

KENNEDALE CITY COUNCIL AGENDA
SPECIAL MEETING
September 8, 2016
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

REGULAR SESSION at 7:00 PM

I. CALL TO ORDER

II. REGULAR SESSION

III. ROLL CALL

IV. DECISION ITEMS

- A. Public hearing to receive input on the Fiscal Year 2016-2017 Proposed Budget.
 - 1. Staff Presentation
 - 2. Public Hearing
 - 3. Staff Response and Summary

V. EXECUTIVE SESSION

A. The City Council may meet in closed session at any time during the work session or the regular session, pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion on any item posted on the agenda.

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. Purchase of right-of-way for the extension of Link Street at 5750 Kennedale Parkway

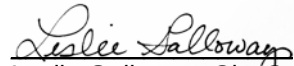
VI. RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED

VII. 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 September 8, 2016, 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.

A handwritten signature in cursive script, reading "Leslie Galloway", is written over a light blue rectangular background.

Leslie Galloway, City Secretary

Staff Report to the Honorable Mayor and City Council

Date: September 8, 2016

Agenda Item No: DECISION ITEMS - A.

I. Subject:

Public hearing to receive input on the Fiscal Year 2016-2017 Proposed Budget.

1. Staff Presentation
2. Public Hearing
3. Staff Response and Summary

II. Originated by:

Finance Director, Director of Finance & IT

III. Summary:

According to Chapter 102, Section 102.006 of the Local Government Code, "the governing body of a municipality shall hold a public hearing on the proposed budget. Any person may attend and may participate in the hearing." The governing body shall also provide for public notice of the date, time and location of the hearing. This was accomplished in the Fort Worth Star Telegram on August 24, 2016.

City Staff will make a summary presentation prior to council receiving public comments, if any, on the FY2016-2017 proposed budget.

Lastly, Section 102.007 of the Local Government Code on Municipal Budget states that "at the conclusion of the public hearing, the body of the municipality shall take action on the proposed budget." Because it is Council's intent to adopt the budget on September 19, 2016 and not at this specific meeting, Council must still take some kind of action to satisfy the aforementioned requirement. Staff recommends that council take formal action to table adoption of the budget at a later time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve
Postpone/Table
None

VII. Alternative Actions:

This is a public hearing only. The 2016-2017 budget and tax rate will be adopted, and the budget ratified during a special session on September 19, 2016.

IN ORDER TO SATISFY SECTION 102.007 OF THE LOCAL GOVERNMENT CODE, COUNCIL MUST MAKE THE FOLLOWING MOTION:

I MOTION TO APPROVE THE TABLING/MOVING OF THE ADOPTION OF THE FY2016-2017 BUDGET TO SEPTEMBER 19, 2016 SINCE WE WILL NOT BE TAKING SPECIFIC ACTION AT THIS MEETING.

VIII. Attachments:

1.	Proposed FY2016-17 Budget	Proposed City of Kennedale 2016-17 budget_PACKET2up.pdf
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Proposed Budget Fiscal Year 16-17

OCTOBER 1, 2016 – SEPTEMBER 30, 2017

ADAPTED FROM STAFF'S PRESENTATION
TO COUNCIL AT THE BUDGET WORKSHOP
FRIDAY, AUGUST 12, 2016, IN CITY HALL

View the Proposed Budget at cityofkennedale.com/budget



MEETING DATES

7:00 p.m. Thursday, September 8 – Public Hearing: Proposed FY 16-17 Budget

Residents may address Council regarding the Proposed Budget at this meeting. See the final slide for information.

6:30 p.m. Monday, September 12 – Citizen Input Meeting with Water/Wastewater Rate Review Committee

Residents will hear the committee's proposed recommendations to Council and can sign up to provide feedback or ask questions.

5:30 p.m. Monday, September 19 – City Council Work Session

Water/Wastewater Rate Review Committee Report

Work Sessions are informational only. No action will be taken by Council, and there will be no opportunity for public comment until the Regular Meeting, which includes a Public Hearing on this topic.

7:00 p.m. Monday, September 19 – City Council Regular Meeting

Consider Adoption of Budget and Tax Rate (No Public Hearing on this Topic Tonight; See Sept. 8th);

Public Hearing on Newly Proposed Water/Wastewater Rates; Consider Adoption of Proposed Rates

Residents may address Council regarding the Water/Wastewater Rate Review Committee's newly proposed water and wastewater rate structure at this meeting. See the final slide for information.

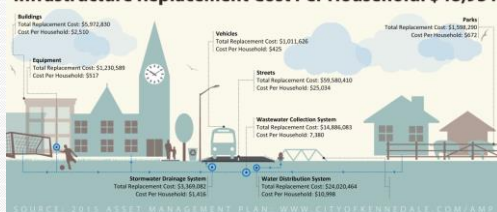
FY16-17 BUDGET & TAX RATE FACT SHEET

Budgeted Projects to Achieve 'Ends'

[View Ends Statement and Governance Documents](#)

- **Strategic Plan Update** to 2025 (Currently 2015)
- **Healthy Youth & Families Initiative**
- **Community Events** (*Brickworks Festival Suspended*)
- **Housing Developments:** The Glen of Village Creek, Hilltop, The Vineyards, Falcon Crest, Senior Housing, and TIRZ Projects
- **Kennedale Parkway** Access Study
- **Village Creek** Redevelopment Projects
- **Park** Projects and Expansions
- **Personnel:** Staffing and Insurance Changes; Succession Planning
- **Economic Development Corporation (EDC):** Demolish Chicken Express; TownCenter Buildings 6 and 7; Oak Crest Development; Kennedale Parkway Development; Bloxom Business Park Development
- **Asset Management Plan:** Vehicles and Equipment, Facility Repairs, Road Projects, Pavement Analysis, Wastewater Projects, and Technology

Infrastructure Replacement Cost Per Household: \$48,951



Community Direction

- Establish Sustainable Community Goals
- Redevelop Oak Crest and Kennedale Pkwy.
- Restore Village Creek
- Subdivision in Southwest Kennedale
- Excellent Road Network
- Interconnected Linear Parks
- Develop Excellent, Innovative Organization

Considerations

- **Property Tax:** TAD Appraisal Values; Tax Rates and Exemptions; Growth Offset by Decrease in Mineral Values
- **Utility Rates:** Arlington Sewer Fee: 150% Increase since '12; Negative Cash Balance; Master Plan and Efficiency Projects
- **Water/Wastewater Fund:** Working Capital; Long-Term Supply and Treatment; System Improvements
- **Land Use Values:** Improvement Needed to Become More Attractive to Businesses
- **Street Fund:** Overall Decline of Franchise Fees; Reduction of Water/Wastewater Fund Franchise Fee from 11% to 9%
- **Stormwater Fund:** Potential Erosion Damage to Public and Private Properties

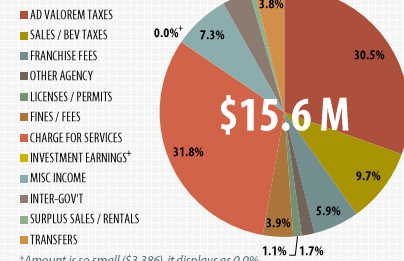
FY16-17 BUDGET & TAX RATE FACT SHEET

Current Tax Rate (FY15-16)	76.75
Proposed Tax Rate (FY16-17)	76.75
Effective Tax Rate	77.47
Rollback Tax Rate	82.22
New Construction Added	\$26 Million
Mineral Value Decline	(\$24 Million)

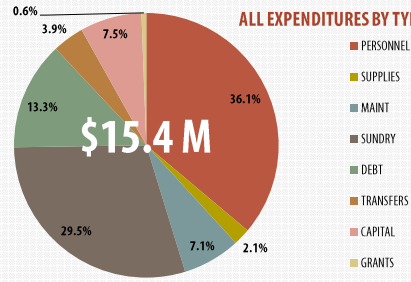
Major Funds	Revenues	Expenditures	Fund Balance*
GENERAL	\$6.221 M	\$6.367 M	16.5%**
STREETS	\$969 K	\$894 K	8.7%**
WATER/WASTEWATER	\$4.992 M	\$4.819 M	6.1%**

*Projected End-of-Year Cash Balance; ** Percent of Annual Budget

ALL REVENUES BY TYPE



ALL EXPENDITURES BY TYPE



Tax Facts

- 1¢ Increase on Property Tax Rate = \$58,299 in Additional Revenue
- Property Taxes: 57.7% of General Fund Revenue
- Sales Taxes: 18.7% of General Fund Revenue (Projected 2% Decline in FY16-17)
- Ultimate Goal: Property Tax Revenue = Sales Tax Revenue

HOW DO WE GET THERE?

NEW HOMES AND NEIGHBORHOODS leads to →
 INCREASED POPULATION & DENSITY leads to →
 BEING MORE ATTRACTIVE TO BUSINESSES leads to →
 HIGHER SALES TAX REVENUES leads to →
 DECREASED DEPENDENCE ON PROPERTY TAX

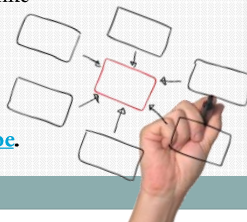
GOVERNANCE

The budget is a 'means' document to achieve 'ends' articulated by City Council in the adopted Ends Statement (next page).

Considerations

What benefit? For whom? At what cost?

Watch for a flyer in your September utility bill (which will arrive around the first week of October) for the **Resident Survey**. Responses will guide the [Strategic Plan](#) update. If you'd like to receive an email reminder when the [survey](#) is available in October, please **sign up for the monthly newsletter at** cityofkennedale.com/subscribe.



STAFF INTERPRETATION

Ends (Vision) Statement

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

[View Governance Documents](#)

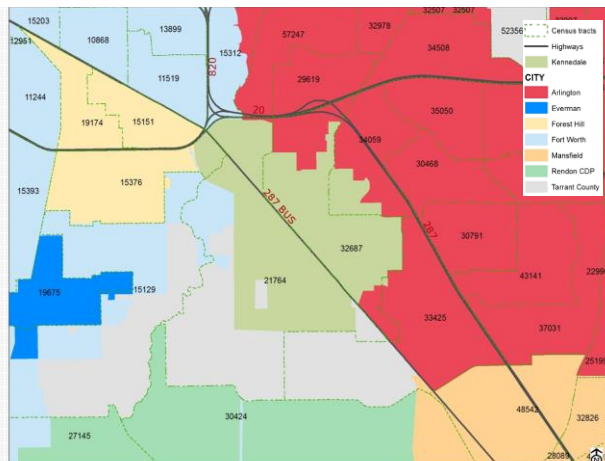


AREAS OF FOCUS DURING THIS AND COMING YEARS

- Create a Community Based on Sustainable Goals
- Redevelop Oak Crest
- Restore Village Creek
- Establish Residential Subdivision in Southwest Kennedale
- Redevelop Kennedale Parkway
- Develop an Excellent Road Network
- Create an Interconnected Linear Park System
- Build an Organization of Excellence and Innovation

DEVELOPMENT CHALLENGES

The lower incomes to the south and west (and higher to the north and east) push many developers towards the highway intersections at Little or Sublett Roads.



These **PER CAPITA INCOME** numbers have historically hindered economic development efforts. However, the changes on Kennedale Parkway show that the tides are turning. McDonald's opens across from QuikTrip in September, and TownCenter buildings 6 and 7 will open by early 2017, housing the new Chicken Express, Dickey's Barbecue, a cozy bar and grill, and an event rental space.

ADDRESSED ON MULTIPLE FRONTS

- **Housing Development:** Tax Increment Reinvestment Zone; and Park Expansion
- **Village Creek:** Flood Control Study (by the [Army Corp of Engineers](#)); Water Quality Studies (by UTA and Trinity River Authority ([TRA](#))); [iSWM](#) (integrated Stormwater Management); FEMA Community Rating System ([CRS](#)); Partnership with [Dr. Alexander Sun](#) through the American Geophysical Union (AGU) [Thriving Earth Exchange](#) Program (*at no cost to city*); and Kennedale Parkway Redevelopment and focused Code Enforcement efforts

TAX INCREMENT FINANCING (TIF) is a tool to publicly finance infrastructure improvements in a designated area – a **TAX INCREMENT REINVESTMENT ZONE (TIRZ)**. The cost is repaid by the future tax revenues of each taxing unit that levies taxes against the property. [Find out more...](#)



ADDRESSED ON MULTIPLE FRONTS

- **TownCenter:** Increased density with Hilltop and TIRZ developments helps attract retail, lessening the city's dependence on property tax
- **Oak Crest:** [Tarrant County Interlocal Road Projects](#); and Development by the Kennedale Economic Development Corporation ([EDC](#))
- **Streets:** [County Interlocal Projects](#)
- **Community and Organizational Development:** Attracting and Retaining Quality Staff
- **Parkland Partnership:** Kennedale Arts & Culture Foundation

A healthy municipal tax revenue mix is split evenly between property and sales tax. **Kennedale relies too heavily on property tax versus sales tax.**

For FY16-17, property tax is projected to be about 76% of total tax revenue (which is about 57.7% of all General Fund revenue), with sales tax accounting for just 24% of tax revenue. To balance this split, the community needs to attract new businesses. The more 'rooftops' that are added, the easier that becomes.



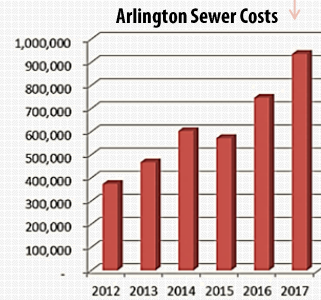
WHAT IS THE PARKLAND PARTNERSHIP?

By placing future parkland in a foundation trust, it can later be transferred back to the city, and the land value counts towards any required local match for the corresponding grant.

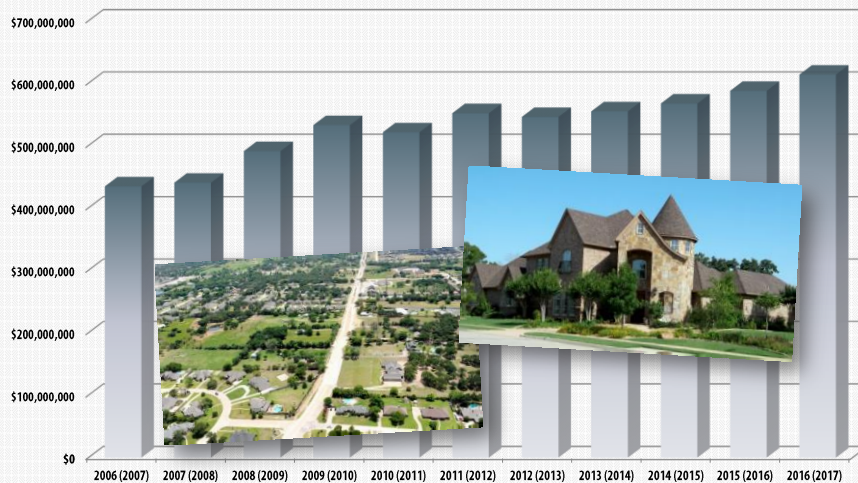
POLICY IMPLICATIONS & FACTORS

Traditional
Reactive
Approach
VERSUS
Proactively
Creating
Future
*...but at
what pace?*

- Property Taxes and Exemptions
- Utility Rates: Our wastewater flows through the City of Arlington's system to the Trinity River Authority (TRA) Treatment Facility. There has been a 150% increase in this charge since 2012
- Land Use Values: Must improve to become more attractive to businesses
- Street Fund Concern: Decline of franchise fees
- Stormwater and Erosion: Potential to damage both public and private properties



PROPERTY VALUES



PROPERTY TAXES & EXEMPTIONS

- FY 2015-16 Tax Rate:
76.75¢ per \$100 in valuation
- Effective Rate: 77.47
- Over the past year, we've added \$26 Million in new property values, but with the drastic drop in mineral valuations (-\$24 Million), the effective tax rate is actually higher than our tax rate. That means in order to equal last year's revenue, we'd have to raise taxes by almost one cent. However, the tax rate will not increase for the coming year.

- Kennedale has 2,935 residential properties, with a value of \$427 Million
- Of those, 494 accounts take advantage of the **Over 65 Exemption** (\$50K)

WHAT'S AN EFFECTIVE TAX RATE?

A calculation of what the tax rate should be for the coming year to bring in the same revenue as the current year. It's usually not higher than the current tax rate, but the drop in mineral values alone almost completely cancelled out the property value added this year.

WHERE DO MY TAXES GO?

Property and sales tax revenue goes to the General Fund, which is separate from the Water/Wastewater and Street Funds. Kennedale has three major funds, which increases transparency and accountability. Franchise fees go to the Street Fund, and water billing revenue goes to the Water/Wastewater Fund.

MUNICIPAL FINANCE OVERVIEW

PRIMARY REVENUE	MAJOR FUNDS
Sales & Property Tax →	General Fund
Franchise Fees →	Street Fund (<i>Special Revenue</i>)
Monthly Utility Bills →	Water/Wastewater Fund (<i>Enterprise</i>)

Fund balance (*available cash; not including other assets*) measures the financial health of a fund. There is an acceptable range because, of course, you can have too little, but you can also have too much. The City of Kennedale's current adopted fund balance policy is 25% (of the annual budget), but Council is considering amending it to 17%. Most governments are within the 15-25% range.

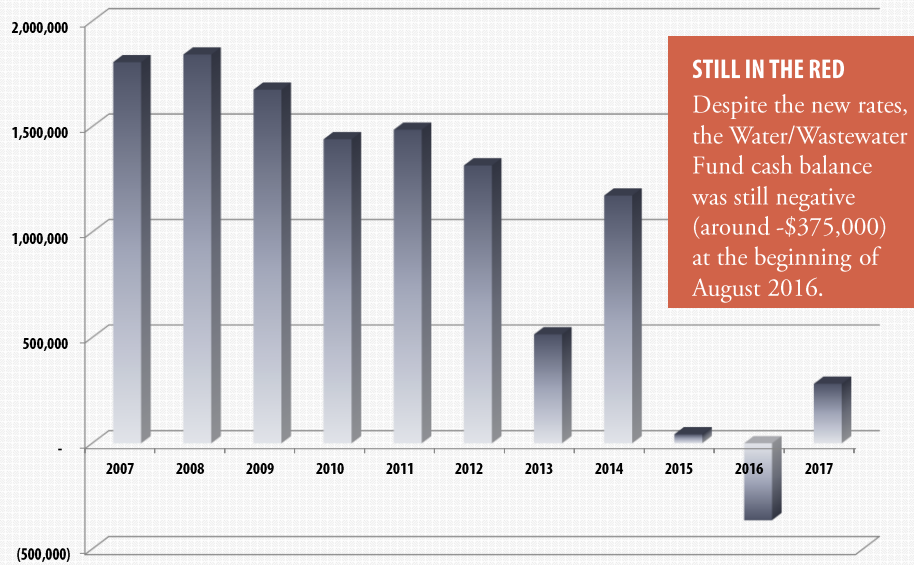
Government budgets aren't estimates of what might be spent. Rather, they set the maximum amount that can be spent during the current fiscal year. Expenditures (also called "appropriations") cannot exceed the adopted amount unless the budget is formally and publicly amended. Kennedale's **fiscal year** runs from October 1st through September 30th.

Finally, staff must always consider **long-term** projections and only add services that are sustainable, move the community towards its adopted vision, and support the service levels expected by residents and other stakeholders.

THE CITY OF KENNEDALE HAS **27 FUNDS**

The main revenue sources for a municipality are **sales and property tax, franchise fees, and utility bills**. Individual funds are created for various reasons (*including statutory or grant requirements or for accounting purposes*), and each is viewed in a vacuum, without consideration of the entity's other funds. Activity not assigned to a specific fund is accounted for in the **General Fund**, where money can be used for general purposes (*including personnel, maintenance, and supplies*). **Enterprise Funds**, on the other hand, are used for complex services like utilities to separate the associated costs and revenues, rather than commingling them with everyday activity and spending. Through this accounting method, financial health of a specific service is more easily evaluated.

WATER/WASTEWATER FUND CASH BALANCE



LAND USE VALUES (PER ACRE)

Wells Fargo	\$3,072,200
QuikTrip	\$1,326,935
Watson Glass	\$928,156
Burger Box	\$408,855
Speed Fab	\$129,000



Salvage Yards

Apple	\$63,155
AB	\$41,157
Apache	\$30,233
Mazda-Nissan	\$22,523
Speedway	\$10,928

These numbers account for not only the inherent value of land and improvements, but also contributions to the City of Kennedale's revenue stream through taxes.

STREETS: FRANCHISE FEES

- In FY15-16, Kennedale will collect about \$993,640 in franchise fees, and \$926,966 in FY16-17 (*a loss of \$66,674 in this line item*). Most of this is due to the decrease in landline phone service and the movement away from cable TV (to streaming and satellite services).
- The Water/Wastewater Fund has been paying an 11% franchise fee to the Street Fund, but it will be 9% for FY16-17 to reduce costs. However, this puts the Street Fund at a disadvantage, which must be monitored.
- [Asset Management Plan](#)

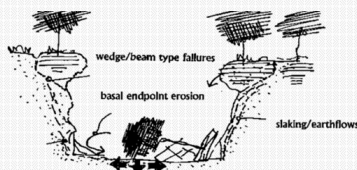
WHAT ARE FRANCHISE FEES?

A municipal franchise fee is the “rent” that a utility company pays a city to use the street right-of-ways (ROW) for its service lines.

EMERGING STORMWATER AND EROSION ISSUES AND COSTS

These projects are not currently budgeted, but are included because they are future considerations.

- Valley Lane: \$156,000
- Pennsylvania Avenue: \$360,000
- Briar Court Wastewater Line: \$350,000
- Village Creek
- [Winding Creek](#) (Bowman Springs to Sublett): \$3.5 M
- Community Drainage Issues



STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

RESIDENTS ARE ENGAGED IN COMMUNITY, CIVIC ACTIVITIES, AND EVENTS

- Update of [Strategic Plan](#) guided by Resident [Survey](#) (October 2016)
- Neighborhood and HOA Meetings
- Healthy Youth & Families Initiative
- Community Events
 - Christmas Tree Lighting, Kidfish, Bark in the Park, Library Events, Public Safety Open House, and YAC Movies in the Park, Food Truck Nights, and Trunk-or-Treat
 - Brickworks Festival suspended until Hotel Tax becomes available
- Housing Development
 - The Glen of Village Creek, Hilltop, The Vineyards, Falcon Crest, Senior Housing, and the TIRZ



STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

KENNEDALE ENTRY POINTS ARE PASTORAL AND SERENE

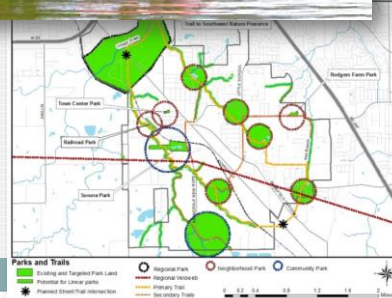
- Kennedale Parkway Access Study
 - North Central Texas Council of Governments (NCTCOG) & TxDOT
 - Southeast Tarrant Transportation Partnership [20/820/287 Interchange](#)
- Village Creek Redevelopment
 - [FEMA Voluntary Buyout Grant](#)
 - Community Rating System ([CRS](#))
 - [iSWM](#) through NCTCOG
 - [Thriving Earth Exchange](#) Project with [Dr. Sun](#)



STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

KENNEDALE HAS AN OUTSTANDING PARKS SYSTEM THAT INCLUDES NEIGHBORHOOD PARKS, A COMPREHENSIVE LINEAR PARK SYSTEM, AND RECREATIONAL FACILITIES LOCATED THROUGHOUT TOWN ([View Parks Master Plan](#))

- Restoring and Protecting Village Creek's Natural Beauty, Encouraging Leisure Sports including Kayaking
- Sonora Park Expansion
- Acquisition of Parkland along Hudson Village Creek Road
- Hike-and-Bike Trail Kennedale Branch
- Connection to Regional Hike-and-Bike Trail System ([Veloweb](#))
- Railroad-Themed Park on North Road
- Parkland Partnership with the Kennedale Arts & Culture Foundation



STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

KENNEDALE RESIDENTS RECEIVE EXCELLENT MUNICIPAL SERVICES WITH A STAFF THAT IS PROACTIVE AND RESPONSIVE TO RESIDENTS' NEEDS

- **Succession Planning**
 - Certified Public Manager (CPM)
 - Classes for Backflow/[CSI](#) (Water) and Command Fire Lieutenant
 - Command Training for Police Sergeants
 - Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) Supervisory Training for Corporals
- **Staffing Changes**
 - **Fire:** Reclassify one position to a Command Fire Lieutenant
 - **Streets/Parks & Water:** Reclassify two positions as Crew Leaders
 - **Library:** Upgrade one part-time position to full-time
 - **Finance:** Reduce one full-time position to part-time
 - **Police:** Apply for COPS Grant (for Community Resource Officer)



STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

Employee Healthcare Offering

- Claims Loss Utilization of 113% last year led to renewal offer with 33% rate increase from Blue Cross Blue Shield. In August, Council approved staff's recommendation to move to United Health Care and increase deductibles to keep overall rate increase at 7.6%.
- Offer HSA with PPO buy-up option
- Benefit of Health Trust



Turnover Rates Steadily Decreasing

	percentage	number
YTD	6.8%	5
2015	17.8%	12
2014	21.9%	15
2013	23.4%	16

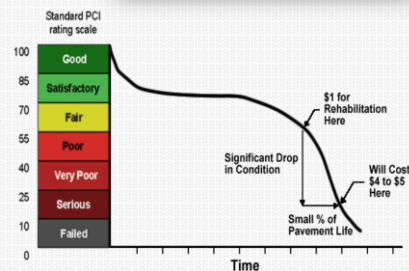
Salary Adjustments Last Fiscal Year:

- Police
- Fire
- Public Works

STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

KENNEDALE RESIDENTS RECEIVE EXCELLENT MUNICIPAL SERVICES WITH A STAFF THAT IS PROACTIVE AND RESPONSIVE TO RESIDENTS' NEEDS

- Leveraging Funds through Regional Collaboration
- Assistance from [UTA Graduate Students](#) (at no cost): Resident [Survey](#) (October 2016), Community Rating System [CRS](#) Analysis, and Healthy Youth & Families Initiative
- [Asset Management Plan](#): FY16-17 Budgeted Expenditures
 - 5 Police Vehicles, 3 Trucks, Roller, Lift, and Utility Vehicle (\$408,000)
 - Roof Repairs to City Facilities Damaged by Hail (\$215,000)
 - Reconstruction of Kennedale Everman Burleson Road (\$40,000)
 - TIRZ: Kennedale Branch Sewer Line Design (\$120,000)
 - TIRZ: New Hope Road Preliminary Design for Bridge (\$398,000)
 - Pavement Analysis through [NCTCOG](#) (\$10,000)
 - Computer Equipment and Server (\$60,100)
 - Updated Phone System (\$80,000)
 - Crestdale Sewer Line (\$250,000)
 - Community Development Block Grant (CDBG): Sewer Line Replacement (\$100,000)



STRATEGIC DISCUSSION: GENERAL FUND

- Current Tax Rate: 76.75
- Effective Tax Rate: 77.47
- Rollback Rate: 82.22
- New Construction: \$26 Million
- Mineral Value Decline:
(\$24 Million)

The decline in mineral values comes as no surprise, and is not expected to rebound in the foreseeable future. The proposed budget was developed with this revenue loss in mind.



- Actual Fund Balance: 16.2%
- Reportable Balance: 15.3%

Percentage of General Fund Revenue

- Property Taxes: 57.7%
- Sales Taxes: 18.7%
- Goal: Evenly Split; Currently about 76% property and 24% sales tax.

Considerations

- State Legislature Considering Revenue Caps
- 1¢ Increase in Tax Rate = \$58,299 in Additional Revenue

WHAT IS A ROLLBACK RATE?

The maximum tax rate allowed by law that is not subject to voter approval.
More...

STRATEGIC DISCUSSION: GENERAL FUND (ALL NUMBERS x1000)

	FY14-15	FY15-16	FY16-17
Property Tax	3,174	3,430	3,591
Sales Tax	1,491	1,205	1,164
Other	1,357	1,645	1,466
REVENUES	6,022	6,280	6,221

Personnel	3,991	4,208	4,408
O&M (Operations and Maintenance)	1,838	1,848	1,959
EXPENDITURES	5,829	6,056	6,367

	FY14-15	FY15-16	FY16-17
FUND BALANCE	17.5%	19.7%	16.5%



ALL NUMBERS x1000

STRATEGIC DISCUSSION: STREET FUND (ALL NUMBERS x1000)

	FY14-15	FY15-16	FY16-17
Franchise Fees	910	996	927
Other	354	133	42
REVENUES	1,264	1,129	969

Personnel	333	374	429
O&M (Operations and Maintenance)	489	1,342	465
EXPENDITURES	822	1,716	894

	FY14-15	FY15-16	FY16-17
FUND BALANCE	66.9%	0.1%	8.7%

ALL NUMBERS x1000

STRATEGIC DISCUSSION: WATER/ WASTEWATER FUND (ALL NUMBERS x1000)

	FY14-15	FY15-16	FY16-17
Charges for Services	3,234	4,214	4,768
Other	230	188	224
REVENUES	3,464	4,402	4,992

Personnel	541	688	726
O&M (Operations and Maintenance)	1,565	2,162	1,876
Debt	504	505	511
Fort Worth Water	470	310	451
Arlington Sewer	572	746	936
Fort Worth Sewer	18	16	18
Capital	646	130	301
EXPENDITURES	4,316	4,557	4,819

FUND BALANCE	8.4%	2.6%	6.1%
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ALL NUMBERS x1000



STRATEGIC DISCUSSION: WATER/WASTEWATER FUND ISSUES

CASH POSITION

- Fund Balance (*Working Capital*):
It will take an estimated four years to replenish to 25%
- Arlington Sewer Rate Increases
- Long-Term Water Supply
 - Current: Fort Worth and Groundwater (Wells)
 - Future: Arlington and Tarrant Regional Water District ([TRWD](#))
[Cedar Creek Reservoir Line](#)
 - [State Water Plan](#)
- Long-Term Sewer Treatment
 - Arlington and Fort Worth

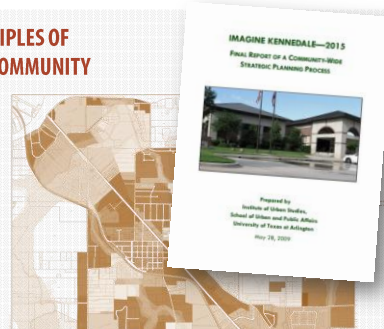
SYSTEM IMPROVEMENTS OVER COMING YEARS

- Dick Price Area Sewer Line
- Crestdale Sewer (Completed During Next Four Fiscal Years; Roughly One Per Year)
 - Magnolia/Paula
 - Timberline/Crestview
 - Paula/Timberline
 - Crestview/Reeves
- North Road/Kennedale Branch
- Loop Dead-End Line Near I-20
- Dick Price Water Storage Tank Rehabilitation
- Arlington Connection vs. Groundwater Storage and Line Expansions

STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

KENNEDALE IS A WELL PLANNED COMMUNITY BASED ON PRINCIPLES OF A CONNECTED CITY, ECONOMIC PROSPERITY, AND A THRIVING COMMUNITY

- [Strategic Plan](#) Update
(Guided by [Resident Survey](#) in October 2016)
- TIRZ (Tax Increment Reinvestment Zone)
 - Sewer Line Design and Construction
 - New Hope Road Preliminary Plan
- Replace New Hope Bridge (TxDOT)
- County Road [Bond Program](#)
(Little School Road)
- Annexation
- Amortization
- Zoning Changes
- [UDC](#) Adoption →



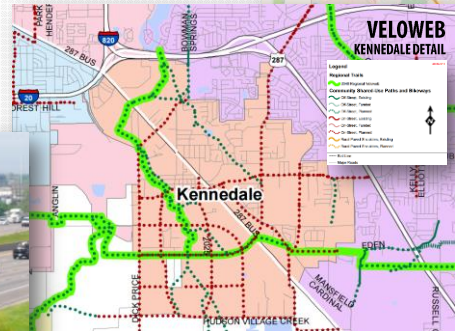
WHAT IS A UNIFIED DEVELOPMENT CODE (UDC)?

A modern set of regulatory tools (*customized for our city*) that consolidates, formats, and revises all land-use regulations into a single document. The primary change is the introduction of "Village Districts", which provide for mixed-use development in key areas. This type of development increases population density, which helps attract restaurants and retail. **Density leads the way towards a 50% property/50% sales tax revenue ratio.** [More...](#)

STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

KENNEDALE IS A CONNECTED CITY WITH A MULTI-MODAL TRANSPORTATION SYSTEM DESIGNED AND MAINTAINED TO REDUCE AUTO CONGESTION, INCREASE ACCESSIBILITY, AND ACCOMMODATE PEDESTRIANS AND CYCLISTS SAFELY AND COMFORTABLY

- TxDOT Funding of [20/820/287 Interchange](#)
Several elements have the potential to impact Kennedale, including: Signage, Exits, and Construction Schedules
- Coordination with Fort Worth's "The T"
- [Hike-and-Bike Trail](#) Coordination (Veloweb [SEE FULL TARRANT COUNTY MAP](#))
- County Road [Bond Program](#)



STRATEGIC DISCUSSION: ACHIEVING THE 'ENDS'

KENNEDALE IS ECONOMICALLY PROSPEROUS WITH AN EXCELLENT BUSINESS CLIMATE TO SUPPORT LIGHT INDUSTRIAL, EMPLOYMENT CENTERS, AND DISTRIBUTION FACILITIES THAT ARE COMPATIBLE WITH THE VISION

- TownCenter Development
 - Remodel Building 1
 - Two New Buildings: 6 and 7
 - Demolish Chicken Express
- Oak Crest Development
 - McDonald's
 - Pad Site and Hotel
 - Cross Access Easement (QT & Popeye's Parking Lot)
 - Speculative Office Building
 - Oak Crest/Gilman Alignment
- Kennedale Parkway: Light Industrial Development
- Bloxom Business Park Development



August 5th Groundbreaking Ceremony for TownCenter Buildings 6 and 7, which will house a new Chicken Express, Dickey's Barbecue, an event space, and a bar and grill. These new buildings and businesses are scheduled to be open around the turn of the year.

TAKEAWAYS

- Update the [Strategic Plan](#) (to 2025)
- Utility Challenges and Cash Position
- Use of Debt (to Finance Future Improvements)
- Limited Street Reconstruction
- [County Transportation Program](#)
- TxDOT Interchange Plans ([20/820/287](#))
- Limited Resources
- Village Creek: Restoration and Tributary Challenges
- Land Use: Redevelopment and Annexation
- Fund Balance Policy
- Legislative Activity



UPCOMING MEETINGS

- **7:00 p.m. Thursday, September 8th:** Public Hearing on Proposed FY16-17 [Budget](#)
- **6:30 p.m. Monday, September 12th:** Citizen Input Meeting with Water/Wastewater Rate Review Committee (Hear the committee's proposed recommendations to Council and sign up to provide feedback or ask questions. There is the [possibility of a quorum](#) for Council, EDC, and/or P&Z, but no action will be taken.)
- **5:30 p.m. Monday, September 19th:** City Council Work Session
Rate Review Committee's makes recommendations to Council (Work Sessions are informational only; There will be no action taken and no Public Hearing until the Regular Session)
- **7:00 p.m. Monday, September 19th:** City Council Regular Session
 - Council will consider adopting the Budget & Tax Rate (*No Public Hearing; See September 8th*)
 - Council will consider repealing Ordinance 589 (*Which set the current rate structure*)
 - Presentation of and **Public Hearing** on the review committee's newly proposed rates
 - Council will consider adopting the newly proposed rates (*Presented at 5:30 p.m. Work Session*)
 - There are several other items on this agenda, including P&Z cases and consideration of adoption for the Unified Development Code ([UDC](#)). *Please join us!*

ADDRESSING COUNCIL

City Council welcomes resident input. At the beginning of each Regular Session, there is a **"Visitor's/Citizen's Forum"** during which you can speak about any item not listed on the agenda. Comments on agenda items that have a **Public Hearing** component are made once that agenda item is reached. If the item is on the agenda, but does not include a Public Hearing, there is not a chance to speak publicly to Council at that meeting.

You can sign up for either of these opportunities to speak by filling out the corresponding "Request to Speak" form and submitting it to the [City Secretary](#) before the meeting begins. These forms are available on the table to your right as you enter Council Chambers in CityHall. If you have questions, please ask!

Infrastructure Replacement Cost Per Household: \$48,951



To view the **Asset Management Plan, Ends Statement, and other governance documents**, please visit: cityofkennedale.com/govdocs

QUESTIONS OR COMMENTS ABOUT THIS PRESENTATION?

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Leslie Galloway, City Secretary & Communications Coordinator
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Staff Report to the Honorable Mayor and City Council

Date: September 8, 2016

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:

The City Council may meet in closed session at any time during the work session or the regular session, pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion on any item posted on the agenda.

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. Purchase of right-of-way for the extension of Link Street at 5750 Kennedale Parkway

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments: