Other Departments Not Listed	No Charge	When payment of any fee or other charge related to Kennedale Utility Billing (or any other miscellaneous activity not listed here) is made by credit card online, by phone (817-985-2120), or in-person, no fee will be required.
Returned Check/Declined Credit Transaction Fee (All Departments)	\$30.00	
CODE ENFORCEMENT		
Lien Assessment Fee	Actual Cost	Plus \$100.00 administrative fee
Mowing, Cleaning, and/or Boarding Property (By Contractor)	Actual Cost	Plus \$100.00 administrative fee
FACILITY RENTALS/RESERVATIONS		
<i>Ballfields (Village Street off of Averett Rd.; Subfacility of Sonora Park)</i>		
General Reservations (Residents and Non-Residents)	\$25.00	Per two (2) hour block
<i>Kennedale Youth Association (KYA) Annual Lease Agreement</i>		
<i>Community Center (316 W Third St.; in the Kennedale Public Library Building)</i>		
Deposit (applies to all Community Center rentals)	\$150.00	May be returned, dependent upon satisfactory inspection by staff
Non-Residents	\$40.00	Per hour, during library's normal hours; Minimum of \$100 charge per rental
	\$50.00	Per hour, during library's closed hours; Minimum of \$100 charge per rental
Residents	\$30.00	Per hour, during library's normal hours; Minimum of \$100 charge per rental
	\$40.00	Per hour, during library's closed hours; Minimum of \$100 charge per rental
<i>Pavilions (TownCenter Park at 405 Municipal Drive; Sonora Park at 263 S. New Hope Rd.)</i>		
Deposit (applies to all pavilion rentals)	\$50.00	May be returned, dependent upon satisfactory inspection by staff
Non-Residents	\$120.00	For 2 Hours, \$180 For 4 Hours, \$230 For 6 Hours, \$280 For 8 Hours
Residents	\$60.00	For 2 Hours, \$90 For 4 Hours, \$115 For 6 Hours, \$140 For 8 Hours
<i>Senior Center Banquet Room (420 Corry A. Edwards Dr.)</i>		
Deposit (Members)	\$75.00	May be returned, dependent upon satisfactory inspection by staff
Members	\$75.00	Per day
Deposit (Non-Members)	\$150.00	May be returned, dependent upon satisfactory inspection by staff
Non-Members	\$125.00	Per day
LIBRARY		

EXHIBIT B: SCHEDULE OF FEES

(10-19-15 Final)

Overdue Book	\$0.25	Per day
Photocopies From Copier (Only Black and White Available)	\$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	\$1.00	
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, \$0.25 each additional page
Transmittal Fax Only (Long Distance)	\$2.00	First page, \$0.50 each additional page
POLICE DEPARTMENT		
Fingerprinting of Residents for Background Checks	\$10.00	Per Card
Vehicle Accident Report	\$6.00	Per copy
Offense or Arrest Report	\$1.50	Per report, plus \$0.10 per page for additional copies

EXHIBIT B: SCHEDULE OF FEES

(10-19-15 Final)

SERVICE	COST	NOTES
PERMITS AND INSPECTIONS		
NOTE: Minimum Fee For Any Single Permit or Inspection, Listed or Unlisted, Regardless of Department	\$55.00	Excluding signs
Construction Table Based on Total Valuation of Project (Used for Building Code Pricing Below)		
\$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, up 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, up 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, up 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, up 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, up 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, up to and including \$1,000,000.00
\$1,000,001.00+	\$5,608.75	For the first \$1,000,000.00, plus \$3.65 for each additional \$1,000.00, or fraction thereof
BUILDING CODE PERMITS, INSPECTIONS AND PLAN REVIEWS		
Accessory Building (Min. 175 ft ²)	Varies	Consult Construction Table (above)
Alterations and Repairs To Existing Structures	Varies	Consult Construction Table (above)
Building Code Appeal	\$100.00	
Canopy - Larger than 400 ft ²	\$55.00	
Carnival or Temporary Amusement	\$55.00	
Carport	Varies	Consult Construction Table (above)
Contractor Registration, Initial (Article XIII, Chapter 4 Of City Code)	\$100.00	
Contractor Registration, Annual Renewal	\$50.00	If not renewed within 30 days of expiration, renewal fee is \$100.00.
Detached Garage	Varies	Consult Construction Table (above)
Demolition	\$55.00	
Drive Approach	\$55.00	
Fence, Retaining Wall, Screen Wall	Varies	Consult Construction Table (above)
Fireplace	Varies	Consult Construction Table (above)
Moving Building into the City	\$100.00	
Patio Cover	Varies	Consult Construction Table (above)
Portable Building (Min. 175 ft ²)	Varies	Consult Construction Table (above)

EXHIBIT B: SCHEDULE OF FEES

(10-19-15 Final)

Signs	Varies	Consult Construction Table (above)
Swimming Pool and/or Hot Tub (Above Ground)	Varies	Consult Construction Table (above)
Swimming Pool and/or Hot Tub (In-Ground)	Varies	Consult Construction Table (above)
Tent (Commercial) - Larger Than 200 ft ²	\$55.00	
Tree Mitigation Fee	\$200.00	Per caliper inch
Underground Storage Tanks (Includes Gas Lines To Tank)	Varies	Consult Construction Table (above)
ELECTRICAL CODE PERMITS AND INSPECTIONS		
Apartments, Condominiums, Triplex, Etc.	\$0.05	Per ft ² ; Minimum calculation of \$55.00
Commercial/Industrial New Construction	\$0.06	Per ft ² ; Minimum calculation of \$55.00
Single Family, Duplex, Townhouse, Etc.	\$0.06	Per ft ² ; Minimum calculation of \$55.00
Contractor Registration, Initial (Article XIII, Chapter 4 Of City Code)	\$100.00	
Contractor Registration, Annual Renewal	\$50.00	If not renewed within 30 days of expiration, renewal fee is \$100.00.
Electric Generators Used By Carnival, Circuses, Traveling Shows, Exhibits	\$55.00	
Electrical Code Appeal	\$100.00	
Fixed Residential Appliances, Receptacle Outlets, Etc.	\$55.00	(As Defined by city code)
Minimum For Any Single Permit	\$55.00	(Except Temporary Construction Pole Reconnects)
Swimming Pool, In-Ground, Residential	\$110.00	
Receptacles, Switch, Lighting or Other Outlet Holding Devices	\$55.00	
Reinspection Fee	\$55.00	
Services of 600 Volts or Less		
Less than 200 Amps	\$55.00	
600+ Volts or 1,000+ Amps	\$55.00	
Each Power Apparatus (As Defined By City Code)	\$2.00	
Rating in Horsepower, Etc.		
Up To And Including 1, Each	\$55.00	
Over 1, Up To And Including 10, Each	\$55.00	
Over 10, Up To And Including 50, Each	\$55.00	
Over 50, Up To And Including 100, Each	\$55.00	
Over 100, Each	\$55.00	
Signs, Outline Lighting, or Marquees		
One Branch Circuit, Each	\$55.00	
Additional Branch Outlets	\$55.00	
Temporary Power To Any Structure (Maximum Of Ninety (90) Days)	\$55.00	
MECHANICAL CODE PERMITS AND INSPECTIONS		
Contractor Registration, Initial (Article XIII, Chapter 4 Of City Code)	\$100.00	
Contractor Registration, Annual Renewal	\$50.00	If not renewed within 30 days of expiration, renewal fee is \$100.00.

EXHIBIT B: SCHEDULE OF FEES

(10-19-15 Final)

HVAC (Heating/Cooling Systems)	\$110.00	\$55 Per air handling unit (e.g. inside unit + outside unit = \$110.00)
Replacement of Furnaces, Condensing Unit or Cooling/Heating System	\$55.00	
Vent-A-Hood (Commercial)	\$55.00	
Re-Inspection Fee	\$55.00	
Mechanical Code Appeal	\$100.00	
PLUMBING CODE PERMITS AND INSPECTIONS		
Apartments, Condominiums, Triplex, Etc.	\$0.05	Per ft ² ; Minimum fee of \$55.00
Commercial/Industrial New Construction	\$0.06	Per ft ² ; Minimum fee of \$55.00
Single Family, Duplex, Townhouse, Etc.	\$0.06	Per ft ² ; Minimum fee of \$55.00
Contractor Registration, Initial (Article XIII, Chapter 4 Of City Code)	-	Not required for plumbers.
Unit Fee Schedule		
Building Water Line	\$55.00	Each
Building Sewer Line	\$55.00	Each
Fireplace Piping and Valve	\$55.00	
Gas Fired Applicable W/Special Vent Pipe	\$55.00	
Gas Piping System (1-4 Outlets)	\$55.00	Each
Gas Piping System (5+ Outlets)	\$55.00	Each
Industrial Waste Pre-Treatment Interceptor	\$55.00	
Installation/Repair of Water Piping and/or Water Treatment Equipment	\$55.00	
Lawn Sprinkler System On Any One Meter, Including Backflow Protection	\$55.00	Each
Private Sewage Disposal System	\$55.00	
Repair of Existing Piping	\$55.00	
Repair or Alteration of Drainage or Vent Piping	\$55.00	
Gas Line Pressure Check	\$55.00	
Plumbing Fixture, Trap or Set Fixture, Etc.	\$55.00	Each
Yard Line Pressure Check	\$55.00	
Plumbing Code Appeal	\$100.00	
Reinspection Fee	\$55.00	
REGISTRATION AND MISCELLANEOUS PERMITS		
Business License	\$25.00	
Home Business License	\$25.00	
Certificate of Occupancy (CO)	\$55.00	
Contractor Registration, Initial (Article XIII, Chapter 4 Of City Code)	\$100.00	
Contractor Registration, Annual Renewal	\$50.00	If not renewed within 30 days of expiration, renewal fee is \$100.00.
Garage Sale Permit	\$10.00	No more than three (3) garage sales per address per year.
Gathering Station Inspection	\$1,000.00	

EXHIBIT B: SCHEDULE OF FEES
(10-19-15 Final)

Itinerant Vendor License	\$100.00	Contact the Police Department Records Dept. at 817-985-2160, ext. 2219
Sub-Division Construction Inspection Fee	4%	Of construction cost
Tree Removal Permit	\$150.00	Per acre; \$150 minimum charge
OIL AND GAS WELLS		
Annual Air Sampling And Reporting Fee Per Low-To-Moderate Impact Pad Sites (As Determined By City Official(s))	\$12,000.00	
Annual Air Sampling And Reporting Fee Per High Impact Pad Site (As Determined By City Official(s))	\$45,000.00	May be paid in quarterly installments
Annual Air Sampling And Reporting Fee As Needed	\$12,000.00	Per instance of additional monitoring
Annual Inspection Per Well	\$2,000.00	\$300 per additional well on same pad site
Well Requested On Application for Pad Site	\$5,000.00	Per well
PLANNING AND DEVELOPMENT		
Annexation, Request for	\$200.00	
Commercial Site Plan Review	\$500.00	Engineering review fee; In additional to applicable permitting fees
Conditional Use Permit	\$500.00	
Easement or Right-Of-Way Abandonment, Request for	\$300.00	
Zoning		
Zoning Change or Amendment for Less Than 10 Acres, Request for	\$500.00	
Zoning Change or Amendment for 10+ Acres, Request for	\$1,500.00	
Rezone Less Than 10 Acres to Planned Development District (PD)	\$750.00	
Rezone 10+ Acres to Planned Development District (PD)	\$1,500.00	
Plats		
Minor Plat, Vacated Plat, Amended Plat	\$300.00	Plus \$10.00 per lot
Minor Plat Engineering Review Fee	\$200.00	
Preliminary Plat	\$300.00	Plus \$10.00 per lot
Preliminary Plat Engineering Review Fee	\$1,000.00	
Replat (0-10 Acres)	\$500.00	
Replat (10+ Acres)	\$1,500.00	
Final Plat	\$300.00	Plus \$10.00 per lot
Final Plat, Replat Engineering Review Fee	\$2,500.00	Placed in escrow; unused funds can be requested for return
Renotification	\$125.00	Cost to republish legally required notifications after a request for date change
Special Exception, Request for	\$250.00	
Variance, Request for	\$250.00	
Printouts/Copies From Plotter	\$1.00	Per Square Foot (ft ²)
UTILITY BILLING PUBLIC WORKS WATER AND WASTEWATER		
Deposits		

EXHIBIT B: SCHEDULE OF FEES

(10-19-15 Final)

Residential Water (Owner Occupied)	\$60.00	If an account is finaled out for nonpayment, re-establishment of service requires a deposit of 2X the normal fee. Accounts are associated with the name of the responsible party (or parties); not the address.
Residential Sewer (Owner Occupied)	\$30.00	
Residential Water (Tenant Occupied)	\$90.00	
Residential Sewer (Tenant Occupied)	\$60.00	
Commercial/Industrial w/High Consumption	Varies	1/6 of annual consumption
Commercial Water	\$90.00	
Commercial Sewer	\$60.00	
Water for Cleanup (15 Day Temp Service)	\$30.00	Per day
Use of Bulk Water Meter (Fire Hydrant)	\$600.00	Plus \$50 service fee
Use of Bulk Water Meter (Gas Drilling)	\$1,000.00	Plus \$50 service fee
Use of Bulk Unmetered Water	Varies	(rate) X (estimated gallons)
Disconnect Service At The Main	Actual Cost	
Liquid Waste Permit	\$50.00	The Building Inspection and Public Works departments regulate the installation, maintenance, and the transportation of liquid wastes. Questions? Call 817-985-2170.
Liquid Waste Trip Ticket Book	\$20.00	
Move City Utilities	Actual Cost	
Private Water Well Permit And Inspection	\$75.00	
Water Administrative Fee	\$20.00	Assessed when an account appears on the cut-off list; In addition to the late fee.
Water Transfer Fee	\$15.00	
Wrecker License/Permit	\$20.00	
Utility Equipment	Actual Cost	Meter, meter base, MTU, register, bullhead, and any other associated equipment installed for water/sewer metering
WATER AND WASTEWATER FEES		
Fire Hydrant Fee (Construction Meter)	\$79.50	Monthly base charge
Meter Calibration Fee (When Executed By City Staff)	\$45.00	Charges not incurred if meter is found to be inaccurate.
Meter Calibration Fee (When Executed By Independent Contractor)	\$125.00	
Meter Set Reinspection Fee	\$100.00	
Meter Tampering, Tampering With Lock, Or Cutting Lock On Meter	\$200.00	Per offense, plus actual cost of repair or replacement
Water Tap Fee (No Street Cut)		
¾" (.75")	\$475.00	Plus \$300 meter set fee; plus cost of meter
1"	\$525.00	Plus \$350 meter set fee; plus cost of meter
1½" (1.5")	\$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 of meter set fee; plus cost of meter
Water Tap Fee (With Street Cut or Bore)		
¾" (.75")	\$925.00	Plus \$300 meter set fee; plus cost of meter
1"	\$975.00	Plus \$350 meter set fee; plus cost of meter
1½" (1.5")	\$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

EXHIBIT B: SCHEDULE OF FEES

(10-19-15 Final)

3" or Larger	Varies	Plus actual cost of 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	
FIRE DEPARTMENT		
Ambulance Fees	Actual Cost	Established according to reasonable and customary reimbursement allowances of applicable insurance carriers; reviewed and approved quarterly by the City Manager.
Building/Fire Plan Review	\$55.00	
EMS Report	\$15.00	
False Alarm (3 rd +)	\$55.00	Beginning with the 3 rd , the fee doubles for each subsequent false alarm
Fire Code Appeal	\$100.00	
Fire Inspections		
Annual, Bi-Annual of Certificate of Occupancy (CO)	No Charge	
Re-Inspection	No Charge	
2 nd Re-Inspection	\$55.00	
3 rd + Re-Inspection	Varies	Beginning with the 3 rd , the fee doubles for each subsequent re-inspection
Fire Suppression Systems	\$55.00	
Fire Report	\$15.00	
Site Plan Review	\$55.00	
Standby		
Brush Truck	\$75.00	Hourly
Engine	\$150.00	Hourly
Fire Marshall	\$40.00	Hourly
HazMat Squad	\$300.00	Hourly
Paramedic	\$30.00	Hourly
NOTE: Minimum Fee For Any Single Permit or Inspection, Listed or Unlisted, Regardless of Department	\$55.00	Excluding signs