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# KENNEDALE CITY COUNCIL AGENDA

**REGULAR MEETING**
**April 17, 2017**
**CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

**WORK SESSION at 5:30 PM**
**REGULAR SESSION at 7:00 PM**

## I. CALL TO ORDER

***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.***

## II. WORK SESSION

A. Discuss the amendment to the Wastewater Service Agreement with the City of Fort Worth

B. Discussion of items on regular agenda

## III. REGULAR SESSION

## IV. ROLL CALL

## V. INVOCATION

## VI. UNITED STATES PLEDGE AND TEXAS PLEDGE

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

## VII. VISITOR/CITIZENS FORUM

*At this time, any person with business before the City Council not scheduled on the Agenda may speak to the Council, provided that an official 'Speaker's Request Form' has been completed and submitted to the City Secretary prior to the start of the meeting. All comments must be directed towards the Mayor and Council, rather than individual council members or staff. All speakers must limit their comments to the subject matter as listed on the 'Speaker's Request Form.' No formal action or discussion can be taken on these items.*

## VIII. 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 the City Council

B. Updates from the Mayor

C. Updates from the Interim City Manager

## IX. MONITORING INFORMATION

A. Monthly Financials – March 2017

B. Executive Limitations

C. Ends Review – Balanced Scorecard

## X. INCIDENTAL ITEMS

A. Presentation of the Silver Integrated Stormwater Management (iSWM) Certification

## XI. REQUIRED APPROVAL ITEMS (CONSENT)

All matters listed under required approval 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 minutes from March 20, 2017 regular meeting

B. Approve Schedule of Investment Activity for quarter ending March 31, 2017

C. Review the annual financial disclosure report

D. Consider approval of Resolution 506 to suspend the effective date for the 2017 Oncor Rate Case

E. Consider approval of a construction project with Tejas Commercial Construction LLC for drainage improvements at 1033 Estates Drive

## XII. DECISION ITEMS

A. Consider approval of Ordinance 626 imposing City of Fort Worth System Facility Access Fees

## XIII. EXECUTIVE SESSION

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

B. The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, and duties of the City Manager.

1.Discuss and consider an employment agreement for the appointment of a City Manager

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

A. Consider approval of employment agreement to appoint George Campbell as City Manager, effective April 1, 2017

## XV. 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 April 17, 2017, agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.

Leslie Galloway

Leslie Galloway, City Secretary

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# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** WORK SESSION - A.

---

**I. Subject:**
Discuss the amendment to the Wastewater Service Agreement with the City of Fort Worth

**II. Originated by:**

**III. Summary:**
Public Works Director Larry Ledbetter will provide an update on the amendment to the wastewater service agreement with the City of Fort Worth.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**

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# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** WORK SESSION - B.

---

**I. Subject:**
Discussion of items on regular agenda

**II. Originated by:**

**III. Summary:**
Discussion of items on regular agenda.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**

405 Municipal Drive, Kennedale, TX 76060 | Telephone: 817-985-2100 | Fax: 817-478-7169

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# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** REPORTS/ANNOUNCEMENTS - A.

---

**I. Subject:**
Updates from the City Council

**II. Originated by:**

City Council, City Council

**III. Summary:**
Updates and information from Council members .

**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:** April 17, 2017

**Agenda Item No:** REPORTS/ANNOUNCEMENTS - B.

---

**I. Subject:**
Updates from the Mayor

**II. Originated by:**

**III. Summary:**

Updates and information from the Mayor.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**

## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** REPORTS/ANNOUNCEMENTS - C.

---

**I. Subject:**
Updates from the Interim City Manager

**II. Originated by:**

**III. Summary:**
Updates and information from Interim City Manager, if any.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**

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## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** MONITORING INFORMATION - A.

---

**I. Subject:**
Monthly Financials – March 2017

**II. Originated by:**

**III. Summary:**
Overview of the City's revenues/expenditures for all funds compared to budget and previous year.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**

| | | |
|---|---|---|
| 1. | Monthly Financials - March 2017 | 2017_03 Monthly Financials.pdf |

# CITY OF KENNEDALE
# ANNUAL PROGRAM OF SERVICES
# MARCH

## FUND 99 CASH BALANCES

| | | |
|---|---|---|
| 1201 | GENERAL FUND | 2,443,542 |
| 1202 | DEBT SERVICE | 51,477 |
| 1204 | CAPITAL PROJ- ST CONSTRUCTION | 63,680 |
| 1205 | VEHICLE FUND | 73,332 |
| 1207 | STORM DRAINAGE UTILITY FUND | 164,294 |
| 1210 | WATER AND SEWER FUND | 236,570 |
| 1212 | COURT SECURITY FUND | 12,232 |
| 1213 | CIP FUND - 1998 CO | - |
| 1214 | PARK DEDICATION FUND | 195,925 |
| 1215 | ECO DEV CORPORATION | 78,678 |
| 1216 | COURT TECHNOLOGY FUND | 5,390 |
| 1217 | STREETS IMPROVEMENT FUND | 294,421 |
| 1218 | JUVENILE CASE MANAGER FUND | 23,070 |
| 1221 | KENNEDALE TIFF#1 FUND | (3,272) |
| 1231 | POLICE SEIZURE FUND | 0 |
| 1232 | LIBRARY BUILDING FUND | 12,167 |
| 1234 | LEOSE FUND | 1,800 |
| 1241 | DONATION FUND | 7,357 |
| 1245 | ROADWAY IMPACT FEE FUND | 95,272 |
| 1261 | WATER IMPACT FEE FUND | 167,610 |
| 1262 | SEWER IMPACT FEE FUND | 117,184 |
| 1283 | TREE REFORESTATION FUND | 67,986 |
| 1285 | UNCLAIMED PROPERTY FUND | 1,990 |
| 1295 | EDC FIXED ASSET/RESERVE | 120,296 |

## REVENUE SUMMARY BY FUND

| REVENUES | FY15-16 YTD | FY15-16 ACTUAL | FY16-17 ADOPTED | FY16-17 AMENDED | CURRENT MONTH | FY16-17 YTD | CY - PY CHANGE | % OF PY BUDGET EARNED | % OF CY BUDGET EARNED | BUDGET REMAINING |
|---|---|---|---|---|---|---|---|---|---|---|
| GENERAL FUND | 4,304,040 | 6,360,884 | 6,201,455 | 6,201,455 | 353,987 | 4,352,444 | (54,789) | 68.8% | 70.2% | 1,849,011 |
| OTHER GENERAL FUNDS | 478,589 | 1,572,545 | 1,645,165 | 1,645,165 | 139,679 | 485,866 | 501,200 | #DIV/0! | 29.5% | 1,159,298 |
| **GENERAL FUND** | **4,782,629** | **7,933,428** | **7,846,620** | **7,846,620** | **493,666** | **4,838,311** | **446,411** | **64.6%** | **61.7%** | **3,008,309** |
| **GENERAL DEBT SERVICE FUND** | **1,107,162** | **5,080,493** | **1,370,311** | **1,370,311** | **20,502** | **1,093,093** | **43,928** | **80.7%** | **79.8%** | **277,219** |
| WATER/SEWER FUND | 1,608,516 | 6,038,341 | 4,991,835 | 4,991,835 | 701,720 | 2,097,369 | 589,602 | 36.5% | 42.0% | 2,894,466 |
| STORMWATER UTILITY FUND | 116,667 | 242,743 | 491,826 | 491,826 | 43,024 | 219,667 | 244,001 | 47.1% | 44.7% | 272,159 |
| WATER IMPACT FUND | 46,107 | 186,468 | 68,658 | 68,658 | 22,434 | 48,030 | (96,382) | 27.9% | 70.0% | 20,628 |
| SEWER IMPACT FUND | 11,488 | 58,300 | 28,315 | 28,315 | 8,117 | 12,320 | (21,687) | 23.0% | 43.5% | 15,995 |
| **WATER/SEWER FUND** | **1,782,779** | **6,525,853** | **5,580,634** | **5,580,634** | **775,296** | **2,377,386** | **715,534** | **36.6%** | **42.6%** | **3,203,248** |
| **EDC4B FUND** | **224,240** | **627,660** | **933,227** | **933,227** | **39,151** | **220,869** | **283,373** | **34.5%** | **23.7%** | **712,358** |
| **CAPITAL FUND** | **376,072** | **860,623** | **124,020** | **124,020** | **24,837** | **54,023** | **(725,514)** | **44.3%** | **43.6%** | **69,997** |
| **SPECIAL REVENUE FUND** | **55,348** | **300,088** | **151,223** | **151,223** | **1,800** | **92,889** | **(185,578)** | **16.4%** | **61.4%** | **58,333** |
| **TOTAL REVENUES** | **$ 8,328,230** | **$ 21,328,145** | **$ 16,006,035** | **$ 16,006,035** | **$ 1,355,251** | **$ 8,676,571** | **$ 578,154** | **53.8%** | **54.2% $** | **7,329,464** |

## EXPENDITURE SUMMARY BY FUND

| EXPENDITURES | FY15-16 YTD | FY15-16 ACTUAL | FY16-17 ADOPTED | FY16-17 AMENDED | CURRENT MONTH | FY16-17 YTD | CY - PY CHANGE | % OF PY BUDGET EXPENSED | % OF CY BUDGET EXPENSED | BUDGET REMAINING |
|---|---|---|---|---|---|---|---|---|---|---|
| GENERAL FUND | 2,794,879 | 5,895,262 | 6,489,307 | 6,489,307 | 563,383 | 2,963,094 | 308,000 | 45.2% | 45.7% | 3,526,213 |
| CAPITAL REPLACEMENT FUND | 81,441 | 109,462 | 673,316 | 673,316 | - | 207,329 | 562,641 | 73.6% | 30.8% | 465,988 |
| COURT SECURITY FUND | 550 | 2,606 | 1,152 | 1,152 | - | - | (406) | 35.3% | 0.0% | 1,152 |
| COURT TECHNOLOGY FUND | 5,751 | 3,096 | 5,555 | 5,555 | - | 8,295 | (10,531) | 35.8% | 149.3% | (2,740) |
| STREET IMPROVEMENT FUND | 529,980 | 1,064,114 | 1,194,893 | 1,194,893 | 78,629 | 640,812 | (583,391) | 29.8% | 53.6% | 554,081 |
| JUVENILE CASE MANAGER FUND | 10,188 | 11,200 | 12,680 | 12,680 | 1,364 | 5,645 | 1,328 | 89.7% | 44.5% | 7,035 |
| PARK REC/OTHER DONATION FUND | - | - | 24,791 | 24,791 | - | 25,296 | 24,791 | 0.0% | 102.0% | (505) |
| TREE REFORESTATION FUND | - | - | - | - | - | - | - | 0.0% | 0.0% | - |
| UNCLAIMED PROPERTY FUND | - | - | - | - | - | - | - | 0.0% | 0.0% | - |
| **GENERAL FUND** | **3,422,789** | **7,085,740** | **8,401,694** | **8,401,694** | **643,375** | **3,850,471** | **302,432** | **42.3%** | **45.8%** | **4,551,224** |
| **GENERAL DEBT SERVICE FUND** | **1,008,686** | **5,079,006** | **1,365,627** | **1,365,627** | **-** | **1,054,682** | **1,760** | **74.0%** | **77.2%** | **310,945** |
| WATER/SEWER FUND | 2,152,472 | 4,421,886 | 4,829,775 | 4,829,775 | 330,979 | 1,865,524 | 248,373 | 47.0% | 38.6% | 2,964,250 |
| STORMWATER UTILITY FUND | 30,760 | 130,137 | 571,157 | 571,157 | 955 | 93,480 | 381,950 | 16.3% | 16.4% | 477,677 |
| WATER IMPACT FUND | - | 171,200 | 154,415 | 154,415 | - | - | (16,785) | 0.0% | 0.0% | 154,415 |
| SEWER IMPACT FUND | - | - | 60,000 | 60,000 | - | - | 60,000 | 0.0% | 0.0% | 60,000 |
| **WATER/SEWER FUND** | **2,183,232** | **4,723,224** | **5,615,347** | **5,615,347** | **331,934** | **1,959,005** | **673,538** | **44.2%** | **34.9%** | **3,656,342** |
| **EDC4B FUND** | **194,628** | **718,004** | **803,880** | **803,880** | **35,344** | **214,732** | **57,483** | **26.1%** | **26.7%** | **589,149** |
| **CAPITAL FUND** | **377,700** | **536,850** | **216,239** | **216,239** | **858** | **87,166** | **(664,005)** | **42.9%** | **40.3%** | **129,074** |
| **SPECIAL REVENUE FUND** | **17,973** | **254,518** | **151,222** | **151,223** | **7,082** | **86,902** | **(185,545)** | **5.3%** | **57.5%** | **64,321** |
| **TOTAL EXPENDITURES** | **$ 7,205,007** | **$ 18,397,341** | **$ 16,554,010** | **$ 16,554,010** | **$ 1,018,592** | **$ 7,252,957** | **$ 185,664** | **44.0%** | **43.8% $** | **9,301,053** |

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
MARCH

## EXPENDITURE SUMMARY BY DEPARTMENT

| GENERAL FUND | FY15-16 YTD | FY15-16 ACTUAL | FY16-17 ADOPTED | FY16-17 AMENDED | CURRENT MONTH | FY16-17 YTD | CY - PY CHANGE | % OF PY BUDGET EXPENSED | % OF CY BUDGET EXPENSED | BUDGET REMAINING |
|---|---|---|---|---|---|---|---|---|---|---|
| CITY MANAGER | 136,973 | 291,243 | 283,123 | 283,123 | 21,148 | 183,109 | (10,455) | 46.7% | 64.7% | 100,013 |
| MAYOR/CITY COUNCIL | 38,188 | 94,108 | 140,157 | 140,157 | 5,772 | 49,221 | 51,481 | 43.1% | 35.1% | 90,936 |
| CITY SECRETARY | 54,078 | 136,655 | 160,328 | 160,328 | 10,327 | 65,865 | 13,166 | 36.7% | 41.1% | 94,463 |
| MUNICIPAL COURT | 37,610 | 121,408 | 121,230 | 121,230 | 7,729 | 50,210 | (5,456) | 29.7% | 41.4% | 71,020 |
| HUMAN RESOURCES | 56,972 | 119,141 | 122,616 | 122,616 | 11,625 | 64,233 | (1,948) | 45.7% | 52.4% | 58,383 |
| FINANCE | 186,151 | 312,129 | 296,688 | 296,688 | 50,417 | 182,733 | (27,243) | 57.5% | 61.6% | 113,955 |
| POLICE | 981,333 | 2,093,230 | 2,381,270 | 2,381,270 | 198,037 | 1,046,861 | 163,126 | 0.0% | 44.0% | 1,334,409 |
| FIRE | 789,219 | 1,692,949 | 1,826,031 | 1,826,031 | 196,424 | 813,982 | 107,917 | 45.9% | 44.6% | 1,012,049 |
| COMMUNITY DEVELOP | 170,777 | 409,154 | 332,442 | 332,442 | 26,157 | 135,505 | (107,038) | 38.9% | 40.8% | 196,937 |
| SENIOR CITIZEN CENT | 22,841 | 48,148 | 54,612 | 54,612 | 4,229 | 20,842 | 535 | 42.2% | 38.2% | 33,770 |
| LIBRARY | 115,355 | 251,830 | 259,591 | 259,591 | 26,829 | 128,752 | 5,468 | 45.4% | 49.6% | 130,840 |
| NONDEPARTMENTAL | 205,383 | 325,268 | 511,218 | 511,218 | 4,688 | 221,781 | 118,447 | 52.3% | 43.4% | 289,437 |
| **TOTAL EXPENDITURES** | **$ 2,794,879** | **$ 5,895,262** | **$ 6,489,307** | **$ 6,489,307** | **$ 563,383** | **$ 2,963,094** | **$ 308,000** | **45.2%** | **45.7%** | **$ 3,526,213** |

| WATER/SEWER FUND | FY15-16 YTD | FY15-16 ACTUAL | FY16-17 ADOPTED | FY16-17 AMENDED | CURRENT MONTH | FY16-17 YTD | CY - PY CHANGE | % OF PY BUDGET EXPENSED | % OF CY BUDGET EXPENSED | BUDGET REMAINING |
|---|---|---|---|---|---|---|---|---|---|---|
| UTILITY BILLING | 525,875 | 1,210,463 | 1,704,198 | 1,704,198 | 101,638 | 381,660 | 360,423 | 39.1% | 22.4% | 1,322,538 |
| WATER OPERATIONS | 735,974 | 1,181,360 | 1,477,946 | 1,477,946 | 115,167 | 579,638 | (242,336) | 42.8% | 39.2% | 898,308 |
| DEBT | 450,087 | 170,941 | 511,309 | 511,309 | - | 461,034 | 5,837 | 89.0% | 90.2% | 50,274 |
| CAPITAL | - | - | 301,850 | 301,850 | 693 | 46,397 | 301,850 | 0.0% | 15.4% | 255,453 |
| NONDEPARTMENTAL | 440,536 | 1,859,122 | 834,472 | 834,472 | 113,481 | 396,795 | (177,401) | 43.5% | 47.6% | 437,677 |
| **TOTAL EXPENDITURES** | **$ 2,152,472** | **$ 4,421,886** | **$ 4,829,775** | **$ 4,829,775** | **$ 330,979** | **$ 1,865,524** | **$ 248,373** | **47.0%** | **38.6%** | **$ 2,964,250** |

| STREET IMPROVEMEN | FY15-16 YTD | FY15-16 ACTUAL | FY16-17 ADOPTED | FY16-17 AMENDED | CURRENT MONTH | FY16-17 YTD | CY - PY CHANGE | % OF PY BUDGET EXPENSED | % OF CY BUDGET EXPENSED | BUDGET REMAINING |
|---|---|---|---|---|---|---|---|---|---|---|
| STREETS | 477,528 | 939,911 | 712,452 | 712,452 | 69,642 | 321,907 | (925,831) | 29.1% | 45.2% | 390,546 |
| PARKS MAINTENANCE | 52,452 | 124,202 | 116,409 | 116,409 | 8,612 | 36,971 | (23,591) | 37.5% | 31.8% | 79,438 |
| CAPITAL | - | - | 366,032 | 366,032 | 374 | 281,935 | 366,032 | 0.0% | 77.0% | 84,097 |
| **TOTAL EXPENDITURES** | **$ 529,980** | **$ 1,064,114** | **$ 1,194,893** | **$ 1,194,893** | **$ 78,629** | **$ 640,812** | **$ (583,391)** | **29.8%** | **53.6%** | **$ 554,081** |

| EDC4B FUNDS | FY15-16 YTD | FY15-16 ACTUAL | FY16-17 ADOPTED | FY16-17 AMENDED | CURRENT MONTH | FY16-17 YTD | CY - PY CHANGE | % OF PY BUDGET EXPENSED | % OF CY BUDGET EXPENSED | BUDGET REMAINING |
|---|---|---|---|---|---|---|---|---|---|---|
| ADMINISTRATION | 78,384 | 335,951 | 270,167 | 270,167 | 28,157 | 98,021 | 93,701 | 23.6% | 36.3% | 172,145 |
| DEBT SERVICE | 94,195 | 318,692 | 323,419 | 323,419 | 4,627 | 91,778 | 3,526 | 29.4% | 28.4% | 231,640 |
| TOWN SHOPPING CEN | 22,049 | 44,622 | 120,295 | 120,295 | 2,560 | 24,932 | 69,811 | 43.7% | 20.7% | 95,363 |
| TOWNCENTER REDEVI | - | - | 90,000 | 90,000 | - | - | - | 0.0% | 0.0% | 90,000 |
| TX LEVERAGE | - | 18,739 | - | - | - | - | (50,000) | 0.0% | 0.0% | - |
| **TOTAL EXPENDITURES** | **$ 194,628** | **$ 718,004** | **$ 803,880** | **$ 803,880** | **$ 35,344** | **$ 214,732** | **$ 117,038** | **27.0%** | **26.7%** | **$ 589,149** |

# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** MONITORING INFORMATION - B.

**I. Subject:**
Executive Limitations

**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 01.2017.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.*

Operations are in compliance with the global constraint policy. The recent bond rating upgrade by S&P to "AA-" from "A+" is reflective of the quality work in place.

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.

The city backs up files on a daily basis. In order to avoid more common hacking attempts, limitations have been placed on what websites can be accessed.

POLICY TYPE: EXECUTIVE LIMITATIONS
POLICY TITLE: TREATMENT OF STAFF

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

The City Manager will not

1. Operate without written personnel rules that (a) clarify rules for stair, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.

2. Retaliate against any staff member for non-disruptive expression of dissent.

3. Allow staff to be unaware of City Manager's interpretations of their protections under this policy.

4. Allow staff to be unprepared to deal with emergency situations.

The city maintains current personnel policy and orientation handbook. City operations are in compliance with the treatment of staff policy. Kelly Cooper works well with staff to ensure polices are followed. Succession planning is underway for public works and police.

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.*

A project list has been prepared to assist staff and council in the transition period. I will also be available to answer questions following my departure. Kelly Cooper is the most informed of staff members. Rachel Roberts and Dennis Brown are working closely with me on Village Creek. The upcoming strategic plan will help in overall coordination. Krystal Crump is providing excellent support insofar as city finances are concerned. Jack Thompson (EDC & Chamber) is familiar with the business development activities.

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# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** MONITORING INFORMATION - C.

**I. Subject:**
Ends Review – Balanced Scorecard

**II. Originated by:**

**III. Summary:**
Reports are attached for review.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

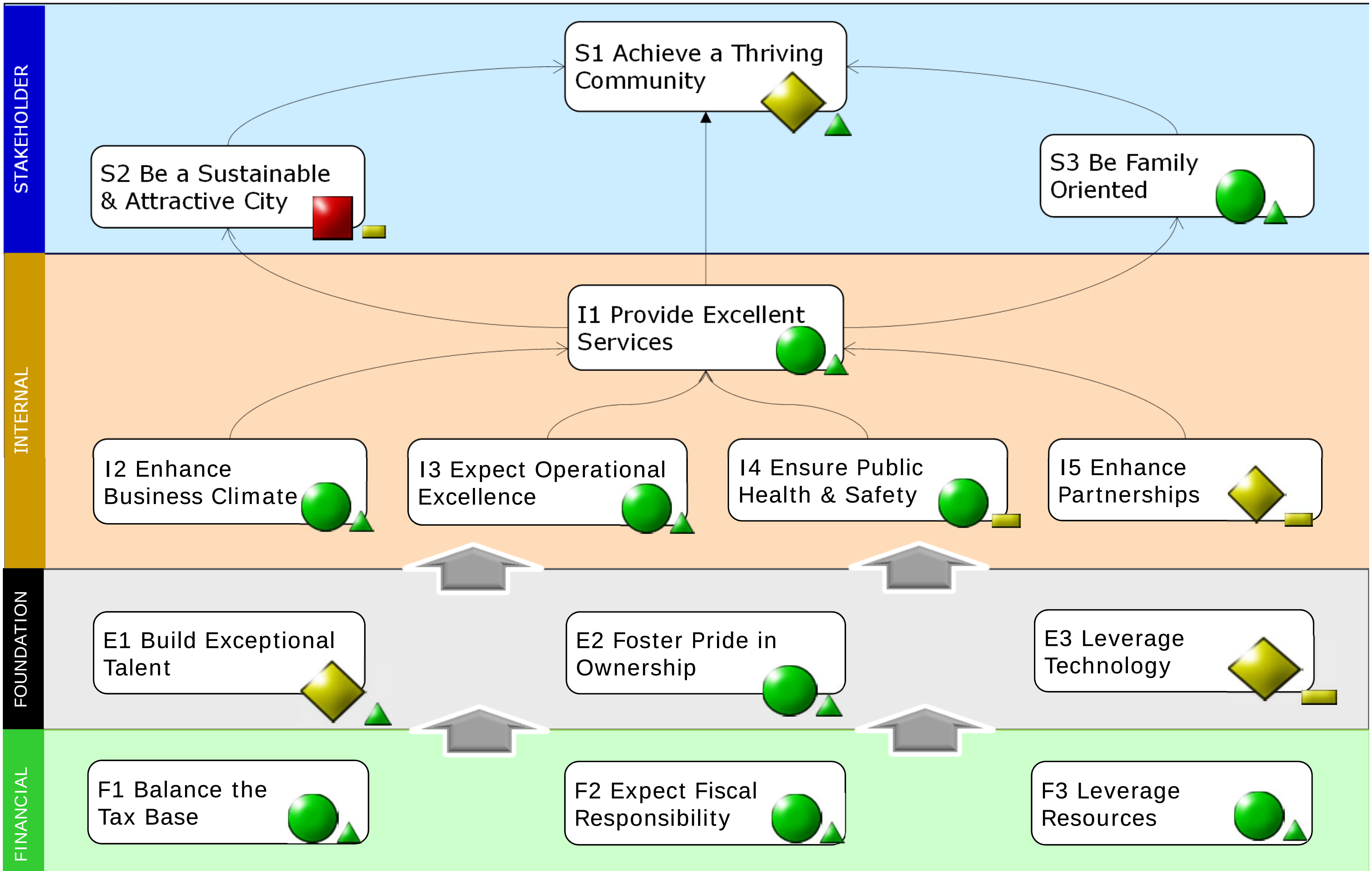
**VIII. Attachments:**

| | | |
|---|---|---|
| 1. | March 2017 Report | March 2017 Strategic Map.pdf |

405 Municipal Drive, Kennedale, TX 76060 | Telephone: 817-985-2100 | Fax: 817-478-7169

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

KENNEDALE
13-1
March 2017




CORE VALUES: INTEGRITY ACCOUNTABILITY TEAMWORK INNOVATION COMMITMENT

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## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** INCIDENTAL ITEMS - A.

---

**I. Subject:**
Presentation of the Silver Integrated Stormwater Management (iSWM) Certification

**II. Originated by:**

**III. Summary:**
Development and redevelopment by their nature increase the amount of imperviousness in our surrounding environment. This increased imperviousness translates into loss of natural areas, more sources for pollution in runoff, and heightened flooding risks. To help mitigate these impacts, more than 60 local governments are cooperating to proactively create sound stormwater management guidance for the region through the integrated Stormwater Management (iSWM) Program. The integrated Stormwater Management (iSWM) program was developed by the North Central Texas Council of Governments (NCTCOG) as a collaborative effort to address water quality protection, stream bank protection, flood mitigation and meeting regulatory requirements. The program is overseen by volunteers serving on the Public Works Council and iSWM Implementation Subcommittee.

Fourteen cities adopted all or a portion of the iSWM standards. Recently, NCTGOG developed the certification program to recognize cities who have already implement stormwater management programs that achieve the iSWM goals. Under this program only Denton, Frisco, and Grand Prairie have received certification, all obtaining silver.

The City of Kennedale is has now gone through the verification process to become an official Silver-Certified iSWM Community.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**

| | | |
|---|---|---|
| 1. | iSWM Review Letter | iSWA.pdf |
| 2. | iSWM Award Letter | iSWM Award Letter.pdf |

MEMORANDUM

FREESE AND NICHOLS

Innovative approaches
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Outstanding service

4055 International Plaza, Suite 200 • Fort Worth, Texas 76109 • 817-735-7300 • fax 817-735-7492 www.freese.com

**TO:** Derica Peters

**CC:**

**FROM:** Kelly Dillard, P.E., CFM

**SUBJECT:** City of Kennedale iSWM Implementation Review

**DATE:** February 3, 2017

**PROJECT:** iSWM Implementation Committee

---

I have reviewed the submittal from the City of Kennedale, which included the following documents:

- iSWM Program Implementation Tiered Measurement Form
- iSWM Adoption Response Letter
- iSWM Partial Outcomes Guidance Document
- City of Kennedale Public Works Design Manual
- iSWM Criteria Manual for Site Development and Construction, 1/14/15

I find the application sufficient to meet the requirements for the Silver Tier Level. I offer the following specific comments in support of this finding:

- Outcome #4 – Open Channel Velocity – the City provides maximum permissible velocity for 100-year design storms
- Outcome #6 – Streambank Protection – The application references Section L; However, upon review of their Manual, the Correct PWDM Section Reference should be 1.05M. The text in their Response Letter and in their Manual references Section E for Downstream Assessment. However Section F is the appropriate section designation.
- Outcome #7 – Flood Mitigation – The same incorrect Section E reference described above.
- Outcome #9 – Operations and Maintenance – In addition to the citations listed, Ordinance Article IX, Section 17-45 *General Requirements, Temporary Controls* and Section 17-628 – *Failure to Maintain, Enforcement Procedures* are required references to confirm this credit.
- Outcome #10 – Downstream Assessments – The application requested partial credit, however, I interpret their manual to support full credit for this Outcome.
- Outcomes #11 & #13 – The City's 5-year design requirement meets the criteria for Partial Outcome
- Outcome #16 – Water Quality Protection – Ordinance Article IX, Sections 17-621 & 17-625 should be referenced to support this partial outcome.

- Optional Outcome #19 – While the City did not request this credit, their PWDM Section 1.05.L.2 supports full credit for this Outcome.

I include my markups for the Application Form and Response letter to support these findings. Please let me know if you have further questions. You may reach me at 817.735.7313 or kdd@freese.com

Larry Hoover
City of Kennedale
405 Municipal Dr.
Kennedale, TX 76060

Re: Integrated Stormwater Management (iSWM) Certificate

Dear Mr. Hoover,

The North Central Texas Council of Governments (NCTCOG) Public Works Council is pleased to announce the City of Kennedale's status as a Certified – Silver Integrated Stormwater Management (iSWM) Community!

As of today, you are one of four certified iSWM Communities, the others being the City of Denton (Silver), the City of Grand Prairie (Silver) and the City of Frisco (Silver), as well as our recognized 14 "Founding" Communities. For your achievement, you will receive a plaque and street sign to display where you choose.

Congratulations on this great achievement in environmental stewardship and responsible development management!

Sincerely,

Derica Peters
Environment and Development Planner
North Central Texas Council of Governments

For more information on iSWM, visit us at: www.iswm.nctcog.org

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# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** REQUIRED APPROVAL ITEMS (CONSENT) - A.

**I. Subject:**
Consider approval of minutes from March 20, 2017 regular 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 Regular Meeting Minutes - March 20, 2017 | 3-20-17.pdf |

# *KENNEDALE CITY COUNCIL*

**MINUTES**
**REGULAR MEETING**
**March 20, 2017**
**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 6:26 p.m.

## II. WORK SESSION

A. Discussion of items on regular agenda

No items were discussed at this time.

## III. REGULAR SESSION

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

## IV. ROLL CALL

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

## V. INVOCATION

Pastor Greg Adams from Covenant Life Baptist Church provided the invocation.

## VI. UNITED STATES PLEDGE AND TEXAS PLEDGE

## VII. VISITOR/CITIZENS FORUM

Mary Boyd, 711 Paula Street stated that in 1960 they gave the city 5-feet of their property to be used to build an alley. This never happen and the people behind her property have now taken over the 5-foot easement. She requested that someone in the city follow up on this issue. She added that others on her street have also lost property. Mayor Johnson stated that he would have the City Manager follow-up on this.

Dora Ann Markle, 617 Averett Road stated that she is the President of the Senior Center, and Vice President of the Senior Center Services of the Metroplex's 26 centers. She informed the Council that the Senior Center has an issue with transportation. The bus that they have is old and was purchased second-hand. It no longer shifts into park; the wheelchair lift is not functional; and some of the seats have been removed. The biggest problem is the first step is so high; which makes it hard for the seniors to get in and out of the bus. They have talked to several people in the city regarding this matter and the only solution was to lease a bus for $1,000 a month. The city would pay half and the seniors would pay half. She noted that the senior's savings were small and they could not fund that for a long period. The seniors of Kennedale respectfully request help with this matter.

Hollis Matthews, 1252 Elmbrook Drive stated that there are some major concerns in DFW area that has caught his attention. It is the funding of the Police and Fire Retirements in the surrounding areas. He provided an overview of what's going on with other cities. He stated that Kennedale has one of the best Fire and Police departments in the area, and asked Council to take a look at where we are with our funding.

John Clark, 100 Meadowlake Court thanked the hundreds of citizens who have volunteered to serve on city boards and at events over the past years. He noted that these residents provide guidance to council, and have sacrificed countless hours of service. Additionally, citizen volunteers provide a varied viewpoint to the council and have saved the city thousands of dollars.

## VIII. REPORTS/ANNOUNCEMENTS

A. Updates from the City Council

There were no updates from Council members.

B. Updates from the Mayor

There were no updates from the Mayor.

C. Updates from the Interim City Manager

Interim City Manager George Campbell stated that the official kick-off for the 2017-18 budget was May 24. He noted staff is not into any numbers for the budget yet.

## IX. MONITORING INFORMATION

A. Monthly Financials – February 2017

B. Executive Limitations

C. Ends Review – Balanced Scorecard

Monitoring information updates are in the agenda packet for review.

## X. INCIDENTAL ITEMS

A. Presentation of the 2016 Library Excellence Award from the Texas Municipal Library Directors Association

Plano Library Director, Libby Holtmann was present representing the Texas Municipal Library Directors Association (TMLDA). She presented Kennedale Library Director, Amanda King with the 2016 Library Excellence Award. It was noted that Kennedale was one in forty-three libraries out of more than five hundred libraries in the state. Amanda added that in addition to this award, the library also received a $44,000 grant through the Tocker Foundation.

## XI. REQUIRED APPROVAL ITEMS (CONSENT)

A. Consider approval of minutes from February 27, 2017 regular meeting

B. Consider approval of a city-developer agreement for the Hilltop Addition

C. Consider approval of a contract extension for Interim City Manager

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

## XII. DECISION ITEMS

A. CASE # PZ 17-03 to hold a public hearing and consider a request by Adlai Pennington for a replat of approximately 8.3 acres at 501 Corry A Edwards Dr and 260 3rd Street, legal description of Hilltop Addition Lots 1-15, and to include a final plat of Jacob Prickett Survey A-1225, to create Hilltop Addition Lots 1-16 Block A and Lots 1-17 Block B, and two common area lots.

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

City Planner Rachel Roberts provided the staff presentation. She stated that this property is located across Corry A Edwards, and is zoned two different zonings. Old Town Zone District 2 and Hilltop Planned Development District. She noted that all future land use is zoned as Downtown Village. Rachel informed the Council that the majority of this property was platted in the 50's, and that the proposed replat would create 33 lots with a through street, rather than having only one entry ending in a cul-de-sac. She added that both zoning districts have a 50-foot lot width requirement, and meets all requirements for construction plans and the Comprehensive Land Use Plan.

She reminder Council that according to state law, if a plat meets all requirements, council must approve it. In addition, a public hearing is required for replats. The Planning and Zoning Board held a public hearing at their last meeting, and several residents spoke against this. The majority were worried about drainage. The Planning and Zoning Board voted to recommend approval, after determining that the plat met all requirements

The applicant presentation was provided by Adlai Pennington, 1375 Gilman, Fort Worth. He thanked staff; noting that it has been a lengthy process, but they have met all requirements. He added that he would be happy to answer any questions there might be.

Public Hearing:
Mayor Johnson opened the public hearing; there was no one present requesting to speak. Mayor Johnson closed the public hearing.

There was no Applicant Response.

Councilman Frank Fernandez stated that during planning and zoning there was discussion about the erosion fence; he questioned if that has been resolved? Rachel Roberts stated that new erosion control has been put into place, and that Street and Parks Superintendent Larry Hoover has been out to the site.

**Motion** To approve a replat of 8.3 acres at 501 Corry A, Edwards Drive and 260 3rd Street for Hilltop Addition. **Action** Approve, **Moved By** Michael Walker, **Seconded By** Charles Overstreet. **Motion passed Unanimously**

## XIII. EXECUTIVE SESSION

Mayor Johnson recessed into executive session at 6:30 p.m.

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

1. Final Payment for Booster Pump Project

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

1. 108 New Hope Road
2. 6727 Hudson Village Creek (Kennedale Speedway Park)
3. 6820 Oak Crest West

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

Mayor Johnson reconvened into open session at 6:58 p.m.
No action required.

## XV. ADJOURNMENT

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

The meeting was adjourned at 7:28 p.m.

| | |
|---|---|
| APPROVED: | ATTEST: |
| Brian Johnson, Mayor | Leslie Galloway, City Secretary |

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## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** REQUIRED APPROVAL ITEMS (CONSENT) - B.

---

**I. Subject:**
Approve Schedule of Investment Activity for quarter ending March 31, 2017

**II. Originated by:**

**III. Summary:**
In accordance with Public Funds Investment Act (PFIA), the investments should be reported quarterly. This is for the second quarter for FY 17 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. | Investment Quarterly Report | March 31 2017 Qtrly Investment Report.pdf |

405 Municipal Drive, Kennedale, TX 76060 | Telephone: 817-985-2100 | Fax: 817-478-7169

City of Kennedale, Texas

# SCHEDULE OF INVESTMENT ACTIVITY

For The Quarter Ending March 31, 2017

**CITY OF KENNEDALE, TEXAS**
**INVESTMENT REPORT**
**FOR QUARTER ENDING MARCH 31, 2017**

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

98.4% of the City of Kennedale's investments are owned by the Pooled Cash Fund. The remaining 1.6% goes to the $2.0M 2010 CO Bond Fund, $1.7M TX Leverage Fund, and Clearing Funds. As of the reporting quarter, 64.43% of the City's investments are in investment pools, and 35.57% 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.

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 | January 2017 | February 2017 | March 2017 | Interest Earned |
|---|---|---|---|---|---|---|
| Texas Daily | Consolidated Cash | 0.04% | $ 31,546.94 | $ 31,561.24 | $ 31,579.02 | $ 47.58 |
| TexStar | Consolidated Cash | 0.03% | 328,546.74 | 328,686.19 | 328,861.18 | 466.51 |
| TexPool | $2.0M CO Bond | 0.03% | 29,573.57 | 29,586.21 | 29,601.88 | 41.85 |
| TexPool | Central Deposit | 0.01% | 3,467,528.96 | 2,249,487.82 | 2,354,879.69 | 3,787.39 |
| TOTAL INVESTMENT POOLS | | | $ 3,857,196.21 | $ 2,639,321.46 | $ 2,744,921.77 | $ 4,343.33 |

MONTHLY BALANCES- WELLSFARGO

| Bank | Account Name | Interest Rate | January 2017 | February 2017 | March 2017 | Interest Earned |
|---|---|---|---|---|---|---|
| Wellsfargo | Consolidated Cash | N/A | $ 1,356,066.42 | $ 1,685,354.69 | $ 1,478,384.78 | $ - |
| Wellsfargo | Payroll Clearing | 0.04%-0.05% | 189.47 | 190.12 | 37,292.74 | - |
| Wellsfargo | Section 125 Flex | 0.04%-0.05% | - | - | - | - |
| Wellsfargo | Dick Price Rd | 0.005% | - | - | - | - |
| Wellsfargo | Health Reimbursement | 0.00% | - | - | - | - |
| Wellsfargo | Employee Health Benefit Trust | 0.00% | 1.02 | 1.62 | 2.31 | 1.65 |
| TOTAL WELLSFARGO | | | $ 1,356,256.91 | $ 1,685,546.43 | $ 1,515,679.83 | $ 1.65 |
| TOTAL MONTHLY BALANCES- ALL | | | $ 5,213,453.12 | $ 4,324,867.89 | $ 4,260,601.60 | $ 4,344.98 |

TRANSACTION ACTIVITY- INVESTMENTS

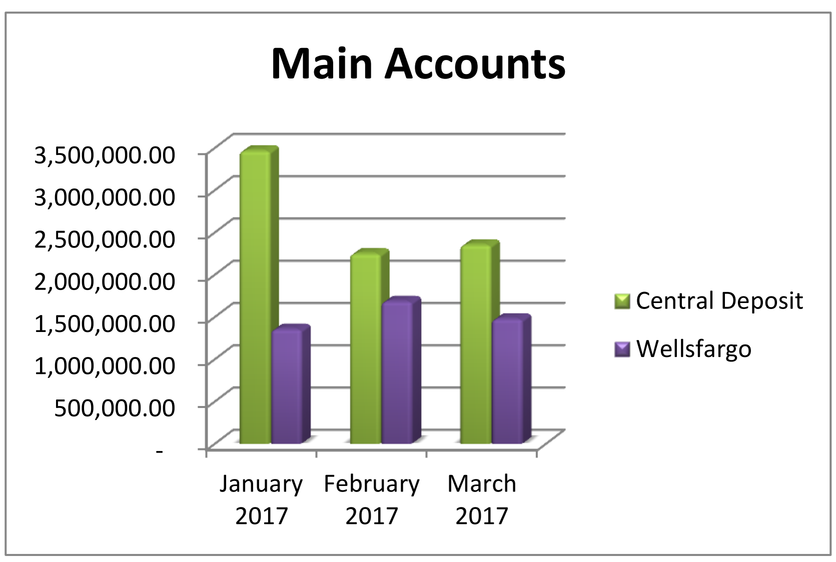
| Investment Pool | Account Name | Balance 1/1/2017 | Deposits | Withdrawls | Interest | Balance 3/31/2017 |
|---|---|---|---|---|---|---|
| Texas Daily | Consolidated Cash | $ 31,531.44 | $ - | $ - | $ 47.58 | $ 31,579.02 |
| TexStar | Consolidated Cash | 328,394.67 | - | - | 466.51 | 328,861.18 |
| TexPool | $2.0M CO Bond | 29,560.03 | - | - | 41.85 | 29,601.88 |
| TexPool | Central Deposit | 1,566,598.88 | 3,211,306.85 | (2,426,813.43) | 3,787.39 | 2,354,879.69 |
| TOTAL INVESTMENT POOLS | | $ 1,956,085.02 | $ 3,211,306.85 | $ (2,426,813.43) | $ 4,343.33 | $ 2,744,921.77 |

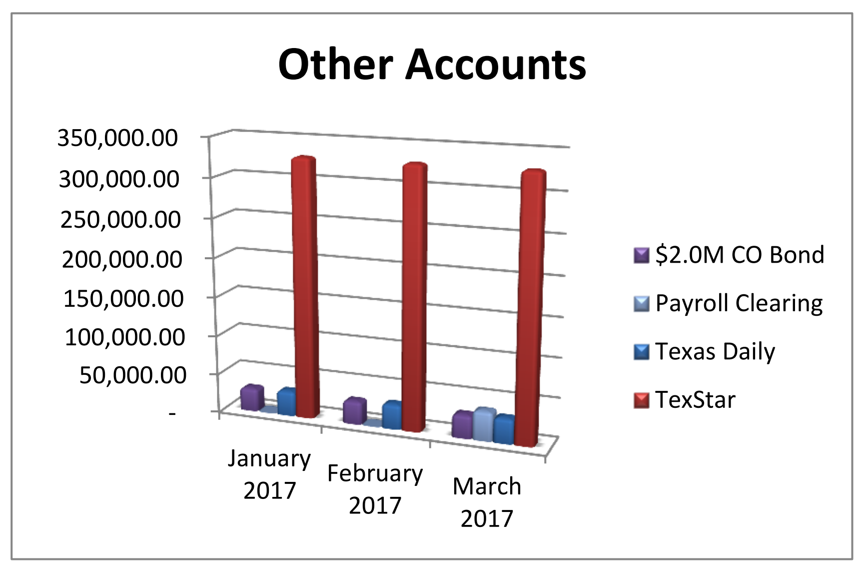
TRANSACTION ACTIVITY- WELLSFARGO

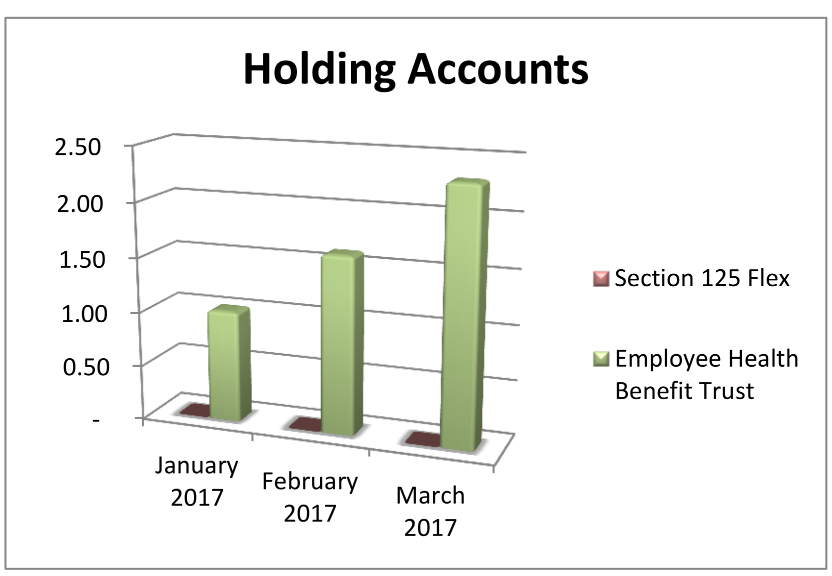
| Bank | Account Name | Balance 1/1/2017 | Deposits | Withdrawls | Interest | Balance 3/31/2017 |
|---|---|---|---|---|---|---|
| Wellsfargo | Consolidated Cash | $ 1,573,301.74 | $ 4,344,301.00 | $ (4,439,217.96) | $ - | $ 1,478,384.78 |
| Wellsfargo | Payroll Clearing | 188.81 | 1,004,263.32 | (967,159.39) | - | 37,292.74 |
| Wellsfargo | Section 125 Flex | - | 2,137.38 | (2,137.38) | - | - |
| Wellsfargo | Health Reimbursement | - | 8,001.00 | (8,001.00) | - | - |
| Wellsfargo | Employee Health Benefit Trust | 0.66 | 134,163.92 | (134,163.92) | 1.65 | 2.31 |
| TOTAL WELLSFARGO | | $ 1,573,491.21 | $ 5,492,866.62 | $ (5,550,679.65) | $ 1.65 | $ 1,515,679.83 |

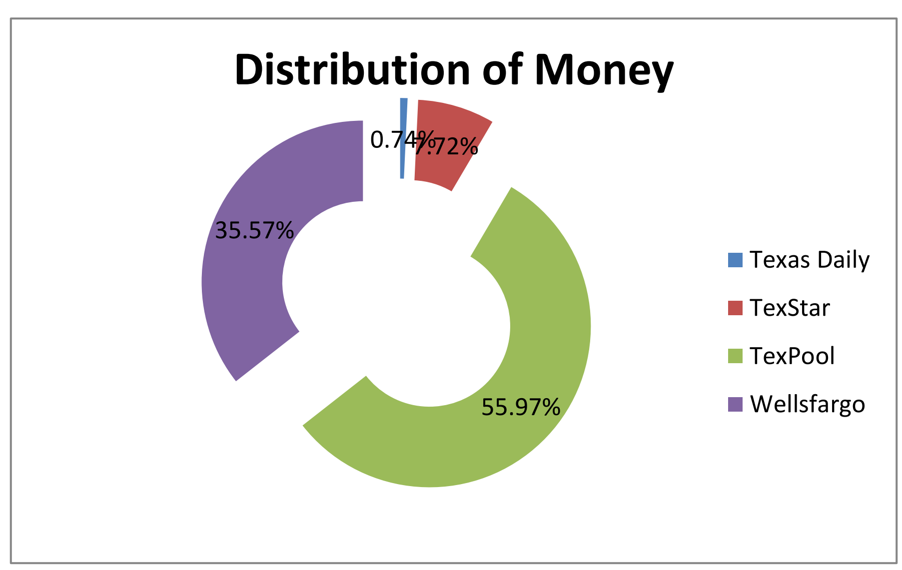
CASH BREAKDOWN BY FUND

| | January 2017 | February 2017 | March 2017 |
|---|---|---|---|
| 01- General Fund | $ 2,540,413.47 | $ 2,599,985.75 | $ 2,443,541.66 |
| 02- Debt Service Fund | 686,262.91 | 30,974.85 | 51,476.81 |
| 04- Capital Project Fund | 51,518.13 | 57,886.35 | 63,679.94 |
| 05- Capital Replacement Fund | 274,463.43 | 166,748.16 | 73,332.14 |
| 07- Storm Drainage Utility Fund | 50,982.09 | 143,740.51 | 164,294.11 |
| 10- Water/Sewer Fund | 558,201.13 | 203,746.30 | 236,570.05 |
| 12- Court Security Fund | 11,433.00 | 11,808.15 | 12,231.96 |
| 13- Capital Bond Fund | - | - | - |
| 14- Park Dedication Fund | 195,819.58 | 195,877.10 | 195,925.22 |
| 15- Economic Development Fund | 46,503.65 | 75,249.71 | 78,677.55 |
| 16- Court Technology Fund | 4,331.92 | 4,828.90 | 5,390.29 |
| 17- Streets Improvement Fund | 177,105.66 | 232,123.96 | 294,420.54 |
| 18- Juvenile Case Manager Fund | 23,474.64 | 23,369.05 | 23,069.57 |
| 19- EDC4B Capital Bond Fund | 29,573.57 | 29,586.21 | 29,601.88 |
| 21- TIF #1 New Hope Fund | 42,461.98 | 3,809.01 | (3,272.49) |
| 31- Police Seizure Fund | - | - | - |
| 32- Library Building Fund | 12,689.54 | 10,204.95 | 12,166.60 |
| 34- LEOSE Fund | - | 1,799.80 | 1,800.41 |
| 41- Park Rec/Other Donation Fund | 10,119.59 | 9,470.45 | 7,356.78 |
| 45- Roadway Impact Fee Fund | 72,502.67 | 79,206.60 | 95,271.99 |
| 61- Water Impact Fee Fund | 130,445.59 | 145,175.54 | 167,609.85 |
| 62- Sewer Impact Fee Fund | 104,996.98 | 109,067.67 | 117,184.35 |
| 65- Water Improvement Fund | - | - | - |
| 83- Tree Reforestation Fund | 67,943.53 | 67,963.49 | 67,986.42 |
| 85- Unclaimed Property Fund | 1,990.24 | 1,990.24 | 1,990.24 |
| 95- EDC Reserve Fund | 120,219.82 | 120,255.14 | 120,295.73 |
| TOTAL ALL FUNDS | $ 5,213,453.12 | $ 4,324,867.89 | $ 4,260,601.60 |



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# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** REQUIRED APPROVAL ITEMS (CONSENT) - C.

---

**I. Subject:**
Review the annual financial disclosure report

**II. Originated by:**

Debby Scott

**III. Summary:**
Mark McLiney with SAMCO prepares our Continuing Disclosure every year for our bonds and submits the report to required agencies.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**
Approve

**VII. Alternative Actions:**

**VIII. Attachments:**

| | | |
|---|---|---|
| 1. | 2016 Continuing Disclosure Report | Kennedale 2016 CD.pdf |

# Municipal Secondary Market Disclosure Information Cover Sheet

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement (please include name of state where issuer is located):

**CITY OF KENNEDALE**

**$2,900,000 Combination Tax and Revenue Certificates of Obligation, Series 2007**

**$4,365,000 General Obligation Refunding Bonds, Series 2007**

**$2,735,000 Combination Tax and Revenue Certificates of Obligation, Series 2007A**

**$1,200,000 Sales Tax Revenue Bonds Taxable, Series 2007**

**$4,500,000 Combination Tax and Revenue Certificates of Obligation, Series 2008**

**$2,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2010**

**$3,260,000 Combination Tax and Revenue Certificates of Obligation, Series 2011**

Provide nine-digit CUSIP* numbers if available, to which the information relates:

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located): City of Kennedale, Texas

Other Obligated Person's Name (if any):

(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer: **489332/489352**

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

☒ Electronic (number of pages attached) ☐ Paper (number of pages attached)

If information is also available on the Internet, give URL:

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

**A.** ☒ **Annual Financial Information and Operating Data pursuant to Rule 15c2-12**
(Financial information and operating data should not be filed with the MSRB.)

**Fiscal Period Covered: September 30, 2016** ______________________________

**B.** ☒ **Audited Financial Statements or CAFR pursuant to Rule 15c2-12**

**Fiscal Period Covered: September 30, 2016** ______________________________

**C.** ☐ **Notice of a Material Event pursuant to Rule 15c2-12** (Check as appropriate)

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ☐ Modifications to the rights of security holders
8. ☐ Bond calls
9. ☐ Defeasances
10. ☐ Release, substitution, or sale of property securing repayment of the securities
11. ☐ Rating changes

**D.** ☐ **Notice of Failure to Provide Annual Financial Information as Required**

**E.** ☐ **Other Secondary Market Information** (Specify):______________________________

**I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:**

**Issuer Contact:**

Name: Krystal Crump ____________________ Title: Director of Finance & IT ____________

Employer: City of Kennedale, Texas ______________________________

Address: 405 Municipal Drive ______________ City: Kennedale ____ State: TX _ Zip Code: 76060 _______

Telephone: (817) 985-2110________________ Fax: (817) 483-0720 ________________

Email Address: kcrump@cityofkennedale.com ________ Issuer Web Site Address ________________

**Dissemination Agent Contact, if any:**

Name: Mark M. McLiney ________________ Title: Senior Managing Director ____________

Employer: SAMCO Capital Markets, Inc. ______________________________

Address: 1020 NE Loop 410, Suite 640___________ City: San Antonio __State: TX _ Zip Code: 78209 _______

Telephone: (210) 832-9760________________ Fax: (210) 832-9794 ________________

Email Address: mmcliney@samcocapital.com ________ Relationship to Issuer: Financial Advisor ________

**Obligor Contact, if any:**

Name ______________________ Title______________________

Employer ______________________________

Address ______________________ City ________ State______ Zip Code ________

Telephone______________________ Fax ______________________

Email Address ______________________ Obligor Web site Address________________

**Investor Relations Contact, if any:**

Name ______________________ Title______________________

Telephone______________________ Email Address______________________

**ANNUAL REPORT OF FINANCIAL INFORMATION**
**IN ACCORDANCE WITH THE CONTINUING DISCLSURE REQUIREMENTS**
**OF SEC RULE 15C2-12**
**with regard to:**

**CITY OF KENNEDALE, TEXAS**
**(Tarrant County)**

**$2,900,000 Combinaiton Tax and Revenue Certificates of Obligation, Series 2007**
**$4,365,000 General Obligation Refunding Bonds, Series 2007**
**$2,735,000 Certificates of Obligation, Series 2007A**
**$4,500,000 Combinaiton Tax and Revenue Certificates of Obligation, Series 2008**
**$2,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2010**
**$3,260,000 Combination Tax and Revenue Certificates of Obligation, Series 2011**

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## TABLE 1 IN THE OFFICIAL STATEMENT

**CURRENT INVESTMENTS** **TABLE 1**

At September 30, 2016, the primary government's investments consisted of:

| Investment Type | Fair Value |
|---|---|
| TexStar | $ 328,032 |
| Texas Term | 31,494 |
| TexPool | 577,893 |
| Totals | $ 937,419 |

Source: The City's Annual Financial Report for Fiscal Year Ended September 30, 2016 and information provided by the City

**FINANCIAL INFORMATION REGARDING THE CITY OF KENNEDALE, TEXAS**

## ASSESSED VALUATION — TABLE 1

| | | |
|---|---|---|
| 2016 Actual Certified Market Value of Taxable Property (100% of Market Value) | $ | 613,753,561 |
| Less Exemptions: | | |
| Optional Over-65 or Disabled Homestead | $ | 24,633,290 |
| Absolute Exempt | | 8,086,839 |
| Disabled and Deceased Veteran's Exemptions | | 4,361,741 |
| Freeport Exemption | | 6,699,198 |
| AG Deferrals | | 7,273,644 |
| Value lost to Prorations | | - |
| **TOTAL EXEMPTIONS** | | 51,054,712 |
| 2016 Assessed Value of Taxable Property | $ | 562,698,849 |

*Source: Tarrant County Appraisal District.*

## CITY DEBT OBLIGATIONS - CAPITAL LEASE AND NOTES PAYABLE — TABLE 2

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

The assets through capital leases are as follows:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Assets: | | | |
| Buildings and Improvements | $ 221,887 | $ - | $ 221,887 |
| Infrastructure | - | 1,650,000 | 1,650,000 |
| Less: accumulated depreciation | (77,660) | (330,000) | (407,660) |
| Total | $ 144,227 | $ 1,320,000 | $ 1,464,227 |

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016, were as follows:

| Year Ending September 30, | Governmental Activities | Business-Type Activities |
|---|---|---|
| 2017 | $ 118,687 | $ 152,813 |
| 2018 | 118,687 | 152,813 |
| 2019 | 118,687 | 152,813 |
| 2020 | 98,273 | 152,813 |
| 2021 | - | 152,813 |
| 2022-2026 | | 764,063 |
| 2027-2031 | - | 305,625 |
| Total minimum lease payments | 454,334 | 1,833,753 |
| Less: amunt representing interest | 29,861 | 387,905 |
| Present value of mimimum lease payments | $ 424,473 | $ 1,445,848 |

Source: The Issuer's Annual Financial Report for the fiscal year ended September 30, 2016.

**TAXABLE ASSESSED VALUATION FOR TAX YEARS 2007-2016** **TABLE 3**

| Year | Net Taxable Assessed Valuation | Change From Preceding Year Amount ($) | Change From Preceding Year Percent |
|---|---|---|---|
| 2007-08 | $ 435,040,102 | - | 0.00% |
| 2008-09 | 493,189,136 | $ 58,149,034 | 13.37% |
| 2009-10 | 541,265,313 | 48,076,177 | 9.75% |
| 2010-11 | 521,526,413 | (19,738,900) | (3.65%) |
| 2011-12 | 546,171,493 | 24,645,080 | 4.73% |
| 2012-13 | 539,477,988 | (6,693,505) | (1.23%) |
| 2013-14 | 531,917,562 | (7,560,426) | (1.40%) |
| 2014-15 | 563,645,099 | 31,727,537 | 5.96% |
| 2015-16 | 549,994,735 | (13,650,364) | (2.42%) |
| 2016-17 | 562,698,849 | 12,704,114 | 2.31% |

*Source: Tarrant County Appraisal District.*

**CLASSIFICATION OF ASSESSED VALUATION** **TABLE 4**

| | 2016 | % of Total | 2015 | % of Total | 2014 | % of Total |
|---|---|---|---|---|---|---|
| Real, Residential, Single-Family | $ 396,861,237 | 64.66% | $ 370,547,638 | 59.86% | $ 339,159,796 | 56.18% |
| Real, Residential, Multi-Family | 22,347,988 | 3.64% | 22,268,058 | 3.60% | 21,008,704 | 3.48% |
| Real, Vacant Lots/Tracts | 17,293,677 | 2.82% | 14,922,100 | 2.41% | 20,883,550 | 3.46% |
| Real, Acreage (Land Only) | 2,313,416 | 0.38% | 237,792 | 0.04% | 1,516,043 | 0.25% |
| Real, Farm and Ranch Improvements | - | 0.00% | - | 0.00% | - | 0.00% |
| Real, Commercial | 67,556,240 | 11.01% | 88,588,911 | 14.31% | 62,524,660 | 10.36% |
| Real, Industrial | 19,497,586 | 3.18% | 17,019,182 | 2.75% | 17,141,984 | 2.84% |
| Oil and Gas | 8,914,360 | 1.45% | 38,213,330 | 6.17% | 46,471,660 | 7.70% |
| Real & Tangible, Personal Utilities | 20,651,087 | 3.36% | 3,904,540 | 0.63% | 19,951,835 | 3.31% |
| Tangible Personal, Commercial | 32,426,979 | 5.28% | 26,655,795 | 4.31% | 32,059,368 | 5.31% |
| Tangible Personal , Industrial | 23,841,988 | 3.88% | 31,779,127 | 5.13% | 36,901,854 | 6.11% |
| Tangible Personal, Mobile Homes | 1,391,653 | 0.23% | 1,289,290 | 0.21% | 1,176,400 | 0.19% |
| Real Property, Inventory | 657,350 | 0.11% | 3,613,133 | 0.58% | 4,861,033 | 0.81% |
| **Total Appraised Value** | $ 613,753,561 | 100.00% | $ 619,038,896 | 100.00% | $ 603,656,887 | 100.00% |
| **Less:** | | | | | | |
| Optional Over-65 or Disabled Homestead | $ 24,633,290 | | $ 23,150,070 | | $ 21,004,212 | |
| Absolute Exempt | 8,086,839 | | 28,414,135 | | - | |
| Disabled and Deceased Veteran's | 4,361,741 | | 2,736,270 | | 2,464,390 | |
| Freeport Exemption | 6,699,198 | | 8,936,224 | | 8,986,669 | |
| AG Deferrals | 7,273,644 | | 5,807,462 | | 6,213,242 | |
| Value lost to Prorations | - | | - | | 1,343,275 | |
| **Net Taxable Assessed Valuation** | $ 562,698,849 | | $ 549,994,735 | | $ 563,645,099 | |

**TAX DATA** **TABLE 5**

| Tax Year | Net Taxable Assessed Valuation | Tax Rate | Tax Levy | % of Collections Current | % of Collections Total | Year Ended |
|---|---|---|---|---|---|---|
| 2007 | $ 435,040,102 | 0.722500 | $ 3,143,165 | 99.12 | 99.88 | 9/30/2008 |
| 2008 | 493,189,136 | 0.722500 | 3,563,292 | 97.93 | 98.60 | 9/30/2009 |
| 2009 | 541,265,313 | 0.722500 | 3,910,642 | 97.16 | 97.80 | 9/30/2010 |
| 2010 | 521,526,413 | 0.722500 | 3,768,028 | 97.44 | 98.06 | 9/30/2011 |
| 2011 | 546,171,493 | 0.722500 | 3,946,089 | 98.59 | 99.94 | 9/30/2012 |
| 2012 | 539,477,988 | 0.722500 | 3,897,728 | 98.58 | 101.44 | 9/30/2013 |
| 2013 | 531,917,562 | 0.747500 | 3,976,084 | 98.36 | 100.00 | 9/30/2014 |
| 2014 | 563,645,099 | 0.747500 | 4,213,247 | 98.64 | 101.00 | 9/30/2015 |
| 2015 | 549,994,735 | 0.767500 | 4,221,210 | 99.18 | 100.00 | 9/30/2016 |
| 2016 | 562,698,849 | 0.767500 | 4,318,714 | (In Process of Collections) | | 9/30/2016 |

**TAX RATE DISTRIBUTION** **TABLE 6**

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| General Fund | $ 0.581711 | $ 0.575204 | $ 0.551216 | $ 0.560454 | $ 0.549582 |
| I & S Fund | 0.185789 | 0.192296 | 0.196284 | 0.187046 | 0.172918 |
| Total Tax Rate | $ 0.767500 | $ 0.767500 | $ 0.747500 | $ 0.747500 | $ 0.722500 |

*Source: Tarrant County Appraisal District.*

**PRINCIPAL TAXPAYERS 2015-16** **TABLE 7**

| **Name** | **Type of Business/Property** | **% of Total 2016 Net Taxable Assessed Valuation** | **Assessed Valuation** |
|---|---|---|---|
| Hawk Steel Industries Inc. | Steel Manufacturing | $ 8,910,652 | 1.58% |
| SCC 287 LLC | Commercial | 8,281,323 | 1.47% |
| Oncor Electric Delivery Co. LLC | Electric Utility | 8,096,772 | 1.44% |
| Goss International Americas | Printing Press Manufacturing | 6,942,433 | 1.26% |
| FWT Inc. | IT Services | 6,110,168 | 1.09% |
| Harrison Jet Guns Inc. | Manufacturing | 5,384,938 | 0.96% |
| Tealcove Drive LLC | Commercial | 5,220,230 | 0.93% |
| First Texas Homes Inc. | Home Builder | 4,088,956 | 0.73% |
| Hexpol Compounding LLC | Manufacturing | 4,084,986 | 0.73% |
| DFW Midstream Services LLC | Oil & Gas | 3,821,530 | 0.68% |
| | | $ 60,941,988 | 10.86% |

*Source: Tarrant County Appraisal District.*

**MUNICIPAL SALES TAX COLLECTIONS** **TABLE 8**

The Issuer has adopted the provisions of Chapter 321, Texas Tax Code, as amended, and pursuant thereto levies a sales and use tax at the rate of 1% on the retail sales of taxable items sold within the Issuer. In addition, some issuers, including the City, are eligible to levy a sales tax of up to ½ of 1% for property tax relief and/or an additional sales tax of up to ½ of 1% for economic development. State law also provides certain cities the option of assessing a sales and use tax for a variety of other purposes, including municipal street maintenance and repair, sports and community venues, and funding certain projects through municipal development districts created by the City pursuant to Chapter 377, Texas Local Government Code. State law limits the maximum aggregate sales and use tax rate in any area to 8¼%. Accordingly, the collection of local sales and use taxes in the area of the City (including sales and use taxes levied by the City) is limited to no more than 2% (when combined with the State sales and use tax rate of 6¼%).

The Issuer has not authorized the additional ½ of 1% sales tax for property tax relief but has authorized an additional ¼ of 1% sales tax for economic development and an additional ¼ of 1% sales tax for street maintenance. The figures below represent collections from the combined 1.50% sales tax.

| Calendar Year | Total Collected | % of Ad Valorem Tax Levy | Equivalent of Ad Valorem Tax Rate |
|---|---|---|---|
| 2007 | 1,280,203 | 40.73% | 0.294 |
| 2008 | 1,332,867 | 37.41% | 0.270 |
| 2009 | 1,143,938 | 29.25% | 0.211 |
| 2010 | 1,822,786 | 48.38% | 0.350 |
| 2011 | 1,516,050 | 38.42% | 0.278 |
| 2012 | 1,486,848 | 38.15% | 0.276 |
| 2013 | 1,217,421 | 30.62% | 0.229 |
| 2014 | 1,281,292 | 30.41% | 0.227 |
| 2015 | 1,843,573 | 43.67% | 0.335 |
| 2016 | 1,476,885 | 34.20% | 0.262 |
| 2017 | 364,525 | (As of March, 2017) | |

*Source: State Comptroller's Office of the State of Texas.*

## GENERAL FUND COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES — TABLE 9

The following statements set forth in condensed form reflect the historical operations of the Issuer. Such summary has been prepared for inclusion herein based upon information obtained from the Issuer's audited financial statements and records. Reference is made to such statements for further and complete information.

| | Fiscal Year Ended | | | | |
|---|---|---|---|---|---|
| | 9/30/2016 | 9/30/2015 | 9/30/2014 | 9/30/2013 | 9/30/2012 |
| Fund Balance - Beginning of Year | $ 1,732,441 | $ 1,234,186 | $ 983,994 | $ 1,113,819 | $ 1,337,625 |
| Revenues | 6,555,146 | 7,362,971 | 6,856,568 | 6,280,275 | 6,345,096 |
| Expenditures | 7,020,665 | 6,745,291 | 6,523,102 | 6,306,631 | 6,720,273 |
| Excess (Deficit) of Revenues Over Expenditures | $ (465,519) | $ 617,680 | $ 333,466 | $ (26,356) | $ (375,177) |
| Other Financing Sources (Uses): | | | | | |
| Operating Transfers In | $ 953,377 | $ - | $ - | $ - | $ 125,000 |
| Proceeds from Notes Payable | 367,218 | | - | - | - |
| Proceeds from Sale of Capital Assets | - | - | - | - | 26,371 |
| Transfer of Reserved Fund Balance | - | - | - | - | - |
| Operating Transfers Out | (7,220) | (111,134) | (83,274) | (103,469) | - |
| Total Other Financing Sources (Uses): | $ 1,313,375 | $ (111,134) | $ (83,274) | $ (103,469) | $ 151,371 |
| Prior Period Adjustment | $ - | $ (8,291) | $ - | $ - | $ - |
| Fund Balance - End of Year | $ 2,580,297 | $ 1,732,441 | $ 1,234,186 | $ 983,994 | $ 1,113,819 |

*Source: The Issuer's Comprehensive Annual Financial Reports and information provided by the Issuer.*

**Plan Description**

The City participates as one of 866plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.org.

All eligible employees of the City are required to participate in TMRS.

**Benefits Provided**

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in over of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Beginning in 2006, the City Council granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2006, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).
A summary of plan provisions for the City are as follows:

| | |
|---|---|
| Employee deposit rate | 7% |
| Matching ratio (City to employee) | 2 to 1 |
| Years required for vesting | 5 |
| Service retirement eligibility | 20 years to any age,<br>5 years at age 60 and above |
| Updated service credit | 100% Repeating |
| Annuity increase to retirees | 70% of CPI<br>Repeating |

*Employees covered by benefit terms*

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 31 |
| Inactive employees entitled to but not yet receiving benefits | 94 |
| Active employees | 67 |
| | 192 |

**Contributions**

The Contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.44% and 14.22% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were $555,231, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions*

The Total Pension Liability in December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.0% per year |
| Investment Rate of Return | 6.75%, net pension plan investment expense,<br>including inflation |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generatioal basis by scale BB to accont for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience invetigation stud, the Board amended the long-term expected rate of return o pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both captal appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of retune (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocatio protfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the goemetric mean (coservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The pension plan's policy in regard to the allocation of invested assets is establihsed and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital apppreciation as well as the productionof income, in order to satisfy the short-term and long-term funding needs of TMRS. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

| Asset Class | Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|---|---|---|
| Domestic Equity | 17.5% | 4.55% |
| International Equity | 17.5% | 6.10% |
| Core Fixed Income | 10.0% | 1.00% |
| Non-Core Fixed Income | 20.0% | 3.65% |
| Real Return | 10.0% | 4.03% |
| Real Estate | 10.0% | 5.00% |
| Absolute Return | 10.0% | 4.00% |
| Private Equity | 5.0% | 8.00% |
| Total | 100.0% | |

*Discount Rate*

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statue. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

*Changes in the Net Pension Liability*

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Pension (b) | Net Pension (a)-(b) |
| Balance at 12/31/2014 | $ 12,199,345 | $ 10,494,646 | $ 1,704,699 |
| Changes for the year: | | | |
| Service cost | 648,581 | - | 648,581 |
| Interest | 865,430 | - | 865,430 |
| Difference between expected and actual experience | (168,052) | - | (168,052) |
| Changes of assumptions | 113,774 | - | 113,774 |
| Contributions - employer | - | 525,561 | (525,561) |
| Contributions - employee | - | 254,774 | (254,774) |
| Net investment income | - | 15,487 | (15,487) |
| Benefit payments, including refunds of employee contributions | - (320,705) | (320,705) | - |
| Administrative expense | - | (9,432) | 9,432 |
| Other changes | - | (466) | 466 |
| Net changes | 1,139,028 | $ 465,219 | $ 673,809 |
| Balance at 12/31/2015 | $ 13,338,373 | $ 10,959,865 | $ 2,378,508 |

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) of 1-percentage-higher (7.75%) than the current rate:

| | 1% Decrease in Discount Rate '(5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate'(7.75%) |
|---|---|---|---|
| City's net pension liability | 4,842,773 | 2,378,508 | 443,413 |

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS Financial report. The report may be obtained on the Internet at www.tmrs.org.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2016, the City recognized pension expense of $659,510.

At September 30, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Differed Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual economic experience | $ - | $ 165,510 |
| Changes in actuarial assumptions | 80,986 | - |
| Difference between projected and actual investment earnings | 648,839 | - |
| Contributions subsequent to the measurement date | 406,511 | - |
| Total | $ 1,136,336 | $ 165,510 |

$406,511 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

| Year Ending 12/31 | |
|---|---|
| 2017 | $ 124,999 |
| 2018 | 133,503 |
| 2019 | 160,985 |
| 2020 | 143,828 |

**UTILITY SYSTEM PLANT IN OPERATION** **TABLE 11**

| | FYE 9/30/2016 |
|---|---|
| Land | $ 409,801 |
| Construction in Progress | 810,179 |
| Machinery and Equipment | 1,018,752 |
| Buildings | 5,386,339 |
| Water and Wastewater distribution | 17,998,277 |
| Total Capital Assets | $ 25,623,348 |
| Less: Accumulated Depreciation | (8,394,911) |
| Net Capital Assets | $ 17,228,437 |

*Source: The Issuer's Annual Financial Report for fiscal year ended September 30, 2016 and information provided by the Issuer.*

**WATER SUPPLY**

The City has 5 water wells. In addition, The City has interconnections within the City of Arlington and Fort Worth to insure adequate supply of water to its citizens.

**WATERWORKS SYSTEM OPERATING SYSTEM** **TABLE 12**

*The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers, bad debt, debt service payments and expenditures identified as capital.*

| Fiscal Year Ended: | 9/30/2016 | 9/30/2015 | 9/30/2014 | 9/30/2013 | 9/30/2012 |
|---|---|---|---|---|---|
| Revenues | $ 4,782,576 | $ 3,683,823 | $ 3,775,546 | $ 3,138,201 | $ 3,264,892 |
| Expenses | 2,555,598 | 3,229,698 | 3,447,091 | 2,726,206 | 3,090,592 |
| Net Revenue Available for Debt Service | $ 2,226,978 | $ 454,125 | $ 328,455 | $ 411,995 | $ 174,300 |
| Customer Count: | | | | | |
| Water | 2,799 | 2,722 | 2,758 | 2,506 | 2,495 |
| Sewer | 2,545 | 2,427 | 2,390 | 2,267 | 2,222 |

*Source: The Issuer's Annual Financial Reports, information provided by the Issuer and the Texas Municipal Reports published by the Municipal Advisory Council of Texas.*

## WATER RATES



*(Based on monthly billing)*

New Rates
*(Effective February 23, 2016)*

**Service within city limits:**

| Meter Size | Residential Base | Senior/Disabled Base* | Commercial Base | Industrial Base (NEW) | Multiple |
|---|---|---|---|---|---|
| 3/4" | $ 34.50 | $ 34.50 | $ 34.50 | $ 34.50 | $34.50 Per Unit |
| 1" | $ 86.25 | $ 86.25 | $ 86.25 | $ 86.25 | $34.50 Per Unit |
| 1/2" | $ 172.50 | $ 172.50 | $ 172.50 | $ 172.50 | $34.50 Per Unit |
| 2" | $ 276.00 | $ 276.00 | $ 276.00 | $ 276.00 | $34.50 Per Unit |
| 3" | $ 552.00 | $ 552.00 | $ 552.00 | $ 552.00 | $34.50 Per Unit |
| 4" | $ 862.50 | $ 862.50 | $ 862.50 | $ 862.50 | $34.50 Per Unit |

| Gallons | Residential Rate | Senior/Disabled Rate | Commercial Rate | Commercial Rate | Res/Comm Rate** |
|---|---|---|---|---|---|
| 0-5,000 | $2.00 Per 1000 Gallons | $2.00 Per 1000 Gallons | $2.85 Per 1000 Gallons | $2.85 Per 1000 Gallons | N/A |
| 5,001-20,000 | $5.35 Per 1000 Gallons | $5.35 Per 1000 Gallons | $5.30 Per 1000 Gallons | $5.30 Per 1000 Gallons | N/A |
| 20,001-50,000 | $6.37 Per 1000 Gallons | $6.37 Per 1000 Gallons | $6.94 Per 1000 Gallons*** | $6.94 Per 1000 Gallons*** | N/A |
| 50,001 + | $8.06 Per Gallons | $8.06 Per Gallons | $6.94 Per 1000 Gallons*** | $6.94 Per 1000 Gallons*** | N/A |

*For senior/disabled rate, a credit of $7.50 per month/billing cyle will appy towards the applicable meter size for water service.

**For multiple residential units on a single watr 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, 3rd and 4th tier volume charge is the same.

**Service outside city limits:**

| Meter Size | Residential Base | Senior/Disabled Base | Commercial Base | Industrial Base (New) | Multiple Res/ Comm Base |
|---|---|---|---|---|---|
| 3/4" | $ 51.75 | N/A | $ 51.75 | $ 51.75 | $51.75 Per Unit |
| 1" | $ 129.38 | N/A | $ 129.38 | $ 129.38 | $51.75 Per Unit |
| 1/2" | $ 258.75 | N/A | $ 258.75 | $ 258.75 | $51.75 Per Unit |
| 2" | $ 414.00 | N/A | $ 414.00 | $ 414.00 | $51.75 Per Unit |
| 3" | $ 828.00 | N/A | $ 828.00 | $ 828.00 | $51.75 Per Unit |
| 4" | $ 1,293.75 | N/A | $ 1,293.75 | $ 1,293.75 | $51.75 Per Unit |

| Gallons | Residential Rate | Senior/Disabled Rate | Commercial Rate | Industrical Rate | Multiple Res/Comm Rate* |
|---|---|---|---|---|---|
| 0-5,000 | $2.00 Per 1000 Gallons | $2.00 Per 1000 Gallons | $2.85 Per 1000 Gallons | $2.85 Per 1000 Gallons | N/A |
| 5,001-20,000 | $5.35 Per 1000 Gallons | $5.35 Per 1000 Gallons | $5.30 Per 1000 Gallons | $5.30 Per 1000 Gallons | N/A |
| 20,001-50,000 | $6.37 Per 1000 Gallons | $6.37 Per 1000 Gallons | $6.94 Per 1000 Gallons*** | $6.94 Per 1000 Gallons*** | |
| 50,001 + | $8.06 Per 1000 Gallons | $8.06 Per 1000 Gallons | $6.94 Per 1000 Gallons*** | $6.94 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 unit basis by dividing the toal vojum of water used by the number of residential units.
**For commercial and industrial rate, 3rd and 4th tier volume charge is the same.

Old Rates

*(Effective July 1, 2013)*

**Service within 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 |
| 1/2" | 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 |

| Gallons | Residential Rate | Senior/Disabled Rate | Commercial Rate | Muliptle Res/Comm Rate** |
|---|---|---|---|---|
| 0-5,000 | 2.79 Per 1,000 Gallons | 2.79 Per 1,000 Gallons | 2.79 Per 1,000 Gallons | N/A |
| 5,001-50,000 | 5.27 Per 1,000 Gallons | 5.27 Per 1,000 Gallons | 5.27 Per 1,000 Gallons*** | N/A |
| 50,001 + | 6.19 Per 1,000 Gallons | 6.19 Per 1,000 Gallons | 5.27 Per 1,000 Gallons*** | N/A |

*For senior/disabled rate, a credit of $7.50 per month/billing cyle will appy towards the applicable meter size for water service.

used by the number of residential units.

***For commercial rate, 2nd and 34d tier volume chare is the same.

**Service outside 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 |
| 1/2" | 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 |

| Gallons | Residential Rate | Senior/Disabled Rate | Commercial Rate | Muliptle Res/Comm Rate* |
|---|---|---|---|---|
| 0-5,000 | 2.79 Per 1,000 Gallons | 2.79 Per 1,000 Gallons | 2.79 Per 1,000 Gallons | N/A |
| 5,001-50,000 | 5.27 Per 1,000 Gallons | 5.27 Per 1,000 Gallons | 5.27 Per 1,000 Gallons** | N/A |
| 50,001 + | 6.19 Per 1,000 Gallons | 6.19 Per 1,000 Gallons | 5.27 Per 1,000 Gallons** | N/A |

**Note:** Senior/disabled credit does not apply to service outside the city limits.

used by the number of residential units.

**For commercial rare, 2nd and 3rd tier volum chare is the same.

(Based on Monthly Billing)

New Rates as of February 23, 2016

***Gas Well Drilling***

| Meter Size | Residential Base | Senior/Disabled Base | Commercial Base | Industrial Base (NEW) | Multiple Res/Comm Base |
|---|---|---|---|---|---|
| 2" | $ 249.16 | N/A | $ 249.16 | $ 249.16 | N/A |
| 3" | $ 545.58 | N/A | $ 545.58 | $ 545.58 | N/A |
| 4" | $ 981.82 | N/A | $ 981.82 | $ 981.82 | N/A |

| Gallons | Residential Rate | Senior/Disabled Rate | Commercial Rate | Industrial Base (NEW) | Muliptle Res/Comm Rate |
|---|---|---|---|---|---|
| 0-5,000 | $7.24 Per 1,000 Gallons | N/A | $7.24 Per 1,000 Gallons | $7.24 Per 1,000 Gallons | N/A |
| 5,001+ Gallons | $7.24 Per 1,000 Gallons | N/A | $7.24 Per 1,000 Gallons | $7.24 Per 1,000 Gallons | N/A |

***Gas Well Drilling Old Rates***

| 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 |

| Gallons | Residential Rate | Senior/Disabled Rate | Commercial Rate | Muliptle Res/Comm Rate |
|---|---|---|---|---|
| 0-5,000 | $7.24 Per 1,000 Gallons | N/A | $7.24 Per 1,000 Gallons | N/A |
| 5,001+ Gallons | $7.24 Per 1,000 Gallons | N/A | $7.24 Per 1,000 Gallons | N/A |

## SEWER RATES

(Based on Monthly Billing)

New Rates as of February 23, 2016

**Service within city limits:**

| | Residential | Senior/ Disabled | Commercial | Multiple Res/Comm |
|---|---|---|---|---|
| Base | $17.19 | $17.19* | $28.64 | N/A |
| per 1,000 Gallons | $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 city limits:**

| | Residential | Senior/ Disabled | Commercial | Multiple Res/Comm |
|---|---|---|---|---|
| Base | $34.37 | N/A | $57.28 | **N/A** |
| per 1,000 Gallons | $8.17 | N/A | $8.96 | N/A |

**Note:** Senior/disabled creidt does not apply to service outside the city limits.

**Service within city limits:**

| | Residential | Senior/ Disabled | Commercial | Multiple Res/Comm |
|---|---|---|---|---|
| Base | $17.19 | $17.19* | $28.64 | N/A |
| per 1,000 Gallons | $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 city limits:**

| | Residential | Senior/ Disabled | Commercial | Multiple Res/Comm |
|---|---|---|---|---|
| Base | $34.37 | N/A | $57.28 | **N/A** |
| per 1,000 Gallons | $8.17 | N/A | $8.96 | N/A |

**Note:** Senior/disabled creidt does not apply to service outside the city limits.

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## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** REQUIRED APPROVAL ITEMS (CONSENT) - D.

---

**I. Subject:**
Consider approval of Resolution 506 to suspend the effective date for the 2017 Oncor Rate Case

**II. Originated by:**

George Campbell, Interim City Manager

**III. Summary:**

Oncor Electric Delivery Company ("Oncor" or "the Company") filed an application on or about March 17, 2017 with cities retaining original jurisdiction seeking to increase system-wide transmission and distribution rates by $317 million or approximately 7.5% over present revenues. The Company asks the City to approve an 11.8% increase in residential rates and a 0.5% increase in street lighting rates. If approved, a residential customer using 1000 kWh per month would see a bill increase of about $6.68 per month.

The resolution suspends the April 21, 2017 effective date of the Company's rate increase for the maximum period permitted by law to allow the City, working in conjunction with the Steering Committee of Cities Served by Oncor, to evaluate the filing, determine whether the filing complies with law, and if lawful, to determine what further strategy, including settlement, to pursue.

The law provides that a rate request made by an electric utility cannot become effective until at least 35 days following the filing of the application to change rates. The law permits the City to suspend the rate change for 90 days after the date the rate change would otherwise be effective. **If the City fails to take some action regarding the filing before the effective date, Oncor's rate request is deemed administratively approved.**

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**
Approve

**VII. Alternative Actions:**

**VIII. Attachments:**

| | | |
|---|---|---|
| 1. | Cover Letter - Dated March 17, 2017 | Oncor Cover Letter.pdf |
| 2. | List of OCSC Cities | List of OCSC Cities Revised (3-8-2017).pdf |
| 3. | Resoultion 506 | Resolution 506.pdf |

Lloyd Gosselink
ATTORNEYS AT LAW

816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532
www.lglawfirm.com

Mr. Brocato's Direct Line: (512) 322-5857
Email: tbrocato@lglawfirm.com

# MEMORANDUM

TO: Steering Committee of Cities Served by Oncor Members
FROM: Geoffrey Gay
Thomas Brocato
DATE: March 17, 2017
RE: Oncor Electric Delivery Company's Statement of Intent to Increase Rates
Suspension Packet

**ACTION REQUIRED TO SUSPEND THE EFFECTIVE DATE BY APRIL 21, 2017**

Earlier today, Oncor filed a Statement of Intent to Increase Rates with all cities in its service area that retain original jurisdiction. The Company is seeking to increase rates by approximately $317 million over rates currently in place, or approximately 7.5% over present revenues. Residential customers would see an 11.8% increase in rates. If approved, a residential customer using 1000 kWh per month would see a bill increase of about $6.68 per month. Additionally, the Company proposes to increase street lighting rates by 0.5%.

The rate increase requested by Oncor will become effective on April 21, 2017, unless the city takes action to suspend the effective date. The statute permits cities to extend the effective date by up to 90 days in order to study the filing. **The city must take action to suspend the effective date by April 21, 2017.** If your city does not have a regular council meeting scheduled before April 21st or is otherwise unable to take action on the suspension resolution by April 21st, please contact me as soon as possible.

Attached to this memo is a model suspension resolution and staff report. In the past, Oncor local managers have provided cities with a model denial resolution and may recommend that the city immediately deny the rate request. If this occurs, we do not recommend that you deny the request at this time. Suspending the effective date allows cities more time to review the application and decide on the final action, including settlement or denial of Oncor's requested rate increase.

The Steering Committee of Cities Served by Oncor will hold a conference call of all Steering Committee members later this month to discuss Oncor's rate request. During the call there will also be an opportunity for Steering Committee members to discuss strategy with Steering Committee consultants and attorneys.

If you have any questions, please feel free to contact Thomas (512/322-5857, tbrocato@lglawfirm.com).

1669/35/7314214.1

**STEERING COMMITTEE CITIES SERVED BY ONCOR (Total 156)**

Addison
Allen
Alvarado
Andrews
Anna
Archer City
Argyle
Arlington
Azle
Bedford
Bellmead
Belton
Benbrook
Beverly Hills
Big Spring
Breckenridge
Bridgeport
Brownwood
Buffalo
Burkburnett
Burleson
Caddo Mills
Cameron
Canton
Carrollton
Cedar Hill
Celina
Centerville
Cleburne
Coahoma
Colleyville
Collinsville
Colorado City
Comanche
Commerce
Coppell
Copperas Cove
Corinth
Crowley
Dallas
Dalworthington Gardens
DeLeon
De Soto
Denison
Duncanville
Early
Eastland
Edgecliff Village
Ennis
Euless
Everman
Fairview
Farmers Branch
Fate
Flower Mound
Forest Hill
Fort Worth
Frisco
Frost
Gainesville
Garland
Glenn Heights
Grand Prairie
Granger
Grapevine
Haltom City
Harker Heights
Haslet
Heath
Henrietta
Hewitt
Highland Park
Honey Grove
Howe
Hurst
Hutto
Iowa Park
Irving
Jolly
Josephine
Justin
Kaufman
Keller
Kennedale
Kerens
Killeen
Krum
Lake Worth
Lakeside
Lamesa
Lancaster
Lewisville
Lindale
Little Elm
Little River Academy
Malakoff
Mansfield
McKinney
Mesquite
Midland
Midlothian
Murchison
Murphy
New Chapel Hill
North Richland Hills
Northlake
Oak Leaf
Oak Point
Odessa
O'Donnell
Ovilla
Palestine
Pantego
Paris
Plano
Pottsboro
Prosper
Ranger
Rhome
Richardson
Richland
Richland Hills
River Oaks
Roanoke
Robinson
Rockwall
Rosser
Rowlett
Sachse
Saginaw
Sansom Park
Seagoville
Sherman
Snyder
Southlake
Springtown
Stephenville
Sulphur Springs
Sunnyvale
Sweetwater
Temple
Terrell
The Colony
Trophy Club
Tyler
University Park
Venus
Waco
Watauga
Waxahachie
Westover Hills
White Settlement
Wichita Falls
Willow Park
Woodway
Wylie

## RESOLUTION NO. 506

**RESOLUTION OF THE CITY OF KENNEDALE SUSPENDING THE APRIL 21, 2017, EFFECTIVE DATE OF ONCOR ELECTRIC DELIVERY COMPANY'S REQUESTED RATE CHANGE TO PERMIT THE CITY TIME TO STUDY THE REQUEST AND TO ESTABLISH REASONABLE RATES; APPROVING COOPERATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR TO HIRE LEGAL AND CONSULTING SERVICES AND TO NEGOTIATE WITH THE COMPANY AND DIRECT ANY NECESSARY LITIGATION AND APPEALS; FINDING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED IS OPEN TO THE PUBLIC AS REQUIRED BY LAW; REQUIRING NOTICE OF THIS RESOLUTION TO THE COMPANY AND LEGAL COUNSEL FOR THE STEERING COMMITTEE**

**WHEREAS**, on or about March 17, 2017, Oncor Electric Delivery Company (Oncor), pursuant to PURA §§ 33.001 and 36.001 filed with the City of Kennedale a Statement of Intent to increase electric transmission and distribution rates in all municipalities exercising original jurisdiction within its service area effective April 21, 2017; and

**WHEREAS**, the City of Kennedale is a member of the Steering Committee of Cities Served by Oncor ("Steering Committee") and will cooperate with the 156 similarly situated city members and other city participants in conducting a review of the Company's application and to hire and direct legal counsel and consultants and to prepare a common response and to negotiate with the Company prior to getting reasonable rates and direct any necessary litigation; and

**WHEREAS**, PURA § 36.108 grants local regulatory authorities the right to suspend the effective date of proposed rate changes for ninety (90) days after the date the rate change would otherwise be effective; and

**WHEREAS**, PURA § 33.023 provides that costs incurred by Cities in ratemaking proceedings are to be reimbursed by the regulated utility.

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

1. That the April 21, 2017 effective date of the rate request submitted by Oncor on or about March 17, 2017, be suspended for the maximum period allowed by law to permit adequate time to review the proposed changes and to establish reasonable rates.

2. As indicated in the City's resolution approving membership in the Steering Committee, the Executive Committee of Steering Committee is authorized to hire and direct legal counsel and consultants, negotiate with the Company, make recommendations regarding reasonable rates, and to intervene and direct any necessary administrative proceedings or court litigation associated with an appeal of a rate ordinance and the rate case filed with the City or Public Utility Commission.

3. That the City's reasonable rate case expenses shall be reimbursed by Oncor.

4. That it is hereby officially found and determined that the meeting at which this Resolution is passed is open to the public as required by law and the public notice of the time, place, and purpose of said meeting was given as required.

5. A copy of this Resolution shall be sent to Oncor, Care of Howard Fisher, Oncor Electric Delivery Company, LLC, 1616 Woodall Rodgers Freeway, Dallas, Texas 75202 and to Thomas Brocato, Counsel to the Steering Committee, at Lloyd Gosselink Rochelle & Townsend, P.C., P.O. Box 1725, Austin, Texas 78767-1725.

**PASSED AND APPROVED this the 17th day of April, 2017.**

________________________________

Brian Johnson, Mayor

ATTEST:

________________________________

Leslie Galloway, City Secretary

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# Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** REQUIRED APPROVAL ITEMS (CONSENT) - E.

**I. Subject:**
Consider approval of a construction project with Tejas Commercial Construction LLC for drainage improvements at 1033 Estates Drive

**II. Originated by:**

**III. Summary:**
The drainage improvements at 1033 Estates Drive were advertised for bids twice in March, with three (3) bids being received for opening at Kennedale City Hall on April 10, 2017 at 2:00 p.m. Shield Engineering Group, PLLC reviewed the bids and provided a letter of recommendation for award to Tejas Commercial Construction LLC, with the apparent low bid of $119,952.

Funding is available for these improvement in the FY 2016-17 Operating Budget out of the Stormwater Utility Funds - Drainage Improvements (Account # 07-5821-01-00).

Street and Park Superintendent Larry Hoover will be available to answer question on this project.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**
Approve

**VII. Alternative Actions:**

**VIII. Attachments:**

| | | |
|---|---|---|
| 1. | Recommendation of Award Letter | Contractor Award Recommendation Letter.pdf |
| 2. | Project Bid Tab | 1033 Estates Dr Bid Tab.pdf |

April 11, 2017

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

RE: Recommendation of Award
Storm Drain Improvements for
1033 Estates Drive

Dear Mr. Hoover:

On Monday April 10, 2017, three bids were received for the above referenced project. Tejas Commercial Construction, LLC submitted the lowest total bid of $119,952.00.

A summary of bids received is as follows:

| | | |
|---|---|---|
| 1. | Tejas Commercial Construction | $ 119,952.00 |
| 2. | Woody Contractors, Inc. | $ 133,062.00 |
| 3. | Canary Construction, Inc. | $ 240,267.00 |

Based on the bid submitted, it is recommended that Tejas Commercial Construction be authorized to perform this work for the proposed amount of $119,952.00.

Upon your approval, we will immediately begin to prepare and circulate the appropriate contract documents for execution. Should you have any questions or require any additional information, please call me at 817.810.0696.

Sincerely,

Craig H Barnes

Craig H. Barnes, P.E., President
Shield Engineering Group, PLLC

**Shield Engineering Group, PLLC**
1600 W. 7th Street, Suite 200, Fort Worth, TX 76102 • office (817) 810-0696 • fax (844) 273-2180
Email: info@segpllc.com • www.shieldengineeringgroup.com

**SHIELD ENGINEERING GROUP, PLLC**
Consulting Engineers

**BID OPENING**: Monday, April 10th 2017, 2:00pm

# BID TABULATION REPORT
## STORM DRAIN IMPROVEMENTS FOR
### 1033 ESTATES DRIVE
### IN KENNEDALE, TEXAS

| Project Item Information | | | | Tejas Commercial Construction, LLC | | Woody Contractors, Inc. | | Canary Construction, Inc. | |
|---|---|---|---|---|---|---|---|---|---|
| Bidlist Item No. | Description | Bid Quantity | Unit of Measure | Unit Price | Bid Value | Unit Price | Bid Value | Unit Price | Bid Value |
| **BASE BID** | | | | | | | | | |
| 1 | 5' x 3' RC Box, Class III | 33 | LF | $460.00 | $ 15,180.00 | $450.00 | $ 14,850.00 | $682.00 | $ 22,506.00 |
| 2 | 48" RCP, Class III | 74 | LF | $325.00 | $ 24,050.00 | $387.00 | $ 28,638.00 | $345.00 | $ 25,530.00 |
| 3 | Rock RipRap | 421 | SY | $80.00 | $ 33,680.00 | $125.00 | $ 52,625.00 | $285.00 | $ 119,985.00 |
| 4 | Remove & Dispose Exist Sloping Headwall | 1 | EA | $4,000.00 | $ 4,000.00 | $750.00 | $ 750.00 | $1,200.00 | $ 1,200.00 |
| 5 | 7' Square Storm Junction Box | 1 | EA | $8,000.00 | $ 8,000.00 | $7,350.00 | $ 7,350.00 | $15,890.00 | $ 15,890.00 |
| 6 | Imported Fill | 500 | CY | $15.00 | $ 7,500.00 | $10.00 | $ 5,000.00 | $45.00 | $ 22,500.00 |
| 7 | Concrete Headwall with Straight Wings | 1 | EA | $6,500.00 | $ 6,500.00 | $8,050.00 | $ 8,050.00 | $8,568.00 | $ 8,568.00 |
| 8 | Remove & Replace Fence (wood w/ metal posts) | 130 | LF | $40.00 | $ 5,200.00 | $40.00 | $ 5,200.00 | $55.00 | $ 7,150.00 |
| 9 | Trench Safety | 107 | LF | $6.00 | $ 642.00 | $7.00 | $ 749.00 | $4.00 | $ 428.00 |
| 10 | Check Dam | 1 | EA | $800.00 | $ 800.00 | $700.00 | $ 700.00 | $1,520.00 | $ 1,520.00 |
| 11 | Storm Water Management | 1 | EA | $5,500.00 | $ 5,500.00 | $1,000.00 | $ 1,000.00 | $2,200.00 | $ 2,200.00 |
| 12 | Tree Removal | 5 | EA | $1,500.00 | $ 7,500.00 | $1,350.00 | $ 6,750.00 | $1,564.00 | $ 7,820.00 |
| 13 | Tree Protection | 7 | EA | $200.00 | $ 1,400.00 | $200.00 | $ 1,400.00 | $710.00 | $ 4,970.00 |
| | | | **Total - Base Bid** | **$** | **119,952.00** | **$** | **133,062.00** | **$** | **240,267.00** |
| | | | | **Apparent Low Bidder** | | | | | |

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## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** DECISION ITEMS - A.

**I. Subject:**
Consider approval of Ordinance 626 imposing City of Fort Worth System Facility Access Fees

**II. Originated by:**

Larry Ledbetter, Director of Public Works

**III. Summary:**
Fort Worth recently sent its customer cities a chart of increased Pass Through Fees which will apply to any properties platted after April 1, 2017. These new fees increase over a three year period effective April 1, 2017; April 1, 2018; and April 1, 2019. Fort Worth passed Ordinance No. 22525-12 on December 6, 2016, which implemented the increased fees.

Kennedale has previously adopted an impact fee schedule for water and sewer impact fees that includes the fees charged by Fort Worth pursuant to its Wholesale Water and Wastewater Contracts (the Fort Worth Pass Through Fee). Pursuant to those wholesale contracts, Fort Worth has raised its fees several times over the years. Kennedale, by contract, is obligated to pay those fees to Fort Worth for every connection that is made to the water or wastewater system. Kennedale then charges that fee to the builder or developer, on top of the applicable Kennedale impact fees.

Section 23-262 of the Kennedale City Code and Chapter 395 of the Local Government Code, impact fees are assessed at the time of platting and are collected at the time of issuance of a building permit. Once the fees are assessed, they never change; and the amount collected never changes. When new impact fees are adopted, they only apply to lots that are platted after that date. The same applies to the Fort Worth Pass Through Fees, which are adopted by Fort Worth pursuant to the impact fee methodology of Chapter 395.

Public Works Director Larry Ledbetter will be available to answer questions regarding these fees.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**
Approve

**VII. Alternative Actions:**

**VIII. Attachments:**

| | | |
|---|---|---|
| 1. | Fort Worth Water Impact Fees | Fort Worth Water Impact Fees.pdf |
| 2. | Ordinance 626 | Ordinance 626.pdf |

# Fort Worth Impact Fees

# Schedule 2A

## THE EFFECTIVE AND COLLECTED IMPACT FEE FOR WATER AND WASTEWATER SCHEDULE – YEAR 1

**Effective for all Building Permits issued on or after April 1, 2017, but before April 1, 2018**

| Meter Size | Equivalency | Water Impact Fee | Wastewater Impact Fee |
|---|---|---|---|
| 5/8” x 5/8” and 5/8” x 3/4” | 1.00 | $971 | $577 |
| 3/4” x 3/4” | 1.50 | $1,457 | $865 |
| 1” | 2.50 | $2,428 | $1,442 |
| 1 ½” | 5.00 | $4,857 | $2,883 |
| 2” | 8.00 | $7,771 | $4,613 |
| 3” | 21.75 | $21,127 | $12,542 |
| 4” | 37.50 | $36,426 | $21,624 |
| 6” | 80.00 | $77,709 | $46,131 |
| 8” | 140.00 | $135,991 | $80,729 |
| 10” | 210.00 | $203,987 | $121,093 |

# Schedule 2B

## THE EFFECTIVE AND COLLECTED IMPACT FEE FOR WATER AND WASTEWATER SCHEDULE – YEAR 2

**Effective for all Building Permits issued on or after April 1, 2018, but before April 1, 2019**

| Meter Size | Equivalency | Water Impact Fee | Wastewater Impact Fee |
|---|---|---|---|
| 5/8” x 5/8” and 5/8” x 3/4” | 1.00 | $1,365 | $810 |
| 3/4” x 3/4” | 1.50 | $2,047 | $1,215 |
| 1” | 2.50 | $3,412 | $2,025 |
| 1 ½” | 5.00 | $6,824 | $4,051 |
| 2” | 8.00 | $10,918 | $6,482 |
| 3” | 21.75 | $29,685 | $17,622 |
| 4” | 37.50 | $51,180 | $30,382 |
| 6” | 80.00 | $109,185 | $64,815 |
| 8” | 140.00 | $191,073 | $113,427 |
| 10” | 210.00 | $286,610 | $170,140 |

## Schedule 2C

### THE EFFECTIVE AND COLLECTED IMPACT FEE FOR WATER AND WASTEWATER SCHEDULE – YEAR 3

**Effective for all Building Permits issued on or after April 1, 2019**

| Meter Size | Equivalency | Water Impact Fee | Wastewater Impact Fee |
|---|---|---|---|
| 5/8” x 5/8” and 5/8” x 3/4” | 1.00 | $1,758 | $1,044 |
| 3/4” x 3/4” | 1.50 | $2,637 | $1,566 |
| 1” | 2.50 | $4,396 | $2,609 |
| 1 ½” | 5.00 | $8,791 | $5,219 |
| 2” | 8.00 | $14,066 | $8,350 |
| 3” | 21.75 | $38,242 | $22,702 |
| 4” | 37.50 | $65,934 | $39,141 |
| 6” | 80.00 | $140,660 | $83,500 |
| 8” | 140.00 | $246,155 | $146,125 |
| 10” | 210.00 | $369,233 | $219,187 |

# Examples of Estimated Impact Fees ¾" Water Meter

| Plat Date | Kennedale Impact Fees | Fort Worth Impact Fee | Total |
|---|---|---|---|
| 1990 | $412.00 | $335.60 | $747.60 |
| 2007 | $3104.70 | $616.00 | $3720.7 |
| After April 1, 2017 | $2766.64 | $971.00 | $3737.64 |
| After April 1, 2018 | $2766.64 | $1365.00 | $4131.64 |
| After April 1, 2019 | $2766.64 | $1758.00 | $4524.64 |

**ORDINANCE NO. 626**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS IMPOSING FORT WORTH WATER AND WASTEWATER SYSTEM FACILITY ACCESS FEES ON NEW DEVELOPMENT WITHIN THE CITY OF KENNEDALE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

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

**WHEREAS,** in accordance with state law, the City Council of the City of Kennedale has previously adopted impact fees to finance new development demands for water and wastewater facilities; and

**WHEREAS,** the City of Kennedale previously entered into wholesale water and wastewater contracts with the City of Fort Worth to provide water and wastewater services to the City of Kennedale; and

**WHEREAS**, the wholesale water and wastewater contracts with Fort Worth require that the City of Kennedale pass through Fort Worth water and wastewater system facility access fees (impact fees) to the customers in Kennedale; and

**WHEREAS,** pursuant to Section 23-262 of the Kennedale City Code, the City of Kennedale assesses water and wastewater system facility access fees imposed by Fort Worth in addition to the water and wastewater impact fees assessed by the City of Kennedale; and

**WHEREAS,** Fort Worth has adopted revised water and wastewater system facility access fees for new development occurring after April 1, 2017; April 1, 2018; and April 1, 2019; and

**WHEREAS,** the City Council of the City of Kennedale now deems it advisable and in the public interest to impose the increased water and wastewater system facility access fees adopted by the City of Fort Worth.

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

**SECTION 1.**

The system facility access fees imposed upon the City of Kennedale by the City of Fort Worth for providing water and wastewater service to new development contained within the incorporated city limits of Kennedale and to which service is provided either directly or indirectly by the City of Fort Worth water and wastewater systems shall be assessed against new development occurring after April 1, 2017 within the City of Kennedale in accordance with Schedules 2A, 2B, and 2C attached to this ordinance.

These system facility access fees shall be in addition to applicable impact fees assessed by the City of Kennedale.

**SECTION 2.**

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 3.**

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 invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such 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 invalid or unconstitutional phrase, clause, sentence, paragraph, or section.

**SECTION 4.**

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

**PASSED AND APPROVED ON THIS 17th DAY OF APRIL, 2017.**

APPROVED:

______________________________
Brian Johnson, Mayor

ATTEST:

______________________________
Leslie Galloway, City Secretary

APPROVED AS TO FORM AND LEGALITY:

______________________________
Wayne K. Olson, City Attorney

# SCHEDULE 2A

**THE EFFECTIVE AND COLLECTED IMPACT FEE FOR WATER AND WASTEWATER SCHEDULE –**
**YEAR 1**
**Effective for all Building Permits issued on or after April 1, 2017, but before April 1, 2018**

| METER SIZE | EQUIVALENCY FACTOR | WATER IMPACT FEE | WASTEWATER IMPACT FEE |
|---|---|---|---|
| 5/8” x 5/8” and 5/8” x 3/4” | 1.00 | $971 | $577 |
| 3/4” x 3/4” | 1.50 | $1,457 | $865 |
| 1” | 2.50 | $2,428 | $1,442 |
| 1-1/2” | 5.00 | $4,857 | $2,883 |
| 2” | 8.00 | $7,771 | $4,613 |
| 3” | 21.75 | $21,127 | $12,542 |
| 4” | 37.50 | $36,426 | $21,624 |
| 6” | 80.00 | $77,709 | $46,131 |
| 8” | 140.00 | $135,991 | $80,729 |
| 10” | 210.00 | $203,987 | $121,093 |

# SCHEDULE 2B

**THE EFFECTIVE AND COLLECTED IMPACT FEE FOR WATER AND WASTEWATER SCHEDULE –**
**YEAR 2**
**Effective for all Building Permits issued on or after April 1, 2018, but before April 1, 2019**

| METER SIZE | EQUIVALENCY FACTOR | WATER IMPACT FEE | WASTEWATER IMPACT FEE |
|---|---|---|---|
| 5/8” x 5/8” and 5/8” x 3/4” | 1.00 | $1,365 | $810 |
| 3/4” x 3/4” | 1.50 | $2,047 | $1,215 |
| 1” | 2.50 | $3,412 | $2,025 |
| 1-1/2” | 5.00 | $6,824 | $4,051 |
| 2” | 8.00 | $10,918 | $6,482 |
| 3” | 21.75 | $29,685 | $17,622 |
| 4” | 37.50 | $51,180 | $30,382 |
| 6” | 80.00 | $109,185 | $64,815 |
| 8” | 140.00 | $191,073 | $113,427 |
| 10” | 210.00 | $286,610 | $170,140 |

# SCHEDULE 2C

## THE EFFECTIVE AND COLLECTED IMPACT FEE FOR WATER AND WASTEWATER SCHEDULE – YEAR 3

**Effective for all Building Permits issued on or after April 1, 2019**

| METER SIZE | EQUIVALENCY FACTOR | WATER IMPACT FEE | WASTEWATER IMPACT FEE |
|---|---|---|---|
| 5/8” x 5/8” and 5/8” x 3/4” | 1.00 | $1,758 | $1,044 |
| 3/4” x 3/4” | 1.50 | $2,637 | $1,566 |
| 1” | 2.50 | $4,396 | $2,609 |
| 1-1/2” | 5.00 | $8,791 | $5,219 |
| 2” | 8.00 | $14,066 | $8,350 |
| 3” | 21.75 | $38,242 | $22,702 |
| 4” | 37.50 | $65,934 | $39,141 |
| 6” | 80.00 | $140,660 | $83,500 |
| 8” | 140.00 | $246,155 | $146,125 |
| 10” | 210.00 | $369,233 | $219,187 |

## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** EXECUTIVE SESSION - A.

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**I. Subject:**
The City Council will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda and legal issues regarding amortization of nonconforming uses and proposed annexation.

B. The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, and duties of the City Manager.

1.Discuss and consider an employment agreement for the appointment of a City Manager

**II. Originated by:**

**III. Summary:**
At this time the city council will meet in executive session.

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**

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## Staff Report to the Honorable Mayor and City Council

**Date:** April 17, 2017

**Agenda Item No:** RECONVENE INTO OPEN SESSION, AND TAKE ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION, IF NEEDED - A.

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**I. Subject:**
Consider approval of employment agreement to appoint George Campbell as City Manager, effective April 1, 2017

**II. Originated by:**

**III. Summary:**

**IV. Fiscal Impact Summary:**

**V. Legal Impact:**

**VI. Recommendation:**

**VII. Alternative Actions:**

**VIII. Attachments:**