

KENNEDALE CITY COUNCIL AGENDA
REGULAR MEETING | August 20, 2018 – 5:30 P.M.
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

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

II. EXECUTIVE SESSION

Pursuant to Section 551.071 of the Texas Government Code, 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 the Open Meetings Act, and the following matters.

- A. Briefing on Arlington Water Contract negotiations
- B. Ron Sturgeon, et al. v. City of Kennedale, et al.
- C. Briefing on Elam property code violations
- D. Briefing on Gafford property code violations

Pursuant to Section 551.074 deliberation of the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee:

- E. Discussion of City Manager's Annual Evaluation

Pursuant to Section 551.072 of the Texas Government Code, deliberation regarding the purchase, exchange, lease, or value of real property:

- F. 503 E. Kennedale Parkway

III. WORK SESSION

- A. Discuss and consider changes to the current public meeting speaker forum policy
- B. Discuss policy regarding regular City Council meeting days and Agenda setting procedures
- C. Discussion of items on regular agenda
- D. Discussion of Proposed FY2018-19 Budget

IV. REGULAR SESSION

V. ROLL CALL

VI. INVOCATION

VII. UNITED STATES PLEDGE AND TEXAS PLEDGE

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

VIII. VISITOR/CITIZENS FORUM

At this time, any person with business before the City Council not scheduled on the agenda may address 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 Councilmembers 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.

IX. REPORTS/ANNOUNCEMENTS

In addition to specific matters listed below, City Council may receive reports about items of community interest, including but not limited to recognition of individual officials, citizens, or departments, information regarding holiday schedules, and upcoming or attended events.

- A. Updates from the City Council
- B. Updates from the Mayor

*Recognition of Brady Olsen for:

- 1) Completion of the New and Emerging Finance Director Program
- 2) Becoming a Certified Government Finance Officer

*Recognition of Kathryn Roberson for:

- 1) Completion of the Texas Municipal Clerks Certification Program

- C. Updates from the City Manager

X. MONITORING INFORMATION

- A. Monthly Financials – July 2018
- B. Monthly EDC Financials and Activity Report
- C. Schedule of Investment Activity for quarter ending June 30, 2018

XI. INCIDENTAL ITEMS

XII. 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 City Council. If discussion is desired, an item can be removed from the Consent Agenda and considered separately.

- A. Consider approval of minutes from July 2, 2018 special meeting
- B. Consider approval of minutes from July 16, 2018 regular meeting
- C. Consider approval of a bid award for the Third Street Drainage Project
- D. Consider approval of Resolution 538 relating to a Police Department mobile radio grant
- E. Approve Engineering Contract with Freese and Nichols for design of two 12-inch water lines and a 10-inch sewer line
- F. Approve amendment to original contract with Freese and Nichols to complete extension of sewer lines A and B-1 in sewer basin B for racetrack development
- G. Approve an engineering services contract with Shield Engineering Group for the design and construction engineering for the Timberline Sanitary sewer line, Crestview Sanitary sewer line and Mistletoe Sanitary sewer line referred to collectively as the Crestdale Sanitary Sewer Improvements

XIII. DECISION ITEMS

- A. Adopt Resolution 539 to establish rules of procedure for Citizens to address agenda items
- B. Consider approval of bid award for health insurance and authorize the City Manager to sign the agreement
- C. Adopt Resolution 540 designating Regular Council Meeting days and times and adopting a procedure to call special meetings; and adopting an agenda setting policy for City Council meetings
- D. Adopt Ordinance 647 authorizing the issuance of Combination Tax and Revenue Certificates of Obligation, Series 2018
- E. Consider adoption of Ordinance 648, revising the rates for water service and sanitary sewer service

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

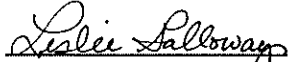
XV. ADJOURNMENT

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 do hereby certify that a copy of the August 20, 2018 agenda was posted on the bulletin board next to the main entrance of City Hall (405 Municipal Drive; Kennedale, TX 76060), in a place convenient and readily accessible to the general public at all times; and that said agenda was posted at least seventy-two (72) hours preceding the scheduled time of said meeting, in accordance with Chapter 551 of the Texas Government Code.

A handwritten signature in cursive script, reading "Leslie Galloway".

Leslie Galloway, City Secretary



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Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:

Briefing on Arlington Water Contract negotiations

II. Originated by:

III. Summary:

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: August 20, 2018

Agenda Item No: EXECUTIVE SESSION - B.

I. Subject:

Ron Sturgeon, et al. v. City of Kennedale, et al.

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: EXECUTIVE SESSION - C.

I. Subject:

Briefing on Elam property code violations

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: EXECUTIVE SESSION - D.

I. Subject:

Briefing on Gafford property code violations

II. Originated by:

III. Summary:

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: August 20, 2018

Agenda Item No: EXECUTIVE SESSION - E.

I. Subject:

Discussion of City Manager's Annual Evaluation

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: WORK SESSION - A.

I. Subject:

Discuss and consider changes to the current public meeting speaker forum policy

II. Originated by:

III. Summary:

The City Council requested that Rules of Procedure be drafted for consideration that would clarify and expand the Council's policy with regard to receiving citizen comments on agenda items. The attached draft Resolution addresses the circumstances when citizens would be allowed and/or invited to address the Council on items related to 1) Public Hearings, 2) Consent agenda, 3) Decision items and, 4) Work Sessions.

Discussion of this proposed Resolution appears on the Work Session and as a Decision item number XIII A.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Res 539 Citizen Addressing the Council	Res 539 Citizen Addressing the Council.docx
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RESOLUTION NO. 539

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ADOPTING RULES OF PROCEDURE FOR CITIZENS TO ADDRESS THE CITY COUNCIL ON AGENDA ITEMS DURING CITY COUNCIL MEETINGS.

WHEREAS, the City Council conducts city council meetings pursuant to formal agendas that are posted in accordance with the Texas Open Meetings Act; and

WHEREAS, Section 3.08 of the City Charter provides that the City Council shall determine its own rules and order of business; and

WHEREAS, the City Council desires to adopt rules of procedure that allow citizens to address the city council on agenda items during city council meetings.

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

SECTION 1.

The City Council hereby approves the following rules for citizens to address the City Council on agenda items:

- **Public Hearings** — Persons wishing to speak in support or opposition at any public hearing should sign a “speaker” card, indicating either “support” or “opposition”, and present that card to a staff member at the entrance to the Council Chambers. Once the Mayor opens the public hearing, he will call speakers who have submitted cards. Following speakers who have signed cards the Mayor will ask for anyone else wishing to speak before closing the public hearing. Once the hearing is “closed” no citizens will be allowed to speak on that subject before the Council deliberates among themselves and/or takes action, except to address inquiries from the City Council.
- **Consent Agenda Items** — Any citizen wishing to speak to a consent agenda item must sign a “speaker” card prior to the start of the Council meeting and present that card to a staff member at the entrance to the Council Chambers. A separate card must be completed for each item a citizen wishes to address. The Mayor will recognize those persons who have signed cards to speak when the consent agenda is being considered and before it is voted upon or before Council members remove items for individual consideration. No citizen will be allowed to speak on a consent agenda item who has not signed a card prior to the start of the Council meeting. Each person will be permitted two (2) minutes to speak unless the time is extended by the Mayor.

- **Decision Items** — Any citizen wishing to speak to a decision item must sign a “speaker” card prior to the start of the Council meeting and present that card to a staff member at the entrance to the Council Chambers. A separate card must be completed for each item a citizen wishes to address. The Mayor will recognize those persons who have signed cards to speak when that specific item is reached on the agenda. Each person will be permitted two (2) minutes to speak unless the time is extended by the Mayor.
- **Work Session Items** — Citizens will not be permitted to address the Council on work sessions items unless requested to do so by the Mayor with the concurrence of a majority of Council members present.

SECTION 2.

This Resolution shall become effective from and after its passage.

ADOPTED BY THE CITY COUNCIL THIS ____ DAY OF _____, 2018.

Mayor

ATTEST:

City Secretary

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: WORK SESSION - B.

I. Subject:

Discuss policy regarding regular City Council meeting days and Agenda setting procedures

II. Originated by:

III. Summary:

Council members have requested that the current rules of procedure that establish the Regular Meeting Days of the Council be modified to change the meeting day from the third Monday of each month to the third Tuesday of each month. Such a change is intended to give Council one additional day for review the voluminous amount of material normally included in your agenda packets. The Regular meeting days; procedure for calling special meetings and; agenda setting policy is currently guided by Resolution number 519 adopted by Council in March 2018.

The attached draft Resolution number 540, also appearing on the Regular Agenda as Decision item XIII-C, modifies the current rules by 1) changing the Regular Meeting day from the third Monday to the third Tuesday, 2) makes the Regular Work Session on the First Monday optional rather than mandatory, 3) requires that items requested by Council Members for placement on a Regular Meeting agenda be submitted by 5:00 p.m. one week prior to the meeting and, 4) becomes effective October 1, 2018.

The intent of these proposed changes is to streamline the agenda process and primarily allow for the agenda packets, which would still be delivered to Council on Friday before a Council meeting on Tuesday, one additional day for review.

Council consideration and discussion is appreciated.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Res 519	Res 519.pdf
2.	Res 540 Resoluton to replace #519 on agenda on August 20 for consideration	Res 540 Resoluton to replace #519 on agenda on August 20 for consideration.pdf

RESOLUTION NO. 519

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, DESIGNATING REGULAR CITY COUNCIL MEETING DAYS AND TIMES; ADOPTING A PROCEDURE TO CALL SPECIAL MEETINGS; AND ADOPTING AN AGENDA SETTING POLICY FOR CITY COUNCIL MEETINGS.

WHEREAS, the City Council conducts City Council meetings pursuant to formal agendas that are posted in accordance with the Texas Open Meetings Act; and

WHEREAS, pursuant to Section 3.08 of the Kennedale City Charter ("Charter"), the City Council shall meet in regularly scheduled city council meetings at least once a month at such times as the members may prescribe by rule; and

WHEREAS, pursuant to Section 3.08 of the Charter, special meetings may be called on the request of the Mayor or three (3) City Council Members; and

WHEREAS, pursuant to Section 3.08 of the Charter, the City Council shall determine its own rules and order of business; and

WHEREAS, the City Council desires to designate the third Monday of each month as the day of the regularly scheduled Council meetings; designate regular work sessions of the City Council; adopt procedures to call a special meeting; adopt procedures that allow City Council members to request items to be placed on City Council agendas; and provide for the order of business on agendas.

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

SECTION 1. The City Council hereby adopts the following rules to govern regular and special meetings of the City Council:

REGULAR MEETING SCHEDULE

In accordance with Section 3.08 of the City Charter, Regular Meetings of the City Council shall be routinely held at 7:00 p.m. on the third Monday of every month. A work session may be included on the agenda of any Regular Meeting at such time as is convenient. In addition, the City Council shall routinely hold work sessions at 7:00 p.m. on the first Monday of every month for discussion of upcoming agenda items. With the concurrence of three members of the City Council, the date or time of the routine Regular Meeting or work session may be moved to another date or time, or may be cancelled, due to holidays, scheduling conflicts, or other necessary business reasons.

AGENDA POSTING FOR REGULAR MEETINGS

The agenda for the Regular Meeting shall be prepared by the City Manager and the Mayor. If two City Council members make a written request to the Mayor to place specific items on the agenda for a Regular Meeting, the Mayor shall include such items on the agenda unless: i) the request does not allow sufficient time to post the items on the agenda in accordance with the Open Meetings Act; or ii) the Mayor determines that consideration of the items should be delayed, in which case the Mayor shall, within 24 hours, poll the remaining City Council

members explaining the reasons for desiring to delay consideration. If three or more City Council members are in favor of considering the item, it shall be placed on the agenda.

SPECIAL MEETINGS

A special meeting of the City Council may be called by the Mayor upon his own request or by the Mayor upon the request of three or more City Council members on a day other than the third Monday or a time other than the Regular Meeting. Upon written request of two City Council members, the Mayor, City Manager or City Secretary will poll the remainder of the City Council members to determine whether or not a special meeting is needed or desired on the date requested to include, at a minimum, the items requested. Upon the concurrence of three City Council members or two City Council members and the Mayor, a special meeting shall be called. Such concurrence will be considered if provided in writing (or email) to the Mayor, City Manager or City Secretary within twenty four (24) hours of notification to City Council members of the request and if received in time to properly post an agenda pursuant to state law. The Mayor may, at his/her discretion, place any additional item(s) on the agenda that he/she believes appropriate to conduct the City's business. The concurrence of not less than four members of the City Council (the Mayor can be included as one of the four) is required for an item to be listed on the agenda of a special meeting as an action item.

AGENDA ORDER

The order of the agenda items, whether for a regular or special meeting, is at the discretion of the Mayor as the presiding officer of the City Council. Upon the concurrence of three City Council members, the order of the agenda items may be changed.

SECTION 2. The Rules adopted in this Resolution may be amended by the City Council from time to time, in accordance with the City Charter.

SECTION 3. This Resolution shall become effective from and after its passage.

ADOPTED BY THE CITY COUNCIL, THIS 19th DAY OF MARCH, 2018.



APPROVED:


MAYOR, BRIAN JOHNSON

ATTEST:


CITY SECRETARY, LESLIE GALLOWAY

RESOLUTION NO. 540

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, DESIGNATING REGULAR CITY COUNCIL MEETING DAYS AND TIMES; ADOPTING A PROCEDURE TO CALL SPECIAL MEETINGS; AND ADOPTING AN AGENDA SETTING POLICY FOR CITY COUNCIL MEETINGS.

WHEREAS, the City Council conducts City Council meetings pursuant to formal agendas that are posted in accordance with the Texas Open Meetings Act; and

WHEREAS, pursuant to Section 3.08 of the Kennedale City Charter ("Charter"), the City Council shall meet in regularly scheduled city council meetings at least once a month at such times as the members may prescribe by rule; and

WHEREAS, pursuant to Section 3.08 of the Charter, special meetings may be called on the request of the Mayor or three (3) City Council Members; and

WHEREAS, pursuant to Section 3.08 of the Charter, the City Council shall determine its own rules and order of business; and

WHEREAS, the City Council desires to designate the third Tuesday of each month as the day of the regularly scheduled Council meetings; provide for permitting special work sessions of the City Council; adopt procedures to call a special meeting; adopt procedures that allow City Council members to request items to be placed on City Council agendas; and provide for the order of business on agendas.

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

SECTION 1. The City Council hereby adopts the following rules to govern regular and special meetings of the City Council:

REGULAR MEETING SCHEDULE

In accordance with Section 3.08 of the City Charter, effective October 1, 2018 Regular Meetings of the City Council shall be routinely held at 7:00 p.m. on the third Tuesday of every month. A work session may be included on the agenda of any Regular Meeting at such time as is convenient. In addition, the City Council may hold work sessions at 7:00 p.m. on the first Monday of every month for discussion of upcoming agenda items. With the concurrence of three City Council members, the date or time of the routine Regular Meeting or work session may be moved to another date or time, or may be cancelled, due to holidays, scheduling conflicts, or other necessary business reasons.

AGENDA POSTING FOR REGULAR MEETINGS

The agenda for the Regular Meeting shall be prepared by the City Manager and the Mayor. If two City Council members make a written request to the Mayor to place specific items on the agenda for a Regular Meeting, the Mayor shall include such items on the agenda unless:

- i) the request is not submitted by 5:00 p.m. one week prior to the Regular City Council Meeting;
- or ii) the Mayor determines that consideration of the items should be delayed, in which case the Mayor shall, within 24 hours, poll the remaining City Council members explaining the reasons

for desiring to delay consideration. If three or more City Council members are in favor of considering the item, it shall be placed on the agenda.

SPECIAL MEETINGS

A special meeting of the City Council may be called by the Mayor upon his own request or by the Mayor upon the request of three or more City Council members on a day or at a time other than the Regular Meeting on the third Tuesday of the month. Upon written request of two City Council members, the Mayor, City Manager or City Secretary will poll the remainder of the City Council members to determine whether or not a special meeting is needed or desired on the date requested to include, at a minimum, the items requested. Upon the concurrence of three City Council members, a special meeting shall be called. Such concurrence will be considered if provided in writing (or email) to the Mayor, City Manager or City Secretary within twenty four (24) hours of notification to City Council members of the request and if received in time to properly post an agenda pursuant to state law. The Mayor may, at his/her discretion, place any additional item(s) on the agenda that he/she believes appropriate to conduct the City's business. The concurrence of not less than four members of the City Council (the Mayor can be included as one of the four) is required for an item to be listed on the agenda of a special meeting as an action item.

AGENDA ORDER

The order of the agenda items, whether for a regular or special meeting, is at the discretion of the Mayor as the presiding officer of the City Council. Upon the concurrence of three City Council members, the order of the agenda items may be changed.

SECTION 2. The Rules adopted in this Resolution may be amended by the City Council from time to time, in accordance with the City Charter.

SECTION 3. This Resolution supersedes Resolution No. 519 adopted on March 19, 2018.

SECTION 4. This Resolution shall become effective from and after its passage.

ADOPTED BY THE CITY COUNCIL, THIS ____ DAY OF _____, 2018.

APPROVED:

Mayor

ATTEST:

City Secretary



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: WORK SESSION - C.

I. Subject:

Discussion of items on regular agenda

II. Originated by:

Leslie Galloway, City Secretary & Communications Coordinator

III. Summary:

At this time, Council may choose to discuss any item on the agenda.

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: August 20, 2018

Agenda Item No: WORK SESSION - D.

I. Subject:

Discussion of Proposed FY2018-19 Budget

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: REPORTS/ANNOUNCEMENTS - A.

I. Subject:

Updates from the City Council

II. Originated by:

Leslie Galloway, City Secretary & Communications Coordinator

III. Summary:

Updates and information from Council members, if any.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: REPORTS/ANNOUNCEMENTS - B.

I. Subject:

Updates from the Mayor

*Recognition of Brady Olsen for:

- 1) Completion of the New and Emerging Finance Director Program
- 2) Becoming a Certified Government Finance Officer

*Recognition of Kathryn Roberson for:

- 1) Completion of the Texas Municipal Clerks Certification Program

II. Originated by:

Leslie Galloway, City Secretary & Communications Coordinator

III. Summary:

Updates and information from the Mayor.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Brady Olsen Certification	Brady Olsen Certification.pdf
2.	TRMC letter of completion (3)	TRMC letter of completion (3).pdf

North Central Texas Council of Governments (NCTCOG) announces that Brady Olsen has completed an eight month-long program for emerging finance leaders at the North Central Texas Council of Governments. According to Mike Eastland, Executive Director "We believe it will be individuals like Brady that will help keep our region in the forefront of municipal leaders. It will also be progressive employers like the City of Kennedale who continue to support ongoing training and development in our industry."

This class served as the fourth season of developing current and future leaders in the public finance industry. It was an application/referral process whereby NCTCOG selected a cohort of only 21 individuals to participate. Over the past eight months, each individual attended at least six sessions of the eight to learn about various aspects of the industry and take deep dives into critical issues of their jobs and responsibilities as public finance officials. The classes were daylong events, presented by experts in the field and facilitated by experienced professionals. They were required to complete homework and actively participate in class discussions.





TEXAS MUNICIPAL CLERKS CERTIFICATION PROGRAM

1155 Union Circle #305067, Denton, Texas 76203-5067

940-565-3488 • 940-565-2012 • <http://municlerks.unt.edu>

August 16, 2018

Kathryn Roberson
Deputy City Secretary
City of Kennedale
405 Municipal Dr
Kennedale, TX 76060

Dear Kathryn,

Congratulations! As of August 9, 2018, you have completed all of the requirements for certification in the Texas Municipal Clerks Certification Program. You are qualified to use the designation of TRMC as a Texas Registered Municipal Clerk upon receipt of this notification and will receive formal recognition of your accomplishments at the next Annual Texas Municipal Clerks Election Law Seminar to be held in Frisco in January 2019. At that time you will receive your certificate of graduation.

Again, congratulations on your accomplishment.

Sincerely,

A handwritten signature in cursive script that reads "Miriam Sheehan".

Miriam Sheehan, TRMC
Administrative Assistant



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: REPORTS/ANNOUNCEMENTS - C.

I. Subject:

Updates from the City Manager

II. Originated by:

Leslie Galloway, City Secretary & Communications Coordinator

III. Summary:

Updates and information from City Manager, if any.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: MONITORING INFORMATION - A.

I. Subject:

Monthly Financials – July 2018

II. Originated by:

Brady Olsen, Finance Director

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

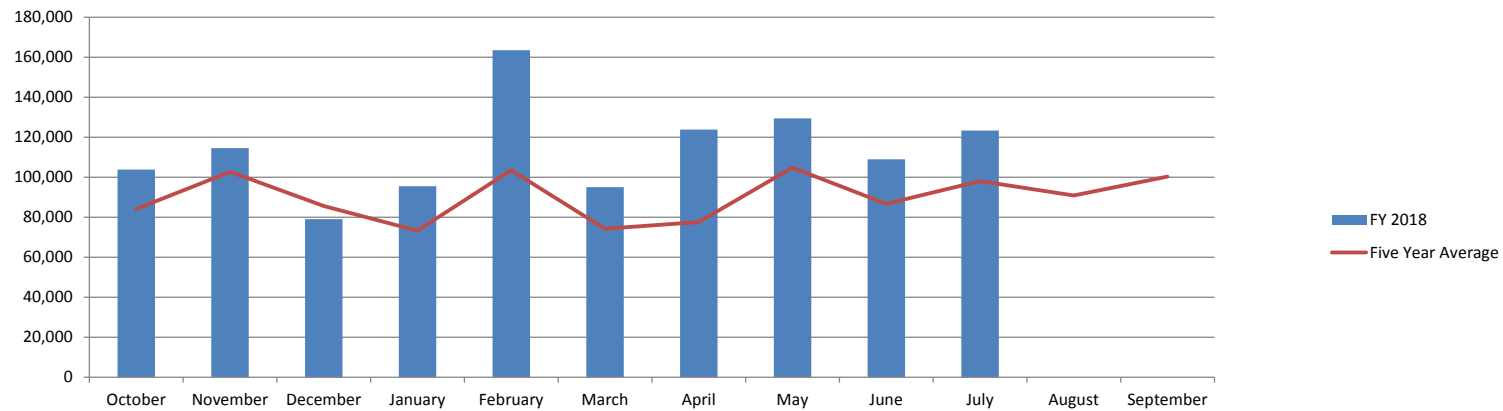
VIII. Attachments:

1.	Sales Tax Update-July	Sales Tax Update-July.pdf
2.	2018_07 Monthly Financials	2018_07 Monthly Financials.pdf

Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2018	\$ 103,820	\$ 114,506	\$ 86,956	\$ 95,425	\$ 163,502	\$ 95,017	\$ 123,760	\$ 129,363	\$ 108,885	\$ 123,268			\$ 1,144,500
FY2017	\$ 88,748	\$ 116,156	\$ 81,855	\$ 88,956	\$ 105,794	\$ 78,644	\$ 87,130	\$ 100,121	\$ 80,241	\$ 100,943	\$ 49,590	\$ 86,549	\$ 1,064,725
FY2016	\$ 93,137	\$ 119,137	\$ 97,985	\$ 75,878	\$ 116,006	\$ 87,589	\$ 79,516	\$ 114,543	\$ 83,718	\$ 84,586	\$ 87,693	\$ 91,377	\$ 1,131,165
FY2015	\$ 71,955	\$ 94,438	\$ 82,545	\$ 73,782	\$ 107,571	\$ 72,312	\$ 81,193	\$ 119,350	\$ 128,463	\$ 165,756	\$ 146,297	\$ 177,697	\$ 1,321,359
FY2014	\$ 65,971	\$ 89,600	\$ 94,982	\$ 67,373	\$ 97,781	\$ 69,685	\$ 79,236	\$ 93,957	\$ 77,496	\$ 71,927	\$ 86,597	\$ 67,978	\$ 962,584
FY2013	\$ 100,850	\$ 93,890	\$ 70,338	\$ 60,406	\$ 90,009	\$ 62,374	\$ 60,955	\$ 96,061	\$ 63,409	\$ 67,304	\$ 83,919	\$ 78,075	\$ 927,591
FY2012	\$ 94,619	\$ 111,587	\$ 115,048	\$ 89,778	\$ 92,977	\$ 73,453	\$ 111,689	\$ 123,691	\$ 73,106	\$ 122,489	\$ 80,038	\$ 82,836	\$ 1,171,313
*Net payment after correcting an audit error.													\$ -

Sales Tax vs Expectation



Industry	Amount	% Change	Adjusted Chang YTD		FYTD
Manufacturing	\$33,056.41	524.39%	-81.72%	\$161,443.49	\$177,456.89
Retail	\$24,313.10	15.62%	9.61%	\$169,092.18	\$237,201.35
General Services	\$20,553.48	-1.42%	-7.97%	\$168,935.59	\$246,876.41
Wholesale	\$17,509.08	-28.54%	-9.29%	\$135,427.72	\$192,543.15
Professional Services	\$16,629.10	-7.09%	4.47%	\$111,819.24	\$160,831.80
Food	\$9,103.58	-2.79%	-9.50%	\$61,902.80	\$86,659.70
Agricultural	\$578.12	-60.84%	-27.05%	\$28,512.56	\$38,232.02
Miscellaneous	\$225.80	-81.48%	24.91%	\$1,605.02	\$2,392.22
Accommodation	\$0.00	0.00%	0.00%	\$0.00	\$0.00

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
July 2018**

REVENUE SUMMARY BY FUND

REVENUES	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL EARNED	% OF CY BUDGET EARNED	BUDGET REMAINING
GENERAL FUND	\$ 5,451,536	\$ 6,174,185	\$ 6,386,639	\$ 288,216	\$ 5,996,520	88.3%	93.9%	\$ 390,119
OTHER GENERAL FUNDS	\$ 792,506	\$ 1,621,385	\$ 973,127	\$ 17,708	\$ 537,034	48.9%	55.2%	\$ 436,093
GENERAL FUND	\$ 6,244,042	\$ 7,795,570	\$ 7,359,766	\$ 305,924	\$ 6,533,554	80.1%	88.8%	\$ 826,212
GENERAL DEBT SERVICE FUND	\$ 1,272,742	\$ 1,453,154	\$ 1,665,934	\$ 14,578	\$ 1,399,183	87.6%	84.0%	\$ 266,751
WATER/SEWER FUND	\$ 3,683,692	\$ 4,950,455	\$ 4,479,449	\$ 547,833	\$ 3,878,457	74.4%	86.6%	\$ 600,992
STORMWATER UTILITY FUND	\$ 305,807	\$ 463,360	\$ 256,664	\$ 22,165	\$ 219,728	66.0%	85.6%	\$ 36,936
WATER IMPACT FUND	\$ 124,718	\$ 152,432	\$ 120,450	\$ 13,026	\$ 144,310	81.8%	119.8%	\$ (23,860)
SEWER IMPACT FUND	\$ 30,407	\$ 41,762	\$ 28,625	\$ 8,225	\$ 79,105	72.8%	276.3%	\$ (50,480)
WATER/SEWER FUND	\$ 4,144,624	\$ 5,608,009	\$ 4,885,188	\$ 591,249	\$ 4,321,600	73.9%	88.5%	\$ 563,588
EDC4B FUND	\$ 383,628	\$ 522,549	\$ 575,878	\$ 44,422	\$ 759,261	73.4%	131.8%	\$ (183,383)
CAPITAL FUND	\$ 156,046	\$ 193,473	\$ 162,535	\$ 18,942	\$ 146,328	80.7%	90.0%	\$ 16,207
SPECIAL REVENUE FUND	\$ 95,391	\$ 95,393	\$ 25,067	\$ 3,475	\$ 13,025	100.0%	52.0%	\$ 12,042
TOTAL REVENUES	\$ 12,296,473	\$ 15,668,147	\$ 14,674,368	\$ 978,590	\$ 13,172,951	78.5%	89.8%	\$ 1,501,417

EXPENDITURE SUMMARY BY FUND

EXPENDITURES	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET EXPENSED	% OF CY BUDGET EXPENSED	BUDGET REMAINING
GENERAL FUND	\$ 4,749,210	\$ 6,195,408	\$ 6,453,680	\$ 500,392	\$ 4,936,530	76.7%	76.5%	\$ 1,517,150
OTHER GENERAL FUND	\$ 1,101,776	\$ 1,820,470	\$ 920,034	\$ 68,677	\$ 678,325	60.5%	73.7%	\$ 241,709
GENERAL FUND	\$ 5,850,986	\$ 8,015,879	\$ 7,373,714	\$ 569,069	\$ 5,614,855	73.0%	76.1%	\$ 1,758,859
GENERAL DEBT SERVICE FUND	\$ 1,334,591	\$ 1,423,034	\$ 1,663,884	\$ 74,811	\$ 1,384,179	93.8%	83.2%	\$ 279,705
WATER/SEWER FUND	\$ 3,032,345	\$ 4,244,829	\$ 4,258,316	\$ 288,904	\$ 2,971,202	71.4%	69.8%	\$ 1,287,114
STORMWATER UTILITY FUND	\$ 249,586	\$ 52,571	\$ 271,303	\$ 36,127	\$ 129,372	474.8%	47.7%	\$ 141,931
WATER IMPACT FUND	\$ -	\$ 154,415	\$ 153,573	\$ -	\$ -	-	0.0%	\$ 153,573
SEWER IMPACT FUND	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ -	-	0.0%	\$ 60,000
WATER/SEWER FUND	\$ 3,281,931	\$ 4,511,814	\$ 4,743,192	\$ 325,031	\$ 3,100,574	72.7%	65.4%	\$ 1,642,618
EDC4B FUND	\$ 528,720	\$ 604,408	\$ 592,963	\$ 11,816	\$ 685,209	87.5%	115.6%	\$ (92,246)
CAPITAL FUND	\$ 89,829	\$ 168,210	\$ 175,170	\$ -	\$ 7,478	53.4%	4.3%	\$ 167,692
SPECIAL REVENUE FUND	\$ 99,386	\$ 104,097	\$ 22,984	\$ -	\$ 9,971	95.5%	43.4%	\$ 13,013
TOTAL EXPENDITURES	\$ 11,185,443	\$ 14,827,443	\$ 14,571,907	\$ 980,727	\$ 10,802,266	75.4%	74.1%	\$ 3,769,641

CITY OF KENNEDALE
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EXPENDITURE SUMMARY BY DEPARTMENT

GENERAL FUND	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL EXPENSED	% OF CY BUDGET EXPENSED	BUDGET REMAINING
CITY MANAGER	\$ 284,981	\$ 356,066	\$ 352,423	\$ (7,083)	\$ 286,042	80.0%	81.2%	\$ 66,381
MAYOR/CITY COUNCIL	\$ 83,729	\$ 129,553	\$ 115,113	\$ 9,493	\$ 109,254	64.6%	94.9%	\$ 5,859
CITY SECRETARY	\$ 111,640	\$ 152,017	\$ 144,246	\$ 11,579	\$ 104,547	73.4%	72.5%	\$ 39,699
MUNICIPAL COURT	\$ 89,754	\$ 110,036	\$ 128,197	\$ 9,680	\$ 95,054	81.6%	74.1%	\$ 33,143
HUMAN RESOURCES	\$ 98,055	\$ 110,036	\$ 128,583	\$ 19,096	\$ 134,977	89.1%	105.0%	\$ (6,394)
FINANCE	\$ 244,620	\$ 293,954	\$ 301,564	\$ 16,025	\$ 280,337	83.2%	93.0%	\$ 21,227
POLICE	\$ 1,767,642	\$ 2,190,318	\$ 2,405,689	\$ 214,970	\$ 1,758,291	80.7%	73.1%	\$ 647,398
FIRE	\$ 1,327,470	\$ 1,679,349	\$ 1,835,873	\$ 124,983	\$ 1,385,783	79.0%	75.5%	\$ 450,090
COMMUNITY DEVELOPMENT	\$ 228,469	\$ 305,758	\$ 341,663	\$ 51,266	\$ 226,863	74.7%	66.4%	\$ 114,800
SENIOR CITIZEN CENTER	\$ 38,721	\$ 66,084	\$ 51,439	\$ 4,024	\$ 39,936	58.6%	77.6%	\$ 11,503
LIBRARY	\$ 205,235	\$ 284,790	\$ 258,031	\$ 32,531	\$ 220,095	72.1%	85.3%	\$ 37,936
NONDEPARTMENTAL	\$ 268,892	\$ 504,400	\$ 390,859	\$ 13,828	\$ 295,351	53.3%	75.6%	\$ 95,508
TOTAL EXPENDITURES	\$ 4,749,208	\$ 6,182,361	\$ 6,453,680	\$ 500,392	\$ 4,936,530	76.8%	76.5%	\$ 1,517,150

WATER/SEWER FUND	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET EXPENSED	% OF CY BUDGET EXPENSED	BUDGET REMAINING
UTILITY BILLING	\$ 766,085	\$ 1,011,907	\$ 1,237,043	\$ 119,311	\$ 926,551	75.7%	74.9%	\$ 310,492
WATER OPERATIONS	\$ 973,031	\$ 1,043,692	\$ 1,649,405	\$ 83,748	\$ 1,060,349	93.2%	64.3%	\$ 589,056
DEBT	\$ 461,034	\$ 271,274	\$ 677,361	\$ 44,986	\$ 509,736	170.0%	75.3%	\$ 167,625
W&S CAPITAL	\$ 170,642	\$ 181,782	\$ 39,796	\$ 8,630	\$ 11,395		28.6%	\$ 28,401
NONDEPARTMENTAL	\$ 661,553	\$ 1,736,173	\$ 654,711	\$ 32,229	\$ 463,171	38.1%	70.7%	\$ 191,540
TOTAL EXPENDITURES	\$ 3,032,345	\$ 4,244,827	\$ 4,258,316	\$ 288,904	\$ 2,971,202	71.4%	69.8%	\$ 1,287,114

STREET IMPROVEMENT FUND	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET EXPENSED	% OF CY BUDGET EXPENSED	BUDGET REMAINING
STREETS	\$ 522,912	\$ 728,593	\$ 698,143	\$ 60,938	\$ 483,166	71.8%	69.2%	\$ 214,977
PARKS MAINTENANCE	\$ 63,722	\$ 82,981	\$ 161,368	\$ 6,828	\$ 58,524	76.8%	36.3%	\$ 102,844
CAPITAL	\$ 281,935	\$ 331,716	\$ 60,523	\$ -	\$ 32		0.1%	\$ 60,491
TOTAL EXPENDITURES	\$ 868,569	\$ 1,143,290	\$ 920,034	\$ 67,766	\$ 541,722	76.0%	58.9%	\$ 378,312

EDC4B FUNDS	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET EXPENSED	% OF CY BUDGET EXPENSED	BUDGET REMAINING
ADMINISTRATION	\$ 159,494	\$ 192,298	\$ 195,517	\$ 6,904	\$ 115,200	82.9%	58.9%	\$ 80,317
DEBT SERVICE	\$ 314,717	\$ 234,250	\$ 322,365	\$ 4,912	\$ 245,120	134.4%	76.0%	\$ 77,245
TOWN SHOPPING CENTER	\$ 44,430	\$ 75,209	\$ 45,362	\$ 14,441	\$ 147,178	59.1%	324.5%	\$ (101,816)
TOWNCENTER REDEVELOPMENT	\$ 10,080	\$ 12,653	\$ -	\$ 14,350	\$ 177,712		#DIV/0!	\$ (177,712)
TOTAL EXPENDITURES	\$ 528,721	\$ 514,408	\$ 563,244	\$ 40,607	\$ 685,210	102.8%	121.7%	\$ (121,966)



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: MONITORING INFORMATION - B.

I. Subject:

Monthly EDC Financials and Activity Report

II. Originated by:

Brady Olsen, Finance Director

III. Summary:

Reports from the previous EDC meeting are attached for your reference.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	2018_06 Monthly Financials - EDC	2018_06 Monthly Financials - EDC.pdf
2.	Sales Tax Update-EDC June	Sales Tax Update-EDC June.pdf

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018**

ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment

Monthly Information

1. \$36,295 Sales Tax continues to outperform expectations, partially due to new business coming on the books
2. Paid out management fee for filling building one.
3. Per Council direction, working towards creating a separate bank account for the EDC
4. Low cash position, further new spending is not recommended

Rental Fees, MMD Tax and Rental Insurance are reported on the Accrual Basis of Accounting, while all other revenues and expenditures are reported on the Cash Basis. This procedure has been in effect for several years, but can be changed should the Board wish.

Brady Olsen
Finance Director

ADDITIONAL INFORMATION

FUND 15- OPERATING FUND (ALL BILLS AND REVENUE RECEIVED IN THIS FUND)
FUND 19- CAPITAL BOND FUND (REMAINING CAPITAL MONEY)
FUND 95- RESERVE FUND FOR DEBT REQUIREMENTS

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018**

EDC CASH POSITION

CATEGORY	DESCRIPTION	FY17-18 YTD
FROM PREVIOUS MONTHS REPORT:		
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	\$ 89,252
BEGINNING TEXPOOL BALANCE - FUND 15	(Operating Investments)	\$ -
BEGINNING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	\$ 30,003
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	\$ 121,383
BEGINNING CASH BALANCE - TOTAL		\$ 240,638
BEGINNING AVAILABLE CASH - TOTAL		20,082
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		\$ (20,351) *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	\$ 64,563
ENDING TEXPOOL BALANCE - FUND 15	(Operating Investments)	\$ -
ENDING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	\$ 30,047
ENDING CASH BALANCE - FUND 95	(Required reserves)	\$ 121,520
ENDING CASH BALANCE - TOTAL		\$ 216,130
UNAVAILABLE CASH - EARMARKED		
COMMITTED TO BUILDING ONE RENOVATION		\$ 29,150
2010 \$2.0M BOND SALE REMAINING CASH	(Unspent bond proceeds)	\$ 30,047
RESERVES FOR LEVERAGE NOTE	(Required reserves)	\$ 121,520
TOTAL UNAVAILABLE CASH		\$ 180,717
AVAILABLE CASH		\$ 35,413

*Due to prior period adjustments, beginning cash balance plus monthly income will not always be an exact match for ending cash balance

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 313,866	\$ 313,866	\$ 134,784		\$ 302,131			
AD VALOREM TAXES	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
SALES/BEVERAGE TAXES	209,033	361,319	373,835	36,295	266,501	57.9%	71.3%	107,334
INVESTMENT EARNINGS	513	790	65	33	2,862	64.9%	4402.9%	(2,797)
MISCELLANEOUS INCOME	63,691	76,716	45,120	2,674	30,248	83.0%	67.0%	14,872
SURPLUS SALES/RENTALS	64,173	82,071	121,858	-	415,888	78.2%	341.3%	(294,030)
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
TOTAL REVENUES	\$ 339,770	\$ 523,257	\$ 605,597	\$ 39,002	\$ 715,498	64.9%	118.1%	\$ (139,620)
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	14,738	44,464	25,112	3,393	111,422	33.1%	443.7%	(86,310)
SUNDRY	145,426	201,042	213,667	31,880	144,052	72.3%	67.4%	69,616
DEBT	155,219	169,431	169,777	9,730	172,620	91.6%	101.7%	(2,843)
TRANSFERS	154,819	154,819	182,307	-	67,588	100.0%	37.1%	114,720
CAPITAL	2,354	14,621	-	14,350	199,712	16.1%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	\$ 472,555	\$ 584,377	\$ 592,963	\$ 59,353	\$ 695,393	80.9%	117.3%	\$ (102,430)
REVENUES OVER EXPENDITURES	\$ (132,785)	\$ (61,120)	\$ 12,634	\$ (20,351)	\$ 20,105			
ENDING FUND BALANCE	\$ 181,081	\$ 252,746	\$ 147,418		\$ 322,235			
FUND BALANCE AS % OF EXP	38.3%	43.3%	24.9%	0.0%	46.3%			
RESERVE (\$115,000) REQUIREMENT)	\$ -	\$ -	\$ 115,000	\$ -	\$ -			
RESERVE SURPLUS/(SHORTFALL)	\$ 181,081	\$ 252,746	\$ 32,418	\$ -	\$ 322,235			

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CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
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15: EDC4B FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 164,460	\$ 164,460	\$ (15,517)		\$ 152,017			
AD VALOREM TAXES	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
SALES/BEVERAGE TAXES	209,033	361,319	373,835	36,295	266,501	57.9%	71.3%	107,334
INVESTMENT EARNINGS	68	82	65	24	1,836	83.3%	2825.0%	(1,771)
MISCELLANEOUS INCOME	63,691	76,716	45,120	2,674	30,248	83.0%	67.0%	14,872
SURPLUS SALES/RENTALS	64,173	82,071	121,858	-	415,888	78.2%	341.3%	(294,030)
TOTAL REVENUES	\$ 339,325	\$ 522,549	\$ 575,878	\$ 38,993	\$ 714,472	64.9%	124.1%	\$ (138,594)
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	14,738	44,464	25,112	3,393	111,422	33.1%	443.7%	(86,310)
SUNDRY	145,426	201,042	213,667	31,880	144,052	72.3%	67.4%	69,616
DEBT	155,219	169,431	169,777	9,730	172,620	91.6%	101.7%	(2,843)
TRANSFERS	154,819	154,819	152,588	-	67,588	100.0%	44.3%	85,001
CAPITAL	2,354	14,621	-	14,350	199,712	16.1%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	\$ 472,555	\$ 584,377	\$ 563,244	\$ 59,353	\$ 695,393	80.9%	123.5%	\$ (132,149)
REVENUES OVER EXPENDITURES	\$ (133,230)	\$ (61,828)	\$ 12,634	\$ (20,360)	\$ 19,079			
ENDING FUND BALANCE	\$ 31,230	\$ 152,017	\$ (2,883)		\$ 171,096			
FUND BALANCE AS % OF EXP	6.6%	26.0%	-0.5%	0.0%	24.6%			
RESERVE (NO REQUIREMENT)	\$ -	\$ -	\$ -	\$ -	\$ -			
RESERVE SURPLUS/(SHORTFALL)	\$ 31,230	\$ 152,017	\$ (2,883)	\$ -	\$ 171,096			

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CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	2,360	2,360	35,000	-	-	100.0%	0.0%	35,000
	AD VALOREM TAXES	\$ 2,360	\$ 2,360	\$ 35,000	\$ -	\$ -	100.0%	0.0%	\$ 35,000
4081-00-00	SALES TAX	209,033	361,319	373,835	36,295	266,501	57.9%	71.3%	107,334
	SALES/BEVERAGE TAXES	\$ 209,033	\$ 361,319	\$ 373,835	\$ 36,295	\$ 266,501	57.9%	71.3%	\$ 107,334
4401-00-00	INVESTMENT INCOME	68	82	65	24	1,836	83.3%	2825.0%	(1,771)
	INVESTMENT EARNINGS	\$ 68	\$ 82	\$ 65	\$ 24	\$ 1,836	83.3%	2825.0%	\$ (1,771)
4409-00-00	MISCELLANEOUS INCOME	63,691	76,716	45,120	2,674	30,248	83.0%	67.0%	14,872
	MISCELLANEOUS INCOME	\$ 63,691	\$ 76,716	\$ 45,120	\$ 2,674	\$ 30,248	83.0%	67.0%	\$ 14,872
4805-00-00	RENTAL FEES-SHOPPING CENTER	63,812	81,710	121,112	-	66,709	78.1%	55.1%	54,403
4806-00-00	RENTAL INSURANCE	361	361	746	-	-	100.0%	0.0%	746
4884-00-01	SALE OF ASSETS	-	-	-	-	349,179	#DIV/0!	#DIV/0!	(349,179)
	SURPLUS SALES/RENTALS	\$ 64,173	\$ 82,071	\$ 121,858	\$ -	\$ 415,888	#DIV/0!	#DIV/0!	\$ (294,030)
	TOTAL REVENUES	\$ 339,325	\$ 522,549	\$ 575,878	\$ 38,993	\$ 714,472	64.9%	124.1%	\$ (138,594)
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	\$ 339,257	\$ 522,467	\$ 575,813	\$ 38,969	\$ 712,636			
	10% ADMIN CHARGE-GENERAL FUND	33,926	52,247	57,581	3,897	71,264			

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CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
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15: EDC4B FUND
01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5240-01-00	PRINTED SUPPLIES	-	-	2,000	-	-		0.0%	2,000
5260-01-00	GENERAL OFFICE SUPPLIES	-	-	50	-	-	0.0%	0.0%	50
5261-01-00	POSTAGE	-	-	50	-	-	0.0%	0.0%	50
	SUPPLIES	\$ -	\$ -	\$ 2,100	\$ -	\$ -		0.0%	\$ 2,100
5501-01-00	ADVERTISING	390	390	1,200	-	35	100.0%	2.9%	1,165
5510-01-00	ASSOC DUES/PUBLICATIONS	4,850	4,855	5,320	-	4,890	99.9%	91.9%	430
5512-01-00	CONTRACTUAL SERVICES	-	-	-	-	-			-
5525-01-00	TRAINING/SEMINARS	-	175	250	-	-	0.0%	0.0%	250
5565-01-00	LEGAL SERVICES	7,432	17,252	10,000	1,082	11,580	43.1%	115.8%	(1,580)
5567-01-00	AUDIT SERVICES	2,250	2,250	2,250	-	4,250	100.0%	188.9%	(2,000)
5570-01-00	SPECIAL SERVICES	64,045	81,145	68,650	6,547	12,247	78.9%	17.8%	56,403
5574-01-00	FILING FEES	40	40	-	-	-			-
5578-01-00	TRAVEL	-	-	100	-	-	0.0%	0.0%	100
5580-01-00	ENGINEERING SERVICES	2,128	2,128	-	-	-	100.0%		-
5595-01-00	ADMIN CHARGE-GENERAL FUND	33,926	44,926	81,647	6,804	61,235	75.5%	75.0%	20,412
5615-01-00	FUNCTIONAL GRANT	10,941	17,137	24,000	6,399	14,059	63.8%	58.6%	9,941
	SUNDRY	\$ 126,041	\$ 170,298	\$ 193,417	\$ 20,832	\$ 108,296	74.0%	56.0%	\$ 85,121
5800-01-00	LAND	1,274	1,968	-	-	22,000	64.7%	0.0%	(22,000)
5813-01-00	KENNEDALE ENTRANCE SIGN	-	-	-	-	-	0.0%	0.0%	-
5820-01-00	BUILDING IMPROVEMENT	-	-	-	-	-	0.0%	0.0%	-
5875-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	\$ 1,274	\$ 1,968	\$ -	\$ -	\$ 22,000	64.7%		\$ (22,000)
	TOTAL EXPENDITURES	\$ 127,314	\$ 172,266	\$ 195,517	\$ 20,832	\$ 130,296	73.9%	66.6%	\$ 65,221

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CITY OF KENNEDALE
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June 2018

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5643-01-03	2007 \$1.2M TAX BOND-INTEREST	58,689	58,689	54,905	-	54,831	100.0%	99.9%	74
5644-01-03	2007 \$1.2M TAX BOND-PRINCIPAL	55,000	55,000	60,000	-	60,000	100.0%	100.0%	-
5645-01-03	2011 \$1.7M TX LEVERAGE-INT	12,004	15,879	14,278	3,201	18,045	75.6%	126.4%	(3,767)
5646-01-03	2011 \$1.7M TX LEVERAGE-PRI	29,526	39,863	40,594	6,529	39,744	74.1%	97.9%	850
	DEBT	\$ 155,219	\$ 169,431	\$ 169,777	\$ 9,730	\$ 172,620	91.6%	101.7%	\$ (2,843)
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	154,819	154,819	152,588	-	67,588	100.0%	44.3%	85,001
	TRANSFER	\$ 154,819	\$ 154,819	\$ 152,588	\$ -	\$ 67,588	100.0%	44.3%	\$ 85,001
	TOTAL EXPENDITURES	\$ 310,037	\$ 324,250	\$ 322,365	\$ 9,730	\$ 240,208	95.6%	74.5%	\$ 82,157

"YOU'RE HERE. YOUR HOME."

**CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018**

15: EDC4B FUND**02: TOWN SHOPPING CENTER**

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5403-02-00	BUILDING MAINTENANCE	14,738	44,464	25,112	3,393	111,422	33.1%	443.7%	(86,310)
	MAINTENANCE	\$ 14,738	\$ 44,464	\$ 25,112	\$ 3,393	\$ 111,422	33.1%	443.7%	\$ (86,310)
5530-02-00	ELECTRIC SERVICES	4,698	5,924	6,700	-	4,224	79.3%	63.1%	2,476
5545-02-00	INSURANCE-PROPERTY	6,507	6,507	6,500	-	8,341	100.0%	128.3%	(1,841)
5570-02-00	SPECIAL SERVICES	8,180	18,312	7,050	11,048	23,191	44.7%	328.9%	(16,141)
	SUNDRY	\$ 19,386	\$ 30,744	\$ 20,250	\$ 11,048	\$ 35,756	63.1%	176.6%	\$ (15,506)
	TOTAL EXPENDITURES	\$ 34,124	\$ 75,209	\$ 45,362	\$ 14,441	\$ 147,178	45.4%	324.5%	\$ (101,816)

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

15: EDC4B FUND**03: TOWN CENTER REDEVELOPMENT**

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-03-00	ENGINEERING SERVICES	-	2,573	-	-	-	0.0%		-
5847-03-00	CONSTRUCTION	1,080	10,080	-	14,350	177,712	0.0%		(177,712)
	CAPITAL	\$ 1,080	\$ 12,653	\$ -	\$ 14,350	\$ 177,712	0.0%		\$ (177,712)
	TOTAL EXPENDITURES	\$ 1,080	\$ 12,653	\$ -	\$ 14,350	\$ 177,712	0.0%		\$ (177,712)

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

15: EDC4B FUND

04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5800-04-00	LAND	-	-	-	-	-		0.0%	-
	CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -		0.0%	\$ -
	TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -		0.0%	\$ -

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 29,444	\$ 29,444	\$ 29,719		\$ 29,649			
INVESTMENT EARNINGS	131	205	-	-	268	63.7%		(268)
TOTAL REVENUES	\$ 131	\$ 205	\$ -	\$ -	\$ 268	63.7%		\$ (268)
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
CAPITAL	-	-	-	-	-	0.0%	0.0%	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ 29,719	\$ -	\$ -	0.0%	0.0%	\$ -
REVENUES OVER EXPENDITURES	\$ 131	\$ 205	\$ (29,719)	\$ -	\$ 268			
ENDING FUND BALANCE	\$ 29,575	\$ 29,649	\$ 0		\$ 29,918			
FUND BALANCE AS % OF EXP	N/A	N/A	N/A	N/A	N/A			
RESERVE (NO REQUIREMENT)	\$ -	\$ -	\$ -	\$ -	\$ -			
RESERVE SURPLUS/(SHORTFALL)	\$ 29,575	\$ 29,649	\$ 0	\$ -	\$ 29,918			

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CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	131	205	-	-	268	63.7%		(268)
	INVESTMENT EARNINGS	\$ 131	\$ 205	\$ -	\$ -	\$ 268	63.7%		\$ (268)
	TOTAL REVENUES	\$ 131	\$ 205	\$ -	\$ -	\$ 268	63.7%		\$ (268)

19: EDC4B CAPITAL BOND FUND**01: TOWN CENTER REDEVELOPMENT**

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-01-00	TRANSFER OUT	-	-	-	-	-	0.0%	0.0%	-
	TRANSFERS	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
5800-01-00	LAND	-	-	-	-	-	0.0%	0.0%	-
5847-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
	TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

95: EDC4B RESERVE FUND

CATEGORY	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	\$ 119,962	\$ 119,962	\$ 120,582		\$ 120,464			
INVESTMENT EARNINGS	314	502	-	9	757	62.5%		(757)
TOTAL REVENUES	\$ 314	\$ 502	\$ -	\$ 9	\$ 757	62.5%		\$ (757)
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
REVENUES OVER EXPENDITURES	\$ 314	\$ 502	\$ -	\$ 9	\$ 757			
ENDING FUND BALANCE	\$ 120,276	\$ 120,464	\$ 120,582		\$ 121,222			
FUND BALANCE AS % OF EXP	N/A	N/A	N/A	N/A	N/A			
RESERVE (\$112,606 REQUIREMENT)	\$ 112,606	\$ 112,606	\$ 112,606	\$ 112,606	\$ 112,606			
RESERVE SURPLUS/(SHORTFALL)	\$ 7,670	\$ 7,858	\$ 7,976	\$ (112,606)	\$ 8,616			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
June 2018

95: EDC4B RESERVE FUND

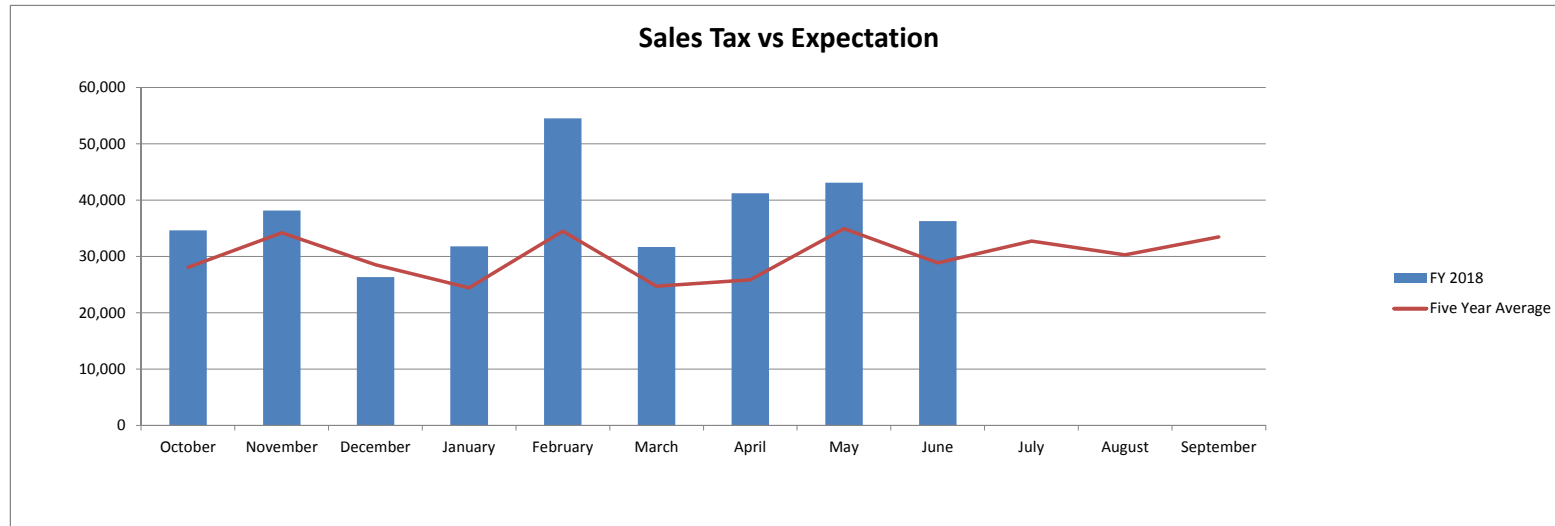
ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	314	502	-	9	757	62.5%		(757)
	INVESTMENT EARNINGS	\$ 314	\$ 502	\$ -	\$ 9	\$ 757	62.5%		\$ (757)
	TOTAL REVENUES	\$ 314	\$ 502	\$ -	\$ 9	\$ 757	62.5%		\$ (757)

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
	TRANSFERS	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -
	TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%	\$ -

Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2018	\$ 34,607	\$ 38,169	\$ 28,985	\$ 31,808	\$ 54,501	\$ 31,672	\$ 41,253	\$ 43,121	\$ 36,295	\$ -	\$ -	\$ -	\$ 113,470
FY2017	\$ 29,583	\$ 38,719	\$ 27,285	\$ 29,652	\$ 35,265	\$ 26,215	\$ 29,043	\$ 33,374	\$ 26,747	\$ 33,648	\$ 16,530	\$ 28,850	\$ 118,303
FY2016	\$ 31,046	\$ 39,712	\$ 32,662	\$ 25,293	\$ 38,669	\$ 29,196	\$ 26,505	\$ 38,181	\$ 27,906	\$ 28,195	\$ 29,231	\$ 30,459	\$ 125,685
FY2015	\$ 23,985	\$ 31,479	\$ 27,515	\$ 24,594	\$ 35,857	\$ 24,104	\$ 27,064	\$ 39,783	\$ 42,821	\$ 55,252	\$ 48,766	\$ 59,232	\$ 146,818
FY2014	\$ 21,990	\$ 29,867	\$ 31,661	\$ 22,458	\$ 32,594	\$ 23,228	\$ 26,412	\$ 31,319	\$ 25,832	\$ 23,976	\$ 28,866	\$ 22,659	\$ 106,954
FY2013	\$ 33,617	\$ 31,297	\$ 23,446	\$ 20,135	\$ 30,003	\$ 20,791	\$ 20,318	\$ 32,020	\$ 21,136	\$ 22,435	\$ 27,973	\$ 26,025	\$ 103,066
FY2012	\$ 31,540	\$ 37,196	\$ 38,349	\$ 29,926	\$ 30,992	\$ 24,484	\$ 37,230	\$ 41,230	\$ 24,369	\$ 40,830	\$ 26,679	\$ 27,612	\$ 130,146
*Net payment after correcting an audit error.													\$ -



Industry	Amount	% Change	Adjusted Change	YTD	FYTD
General Services	\$7,726	26.35%	16.97%	\$49,461	\$75,441
Manufacturing	\$7,347	338.06%	-62.53%	\$41,221	\$45,832
Retail	\$7,162	17.89%	-3.06%	\$49,835	\$73,264
Professional Services	\$5,496	10.38%	-1.34%	\$31,730	\$48,068
Wholesale	\$5,339	34.89%	11.24%	\$39,306	\$58,345
Food	\$3,003	44.39%	-3.46%	\$17,600	\$25,852
Miscellaneous	\$89	98.92%	-30.89%	\$460	\$722
Agricultural	\$84	-25.93%	0.00%	\$9,311	\$12,551
Accommodation	\$0	0.00%	0.00%	\$0	\$0



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: MONITORING INFORMATION - C.

I. Subject:

Schedule of Investment Activity for quarter ending June 30, 2018

II. Originated by:

Brady Olsen, Finance Director

III. Summary:

In accordance with Public Funds Investment Act (PFIA), the investments should be reported quarterly. This is for the third quarter for FY18 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.	June 30 2018 Qtrly Investment Report	June 30 2018 Qtrly Investment Report.pdf
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City of Kennedale, Texas

SCHEDULE OF INVESTMENT ACTIVITY

For The Quarter Ending June 30, 2018

CITY OF KENNEDALE, TEXAS
INVESTMENT REPORT
FOR QUARTER ENDING June 30, 2018

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 in June of 2018

SUMMARY OF INVESTMENTS FOR THE QUARTER

99.5% of the City of Kennedale's investments are owned by the Pooled Cash Fund. The remaining .5% goes to the \$2.0M 2010 CO Bond Fund, \$1.7M TX Leverage Fund, and Clearing Funds. As of the reporting quarter, 88.1% of the City's investments are in investment pools, and 11.9% 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 (50%), 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	April 2018	May 2018	June 2018	Interest Earned
Texas Daily	Consolidated Cash	0.44%	\$ 31,963.85	\$ 32,011.43	\$ 32,060.10	\$ 139.52
TexStar	Consolidated Cash	0.43%	332,835.11	333,322.99	333,824.41	1,434.71
TexPool	\$2.0M CO Bond	0.43%	29,959.30	30,002.99	30,047.65	129.43
TexPool	Central Deposit	0.40%	4,691,604.31	4,909,173.46	5,181,642.87	20,892.62
TOTAL INVESTMENT POOLS			\$ 5,086,362.57	\$ 5,304,510.87	\$ 5,577,575.03	\$ 22,596.28

MONTHLY BALANCES- WELLSFARGO

Bank	Account Name	Interest Rate	April 2018	May 2018	June 2018	Interest Earned
Wellsfargo	Consolidated Cash	N/A	\$ 1,273,317.29	\$ 808,411.02	\$ 753,446.53	
Wellsfargo	Payroll Clearing	0.04%-0.05%	111.44	1.00	82.75	1.50
Wellsfargo	Section 125 Flex	0.04%-0.05%	345.16	-	-	
Wellsfargo	Dick Price Rd	0.005%	-	-	-	
Wellsfargo	Health Reimbursement	0.00%	867.00	1,133.00	1,133.00	
Wellsfargo	Employee Health Benefit Trust	0.00%	5.91	0.12	0.47	0.88
TOTAL WELLSFARGO			\$ 1,274,646.80	\$ 809,545.14	\$ 754,662.75	\$ 2.38

TOTAL MONTHLY BALANCES- ALL	\$ 6,361,009.37	\$ 6,114,056.01	\$ 6,332,237.78	\$ 22,598.66
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TRANSACTION ACTIVITY- INVESTMENTS

Investment Pool	Account Name	Balance 3/31/2018	Deposits	Withdrawals	Interest	Balance 6/30/2018
Texas Daily	Consolidated Cash	\$ 31,920.58	\$ -	\$ -	\$ 139.52	\$ 32,060.10
TexStar	Consolidated Cash	332,389.70	-	-	1,434.71	333,824.41
TexPool	\$2.0M CO Bond	29,918.22	-	-	129.43	30,047.65
TexPool	Central Deposit	4,458,231.04	702,519.21	-	20,892.62	5,181,642.87
TOTAL INVESTMENT POOLS		\$ 4,852,459.54	\$ 702,519.21	\$ -	\$ 22,596.28	\$ 5,577,575.03

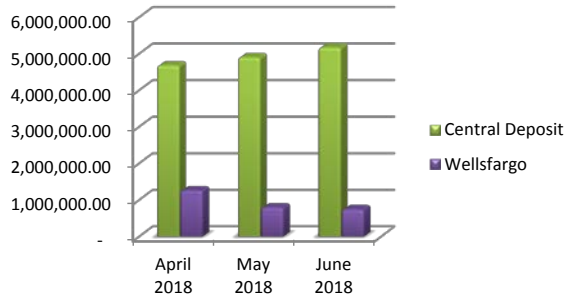
TRANSACTION ACTIVITY- WELLSFARGO

Bank	Account Name	Balance 3/31/2018	Deposits	Withdrawals	Interest	Balance 6/30/2018
Wellsfargo	Consolidated Cash	\$ 1,799,493.12	\$ 1,847,350.33	\$ (2,893,396.92)	\$ -	\$ 753,446.53
Wellsfargo	Payroll Clearing	112.03	914,726.00	(914,755.28)	1.50	82.75
Wellsfargo	Section 125 Flex	345.16	1,905.36	(2,250.52)	-	0.00
Wellsfargo	Health Reimbursement	867.00	3,665.00	(3,399.00)	-	1,133.00
Wellsfargo	Employee Health Benefit Trust	5.56	134,038.82	(134,043.91)	0.88	0.47
TOTAL WELLSFARGO		\$ 1,815,446.12	\$ 2,901,685.51	\$ (3,947,845.63)	\$ 2.38	\$ 754,662.75

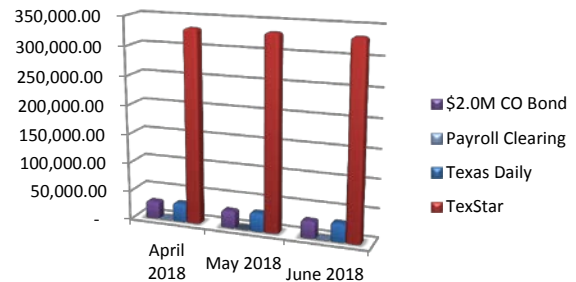
CASH BREAKDOWN BY FUND

	April 2018	May 2018	June 2018
01- General Fund	\$2,938,038.31	\$2,756,985.61	\$2,647,719.64
02- Debt Service Fund	-\$1,921.61	-\$12,979.45	\$23,723.84
04- Capital Project Fund	\$60,429.21	\$66,959.83	\$67,022.95
05- Capital Replacement Fund	\$372,625.35	\$346,787.29	\$336,464.22
07- Storm Drainage Utility Fund	\$94,533.56	\$105,912.00	\$125,744.05
10- Water/Sewer Fund	\$1,245,389.76	\$1,229,540.51	\$1,413,495.83
12- Court Security Fund	\$16,128.63	\$16,345.83	\$16,560.64
14- Park Dedication Fund	\$236,609.52	\$236,860.60	\$237,279.30
15- Economic Development Fund	\$74,588.94	\$84,560.70	\$64,570.03
16- Court Technology Fund	\$5,231.03	\$5,503.50	\$5,771.48
17- Streets Improvement Fund	\$313,077.14	\$296,587.17	\$342,169.09
18- Juvenile Case Manager Fund	\$16,897.01	\$16,431.06	\$15,949.78
21- TIF #1 New Hope Fund	-\$18,829.78	-\$16,280.20	-\$10,870.58
32- Library Building Fund	\$3,719.32	\$3,772.19	\$3,998.47
34- LEOSE Fund	\$1,905.64	\$1,785.80	\$1,745.97
41- Park Rec/Other Donation Fund	\$22,288.66	\$17,162.87	\$15,881.07
45- Roadway Impact Fee Fund	\$215,319.83	\$230,186.78	\$237,047.50
61- Water Impact Fee Fund	\$221,467.69	\$240,338.39	\$248,882.58
62- Sewer Impact Fee Fund	\$141,912.97	\$152,539.00	\$157,508.99
83- Tree Reforestation Fund	\$68,529.15	\$68,601.79	\$68,679.52
85- Unclaimed Property Fund	\$1,990.24	\$1,990.24	\$1,990.24
95- EDC Reserve Fund	\$121,256.05	\$121,384.58	\$121,522.13
TOTAL ALL FUNDS	\$ 6,151,186.62	\$ 5,970,976.09	\$ 6,142,856.74

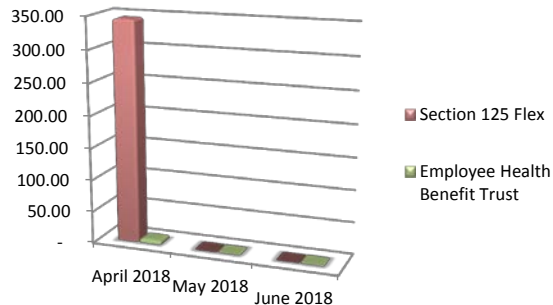
Main Accounts



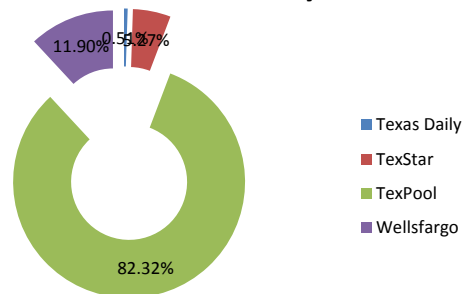
Other Accounts



Holding Accounts



Distribution of Money



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

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

I. Subject:

Consider approval of minutes from July 2, 2018 special meeting

II. Originated by:

Leslie Galloway, City Secretary & Communications Coordinator

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.	2018_07.02_Minutes_City Council Special Meeting_DRAFT	2018_07.02_Minutes_City Council Special Meeting_DRAFT.docx
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KENNEDALE CITY COUNCIL MINUTES

WORK SESSION AND SPECIAL MEETING | JULY 2, 2018 AT 5:30 PM
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:32 p.m.

Present: Mayor Johnson; Rockie Gilley (arrived at 5:35 p.m.), Place 1; Chris Pugh, Place 2; Mayor Pro Tem Sandra Lee, Place 3; Linda Rhodes, Place 4; and Jan Joplin, Place 5. **Absent:** None.

Staff: City Manager George Campbell, City Secretary and Communications Coordinator Leslie Galloway, Finance Director Brady Olsen, Community Development Director Melissa Dailey

II. WORK SESSION

- A. Receive a report and provide staff direction regarding the process and schedule for updating long-and short-range comprehensive planning and economic development strategies

Melissa Dailey, Community Development Director, provided a brief overview of the outline for upcoming community meeting opportunities. City Manager, George Campbell, stated that Ms. Dailey had gone over this information with the board members on the Planning & Zoning Commission and the Economic Development Corporation since the original City Council presentation on June 18, 2018.

- B. Receive an update and hold a discussion regarding the FY2019 budget calendar and public hearings schedule

Finance Director, Brady Olsen, stated that the next dedicated budget work session is scheduled for August 9, 2018 at 5:30 p.m. to present the City Manager's proposed budget to Council. And the follow-up budget work session is scheduled for August 23, 2018 at 5:30 p.m. He also announced that a Public Hearing is scheduled for September 6, 2018 at 5:30 p.m., with and a second Public Hearing scheduled for September 14, 2018 at 2:00 p.m. The adoption of the FY2019 budget is scheduled for the Regular City Council meeting on September 17, 2018.

III. SPECIAL MEETING

IV. ROLL CALL

V. DECISION ITEMS

- A. Consider Approval of Amendment 2 to the Engineering Contract with Freese and Nichols for the TxDOT New Hope Road Bridge Replacement Project

Larry Hoover, Public Works Superintendent, was available for questions from Council relative to the second amendment to the Engineering Contract with Freese and Nichols for the TxDOT New Hope Road Bridge Replacement Project.

Motion To Approve Amendment 2 to the Engineering Contract with Freese and Nichols for the TxDOT New Hope Road Bridge Replacement Project. **Action** Approve, **Moved By** Pugh, **Seconded By** Rhodes. **Motion passes 3-2**, with Gilley and Joplin voting against.

- B. Consider approval of the engineering contract with Freese and Nichols for the local match projects related to the New Hope Road Bridge TxDOT Bridge Replacement Project

Motion To Approve the engineering contract with Freese and Nichols for the local match projects related to the New Hope Road Bridge TxDOT Bridge Replacement Project. **Action** Approve, **Moved By** Pugh, **Seconded By** Mayor Pro Tem Lee. **Motion passes 3-2**, with Gilley and Joplin voting against.

- C. Consider approval of Resolution 525, authorizing the Mayor to sign the Advanced Funding Agreement (AFA) for the New Hope Road Bridge Replacement Project with TXDOT

Motion To Approve Resolution 525, authorizing the Mayor to sign the Advanced Funding Agreement (AFA) for the New Hope Road Bridge Replacement Project with TXDOT. **Action** Approve, **Moved By** Pugh, **Seconded By** Mayor Pro Tem Lee. **Motion passes 3-2**, with Gilley and Joplin voting against.

- D. Consider appointing the Chair and Vice Chair of the Planning & Zoning Commission

Motion To Approve appointing Chad Wandel as Chair and Jadey James as Vice Chair of the Planning & Zoning Commission. **Action** Approve, **Moved By** Joplin, **Seconded By** Rhodes. **Motion passed Unanimously.**

VI. EXECUTIVE SESSION

The Council did not convene into Executive Session.

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

VIII. ADJOURNMENT

Motion To Adjourn. Action Adjourn, Moved By Mayor Pro Tem Lee, Seconded By Joplin. Motion passed Unanimously.

Mayor Johnson adjourned the meeting at 6:19 p.m.

APPROVED:

BRIAN JOHNSON, MAYOR

ATTEST:

LESLIE GALLOWAY, CITY SECRETARY

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

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

I. Subject:

Consider approval of minutes from July 16, 2018 regular meeting

II. Originated by:

Leslie Galloway, City Secretary & Communications Coordinator

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.	2018_07.16_Minutes_City Council Regular Meeting_DRAFT_LG	2018_07.16_Minutes_City Council Regular Meeting_DRAFT_LG.docx
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KENNEDALE CITY COUNCIL MINUTES
REGULAR MEETING | JULY 16, 2018
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
WORK SESSION - 5:30 PM | REGULAR SESSION - 7:00 PM

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:27 p.m.

II. WORK SESSION

- A. Receive a report and hold a discussion of the potential effects of freezing property taxes for senior citizens

Brady Olsen, Finance Director, provided Council information relative to the potential effects of freezing property taxes and highlighted key points as outlined in the presentation.

- B. Receive a report, hold a discussion and provide staff direction regarding the City's compensation pay plan and budget

City Manager George Campbell presented the proposed employee compensation plan for FY2018-2019. Mr. Campbell discussed the highlights of the compensation study conducted in May, 2018, and made recommendations for implementing employee salary increases. All Councilmembers except Councilmember Gilley expressed a desire for the City Manager to implement the pay recommendations effective August 1, 2018. Mr. Gilley expressed a preference that the City Manager delay such implementation for a few weeks to allow further analysis.

- C. Discussion of items on Regular Session

The proposed amendment to the Interlocal Agreement with Kennedale ISD for the provision of two School Resource Officers, the proposed amendment to the current contract with Waste Connections, and the proposed agreement for Professional Auditing Services were discussed. Councilmember Joplin requested that Item C relating to the contract with Waste Connections be removed from the Consent Agenda and considered separately.

Mayor Johnson closed the Work Session at 7:01 p.m.

III. REGULAR SESSION

Mayor Johnson opened the Regular Session at 7:01 p.m.

IV. ROLL CALL

Present: Mayor Brian Johnson; Rockie Gilley, Place 1; Chris Pugh, Place 2; Mayor Pro Tem Sandra Lee, Place 3; Linda Rhodes, Place 4; and Jan Joplin, Place 5. **Absent:** NONE.

Staff: City Manager George Campbell, Deputy City Secretary Kathryn Roberson, Finance Director Brady Olsen, Interim Fire Chief Brian King, Police Chief Tommy Williams, Public Works Superintendent Larry Hoover, Community Development Director Melissa Dailey, Library Director Amanda King, HR/EDC Manager Danielle Clarke, City Attorney Wayne Olson (TOASE)

V. INVOCATION

The invocation was provided by Pastor Marvin Raines.

VI. UNITED STATES PLEDGE AND TEXAS PLEDGE

VII. VISITOR/CITIZENS FORUM

John Hivale, 418 Coker Valley Drive, stated his concerns regarding City finances as they relate to fines being collected by the Water Department.

Richard Weber, 2703 Crestmoor Court, Arlington, spoke against the current City Council Meeting speaker policy.

Mark Babina, 1056 Falcon Nest Drive, stated his worries about increasing property appraisals with the lack of a freeze on property taxes for those 65 and older.

Caleb Stafford, 315 W. Mistletoe Drive, stated his concerns about the shortage of police officers and suggested hiring public service officers to cover administrative duties for the department.

Chad Wandel, 614 Reeves Lane, stated the need for bicycle lanes to enhance safety on city streets.

Carolyn Williamson, 3170 Joplin Road, stated her desire for the city to continue seeking opportunities for controlled economic growth.

Gail Uranga, 904 Bell Oak Drive, registered an opinion regarding water and sewer rates, and questioned why they are no longer being reported to the Texas Municipal League.

VIII. REPORTS/ANNOUNCEMENTS

A. Updates from the City Council

- **ROCKIE GILLEY, PLACE 1** stated that he has been meeting with one citizen or business person per day and listening to their ideas.
- **CHRIS PUGH, PLACE 2** stated that he attended a meeting of the Kennedale Historical Society, hosted by Mayor Johnson.
- **MAYOR PRO TEM SANDRA LEE, PLACE 3** stated that she has a meeting with the Sheriff's Department next Wednesday regarding patrolling the streets for drug use. She also mentioned a desire to start a branch of the YMCA in Kennedale.
- **LINDA RHODES, PLACE 4** stated that she visited the new antique shop in TownCenter and is focusing on supporting local businesses.
- **JAN JOPLIN, PLACE 5** stated she wants to continue bringing water rates down, taking care of first responders, addressing existing infrastructure issues, restructuring the comprehensive development plan, and auditing financials in order to make better decisions, and ultimately lowering property taxes.

B. Updates from the Mayor

Mayor Johnson stated he was in Little Rock for the National League of Cities Conference, He also stated that he, Sandra, George, and Melissa met with Russell Schaffner, County Transportation Mobility Coordinator, to discuss Park and Ride and Via as possible mobility options for those citizens currently without personal transportation, as well as the public hearing being held on the proposed plans for the I-20/287/820 interchange project. Mayor Johnson also noted that Theatre In The Park will hold auditions in August for the upcoming December comedy play.

C. Updates from the City Manager

City Manager George Campbell thanked the Council for taking time earlier in the day to discuss the employee compensation issue. He also noted there has not been any significant change in the drafting of the agreement for the proposed Arlington Water Contract. Freese and Nichols is continuing work on a report relative to the engineering aspects of the agreement, and a draft will be made available to the City Manager's Office on, or about August 10th, with a final report presented by the end of August. Brady Olsen, representatives from the City of Arlington, and Mr. Campbell met with the president of Fathom to discuss the possible termination of the City water contract. Campbell stated that the FY2018-2019 budget proposal is on track after detailed meetings were held with each department and budget recommendations were received. An informal staff report has been provided to Council relative to neighborhood meetings to discuss ideas for a comprehensive plan. Lastly, an analysis was done on traffic speeds on Pennsylvania Avenue with the study showing the average traffic speed was below the posted limit.

IX. MONITORING INFORMATION

A. Monthly Financials – May 2018

There was no discussion at this time.

B. Monthly EDC Financials and Activity Report

There was no discussion at this time.

X. INCIDENTAL ITEMS

XI. REQUIRED APPROVAL ITEMS (CONSENT)

- A. Consider approval of minutes from June 11, 2018 special meeting
- B. Consider approval of minutes from June 18, 2018 regular meeting
- C. Discuss and consider approval of an amendment to the current contract with Waste Connections, regarding the proposed 2018 rate adjustment for residential and commercial solid waste collection, transport, disposal, and recycling services
- D. Consider approval of amended interlocal agreement with Kennedale ISD for the provision of two School Resource Officers (SRO)

Councilmember Joplin requested that Item C be removed from Consent.

Motion To Approve all required approval items on consent agenda, except item C. **Action** Approve, **Moved By** Joplin, **Seconded By** Rhodes. **Motion passed Unanimously.**

City Manager, George Campbell, presented the proposed amendment to the current contract with Waste Connections, regarding the proposed 2018 rate adjustment for residential and commercial solid waste collection, transport, disposal, and recycling services. Norm Bulaich, Waste Connections, was available for questions from Council.

Motion To Approve an amendment to the current contract with Waste Connections, regarding the proposed 2018 rate adjustment for residential and commercial solid waste collection, transport, disposal, and recycling services. **Action** Approve, **Moved By** Rhodes, **Seconded By** Pugh. **Motion passes 3-2**, with Joplin and Gilley voting against.

XII. DECISION ITEMS

- A. Consider authorizing the City Manager to enter into an agreement for Professional Auditing Services

Brady Olsen, Finance Director, presented the two Professional Auditing Services bids to Council and made recommendations for approval.

Motion To Approve authorizing the City Manager to enter into an agreement with BKD for Professional Auditing Services. **Action** Approve, **Moved By** Pugh, **Seconded By** Joplin. **Motion passed Unanimously.**

- B. **CASE #PZ 18-02** - conduct a public hearing, receive comments, and consider approval on a request by Francisco Sanchez for a zoning change for approximately 1 acre from "OT-4" Old Town 4 to "OT-2" Old Town 2 on property located at 400 North Road, legal description of Abstract 1225, Tract 3A, Jacob Prickett Survey, Tarrant County, Texas

1. Staff presentation

Community Development Director, Melissa Dailey, presented the application for a zoning change for approximately 1 acre from "OT-4" Old Town 4 to "OT-2" Old Town 2 on property located at 400 North Road to Council.

2. Applicant presentation

Francisco Sanchez, 400 North Road, presented his request for the zoning change to Council.

3. Public hearing

No one signed up to speak at the Public Hearing.

4. Applicant response

Applicant did not provide a response at this time.

5. Staff response and summary

There was no discussion at this time.

Motion To Approve a request by Francisco Sanchez for a zoning change for approximately 1 acre from "OT-4" Old Town 4 to "OT-2" Old Town 2 on property located at 400 North Road. **Action** Approve, **Moved By** Gilley, **Seconded By** Lee. **Motion passed Unanimously.**

- C. **CASE #PZ 18-03** - conduct a public hearing, receive comments, and consider approval of an amendment to Ordinance 434, Section 3.1 to revise permitted uses in the Kennedale TownCenter Planned Development District (KTCPDD)

1. Staff Presentation

Community Development Director, Melissa Dailey, presented the request to consider approval of an amendment to Ordinance 434, Section 3.1 to revise permitted uses in the Kennedale TownCenter Planned Development District (KTCPDD) to Council. City Manager, George Campbell, clarified the permitted uses allowed under the current PD.

2. Public Hearing

Tom Newsom, 303 Pennsylvania Avenue, spoke in opposition of revising permitted uses in the Kennedale TownCenter, and stated he believed the City should support the safety and welfare of the community relative to alcohol distance requirements.

Philip Wallace, 516 Corry A. Edwards Drive, spoke in opposition of revising certain permitted uses, in the Kennedale TownCenter Planned Development District.

Jason Hogan, 716 W. Kennedale Parkway, #16, spoke in opposition of revising certain permitted uses, in the Kennedale TownCenter Planned Development District.

Caleb Stafford, W. Mistletoe Drive, spoke in opposition of revising certain permitted uses, in the Kennedale TownCenter Planned Development District.

Craig Hughes, 6208 Blain Drive, Plano, spoke in favor of approving both measures before the Council.

3. Staff Response and Summary

There was no discussion at this time.

Motion To Approve an amendment to Ordinance 434, Section 3.1 to revise permitted uses in the Kennedale TownCenter Planned Development District (KTCPDD). **Action** Approve, **Moved By** Rhodes, **Seconded By** Joplin. **Motion passes 3-1-1 with amendments**, with Lee voting against, and Pugh abstaining.

- D. **CASE #PZ 18-04** - conduct a public hearing, receive comments, and consider approval of an ordinance amending the Unified Development Code of the City of Kennedale, Texas by amending Article 11, "Specific Use Requirements", Section 11.14 "General Retail, Alcohol Sales" to allow for alcohol sales in the Kennedale TownCenter Planned Development District

1. Staff Presentation

Community Development Director, Melissa Dailey, presented the request to amend the Unified Development Code of the City of Kennedale, Texas by amending Article 11,

"Specific Use Requirements", Section 11.14 "General Retail, Alcohol Sales" to allow for alcohol sales in the Kennedale TownCenter Planned Development District to Council.

2. Public Hearing

John Hivale, 418 Coker Valley Drive, spoke in favor of denying the request.

Cathy Brown, 808 Shady Bend, registered in opposition of allowing alcohol sales at Kennedale TownCenter.

3. Staff Response and Summary

There was no discussion at this time.

Motion To Deny an ordinance amending the Unified Development Code of the City of Kennedale, Texas by amending Article 11, "Specific Use Requirements", Section 11.14 "General Retail, Alcohol Sales" to allow for alcohol sales in the Kennedale TownCenter Planned Development District. **Action** Deny, **Moved By** Joplin, **Seconded By** Lee. **Motion passes 4-1**, with Pugh voting against.

- E. Consider an Ordinance of the City of Kennedale, Texas, Amending Section 11-274 "Proximity to Churches, Public or Private Schools, and Public Hospitals" of Article XI "Alcoholic Beverages" of Chapter 11 "Licenses, Taxation and Miscellaneous Business Regulations" of the Kennedale City Code of Ordinances (1991), as Amended, to Allow Alcohol Sales in the Kennedale TownCenter Planned Development District

Chad Wandel, 614 Reeves Lane, spoke in favor of amending the distance requirements in proximity to churches, public or private schools, and public hospitals, and allowing alcohol sales in the Kennedale TownCenter.

Motion To Deny an Ordinance of the City of Kennedale, Texas, Amending Section 11-274 "Proximity to Churches, Public or Private Schools, and Public Hospitals" of Article XI "Alcoholic Beverages" of Chapter 11 "Licenses, Taxation and Miscellaneous Business Regulations" of the Kennedale City Code of Ordinances (1991), as Amended, to Allow Alcohol Sales in the Kennedale TownCenter Planned Development District. **Action** Deny, **Moved By** Joplin, **Seconded By** Lee. **Motion passes 4-1**, with Pugh voting against.

Mayor Johnson recessed into Executive Session at 8:54 p.m.

XIII. EXECUTIVE SESSION

- A. Discussion of City Manager Annual Evaluation
- B. Briefing on Arlington Water Contract

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

Mayor Johnson reconvened into Open Session at 9:04 p.m.

XV. ADJOURNMENT

**Motion To Adjourn. Action Adjourn, Moved By Joplin, Seconded By Mayor Pro Tem Lee.
Motion passed unanimously.**

Mayor Johnson adjourned the meeting at 9:04 p.m.

APPROVED:

ATTEST:

BRIAN JOHNSON, MAYOR

LESLIE GALLOWAY, CITY SECRETARY

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

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

I. Subject:

Consider approval of a bid award for the Third Street Drainage Project

II. Originated by:

Larry Hoover, Streets and Parks Supervisor

III. Summary:

Tejas Commercial Construction submitted the low bid of \$187,272.00 for the construction of drainage improvements on Third Street continuing to Fourth Street. These improvements will allow for the proper drainage of storm water through two 18-inch plastic pipes and improve the drainage ditches along Third, Fourth and Main streets. This project will correct a drainage problem that was created by development in the mid 1980's and has created a standing water issue that breeds mosquitoes and causes water to back up on the affected properties.

This project was presented to the Utilities and Infrastructure Board as a ready-for-construction project and was included with the proposed projects presentation to the City Council in April 2018. The consensus was to attempt to complete construction on the project this year utilizing the unused debt proceeds from the Storm Water Utility Fund in the amount of \$140,000.00.

Three bids were submitted and opened on August 16. A tabulation of the bids is attached to this report. Staff will be prepared at the council meeting to discuss any available options for funding of the \$47,272.00 that exceeds original project cost estimates.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	2014034.43 Third Street Drainage Bid Tab	2014034.43 Third Street Drainage Bid Tab.pdf
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SHIELD
ENGINEERING GROUP

**BID TABULATION REPORT
STORM DRAIN IMPROVEMENTS FOR
THIRD STREET
IN THE CITY OF KENNEDALE, TEXAS**



BID OPENING: Thursday, August 16th 2018, 2:30pm				Tejas Commercial Construction		Northstar Construction		Day Services	
Bid Item Information									
Bidlist Item No.		Bid Quantity	Unit of Measure	Unit Price	Bid Value	Unit Price	Bid Value	Unit Price	Bid Value
BASE BID									
1	18" RCP	136	LF	\$ 80.00	\$ 10,880.00	\$ 135.00	\$ 18,360.00	\$ 158.00	\$ 21,488.00
2	18" HDPE	473	LF	\$ 118.00	\$ 55,814.00	\$ 145.00	\$ 68,585.00	\$ 178.20	\$ 84,288.60
3	18" Parallel - Single Pipe Concrete Headwall	1	EA	\$ 3,000.00	\$ 3,000.00	\$ 3,600.00	\$ 3,600.00	\$ 4,500.00	\$ 4,500.00
4	18" Parallel - Multiple Pipe Concrete Headwall	2	EA	\$ 4,200.00	\$ 8,400.00	\$ 2,500.00	\$ 5,000.00	\$ 5,500.00	\$ 11,000.00
5	4'x6' Grate Inlet	1	EA	\$ 4,800.00	\$ 4,800.00	\$ 5,500.00	\$ 5,500.00	\$ 14,560.00	\$ 14,560.00
6	Asphalt Pavement Repair	48	SY	\$ 40.00	\$ 1,920.00	\$ 88.00	\$ 4,224.00	\$ 125.00	\$ 6,000.00
7	Concrete Driveway Repair	360	SY	\$ 84.00	\$ 30,240.00	\$ 70.00	\$ 25,200.00	\$ 76.50	\$ 27,540.00
8	Concrete Channel	5	SY	\$ 140.00	\$ 700.00	\$ 53.00	\$ 265.00	\$ 100.00	\$ 500.00
9	Concrete Driveway Removal	155	SY	\$ 30.00	\$ 4,650.00	\$ 17.00	\$ 2,635.00	\$ 45.50	\$ 7,052.50
10	Asphalt Driveway Removal	140	SY	\$ 30.00	\$ 4,200.00	\$ 18.00	\$ 2,520.00	\$ 35.00	\$ 4,900.00
11	Water Meter Adjustment	4	EA	\$ 600.00	\$ 2,400.00	\$ 330.00	\$ 1,320.00	\$ 850.00	\$ 3,400.00
12	Remove & Dispose 18" CMP	29	LF	\$ 15.00	\$ 435.00	\$ 37.00	\$ 1,073.00	\$ 50.00	\$ 1,450.00
13	Remove & Replace Wrought Iron and Wood Fence	30	LF	\$ 60.00	\$ 1,800.00	\$ 56.00	\$ 1,680.00	\$ 120.00	\$ 3,600.00
14	Remove & Replace Wooden Fence	71	LF	\$ 60.00	\$ 4,260.00	\$ 52.00	\$ 3,692.00	\$ 85.00	\$ 6,035.00
15	Remove & Replace Iron Pipe Fence	30	LF	\$ 40.00	\$ 1,200.00	\$ 80.00	\$ 2,400.00	\$ 50.00	\$ 1,500.00
16	Remove & Replace Chain Link Fence	10	LF	\$ 40.00	\$ 400.00	\$ 41.00	\$ 410.00	\$ 35.00	\$ 350.00
17	Sodding	977	SY	\$ 9.00	\$ 8,793.00	\$ 6.00	\$ 5,862.00	\$ 6.00	\$ 5,862.00
18	Ditch Clearing	406	LF	\$ 15.00	\$ 6,090.00	\$ 30.00	\$ 12,180.00	\$ 30.00	\$ 12,180.00
19	Reinforced Concrete Pilot Channel	14	SY	\$ 120.00	\$ 1,680.00	\$ 69.00	\$ 966.00	\$ 180.00	\$ 2,520.00
20	Concrete RipRap	110	SY	\$ 81.00	\$ 8,910.00	\$ 55.50	\$ 6,105.00	\$ 105.00	\$ 11,550.00
21	Tree Protection	4	EA	\$ 200.00	\$ 800.00	\$ 130.00	\$ 520.00	\$ 900.00	\$ 3,600.00
22	Tree Removal	7	EA	\$ 1,700.00	\$ 11,900.00	\$ 1,240.00	\$ 8,680.00	\$ 2,520.00	\$ 17,640.00
23	Construction Allowance	1	LS	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00
Total - Base Bid				\$ 187,272.00		\$ 194,777.00		\$ 265,516.10	
				Apparent Low Bidder					



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

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

I. Subject:

Consider approval of Resolution 538 relating to a Police Department mobile radio grant

II. Originated by:

Tommy Williams, Police Chief

III. Summary:

The police department has submitted a grant in the amount of \$80,000 for new replacement mobile radios. A resolution is required for the grant to be processed and/or awarded. That resolution is attached. Although the resolution states that the city agrees to provide matching funds, at this time there are no matching funds required for this grant.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Res 538 Mobile Radio Grant Resolution 2018	Res 538 Mobile Radio Grant Resolution 2018.pdf
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RESOLUTION NO. 538

A RESOLUTION OF THE CITY OF KENNEDALE, TEXAS DESIGNATING THE CITY MANAGER AS THE AUTHORIZED GRANT OFFICIAL TO APPLY FOR, ACCEPT, REJECT, ALTER OR TERMINATE A GRANT FOR KENNEDALE POLICE RADIO INTEROPERABILITY FROM THE CRIMINAL JUSTICE DIVISION OF THE OFFICE OF THE GOVERNOR OF THE STATE OF TEXAS; AND CERTIFYING THAT THE CITY OF KENNEDALE IS ELIGIBLE TO RECEIVE PROGRAM ASSISTANCE.

WHEREAS, the City Council of the City of Kennedale finds it in the best interest of the citizens of the City of Kennedale, that the Radio Interoperability Grant be requested for the 2018/19 fiscal year; and

WHEREAS, the City Council agrees to provide applicable matching funds for said project as required by the Criminal Justice Division grant program; and

WHEREAS, the City Council agrees that in the event of loss or misuse of the Office of the Governor funds, the City Council assures that the funds will be returned to the Office of the Governor in full.

WHEREAS, the City Council desires to designate George Campbell, City Manager, as the City's authorized official who is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the City.

NOW THEREFORE, BE IT RESOLVED that the Kennedale City Council approves submission of the grant application for the Radio Interoperability Grant to the Office of the Governor, Criminal Justice Division. The City Council hereby designates the City Manager as the City's authorized grant official to apply for, accept, reject, alter, or terminate the grant in accordance with the terms and conditions thereof.

Passed and Approved this 20th day of August, 2018.

Brian Johnson, Mayor

ATTEST:

Leslie Galloway, City Secretary

Grant Number: 3592901

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

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

I. Subject:

Approve Engineering Contract with Freese and Nichols for design of two 12-inch water lines and a 10-inch sewer line

II. Originated by:

III. Summary:

This Contract covers three projects that Freese and Nichols has identified in a Capital Improvements Plan associated with a master water and waste water study in 2013.

Project One encompasses a 12-inch water line along I-20 and Kennedale Parkway, which will add volume and additional fire safety to the Oak Crest area. The project includes installing 2800 linear feet of 12-inch pipe, replacing an existing 8/10 inch line with trenchless technology. The engineering cost of this project is \$76,303.00.

Project Two encompasses a 12-inch water line from Bolen Road to Gillman road, which will provide a second connection to the Oak Crest area of the City as well as the elimination of a dead end line. The project will include installing 1800 linear feet of new 12-inch water line and 200 feet of 20-inch bore under Village Creek. The project engineering cost is \$ 104,776.00.

Project Three encompasses a 10-inch sewer line that will extend through the racetrack area on South New Hope Road, meeting requirements of a contract with the racetrack on the development of the property. This project includes installing 1200 linear feet of 10-inch sewer line from the first 12-inch section to New Hope Road. The engineering cost is \$79, 329.00.

These projects were presented to the Utility Infrastructure Board (UIB) for vetting against the Board's matrix to identify and rank projects for approval. These projects were identified and presented to the City Council by Staff at the April 16, 2018, City Council meeting as projects for an issuance of debt.

Since that meeting, Staff found a study from October 2015 that changed the alignment of the sewer lines on the racetrack property to a single 12-inch trunk line instead of the two 10-inch trunk lines. Included in this report are the original slides showing the two 10-inch lines, the new 12-inch line, and its new alignment; The reasoning for the new study was due to the engineers noting the lines were, in some areas, aerial due to the topography of the property. The UIB has not seen this new alignment as time did not allow for a meeting. Staff believes this new sewer alignment meets the original intent of the contract with the property owners and provides a better sewer line for service and maintenance.

The engineering costs will be paid out of the Water and Waste Water Maintenance Fund line item, which has experienced lower costs due to the lack of any large maintenance issues surfacing in this fiscal year. These contracts were considered when the budget ending estimates were provided to Council in the August 9th budget workshop.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Bond Projects - Combined Final Signed by FNI	Bond Projects - Combined Final Signed by FNI.pdf
2.	Kennedale Capital Improvement Projects Water	Kennedale Capital Improvement Projects Water.pdf
3.	Kennedale Capital Improvement Projects Sewer	Kennedale Capital Improvement Projects Sewer.pdf
4.	Slide for Basin B-2	Slide for Basin B-2.pptx

AGREEMENT FOR PROFESSIONAL SERVICES

STATE OF TEXAS §
COUNTY OF TARRANT §

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

- I. **EMPLOYMENT OF FNI:** In accordance with the terms of this Agreement: Owner agrees to employ FNI; FNI agrees to perform professional services in connection with the Bond Projects; Owner agrees to pay to FNI compensation. The Bond Projects are described as follows:
Project 1: 12-inch Waterline South of I-20 and Along Business 287.
Project 2: Gilman to Bolen Rd. 12-Inch Waterline
Project 3: Sewer Line B2
- II. **SCOPE OF SERVICES:** FNI shall render professional services in connection with Project as set forth in Attachment SC - Scope of Services and Responsibilities of Owner which is attached to and made a part of this Agreement.
- III. **COMPENSATION:** Owner agrees to pay FNI for all professional services rendered under this Agreement in accordance with Attachment CO - Compensation which is attached hereto and made a part of this Agreement. FNI shall perform professional services as outlined in the "Scope of Services" for the lump sum fees below. Details concerning the fee are included in Attachment CO.
Project 1: \$76,303.00
Project 2: \$104,776.00
Project 3: \$79,329.00
If FNI's services are delayed or suspended by Owner, or if FNI's services are extended for more than 60 days through no fault of FNI, FNI shall be entitled to equitable adjustment of rates and amounts of compensation to reflect reasonable costs incurred by FNI in connection with such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised.
- IV. **TERMS AND CONDITIONS OF AGREEMENT:** The Terms and Conditions of Agreement as set forth as Attachment TC shall govern the relationship between the Owner and FNI.

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

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

This contract is executed in two counterparts.

IN TESTIMONY HEREOF, they have executed this Agreement, the _____ day of _____, 2018.

ATTEST:

CITY OF KENNEDALE, TEXAS
(OWNER)

By: _____

ATTEST:

Print or Type Name and Title
FREESE AND NICHOLS, INC.
(FNI)

By: _____

Scott A. Cole, Principal
Print or Type Name and Title

Mazen H. Kawasmi

SCOPE OF SERVICES AND RESPONSIBILITIES OF OWNER

PROJECT 1: 12-Inch Waterline South of I-20 and Along Business 287

In general, the project includes the items below. They are described in more detail in the following Articles.

Design of approximately 2,800 LF of new 12-inch waterline (see attached maps) to be installed by trenchless technology to replace an existing 8-inch/10-inch waterline. connect existing waterlines at south of I-20 and along Business 287. Insertion and Extraction pits will be identified, and the reconnection of hydrants and service lines will be identified and detailed. Restoration of the pits will be detailed or specified.

Project Management, Coordination Meetings, Staff Assistance, Bid Phase Services and Construction Phase Services will be provided in the delivery of this project.

The existing waterline is in an easement, so no Right of Entry is needed. Field work will include a site visit by engineers. The alignment and existing taps/hydrants will be surveyed. However, no easements will be written. Geotechnical services are not proposed for this project, nor are Environmental services (see Assumptions in the next Paragraph for more information).

ASSUMPTIONS

FNI assumes the intent of the proposed project is to use pipe bursting methods resulting in minimal surface impact to previously disturbed areas within City easement. Due to the previously disturbed conditions of the proposed project area and expected surface impacts limited to less than one acre in City easement, FNI assumes an environmental permitting evaluation is unwarranted. If project design changes such that environmental permitting may be required, a permitting evaluation can be provided if deemed necessary upon written authorization by the City.

PROJECT 2: Gilman to Bolen Rd. 12-Inch Waterline

In general, the project includes the items below. They are described in more detail in the following Articles.

Design of approximately 1,800 LF of new 12-inch waterline (see attached maps) to connect existing waterlines at Gileman Rd and Bolen Rd. This route crosses Village Creek, therefore, approximately 200 LF of this alignment will be designed as a bore (tunnel). It is expected that the bore will be 20-inches in diameter. Pavement repairs will be designed.

Project Management, Coordination Meetings, Staff Assistance, Bid Phase Services and Construction Phase Services will be provided in the delivery of this project.

Right of Entry will be obtained by FNI so that field work can be done. Field work will include a site visit by engineers and environmental scientist; a geotechnical bore on each end of the tunnel; and survey of the alignment in support of the design and easement preparation. Up to five easements will be written but they will be acquired by the City.

PROJECT 3: Sewer Line B2

In general, the project includes the items below. They are described in more detail in the following Articles.

Near the Texas Raceway, the City of Kennedale is planning to extend their sewer system (with Segments A and B1 which are being designed under separate contract, see maps) to the south in order to prepare for future development. This contract is for the extension of Segment B2 which will connect the Cowtown Speedway Addition to Segment B1. The extension will be approximately 1,200 feet of 10 inch diameter sewer pipe. The scope below is for the professional services that will be provided to prepare construction plans and specifications. The services include: an environmental study, topographic survey and engineering.

ARTICLE I

BASIC SERVICES: FNI shall render the following professional services in connection with the development of each Project:

A. **DESIGN PHASE:** FNI shall provide professional services in this phase as follows:

1. Hold Kick Off meeting
2. Monthly Coordination Meetings with other Consultants and/or Staff Assistance
3. Observe site and prepare site visit memo.
4. Prepare drawings, specifications, Construction Contract Documents, designs, and layouts of improvements to be constructed (surveys to be furnished as Additional Services, pursuant to Article III).
5. Advise Owner of need for and recommend scope of subsurface investigations, special analysis, hydraulic model studies, underwater exploration and mapping, etc, and the retention of special consultants. The cost of such services shall be paid by Owner and are not included in the services performed by FNI.
6. Furnish Owner, when requested, the engineering data necessary for applications for routine permits required by local, state and federal authorities. Preparation of applications and supporting documents for government grants or for planning advances is an Additional Service.
7. Submit drawings, specifications, and Construction Contract Documents to the applicable federal and state agency(s) for approval, where required.
8. Furnish such information necessary to utility companies whose facilities may be affected or services may be required for the Project.
9. Prepare revised opinion of probable construction cost.
10. Prepare bidder's proposal forms (project quantities) of the improvements to be constructed.
11. Furnish Owner five (5) sets of copies of drawings, specifications, and bid proposals marked "Preliminary" for approval by Owner. Upon final approval by Owner, FNI will provide Owner five (5) sets of copies of "Final" drawings.

12. Hold a review meeting for the Preliminary submittal.

B. BID OR NEGOTIATION PHASE. Upon completion of the design services and approval of "Final" drawings and specifications by Owner, FNI will proceed with the performance of services in this phase, for each project, as follows:

1. Assist Owner in securing bids. Advertise the project on Civcast. Provide a copy of the notice to bidders for Owner to use in notifying construction news publications and publishing appropriate legal notice. The cost for publications shall be paid by Owner.
2. Assist Owner by responding to questions and interpreting bid documents. Prepare addenda to the bid documents to issue via Civcast if necessary.
3. Assist the Owner in conducting a pre-bid conference for the construction projects and coordinate responses with Owner. Response to the pre-bid conference will be in the form of addenda issued after the conference. Attend the tour of the project site after the pre-bid conference.
4. At Owner request, FNI will assist Owner in the opening, tabulating, and analyzing the bids received. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project. Recommend award of contracts or other actions as appropriate to be taken by Owner. Pre-qualification of all prospective bidders and issuing a list of eligible bidders prior to the bid opening is an additional service.
5. Assist Owner in the preparation of Construction Contract Documents for construction contracts. Provide ten (10) sets of Construction Contract Documents which include information from the apparent low bidders bid documents, legal documents, and addenda bound in the documents for execution by the Owner and construction contractor. Distribute five (5) copies of these documents to the contractor with a notice of award that includes directions for the execution of these documents by the construction contractor. Provide Owner with the remaining five (5) copies of these documents for use during construction. Additional sets of documents can be provided as an additional service.

C. CONSTRUCTION PHASE: Upon completion of the bid or negotiation phase services, FNI will proceed with the performance of construction phase services, for each project, as described below. FNI will endeavor to protect Owner in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project.

These services are based on the use of FNI standard General Conditions for construction projects. Modifications to these services required by use of other general conditions or contract administration procedures are an additional service. If general conditions other than FNI standards are used, the Owner agrees to include provisions in the construction contract documents that will require the construction contractor to include FNI and their subconsultants on this project to be listed as an additional insured on contractor's insurance policies.

1. Assist Owner in conducting pre-construction conference(s) with the Contractor(s), review construction schedules prepared by the Contractor(s) pursuant to the requirements of the construction contract.
2. Review contractor's submittals (submitted through email), including, requests for information, modification requests, shop drawings, schedules, and other submittals in accordance with the requirements of the construction contract documents for the projects.
3. Make up to 2 site visits (as distinguished from the continuous services of a Resident Project Representative) to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Construction Contract Documents. In this effort FNI will endeavor to protect the Owner against defects and deficiencies in the work of Contractors and will report any observed deficiencies to Owner. Visits to the site in excess of the specified number are an additional service.
4. Notify the contractor of non-conforming work observed on site visits. Review quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Construction contract documents.
5. Interpret the drawings and specifications for Owner and Contractor(s). Investigations, analyses, and studies requested by the Contractor(s) and approved by Owner, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.
6. Establish procedures for administering constructive changes to the construction contracts. Process contract modifications and negotiate with the contractor on behalf of the Owner to determine the cost and time impacts of these changes. Prepare change order documentation for approved changes for execution by the Owner. Documentation of field orders, where cost to Owner is not impacted, will also be prepared. Investigations, analyses, studies or design for substitutions of equipment or materials, corrections of defective or deficient work of the contractor or other deviations from the construction contract documents requested by the contractor and approved by the Owner are an additional service. Substitutions of materials or equipment or design modifications requested by the Owner are an additional service.
7. Prepare documentation for contract modifications required to implement modifications in the design of the project. Receive and evaluate notices of contractor claims and make recommendations to the Owner on the merit and value of the claim on the basis of information submitted by the contractor or available in project documentation. Endeavor to negotiate a settlement value with the Contractor on behalf of the Owner if appropriate. Providing these services to review or evaluate construction contractor(s) claim(s), supported by causes not within the control of FNI are an additional service.
8. Conduct, in company with Owner's representative, a final review of the Project for conformance with the design concept of the Project and general compliance with the Construction Contract Documents. Prepare a list of deficiencies to be corrected by the contractor before recommendation of final payment. Assist the City in obtaining legal releases, permits, warranties, spare parts, and keys from the contractor. Review and comment on the certificate of completion and the recommendation for final payment to the Contractor(s). Visiting the site to review completed work in excess of two trips are an additional service.

ARTICLE II

SPECIAL SERVICES: FNI shall render the following special services in connection with the individual Projects as listed below:

PROJECT 1: 12-inch Waterline South of I-20 and Along Business 287.

A. SURVEYING AND EASEMENT DOCUMENT PREPARATION

Task 1. Design Survey

- a) Research parcels/lots along proposed alignment and obtain copies of subdivision plats, utility easements and metes & bounds deeds. Prepare a deed sketch and locate property corners and establish existing right-of-way lines. Analyze and calculate the right-of-way and property lines of adjoining parcels. Addresses of parcels/lots shall be obtained and shown on the final design drawing.
- b) Establish horizontal and vertical control for the project. The horizontal control shall be on NAD83, North Central Zone surface coordinates using a TxDOT surface factor of 1.00012 and the control shall be set at 500-foot intervals. The vertical control shall be tied to NAVD 88 vertical datum and temporary benchmarks shall be set every 1,000 feet for construction.
- c) Tie all improvements X, Y & Z (water valves, storm drains, manholes, driveways, curbs, all landscape trees and trees 6" and larger, signs, buildings (w/finished floor elevations), power poles, etc.) along the proposed route. Provide flowline elevations of all sanitary sewer, storm drainage inlets and manholes along the route. For the length of the project the survey shall include 50-foot cross-sections extending 25 feet left and right of the proposed centerline or back of curb line to right-of-way line.
- d) Locate Quality Level "B" SUE markings.
- e) Prepare a final design/topographic drawing in an AutoCAD 2013 file format showing all features located in the field, property lines & right-of-way lines, ownership information, one-foot interval contours and a Land XML file. Deliverables shall also include a copy of the field notes, an Ascr coordinate file of all points located in the field and a hard copy of the coordinates.

Task 2. Right-of-Way Survey

Prepare, mail and monitor up to (3) right-of-entry letters. Right-of-entry letters will be on a unit rate of \$125.00 per letter.

Task 3. Quality Level "B" SUE

- a) Perform Quality Level "B" (QL "B") SUE work of the project area in general accordance with the recommended practices and procedures described in ASCE Publication CI/ASCE 38-02 (Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data). Locations of the proposed Level "B" SUE are shown on the attached Exhibit "B".
- b) QL "B" will include two-dimensional (X,Y) information obtained through the application and interpretation of non-destructive surface geophysical methods. Also known as "designating" this quality level provides the horizontal position of subsurface utilities within approximately one foot.

Project 2: Gilman to Bolen Rd. 12-Inch Waterline

A. ENVIRONMENTAL AND ARCHEOLOGICAL

The discharge of dredged or fill materials associated with utility line crossings of waters of the U.S. will require authorization under Section 404 of the Clean Water Act (Section 404). FNI assumes that the intent of the proposed project is to either avoid all potential waters of the U.S. or design and construct the proposed utilities in accordance with the terms and conditions of Nationwide Permit (NWP) 12, *Utility Line Activities*, without triggering a requirement to prepare and submit a Pre-Construction Notification (PCN) to the U.S. Army Corps of Engineers (USACE).

If mechanized land clearing of a forested or scrub/shrub wetland will be required, or if other PCN criteria are met, then the submittal of a PCN to the USACE will be required. If an NWP with a PCN or other type of Section 404 permit authorization from the USACE (e.g., Individual Permit) is required for the proposed project, then those services can be provided as an additional service upon Owner's written authorization.

Task 1. Gather and Review Existing Information

Prior to conducting a pedestrian survey, FNI will compile readily available information and prepare maps of the proposed project area. The types of information that will be gathered will include, but are not limited to, U.S. Geological Survey (USGS) 7.5-minute topographic maps, U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory (NWI) maps, the USGS National Hydrography Dataset (NHD), USFWS Threatened and Endangered Species Lists by County, and soils data within the proposed project area.

Task 2. Conduct Pedestrian Survey

FNI will conduct a pedestrian survey along the proposed alignment (approximately 1/2-mile long) to make observations of the proposed project area to document existing environmental conditions and assess potential project impacts. The presence and locations of waters of the U.S. (such as streams, ponds, or wetlands) regulated under Section 404, potential threatened/endangered species habitat, and vegetation cover types will be identified within the proposed project area.

Task 3. Coordinate with the Texas Historical Commission

To qualify for NWP authorization, all prospective permittees must comply with the general conditions and regional or case-specific conditions imposed by the division FNI or district FNI. General condition 20 (historic properties) requires a PCN to be submitted if authorized activities may have the potential to cause effects to historic properties that are eligible or potentially eligible for listing on the National Register of Historic Places. Additionally, projects sponsored by a political subdivision of the State (such as a city) that affect a cumulative area greater than five acres or that disturb more than 5,000 cubic yards require consultation with the Texas Historical Commission (THC) according to Section 191.0525 (d) of the Antiquities Code of Texas. If project activities are such that THC consultation is required, FNI will draft a consultation letter to the Texas Historical Commission (THC) for Owner's review and comment. FNI will incorporate Owner's comments and submit the consultation letter to the THC. Any follow up studies or coordination requested by the THC are not included in this scope of services, but can be provided upon written authorization, as an additional service.

Task 4. Coordinate with Project Design Engineer

Utilizing information gathered during the pedestrian survey, FNI'S environmental scientists will review plans and coordinate with the project design engineers to affect a design to meet the terms and conditions of a NWP without requiring notification to the USACE.

Task 5. Prepare Technical Memorandum.

Information gathered during the pedestrian survey, consultation with the THC, and coordination with the design engineers will be used to prepare a draft environmental permitting memorandum. The draft environmental permitting memorandum will include discussions of methodologies used, the potential to affect federally listed threatened or endangered species, conclusions of THC coordination, the hydrologic characterization of potential waters of the U.S., and an opinion on their jurisdictional status. The draft environmental permitting memorandum will also include, if needed, a discussion of how the proposed project can meet the terms and conditions of a nationwide permit without requiring notification of the USACE. The draft environmental permitting memorandum will be sent to the Owner for review and comment. Once comments are received, the environmental permitting memorandum will be finalized and delivered for the Owner's records.

Environmental Additional Services: The following services are beyond the scope of basic services described in the tasks above, but they can be provided if deemed necessary upon written authorization by the City.

1. Preparation of a Pre-Construction Notification for submittal to the USACE;
2. Preparation of a Jurisdictional Determination (JD) Report;
3. Preparation of an Individual Section 404 permit application;
4. Application for Texas Parks & Wildlife Department Sand and Gravel Permit;
5. Application for General Land Office Easement;
6. Presence/absence surveys for federally listed threatened/endangered species or consultation with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act, the Migratory Bird Treaty Act, or the Bald and Golden Eagle Protection Act;
7. Conducting cultural resources studies or surveys;
8. Phase I/II Environmental Site Assessment;
9. Identification of tree species and/or preparation of a tree mitigation plan per the Kennedale, Texas Code of Ordinances; Chapter 16 (*Recreation and Cultural Activities*); Article VI (*Natural Resource Management*); and
10. Other environmental services not specifically defined in this scope of services.

B. SURVEYING AND EASEMENT DOCUMENT PREPARATION

Task 1. Design Survey

- a) Research parcels/lots along proposed alignment and obtain copies of subdivision plats, utility easements and metes & bounds deeds. Prepare a deed sketch and locate property corners and establish existing right-of-way lines. Analyze and calculate the right-of-way and property lines of adjoining parcels. Addresses of parcels/lots shall be obtained and shown on the final design drawing.

- b) Establish horizontal and vertical control for the project. The horizontal control shall be on NAD83, North Central Zone surface coordinates using a TxDOT surface factor of 1.00012 and the control shall be set at 500 foot intervals. The vertical control shall be tied to NAVD 88 vertical datum and temporary benchmarks shall be set every 1,000 feet for construction.
- c) Tie all improvements X, Y & Z (water valves, storm drains, manholes, driveways, curbs, all landscape trees and trees 6" and larger, signs, buildings (w/finished floor elevations), power poles, etc.) along the proposed route. Provide flowline elevations of all sanitary sewer, storm drainage inlets and manholes along the route. For the length of the project the survey shall include 50-foot cross-sections extending 25 feet left and right of the proposed centerline.
- d) Prepare a final design/topographic drawing in an AutoCAD 2013 file format showing all features located in the field, property lines & right-of-way lines, ownership information, one-foot interval contours and a Land XML file. Deliverables shall also include a copy of the field notes, an ASCII coordinate file of all points located in the field and a hard copy of the coordinates.

Task 2. Right-of-Way Survey

- a) Prepare, mail and monitor up to (5) right-of-entry letters. Right-of-entry letters will be on a unit rate of \$125.00 per letter.
- b) Prepare a metes and bounds description with exhibit on letter size for up to (5) proposed permanent easements to the City of Kennedale's standards. Easement documents will include certification statement. A title commitment on the subject parcel will be supplied to G&AI before preparation of documents begins. Permanent easements will be on a unit rate of \$2,173.25 per document.
- c) If temporary construction easements are needed they will be invoiced at a unit rate of \$1,000.00 per document.
- d) Deliverables shall include five (5) approved, signed and sealed originals to the City of Kennedale.

C. GEOTECHNICAL

The proposed geotechnical scope of work for the project will consist of field exploration, laboratory testing, engineering analysis, and reporting, as presented below.

Task 1. Field Exploration

- a) Select and mark 2 boring locations and notify Texas 811, appropriate City of Kennedale to request location and marking of existing underground utilities prior to the field exploration. Site access and permission to perform exploratory core borings on private property will probably be necessary. We shall need help from the City to obtain permission and access. We shall work with the City to select boring locations acceptable to the property owners and the City. On the southwestern end of the proposed route at Gilman Road, the ground surface slopes steeply from the road down to the creek. We have not been onsite beyond the road onto private property, but this sloping area may not allow access to the truck-mounted drilling rig.

- b) If it is determined that we cannot access the southwestern end at the creek, the core boring can be drilled along Gilman Road near the tie-in, but this will require traffic control and closing a lane of the roadway. The City can close the traffic lane and provide flagmen, or this expense can be provided as an additional service.
- c) Subcontract with a geotechnical drilling contractor to drill a total of 2 borings each to a depth of 50 feet. Samples will be collected intermittently using hollow stem augers and either split-spoon or tube samplers. Rock and rock-like materials will be sampled using an NX core barrel and/or tested insitu using a TxDOT Cone Penetration Test, as appropriate for the material. At completion, the boreholes will be backfilled with auger cuttings.
- d) For primary materials that are cored and rock cores recovered, RQD values will be measured and reported for use by the tunneling contractor.
- e) Provide an Engineer or Geologist experienced in logging borings to direct the drilling, log the borings, and handle and transport the samples. Visual classification of the subsurface stratigraphy shall be provided per the Unified Soil Classification System (USCS).

Task 2. Laboratory Testing

- a) Testing shall be performed on samples obtained from the borings to determine soil classification of the alluvial soils. FNI will select samples for laboratory testing, assign tests, and review the test results. Testing will be performed by a geotechnical testing subcontractor.
- b) Laboratory tests will be assigned based on the specific subsurface materials encountered during exploration. Test type and quantity may vary, but are expected to include:
 - a. Classification tests (liquid and plastic limits and percent passing the no. 200 sieve or gradation)
 - b. Moisture content
 - c. Dry unit weight
 - d. Unconfined compressive strength on recovered rock cores

Task 3. Engineering Analysis

- a) Prepare a technical memorandum summary report of the geotechnical investigation to include:
 - a. Appendix with the boring locations, boring logs, laboratory test results, and a key to the symbols used.
 - b. Explanation of field operations.

Additional Services

- 1. Additional locations for core borings
- 2. Time in excess of the presented budget to gain access to the drilling sites due to owner requirements

Project 3: Sewer Line B2

A. ENVIRONMENTAL AND ARCHEOLOGICAL

The discharge of dredged or fill materials associated with utility line crossings of waters of the U.S. will require authorization under Section 404 of the Clean Water Act (Section 404). FNI assumes that the intent of the proposed project is to either avoid all potential waters of the U.S. or design and construct the proposed utilities in accordance with the terms and conditions of Nationwide Permit (NWP) 12, *Utility Line Activities*, without triggering a requirement to prepare and submit a Pre-Construction Notification (PCN) to the U.S. Army Corps of Engineers (USACE).

If mechanized land clearing of a forested or scrub/shrub wetland will be required, or if other PCN criteria are met, then the submittal of a PCN to the USACE will be required. If an NWP with a PCN or other type of Section 404 permit authorization from the USACE (e.g., Individual Permit) is required for the proposed project, then those services can be provided as an additional service upon Owner's written authorization.

Task 1. Gather and Review Existing Information

Prior to conducting a pedestrian survey, FNI will compile readily available information and prepare maps of the proposed project area. The types of information that will be gathered will include, but are not limited to, U.S. Geological Survey (USGS) 7.5-minute topographic maps, U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory (NWI) maps, the USGS National Hydrography Dataset (NHD), USFWS Threatened and Endangered Species Lists by County, and soils data within the proposed project area.

Task 2. Conduct Pedestrian Survey

FNI will conduct a pedestrian survey along the proposed alignment (approximately 1/4-mile long) to make observations of the proposed project area to document existing environmental conditions and assess potential project impacts. The presence and locations of waters of the U.S. (such as streams, ponds, or wetlands) regulated under Section 404, potential threatened/endangered species habitat, and vegetation cover types will be identified within the proposed project area.

Task 3. Coordinate with the Texas Historical Commission

To qualify for NWP authorization, all prospective permittees must comply with the general conditions and regional or case-specific conditions imposed by the division FNI or district FNI. General condition 20 (historic properties) requires a PCN to be submitted if authorized activities may have the potential to cause effects to historic properties that are eligible or potentially eligible for listing on the National Register of Historic Places. Additionally, projects sponsored by a political subdivision of the State (such as a city) that affect a cumulative area greater than five acres or that disturb more than 5,000 cubic yards require consultation with the Texas Historical Commission (THC) according to Section 191.0525 (d) of the Antiquities Code of Texas. If project activities are such that THC consultation is required, FNI will draft a consultation letter to the Texas Historical Commission (THC) for Owner's review and comment. FNI will incorporate Owner's comments and submit the consultation letter to the THC. Any follow up studies or coordination requested by the THC are not included in this scope of services, but can be provided upon written authorization, as an additional service.

Task 4. Coordinate with Project Design Engineer

Utilizing information gathered during the pedestrian survey, FNI'S environmental scientists will review plans and coordinate with the project design engineers to affect a design to meet the terms and conditions of an NWP without requiring notification to the USACE.

Task 5. Prepare Technical Memorandum.

Information gathered during the pedestrian survey, consultation with the THC, and coordination with the design engineers will be used to prepare a draft environmental permitting memorandum. The draft environmental permitting memorandum will include discussions of methodologies used, the potential to affect federally listed threatened or endangered species, conclusions of THC coordination, the hydrologic characterization of potential waters of the U.S., and an opinion on their jurisdictional status. The draft environmental permitting memorandum will also include, if needed, a discussion of how the proposed project can meet the terms and conditions of a nationwide permit without requiring notification of the USACE. The draft environmental permitting memorandum will be sent to the Owner for review and comment. Once comments are received, the environmental permitting memorandum will be finalized and delivered for the Owner's records.

Environmental Additional Services: The following services are beyond the scope of basic services described in the tasks above, but they can be provided if deemed necessary upon written authorization by the City.

1. Preparation of a Pre-Construction Notification for submittal to the USACE;
2. Preparation of a Jurisdictional Determination (JD) Report;
3. Preparation of an Individual Section 404 permit application;
4. Application for Texas Parks & Wildlife Department Sand and Gravel Permit;
5. Application for General Land Office Easement;
6. Presence/absence surveys for federally listed threatened/endangered species or consultation with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act, the Migratory Bird Treaty Act, or the Bald and Golden Eagle Protection Act;
7. Conducting cultural resources studies or surveys;
8. Phase I/II Environmental Site Assessment;
9. Identification of tree species and/or preparation of a tree mitigation plan per the Kennedale, Texas Code of Ordinances; Chapter 16 (*Recreation and Cultural Activities*); Article VI (*Natural Resource Management*); and
10. Other environmental services not specifically defined in this scope of services.

B. SURVEYING AND EASEMENT DOCUMENT PREPARATION (Lamb-Star)

Task 1. Topographic Survey

- a) Perform survey to obtain topography and above ground features (manmade or otherwise) within the afore mentioned areas, including all:
 - a. Ditches & swales with flow line, top & toe of bank
 - b. Electrical structures, edge lights & signs
 - c. Above-ground visible utilities (including Dig-Tess)

- d. Pavement
- e. Other structures within the designated areas

Task 2. Easement Services:

Field verification of boundary corners and research of current property records. Includes one easement on the Raceway property (TAD ID No. 40011526) and one easement on the Lowery property (TAD ID No. 04189612).

Deliverables:

- A. CAD survey Base file with all existing planimetrics.
- B. DTM survey file with 1-foot contours.
- C. Three (3) sets of original Signed and Sealed Easement descriptions and parcel plats (separate NTP will be required for this deliverable).
- D. Utility CAD Base file based upon QL "B" data.
- E. Utility research records

Assumptions:

- A. Right-of-Entry into all properties has been secured by the City of Kennedale or Freese and Nichols and Lamb-Star crews are authorized to access properties without unreasonable restrictions. This includes access to survey all areas in and around the starting line of the Raceway.
- B. Estimate does not include the resolution of Kennedale New Hope Road (FM 2025) beyond the western right-of-way.

ARTICLE III

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

- A. Field layouts or the furnishing of construction line and grade surveys.
- B. GIS mapping services or assistance with these services.
- C. Providing services to investigate existing conditions or facilities, or to make measured drawings thereof, or to verify the accuracy of drawings or other information furnished by Owner.
- D. Providing renderings, model, and mock-ups requested by the Owner.
- E. Making revisions to drawings, specifications or other documents when such revisions are 1) not consistent with approvals or instructions previously given by Owner or 2) due to other causes not solely within the control of FNI.

- F. Providing consultation concerning the replacement of any Work damaged by fire or other cause during the construction, and providing services as may be required in connection with the replacement of such Work.
- G. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by Owner.
- H. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications.
- I. Providing shop, mill, field or laboratory inspection of materials and equipment. Observe factory tests of equipment at any site remote to the project or observing tests required as a result of equipment failing the initial test.
- J. Preparing Operation and Maintenance Manuals or conducting operator training.
- K. Preparing data and reports for assistance to Owner in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.
- L. Furnishing the services of a Resident Project Representative to act as Owner's on-site representative during the Construction Phase. The Resident Project Representative will act as directed by FNI in order to provide more extensive representation at the Project site during the Construction Phase. Through more extensive on-site observations of the work in progress and field checks of materials and equipment by the Resident Project Representative and assistants, FNI shall endeavor to provide further protection for Owner against defects and deficiencies in the work. Furnishing the services of a Resident Project Representative is subject to the provisions of Article I, C and Attachment RPR.

If Owner provides personnel to support the activities of the Resident Project Representative who is FNI or FNI's agent or employee, the duties, responsibilities and limitations of authority of such personnel will be set forth in an Attachment attached to and made a part of this Agreement before the services of such personnel are begun. It is understood and agreed that such personnel will work under the direction of and be responsible to the Resident Project Representative. Owner agrees that whenever FNI informs him in writing that any such personnel provided by the Owner are, in his opinion, incompetent, unfaithful or disorderly, such personnel shall be replaced.
- M. Furnishing Special Inspections required under chapter 17 of the International Building Code. These Special Inspections are often continuous, requiring an inspector dedicated to inspection of the individual work item, and they are in addition to General Representation and Resident Representation services noted elsewhere in the contract. These continuous inspection services can be provided by FNI as an Additional Service.
- N. Assisting Owner in preparing for, or appearing at litigation, mediation, arbitration, dispute review boards, or other legal and/or administrative proceedings in the defense or prosecution of claims disputes with Contractor(s).
- O. Performing investigations, studies and analyses of substitutions of equipment and/or materials or deviations from the drawings and specifications.

- P. Assisting Owner in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this Agreement. Such services, if any, shall be furnished by FNI on a fee basis negotiated by the respective parties outside of and in addition to this Agreement.
- Q. Performing investigations, studies, and analysis of work proposed by construction contractors to correct defective work.
- R. Design, contract modifications, studies or analysis required to comply with local, State, Federal or other regulatory agencies that become effective after the date of this agreement.
- S. Services required to resolve bid protests or to rebid the projects for any reason.
- T. Visits to the site in excess of the number of trips included in Article I for periodic site visits, coordination meetings, or contract completion activities.
- U. Any services required as a result of default of the contractor(s) or the failure, for any reason, of the contractor(s) to complete the work within the contract time.
- V. Providing services after the completion of the construction phase not specifically listed in Article I.
- W. Providing basic or additional services on an accelerated time schedule. The scope of this service include cost for overtime wages of employees and consultants, inefficiencies in work sequence and plotting or reproduction costs directly attributable to an accelerated time schedule directed by the Owner.
- X. Providing services made necessary because of unforeseen, concealed, or differing site conditions or due to the presence of hazardous substances in any form.
- Y. Providing services to review or evaluate construction contractor(s) claim(s), provided said claims are supported by causes not within the control of FNI.
- Z. Providing value engineering studies or reviews of cost savings proposed by construction contractors after bids have been submitted.
- AA. Preparing statements for invoicing or other documentation for billing other than for the standard invoice for services attached to this professional services agreement.
- BB. Provide follow-up professional services during Contractor's warranty period.
- CC. Provide Geotechnical investigations, studies and reports for Projects 2 and 3.
- DD. Conducting an environmental survey or site visit for Project 1;
- EE. Coordination with the Texas Historical Commission for Project 1;
- FF. Preparation of a Pre-Construction Notification for submittal to the USACE;
- GG. Preparation of an Individual Section 404 permit application;
- HH. Application for Texas Parks & Wildlife Department Sand and Gravel Permit;
- II. Application for General Land Office Easement;

- JJ. Presence/absence surveys for federally listed threatened/endangered species or consultation with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act, the Migratory Bird Treaty Act, or the Bald and Golden Eagle Protection Act;
- KK. Conducting cultural resources studies or surveys;
- LL. Phase I/II Environmental Site Assessment;
- MM. Identification of tree species and/or preparation of a tree mitigation plan per the Kennedale, Texas Code of Ordinances; Chapter 16 (Recreation and Cultural Activities); Article VI (Natural Resource Management); and
- NN. Other environmental services not specifically defined in this scope of services.

ARTICLE IV

TIME OF COMPLETION: FNI is authorized to commence work on the Projects upon execution of this Agreement and agrees to complete the services in accordance with the following schedule. If the Projects are not authorized simultaneously, then the schedule shall be used for each Project as it is authorized.

- Set up project and hold kickoff meeting within one week of Notice to Proceed
- Complete field work (site observation and survey) within five weeks of kickoff meeting
- Complete 90% design within six weeks of obtaining survey
- Finalize design within two weeks of 90% review meeting
- Schedule for Bid Phase and Construction Phases Services is to be determined.

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

ARTICLE V

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

- A. Owner recognizes and expects that certain Change Orders may be required. Unless noted otherwise, the Owner shall budget a minimum of 5% for new construction and a minimum of 10% for construction that includes refurbishing existing structures.

Further, Owner recognizes and expects that certain Change Orders may be required to be issued as the result in whole or part of imprecision, incompleteness, errors, omission, ambiguities, or inconsistencies in the Drawings, Specifications, and other design documentation furnished by Engineer or in the other professional services performed or furnished by Engineer under this Agreement ("Covered Change Orders"). Accordingly, Owner agrees to pay for Change Orders and otherwise to make no claim directly or indirectly against Engineer on the basis of professional negligence, breach of contract, or otherwise with respect to the costs of approved Covered Change Orders unless the aggregate costs of

all such approved Covered Change Orders exceed 2% for new construction and 4% for reconstruction. Any responsibility of Engineer for the costs of Covered Change Orders in excess of such percentage will be determined on the basis of applicable contractual obligations and professional liability standards. For purposes of this paragraph, the cost of Covered Change Orders will not include:

- any costs that Owner would have incurred if the Covered Change Order work had been included originally in the Contract Documents and without any other error or omission of Engineer related thereto,
- Any costs that are due to unforeseen site conditions, or
- Any costs that are due to changes made by the Owner.
- Any costs that are due to the Contractor

Nothing in this provision creates a presumption that, or changes the professional liability standard for determining if, Engineer is liable for the cost of Covered Change Orders in excess of the percent of Construction Cost stated above or for any other Change Order. Wherever used in this document, the term Engineer includes Engineer's officers, directors, partners, employees, agents, and Engineers Consultants.

- B. Designate in writing a person to act as Owner's representative with respect to the services to be rendered under this Agreement. Such person shall have contract authority to transmit instructions, receive information, interpret and define Owner's policies and decisions with respect to FNI's services for the Project.
- C. Provide all criteria and full information as to Owner's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Owner will require to be included in the drawings and specifications.
- D. Assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.
- E. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this Agreement.
- F. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by FNI, obtain advice of an attorney, insurance counselor and other consultants as Owner deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of FNI.
- G. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
- H. Owner shall make or arrange to have made all subsurface investigations, including but not limited to borings, test pits, soil resistivity surveys, and other subsurface explorations. Owner shall also make or arrange to have made the interpretations of data and reports resulting from such investigations. All costs associated with such investigations shall be paid by Owner.
- I. Owner shall determine, prior to receipt of construction bid, if FNI is to furnish Resident Project Representative Service so the Bidders can be informed.

- J. If Owner designates a person to serve in the capacity of Resident Project Representative who is not FNI or FNI's agent or employee, the duties, responsibilities and limitations of authority of such Resident Project Representative(s) will be set forth in an Attachment attached to and made a part of this Agreement before the Construction Phase of the Project begins. Said attachment shall also set forth appropriate modifications of the Construction Phase services as defined in Attachment SC, Article I, C, together with such adjustment of compensation as appropriate.
- K. Attend the pre-bid conference, bid opening, preconstruction conferences, construction progress and other job related meetings and substantial completion inspections and final payment inspections.
- L. Give prompt written notice to FNI whenever Owner observes or otherwise becomes aware of any development that affects the scope or timing of FNI's services, or any defect or nonconformance of the work of any Contractor.
- M. Furnish, or direct FNI to provide, Additional Services as stipulated in Attachment SC, Article II of this Agreement or other services as required.
- N. Bear all costs incident to compliance with the requirements of this Article IV.

ARTICLE VI

DESIGNATED REPRESENTATIVES: FNI and Owner designate the following representatives:

Owner's Designated Representative – Larry Hoover, Project Manager
923 E. Kennedale Parkway
Kennedale, TX 76060
lhoover@cityofkennedale.com
(817) 985-2171

FNI's Designated Representative – James Johnson, Project Manager
4055 International Plaza, Suite 200
Fort Worth, TX 76109
jkj@freese.com
(817) 735-7393

FNI's Accounting Representative – Sharon James
4055 International Plaza, Suite 200
Fort Worth, TX 76109
sdj@freese.com
(817) 735-7298

COMPENSATION

Compensation to FNI for Project 1: shall be the lump sum fee of Seventy-Six Thousand Three Hundred Six Dollars (\$76,306); for Project 2 One Hundred Four Thousand Seven Hundred Seventy-Six Dollars (\$104,776); and for Project 3 Seventy-Nine Thousand Three Hundred Twenty-Nine Dollars; for a total fee of Two Hundred Sixty Thousand Four Hundred Eight Dollars (\$260,408). If FNI sees the Scope of Services changing so that additional services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER'S approval before proceeding. Additional Services shall be computed based on the Schedule of Charges.

Schedule of Charges:

<u>Position</u>	<u>Min</u>	<u>Max</u>
Professional 1	77	121
Professional 2	99	146
Professional 3	126	202
Professional 4	137	239
Professional 5	191	296
Professional 6	201	364
Construction Manager 1	80	159
Construction Manager 2	109	165
Construction Manager 3	156	186
Construction Manager 4	167	252
CAD Technician/Designer 1	61	117
CAD Technician/Designer 2	95	138
CAD Technician/Designer 3	112	183
Corporate Project Support 1	45	107
Corporate Project Support 2	64	150
Corporate Project Support 3	87	235
Intern / Coop	41	71

Rates for In-House Services**Technology Charge**

\$8.50 per hour

Travel

Standard IRS Rates

Bulk Printing and Reproduction

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

OTHER DIRECT EXPENSES:

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

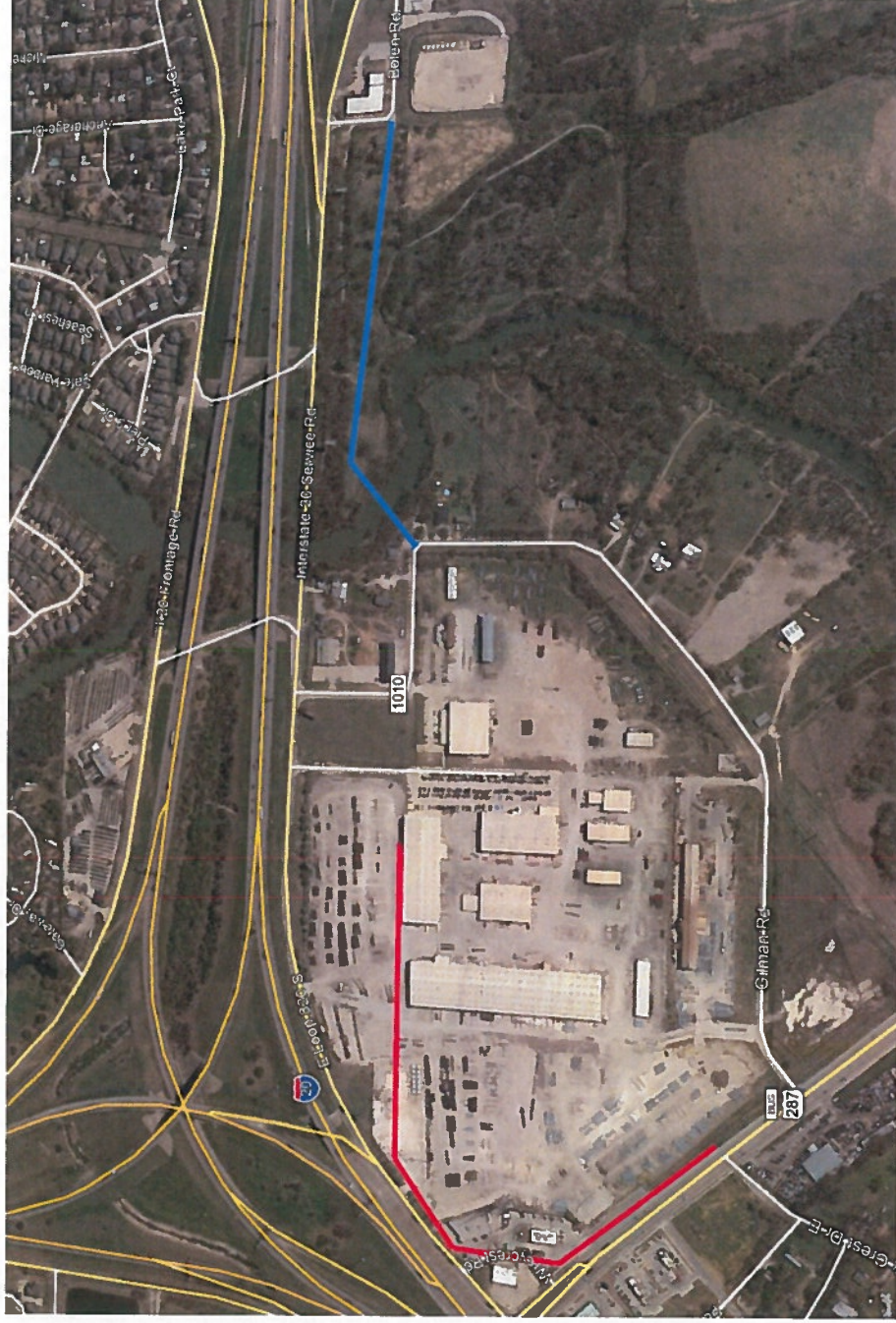
These ranges and rates will be adjusted annually in February. Last updated February 2018.

340022018

Kennedale Capital Improvement Projects – Waterlines

Red Line Indicates Project 1: 12-Inch Waterline South of I-20 and Along Business 287

Blue Line Indicates Project 2: Gilman to Bolen Rd. 12-Inch Waterline



Kennedale Capital Improvement Projects – Sewer Extension

Green Line Indicates Existing Project: Extension of Existing Sewer (Lines A and B1)

Red Line Indicates Project 3: Sewer Line B2



TERMS AND CONDITIONS OF AGREEMENT

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

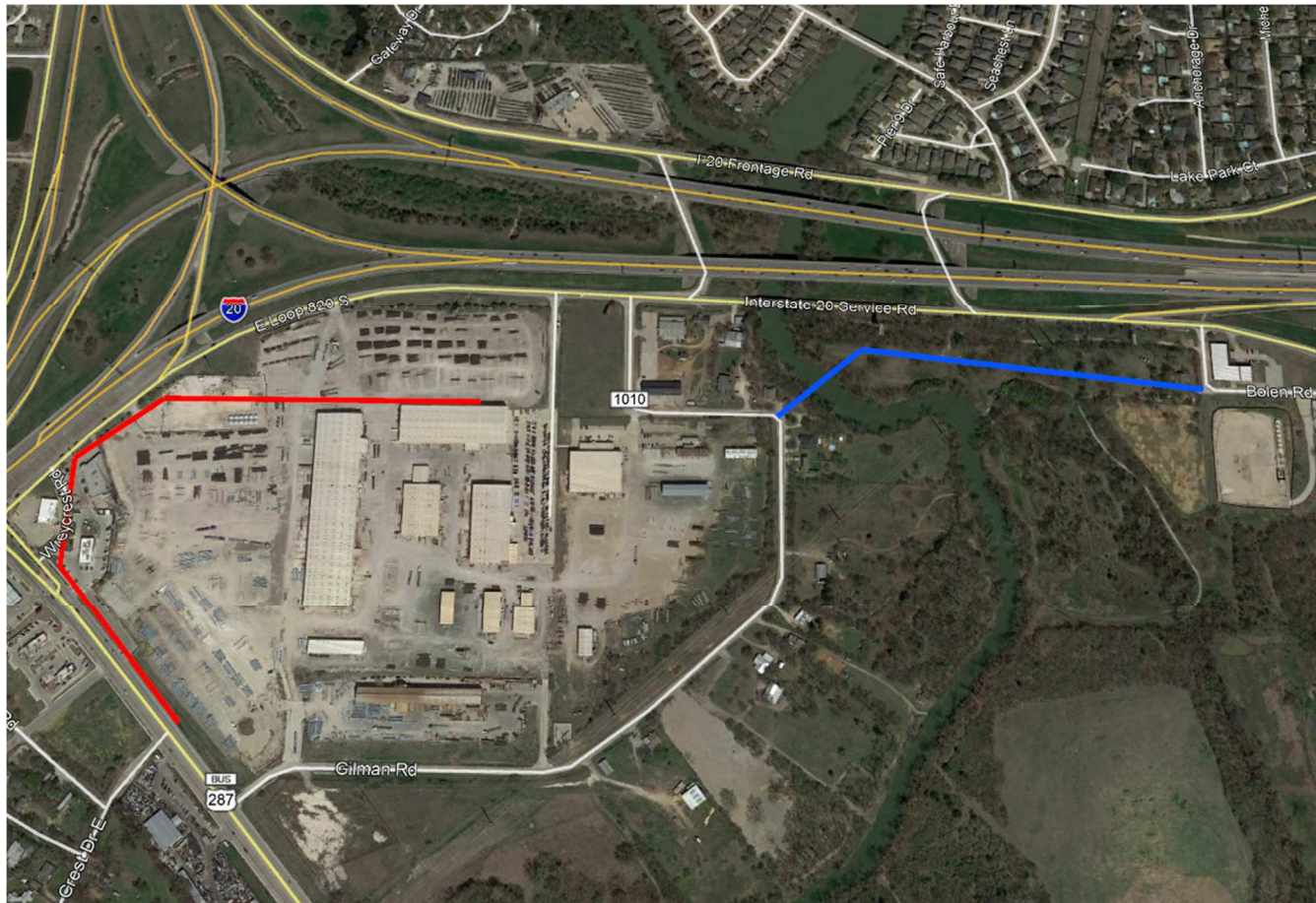
Commercial General Liability General Aggregate \$2,000,000	Workers' Compensation Each Accident \$1,000,000
Automobile Liability (Any Auto) CSL \$1,000,000	Professional Liability \$3,000,000 Annual Aggregate
7. **SUBCONTRACTS:** If, for any reason, at any time during the progress of providing Services,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

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

Kennedale Capital Improvement Projects – Waterlines

Red Line Indicates Project 1: 12-Inch Waterline South of I-20 and Along Business 287

Blue Line Indicates Project 2: Gilman to Bolen Rd. 12-Inch Waterline

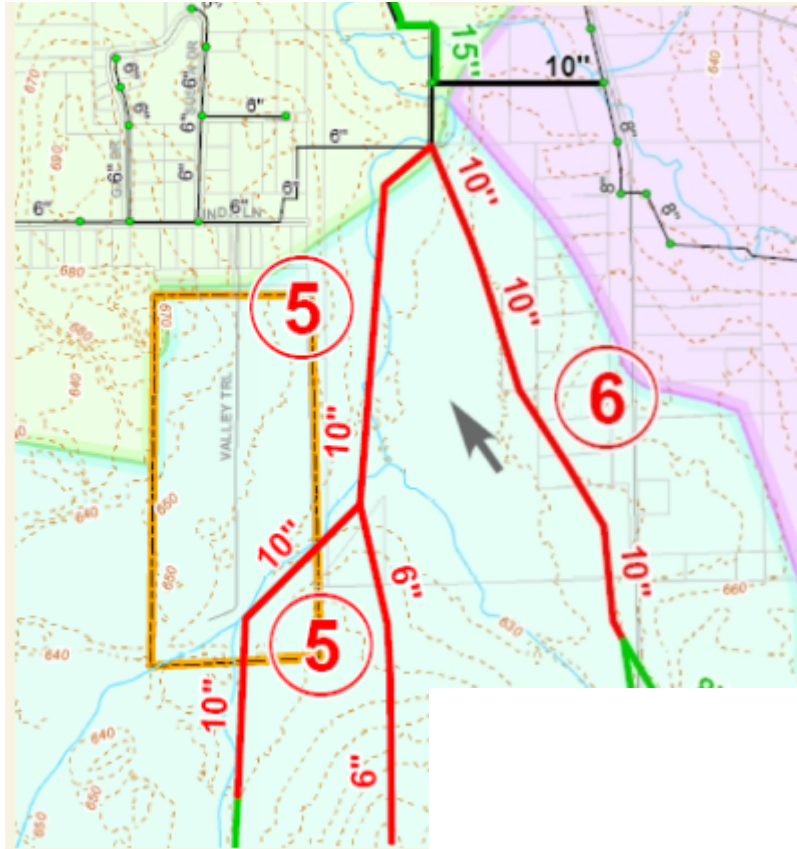


Kennedale Capital Improvement Projects – Sewer Extension

Green Line Indicates Existing Project: Extension of Existing Sewer (Lines A and B1)

Red Line Indicates Project 3: Sewer Line B2





Master Plan Projects 5 & 6

Engineering & Surveying: \$184,300
 Construction: \$1,228,640
 Total: \$1,412,940

Total Linear Feet: 12,580



Basin B-2 Study

Engineering & Surveying: \$171,030
 Construction: \$1,140,200
 Total: \$1,311,230

Total Linear Feet: 7,750

Proposed Projects for Bond (A1, B1 & B2)

Engineering & Surveying: \$232,329
 Construction: \$577,400
 Total: \$809,729

Total Linear Feet: 3,760

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

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

I. Subject:

Approve amendment to original contract with Freese and Nichols to complete extension of sewer lines A and B-1 in sewer basin B for racetrack development

II. Originated by:

Larry Hoover, Streets and Parks Supervisor

III. Summary:

The Original Contract, signed in April 2016 was to install 12 inch sewer line in Basin B on Racetrack property south through the property to meet the conditions in the Contract with the Racetrack for the future development of the property. The Amendment of the contract will complete the alignment of the sewer line project to install a new 12 in sewer line from an existing sewer manhole south 2500 linear feet on the property. The original contract had not been completed and this amendment will adjust to the new alignment as work was halted before the new alignment could be performed.

The Original contract was \$119,920.00; the amendment will increase the contract to \$150,158.00 an increase of \$30,238.00. This will leave a balance of \$92,661.33 for the contract as \$57,496.67 has been credited to the project.

The funding for the contract will be out of the Water and Waste Water maintenance fund.

IV. Fiscal Impact Summary:

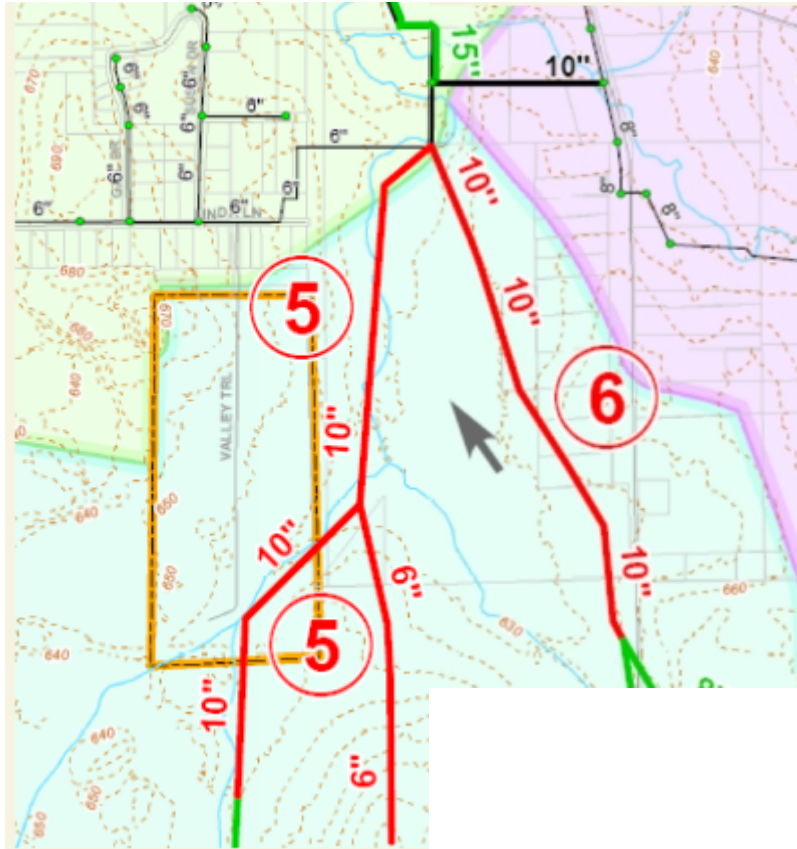
V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Slide for Basin B-2	Slide for Basin B-2.pptx
2.	Kennedale Capital Improvement Projects Sewer	Kennedale Capital Improvement Projects Sewer.pdf
3.	Kennedale Capital Improvement Projects Water	Kennedale Capital Improvement Projects Water.pdf
4.	20180816134020761	20180816134020761.pdf
5.	KEN16312 Amendment - Signed by FNI	KEN16312 Amendment - Signed by FNI.pdf



Master Plan Projects 5 & 6

Engineering & Surveying: \$184,300
 Construction: \$1,228,640
 Total: \$1,412,940

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Basin B-2 Study

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Kennedale Capital Improvement Projects – Sewer Extension

Green Line Indicates Existing Project: Extension of Existing Sewer (Lines A and B1)

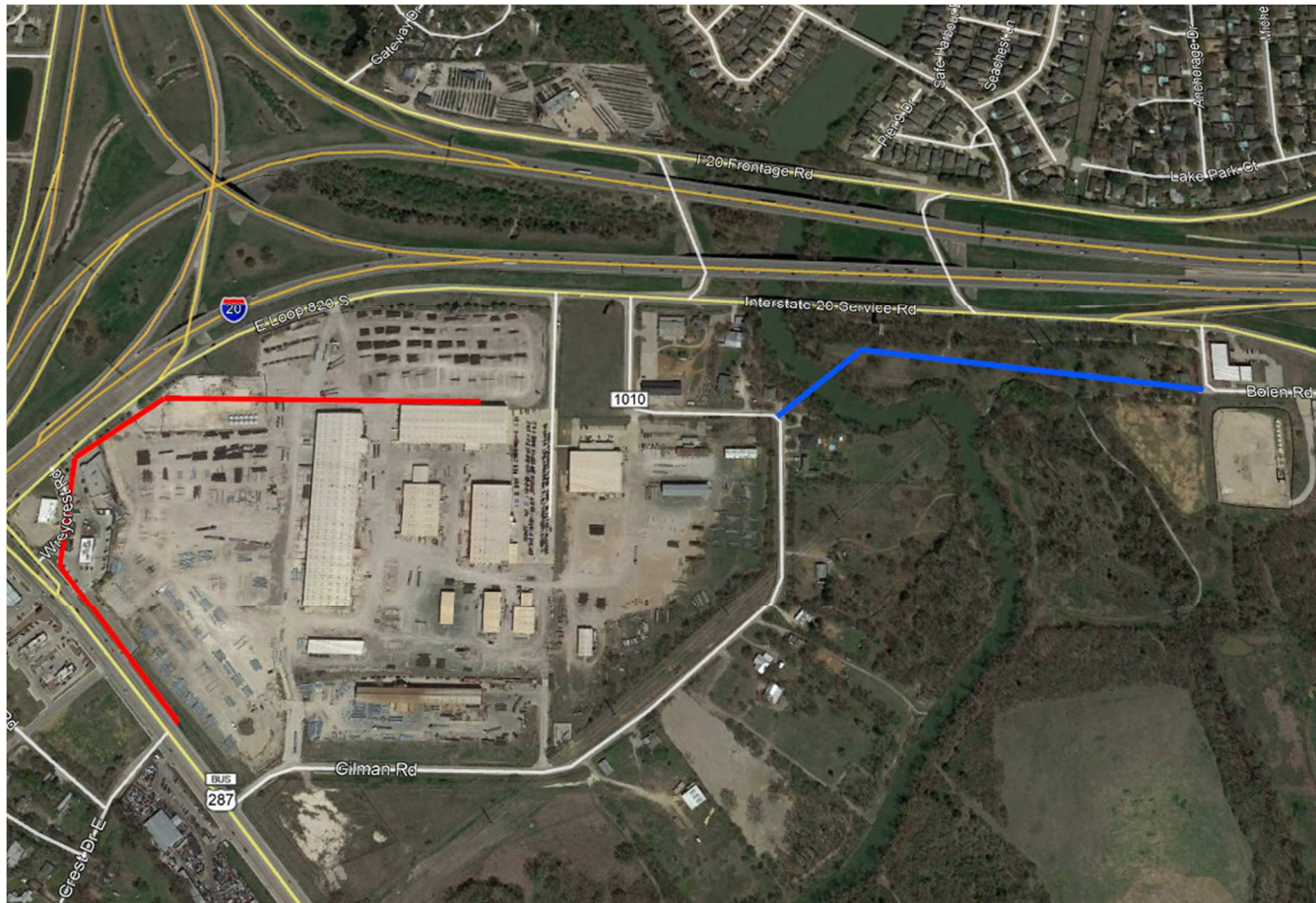
Red Line Indicates Project 3: Sewer Line B2



Kennedale Capital Improvement Projects – Waterlines

Red Line Indicates Project 1: 12-Inch Waterline South of I-20 and Along Business 287

Blue Line Indicates Project 2: Gilman to Bolen Rd. 12-Inch Waterline



AGREEMENT FOR PROFESSIONAL SERVICES

STATE OF TEXAS §

COUNTY OF TARRANT §

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

- I. **EMPLOYMENT OF FNI:** In accordance with the terms of this AGREEMENT: OWNER agrees to employ FNI; FNI agrees to perform professional services in connection with the Project; OWNER agrees to pay to FNI compensation. The Project is described as follows: Extension of Existing Sewer.
- II. **SCOPE OF SERVICES:** FNI shall render professional services in connection with Project as set forth in Attachment SC - Scope of Services and Responsibilities of OWNER which is attached to and made a part of this AGREEMENT.
- III. **COMPENSATION:** OWNER agrees to pay FNI for all professional services rendered under this AGREEMENT in accordance with Attachment CO - Compensation which is attached hereto and made a part of this AGREEMENT. FNI shall perform professional services as outlined in the "Scope of Services" for a lump sum fee of \$119,920.00. Details concerning the fee are included in Attachment CO.

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

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

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

This contract is executed in two counterparts.

IN TESTIMONY WHEREOF, they have executed this AGREEMENT, the 18 day of April, 2016.

ATTEST:

Leslie Galloway

City of Kennedale, TX
(OWNER)

By: Brian Johnson

Brian Johnson Mayor
Print or Type Name and Title

ATTEST:

Mazen Karameh

Freese and Nichols, Inc.
(FNI)

By: Nicholas Lester

Nicholas Lester, Vice President
Print or Type Name and Title

SCOPE OF SERVICES AND RESPONSIBILITIES OF OWNER

Project Description

Near the Texas Raceway, the City of Kennedale is planning to extend their sewer system to the south in order to prepare for future development. The extension will be approximately 2560 feet of 12 inch diameter sewer pipe. The scope below is for the professional services that will be provided to prepare construction plans and specifications. The services include: an environmental study, topographic survey, subsurface utility engineering, geotechnical study, and engineering.

ARTICLE I

BASIC SERVICES: FNI shall render the following professional services in connection with the development of the Project:

- A. DESIGN PHASE: FNI shall provide professional services in this phase as follows:
1. Hold kickoff meeting with Owner
 2. Monthly update meetings and or reports
 3. For the 60% Submittal
 - a. Prepare drawings, specifications, Construction Contract Documents, and Opinions of Probable Construction Cost (OPCC) of improvements to be constructed.
 - b. Submit five copies to the OWNER for review
 - c. Attend a review meeting with OWNER to review submittal
 4. For the 99% Submittal
 - a. Prepare drawings, specifications, Construction Contract Documents, and Opinions of Probable Construction Cost (OPCC) of improvements to be constructed.
 - b. Incorporate the City's comments from the 60% design review
 - c. Coordinate with impacted utility owners
 - d. Perform constructability review
 - e. Submit five copies to the OWNER for review
 - f. Attend a review meeting with OWNER to review submittal
 5. For the Final Submittal
 - a. Prepare drawings, specifications, Construction Contract Documents, and Opinions of Probable Construction Cost (OPCC) of improvements to be constructed.
 - b. Incorporate the City's comments from the 99% design review
 - c. Seal the documents
 - d. Submit five copies to the OWNER
 - e. Notify TCEQ via the Summary Transmittal Letter, and send them plans for review if they request them
- B. BID OR NEGOTIATION PHASE. Upon completion of the design services and approval of "Final" drawings and specifications by OWNER and TCEQ, and when directed by the OWNER, FNI will proceed with the performance of services in this phase as follows:

1. Assist OWNER in securing bids. Issue a Notice to Bidders to prospective contractors and vendors listed in FNI's database of prospective bidders, and to selected plan rooms. Provide a copy of the notice to bidders for OWNER to use in notifying construction news publications and publishing appropriate legal notice. The cost for publications shall be paid by OWNER.
2. Advertise Bid Documents on CivCast.
3. Maintain information on entities that have been downloaded a set of bid documents. Distribute information on plan holders to interested contractors and vendors on request.
4. Assist Owner by responding to questions and interpreting bid documents. Prepare and issue addenda to the bid documents to plan holders if necessary.
5. Assist OWNER in the opening, tabulating, and analyzing the bids received. Review the qualification information provided by the apparent low bidder to determine if, based on the information available, they appear to be qualified to construct the project. Recommend award of contracts or other actions as appropriate to be taken by OWNER. Pre-qualification of all prospective bidders and issuing a list of eligible bidders prior to the bid opening is an additional service.
6. Assist Owner in preparation of the Letter of Recommendation of Award.
7. Assist OWNER in the preparation of Conformed Construction Contract Documents for construction contracts. Provide ten (10) sets of Conformed Construction Contract Documents which include changes caused by addenda reflected in the plans and specifications, information from the apparent low bidders bid documents, and legal documents for execution by the OWNER and construction contractor. Distribute five (5) copies of these documents to the contractor with a notice of award that includes directions for the execution of these documents by the construction contractor. Provide OWNER with the remaining five (5) copies of these documents for use during construction. Additional sets of documents can be provided as an additional service.
8. Furnish contractor copies of the drawings and specifications for construction pursuant to the General Conditions of the Construction Contract.

C. CONSTRUCTION PHASE: Upon completion of the bid or negotiation phase services, FNI will proceed with the performance of construction phase services as described below. FNI will endeavor to protect OWNER in providing these services however, it is understood that FNI does not guarantee the Contractor's performance, nor is FNI responsible for supervision of the Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project.

These services are based on the use of FNI standard General Conditions for construction projects. Modifications to these services required by use of other general conditions or contract administration procedures are an additional service. If general conditions other than FNI standards are used, the OWNER agrees to include provisions in the construction contract documents that will require the construction contractor to include FNI and their subconsultants on this project to be listed as an additional insured on contractor's insurance policies.

1. Assist OWNER in preparing the Notice to Proceed.
2. Assist OWNER in conducting one pre-construction conference with the Contractor, review construction schedules prepared by the Contractor pursuant to the requirements of the construction contract.
3. Establish communication procedures with the OWNER and contractor. Submit monthly reports of construction progress. Reports will describe construction progress in general terms and summarize project costs, cash flow, construction schedule and pending and approved contract modifications.
4. Establish and maintain a project documentation system consistent with the requirements of the construction contract documents. Monitor the processing of contractor's submittals and provide for filing and retrieval of project documentation. Produce monthly reports indicating the status of all submittals in the review process. Review contractor's submittals, including, requests for information, modification requests, shop drawings, schedules, and other submittals in accordance with the requirements of the construction contract documents for the projects. Monitor the progress of the contractor in sending and processing submittals to see that documentation is being processed in accordance with schedules.
5. Based on FNI's observations as an experienced and qualified design professional and review of the Payment Requests and supporting documentation submitted by Contractor, determine the amount that FNI recommends Contractor be paid on monthly and final estimates, pursuant to the General Conditions of the Construction Contract.
6. Make six visits appropriate to the stage of construction to the site on the same day as the monthly progress meeting (as distinguished from the continuous services of a Resident Project Representative) to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Construction Contract Documents. In this effort FNI will endeavor to protect the OWNER against defects and deficiencies in the work of Contractors and will report any observed deficiencies to OWNER. Visits to the site in excess of the specified number are an additional service.
7. Notify the contractor of non-conforming work observed on site visits. Review quality related documents provided by the contractor such as test reports, equipment installation reports or other documentation required by the Construction contract documents.
8. Coordinate the work of testing laboratories and inspection bureaus required for the testing or inspection of materials, witnessed tests, factory testing, etc. for quality control of the Project. The cost of such quality control shall be paid by CONTRACTOR and is not included in the services to be performed by FNI.
9. Interpret the drawings and specifications for OWNER and Contractor(s). Investigations, analyses, and studies requested by the Contractor(s) and approved by OWNER, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.

10. Establish procedures for administering constructive changes to the construction contracts. Process contract modifications and negotiate with the contractor on behalf of the OWNER to determine the cost and time impacts of these changes. Prepare change order documentation for approved changes for execution by the OWNER. Documentation of field orders, where cost to OWNER is not impacted, will also be prepared. Investigations, analyses, studies or design for substitutions of equipment or materials, corrections of defective or deficient work of the contractor or other deviations from the construction contract documents requested by the contractor and approved by the Owner are an additional service. Substitutions of materials or equipment or design modifications requested by the OWNER are an additional service.
11. Prepare documentation for contract modifications required to implement modifications in the design of the project. Receive and evaluate notices of contractor claims and make recommendations to the OWNER on the merit and value of the claim on the basis of information submitted by the contractor or available in project documentation. Endeavor to negotiate a settlement value with the Contractor on behalf of the OWNER if appropriate. Providing these services to review or evaluate construction contractor(s) claim(s), supported by causes not within the control of FNI are an additional service.
12. Assist in the transfer of and acceptance by the construction contractor of any Owner furnished equipment or materials.
13. Conduct, in company with OWNER's representative, a final review of the Project for conformance with the design concept of the Project and general compliance with the Construction Contract Documents. Prepare a list of deficiencies to be corrected by the contractor before recommendation of final payment. Assist the City in obtaining legal releases, permits, warranties, spare parts, and keys from the contractor. Review and comment on the certificate of completion and the recommendation for final payment to the Contractor(s). Visiting the site to review completed work in excess of two trips are an additional service.
14. Revise the construction drawings in accordance with the information furnished by construction Contractor(s) reflecting changes in the Project made during construction. Two (2) sets of prints of "Record Drawings" shall be provided by FNI to OWNER.

D. SPECIAL SERVICES

1. Obtain one (1) Right of Entry. FNI will send one (1) land owner a Right of Entry form. If Right of Entry is denied, the Owner will assist in providing access.
2. Environmental Study. Based on our understanding, the proposed project would not require Section 404 permit authorization from the U.S. Army Corps of Engineers (USACE), as the action would apparently not involve the discharge of dredged or fill material into waters of the U.S. If it is determined that the proposed project would require USACE authorization, FNI would notify the City immediately. FNI can provide Section 404 permitting services to the City, if required, as an additional service. Following are the tasks that we propose to assist the City in conducting the necessary environmental evaluation, and if necessary, permit authorizations associated with the proposed project.
 - a. Gather and Review Existing Information. FNI will compile readily available existing information and prepare maps of the proposed project site in preparation for the pedestrian survey. The types of information that will be gathered will include, but is not limited to, U.S. Geological Survey (USGS) 7.5-minute topographic maps, U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory (NWI) maps, Natural Resources Conservation Service (NRCS) soils maps, as well as recent and historical aerial photographs of the site.

- b. Conduct Pedestrian Survey. FNI will conduct a pedestrian survey along the proposed pipeline easement, including a 75-foot wide buffer each side of the centerline (150 feet total), to make observations of existing environmental conditions and identify types and locations of potential waters of the U.S., if present. This task does not include conducting detailed wetland delineations necessary for the preparation and submittal of a Pre-Construction Notification (PCN) to the USACE.
 - c. Coordinate with the Texas Historical Commission. Projects sponsored by public entities that affect a cumulative area greater than five acres or that disturb more than 5,000 cubic yards require advance consultation with the Texas Historical Commission (THC) according to Section 191.0525 (d) of the Antiquities Code of Texas. Because the proposed project may exceed one or both of these thresholds, coordination with THC is expected to be required. FNI will draft a consultation letter to the THC for the City's review and comment. FNI will incorporate the City's comments and submit the consultation letter to the THC. Any follow up studies requested by the THC are not included in this scope of services, but can be provided as an additional service.
 - d. Prepare Technical Memorandum. Based on our understanding of the proposed project, it appears that Line A could be constructed without requiring notification to or authorization from the USACE. Information gathered during the pedestrian survey and consultation with the THC will be used to prepare a draft technical memorandum. The memorandum will include discussions of methodologies used, the hydrologic characterization and locations of potential waters of the U.S., and an opinion on their jurisdictional status, if present. The draft technical memorandum will be submitted to the City for review and comment. After incorporating the City's comments into the document, FNI will submit a final technical memorandum to the City.
3. Geotechnical Study
- Task 1- Field Exploration**
- a. Select appropriate locations for exploratory borings. The Engineer will coordinate with the City of Kennedale and Texas 811 regarding underground utilities within the vicinity of the planned boring locations prior to commencement of the field exploration activities.
 - b. Subcontract with a drilling contractor to drill a total of six (6) borings, three at a depth of 35 feet and three at a depth of 20 feet.
 - c. Subsurface samples will be collected using 3-inch diameter Shelby tubes for cohesive soils and a 2-inch diameter split-spoon sampler in conjunction with the Standard Penetration Test (SPT) for intermediate and non-cohesive soils. Rock, if encountered, will be tested in-situ using the TxDOT Texas Cone Penetrometer (TCP) test, as appropriate for the material.
 - a. Groundwater observations within the borings will be recorded at the time of drilling and at the completion of drilling and sampling.
 - b. At completion of drilling and sampling, the borings will be backfilled with auger cuttings.
 - d. Provide an Engineer or Geologist experienced in logging borings to direct the drilling, log the borings, and handle and transport the samples. Visual classification of the subsurface stratigraphy shall be provided according to ASTM D2488 and the Unified Soil Classification System (USCS) during drilling and sampling.
- Task 2 – Laboratory Testing**
- e. Testing shall be performed on samples obtained from the borings to determine soil classification and pertinent engineering properties of the subsurface materials.
 - f. The Engineer will select samples for laboratory testing, assign tests, and review the test results.
 - g. Laboratory tests will be appropriately assigned for the specific subsurface materials encountered during exploration, but are expected to include:

- h. Classification tests (liquid and plastic limits and percent passing the no. 200 sieve or gradation)
- i. Moisture content
- j. Dry unit weight
- k. Unconfined compressive strength

Task 3 – Engineering Analysis

- l. Prepare a Geotechnical Investigation Report summarizing the field exploration, laboratory testing, and engineering analysis to include the following:
 - m. Appendix with the boring locations, boring logs, laboratory test results, and a key to the symbols used.
 - n. Discussion of subsurface conditions and soil properties indicated by the field and laboratory work and the implications for design.
 - o. General discussion of expected construction related issues.
 - p. Earthwork related recommendations for use during development of plans and specifications.
 - q. Submittals will include one (1) paper copy and one (1) electronic PDF copy of the Geotechnical Investigation Report.
- 4. Subsurface Utility Engineering (SUE) and Surveying
 - a. Perform Level D SUE by calling the One Call Agency and visually inspecting the area for evidence of utilities, and reviewing the available utility record information. Utilities not identified through these efforts will be here forth referred to as "unknown" utilities. The area will be scanned with electronic prospecting equipment to search for unknown utilities. However, FNI nor their Sub Consultant will be responsible for designating and locating unknown utilities that were not detected while scanning the work area.
 - b. Perform Level B SUE for a 150 foot wide section for up to 2,560 feet. All existing utilities shall be surveyed.
- 5. Topographic Survey
 - a. Establish horizontal and vertical control from existing survey references on previous City of Kennedale projects in the area. The horizontal datum shall be North American Datum 1983 and the vertical datum shall be North American Vertical Datum 1988.
 - b. Establish 5/8 inch rods every 500 feet along alignment
 - c. Cross sections shall be taken at no more than 50' intervals along with apparent break lines as required to provide a digital topographic design file at 1' contour intervals. Top of ground shall obtained to 0.10' accuracy.
 - d. Survey existing utilities and soil borings.
 - e. Search for and survey in any FEMA benchmarks on the project site
 - f. Locate and identify approximate property lines for the subject property, as described in current deed of record within Tarrant County Deed Records. Locate and show found property corners within the survey limits. Tarrant County Deed Records shall be searched for easements that may affect the subject property and identify the affects, if any, on the subject property and show the locations of the easements, if possible. Identify property owner names per deed, posted street addresses and deed recording information, for the subject property and immediate adjoining properties within the survey limits.
 - g. Types of existing pavement surfaces shall be identified for streets, alleys, sidewalks, driveways, etc. Any planters, mailboxes (with type) and other improvements shall be identified.
 - h. Invert elevations and size/type of visible utility, drainage pipes and culverts shall be identified for any visible manholes and culverts within the project limits. For gravity flow utilities (i.e. storm water and sanitary sewer) tie in the manhole upstream and downstream of the last manhole. This may result in having to tie in manholes that are outside the project limits. Note any relevant information (damaged, silted in, etc.)

- i. One (1) easement description and exhibit will be included in the scope of work. Acquisition of the easement can be provided as an Additional Service.
- j. A tree survey is not included in this scope because City Ordinance 268, Section 16-80 exempts all areas within utility or drainage easements from the tree protection plan. However, the Surveyor will survey the outside limits of dense trees and individual trees 6 inches in diameter and greater; trees that need to be protected can be marked on the plans.

ARTICLE II

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

- A. Furnish OWNER, when requested, the engineering data necessary for applications for routine permits required by local, state and federal authorities. Preparation of applications and supporting documents for government grants or for planning advances is an Additional Service.
- B. Assist the OWNER in conducting a pre-bid conference for the construction projects and coordinate responses with OWNER. Response to the pre-bid conference will be in the form of addenda issued after the conference. Attend the tour of the project site after the pre-bid conference.
- C. Field layouts or the furnishing of construction line and grade surveys.
- D. GIS mapping services or assistance with these services.
- E. Providing services to investigate existing conditions or facilities, or to make measured drawings thereof, or to verify the accuracy of drawings or other information furnished by OWNER.
- F. Making revisions to drawings, specifications or other documents when such revisions are 1) not consistent with approvals or instructions previously given by OWNER or 2) due to other causes not solely within the control of FNI.
- G. Providing consultation concerning the replacement of any Work damaged by fire or other cause during the construction, and providing services as may be required in connection with the replacement of such Work.
- H. Investigations involving consideration of operation, maintenance and overhead expenses, and the preparation of rate schedules, earnings and expense statements, feasibility studies, appraisals, evaluations, assessment schedules, and material audits or inventories required for certification of force account construction performed by OWNER.
- I. Providing shop, mill, field or laboratory inspection of materials and equipment.
- J. Preparing data and reports for assistance to OWNER in preparation for hearings before regulatory agencies, courts, arbitration panels or any mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.
- K. Furnishing the services of a Resident Project Representative to act as OWNER's on-site representative during the Construction Phase.
- L. Assisting OWNER in preparing for, or appearing at litigation, mediation, arbitration, dispute review boards, or other legal and/or administrative proceedings in the defense or prosecution of claims disputes with Contractor(s).

- M. Performing investigations, studies and analyses of substitutions of equipment and/or materials or deviations from the drawings and specifications.
- N. Assisting OWNER in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this AGREEMENT. Such services, if any, shall be furnished by FNI on a fee basis negotiated by the respective parties outside of and in addition to this AGREEMENT.
- O. Providing environmental support services including the design and implementation of ecological baseline studies, environmental monitoring, impact assessment and analyses, permitting assistance, and other assistance required to address environmental issues.
- P. Performing investigations, studies, and analysis of work proposed by construction contractors to correct defective work.
- Q. Design, contract modifications, studies or analysis required to comply with local, State, Federal or other regulatory agencies that become effective after the date of this agreement.
- R. Services required to resolve bid protests or to rebid the projects for any reason.
- S. Visits to the site in excess of the number of trips included in Article I for periodic site visits, coordination meetings, or contract completion activities.
- T. Any services required as a result of default of the contractor(s) or the failure, for any reason, of the contractor(s) to complete the work within the contract time.
- U. Providing services after the completion of the construction phase not specifically listed in Article I.
- V. Providing basic or additional services on an accelerated time schedule. The scope of this service include cost for overtime wages of employees and consultants, inefficiencies in work sequence and plotting or reproduction costs directly attributable to an accelerated time schedule directed by the OWNER.
- W. Providing services made necessary because of unforeseen, concealed, or differing site conditions or due to the presence of hazardous substances in any form.
- X. Providing services to review or evaluate construction contractor(s) claim(s), provided said claims are supported by causes not within the control of FNI.
- Y. Providing value engineering studies or reviews of cost savings proposed by construction contractors after bids have been submitted.
- Z. Provide follow-up professional services during Contractor's warranty period.
- AA. Preparation of a Nationwide Permit (NWP) Pre-Construction Notification (PCN) for submittal to the USACE.
- BB. Conducting an archeological survey along the proposed pipeline alignments.
- CC. Formal delineations of potential waters of the U.S.
- DD. Preparation of a preliminary Jurisdictional Determination report.

- EE. Conducting a functional or condition assessment (e.g., TXRAM) on waters of the U.S. potentially impacted by the proposed project.
- FF. Preparation of an individual 404 permit application (IP).
- GG. Presence/absence surveys for federally listed threatened/endangered species.
- HH. Application for Texas Parks & Wildlife Department Sand and Gravel Permit.
- II. Application for General Land Office Easement.
- JJ. Consultation with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act.
- KK. Other environmental services not specifically defined in this scope of services.
- LL. Potholing for SUE Level A.

ARTICLE III

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

- A. Kickoff Meeting with OWNER. Within One Week of Notice to Proceed
- B. Preliminary Design:
 - a. Right of Entry, SUE, and Survey: Within 10 Weeks of Notice to Proceed
 - b. Geotech and Environmental Studies: Within 15 Weeks of Notice to Proceed
- C. 60% Design. Within 5 Weeks of the Completion of SUE and Survey.
- D. 99% Design. Within 3 Weeks after the 60% Review Meeting.
- E. Sealed Documents. Within one Week after the 99% Review Meeting.
- F. Bid and Construction Phase Services: To be Determined

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

ARTICLE IV

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

- A. Owner recognizes and expects that certain Change Orders may be required. Unless noted otherwise, the Owner shall budget a minimum of 5% for new construction and a minimum of 10% for construction that includes refurbishing existing structures.

Further, Owner recognizes and expects that certain Change Orders may be required to be issued as the result in whole or part of imprecision, incompleteness, errors, omission, ambiguities, or inconsistencies in the Drawings, Specifications, and other design documentation furnished by Engineer or in the other professional services performed or furnished by Engineer under this Agreement ("Covered Change Orders"). Accordingly, Owner agrees to pay for Change Orders and otherwise to make no claim directly or indirectly against Engineer on the basis of professional negligence, breach of contract, or otherwise with respect to the costs of approved Covered Change Orders unless the aggregate costs of all such approved Covered Change Orders exceed 2% for new construction and 4% for reconstruction. Any responsibility of Engineer for the costs of Covered Change Orders in excess of such percentage will be determined on the basis of applicable contractual obligations and professional liability standards. For purposes of this paragraph, the cost of Covered Change Orders will not include:

- any costs that Owner would have incurred if the Covered Change Order work had been included originally in the Contract Documents and without any other error or omission of Engineer related thereto,

- Any costs that are due to unforeseen site conditions, or
- Any costs that are due to changes made by the Owner.
- Any costs that are due to the Contractor

Nothing in this provision creates a presumption that, or changes the professional liability standard for determining if, Engineer is liable for the cost of Covered Change Orders in excess of the percent of Construction Cost stated above or for any other Change Order. Wherever used in this document, the term Engineer includes Engineer's officers, directors, partners, employees, agents, and Engineers Consultants.

- B. Designate in writing a person to act as OWNER's representative with respect to the services to be rendered under this AGREEMENT. Such person shall have contract authority to transmit instructions, receive information, interpret and define OWNER's policies and decisions with respect to FNI's services for the Project.
- C. Provide all criteria and full information as to OWNER's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which OWNER will require to be included in the drawings and specifications.
- D. Assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.
- E. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this AGREEMENT.
- F. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by FNI, obtain advice of an attorney, insurance counselor and other consultants as OWNER deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay the services of FNI.
- G. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
- H. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as OWNER may require or FNI may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by Contractor(s), such auditing service as OWNER may require to ascertain how or for what purpose any Contractor has used the moneys paid under the construction contract, and such inspection services as OWNER may require to ascertain that Contractor(s) are complying with any law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.
- I. OWNER shall determine, prior to receipt of construction bid, if FNI is to furnish Resident Project Representative service so the Bidders can be informed.
- J. If OWNER designates a person to serve in the capacity of Resident Project Representative who is not FNI or FNI's agent or employee, the duties, responsibilities and limitations of authority of such Resident Project Representative(s) will be set forth in an Attachment attached to and made a part of this AGREEMENT before the Construction Phase of the Project begins. Said attachment shall also set forth appropriate modifications of the Construction Phase services as defined in Attachment SC, Article I, C, together with such adjustment of compensation as appropriate.

- K. Attend the pre-bid conference, bid opening, preconstruction conferences, construction progress and other job related meetings and substantial completion inspections and final payment inspections.
- L. Give prompt written notice to FNI whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of FNI's services, or any defect or nonconformance of the work of any Contractor.
- M. Furnish, or direct FNI to provide, Additional Services as stipulated in Attachment SC, Article II of this AGREEMENT or other services as required.
- N. Bear all costs incident to compliance with the requirements of this Article IV.

ARTICLE V

DESIGNATED REPRESENTATIVES: FNI and OWNER designate the following representatives:

Owner's Designated Representative – Larry Ledbetter, Project Manager
923 E. Kennedale Parkway
Kennedale, TX 76060
lledbetter@cityofkennedale.com
(817)985-2171

FNI's Designated Representative – James Johnson, Project Manager
4055 International Plaza, Suite 200
Fort Worth, TX 76109
JKJ@freese.com
(817) 735-7264

FNI's Accounting Representative – Matt Shafer
4055 International Plaza, Suite 200
Fort Worth, TX 76109
MCS@freese.com
(214) 217-2238

ATTACHMENT CO

COMPENSATION

Compensation to FNI shall be the lump sum fee of One Hundred Nineteen Thousand Nine Hundred Twenty Dollars (\$119,920). If FNI sees the Scope of Services changing so that additional services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER'S approval before proceeding. Additional Services shall be computed based on the Schedule of Charges.

Schedule of Charges:

<u>Position</u>	<u>Min</u>	<u>Max</u>
Professional - 1	68	116
Professional - 2	88	148
Professional - 3	94	181
Professional - 4	138	221
Professional - 5	175	243
Professional - 6	166	442
Construction Manager - 1	88	114
Construction Manager - 2	104	150
Construction Manager - 3	129	161
Construction Manager - 4	162	220
CAD Technician/Designer - 1	57	99
CAD Technician/Designer - 2	90	129
CAD Technician/Designer - 3	116	166
Corporate Project Support - 1	42	96
Corporate Project Support - 2	70	173
Corporate Project Support - 3	76	335
Intern/ Coop	35	64

Rates for In-House Services

Technology Charge

\$8.50 per hour

Bulk Printing and Reproduction

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

Travel

Standard IRS Rates

OTHER DIRECT EXPENSES:

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

These ranges and rates will be adjusted annually in February.

340-22015

TERMS AND CONDITIONS OF AGREEMENT

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

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

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



CONTRACT CHANGE AUTHORIZATION FORM

Amend #1

Client: City of Kennedale 923 E. Kennedale Parkway Kennedale, TX 7606 Attn: Larry Hoover	FNI Project No.: KEN16312	
	Client Contract Ref.:	
	Date: July 24, 2018	
Project Description: Extension of Existing Sewer		
Description of Services Added/Deleted: As described in detail in the attached Scope of Services.		
Deliverables: As described in detail in the attached Scope of Services.		
Compensation shall be adjusted as follows: Additional lump sum fee of Thirty Thousand Two Hundred Thirty-Eight Dollars (\$30,238.00)		
	Original Contract	\$119,920.00
	Amended Amount	\$ 30,238.00
	Revised Total Contract	\$150,158.00
Schedule shall be adjusted as follows: As described in detail in the attached Scope of Services.		

The above described services shall proceed upon return of this Contract Change Authorization. Services will be billed as they are done. All other provisions, terms, and conditions of the agreement for services which are not expressly amended shall remain in full force and effect.

- ☐ A contract modification will be submitted.
- ☒ This Contract Change Authorization will serve as contract modification.

FREESE AND NICHOLS, INC.:

CITY OF KENNEDALE, TEXAS:

BY:

Print Name Scott A. Cole

BY:

Print Name

TITLE:

Principal

TITLE:

DATE:

07/31/2018

DATE:

City of Kennedale

Amendment to Complete: Extension of Existing Sewer (Lines A and B1)

Project Number: KEN16312

Scope of Services

Date: July 24, 2018

General:

The City of Kennedale (City) and Freese and Nichols, Inc. (FNI) have a contract for FNI to design the project named Extension of Existing Sewer (Lines A and B1). The project was put on hold in the summer of 2016. Prior to putting the project on hold the survey was received and the 60% plans were being developed. It was noticed at that time that the pipe would be exposed in a low area and therefore the alignment would need to be moved. No additional work was done to adjust the alignment before the project was put on hold. Recently, the City has requested this amendment from FNI to identify the remaining work required to complete the project. The remaining work, and the requested additional work required to coordinate with others, is identified below. The original geotechnical engineering work can be reused for the new alignment. An updated schedule and table of amended budgets is also included.

Remaining Work:

1. Design: Approximately half of the work done on the development of the 60% plans will need to be redone since the alignment will be changing. The other budgets for specifications and OPCCs and final design were never utilized, therefore they do not need to be amended.
2. Surveying:
 - a. Verify previously established Horizontal & Vertical Control and reset, as necessary.
 - b. Area of work: Approximately 150' on either side of the 2,500' re-alignment of the Sanitary Sewer Line A & Line B-1.
 - c. Survey the following areas:
 - i. Perform survey to obtain topography and above ground features (manmade or otherwise) within the afore mentioned areas, including all:
 - ii. Ditches & swales with flow line, top & toe of bank
 - iii. Electrical structures, edge lights & signs
 - iv. Above-ground visible utilities (including Dig-Tess)
 - v. Pavement
 - vi. Other structures within the designated areas
 - d. Easement: Field verification of boundary corners and research of current property records.
3. Environmental and Archaeology: The original environmental work identified wetlands near the northern end of the project. These were documented, and the alignment was adjusted to minimize impact to the wetlands. Since they were documented, FNI proposes to perform this work again per the original scope. The archaeology portion of the work was begun but not completed.

Additional Work:

1. Project Management, Coordination Meetings with others and Staff Assistance

Amended Schedule:

FNI proposes the schedule below which is the same as the original schedule.

1. Hold Kick Off meeting within a week of Notice to Proceed
2. Obtain Right of Entry, perform Surveying and SUE within 4 weeks of Kickoff Meeting
3. Complete 60% Design within 5 weeks after receiving Survey
4. Complete 99% Design within 3 weeks after 60% Review Meeting
5. Complete Sealed Documents within 1 week after the 99% Review Meeting
6. Bid and Construction Phase Services: To Be Determined

Amended Budgets:

FNI requests to amend the contract by \$30,238.00. A breakdown of the requested amounts is shown in the table below.

Task	Original Budget	Remaining Budget	Requested Amendment
Project Management	\$9,376.00	\$2,830.58	\$5,780.00
Design	\$34,860.00	\$26,521.56	\$5,185.50
Environmental	\$15,071.00	\$7,177.06	\$150.00
Geotechnical	\$10,130.00	\$2,367.85	\$0.00
Survey	\$10,313.00	\$0.00	\$11,951.50
Easement	\$1,650.00	\$1,634.66	\$879.50
SUE	\$16,423.00	\$0.00	\$6,291.50
Bid Phase	\$6,454.00	\$6,394.01	\$0.00
Construction Phase	\$15,643.00	\$15,497.60	\$0.00
Totals	\$119,920.00	\$62,423.33	\$30,238.00

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

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

I. Subject:

Approve an engineering services contract with Shield Engineering Group for the design and construction engineering for the Timberline Sanitary sewer line, Crestview Sanitary sewer line and Mistletoe Sanitary sewer line referred to collectively as the Crestdale Sanitary Sewer Improvements

II. Originated by:

Larry Hoover, Streets and Parks Supervisor

III. Summary:

The **Mistletoe** project connects at West Mistletoe and is aligned north along the KISD property and turns to run behind houses on Bowles Ct and connects at Paula Lane. This project will replace 753 linear feet of 8 inch sewer line. The engineering cost is \$15,876.

The **Timberline** sewer line runs behind the houses on Timberline and Paula Lane. The construction will be pipe burst to minimize the damage to fences and structures that may be in conflict. The project will replace 857 linear feet of 8 inch sewer line. The engineering cost is \$17,997.

The **Crestview** sewer line has two sections in the shape of a small "h" on the diagram. Portions of this project run between houses and portions run along the street. The project will replace 1335 linear feet of 6 inch and 8 inch sewer line. The engineering cost is \$28,056

See diagram on page seven of the Contract for alignment of all three projects.

These projects are recommended by the Utility Infrastructure Board (UIB) to the City Council for the Bond program. This contract will be paid from FY 2018 water and waste water maintenance funds.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Crestdale Sewer PSA Signed	Crestdale Sewer PSA Signed.pdf
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AN AGREEMENT TO PROVIDE LIMITED PROFESSIONAL SERVICES

PROJECT NAME: Crestdale Sanitary Sewer Improvements

PROJECT NO: 2018052.01

CLIENT: City of Kennedale, Attn: Larry Hoover

ADDRESS: 405 Municipal Drive, Kennedale, TX 76060

hereby requests and authorizes Shield Engineering Group, PLLC (the Firm) to perform the following Services.:

SCOPE: The city of Kennedale (Client, CITY or Owner) has identified sanitary sewer lines within the Crestdale development that need rehabilitation known as:

Project 1: Mistletoe Drive Sewer Improvements – 763 LF 8" Sewer Line

Project 2: Timberline Drive Sewer Improvements – 857 LF 8" Sewer Line

Project 3: Crestview Drive Sewer Improvements – 1335 LF 6" and 8" Sewer Line

Total Sanitary Sewer Rehabilitation 2955 Linear Feet

The Firm understands these projects, collectively known as Crestdale Sewer Improvements, located in Kennedale, Texas, to consist of civil engineering services associated with sanitary sewer rehabilitation improvements. The assumed rehabilitation method is assumed to be by pipe-bursting. This scope is based on the attached site location map as shown on the last page of this document.

Exhibits, as-built plans, and other miscellaneous services beyond this scope will be Additional Services and billed at the Hourly Rate Schedule provided with this scope.

Basic Services for Each Project:

1. Conceptual Design Package and Data Collection:

- a. Plan Research: The Firm will gather available existing infrastructure plans adjacent to and serving the site to be used for the site civil design. Firm will research proposed improvements in conjunction with any other planned future improvements that may influence the project.
- b. The Firm will research proposed improvements in conjunction with any other planned future improvements that may influence the project.
- c. The data collection efforts may include conducting special coordination meetings with affected property owners and businesses as necessary to develop sewer re-routing plans.
- d. Site Visit: The Firm will visit the site one time to observe existing conditions.
- e. Graphic exhibits and written summary of alternative design concepts considered, strengths and weaknesses of each, and the rationale for selecting the recommended design concept.
- f. Preliminary Opinion of Probable Costs: The Firm will prepare one Preliminary Opinion of Probable Cost using our recent bid tabs, or Client provided unit prices, however, in either case, the Client represents their acceptance of these prices by using the estimate provided.

2. Preliminary Design and Specifications shall include:

- a. Cover Sheet

Initials AB _____ Page 1 of 7

(FIRM)

(CLIENT)

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- b. A Project Control Sheet, showing all Control Points, used or set while gathering data.
- c. Overall project sanitary sewer layout sheets. The sewer layout sheet shall identify the proposed sewer main improvement/existing sewer mains and all sewer appurtenances in the vicinity.
- d. Plan and profile sheets which show the following: proposed sanitary sewer plan/profile and recommended pipe size, manholes, existing utilities and utility easements, and all pertinent information needed to construct the project. Legal description (Lot Nos., Block Nos., and Addition Names) along with property ownership shall be provided on the plan view.
- e. The Firm shall make provisions for reconnecting all identifiable wastewater service lines which connect directly to any main being replaced, including replacement of existing service lines within City right-of-way or utility easement.
- f. The Firm will provide standard detail sheets for sewer rehabilitation or replacement per the City's specifications.

3. Final Design and Construction Documents

- a. For projects that disturb an area greater than one (1) acre, the Contractor will be responsible for preparing and submitting the Storm Water Pollution Prevention Plan (SWPPP) with appropriate regulatory agencies.
- b. Draft Final plans (90%) and specifications shall be submitted to City for final comments.
- c. Following a 90% construction plan review meeting with the CITY, the Firm shall submit Construction Documents (100%) to the CITY per the approved Project Schedule. Each plan sheet shall be stamped, dated, and signed by the ENGINEER registered in State of Texas.
- d. The Firm shall submit a final design estimate of probable construction cost with 100% design package.

4. Bid Phase Support Services

- a. The Firm shall sell (or transmit electronically at no cost) contract documents and maintain a plan holders list of Contractor's and Plan Holder Registrations who have requested or purchased plans.
- b. The Firm will develop and implement procedures for receiving and answering bidders' questions and requests for additional information. The procedures shall include a log of all significant bidders questions and requests and the response thereto. The Firm will provide technical interpretation of the contract bid documents and will prepare proposed responses to all bidders questions and requests, in the form of addenda. The Firm shall transmit all approved addenda distribute addenda to all plan holders.
- c. The Firm will attend the prebid conference in support of the CITY.
- d. The Firm will assist the CITY in determining the qualifications and acceptability of prospective contractors, subcontractors, and suppliers.
- e. The Firm will attend the bid opening in support of the CITY.
- f. The Firm will tabulate and review all bids received for the construction project, assist the CITY in evaluating bids, and recommend award of the contract.
- g. The Firm will incorporate all addenda into the contract documents and issue conformed sets.

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5. Construction Phase Services

- a. The Firm shall attend the preconstruction conference.
- b. The Firm shall visit the project site at requested intervals as construction proceeds to observe and report on progress.
- c. As requested by the CITY, the Firm shall provide necessary interpretations and clarifications of contract documents, review change orders, and make recommendations as to the acceptability of the work.

6. Design Survey

- a. The Firm will perform field surveys to collect horizontal and vertical elevations and other information needed by the Firm in design and preparation of plans for the project. Information gathered during the survey shall include topographic data, elevations of all sanitary and adjacent storm sewers, rim/invert elevations, location of buried utilities, structures, trees (measure caliper, identify overall canopy, and have qualified arborist identify species of trees), and other features relevant to the final plan sheets. Existing drainage at intersections will be verified by field surveys. Spot elevations will be shown on intersection layouts with cross slope to fit intersecting grade lines.

SUMMARY:

1. Project 1: Mistletoe Drive Sewer Improvements	\$ 15,876
2. Project 2: Timberline Drive Sewer Improvements	\$ 17,997
3. Project 3: Crestview Drive Sewer Improvements	\$ 28,056

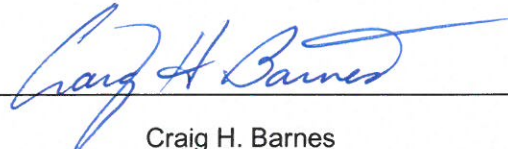
Total Estimated Fee:

\$ 61,929

Accepted for **CLIENT**

Accepted for **SHIELD ENGINEERING GROUP, PLLC**

By: _____

By:  _____

Name: _____

Name: Craig H. Barnes

Title: _____

Title: President

Date: _____

Date: 08.15.18

Reimbursable budget estimate: **As Incurred**

The Client will pay all Impact fees, FEMA fees, submittal fees, and all other fees and taxes.

The Firm will provide the professional services listed above in accordance with local requirements and per the Client's instructions within the legal and ethical obligations as described in *The State of Texas, Texas Engineering Practice Act and Rules Concerning the Practice of Engineering and Professional Engineering Licensure* (latest edition). This scope of services contract does not imply or guarantee acceptance by governing agencies or municipalities.

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Exclusions and Additional Services: This proposal was prepared based on information provided by the Client and the conditions known to Shield Engineering Group, PLLC at the time of preparing this proposal. Tasks not included in the scope will be considered Additional Services. If the Engineer is requested to become involved with any of the following items, the Firm will be pleased to provide them for additional fees to be determined at that time. Additional Services include any services not listed above and all other special or miscellaneous services specifically authorized by the Client. Authorized Additional Services shall be billed in accordance with the attached Hourly Rate Schedule or for a prenegotiated lump sum fee approved by the Client. The following is an example of services which will be considered additional or excluded:

- Bidding Phase Services beyond those listed above.
- Construction Phase Services beyond those listed above.
- Subsurface Utility Engineering (SUE)
- Franchise Utility Relocation Coordination and Offsite Franchise Utility Coordination
- Traffic Analysis, Parking Flow Study, Signal Warrant Study
- Studies: Line of Sight, Water, Sanitary Sewer, Traffic, Flood
- Special Use Permits for Oil And Gas Coordination
- Survey (beyond those listed above): As-Built Survey/ALTA Survey, Boundary Title Search, Vacation Instruments, Additional Closing Exhibits and Legal Descriptions, Grade Certification, Rail Certification, or any other surveying services beyond those listed above
- Demolition Plan
- City Encroachment Agreements
- TxDOT Driveway/Utility Permit, Design and Details
- Water Appropriations, FAA, TxDOT, TRA, Railroad, Driveway
- Landscape architecture and irrigation system design
- Environmental Waters of the US/Wetland permits
- LOMR, CLOMR,
- Design of pump house, fire alarms, flow test(s) and/or ground storage tank for fire protection system design
- Design of retaining walls, screening walls, detached structures, special brick paved areas, etc.
- Design of offsite spoil/borrow area for excavation material
- Geotechnical Investigations, Material Testing and Inspection Services
- Coordination of Building Permit Processing and TDLR Review shall be provided by Architect or a third-party reviewer. This includes review of the latest edition of the Texas Accessibility Standards (TAS).
- Services of Special Consultants

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TERMS AND CONDITIONS

1. **AUTHORIZATION TO PROCEED:** Signing this Agreement shall be construed as authorization by CLIENT for the FIRM to proceed with the Services, unless otherwise provided for in this Agreement.
2. **ACCESS TO SITE:** Unless otherwise stated, the Firm will have access to the site for activities necessary for the performance of the services. The Firm will take precautions to minimize damage due to these activities, but has not included in the fee the cost of restoration of any resulting damage.
3. **COST ESTIMATES:** Any cost estimates provided will be on a basis of experience and judgment. Since the FIRM has no control over market conditions or bidding procedures, the FIRM does not warrant that bids or ultimate construction costs will not vary from these cost estimates.
4. **ADDITIONAL SERVICES:** Services in addition to those specified in Scope will be provided if authorized in writing. Additional services will be paid for by CLIENT as indicated in any Letter of Proposal, Task Authorization, or such other document as deemed appropriate by CLIENT and FIRM. In the absence of an express agreement about compensation, the FIRM shall be entitled to an equitable adjustment to its compensation for performing such additional services.
5. **STANDARD OF CARE:** In providing services under this Agreement, the Consultant shall perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. Upon notice to the Consultant and by mutual agreement between the parties, the Consultant will, without additional compensation, correct those services not meeting such a standard.
6. **INDEMNIFICATION:** The Client shall, to the fullest extent permitted by law, indemnify and hold harmless the Firm, his or her officers, directors, employees, agents and sub-consultants from and against all damage, liability and cost, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the performance by any of the parties above named of the services under this agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of the Firm.
7. **LIMITATION OF LIABILITY:** In recognition of the relative risks, rewards and benefits of the project to both the Client and the Firm, the risks have been allocated such that the Client agrees that, to the fullest extent permitted by law, the Firm's total liability to the Client for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this agreement from any cause or causes, shall be limited to an amount no greater than the Firm's fee in this proposal. Such causes include, but are not limited to, the Firm's negligence, errors, omissions, strict liability, breach of contract or breach of warranty.
8. **DISPUTE RESOLUTION:** Any claims or disputes made during design, construction or post-construction between the CLIENT and FIRM shall be submitted to non-binding mediation. CLIENT and FIRM agree to include a similar mediation agreement with all contractors, subcontractors, sub-consultants, suppliers and fabricators, thereby providing for mediation as the primary method for dispute resolution between all parties.
9. **PAYMENT TO FIRM:** Invoices for the FIRM's service shall be submitted, at the FIRM's option, either upon completion of such services or on a monthly basis. The CLIENT shall either approve these invoices or notify the FIRM of any invoices not approved. The CLIENT and the FIRM shall confer and attempt to resolve such disputed invoices. The CLIENT shall promptly invoice the Owner for the FIRM's service in accordance with the billing terms of the CLIENT'S agreement with the Owner and shall use reasonable and diligent efforts to collect payment from the Owner. Invoices shall be payable within 15 days after the invoice date regardless of whether or not the Owner pays the CLIENT in full. The CLIENT shall pay the FIRM for all undisputed invoices within a reasonable period of time after completing the FIRM'S services under this agreement. If the invoice is not paid within 30 days after the invoice date, the FIRM may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, terminate the performance of the service. [Retainers/Deposits shall be credited on the final invoice.]
10. **LATE PAYMENTS:** Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.
11. **TERMINATION:** Either CLIENT or FIRM may terminate this Agreement by giving 30 days' written notice to the other party. In such event CLIENT shall forthwith pay FIRM in full for all work previously authorized and performed prior to effective date of termination. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.
12. **CERTIFICATIONS:** Guarantees and Warranties: The FIRM shall not be required to execute any document that would result in its certifying, guaranteeing or warranting the existence of conditions whose existence the FIRM cannot ascertain.
13. **OWNERSHIP OF DOCUMENTS:** All documents produced by the FIRM under this agreement shall remain the property of the FIRM and may not be used by the CLIENT for any other endeavor without the written consent of the FIRM.
14. **SEVERABILITY:** In case any one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.
15. **JOBSITE SAFETY:** Neither the professional activities of the Consultant, nor the presence of the Consultant or its employees and subconsultant's at a construction/project site, shall impose any duty on the Consultant, nor relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies. The Consultant and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures. The Client agrees that the General Contractor shall be solely responsible for jobsite and worker safety and warrants that this intent shall be carried out in the Client's contract with the General Contractor. The Client also agrees that the General Contractor shall defend and indemnify the Client, the Consultant and the Consultant's subconsultant's. The Client also agrees that the Client, the Consultant and the Consultant's subconsultant's shall be made additional insured's under the General Contractor's policies of general liability insurance.

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TBPE FIRM #F-11039 · TBPLS FIRM #10193890



SHIELD
ENGINEERING GROUP

2018 HOURLY RATE SCHEDULE

Principal	\$235
Program Manager	\$200
Project Manager	\$180
Senior Professional Engineer	\$170
Professional Engineer	\$145
EIT II	\$115
EIT I	\$100
Senior Designer	\$125
Designer	\$100
CAD Drafter	\$85
Support	\$70
QA/QC	\$155
Senior RPLS	\$175
RPLS	\$155
Survey Technician	\$100
Party Chief	\$100
Survey Crew Member	\$55

Hourly Rate Schedule as of the date of this contract is subject to change without notice.

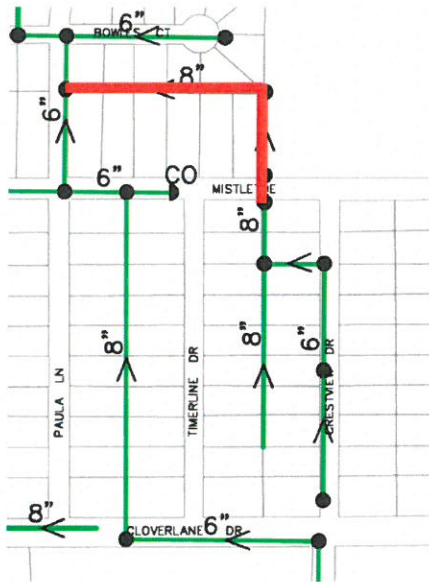
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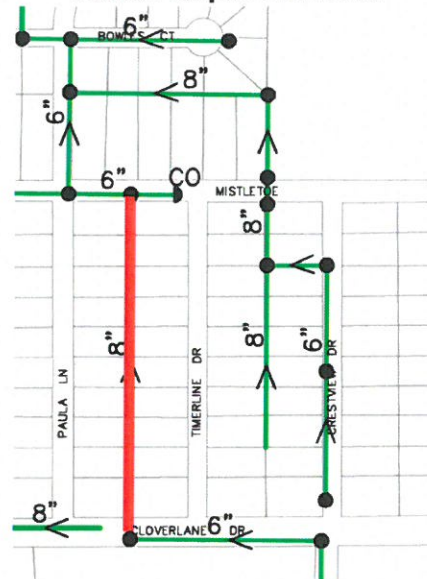
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TBPE FIRM #F-11039 · TBPLS FIRM #10193890



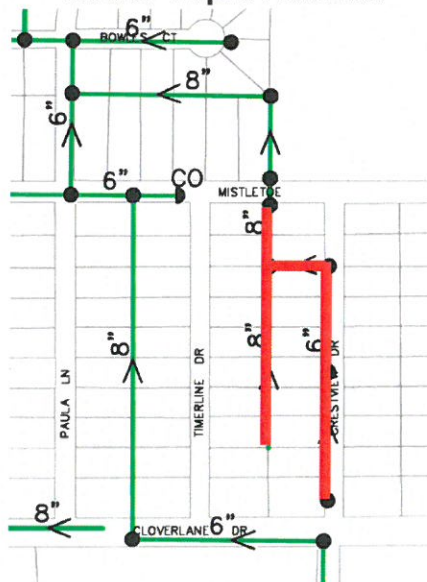
Mistletoe Drive Sewer Improvements



Timberline Drive Sewer Improvements



Crestview Drive Sewer Improvements



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TBPE FIRM #F-11039 · TBPLS FIRM #10193890



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: DECISION ITEMS - A.

I. Subject:

Adopt Resolution 539 to establish rules of procedure for Citizens to address agenda items

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Res 539 Citizen Addressing the Council	Res 539 Citizen Addressing the Council.docx
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RESOLUTION NO. 539

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ADOPTING RULES OF PROCEDURE FOR CITIZENS TO ADDRESS THE CITY COUNCIL ON AGENDA ITEMS DURING CITY COUNCIL MEETINGS.

WHEREAS, the City Council conducts city council meetings pursuant to formal agendas that are posted in accordance with the Texas Open Meetings Act; and

WHEREAS, Section 3.08 of the City Charter provides that the City Council shall determine its own rules and order of business; and

WHEREAS, the City Council desires to adopt rules of procedure that allow citizens to address the city council on agenda items during city council meetings.

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

SECTION 1.

The City Council hereby approves the following rules for citizens to address the City Council on agenda items:

- **Public Hearings** — Persons wishing to speak in support or opposition at any public hearing should sign a “speaker” card, indicating either “support” or “opposition”, and present that card to a staff member at the entrance to the Council Chambers. Once the Mayor opens the public hearing, he will call speakers who have submitted cards. Following speakers who have signed cards the Mayor will ask for anyone else wishing to speak before closing the public hearing. Once the hearing is “closed” no citizens will be allowed to speak on that subject before the Council deliberates among themselves and/or takes action, except to address inquiries from the City Council.
- **Consent Agenda Items** — Any citizen wishing to speak to a consent agenda item must sign a “speaker” card prior to the start of the Council meeting and present that card to a staff member at the entrance to the Council Chambers. A separate card must be completed for each item a citizen wishes to address. The Mayor will recognize those persons who have signed cards to speak when the consent agenda is being considered and before it is voted upon or before Council members remove items for individual consideration. No citizen will be allowed to speak on a consent agenda item who has not signed a card prior to the start of the Council meeting. Each person will be permitted two (2) minutes to speak unless the time is extended by the Mayor.

- **Decision Items** — Any citizen wishing to speak to a decision item must sign a “speaker” card prior to the start of the Council meeting and present that card to a staff member at the entrance to the Council Chambers. A separate card must be completed for each item a citizen wishes to address. The Mayor will recognize those persons who have signed cards to speak when that specific item is reached on the agenda. Each person will be permitted two (2) minutes to speak unless the time is extended by the Mayor.
- **Work Session Items** — Citizens will not be permitted to address the Council on work sessions items unless requested to do so by the Mayor with the concurrence of a majority of Council members present.

SECTION 2.

This Resolution shall become effective from and after its passage.

ADOPTED BY THE CITY COUNCIL THIS ____ DAY OF _____, 2018.

Mayor

ATTEST:

City Secretary

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: DECISION ITEMS - B.

I. Subject:

Consider approval of bid award for health insurance and authorize the City Manager to sign the agreement

II. Originated by:

Danielle Clarke

III. Summary:

In April 2018, staff met with Brinson Benefits, the city's insurance consultant regarding the city's benefit plans, plan utilization and preparation for the July bid process. At that time the 12 month claims loss ratio was approximately 52 %, down from 80 % the previous 24 months with only three (3) claims over \$15,000. Those claims ranged from \$15,000 to \$85,000.

Brinson Benefits were confident our final renewal would not exceed 6% above the current amount. They recommended that a double digit renewal increase from United Healthcare should be competitively bid to ensure the city would receive the best pricing available. July 2018, staff received the insurance renewal with an overall increase of 10 %. Staff immediately bid the insurance to review other competitive offers. The City advertised and received bids from five companies (Aetna, Blue Cross Blue Shield, Baylor Scott & White, United Healthcare (UHC), and Humana).

Humana was eliminated from consideration due to the probability they would modify their proposal after reviewing individual applications for enrollment. After a review of the Baylor Scott & White proposal, the benefits committee eliminated them from consideration due to the extremely limited doctor and hospital network. United Healthcare and Aetna were eliminated from consideration due to increases of 10% to 20%.

Blue Cross Blue Shield (BCBS) offered alternate plan designs with the most competitive rates (7% decrease). The BCBS bid proposal provides the same dual option plan design, a Health Savings Account (HSA) and a PPO buy-up option. The Health Savings Account has a deductible of \$6,000 for individual, 100% coverage after the deductible is met. The PPO plan has a \$5,000 deductible, 80% coinsurance coverage and primary physician copays of \$45. The PPO plan will be considered a "buy-up" plan meaning that employees who wish to stay on the PPO plan will pay \$75.91 per paycheck (\$151.82 per month) toward the cost of the insurance premium. This is an increase of \$58.42 per month (12%). A chart comparing current and proposed plans is below.

The proposed budget presented to City Council August 9, 2018 provided an estimated increase of 6%. As bid, the best plan offering is a 7% reduction in cost to the city.

After review of the bid proposals, staff recommends moving to Blue Cross Blue Shield for a total 7% decrease. The overall decrease in the health insurance line item is approximately \$24,361 for an overall budget expenditure of \$390,818, based on current elections and staffing levels.

IV. Fiscal Impact Summary:**V. Legal Impact:****VI. Recommendation:**

Approve

VII. Alternative Actions:

It is recommended that the City accept the bid proposal of Blue Cross Blue Shield for medical, for a total allocation of \$390,818, maintain Brinson Benefits as the agent of record and authorize the City Manager to execute the agreement. Open enrollment must be completed before August 30, 2018.

VIII. Attachments:

1.	1-Approval of Insurance Bid Award.8.2018	1-Approval of Insurance Bid Award.8.2018.pdf
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	UHC Renewal		BCBS Proposed	
	H S A	PPO	H S A	PPO
Individual Deductible	\$6,350 / N/A	\$5,000 / N/A	\$6,000 / \$12,000	\$5,000 / \$10,000
Family Deductible Limit	2x	2x	2x	\$14,700 / \$29,400
Coinsurance	100%	80%	100 / 70	80 / 60
Individual out of pocket max	\$6,350 / N/A	\$6,500 / N/A	\$6,000 / \$24,000	\$7,350 / \$17,000
Family out of pocket max	\$12,700 / N/A	\$13,000 / N/A	\$12,000 / \$48,000	\$14,700 / \$51,000
Medical & RX Apply to OOP	No / No	Yes / Yes	n/a	Yes / Yes
Office visit co-pay	100% AD	100% DW / \$100 DW	100 / 70 AD	\$45 / \$90
Preventive	100%	100%	100%	100%
Lab/X-ray	100% AD	80% AD	100 / 70 AD	100 / 60 AD
Outpatient Surgery	100% AD	80% AD	100 / 70 AD	80 / 60 AD
Hospital services	100% AD	80% AD	100 / 70 AD	80 / 60 AD
ER Copay or Deductible	Plan Deductible	\$250	Plan Deductible	\$500
ER Coinsurance	100% AD	80 / 80 AD	100 / 100 AD	80 / 80 AD
Urgent Care	100% AD	\$50	100 / 70 AD	\$75
Major Diag. MRI, CT, etc.	100% AD	80% AD	100 / 70 AD	80 / 60 AD
Prescription deductible	Plan Deductible	\$250 Indv / \$500 Fam	Plan Deductible	None
Prescription card	100 / 70 AD	\$0/\$50/\$100/\$250	100 / 70 AD	\$0/\$10/\$50/\$100/\$150..\$250



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: DECISION ITEMS - C.

I. Subject:

Adopt Resolution 540 designating Regular Council Meeting days and times and adopting a procedure to call special meetings; and adopting an agenda setting policy for City Council meetings

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Res 540 Resoluton to replace #519 on agenda on August 20 for consideration	Res 540 Resoluton to replace #519 on agenda on August 20 for consideration.pdf
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RESOLUTION NO. 540

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, DESIGNATING REGULAR CITY COUNCIL MEETING DAYS AND TIMES; ADOPTING A PROCEDURE TO CALL SPECIAL MEETINGS; AND ADOPTING AN AGENDA SETTING POLICY FOR CITY COUNCIL MEETINGS.

WHEREAS, the City Council conducts City Council meetings pursuant to formal agendas that are posted in accordance with the Texas Open Meetings Act; and

WHEREAS, pursuant to Section 3.08 of the Kennedale City Charter ("Charter"), the City Council shall meet in regularly scheduled city council meetings at least once a month at such times as the members may prescribe by rule; and

WHEREAS, pursuant to Section 3.08 of the Charter, special meetings may be called on the request of the Mayor or three (3) City Council Members; and

WHEREAS, pursuant to Section 3.08 of the Charter, the City Council shall determine its own rules and order of business; and

WHEREAS, the City Council desires to designate the third Tuesday of each month as the day of the regularly scheduled Council meetings; provide for permitting special work sessions of the City Council; adopt procedures to call a special meeting; adopt procedures that allow City Council members to request items to be placed on City Council agendas; and provide for the order of business on agendas.

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

SECTION 1. The City Council hereby adopts the following rules to govern regular and special meetings of the City Council:

REGULAR MEETING SCHEDULE

In accordance with Section 3.08 of the City Charter, effective October 1, 2018 Regular Meetings of the City Council shall be routinely held at 7:00 p.m. on the third Tuesday of every month. A work session may be included on the agenda of any Regular Meeting at such time as is convenient. In addition, the City Council may hold work sessions at 7:00 p.m. on the first Monday of every month for discussion of upcoming agenda items. With the concurrence of three City Council members, the date or time of the routine Regular Meeting or work session may be moved to another date or time, or may be cancelled, due to holidays, scheduling conflicts, or other necessary business reasons.

AGENDA POSTING FOR REGULAR MEETINGS

The agenda for the Regular Meeting shall be prepared by the City Manager and the Mayor. If two City Council members make a written request to the Mayor to place specific items on the agenda for a Regular Meeting, the Mayor shall include such items on the agenda unless:

- i) the request is not submitted by 5:00 p.m. one week prior to the Regular City Council Meeting;
- or ii) the Mayor determines that consideration of the items should be delayed, in which case the Mayor shall, within 24 hours, poll the remaining City Council members explaining the reasons

for desiring to delay consideration. If three or more City Council members are in favor of considering the item, it shall be placed on the agenda.

SPECIAL MEETINGS

A special meeting of the City Council may be called by the Mayor upon his own request or by the Mayor upon the request of three or more City Council members on a day or at a time other than the Regular Meeting on the third Tuesday of the month. Upon written request of two City Council members, the Mayor, City Manager or City Secretary will poll the remainder of the City Council members to determine whether or not a special meeting is needed or desired on the date requested to include, at a minimum, the items requested. Upon the concurrence of three City Council members, a special meeting shall be called. Such concurrence will be considered if provided in writing (or email) to the Mayor, City Manager or City Secretary within twenty four (24) hours of notification to City Council members of the request and if received in time to properly post an agenda pursuant to state law. The Mayor may, at his/her discretion, place any additional item(s) on the agenda that he/she believes appropriate to conduct the City's business. The concurrence of not less than four members of the City Council (the Mayor can be included as one of the four) is required for an item to be listed on the agenda of a special meeting as an action item.

AGENDA ORDER

The order of the agenda items, whether for a regular or special meeting, is at the discretion of the Mayor as the presiding officer of the City Council. Upon the concurrence of three City Council members, the order of the agenda items may be changed.

SECTION 2. The Rules adopted in this Resolution may be amended by the City Council from time to time, in accordance with the City Charter.

SECTION 3. This Resolution supersedes Resolution No. 519 adopted on March 19, 2018.

SECTION 4. This Resolution shall become effective from and after its passage.

ADOPTED BY THE CITY COUNCIL, THIS ____ DAY OF _____, 2018.

APPROVED:

Mayor

ATTEST:

City Secretary



Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: DECISION ITEMS - D.

I. Subject:

Adopt Ordinance 647 Authorizing the issuance of Combination Tax and Revenue Certificates of Obligation, Series 2018

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	CO Ordinance-2018 Kennedale-2	CO Ordinance-2018 Kennedale-2.pdf
2.	Paying Agent Ag - 2018 Kennedale-1	Paying Agent Ag - 2018 Kennedale-1.pdf
3.	Closing Docs - 2018 Kennedale COs-1	Closing Docs - 2018 Kennedale COs-1.pdf

ORDINANCE NO. _____

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF
\$_____ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY
OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2018"; SECURING THE
PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL
AD VALOREM TAX AND A PLEDGE OF SURPLUS REVENUES OF THE
CITY'S WATERWORKS AND SEWER SYSTEM; AND APPROVING AND
AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR
AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER
INSTRUMENTS AND PROCEDURES RELATED THERETO**

DATE OF APPROVAL: AUGUST 20, 2018

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ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF \$ _____ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF SURPLUS REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

THE STATE OF TEXAS
COUNTY OF TARRANT
CITY OF KENNEDALE

§
§
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WHEREAS, the CITY OF KENNEDALE, TEXAS (the "**City**") in Tarrant County, Texas, is a political subdivision of the State of Texas operating as a home rule municipality under the Constitution and laws of the State of Texas and its City Charter, which was initially approved by the qualified voters of the City on January 17, 1998, and was most recently amended by the qualified voters of the City on May 16, 2016; and

WHEREAS, the City Council of the City hereby determines that it is necessary and desirable to finance all or a portion of the costs to (i) construct street improvements in various locations in the City, together with curbs, gutters, sidewalks, utility relocation and/or drainage improvements incidental thereto, (ii) construct additional drainage improvements unrelated to the aforementioned street improvements, and (iii) construct or make repairs, extensions, additions, and improvements to, and acquire and install equipment related to the City's waterworks and sewer system (collectively, the "**Projects**"); and

WHEREAS, the City Council of the City intends to finance the Projects from proceeds derived from the sale of a series of Combination Tax and Revenue Certificates of Obligation issued by the City pursuant to Sections 271.041 - 271.064, Texas Local Government Code, as amended; and

WHEREAS, the City Council has determined that no bond proposition to authorize the issuance of bonds for the same purpose as any of the Projects being financed with the proceeds of the Certificates of Obligation authorized by this Ordinance was submitted to the voters of the City during the preceding three years and failed to be approved; and

WHEREAS, on June 18, 2018, the City Council adopted a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation in the principal amount not to exceed \$4,200,000 to finance the Projects; and

WHEREAS, the Notice with respect to the Projects was duly published in the *Fort Worth Star-Telegram*, which is a newspaper of general circulation in the City, in its issues of June 21, 2018 and June 28, 2018; and

WHEREAS, the City received no petition signed by at least five percent of the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

WHEREAS, it is considered to be in the best interest of the City that said interest bearing Certificates of Obligation be issued; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

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

SECTION 1. AMOUNT AND PURPOSE OF THE CERTIFICATES OF OBLIGATION. The certificate of obligation or certificates of obligation of the City further described in Section 2 of this Ordinance and referred to herein as the "Certificates of Obligation" or the "Certificates" are hereby authorized to be issued and delivered in the aggregate principal amount of \$_____ **FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, (1) CONTRACTUAL OBLIGATIONS TO FINANCE ALL OR A PORTION OF THE COSTS TO (A) CONSTRUCT STREET IMPROVEMENTS IN VARIOUS LOCATIONS IN THE CITY, TOGETHER WITH CURBS, GUTTERS, SIDEWALKS, UTILITY RELOCATION AND/OR DRAINAGE IMPROVEMENTS INCIDENTAL THERETO, (B) CONSTRUCT ADDITIONAL DRAINAGE IMPROVEMENTS UNRELATED TO THE AFOREMENTIONED STREET IMPROVEMENTS, AND (C) CONSTRUCT OR MAKE REPAIRS, EXTENSIONS, ADDITIONS, AND IMPROVEMENTS TO, AND ACQUIRE AND INSTALL EQUIPMENT RELATED TO THE CITY'S WATERWORKS AND SEWER SYSTEM; (2) THE LEGAL, FISCAL AND ENGINEERING FEES IN CONNECTION WITH SUCH PROJECTS; AND (3) COSTS OF ISSUANCE.**

SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE CERTIFICATES OF OBLIGATION. Each certificate of obligation issued pursuant to and for the purpose described in Section 1 of this Ordinance shall be designated **CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018**, and initially there shall be issued, sold and delivered hereunder one fully registered certificate of obligation, without interest coupons, dated August 15, 2018, in the aggregate principal amount of \$_____, numbered T-1 (the "**Initial Certificate of Obligation**"), with certificates of obligation issued in replacement thereof being in the denomination of \$5,000 or any integral multiple thereof and numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Certificate of Obligation being payable to the initial purchaser designated in Section 16 hereof), or to the registered assignee or assignees of said

certificates of obligation or any portion or portions thereof (in each case, the "**Registered Owner**"), and the certificates of obligation shall mature and be payable serially on **February 15** in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT (\$)</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT (\$)</u>
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	

The term "**Certificates of Obligation**" or "**Certificates**" as used in this Ordinance shall mean and include the Certificates of Obligation initially issued and delivered pursuant to this Ordinance and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "**Certificate of Obligation**" or "**Certificates**" shall mean any of the Certificates of Obligation.

SECTION 3. INTEREST. The Certificates of Obligation shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance to their respective dates of maturity or prior redemption at the following rates per annum:

[The remainder of this page intentionally left blank]

<u>YEAR OF MATURITY</u>	<u>INTEREST RATE (%)</u>	<u>YEAR OF MATURITY</u>	<u>INTEREST RATE (%)</u>
2019		2029	
2020		2030	
2021		2031	
2022		2032	
2023		2033	
2024		2034	
2025		2035	
2026		2036	
2027		2037	
2028		2038	

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance.

SECTION 4. CHARACTERISTICS OF THE CERTIFICATES OF OBLIGATION; APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT.

(a) Registration, Transfer, and Exchange; Authentication. The City shall keep or cause to be kept at the designated corporate trust or commercial banking office of **UMB BANK, N.A.** (currently located in Dallas, Texas) (the "**Paying Agent/Registrar**") books or records for the registration of the transfer and exchange of the Certificates of Obligation (the "**Registration Books**"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as Exhibit A is a copy of the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor, Mayor Pro-Tem and City Secretary of the City are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate of Obligation to which payments with respect to the Certificates of Obligation shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Certificates of Obligation shall be made within three business days after request and presentation thereof. The City shall have

the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Certificate of Obligation or Certificates of Obligation shall be paid as provided in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance. Registration of assignments, transfers and exchanges of Certificates of Obligation shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. Each substitute Certificate of Obligation shall bear a letter and/or number to distinguish it from each other Certificate of Obligation.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate of Obligation, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Certificate of Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates of Obligation and Certificates of Obligation surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Certificate of Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates of Obligation in the manner prescribed herein, and said Certificates of Obligation shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of Certificates of Obligation as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Certificate of Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates of Obligation which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(b) Payment of Certificates of Obligation and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates of Obligation, all as provided in this Ordinance. The Paying Agent/ Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates of Obligation.

(c) In General. The Certificates of Obligation (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates of Obligation to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the City at least 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates of Obligation, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities.

ties with respect to the Certificates of Obligation, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. The Initial Certificate of Obligation is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate of Obligation issued in exchange for the Initial Certificate of Obligation issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate of Obligation delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION below, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate of Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Certificates of Obligation that at all times while the Certificates of Obligation are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates of Obligation under this Ordinance, and that the Paying Agent/Registrar will be one entity and shall be an entity registered with the Securities and Exchange Commission. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates of Obligation, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates of Obligation, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System for Certificates of Obligation. The Certificates of Obligation issued in exchange for the Certificates of Obligation initially issued to the purchaser specified in Section 16 herein shall be initially issued in the form of a separate single fully registered Certificate of Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate of Obligation shall be registered in the name of Cede & Co., as nominee of The

Depository Trust Company of New York ("**DTC**"), and except as provided in subsection (i) hereof, all of the outstanding Certificates of Obligation shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates of Obligation registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("**DTC Participant**") to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates of Obligation. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates of Obligation, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Certificates of Obligation, as shown on the Registration Books, of any notice with respect to the Certificates of Obligation, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates of Obligation, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates of Obligation. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate of Obligation is registered in the Registration Books as the absolute owner of such Certificate of Obligation for the purpose of payment of principal and interest with respect to such Certificate of Obligation, for the purpose of registering transfers with respect to such Certificate of Obligation, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates of Obligation only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Certificates of Obligation to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Certificate of Obligation certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only Systems. In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Certificates of Obligation that they be able to obtain certificated Certificates of Obligation, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates of Obligation to such successor securities depository or (ii) notify DTC and

DTC Participants of the availability through DTC of Certificates of Obligation and transfer one or more separate Certificates of Obligation to DTC Participants having Certificates of Obligation credited to their DTC accounts. In such event, the Certificates of Obligation shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names registered owners transferring or exchanging Certificates of Obligation shall designate, in accordance with the provisions of this Ordinance.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate of Obligation is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Certificate of Obligation and all notices with respect to such Certificate of Obligation shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(h) DTC Letter of Representation. The officers of the City are herein authorized for and on behalf of the City and as officers of the City to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Certificates of Obligation.

(i) Delivery of Initial Certificate of Obligation. On the closing date, one Initial Certificate of Obligation representing the entire principal amount of the respective series of Certificates of Obligation, payable in stated installments to the initial registered owner named in Section 16 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Certificate of Obligation, the Paying Agent/Registrar shall cancel the Initial Certificate of Obligation and deliver to the initial registered owner or its designee one registered definitive Certificate of Obligation for each year of maturity of the Certificates of Obligation, in the aggregate principal amount of all of the Certificates of Obligation for such maturity.

SECTION 5. FORM OF CERTIFICATE OF OBLIGATION. The form of the Certificates of Obligation, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached only to the Certificates of Obligation initially issued and delivered pursuant to this Ordinance), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

FORM OF CERTIFICATE OF OBLIGATION

R-	UNITED STATES OF AMERICA STATE OF TEXAS COUNTY OF TARRANT CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018	PRINCIPAL AMOUNT \$ _____
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INTEREST RATE	MATURITY DATE	DATE OF SERIES	CUSIP NO.
____ %	August 15, 20__	August 15, 2018	489332 ____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ **DOLLARS**

ON THE MATURITY DATE specified above, the **CITY OF KENNEDALE, TEXAS** (the "**City**"), being a political subdivision and a home rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "**Registered Owner**"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from August 15, 2018 at the Interest Rate per annum specified above, payable on February 15, 2019, and semiannually on each February 15 and August 15 thereafter to the Maturity Date specified above; or the date of redemption prior to maturity, except that if this Certificate of Obligation is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate of Obligation or Certificates of Obligation, if any, for which this Certificate of Obligation is being exchanged is due but has not been paid, then this Certificate of Obligation shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate of Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate of Obligation shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate of Obligation at maturity or upon the date fixed for redemption prior to maturity, at the designated corporate trust or commercial banking office of **UMB BANK, N.A.** (currently located in Dallas, Texas), which is the "**Paying Agent/Registrar**" for this Certificate of Obligation. The payment of interest on this Certificate of Obligation shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable

solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate of Obligation (the "**Ordinance**") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "**Record Date**") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "**Special Record Date**") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "**Special Payment Date**" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Certificate of Obligation prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate of Obligation for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Certificates of Obligation shall be payable in the regular manner described above). The City covenants with the Registered Owner of this Certificate of Obligation that on or before each principal payment date, interest payment date and accrued interest payment date for this Certificate of Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates of Obligation, when due.

IF THE DATE FOR THE PAYMENT OF the principal of or interest on this Certificate of Obligation shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE OF OBLIGATION is one of a series of Certificates of Obligation dated as of August 15, 2018, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$_____ **FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, (1) CONTRACTUAL OBLIGATIONS TO FINANCE ALL OR A PORTION OF THE COSTS TO (A) CONSTRUCT STREET IMPROVEMENTS IN VARIOUS LOCATIONS IN THE CITY, TOGETHER WITH CURBS, GUTTERS, SIDEWALKS, UTILITY RELOCATION AND/OR DRAINAGE IMPROVEMENTS INCIDENTAL THERETO, (B) CONSTRUCT ADDITIONAL DRAINAGE IMPROVEMENTS UNRELATED TO THE AFOREMENTIONED STREET IMPROVEMENTS, AND (C) CONSTRUCT OR MAKE**

REPAIRS, EXTENSIONS, ADDITIONS, AND IMPROVEMENTS TO, AND ACQUIRE AND INSTALL EQUIPMENT RELATED TO THE CITY'S WATERWORKS AND SEWER SYSTEM; (2) THE LEGAL, FISCAL AND ENGINEERING FEES IN CONNECTION WITH SUCH PROJECTS; AND (3) COSTS OF ISSUANCE.

ON FEBRUARY 15, 2028, OR ON ANY DATE THEREAFTER, the Certificates of Obligation of this Series maturing on and after February 15, 2029, may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part (provided that a portion of a Certificate of Obligation may be redeemed only in an integral multiple of \$5,000), at the redemption price of the principal amount of Certificates of Obligation called for redemption, plus accrued interest thereon to the date fixed for redemption. The City shall determine the maturity or maturities, and the principal amount of Certificates of Obligation within each maturity, to be redeemed. If less than all Certificates of Obligation of a maturity are to be redeemed, the particular Certificates of Obligation to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot.

[ADDITIONALLY, THE CERTIFICATES OF OBLIGATION MATURING on February 15 in each of the years ____, ____, and ____ (collectively, the "**Term Certificates**") are subject to mandatory redemption prior to maturity in part by lot, at a price equal to the principal amount thereof plus accrued interest to the date of redemption, on the dates and in the respective principal amounts shown below:

TERM CERTIFICATES MATURING FEBRUARY 15, 20__		TERM CERTIFICATES MATURING FEBRUARY 15, 20__	
<u>Mandatory Redemption Date</u>	<u>Redemption Amount (\$)</u>	<u>Mandatory Redemption Date</u>	<u>Redemption Amount (\$)</u>
February 15, 20__		February 15, 20__	
February 15, 20__		February 15, 20__	
February 15, 20__ (maturity)		February 15, 20__ (maturity)	

TERM CERTIFICATES MATURING FEBRUARY 15, 20__	
<u>Mandatory Redemption Date</u>	<u>Redemption Amount (\$)</u>
February 15, 20__	
February 15, 20__	
February 15, 20__ (maturity)	

The principal amount of the Term Certificates required to be redeemed pursuant to the operation of such mandatory redemption requirements may be reduced, at the option of the City, by the principal amount of any such Term Certificates which, prior to the date of the mailing of notice of such mandatory redemption, (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (ii) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City, or (iii) shall have been redeemed pursuant to the optional redemption provisions described in the preceding paragraph and not theretofore credited against a mandatory redemption requirement.]

AT LEAST 30 DAYS PRIOR TO THE DATE FIXED for any redemption of Certificates of Obligation or portions thereof prior to maturity, a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the Registered Owner of each Certificate of Obligation to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. The notice with respect to an optional redemption of Certificates of Obligation may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date, or (2) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of an authorized representative to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if such notice is so rescinded. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates of Obligation or portions thereof which are to be so redeemed. If such written notice of redemption is mailed (and not rescinded), and if due provision for such payment is made, all as provided above, the Certificates of Obligation or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate of Obligation shall be redeemed a substitute Certificate of Obligation or Certificates of Obligation having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

ALL CERTIFICATES OF OBLIGATION OF THIS SERIES are issuable solely as fully registered Certificates of Obligation, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Certificate of Obligation, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Certificates of Obligation, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be,

having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate of Obligation to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate of Obligation must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate of Obligation or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate of Obligation or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate of Obligation may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate of Obligation or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Certificate of Obligation or portion thereof shall be paid by the City, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date.

WHENEVER THE BENEFICIAL OWNERSHIP of this Certificate of Obligation is determined by a book entry at a securities depository for the Certificates of Obligation, the foregoing requirements of holding, delivering or transferring this Certificate of Obligation shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT ANY PAYING AGENT/REGISTRAR for the Certificates of Obligation is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates of Obligation.

IT IS HEREBY CERTIFIED, RECITED, AND COVENANTED that this Certificate of Obligation has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Certificate of Obligation have been performed, existed, and been done in accordance with law; that this Certificate of Obligation is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate of Obligation, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits prescribed by law and that this Certificate of Obligation is additionally secured by a lien on and pledge of Surplus Revenues

received by the City from the ownership and operation of the City's Waterworks and Sewer System, all as provided in the Ordinance authorizing the Certificates of Obligation.

THE CITY ALSO HAS RESERVED THE RIGHT TO AMEND the Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates of Obligation.

BY BECOMING THE REGISTERED OWNER of this Certificate of Obligation, the Registered Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Certificate of Obligation and the Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Certificate of Obligation to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-Tem of the City, and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate of Obligation.

Countersigned:

(facsimile signature)
City Secretary, City of Kennedale, Texas

(facsimile signature)
Mayor [Pro-Tem], City of Kennedale, Texas

(CITY SEAL)

FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Certificate of Obligation has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Certificate of Obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts
of the State of Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate of Obligation is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate of Obligation has been issued under the provisions of the Ordinance described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for a certificate of obligation or certificates of obligation, or a portion of a certificate of obligation or certificates of obligation of a series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated

UMB BANK, N.A.

Dallas, Texas

Paying Agent/Registrar

By _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Certificate of Obligation, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Certificate of Obligation and all rights hereunder unto _____

/_____/_____
(Assignee's Social Security or (Please print or typewrite Assignee's name and address,
Taxpayer Identification Number) including zip code)

and hereby irrevocably constitutes and appoints _____
attorney to transfer the registration of this Certificate of Obligation on the Paying Agent/Registrar's
Registration Books with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by
a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature above must
correspond with the name of the Registered
Owner as it appears upon the front of this
Certificate of Obligation in every particular,
without alteration or enlargement or any
change whatsoever.

INITIAL CERTIFICATE OF OBLIGATION INSERTIONS

The Initial Certificate of Obligation shall be in the form set forth above except that:

- (A) Immediately under the name of the Certificate of Obligation, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.
- (B) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the **CITY OF KENNEDALE, TEXAS** (the "**City**"), being a political subdivision and a home rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "**Registered Owner**"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve

30-day months) from August 15, 2018, at the Interest Rates per annum specified below, payable on February 15, 2019, and semiannually on each February 15 and August 15 thereafter to the respective Maturity Dates specified below, or the date of redemption prior to maturity. The respective Maturity Dates, Principal Installments and Interest Rates for this Certificate of Obligation are set forth in the following schedule:

<u>MATURITY DATE (FEB. 15)</u>	<u>PRINCIPAL INSTALLMENT (\$)</u>	<u>INTEREST RATE (%)</u>	<u>MATURITY DATE (FEB. 15)</u>	<u>PRINCIPAL INSTALLMENT (\$)</u>	<u>INTEREST RATE (%)</u>
20__			20__		
20__			20__		
20__			20__		

[Insert principal and interest information from Sections 2 and 3 above]

(C) The Initial Certificate of Obligation shall be numbered "T-1."

SECTION 6. INTEREST AND SINKING FUND; TAX LEVY; SECURITY INTEREST.

(a) Interest and Sinking Fund; Tax Levy. A special Interest and Sinking Fund for the Certificates of Obligation (the "***Interest and Sinking Fund***") is hereby created solely for the benefit of the Certificates of Obligation, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates of Obligation. All ad valorem taxes levied and collected for and on account of the Certificates of Obligation shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which, together with "Surplus Revenues" with respect to the Certificates of Obligation (as described in Section 7 below) budgeted to pay principal and interest coming due during such fiscal year, will be sufficient to raise and produce the money required to pay the interest on the Certificates of Obligation as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates of Obligation as such principal matures (but never less than 2% of the original principal amount of the Certificates of Obligation as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the respective Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates of Obligation, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) Security Interest. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates of Obligation and the pledge of the ad valorem taxes and Surplus Revenues granted by the City under Section 6(a) and Section 7, respectively, of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates of Obligation are outstanding and unpaid such that the pledge of the ad valorem taxes or Surplus Revenues granted by the City under Section 6(a) and Section 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Certificates of Obligation the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 7. SURPLUS REVENUES. Pursuant to Section 271.052, Texas Local Government Code, as amended, and Chapter 1502, Texas Government Code, as amended, the Certificates of Obligation additionally shall be payable from and secured by surplus revenues derived by the City from the City's Waterworks and Sewer System remaining after (a) payment of all amounts constituting operation and maintenance expenses of said Waterworks and Sewer System, and (b) payment of all debt service, reserve, and other requirements and amounts required to be paid under all ordinances heretofore or hereafter authorizing (i) all bonds and (ii) all other obligations not on a parity with the Certificates of Obligation, which are payable from and secured by any Waterworks and Sewer System revenues, and (c) payment of all amounts payable from any Waterworks and Sewer System revenues pursuant to contracts heretofore or hereafter entered into by the City in accordance with law (the "**Surplus Revenues**"). If for any reason the City fails to deposit ad valorem taxes levied pursuant to Section 6 hereof to the credit of the Interest and Sinking Fund in an amount sufficient to pay, when due, the principal of and interest on the Certificates of Obligations, then Surplus Revenues may be deposited to the credit of the Interest and Sinking Fund and used to pay such principal and/or interest. The City reserves, and shall have, the right to issue bonds and other obligations not on a parity with the Certificates of Obligation, and to enter into contracts, in accordance with applicable laws, to be payable from and secured by any Waterworks and Sewer System revenues.

SECTION 8. CONSTRUCTION FUND. There is hereby created and established in the depository of the City, a fund to be called the *City of Kennedale, Texas Combination Tax and Revenue Certificates of Obligation (Series 2018) Construction Fund* (herein called the "**Construction Fund**"). Proceeds from the sale and delivery of the Certificates of Obligation (other than proceeds representing accrued interest on the Certificates of Obligation, if any, and any premium on the Certificates of Obligation that is not used by the City to pay costs of issuance or costs related to the purpose for which the Certificates of Obligation have been issued in accordance with the provisions of Section 1201.042(d)(3) and (4), Texas Government Code, as amended, which shall be deposited in the Interest and Sinking Fund) shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the City for payment of all costs incurred in carrying out the purpose for which the Certificates of Obligation are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the projects being financed with proceeds of the Certificates of Obligation and the issuance of the Certificates of Obligation. All funds remaining on deposit in

the Construction Fund upon completion of the projects being financed with the proceeds from the Certificates of Obligation, if any, shall be transferred to the Interest and Sinking Fund.

SECTION 9. INVESTMENTS. Funds on deposit in the Interest and Sinking Fund and the Construction Fund shall be secured by the depository bank of the City in the manner and to the extent required by law to secure other public funds of the City and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the City's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required, and investments purchased for and held in the Construction Fund shall have a final maturity of not later than the date the City reasonably expects the funds from such investments will be required to pay costs of the projects for which the Certificates of Obligation were issued. Income and profits from such investments shall be deposited in the respective Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the City and deposited in the Interest and Sinking Fund to pay all or a portion of the interest next coming due on the Certificates of Obligation. It is further provided, however, that any interest earnings on Certificate of Obligation proceeds which are required to be rebated to the United States of America pursuant to Section 14 hereof in order to prevent the Certificates of Obligation from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 10. EMPOWERED. The City Manager and Director of Finance are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

SECTION 11. DEFEASANCE OF THE CERTIFICATES OF OBLIGATION.

(a) Defeasance. Any Certificate of Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "**Defeased Certificate of Obligation**") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate of Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "**Future Escrow Agreement**") for such payment (1) lawful money of the United States of America sufficient to make such payment and/or (2) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates of Obligation shall have become due and payable. Thereafter, the City will have no further responsibility with respect to amounts available to the Paying Agent/Registrar for the payment of such Defeased Certificate of Obligation, including any insufficiency therein caused by

the failure of the escrow agent under such Future Escrow Agreement to receive payment when due on the Defeasance Securities. At such time as a Certificate of Obligation shall be deemed to be a Defeased Certificate of Obligation hereunder, as aforesaid, such Certificate of Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates of Obligation that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Certificates of Obligation for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates of Obligation immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Investment of Funds in Defeasance Securities. Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates of Obligation and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates of Obligation may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates of Obligation, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) Definition of Defeasance Securities. The term "***Defeasance Securities***" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Certificates of Obligation.

(d) Duties of Paying Agent/Registrar. Until all Defeased Certificates of Obligation shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates of Obligation the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) Selection of Certificates of Obligation to be Defeased. In the event that the City elects to defease less than all of the principal amount of Certificates of Obligation of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates of Obligation by such random method as it deems fair and appropriate.

SECTION 12. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES OF OBLIGATION.

(a) Replacement Certificates of Obligation. In the event any outstanding Certificate of Obligation is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new certificate of obligation of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate of Obligation, in replacement for such Certificate of Obligation in the manner hereinafter provided.

(b) Application for Replacement Certificates of Obligation. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates of Obligation shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner applying for a replacement certificate of obligation shall furnish to the City and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate of Obligation, as the case may be. In every case of damage or mutilation of a Certificate of Obligation, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate of Obligation so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Certificate of Obligation shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate of Obligation, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate of Obligation) instead of issuing a replacement Certificate of Obligation, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates of Obligation. Prior to the issuance of any replacement certificate of obligation, the Paying Agent/Registrar shall charge the registered owner of such Certificate of Obligation with all legal, printing, and other expenses in connection therewith. Every replacement certificate of obligation issued pursuant to the provisions of this Section by virtue of the fact that any Certificate of Obligation is lost, stolen, or destroyed shall

constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Certificate of Obligation shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates of Obligation duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates of Obligation. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement certificate of obligation without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such certificates of obligations is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates of Obligation in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Certificates of Obligation issued in exchange for other Certificates of Obligation.

SECTION 13. CUSTODY, APPROVAL, AND REGISTRATION OF THE CERTIFICATES OF OBLIGATION; BOND COUNSEL'S OPINION, AND CUSIP NUMBERS. The Mayor or Mayor Pro-Tem of the City is hereby authorized to have control of the Certificates of Obligation initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates of Obligation pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates of Obligation said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates of Obligation, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City), a statement regarding the issuance of a municipal bond insurance policy to secure payment of the debt service on the Certificates of Obligation, if any, and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates of Obligation issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates of Obligation.

SECTION 14. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE CERTIFICATES OF OBLIGATION.

(a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates of Obligation as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Certificates of Obligation or

the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates of Obligation, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Certificates of Obligation (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates of Obligation being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates of Obligation being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates of Obligation, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates of Obligation, other than investment property acquired with --

(A) proceeds of the Certificates of Obligation invested for a reasonable temporary period of three years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Certificates of Obligation are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates of Obligation;

(7) to otherwise restrict the use of the proceeds of the Certificates of Obligation or amounts treated as proceeds of the Certificates of Obligation, as may be necessary, so that

the Certificates of Obligation do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage); and

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates of Obligation) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates of Obligation have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "**Rebate Fund**" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the holders of the Certificates of Obligation. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates of Obligation. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates of Obligation, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates of Obligation, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates of Obligation under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor and Director of Finance of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates of Obligation.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (collectively referred to herein as the "**Projects**") on its books and records in accordance with the requirements of the Internal Revenue Code. The City

recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates of Obligation, or (2) the date the Certificates of Obligation are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The City covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates of Obligation. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as Exhibit B as the City's written procedures.

(g) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

(h) Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Certificates of Obligation as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (i) that during the calendar year in which the Certificates of Obligation are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates of Obligation, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (ii) that the City reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Certificates of Obligation are issued, by the City (or any subordinate entities) will not exceed \$10,000,000; and (iii) that the City will take such action or refrain from such action as necessary, and as more particularly

set forth in this Section, in order that the Certificates of Obligation will not be considered "private activity bonds" within the meaning of section 141 of the Code.

SECTION 15. CONTINUING DISCLOSURE UNDERTAKING.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"**EMMA**" means the Electronic Municipal Market Access system being established by the MSRB.

"**MSRB**" means the Municipal Securities Rulemaking Board.

"**Rule**" means SEC Rule 15c2-12, as amended from time to time.

"**SEC**" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2018, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by this Ordinance being the information described in Exhibit C hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such required time, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB through EMMA of the date of the new fiscal year end prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this paragraph (b).

The financial information to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Event Notices.

(i) The City shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates of Obligation, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of holders;
3. Redemption calls;
4. Release, substitution, or sale of property securing repayment of the Certificates of Obligation;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The City shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates of Obligation, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Certificates of Obligation, or other events affecting the tax status of the Certificates of Obligation;
6. Tender offers;
7. Defeasances;
8. Rating changes; and

9. Bankruptcy, insolvency, receivership or similar event of an obligated person.

(iii) The City shall notify the MSRB through EMMA, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates of Obligation within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 11 of this Ordinance that causes Certificates of Obligation no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates of Obligation, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates of Obligation at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OF OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates of Obligation in the primary offering of the Certificates of Obligation in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as

such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates of Obligation consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates of Obligation. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates of Obligation in the primary offering of the Certificates of Obligation. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 16. SALE AND DELIVERY OF THE CERTIFICATES OF OBLIGATION.

The Certificates of Obligation are hereby initially sold and shall be delivered to _____ ("**Purchaser**") for cash at a purchase price to \$_____ (which amount is equal to the par value thereof, plus [an/a net] original issue premium of \$_____, and less a discount retained by the purchaser of \$_____), plus accrued interest on the Certificates of Obligation from August 15, 2018 to the date of initial delivery thereof. The Certificates of Obligation initially shall be registered in the name of _____. It is hereby officially found, determined, and declared that the Purchaser is the highest bidder for the Certificates of Obligation as a result of invitations for competitive bids. It is further officially found, determined, and declared that the Certificates of Obligation have been sold at public sale to the bidder offering the lowest interest cost, after receiving sealed bids pursuant to an Official Notice of Sale and Bidding Instructions and the Preliminary Official Statement, dated August 13, 2018, prepared and distributed in connection with the sale of the Certificates of Obligation. In satisfaction of Section 1201.022(a)(3), Texas Government Code, and upon consultation with the City's Financial Advisor, the City Council hereby determines that the final terms of the Certificates of Obligation as set forth in this Ordinance and resulting from the receipt of such competitive bids are in the City's best interests.

The City (i) shall utilize \$_____ of the \$_____ that the City will receive as "original issue premium" on the sale of the Certificates of Obligation as described in the preceding paragraph and apply such amount against the \$_____ of the maximum amount stated in the notice of intention to be used for the purposes described therein and in Section 1 hereof, and (ii) shall apply the remaining balance of such original issue premium as follows: (A) \$_____ shall be applied as Purchaser's discount as consideration for purchasing the Certificates of Obligation as described in the preceding paragraph, (B) \$_____ shall be used to pay other costs of issuance of the Certificates of Obligation, and (C) \$_____ shall be deposited into the Interest and Sinking Fund, all as permitted by Section 1201.042(d), Texas Government Code, as amended.

SECTION 17. APPROVAL OF OFFICIAL STATEMENT. The City hereby approves the form and content of the Official Statement relating to the Certificates of Obligation and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Certificates of Obligation by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement for the Certificates of Obligation, dated August 13, 2018, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

SECTION 18. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The Mayor, Mayor Pro-Tem, City Secretary, City Manager, and Director of Finance of the City shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates of Obligation, the sale of the Certificates of Obligation, the Official Statement, and the Paying Agent/Registrar Agreement, and all actions related to the issuance of the Certificates of Obligation which have previously been taken by such officials are hereby ratified and approved. In addition, prior to the initial delivery of the Certificates of Obligation, the Mayor, Mayor Pro-Tem, City Secretary, City Manager, Director of Finance and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the Certificates of Obligation by the Attorney General's office. In case any officer whose signature shall appear on any Certificate of Obligation shall cease to be such officer before the delivery of such Certificate of Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Director of Finance of the City is further authorized to pay to the Attorney General of Texas prior to the delivery of the Certificates of Obligation, for the Attorney General's review of the transcript of proceedings related to the Certificates of Obligation, the amount required pursuant to Section 1202.004, Texas Government Code, as amended.

SECTION 19. ORDINANCE A CONTRACT; AMENDMENTS. This Ordinance shall constitute a contract with the Registered Owners of the Certificates of Obligation, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Certificate of Obligation remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change

which is not to the prejudice of the Registered Owners. The City may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates of Obligation, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Certificate of Obligation over any other Certificate of Obligation, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates of Obligation required for consent to any such amendment, change, modification, or rescission. Whenever the City shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the City shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 20. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Certificates of Obligation, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance and the continuation thereof for 30 days after the City has received written notice of such defaults, the Holders of any of the Certificates of Obligation shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

SECTION 21. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Purchaser and the registered owners of the Certificates of Obligation, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Purchaser and the registered owners of the Certificates of Obligation.

SECTION 22. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

SECTION 23. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 24. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its adoption by the City Council.

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***PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE,
TEXAS AT A REGULAR MEETING ON THE 20th DAY OF AUGUST, 2018, AT WHICH A
QUORUM WAS PRESENT.***

Mayor

ATTEST:

City Secretary

(CITY SEAL)

** ** ** ** **

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT
AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

EXHIBIT B

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Certificates, the City's chief financial officer (the "**Responsible Person**"), which is currently the Director of Finance will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities financed with the Certificates must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Certificates will be entered into within six (6) months of the date of delivery of the Certificates (the "**Issue Date**");
- (ii) monitor that at least 85% of the proceeds of the Certificates to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Certificates after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Certificates does not exceed an amount equal to the debt service on the Certificates in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Certificates for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Certificates are invested in an investment with a guaranteed yield for four years or more;
- (vi) maintain any official action of the City (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Certificates any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Certificates are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Certificates the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Certificates are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Certificates are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Certificates are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Certificates and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Certificates. If any portion of the Certificates is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Certificates. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 12 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The annual audited financial statements of the City or the unaudited financial statements of the City in the event audited financial statements are not completed within six months after the end of any fiscal year.
2. All quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in Table 1 therein, Tables 1 through 13 in Appendix A to the Official Statement, and in Appendix D to the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT, dated as of August 15, 2018 (this "***Agreement***"), is by and between the **CITY OF KENNEDALE, TEXAS** (the "***Issuer***") and **UMB BANK, N.A.**, Dallas, Texas (the "***Bank***"), a national bank duly organized and operating under the laws of the United States of America.

WHEREAS, the Issuer has duly authorized and provided for the issuance of its **CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018** (the "***Securities***"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof on or about September 19, 2018; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

SECTION 1.01. APPOINTMENT. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the "Ordinance" (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Ordinance, a copy of which books and records shall be maintained at the office of the Bank located in the State of Texas or shall be available to be accessed from such office located in the State of Texas.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

SECTION 1.02. COMPENSATION. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

SECTION 2.01. DEFINITIONS. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Bank Office" means the corporate trust or commercial banking office of the Bank initially located at the following address:

UMB Bank, N.A.
Attention: Corporate Trust & Escrow Services
5910 N Central Expressway, Suite 1900
Dallas, Texas 75206

The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Financial Advisor" means SAMCO Capital Markets, Inc.

"Fiscal Year" means the fiscal year of the Issuer, ending September 30.

"Holder" and **"Security Holder"** each means the Person in whose name a Security is registered in the Security Register.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Ordinance" means the resolutions, orders or ordinances of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary or any other officer of the Issuer and delivered to the Bank, together with any pricing certificate executed pursuant thereto.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Ordinance).

"Redemption Date" when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

"Stated Maturity" means the date specified in the Ordinance the principal of a Security is scheduled to be due and payable.

SECTION 2.02. OTHER DEFINITIONS. The terms "Bank," "Issuer," and "Securities" ("Security") have the meanings assigned to them in the recital paragraphs of this Agreement.

The term **"Paying Agent/Registrar"** refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

SECTION 3.01. DUTIES OF PAYING AGENT. (a) Principal Payments. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity or Redemption Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

(b) Interest Payments. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective

Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

(c) **Federal Tax Information Reporting.** To the extent required by the Code and the Regulations it shall be the duty of the Bank to report to the owners of the Securities and the Internal Revenue Service (i) the amount of "reportable payments," if any, subject to back up withholding during each year and the amount of tax withheld, if any, with respect to the payments on the Securities, and (ii) the amount of interest or amount treated as interest, such as original issue discount, on the Securities required to be included in the gross income of the owners thereof for federal income tax purposes.

SECTION 3.02. PAYMENT DATES. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Ordinance.

ARTICLE FOUR REGISTRAR

SECTION 4.01. SECURITY REGISTER - TRANSFERS AND EXCHANGES. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "***Security Register***") for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. If the Bank Office is located outside the State of Texas, a copy of the Security Register shall be kept in the State of Texas. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the Financial Industry Regulatory Authority, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

SECTION 4.02. SECURITIES. The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

SECTION 4.03. FORM OF SECURITY REGISTER. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

SECTION 4.04. LIST OF SECURITY HOLDERS. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

SECTION 4.05. RETURN OF CANCELLED SECURITIES. The Bank will, at such reasonable intervals as it determines, surrender Securities to the Issuer in lieu of which or in exchange for which other Securities have been issued, or which have been paid, or will provide a certificate of destruction relating thereto.

SECTION 4.06. MUTILATED, DESTROYED, LOST, OR STOLEN SECURITIES. The Issuer hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory

to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

SECTION 4.07. TRANSACTION INFORMATION TO ISSUER. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

SECTION 5.01. DUTIES OF BANK. The Bank undertakes to perform the duties set forth herein and in the Ordinance and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the Issuer's Financial Advisor, bond counsel or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

SECTION 5.02. RELIANCE ON DOCUMENTS, ETC. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting

upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

SECTION 5.03. RECITALS OF ISSUER. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

SECTION 5.04. MAY HOLD SECURITIES. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

SECTION 5.05. MONEY HELD BY BANK. The Bank shall deposit any moneys received from the Issuer into an account to be held in a fiduciary capacity for the payment of the Securities, with such moneys in the account that exceed the deposit insurance, available to the Issuer, provided by the Federal Deposit Insurance Corporation to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas and to the extent practicable under the laws of the United States of America to secure and be pledged as collateral for trust accounts until the principal and interest on such securities have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

Funds held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained in the name and for the benefit of the Issuer.

The Bank shall be under no liability for interest on any money received by it hereunder.

Any money deposited with the Bank for the payment on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Property Code or inactive under Chapter 73 of the Property Code.

SECTION 5.06. INDEMNIFICATION. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

SECTION 5.07. INTERPLEADER. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the County in the State of Texas where either the Bank maintains an office or the administrative offices of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction located in the State of Texas to determine the rights of any Person claiming any interest herein.

SECTION 5.08. DEPOSITORY TRUST COMPANY SERVICES. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," effective from time to time, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

SECTION 5.09. CERTIFICATE OF INTERESTED PARTIES FORM 1295. The Bank represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and, accordingly, the Bank is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

SECTION 5.10. REPRESENTATIONS REGARDING NOT BOYCOTTING ISRAEL. The Bank represents and warrants, for purposes of Chapter 2270 of the Texas Government Code, that at the time of execution and delivery of this Agreement, neither the Bank, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank (a "**Related Entity**"), boycotts Israel. The Bank agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Bank nor any Related Entity will boycott Israel during the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this Section means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business.

SECTION 5.11. NOT A LISTED COMPANY. Pursuant to Subchapter F, Chapter 2252, Texas Government Code, as amended, to the extent applicable, the Bank represents that it is not a "company," as that term is defined by Section 2270.0001(2) of the Texas Government Code, as amended, engaged in business with Iran, Sudan, or a foreign terrorist organization and that it is not on a list prepared and maintained by the Comptroller of Public Accounts of the State of Texas under Sections 2252.153 and 2270.0201 of the Texas Government Code, as amended.

ARTICLE SIX MISCELLANEOUS PROVISIONS

SECTION 6.01. AMENDMENT. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

SECTION 6.02. ASSIGNMENT. This Agreement may not be assigned by either party without the prior written consent of the other.

SECTION 6.03. NOTICES. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses set forth below:

Issuer: City of Kennedale, Texas
405 Municipal Drive
Kennedale, Texas 76060

Bank: UMB Bank, N.A.
Attention: Corporate Trust & Escrow Services
5910 N Central Expressway, Suite 1900
Dallas, Texas 75206

SECTION 6.04. EFFECT OF HEADINGS. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 6.05. SUCCESSORS AND ASSIGNS; MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto. In case any Security shall have been registered, but not delivered, by the Bank then in office, any successor by merger,

conversion, or consolidation to such authenticating Bank may adopt such registration and deliver the Security so registered with the same effect as if such successor Bank had itself registered such Security.

SECTION 6.06. SEVERABILITY. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 6.07. BENEFITS OF AGREEMENT. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

SECTION 6.08. ENTIRE AGREEMENT. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

SECTION 6.09. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

SECTION 6.10. TERMINATION. This Agreement will terminate on the date of final payment of the principal of and interest on the Securities to the Holders thereof or may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted, and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. If the 60-day notice period expires and no successor has been appointed, the Bank, at the expense of the Issuer, has the right to petition a court of competent jurisdiction to appoint a successor under the Agreement. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

SECTION 6.11. GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UMB BANK, N.A.

By: _____
Title: _____

Attest:

Title: _____

CITY OF KENNEDALE, TEXAS

By: _____
Mayor

Address: 405 Municipal Drive
Kennedale, Texas 76060

Attest:

City Secretary

SCHEDULE A

PAYING AGENT/REGISTRAR FEE SCHEDULE

See attached

\$ _____
CITY OF KENNEDALE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2018

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*Indicates documents included in the Transcript of Proceedings submitted to the Attorney General of Texas.

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

I, the undersigned City Secretary of the **CITY OF KENNEDALE, TEXAS** (the "**City**"), hereby certify as follows:

1. The City Council of the City (the "**City Council**") convened in Regular Meeting on August 20, 2018, at the City Hall (the "**Meeting**"), and the roll was called of the duly constituted officers and members of the City Council, to wit:

Brian Johnson, Mayor
Jan Joplin, Mayor Pro Tem, Place 5
Rockie Gilley, Council Member - Place 1

Chris Pugh, Council Member - Place 2
Sandra Lee, Council Member - Place 3
Linda Rhodes, Council Member - Place 4

and all of the officers and members of the City Council were present, except the following absentees: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

**ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF
\$_____ IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF
KENNEDEALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF
OBLIGATION, SERIES 2018"; SECURING THE PAYMENT THEREOF BY
AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A
PLEDGE OF SURPLUS REVENUES OF THE CITY'S WATER AND SEWER
SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A
PAYING AGENT/REGISTRAR AGREEMENT, AN OFFICIAL STATEMENT AND
ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO**

(the "Ordinance") was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Ordinance be adopted; and, after due discussion, said motion carrying with it the adoption of the Ordinance, prevailed and carried by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. A true, full and correct copy of the Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Ordinance has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 20th day of August, 2018.

(SEAL)

City Secretary, City of Kennedale, Texas

GENERAL CERTIFICATE

THE STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

We, the undersigned, hereby officially certify that we are the Mayor and City Secretary, respectively, of the **CITY OF KENNEDALE, TEXAS** (the "**City**"), and we further certify as follows:

1. This Certificate is given for the benefit of the Attorney General of the State of Texas and all parties interested in the **CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018** (the "**Certificates**"), dated as of August 15, 2018, and authorized by an ordinance passed by the City Council of the City on August 20, 2018 (the "**Ordinance**").

2. The City is a duly incorporated Home Rule City, having more than 5,000 inhabitants, operating and existing under the Constitution and laws of the State of Texas and the duly adopted Home Rule Charter of the City, which Charter has not been changed or amended since the voters of the City approved certain amendments at an election held on May 16, 2016.

3. No litigation of any nature has ever been filed pertaining to, affecting or contesting: (a) the issuance, delivery, payment, security or validity of the proposed Certificates; (b) the authority of the officers of the City to issue, execute and deliver the Certificates; or (c) the validity of the corporate existence or the current Tax Rolls of the City; and no litigation is pending pertaining to, affecting or contesting the boundaries of the City.

4. The currently effective ad valorem tax appraisal roll of the City (the "**Tax Roll**") is the Tax Roll prepared and approved during the calendar year 2018, being the most recently approved Tax Roll of the City; that the taxable property in the City has been appraised, assessed, and valued as required and provided by the Texas Constitution and Property Tax Code (collectively, "**Texas law**"); that the Tax Roll for said year has been submitted to the City Council of the City as required by Texas law, and has been approved and recorded by the City Council; and according to the Tax Roll for said year the net aggregate taxable value of taxable property in the City (after deducting the amount of all applicable exemptions required or authorized under Texas law), upon which the annual ad valorem tax of the City has been or will be imposed and levied, is \$693,034.899.

5. Attached hereto as Exhibit A is a true, full and correct schedule and statement of the aforesaid proposed Certificates, and all presently outstanding tax indebtedness of the City, and attached hereto as Exhibit B is a combined debt service schedule for all outstanding tax indebtedness of the City (including the proposed Certificates). The City is not in default as to any covenant, condition, or obligation in connection with any of such outstanding obligations or the ordinances authorizing same.

6. Revenues of the City's Waterworks and Sewer System have not been encumbered other than in connection with (i) the series of outstanding Certificates Obligation described in the attached Exhibit A, and (ii) the proposed Certificates.

7. Attached hereto as Exhibit C is a true and correct schedule of the current rates and charges for the City's Waterworks and Sewer System.

8. Attached hereto as Exhibit D is a true, full and correct schedule and statement of the income and expenses of the City's Waterworks and Sewer System for the past five fiscal years (year ending September 30).

9. The following persons are the duly elected members of the City Council of the City as of the date hereof:

Mayor	Brian Johnson
Mayor Pro Tem - Place 5	Jan Joplin
Council Member - Place 1	Rockie Gilley
Council Member - Place 2	Chris Pugh
Council Member - Place 3	Sandra Lee
Council Member - Place 4	Linda Rhodes

10. The following persons are the duly appointed City Manager, City Secretary and Director of Finance of the City as of the date hereof:

City Manager	George Campbell
City Secretary	Leslie Galloway
Director of Finance	Brady Olsen

11. The City received all required disclosure filings under Section 2252.908, Texas Government Code, in connection with the authorization and issuance of the Certificates and has notified, or will timely notify, the Texas Ethics Commission of its receipt of such filings by acknowledging such filings in accordance with the provisions of Section 2252.908, Texas Government Code, and 1 Tex. Admin. Code § 46.5(c).

12. The proceeds of the Certificates will not be used for a purpose previously rejected by the voters of the City in a bond election held during the preceding three years.

13. With respect to the contracts contained within the transcript of proceedings relating to the Bonds submitted to the Attorney General of Texas that are subject to Subchapter F of Chapter 2252, Texas Government Code, the District has confirmed that none of such counter parties are identified on a list prepared and maintained under Sections 2270.0201 or 2252.153 of the Texas Government Code, to the extent such lists have been prepared and made available for public review as of the date of this Certificate by the appropriate state agency.

SIGNED AND SEALED THIS 20TH DAY OF AUGUST, 2018.

Mayor
City of Kennedale, Texas

City Secretary
City of Kennedale, Texas

(SEAL)

EXHIBIT A

SCHEDULE OF ALL OUTSTANDING GENERAL OBLIGATION INDEBTEDNESS OF THE CITY OF KENNEDALE, TEXAS

THE PROPOSED CERTIFICATES OF OBLIGATION

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018, dated August 15, 2018, to be outstanding in the aggregate principal amount of \$_____, bearing interest and maturing as set forth in the Ordinance authorizing such Certificates.

ALL PRESENTLY OUTSTANDING TAX INDEBTEDNESS:

<u>TITLE OF OUTSTANDING OBLIGATIONS</u>	<u>DATED DATE</u>	<u>CURRENT OUTSTANDING PRINCIPAL AMOUNT (\$)</u>
General Obligation Refunding Bonds, Series 2007	02/01/2007	1,605,000
Combination Tax & Revenue Certificates of Obligation, Series 2007	02/01/2007	1,600,000
Combination Tax & Revenue Certificates of Obligation, Series 2007A	10/01/2007	1,175,000
Combination Tax & Revenue Certificates of Obligation, Series 2010	01/01/2010	1,365,000
Combination Tax & Revenue Certificates of Obligation, Series 2011	06/01/2011	1,870,000
General Obligation Refunding Bonds, Series 2016	09/01/2016	<u>3,535,000</u>
TOTAL PRINCIPAL AMOUNT CURRENTLY OUTSTANDING:	***	<u><u>11,150,000</u></u>

EXHIBIT B

COMBINED DEBT SERVICE SCHEDULE

EXHIBIT C

CURRENT WATERWORKS AND SEWER SYSTEM RATES

EXHIBIT D

**WATERWORKS AND SEWER SYSTEM
FISCAL YEAR ENDED SEPTEMBER 30**

SIGNATURE IDENTIFICATION AND NO-LITIGATION CERTIFICATE

We, the undersigned Mayor and City Secretary, respectively, of the **CITY OF KENNEDALE, TEXAS** (the "**City**"), hereby certify as follows:

(a) This Certificate is executed and delivered with reference to the **CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018**, dated August 15, 2018, authorized by an ordinance passed by the City Council of the City on August 20, 2018 (the "**Certificates**").

(b) Each of us signed the Certificates by manually executing or causing facsimiles of our manual signatures to be printed or lithographed on each of the Certificates, and we hereby adopt said facsimile signatures as our own, respectively, and declare that said facsimile signatures constitute our signatures the same as if we had manually signed each of the Certificates.

(c) The Certificates are substantially in the form, and each of them has been duly executed and signed in the manner, prescribed in the ordinance authorizing the issuance thereof.

(d) At the time we so executed and signed the Certificates we were, and at the time of executing this certificate we are, the duly chosen, qualified, and acting officers indicated therein, and authorized to execute and sign the same.

(e) No litigation of any nature has been filed or is now pending or, to our knowledge, threatened, to restrain or enjoin the issuance or delivery of any of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the proceedings or authority concerning the issuance of the Certificates, and that so far as we know and believe no such litigation is threatened.

(f) Neither the corporate existence nor boundaries of the City is being contested; no litigation has been filed or is now pending or, to our knowledge, threatened, which would affect the authority of the officers of the City to issue, execute, sign, and deliver any of the Certificates; and no authority or proceedings for the issuance of any of the Certificates have been repealed, revoked, or rescinded.

(g) We have caused the official seal of the City to be impressed, or printed, or lithographed on each of the Certificates; and said seal on each of the Certificates has been duly adopted as, and is hereby declared to be, the official seal of the City.

EXECUTED and delivered this _____.

MANUAL SIGNATURES

OFFICIAL TITLES

Brian Johnson, Mayor

Leslie Galloway, City Secretary

Before me, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this _____.

Notary Public

Typed Name _____

(My Commission Expires _____)

(Notary Seal)

CERTIFICATION OF THE OFFICIAL STATEMENT

THE STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

We are the Mayor and the Director of Finance of the **CITY OF KENNEDALE, TEXAS** (the "**Issuer**"), and we hereby certify as follows:

1. This Certificate is executed and delivered for and on behalf of the Issuer with reference to the issuance of the **CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018** (the "**Certificates**"), as referenced in the caption of the Official Statement, dated August 20, 2018, relating to the Certificates (the "**Official Statement**") entitled "OFFICIAL STATEMENT - Certification of the Official Statement." All capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Official Statement.

2. To our best knowledge and belief:

(a) the descriptions and statements of or pertaining to the City contained in the Official Statement and any addenda, supplement or amendment thereto, for the Certificates, on the date of the Official Statement, on the date of sale of the Certificates and the acceptance of the best bid therefor, and on the date of delivery, were and are true and correct in all material respects;

(b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(c) insofar as the descriptions and statements, including financial data, of, or pertaining to, entities other than the City and its activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect.

EXECUTED this _____.

Director of Finance
City of Kennedale, Texas

Mayor
City of Kennedale, Texas

August 20, 2018

Texas State Comptroller of Public Accounts
Cash and Securities Management Division
Thomas Jefferson Rusk Building
208 East 10th Street, 4th Floor, Room 448
Austin, Texas 78701-2407
Attn: Melissa Mora

**RE: CITY OF KENNEDALE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018**

Ladies and Gentlemen:

The Attorney General will deliver to you the above-described issues of obligations. At such time as you have registered such obligations, this will be your authority to deliver them to an authorized representative of McCall, Parkhurst & Horton L.L.P. who will deliver said obligations to the Paying Agent/Registrar named in the obligations for delivery to the purchasers thereof.

At the time you have registered the obligations, please deliver three copies of the Attorney General's opinion and the Comptroller's Signature Certificate covering said issue of obligations to a representative of McCall, Parkhurst & Horton L.L.P., or send such documents by overnight courier to Orlando "Jay" Juarez, Jr. and Thomas K. Spurgeon, McCall, Parkhurst & Horton L.L.P., 700 N. St. Mary's, Suite 1525, San Antonio, Texas 78205.

Sincerely yours,

CITY OF KENNEDALE, TEXAS

Mayor

cc: Attorney General of Texas

August 20, 2018

The Attorney General of Texas
Public Finance Division
300 W. 15th Street, 7th Floor
Austin, Texas 78701

**RE: CITY OF KENENDALE, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018**

Ladies and Gentlemen:

It is requested that you examine the above issues of obligations and the proceedings authorizing their issuance.

We enclose herewith one signed but undated copy of the Signature Identification and No-Litigation Certificate. Upon approval of the obligations, you are authorized to insert the date of approval in said Signature Certificate. If any litigation should develop before you have approved the obligations, we will notify you at once both by telephone and telecopy. With this assurance you can rely upon the absence of any such litigation at the time you approve the obligations unless we advise you otherwise.

After you have examined the obligations, kindly deliver them to the Office of the Comptroller of Public Accounts of the State of Texas. The Comptroller has received instructions as to disposition of such obligations following their registration.

Sincerely yours,

CITY OF KENNEDALE, TEXAS

Mayor

cc: Comptroller of Public Accounts

RECEIPT FOR PROCEEDS

The undersigned hereby certifies as follows:

(a) This Receipt is executed and delivered with reference to the **CITY OF KENNEDALE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018** (the "***Certificates***"), dated August 15, 2018, in the aggregate principal amount of \$_____ authorized by an ordinance passed by the City Council of the **CITY OF KENNEDALE, TEXAS** (the "***City***") on August 20, 2018.

(b) The undersigned is the duly chosen, qualified, and acting Director of Finance of the City.

(c) The Certificates have been duly delivered to the initial purchaser thereof, namely

(d) The Certificates have been paid for in full by said purchaser concurrently with the delivery of this Receipt, and the City has received, and hereby acknowledges receipt of, the agreed purchase price for the Certificates, being \$_____ (which amount is equal to par, plus [a/n net] original issue premium of \$_____, and less a discount retained by the purchaser of \$_____), plus accrued interest from August 15, 2018 to the date of delivery of the Certificates.

EXECUTED and delivered this _____.

CITY OF KENNEDALE, TEXAS

Director of Finance

Staff Report to the Honorable Mayor and City Council

Date: August 20, 2018

Agenda Item No: DECISION ITEMS - E.

I. Subject:

Consider adoption of Ordinance 648 revising the rates for water service and sanitary sewer service

II. Originated by:

George Campbell, City Manager

III. Summary:

Following the preliminary budget presentation to the City Council on August 9, 2018 the City Council directed the City Manager to place an ordinance on the City Council agenda of the Regular Meeting on August 20 for consideration of reducing water service rates and sanitary sewer service rates. Although specific rates to be considered were not discussed there was reference to the rate changes that had been recommended by Council Member Joplin in February, 2018 and discussed by the City Council in Work Session on April 16, 2018. For several reasons, outlined to the Council at that time, it was staff recommendation that such reduction in rates not be implemented and that such a reduction could result in a loss of revenue to the Water Fund of more than \$250,000 in FY 2018. Other reasons leading to the recommendation to delay such a reduction were also discussed including:

- Rates had already been reduced with the adoption of the FY 2018 budget
- The uncertainty and risk potential of the cost impact of maintenance from increasing use of wells as a source of potable water
- Removal of needed capital projects from the FY 2018 operating budget
- The yet to be determined impact of a possible contract with Arlington for operations and maintenance of the Kennedale utility system and the impact of the potential purchase of water from Arlington
- The absence of a thorough rate analysis to determine a proper rate structure
- The fact that a limited rate analysis being undertaken by the TRWA was not yet completed
- That any proposed rate modifications should be first reviewed by the UIB after completion of the TRWA rate analysis and commensurate with the adoption of the 2018-2019 budget

Specifically the recommendation in April 2018 was - ***For the several reasons stated above the adoption of new rates at this time is premature and is not recommended. Further consideration would be most appropriate as the budget for FY 19 is developed; the rate analysis by the TRWA is completed; and the Council has the benefit of recommendations from the UIB regarding both the capital projects and rate structure.***

The recommendation of staff is unchanged for the following reasons:

The TRWA analysis is now complete and concludes that the current rates, under current circumstances, are inadequate and should be increased rather than reduced.

The Budget for FY 2018 has been presented to Council for consideration but has not yet been discussed

or adopted. Therefore, the projection for revenue requirements is still subject to change. A loss of revenue to the water fund resulting from such a rate reduction is conservatively estimated to now be \$280,000

- If a contract with Arlington is implemented prior to January 1, 2019 that results in yet another rate change, the city would experience a \$5,000 to \$10,000 administrative cost pursuant to our contract with Fathom

Additionally the preliminary comments from the engineering firm contracted to assist the City with technical analysis of contract provisions with the City of Arlington have stated

***We would strongly recommend that Kennedale not adjust its water and sewer charges at this time because of the uncertainty of costs (and thus needed revenue) with Arlington operating the system. Elements of uncertainty include the following:
As stated above, we do not know what Arlington's Base Compensation will be.
The draft operating agreement makes repair and maintenance costs beyond \$100,000 a cost to Kennedale (in addition to the Base Compensation). It will be important to set repair and maintenance at a level that keeps the system functioning well and in good condition.
Kennedale has considerable deferred CIP needs that need to be addressed in the near future, and those will add costs to the water and wastewater system.
Any revenue collected that is not immediately needed for operation can be used to address pressing CIP needs.***

IV. Fiscal Impact Summary:

Adoption of rates suggested in April, 2018 could result in a \$280,000 loss of revenue to the water utility fund and additional costs of implementation of new rates ranging from \$5,000 - \$10,000 depending on the number of times rates are modified in any given year.

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

Staff strongly recommends that an ordinance reducing rates not be adopted at this time and that rates remain unchanged pending 1) adoption of the FY 2018 Budget; 2) completion and/or adoption of agreement(s) with the City of Arlington; 3) receipt of a recommendation from the Utility Infrastructure Board (UIB). A draft ordinance that would, if adopted, implement such rates is attached for reference only but should not be considered as a recommendation for adoption.

VIII. Attachments:

1.	4-16-18 Staff Report - Water Fund Performance	4-16-18 Staff Report - Water Fund Performance.pdf
2.	Ord 648 Draft Water_Sewer Rates Alt Joplin.2018 red	Ord 648 Draft Water_Sewer Rates Alt Joplin.2018 red.doc

Staff Report to the Honorable Mayor and City Council

Date: April 16, 2018

Agenda Item No: WORK SESSION - F.

I. Subject:

Discussion of Water Fund performance to date and the projected effects of potential rate adjustments

II. Originated by:

Brady Olsen, Finance Director

III. Summary:

At the request of Council, this item has been added to the agenda in order to discuss a possible reduction in water and sewer rates. Other issues currently under consideration by Council and staff should be considered as part of the discussion regarding water and sewer rate changes, particularly in mid-year. Other issues that should be considered include:

- Rates were reduced moderately when the FY17-18 Budget was adopted. Because most water usage/sales occur during summer months, staff is unable to estimate with the data currently available whether or not water revenue projections will be met for the current fiscal year. In addition, staff continues the increased use of wells as a short-term cost-saving measure as we strive to rebuild the fund balance. We are currently budgeting, primarily, for the direct costs of extracting well water — including electricity, chemicals, and North Texas Groundwater Conservation District fees. However, we are not fully accounting for the long-term impact on the pumps and other capital equipment required for this increase in the operation of the wells. The longer/more frequently the wells are run, the more wear-and-tear they will suffer, making them more likely to malfunction sooner and likely increasing associated expenditures. Consultations with the Public Works Department and the City of Arlington has led to the belief that these current practices are likely unsustainable. It is a short-term solution to temporarily lower costs while other, longer-term solutions to higher rates are being considered.
- All capital spending was removed from the Water budget. Council is currently discussing the possibility of initiating capital programs that may or may not impact debt requirements and rates. Although the FY17-18 Budget included roughly \$170,000 for new debt service related to the potential issuance of a Certificate of Obligation (CO) for water, wastewater, and/or stormwater capital projects, the Council declined to identify which — if any — such capital projects might be undertaken. Staff will be prepared at Council's Regular Meeting on Monday, April 16, to present a summary of priority projects for Council discussion and consideration
- Contract negotiations with the City of Arlington for the purchase of water and for the operation and maintenance of the water and sewer systems are not completed. Although contracting with Arlington may result in the feasibility of lowering rates, neither that contract determination nor the degree of impact on rates has yet been made. Mid-year and frequent rate adjustments, particularly in the absence of a rate analysis to determine proper rate structure by customer class can create confusion and is not recommended.
- Staff has reached out to the State Public Utility Commission and the Texas Rural Water Association (TRWA) to perform a high-level study of the water and sewer rates in Kennedale. We should be able to present these results to Council at the May Regular Meeting. The TRWA may recommend rates be

increased, decreased, or remain constant. Capriciously changing rates prior to the study's results, particularly given other issues stated above, could create added rate whiplash for the citizens of Kennedale.

- Using rates proposed by Mayor Pro Tem Joplin could result in a potential reduction in revenue in the current fiscal year of more than \$250,000. Relying on such projections, however, based on what we know is an outdated model is unreliable and should be avoided.

- Both a Capital Improvement Program and any proposed rate changes should be presented to the Utility Infrastructure Board (UIB) for review and recommendation. The UIB adopted a capital improvement matrix against which possible capital projects would be evaluated, first by staff and then by the UIB prior to consideration by the City Council. The matrix was discussed and agreed to by the Board late last year but has not been applied formally to specific projects since all capital was removed from the current budget. Likewise, new rates were adopted by Council commensurate with the adoption of the FY18 Budget before those rates were presented to the UIB. Given the charge to the UIB it is recommended that rate proposals by staff or Council and proposed capital programs be reviewed for recommendation by the UIB before being considered for adoption.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Postpone

Alternative Actions (see below)

VII. Alternative Actions:

For the several reasons stated above the adoption of new rates at this time is premature and is not recommended. Further consideration would be most appropriate as the budget for FY19 is developed; the rate analysis by the TRWA is completed; and the Council has the benefit of recommendations from the UIB regarding both capital projects and rate structure.

VIII. Attachments:

1.	W&S Fund through March	W&S Fund through March.pdf
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ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS, REVISING THE RATES FOR WATER SERVICE AND SANITARY SEWER SERVICE; PROVIDING AN EFFECTIVE DATE FOR THE RATES CONTAINED HEREIN; PROVIDING A PENALTY FOR PROVIDING FALSE INFORMATION TO OBTAIN A DISCOUNT ON WATER OR SEWER RATES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; 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, the City Council has adopted ordinances establishing rates for water service and sanitary sewer service within and outside the city limits of Kennedale in compliance with Sections 23-52 and 23-79 of the Code of Ordinances of the City of Kennedale; and

WHEREAS, in accordance with the provisions of Sections 23-52 and 23-79 of the Code of Ordinances of the City of Kennedale, the City Council has determined that it is in the best interests of the City of Kennedale to appropriate money to meet the funding requirements necessary to operate the water and sewer system by adopting a revised rate schedule for water and sewer rates, as provided herein.

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

SECTION 1. WATER RATES

In accordance with the provisions of Section 23-52 of the Code of Ordinances, the City Council hereby adopts water rates to fund the expenditures necessary to operate and maintain the water system and for payment of debt related to the provision of such service. The following rate schedule is hereby adopted for monthly residential and commercial/industrial water usage. The total monthly charge shall include a base rate plus a volume charge for water usage.

A. For service within the city limits:

1. Base Rate:

METER SIZE	BASE RATE RESIDENTIAL	BASE RATE COMMERCIAL/ INDUSTRIAL	BASE RATE* SENIOR/DISABLED	MULTIPLE RESIDENTIAL UNITS ON SINGLE METER
3/4"	\$20.00	\$26.00	\$20.00	\$26.00/Per Unit
1"	\$43.34	\$43.34	\$43.34	\$26.00/Per Unit
1.5"	\$86.58	\$86.58	\$86.58	\$26.00/Per Unit
2"	\$138.58	\$138.58	\$138.58	\$26.00/Per Unit
3"	\$260.00	\$260.00	\$260.00	\$26.00/Per Unit
4"	\$433.42	\$433.42	\$433.42	\$26.00/Per Unit

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

2. Volume Charge:

VOLUME	RESIDENTIAL RATE	COMMERCIAL/ INDUSTRIAL RATE**	SENIOR/DISABLED RATE
First 5,000 Gallons	\$2.75 Per 1000 Gallons	\$2.75 Per 1000 Gallons	\$2.75 Per 1000 Gallons
5,001-20,000 Gallons	\$5.36 Per 1000 Gallons	\$5.36 Per 1000 Gallons	\$5.36 Per 1000 Gallons
20,001-50,000 Gallons	\$6.70 Per 1000 Gallons	\$6.70 Per 1000 Gallons	\$6.70 Per 1000 Gallons
Over 50,000 Gallons	\$8.38 Per 1000 Gallons	\$8.38 Per 1000 Gallons	\$8.38 Per 1000 Gallons

Note: For multiple residential units on a single water meter, the volume charge shall be calculated on a per unit basis by dividing the total volume of water used by the number of residential units.

**For commercial and industrial rate, 3rd and 4th tier volume charge is the same.

B. For service outside the city limits:

1. Base Rate:

METER SIZE	BASE RATE RESIDENTIAL	BASE RATE COMMERCIAL/ INDUSTRIAL	BASE RATE SENIOR/DISABLED	MULTIPLE RESIDENTIAL UNITS ON SINGLE METER
3/4"	\$39.00	\$39.00	N/A	\$39.00/Per Unit
1"	\$97.50	\$97.50	N/A	\$39.00/Per Unit
1.5"	\$195.00	\$195.00	N/A	\$39.00/Per Unit
2"	\$312.00	\$312.00	N/A	\$39.00/Per Unit
3"	\$624.00	\$624.00	N/A	\$39.00/Per Unit
4"	\$975.00	\$975.00	N/A	\$39.00/Per Unit

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

2. Volume Charge

VOLUME	RESIDENTIAL RATE	COMMERCIAL/ INDUSTRIAL RATE*	SENIOR/DISABLED RATE
First 5,000 Gallons	\$2.75 Per 1000 Gallons	\$2.85 Per 1000 Gallons	\$2.75 Per 1000 Gallons
5,001-20,000 Gallons	\$5.36 Per 1000 Gallons	\$5.36 Per 1000 Gallons	\$5.36 Per 1000 Gallons
20,001-50,000 Gallons	\$6.70 Per 1000 Gallons	\$6.70 Per 1000 Gallons	\$6.70 Per 1000 Gallons
Over 50,000 Gallons	\$8.38 Per 1000 Gallons	\$8.38 Per 1000 Gallons*	\$8.38 Per 1000 Gallons

*For commercial rate, 3RD and 4TH tier volume charge is the same.

Note: For multiple residential units on a single water meter, the volume charge shall be calculated on a per unit basis by dividing the total volume of water used by the number of residential units.

SECTION 2. SEWER RATES

In accordance with the provisions of Section 23-79 of the Code of Ordinances, the City Council hereby adopts sewer rates to fund the expenditures necessary to operate and maintain the sewer system and for payment of debt related to the provision of such service. The following rate schedule is hereby adopted for monthly residential

and commercial/industrial sewer usage. The total monthly charge shall include a base rate plus a volume charge based on water usage.

A. For service within the city limits:

	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	SENIOR/DISABLED RATE
Min. Base Rate	\$34.00	\$55.00	\$55.00	\$34.00*
Volume	\$2.90 Per 1000 Gallons	\$6.72 Per 1000 Gallons	\$4.50 Per 1000 Gallons	\$2.90 Per 1000 Gallons

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

B. For service outside the city limits:

	RESIDENTIAL	COMMERCIAL/ INDUSTRIAL	SENIOR/DISABLED RATE
Minimum Base Rate	\$67.50	\$91.08	N/A
Volume	\$4.35 Per 1000 Gallons	\$10.08 Per 1000 Gallons	N/A

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

**SECTION 3.
RATE EFFECTIVE DATE**

The rates established in this ordinance shall supersede all prior adopted rates and shall become effective October 1, 2018.

**SECTION 4.
CUMULATIVE CLAUSE**

This Ordinance shall be cumulative of all provisions of all existing ordinances and of the Kennedale City Code (1991), as amended, and shall not repeal any of the provisions of such ordinances except in those instances where provisions of such ordinances are in direct conflict with the provisions of this ordinance. The criteria for qualifying senior citizen and disabled individual credits adopted in Ordinance No. 611 shall remain in effect.

**SECTION 5.
SEVERABILITY CLAUSE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction,

such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION 6.
PUBLICATION CLAUSE**

The City Secretary of the City of Kennedale is hereby directed to publish in the official newspaper of the City of Kennedale the caption, Section 4, the penalty clause and effective date clause of this ordinance two (2) days as authorized by section 52.013 of the Local Government Code.

**SECTION 7.
SAVINGS CLAUSE**

All rights and remedies of the City of Kennedale are expressly saved as to any and all violations of the Code of Ordinances of the City of Kennedale, as amended, or any other ordinance regarding the regulation of water and sewer rates that have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

**SECTION 8.
EFFECTIVE DATE**

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

**PASSED AND APPROVED ON THIS ____ DAY OF _____,
2018.**

CITY OF KENNEDALE:

Mayor, Brian Johnson

ATTEST:

City Secretary, Leslie Galloway

EFFECTIVE DATE: _____

APPROVED AS TO FORM AND LEGALITY:

City Attorney, Wayne Olson