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KENNEDALE CITY COUNCIL AGENDA

REGULAR MEETING | September 17, 2018
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
WORK SESSION at 5:30 PM | REGULAR SESSION at 7:00 PM

I. CALL TO ORDER

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

II. WORK SESSION

A. Discussion of items on regular agenda

B. Discussion of proposed FY2018-19 budget

1. Discussion of the General Fund
2. Discussion of the Debt Service Fund
3. Discussion of Other General Funds
4. Discussion of the Water and Sewer Fund
5. Discussion of the Storm Water Fund
6. Discussion of the Capital and Special Revenue Fund

III. REGULAR SESSION

IV. ROLL CALL

V. INVOCATION

VI. UNITED STATES PLEDGE AND TEXAS PLEDGE

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

VII. VISITOR/CITIZENS FORUM

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

VIII. 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

- Announcement proclaiming the month of September as National Senior Center Month

C. Updates from the City Manager

IX. MONITORING INFORMATION

A. Monthly Financials – August 2018

B. Monthly EDC Financials and Activity Report

X. INCIDENTAL ITEMS

XI. REQUIRED APPROVAL ITEMS (CONSENT)

All matters listed under Required Approval Items (Consent) have been previously discussed, require little or no deliberation, or are considered to be routine by the City Council. If discussion is desired, an item can be removed from the Consent Agenda and considered separately.

A. Consider approval of minutes from August 9, 2018 special meeting

B. Consider approval of minutes from August 20, 2018 regular meeting

C. Consider approval of minutes from August 23, 2018 special meeting

D. Consider and adopt Resolution 541 approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division

E. Consider and authorize City Manager to enter into a contract for audio visual system upgrades for Council Chamber

XII. DECISION ITEMS

A. Discuss and consider Ordinance 649 providing for an increase in exemptions from ad valorem taxes relating to residential homestead property owned by adult persons age sixty-five or older or who are disabled

B. Discuss and consider Ordinance 650 of the City of Kennedale, Texas, adopting the Budget for the Fiscal Year beginning October 1, 2018, and ending September 30, 2019; appropriating resources for each department, project, operation, activity, purchase, account, and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable State Law; providing for the filing and posting of the Budget as required by State Law; providing a severability clause; and providing an effective date

C. Discuss and consider ratification of property tax increase reflected in FY2018-2019 Adopted Budget

D. Discuss and consider approval of Ordinance 651, fixing and levying municipal Ad Valorem Taxes for the City of Kennedale, Texas, for the Fiscal Year beginning October 1, 2018, and ending September 30, 2019; directing the assessment and collection thereof; providing a severability clause; and providing an effective date

E. Consider adoption of Ordinance 652, revising the rates for water service and sanitary sewer service

XIII. EXECUTIVE SESSION *The City Council may meet in Closed Session at any time during the Work Session or the Regular Session, pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion of any item posted on the agenda and legal issues regarding the Open Meetings Act.*

A. Briefing on Arlington Water Contract negotiations

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 September 17, 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.

Leslie Galloway

Leslie Galloway, City Secretary

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Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: WORK SESSION - A.

I. Subject:
Discussion of items on regular agenda

II. Originated by:

Kathryn Roberson, Deputy City Secretary

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:

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: WORK SESSION - B.

I. Subject:
Discussion of proposed FY2018-19 budget

1. Discussion of the General Fund
2. Discussion of the Debt Service Fund
3. Discussion of Other General Funds
4. Discussion of the Water and Sewer Fund
5. Discussion of the Storm Water Fund
6. Discussion of the Capital and Special Revenue Fund

II. Originated by:

Brady Olsen, Finance Director

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: September 17, 2018

Agenda Item No: REPORTS/ANNOUNCEMENTS - A.

I. Subject:
Updates from the City Council

II. Originated by:

Kathryn Roberson, Deputy City Secretary

III. Summary:
Updates and information from Council members, if any.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

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Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: REPORTS/ANNOUNCEMENTS - B.

I. Subject:
Updates from the Mayor

- Announcement proclaiming the month of September as National Senior Center Month

II. Originated by:

Kathryn Roberson, Deputy City Secretary

III. Summary:

Updates and information from the Mayor.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

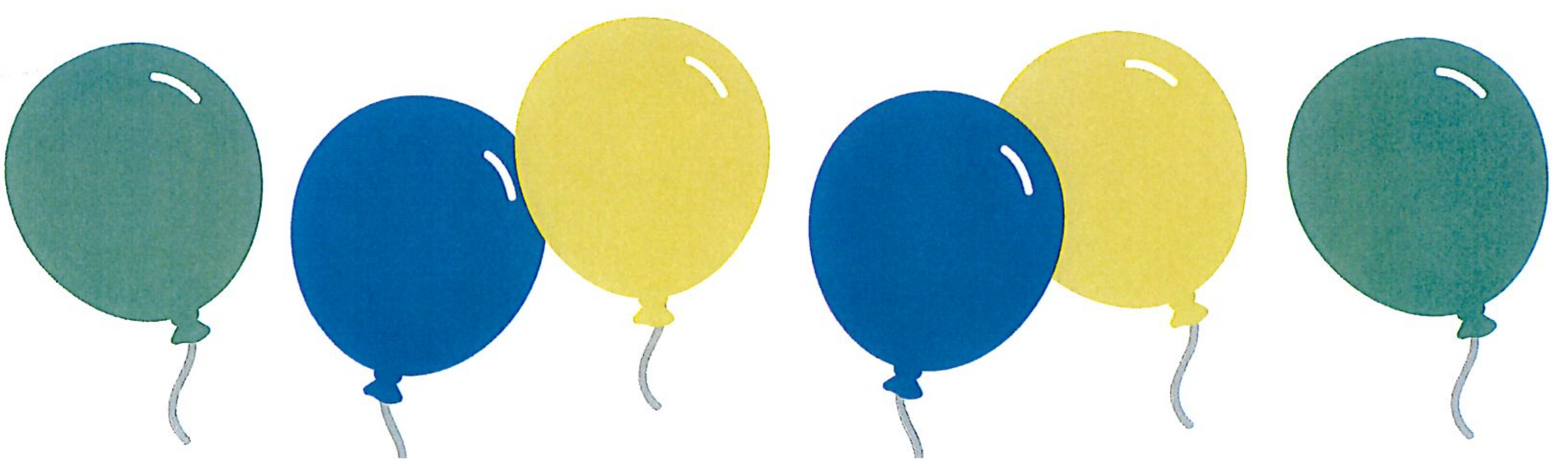
1.	20180913115105428	20180913115105428.pdf

Kennedale Senior Center Open House

Thursday, September 27
5:30 p.m.-7:30 p.m.

Come help us celebrate National Senior Center Month & see what we do every day!

Refreshments * Entertainment * Raffle Drawings *Live Demos



Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: REPORTS/ANNOUNCEMENTS - C.

I. Subject:
Updates from the City Manager

II. Originated by:

Kathryn Roberson, Deputy City Secretary

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: September 17, 2018

Agenda Item No: MONITORING INFORMATION - A.

I. Subject:
Monthly Financials – August 2018

II. Originated by:

Brady Olsen, Finance Director

III. Summary:
Monthly financials and sales tax update as produced by the Finance Department.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

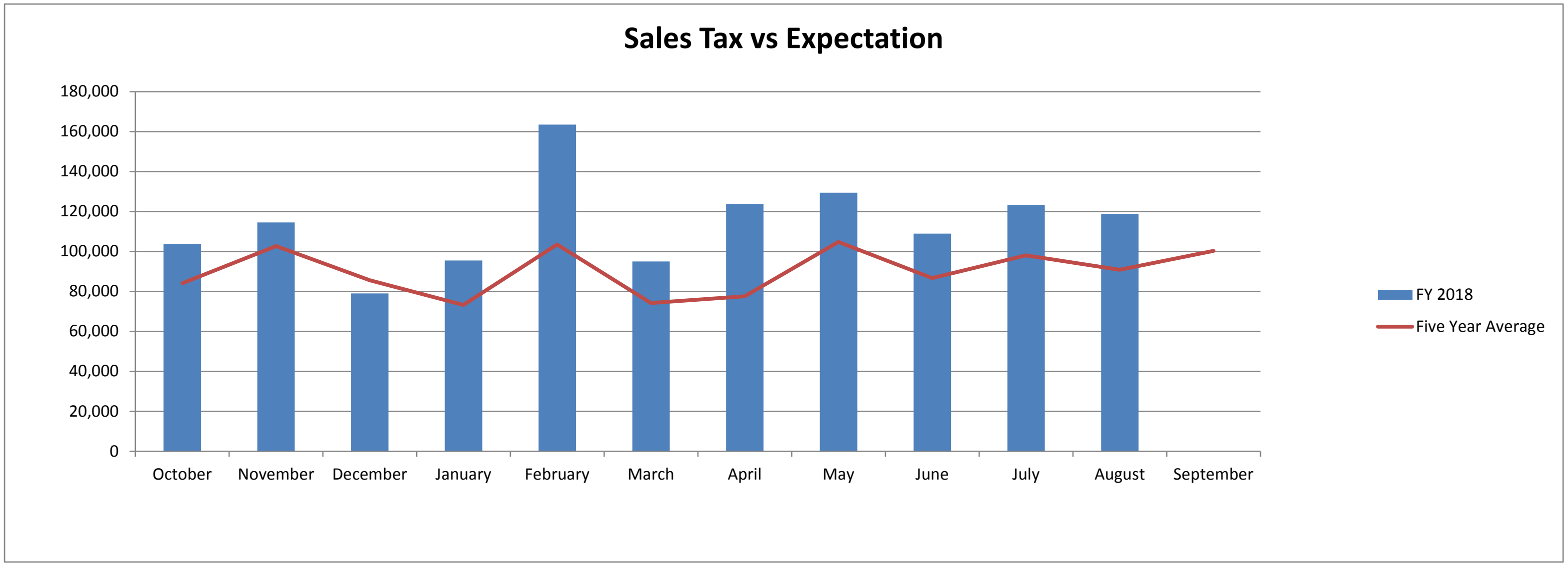
VII. Alternative Actions:

VIII. Attachments:

1.	Sales Tax Update-August	Sales Tax Update-August.pdf
2.	2018_08 Monthly Financials	2018_08 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	$ 118,770		**$ 1,263,271**
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.												$ -



Industry	Amount	% Change	Adjusted Chang	YTD	FYTD
General Services	$41,417.11	37.90%	-11.17%	$210,352.70	$287,965.21
Retail	$23,042.14	-4.35%	7.98%	$192,136.75	$260,245.92
Wholesale	$18,156.90	-12.87%	-12.02%	$153,584.62	$210,700.05
Professional Services	$17,863.49	17.55%	17.54%	$129,682.73	$178,695.29
Food	$8,181.90	10.31%	5.52%	$70,084.70	$94,841.60
Manufacturing	$6,092.62	-43.80%	28.00%	$167,536.10	$183,877.81
Miscellaneous	$2,827.63	82.59%	-21.46%	$4,430.22	$5,217.42
Agricultural	$99.80	-82.95%	0.00%	$28,612.37	$38,331.83
Accomodation	$0.00	0.00%	0.00%	$0.00	$0.00

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
August 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	$ 5,663,913	$ 6,174,185	$ 6,386,639	$ 198,817	$ 6,211,247	91.7%	97.3%	$ 175,392
OTHER GENERAL FUNDS	$ 876,695	$ 1,621,385	$ 973,127	$ 23,000	$ 560,641	54.1%	57.6%	$ 412,486
GENERAL FUND	**$ 6,540,608**	**$ 7,795,570**	**$ 7,359,766**	**$ 221,817**	**$ 6,771,888**	**83.9%**	**92.0%**	**$ 587,878**
								$ -
GENERAL DEBT SERVICE FUND	**$ 1,275,972**	**$ 1,453,154**	**$ 1,665,934**	**$ (6,936)**	**$ 1,392,268**	**87.8%**	**83.6%**	**$ 273,666**
								$ -
WATER/SEWER FUND	$ 4,123,205	$ 4,950,455	$ 4,479,449	$ 514,448	$ 4,393,891	83.3%	98.1%	$ 85,558
STORMWATER UTILITY FUND	$ 327,467	$ 463,360	$ 256,664	$ 22,183	$ 241,912	70.7%	94.3%	$ 14,752
WATER IMPACT FUND	$ 133,696	$ 152,432	$ 120,450	$ 6,613	$ 151,593	87.7%	125.9%	$ (31,143)
SEWER IMPACT FUND	$ 35,061	$ 41,762	$ 28,625	$ 4,181	$ 83,309	84.0%	291.0%	$ (54,684)
WATER/SEWER FUND	**$ 4,619,429**	**$ 5,608,009**	**$ 4,885,188**	**$ 547,425**	**$ 4,870,705**	**82.4%**	**99.7%**	**$ 14,483**
EDC4B FUND	**$ 410,592**	**$ 522,549**	**$ 575,878**	**$ 70,565**	**$ 844,142**	**78.6%**	**146.6%**	**$ (268,264)**
CAPITAL FUND	**$ 167,201**	**$ 193,473**	**$ 162,535**	**$ 13,204**	**$ 160,913**	**86.4%**	**99.0%**	**$ 1,622**
SPECIAL REVENUE FUND	**$ 95,393**	**$ 95,393**	**$ 25,067**	**$ 3,475**	**$ 13,025**	**100.0%**	**52.0%**	**$ 12,042**
TOTAL REVENUES	**$ 13,109,195**	**$ 15,668,147**	**$ 14,674,368**	**$ 849,550**	**$ 14,052,941**	**83.7%**	**95.8%**	**$ 621,427**

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	$ 5,138,546	$ 6,195,408	$ 6,453,680	$ 602,637	$ 5,468,825	82.9%	84.7%	$ 984,855
OTHER GENERAL FUND	$ 1,218,793	$ 1,820,470	$ 920,034	$ 86,993	$ 766,958	66.9%	83.4%	$ 153,076
GENERAL FUND	**$ 6,357,339**	**$ 8,015,879**	**$ 7,373,714**	**$ 689,630**	**$ 6,235,783**	**79.3%**	**84.6%**	**$ 1,137,931**
GENERAL DEBT SERVICE FUND	**$ 1,422,634**	**$ 1,423,034**	**$ 1,663,884**	**$ 35,825**	**$ 1,420,004**	**100.0%**	**85.3%**	**$ 243,880**
WATER/SEWER FUND	$ 3,341,916	$ 4,244,829	$ 4,258,316	$ 254,790	$ 3,248,831	78.7%	76.3%	$ 1,009,485
STORMWATER UTILITY FUND	$ 250,586	$ 52,571	$ 271,303		$ 129,372	476.7%	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	**$ 3,592,502**	**$ 4,511,814**	**$ 4,743,192**	**$ 254,790**	**$ 3,378,203**	**79.6%**	**71.2%**	**$ 1,364,989**
EDC4B FUND	**$ 579,253**	**$ 604,408**	**$ 592,963**	**$ 20,193**	**$ 710,159**	**95.8%**	**119.8%**	**$ (117,196)**
CAPITAL FUND	**$ 90,876**	**$ 168,210**	**$ 175,170**	**$ 4,145**	**$ 11,623**	**54.0%**	**6.6%**	**$ 163,547**
SPECIAL REVENUE FUND	**$ 99,386**	**$ 104,097**	**$ 22,984**	**$ -**	**$ 9,971**	**95.5%**	**43.4%**	**$ 13,013**
TOTAL EXPENDITURES	**$ 12,141,990**	**$ 14,827,443**	**$ 14,571,907**	**$ 1,004,583**	**$ 11,765,743**	**81.9%**	**80.7%**	**$ 2,806,164**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
August 2018

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	$ 311,996	$ 356,066	$ 352,423	$ 38,839	$ 324,881	87.6%	92.2%	$ 27,542
MAYOR/CITY COUNCIL	$ 91,780	$ 129,553	$ 115,113	$ 19,015	$ 128,269	70.8%	111.4%	$ (13,156)
CITY SECRETARY	$ 120,524	$ 152,017	$ 144,246	$ 11,748	$ 116,294	79.3%	80.6%	$ 27,952
MUNICIPAL COURT	$ 98,369	$ 110,036	$ 128,197	$ 8,342	$ 81,794	89.4%	63.8%	$ 46,403
HUMAN RESOURCES	$ 106,636	$ 110,036	$ 128,583	$ 16,437	$ 151,413	96.9%	117.8%	$ (22,830)
FINANCE	$ 259,982	$ 293,954	$ 301,564	$ 32,157	$ 314,744	88.4%	104.4%	$ (13,180)
POLICE	$ 1,910,699	$ 2,190,318	$ 2,405,689	$ 216,262	$ 1,979,491	87.2%	82.3%	$ 426,198
FIRE	$ 1,444,103	$ 1,679,349	$ 1,835,873	$ 157,707	$ 1,544,108	86.0%	84.1%	$ 291,765
COMMUNITY DEVELOPMENT	$ 246,433	$ 305,758	$ 341,663	$ 45,103	$ 272,085	80.6%	79.6%	$ 69,578
SENIOR CITIZEN CENTER	$ 42,996	$ 66,084	$ 51,439	$ 4,244	$ 44,180	65.1%	85.9%	$ 7,259
LIBRARY	$ 222,921	$ 284,790	$ 258,031	$ 39,782	$ 259,877	78.3%	100.7%	$ (1,846)
NONDEPARTMENTAL	$ 282,107	$ 504,400	$ 390,859	$ 13,002	$ 251,688	55.9%	64.4%	$ 139,171
TOTAL EXPENDITURES	**$ 5,138,546**	**$ 6,182,361**	**$ 6,453,680**	**$ 602,638**	**$ 5,468,824**	**83.1%**	**84.7%**	**$ 984,856**

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	$ 848,406	$ 1,011,907	$ 1,237,043	$ 114,990	$ 1,063,142	83.8%	85.9%	$ 173,901
WATER OPERATIONS	$ 1,075,245	$ 1,043,692	$ 1,649,405	$ 107,428	$ 1,169,014	103.0%	70.9%	$ 480,391
DEBT	$ 511,309	$ 271,274	$ 677,361	$ 44,986	$ 509,736	188.5%	75.3%	$ 167,625
W&S CAPITAL	$ 173,035	$ 181,782	$ 39,796	$ 8,630	$ 11,395		28.6%	$ 28,401
NONDEPARTMENTAL	$ 733,920	$ 1,736,173	$ 654,711	$ 32,372	$ 495,543	42.3%	75.7%	$ 159,168
TOTAL EXPENDITURES	**$ 3,341,915**	**$ 4,244,827**	**$ 4,258,316**	**$ 308,406**	**$ 3,248,830**	**78.7%**	**76.3%**	**$ 1,009,486**

STREET IMPROVEMENT FUNI	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	$ 625,345	$ 728,593	$ 698,143	$ 60,258	$ 545,064	85.8%	78.1%	$ 153,079
PARKS MAINTENANCE	$ 71,666	$ 82,981	$ 161,368	$ 6,152	$ 64,677	86.4%	40.1%	$ 96,691
CAPITAL	$ 281,935	$ 331,716	$ 60,523	$ -	$ 32		0.1%	$ 60,491
TOTAL EXPENDITURES	**$ 978,946**	**$ 1,143,290**	**$ 920,034**	**$ 66,410**	**$ 609,773**	**85.6%**	**66.3%**	**$ 310,261**

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	$ 176,860	$ 192,298	$ 195,517	$ 7,604	$ 120,606	92.0%	61.7%	$ 74,911
DEBT SERVICE	$ 319,483	$ 234,250	$ 322,365	$ 4,514	$ 249,634	136.4%	77.4%	$ 72,731
TOWN SHOPPING CENTER	$ 72,830	$ 75,209	$ 45,362	$ 8,075	$ 162,207	96.8%	357.6%	$ (116,845)
TOWNCENTER REDEVELOPMENT	$ 10,080	$ 12,653	$ -	$ -	$ 177,712		#DIV/0!	$ (177,712)
TOTAL EXPENDITURES	**$ 579,253**	**$ 514,408**	**$ 563,244**	**$ 20,193**	**$ 710,159**	**112.6%**	**126.1%**	**$ (146,915)**

Staff Report to the Honorable Mayor and City Council

Date: September 17, 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_07 Monthly Financials - EDC	2018_07 Monthly Financials - EDC.pdf
2.	Sales Tax Update-EDC July	Sales Tax Update-EDC July.pdf

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018

ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment

Monthly Information

1. $41,089 Sales Tax continues to outperform expectations, partially due to new business coming on the books
2. Board could consider paying back loan from Hughes Commercial for building repair early
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
JULY 2018

EDC CASH POSITION

CATEGORY	DESCRIPTION		FY17-18 YTD
FROM PREVIOUS MONTHS REPORT:			
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	$	64,563
BEGINNING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
BEGINNING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	30,047
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	$	121,520
BEGINNING CASH BALANCE - TOTAL		**$**	**216,130**
BEGINNING AVAILABLE CASH - TOTAL			**20,082**
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		$	38,418 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	$	97,183
ENDING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
ENDING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	30,095
ENDING CASH BALANCE - FUND 95	(Required reserves)	$	121,678
ENDING CASH BALANCE - TOTAL		**$**	**248,956**
UNAVAILABLE CASH - EARMARKED			
COMMITTED TO BUILDING ONE RENOVATION		$	29,150
2010 $2.0M BOND SALE REMAINING CASH	(Unspent bond proceeds)	$	30,095
RESERVES FOR LEVERAGE NOTE	(Required reserves)	$	121,678
TOTAL UNAVAILABLE CASH		**$**	**180,923**
AVAILABLE CASH		**$**	**68,033**

*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
JULY 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	242,842	361,319	373,835	41,089	307,590	67.2%	82.3%	66,245
INVESTMENT EARNINGS	605	790	65	650	4,061	76.6%	6247.0%	(3,996)
MISCELLANEOUS INCOME	67,791	76,716	45,120	2,894	33,142	88.4%	73.5%	11,978
SURPLUS SALES/RENTALS	69,567	82,071	121,858	12,555	428,443	84.8%	351.6%	(306,585)
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
TOTAL REVENUES	**$ 383,165**	**$ 523,257**	**$ 605,597**	**$ 57,188**	**$ 773,235**	**73.2%**	**127.7%**	**$ (197,357)**
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	19,931	44,464	25,112	4,983	116,406	44.8%	463.5%	(91,294)
SUNDRY	162,032	201,042	213,667	8,875	152,926	80.6%	71.6%	60,741
DEBT	159,898	169,431	169,777	4,912	177,532	94.4%	104.6%	(7,755)
TRANSFERS	154,819	154,819	182,307	-	67,588	100.0%	37.1%	114,720
CAPITAL	11,354	14,621	-	-	199,712	77.7%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	**$ 508,034**	**$ 584,377**	**$ 592,963**	**$ 18,770**	**$ 714,164**	**86.9%**	**120.4%**	**$ (121,201)**
REVENUES OVER EXPENDITURES	$ (124,869)	$ (61,120)	$ 12,634	$ 38,418	$ 59,071			
ENDING FUND BALANCE	**$ 188,997**	**$ 252,746**	**$ 147,418**		**$ 361,202**			
FUND BALANCE AS % OF EXP	**37.2%**	**43.3%**	**24.9%**	**0.0%**	**50.6%**			
RESERVE ($115,000) REQUIREMENT)	$ -	$ -	$ 115,000	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 188,997**	**$ 252,746**	**$ 32,418**	**$ -**	**$ 361,202**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018

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	242,842	361,319	373,835	41,089	307,590	67.2%	82.3%	66,245
INVESTMENT EARNINGS	68	82	65	446	2,655	83.3%	4085.4%	(2,590)
MISCELLANEOUS INCOME	67,791	76,716	45,120	2,894	33,142	88.4%	73.5%	11,978
SURPLUS SALES/RENTALS	69,567	82,071	121,858	12,555	428,443	84.8%	351.6%	(306,585)
TOTAL REVENUES	**$ 382,628**	**$ 522,549**	**$ 575,878**	**$ 56,984**	**$ 771,830**	**73.2%**	**134.0%**	**$ (195,952)**
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	19,931	44,464	25,112	4,983	116,406	44.8%	463.5%	(91,294)
SUNDRY	162,032	201,042	213,667	8,875	152,926	80.6%	71.6%	60,741
DEBT	159,898	169,431	169,777	4,912	177,532	94.4%	104.6%	(7,755)
TRANSFERS	154,819	154,819	152,588	-	67,588	100.0%	44.3%	85,001
CAPITAL	11,354	14,621	-	-	199,712	77.7%	#DIV/0!	(199,712)
TOTAL EXPENDITURES	**$ 508,034**	**$ 584,377**	**$ 563,244**	**$ 18,770**	**$ 714,164**	**86.9%**	**126.8%**	**$ (150,920)**
REVENUES OVER EXPENDITURES	$ (125,406)	$ (61,828)	$ 12,634	$ 38,214	$ 57,666			
ENDING FUND BALANCE	**$ 39,054**	**$ 152,017**	**$ (2,883)**		**$ 209,683**			
FUND BALANCE AS % OF EXP	**7.7%**	**26.0%**	**-0.5%**	**0.0%**	**29.4%**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 39,054**	**$ 152,017**	**$ (2,883)**	**$ -**	**$ 209,683**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 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	242,842	361,319	373,835	41,089	307,590	67.2%	82.3%	66,245
	SALES/BEVERAGE TAXES	**$ 242,842**	**$ 361,319**	**$ 373,835**	**$ 41,089**	**$ 307,590**	**67.2%**	**82.3%**	**$ 66,245**
4401-00-00	INVESTMENT INCOME	68	82	65	446	2,655	83.3%	4085.4%	(2,590)
	INVESTMENT EARNINGS	**$ 68**	**$ 82**	**$ 65**	**$ 446**	**$ 2,655**	**83.3%**	**4085.4%**	**$ (2,590)**
4409-00-00	MISCELLANEOUS INCOME	67,791	76,716	45,120	2,894	33,142	88.4%	73.5%	11,978
	MISCELLANEOUS INCOME	**$ 67,791**	**$ 76,716**	**$ 45,120**	**$ 2,894**	**$ 33,142**	**88.4%**	**73.5%**	**$ 11,978**
4805-00-00	RENTAL FEES-SHOPPING CENTER	69,206	81,710	121,112	12,555	79,264	84.7%	65.4%	41,848
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	**$ 69,567**	**$ 82,071**	**$ 121,858**	**$ 12,555**	**$ 428,443**	**#DIV/0!**	**#DIV/0!**	**$ (306,585)**
	TOTAL REVENUES	**$ 382,628**	**$ 522,549**	**$ 575,878**	**$ 56,984**	**$ 771,830**	**73.2%**	**134.0%**	**$ (195,952)**
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 382,560**	**$ 522,467**	**$ 575,813**	**$ 56,538**	**$ 769,175**			
	10% ADMIN CHARGE-GENERAL FUND	38,256	52,247	57,581	5,654	76,917			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 2018

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	8,689	17,252	10,000	100	11,680	50.4%	116.8%	(1,680)
5567-01-00	AUDIT SERVICES	2,250	2,250	2,250	-	4,250	100.0%	188.9%	(2,000)
5570-01-00	SPECIAL SERVICES	69,745	81,145	68,650	-	12,247	86.0%	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	38,256	44,926	81,647	6,804	68,039	85.2%	83.3%	13,608
5615-01-00	FUNCTIONAL GRANT	11,146	17,137	24,000	-	14,059	65.0%	58.6%	9,941
	SUNDRY	**$ 137,534**	**$ 170,298**	**$ 193,417**	**$ 6,904**	**$ 115,200**	**80.8%**	**59.6%**	**$ 78,217**
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	**$ 138,807**	**$ 172,266**	**$ 195,517**	**$ 6,904**	**$ 137,200**	**80.6%**	**70.2%**	**$ 58,317**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 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	12,819	15,879	14,278	1,644	19,689	80.7%	137.9%	(5,411)
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	33,391	39,863	40,594	3,268	43,012	83.8%	106.0%	(2,418)
	DEBT	**$ 159,898**	**$ 169,431**	**$ 169,777**	**$ 4,912**	**$ 177,532**	**94.4%**	**104.6%**	**$ (7,755)**
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	**$ 314,717**	**$ 324,250**	**$ 322,365**	**$ 4,912**	**$ 245,120**	**97.1%**	**76.0%**	**$ 77,245**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 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	19,931	44,464	25,112	4,983	116,406	44.8%	463.5%	(91,294)
	MAINTENANCE	**$ 19,931**	**$ 44,464**	**$ 25,112**	**$ 4,983**	**$ 116,406**	**44.8%**	**463.5%**	**$ (91,294)**
5530-02-00	ELECTRIC SERVICES	5,072	5,924	6,700	1,471	5,695	85.6%	85.0%	1,005
5545-02-00	INSURANCE-PROPERTY	6,507	6,507	6,500	-	8,341	100.0%	128.3%	(1,841)
5570-02-00	SPECIAL SERVICES	12,919	18,312	7,050	500	23,691	70.5%	336.0%	(16,641)
	SUNDRY	**$ 24,498**	**$ 30,744**	**$ 20,250**	**$ 1,971**	**$ 37,727**	**79.7%**	**186.3%**	**$ (17,477)**
	TOTAL EXPENDITURES	**$ 44,430**	**$ 75,209**	**$ 45,362**	**$ 6,954**	**$ 154,132**	**59.1%**	**339.8%**	**$ (108,770)**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 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	10,080	10,080	-	-	177,712	0.0%		(177,712)
	CAPITAL	**$ 10,080**	**$ 12,653**	**$ -**	**$ -**	**$ 177,712**	**0.0%**		**$ (177,712)**
	TOTAL EXPENDITURES	**$ 10,080**	**$ 12,653**	**$ -**	**$ -**	**$ 177,712**	**0.0%**		**$ (177,712)**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 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
JULY 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	155	205	-	48	361	75.6%		(361)
TOTAL REVENUES	**$ 155**	**$ 205**	**$ -**	**$ 48**	**$ 361**	**75.6%**		**$ (361)**
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
CAPITAL	-	-	-	-	-	0.0%	0.0%	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 29,719**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 155	$ 205	$ (29,719)	$ 48	$ 361			
ENDING FUND BALANCE	**$ 29,599**	**$ 29,649**	**$ 0**		**$ 30,011**			
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 29,599**	**$ 29,649**	**$ 0**	**$ -**	**$ 30,011**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
JULY 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	155	205	-	48	361	75.6%		(361)
	INVESTMENT EARNINGS	**$ 155**	**$ 205**	**$ -**	**$ 48**	**$ 361**	**75.6%**		**$ (361)**
	TOTAL REVENUES	**$ 155**	**$ 205**	**$ -**	**$ 48**	**$ 361**	**75.6%**		**$ (361)**

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
JULY 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	382	502	-	156	1,044	75.9%		(1,044)
TOTAL REVENUES	**$ 382**	**$ 502**	**$ -**	**$ 156**	**$ 1,044**	**75.9%**		**$ (1,044)**
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 382	$ 502	$ -	$ 156	$ 1,044			
ENDING FUND BALANCE	**$ 120,344**	**$ 120,464**	**$ 120,582**		**$ 121,508**			
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)	**$ 7,738**	**$ 7,858**	**$ 7,976**	**$ (112,606)**	**$ 8,902**			

CITY OF KENNEDALE
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JULY 2018

95: EDC4B RESERVE FUND

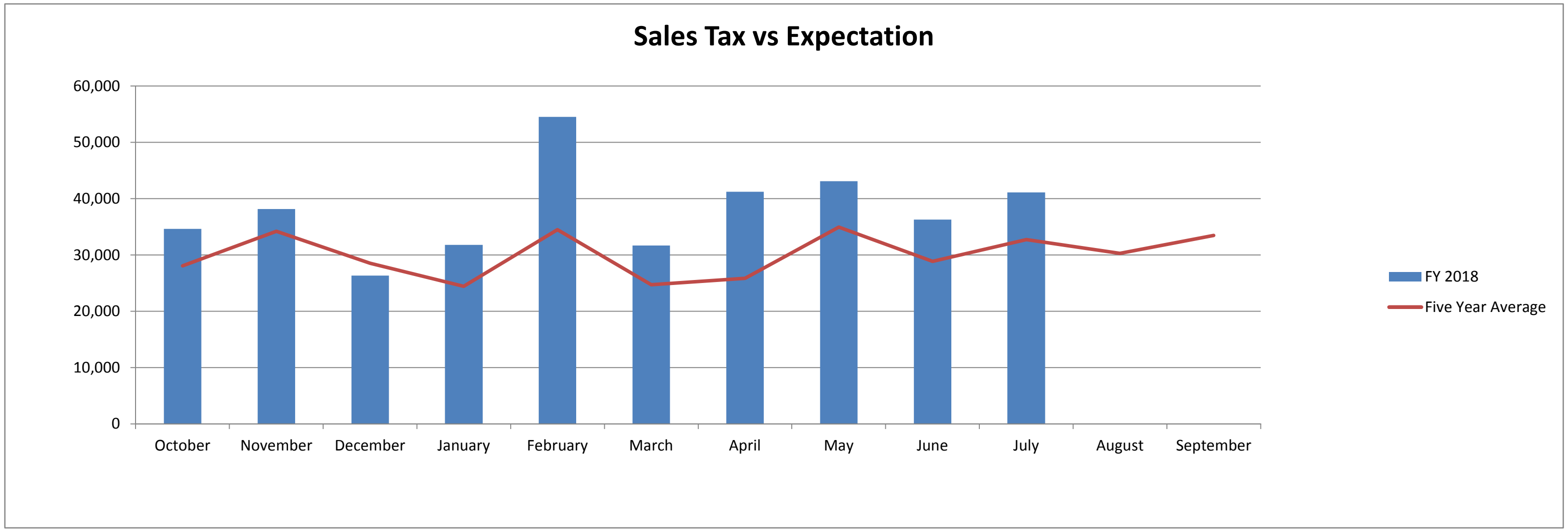
ACCOUNT	ACCOUNT NAME	FY16-17 YTD	FY16-17 ACTUAL	FY17-18 ADOPTED	CURRENT MONTH	FY17-18 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	382	502	-	156	1,044	75.9%		(1,044)
	INVESTMENT EARNINGS	**$ 382**	**$ 502**	**$ -**	**$ 156**	**$ 1,044**	**75.9%**		**$ (1,044)**
	TOTAL REVENUES	**$ 382**	**$ 502**	**$ -**	**$ 156**	**$ 1,044**	**75.9%**		**$ (1,044)**

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	$ 41,089	$ -	$ -	$ 127,167
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
Manufacturing	$11,018.80	524.39%	-81.72%	$53,814.50	$59,152.30
Retail	$8,104.37	15.62%	9.61%	$56,364.06	$79,067.12
General Services	$6,851.16	-1.42%	-7.97%	$56,311.86	$82,292.14
Wholesale	$5,836.36	-28.54%	-9.29%	$45,142.57	$64,181.05
Professional Services	$5,543.03	-7.09%	4.47%	$37,273.08	$53,610.60
Food	$3,034.53	-2.79%	-9.50%	$20,634.27	$28,886.57
Agricultural	$192.71	-60.84%	-27.05%	$9,504.19	$12,744.01
Miscellaneous	$75.27	-81.48%	24.91%	$535.01	$797.41
Accomodation	$0.00	0.00%	0.00%	$0.00	$0.00

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

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

I. Subject:
Consider approval of minutes from August 9, 2018 special meeting

II. Originated by:

Kathryn Roberson, Deputy City Secretary

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_08_09_Minutes_City Council Special Meeting_DRAFT	2018_08_09_Minutes_City Council Special Meeting_DRAFT.docx

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KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING | AUGUST 9, 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, 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, Finance Director Brady Olsen, Community Development Director Melissa Dailey, Director of HR and Administrative Services Danielle Clarke, Library Director Amanda King, Interim Fire Chief Brian King, Police Chief Tommy Williams, Public Works Superintendent Larry Hoover, Utility Analyst/CS Inspector Dennis Brown, Street/Parks Crew Leader Ron Taylor, Permits Clerk Melinda Middleton

II. WORK SESSION

A. Receive a report and hold a discussion regarding the City Manager's Proposed Fiscal Year 2018-2019 annual budget

City Manager George Campbell presented an overview of the proposed budget pursuant to the City Charter. Brady Olsen, Finance Director, provided detailed information to Council relative to the budget process, highlights of the individual funds, and the timeline leading up to the adoption of the FY2018-19 budget. Mr. Olsen announced the upcoming Public Hearings on the budget and the Proposed Property Tax Rate, scheduled for September 6, 2018 at 5:30 p.m. and September 14, 2018 at 2:00 p.m.

Mr. Campbell addressed questions from Council relative to the proposed water contract with the City of Arlington and the existing contract with Fathom.

Mayor Johnson left the meeting at 7:13 p.m., and Mayor Pro Tem Lee presided over the meeting.

Council requested a decision item on the next regularly scheduled Council Meeting to consider approving an ordinance temporarily reducing water service and sanitary sewer rates.

III. DECISION ITEMS

A. Discuss and consider approval of a Resolution of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 17, 2018 City Council Public Meeting agenda to adopt a 2018 tax rate that may exceed the lower of the rollback rate or the effective tax rate; calling public hearings on September 6, 2018 and September 14, 2018 (if necessary)

City Manager George Campbell and Finance Director Brady Olsen presented details of the resolution approving the placement of a proposal on the September 17, 2018 City Council Public

Meeting agenda to adopt a 2018 tax rate that may exceed the lower of the rollback rate or the effective tax rate; calling public hearings on September 6, 2018 and September 14, 2018.

Motion To Approve a Resolution of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 17, 2018 City Council Public Meeting agenda to adopt a 2018 tax rate that may exceed the lower of the rollback rate or the effective tax rate; calling public hearings on September 6, 2018 and September 14, 2018. **Action** Approve, **Moved By** Gilley, **Seconded By** Joplin. **Motion passed Unanimously.**

VIII. ADJOURNMENT

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

Mayor Johnson adjourned the meeting at 7:42 p.m.

APPROVED:

____
BRIAN JOHNSON, MAYOR

ATTEST:

____
KATHRYN ROBERSON, DEPUTY CITY SECRETARY

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

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

I. Subject:
Consider approval of minutes from August 20, 2018 regular meeting

II. Originated by:

Kathryn Roberson, Deputy City Secretary

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.	8-20-18 Minutes	8-20-18 Minutes.pdf

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KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | August 20, 2018 – 5:30 PM

CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:26 p.m., and immediately convened into Executive Session.

II. EXECUTIVE SESSION

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

E. Discussion of City Manager's Annual Evaluation

F. 503 E. Kennedale Parkway

Mayor Johnson reconvened into Open Session at 7:46 p.m.

III. WORK SESSION

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

There was no discussion at this time.

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

There was no discussion at this time.

C. Discussion of items on regular agenda

There was no discussion at this time.

D. Discussion of Proposed FY2018-19 Budget

There was no discussion at this time.

IV. REGULAR SESSION

V. ROLL CALL

Present: Mayor Johnson; Rockie Gilley, Place 1; Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; Linda Rhodes, Place 4; and Jan Joplin, Place5. **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, Library Director Amanda King, HR And Administrative Services Director Danielle Clarke, City Attorney Wayne Olson (TOASE)*

VI. INVOCATION

The invocation was provided by Pastor Jack Crane.

VII. UNITED STATES PLEDGE AND TEXAS PLEDGE

VIII. VISITOR/CITIZENS FORUM

Carolyn Williamson, P.O. Box 1443, stated her support for continuing recycling service. She also expressed concerns about property development on the east side of Kennedale.

Jeff Nevarez, 338 Spring Branch Lane, announced Concert in the Park upcoming performances and the Kennedale Parks Board meeting on September 5th at 7:00 p.m., where proposed projects will be discussed.

Michael Chandler, 700 E. Kennedale Parkway, announced the Bring-It event scheduled for Saturday, September 15th, From 9:00 a.m. to 11:00 a.m. He also stated the majority of Kennedale residents are in favor of continuing the recycling program.

John Hivale, 418 Coker Valley Drive, discussed the City Manager's evaluation, the Visitor Citizen's Forum, Monthly Financials for the City, investment activity and resolutions.

IX. REPORTS/ANNOUNCEMENTS

A. Updates from the City Council

JAN JOPLIN, PLACE 5 announced she is sitting on the Council due to the issue with water rates. She is also focused on the budget and infrastructure. She recognized teachers, staff and students now that school has started. She discussed upcoming scheduled neighborhood meetings and encouraged attendance and filling out surveys. Her goal is to lower property taxes. And she also recognized Chief McMurray for his years of service.

LINDA RHODES, PLACE 4 announced she attended two TML conferences; a Small Cities problem solving clinic and a TML Newly Appointed City Officials conference.

MAYOR PRO TEM SANDRA LEE, PLACE 3 thanked Pastor Crane for his support in the community and announced she attended the Tarrant County Mayor's Council Meeting with Mayor Johnson and Councilmember Pugh. She also stated she is trying to do the best job possible for the citizens of Kennedale.

CHRIS PUGH, PLACE 2 discussed the Tarrant County Mayor's Council meeting. And he urged the city to lobby for available TxDOT monies to be used to encourage economic development.

ROCKIE GILLEY, PLACE 1 announced he attended Chief McMurray's memorial service and recognized his years of service. He also attended a budget workshop on July 27th, sponsored by the Texas Public Policy Foundation and the Texas Local Government Center.

B. Updates from the Mayor

Mayor Johnson announced he attended the Tarrant County Mayor's Council meeting with Councilmembers Lee and Pugh, and he was appointed to the Tarrant County Mayor's Council Legislative Committee. He also attended the TRTC meeting where local government spending was discussed. Mayor Johnson announced the next Theatre In The Park performance is scheduled for December 13-15.

- Recognition of Brady Olsen and Kathryn Roberson

C. Updates from the City Manager

City Manager George Campbell recognized Finance Director Brady Olsen and Deputy City Secretary Kathryn Roberson for their recent achievements and dedication to career advancement. He also announced there are a number of upcoming neighborhood meetings and two city-wide meetings scheduled for September 26th and 27th to discuss comprehensive planning.

X. MONITORING INFORMATION

A. Monthly Financials – July 2018
There was no discussion at this time.

B. Monthly EDC Financials and Activity Report
There was no discussion at this time.

C. Schedule of Investment Activity for quarter ending June 30, 2018
There was no discussion at this time.

XI. INCIDENTAL ITEMS

XII. REQUIRED APPROVAL ITEMS (CONSENT)

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

Items E, F and G were removed from the Consent Agenda at the request of Councilmember Gilley; Item B, C and D at the request of Councilmember Rhodes.

Motion To Approve Consent Agenda, except items B, C, D, E, F, and G. **Action** Approve, **Moved By** Joplin, **Seconded By** Mayor Pro Tem Lee. **Motion passed Unanimously.**

Motion To Approve Item XII.B. (July 16, 2018 minutes) as corrected by adding “approve Ordinance 645 with amendments to 1) strike the allowance of “General retail with alcohol sales, including package stores” and 2) to correct the wording of “Micro-brewery” to its original listing as “Micro-brewery with food sales” to revise permitted uses in the Kennedale TownCenter Planned Development District (KTCPDD). **Action** Approve, **Moved By** Rhodes, **Seconded By** Gilley. **Motion passed Unanimously.**

In relation to Item XII.C., Public Works Streets/Parks Superintendent Larry Hoover and City Manager George Campbell answered questions from Council, which was followed by some discussion.

Motion To Approve Item XII.C. to award the low bid to Tejas Commercial Construction in the amount of $187,272.00. **Action** Approve, **Moved By** Rhodes, **Seconded By** Gilley. **Motion passed Unanimously.**

In relation to Item XII.D., Police Chief Tommy Williams answered questions from Council relative to where the funds for the Police Department mobile radios would come from in the event matching funds were required.

Motion To Approve Item XII.D. (Resolution 538 relating to a Police Department mobile radio grant). **Action** Approve, **Moved By** Pugh, **Seconded By** Mayor Pro Tem Lee. **Motion passed Unanimously.**

In relation to Item XII.E., Public Works Streets/Parks Superintendent Larry Hoover and City Manager George Campbell addressed questions from Council, which was followed by some discussion.

Motion To Approve Item XII.E. (Engineering Contract with Freese and Nichols for design of two 12-inch water lines and a 10-inch sewer line) as amended (by striking the 10-inch sewer line). **Action** Approve, **Moved By** Gilley, **Seconded By** Mayor Pro Tem Lee. **Motion passed 4-1,** with Joplin voting against.

Motion To Deny Item XII.F. (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). **Action** Deny, **Moved By** Gilley, **Seconded By** Joplin. **Motion passed Unanimously.**

In relation to Item XII.G., Finance Director Brady Olsen answered questions from Council, which was followed by some discussion.

Motion To Approve Item XII.G. (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). **Action** Approve, **Moved By** Gilley, **Seconded By** Joplin. **Motion passed Unanimously.**

XIII. DECISION ITEMS

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

City Manager George Campbell provided a brief overview of the current procedure for Citizens to address agenda items, which was followed by some discussion.

Motion To Approve Resolution 539 (as amended) to allow citizens a three minute limit to speak. **Action** Approve, **Moved By** Gilley, **Seconded By** Mayor Pro Tem Lee. **Motion passed Unanimously.**

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

Motion To Approve. **Action** Approve, **Moved By** Mayor Pro Tem Lee, **Seconded By** Rhodes. **Motion passed Unanimously.**

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

Councilmember Rhodes expressed an interest in moving regular meetings to Tuesdays to allow more time for packet review. City Attorney Wayne Olson answered questions relative to scheduled meetings. City Manager George Campbell provided clarification of the procedure to call special meetings and adopting an agenda setting policy.

Motion To Approve. **Action** Approve, **Moved By** Gilley, **Seconded By** Pugh. **Motion passed Unanimously.**

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

Finance Director Brady Olsen presented the proposed issuance of Combination Tax and Revenue Certificates of Obligation, Series 2018. Andrew Friedman, Managing Director, Samco Capital Markets, was available for questions from Council.

Motion To Deny. **Action** Deny, **Moved By** Joplin, **Seconded By** Gilley. **Motion passed 3-2,** with Pugh and Rhodes voting against.

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

City Manager George Campbell presented the proposed ordinance revising the rates for water service and sanitary sewer service. He recommended the ordinance not be approved due to the pending contract negotiations with the City of Arlington and current infrastructure needs, which was followed by some discussion. Councilmember Rhodes noted several issues that she suggested be corrected or clarified in the ordinance.

Motion To Approve (as amended) to revise the proposed minimum base rate for residential sewer service from $34 to $30. **Action** Approve, **Moved By** Joplin, **Seconded By** Gilley. **Motion fails 2-3,** with Mayor Pro Tem Lee, Pugh and Rhodes voting against.

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

XV. ADJOURNMENT

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

Mayor Johnson adjourned the meeting at 9:56 p.m.

APPROVED:

ATTEST:

Brian Johnson, Mayor

Kathryn Roberson, Deputy City Secretary

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Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

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

I. Subject:
Consider approval of minutes from August 23, 2018 special meeting

II. Originated by:

Kathryn Roberson, Deputy City Secretary

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.	8-23-18 Minutes_Final	8-23-18 Minutes_Final.pdf

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KENNEDALE CITY COUNCIL MINUTES

SPECIAL MEETING | August 23, 2018
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
WORK SESSION at 5:30 PM

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:28 p.m.

II. ROLL CALL

Present: Mayor Johnson; Rockie Gilley, Place 1; Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; and Linda Rhodes, Place 4. **Absent:** Jan Joplin, Place 5

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, Library Director Amanda King, HR And Administrative Services Director Danielle Clarke, Streets/Parks Crew Leader Ron Taylor, Utility Analyst/Inspector Dennis Brown*

III. WORK SESSION

A. Continued discussion of the City Manager's FY2018-19 budget proposal

City Manager George Campbell delivered a presentation on the proposed budget and provided details relative to the denial of the Certificates of Obligation and explained how they will affect future budget decisions.

Mayor Johnson provided a timeline on the Certificates of Obligation approval leading to the August 20th denial.

Each Councilmember discussed the ramifications of the denial and the reasons for their individual votes.

1. Discussion of the General Fund
2. Discussion of the Debt Service Fund
3. Discussion of Other General Funds
4. Discussion of the Water and Sewer Fund
5. Discussion of the Capital and Special Revenue Fund

There was no discussion on the individual funds at this time.

Council agreed to cancel the budget work session scheduled for September 3, 2018.

IV. ADJOURNMENT

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

Mayor Johnson adjourned the meeting at 6:28 p.m.

APPROVED:	ATTEST:
BRIAN JOHNSON, MAYOR	KATHRYN ROBERSON, DEPUTY CITY SECRETARY

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

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

I. Subject:
Consider and adopt Resolution 541 approving a negotiated settlement between the Atmos Cities Steering Committee and Atmos Energy Corp., Mid-Tex Division

II. Originated by:

Brady Olsen, Finance Director

III. Summary:

BACKGROUND AND SUMMARY

The City, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute. Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members earlier this year. On or about April 1, 2018, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2017, entitled it to additional system-wide revenues of $42.0 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to $27.4 million. After review of the consultants' report, the Company offered to settle for a system-wide increase of $25.9 million. Following further negotiations, ACSC's Executive Committee agreed to recommend a system-wide rate increase of $24.9 million. That increase when allocated to ACSC members results in an increase of $17.8 million. The Effective Date for new rates is October 1, 2018. ACSC members should take action approving the Resolution before the end of September.

PROOF OF REVENUES

Atmos generated proof that the rate tariffs attached to the Resolution will generate $24.9 million in additional revenues on a system-wide basis. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT

Given the fact that ACSC demanded that Atmos reflect reduced federal income taxes in its cost-of-service, as reflected in the RRM Tariff adopted earlier this year, Atmos reduced its rates in March. The rate increase associated with the Resolution is largely offset by the lowered federal income tax rates, such that out-of-pocket expense to consumers should be roughly the same under new rates as what was experienced by consumers last winter. A bill impact comparison is attached as Attachment 2.

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301
GRIP PROCESS

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

EXPLANATION OF "BE IT ORDAINED" PARAGRAPHS

1. This section approves all findings in the Resolution.

2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.

3. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional $24.9 million on a system-wide basis. Settling Cities will be responsible for $17.8 million of the $24.9 million.

4. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.

5. This section approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.

6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution approving new rate tariffs.

7. This section repeals any resolution or ordinance that is inconsistent with the Resolution.

8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.

10. This section provides for an effective date upon passage.

11. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover $42 million in additional system-wide revenues, the RRM settlement at $24.9 million reflects savings of $17.1 million. ACSC's consultants produced a report indicating that Atmos had justified increased revenues of at least $21.7 million. Settlement at $24.9 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before September 30, 2018. New rates become effective October 1, 2018.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	20180913150616432	20180913150616432.pdf
2.	R541-Reformatted- 2018.08.24 RESOLUTION RE settlement between ACSC and Atmos Energy Mid-Tex re 2018 RRM Filings (FINAL)	R541-Reformatted- 2018.08.24 RESOLUTION RE settlement between ACSC and Atmos Energy Mid-Tex re 2018 RRM Filings (FINAL).pdf

ATMOS ENERGY CORP., MID-TEX DIVISION
PROPOSED TARIFF STRUCTURE (BEFORE RATE CASE EXPENSE RECOVERY)
TEST YEAR ENDING DECEMBER 31, 2017

Line No.	(a)	(b)	(c)	(d) (e) (f)
1	Proposed Change In Rates:		$ 24,900,000	Schedule A
2	Proposed Change In Rates without Revenue Related Taxes:		$ 23,357,466	Ln 1 divided by Tax factor on WP_F-5.1
3				
4				
5				
6		Revenue Requirements	Allocations	
7	Residential	$ 338,431,486	77.95%	Per GUD 10170 Final Order
8	Commercial	84,223,622	19.40%	Per GUD 10170 Final Order
9	Industrial and Transportation	11,490,316	2.65%	Per GUD 10170 Final Order
10	Net Revenue Requirements GUD No. 10170	$ 434,145,424	100.00%	
11				
12				
13				
14				
15				

Line No.	Increase to Customer Classes per GUD 10170 Final Order:			
16				
17				
18	Customer Charges	Current	Prospective	Revenues
19				
20	Residential Base Charge	$ 18.35	$ 0.50	$ 9,103,979
21	Residential Consumption Charge	$ 0.13734	$ 0.01118	9,103,979
22	Commercial Base Charge	$ 41.95	$ 1.54	2,265,658
23	Commercial Consumption Charge	$ 0.08746	$ 0.00421	2,265,658
24	I&T Base Charge	$ 752.00	$ 32.12	309,095
25	I&T Consumption Charge Tier 1 MMBTU	$ 0.3172	$ 0.0140	144,188
26	I&T Consumption Charge Tier 2 MMBTU	$ 0.2322	$ 0.0102	118,338
27	I&T Consumption Charge Tier 3 MMBTU	$ 0.0498	$ 0.0022	46,570
28	Total			$ 23,357,466
29				

Customer Charges Rounded Off and residential base charge increase for 2018 limited to $0.60 per RRM tariff:

(g) Customer Charges	(h) Proposed Change	(i) Proposed Change In Revenues	(j) Proposed Rates	(k) Proposed Revenues
Residential Base Charge	$ 0.50	$ 9,156,798	$ 18.85	$ 345,211,285
Residential Consumption Charge	$ 0.01112	9,051,844	$ 0.14846	120,848,626
Commercial Base Charge	$ 1.55	2,278,481	$ 43.50	63,944,478
Commercial Consumption Charge	$ 0.00419	2,253,573	$ 0.09165	49,293,546
I&T Base Charge	$ 32.00	307,968	$ 784.00	7,545,216
I&T Consumption Charge Tier 1 MMBTU	$ 0.0140	144,244	$ 0.3312	3,412,408
I&T Consumption Charge Tier 2 MMBTU	$ 0.0103	118,980	$ 0.2425	2,801,237
I&T Consumption Charge Tier 3 MMBTU	$ 0.0022	46,631	$ 0.0520	1,102,180
Total		$ 23,358,519		$ 594,158,976

Attachment 2

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2017

Line							CURRENT	October 1, 2018 PROPOSED	CHANGE
1	**Rate R @ 45 Ccf**								
2	Customer charge						$ 18.35		
3	Consumption charge	45.0	CCF		X $ 0.13734	=	6.18		
4	Rider GCR Part A	45.0	CCF		X $ 0.28533	=	12.84		
5	Rider GCR Part B	45.0	CCF		X $ 0.30630	=	13.78		
6	Subtotal						$ 51.15		
7	Rider FF & Rider TAX			$ 51.15	X 0.06604	=	3.38		
8	Total						$ 54.53		
9									
10	Customer charge							$ 18.85	
11	Consumption charge	45.0	CCF		X $ 0.14846	=		6.68	
12	Rider GCR Part A	45.0	CCF		X $ 0.28533	=		12.84	
13	Rider GCR Part B	45.0	CCF		X $ 0.30630	=		13.78	
14	Subtotal							$ 52.15	
15	Rider FF & Rider TAX			$ 52.15	X 0.06604	=		3.44	
16	Total							$ 55.59	$ 1.06
17									1.94%
18									
19	**Rate C @ 346.5 Ccf**						CURRENT	PROPOSED	CHANGE
20	Customer charge						$ 41.95		
21	Consumption charge	346.5	CCF		X $ 0.08746	=	30.31		
22	Rider GCR Part A	346.5	CCF		X $ 0.28533	=	98.88		
23	Rider GCR Part B	346.5	CCF		X $ 0.22105	=	76.60		
24	Subtotal						$ 247.74		
25	Rider FF & Rider TAX			$ 247.74	X 0.06604	=	16.36		
26	Total						$ 264.10		
27									
28	Customer charge							$ 43.50	
29	Consumption charge	346.5	CCF		X $ 0.09165	=		31.76	
30	Rider GCR Part A	346.5	CCF		X $ 0.28533	=		98.88	
31	Rider GCR Part B	346.5	CCF		X $ 0.22105	=		76.60	
32	Subtotal							$ 250.74	
33	Rider FF & Rider TAX			$ 250.74	X 0.06604	=		16.56	
34	Total							$ 267.30	$ 3.20
35									1.21%

						CURRENT	PROPOSED	CHANGE
36	**Rate I @ 3907 MMBTU**							
37	Customer charge					$ 752.00		
38	Consumption charge	1,500	MMBTU	X $ 0.3172	=	475.80		
39	Consumption charge	2,407	MMBTU	X $ 0.2322	=	558.79		
40	Consumption charge	0	MMBTU	X $ 0.0498	=	-		
41	Rider GCR Part A	3,907	MMBTU	X $ 0.2922	=	1,141.41		
42	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=	1,906.68		
43	Subtotal					$ 4,834.68		
44	Rider FF & Rider TAX		$ 4,834.68	X 0.06604	=	319.28		
45	Total					$ 5,153.96		
46								
47	Customer charge						$ 784.00	
48	Consumption charge	1,500	MMBTU	X $ 0.3312	=		496.80	
49	Consumption charge	2,407	MMBTU	X $ 0.2425	=		583.58	
50	Consumption charge	0	MMBTU	X $ 0.0520	=		-	
51	Rider GCR Part A	3,907	MMBTU	X $ 0.2922	=		1,141.41	
52	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=		1,906.68	
53	Subtotal						$ 4,912.47	
54	Rider FF & Rider TAX		$ 4,912.47	X 0.06604	=		324.42	
55	Total						$ 5,236.89	$ 82.93
56								1.61%
57	**Rate T @ 3907 MMBTU**					CURRENT	PROPOSED	CHANGE
58	Customer charge					$ 752.00		
59	Consumption charge	1,500	MMBTU	X $ 0.3172	=	475.80		
60	Consumption charge	2,407	MMBTU	X $ 0.2322	=	558.79		
61	Consumption charge	0	MMBTU	X $ 0.0498	=	-		
62	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=	1,906.68		
63	Subtotal					$ 3,693.27		
64	Rider FF & Rider TAX		$ 3,693.27	X 0.06604	=	243.90		
65	Total					$ 3,937.17		
66								
67	Customer charge						$ 784.00	
68	Consumption charge	1,500	MMBTU	X $ 0.3312	=		496.80	
69	Consumption charge	2,407	MMBTU	X $ 0.2425	=		583.58	
70	Consumption charge	0	MMBTU	X $ 0.0520	=		-	
71	Rider GCR Part B	3,907	MMBTU	X $ 0.4881	=		1,906.68	
72	Subtotal						$ 3,771.06	
73	Rider FF & Rider TAX		$ 3,771.06	X 0.06604	=		249.04	
74	Total						$ 4,020.10	$ 82.93
75								2.11%

RESOLUTION NO. 541

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2018 RATE REVIEW MECHANISM FILINGS; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

WHEREAS, the City of Kennedale, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates and charges of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a new Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the RRM tariff was adopted by the City in a rate ordinance earlier this year; and

WHEREAS, on about April 1, 2018, Atmos Mid-Tex filed its 2018 RRM rate request with ACSC Cities based on a test year ending December 31, 2017; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2018 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of $24.9 million on a system-wide basis ($17.8 million of which is applicable to ACSC members); and

WHEREAS, the attached tariffs (Exhibit A) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the Exhibit A rate tariffs incorporate the federal income tax rates that became effective January 1, 2018; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Exhibit B) and

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability (Exhibit C); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications;

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

Section 1. That the findings set forth in this Resolution are hereby in all things approved.

Section 2. That the City Council finds that the settled amount of an increase in revenues of $24.9 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2018 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

Section 3. That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $24.9 million in revenue on a system-wide basis over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

Section 4. That the ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit B, attached hereto and incorporated herein.

Section 5. That amortization of regulatory liability shall be consistent with the schedule found in attached Exhibit C attached hereto and incorporated herein.

Section 6. That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2018 RRM filing.

Section 7. That to the extent any resolution or ordinance previously adopted by the Council is inconsistent with this Resolution, it is hereby repealed.

Section 8. That the meeting at which this Resolution was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

Section 9. That if any one or more sections or clauses of this Resolution is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Resolution, and the remaining provisions of the Resolution shall be interpreted as if the offending section or clause never existed.

Section 10. That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2018.

Section 11. That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED this 17TH day of SEPTEMBER, 2018.

Brian Johnson, Mayor

ATTEST: APPROVED AS TO FORM:

Leslie Galloway, City Secretary

Wayne K. Olson, City Attorney

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

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

I. Subject:
Consider and authorize City Manager to enter into a contract for audio visual system upgrades for Council Chamber

II. Originated by:

George Campbell, City Manager

III. Summary:

Over the past year, there have been difficulties with the audio and visual capabilities within the Council Chambers including:

- The voting system broke, and the company who created the system is out of business. We are not able to procure parts to fix the system
- Numerous feedback and audio issues with the microphones in the chambers
- Council and the Citizens have to strain their eyes and necks to see presentations
- Citizens are not currently able to see video recording of Council proceedings from their homes

We are proposing using savings from the current year's budget to address these issues, creating a more open, transparent environment in the Council Chamber. We recommend you allow the City Manager to enter into a contract with Richardson-based Visionality not to exceed $63,000 in spending for A/V improvements. The approximate costs are broken down in the following chart:

TV and Monitors	$ 10,500
Video Control System	$ 9,000
Voting System with Microphones	$ 10,000
Audio Upgrades	$ 10,000
Video Recording	$ 12,000
Install, Training, Programming, Testing	$ 11,000
Total	**$ 62,500**

Services Provided

TV and Monitors

Currently, the monitors in front of each Council member are situated in a manner which makes it difficult to both see the monitor and the audience. As a part of the proposal, Visionality will install low-angle monitors on an easy to use swivel arm. This will allow Council to follow along with presentations directly in front of them during the meeting. It will also allow Councilmembers to easily move the monitor out of the way when needed.

In order to show presentations, we are using an older projector and the existing wall. This system produces blurry, washed out images that are not easily able to be seen by everyone in the Chambers. In the proposal, a 75” and an 84” screen would be placed behind the Council, so citizens are easily able to follow along with presentations. The 84” screen will also be used to display voting results. We would be provided with commercial grade screens which would last the City for a number of years.

Voting System

The proposal includes an analog voting system built into each Councilmembers’ microphone. A Councilmember will be able to push “yes, “no”, or “abstain” on the microphone base. In addition, there is a “request to speak” button which should allow for more orderly meetings. The results of the vote will then be displayed on the 84” screen.

Video Recording

We do currently have the capability to record and upload videos of City meetings to the City website. In the proposal, we would have one wide angle camera with zooming capability to record meetings. We would then be able to upload this video after meetings. This functionality allows citizens who are unable to attend meetings the ability to stay up-to-date on City business. Video recording would also remove some hearsay on meeting activities and help produce more accurate minutes. Citizens would be able to view the video in split screen, with half showing the current presentation and half showing the video feed.

Video Control System, Audio Upgrades, and Install

These items in the proposal make up the backbone of the system. We are not able to provide audio, visual, and voting upgrades without these core materials. Our goal is to make the system as easy to use as possible. There is no point in having extra functionality if it is too difficult to use on a regular basis. The items in this section will ensure we are able to take full advantage of the system capabilities throughout its life. In addition, audio should be much clearer in the chambers and in recordings.

The proposal from Visionality is attached. We have a representative from Visionality in attendance to answer any further questions. Council consideration is respectfully requested.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:
Authorize the City Manager to enter into a contract with Visionality for audio visual upgrades in the City Council Chambers not to exceed $63,000.

VIII. Attachments:

1.	Visionality AV Proposal	Visionality AV Proposal.pdf

Kennedale Council Chambers AV Upgrade With Voting

9/9/2018

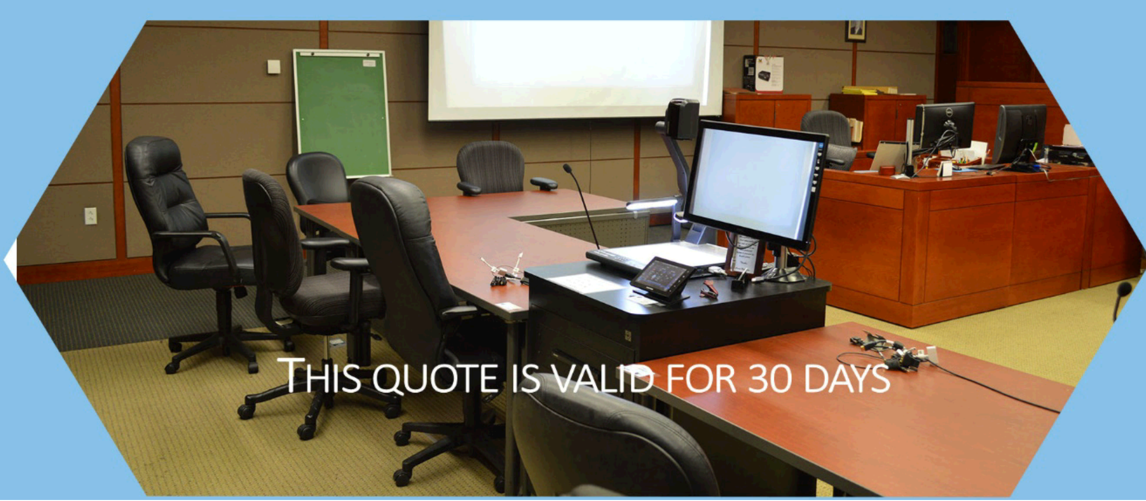
Prepared for:

Kennedale, City of

Brady Olsen

VISIONALITY
DESIGNS THAT COMPUTE
1778 N. PLANO RD #211B
RICHARDSON, TX 75081

Korbin Reeves
Technology Consultant
korbin@visionality.com
(972) 598-1727



THANK YOU FOR ALLOWING VISONALTY TO SUBMIT THIS PROPOSAL

Visionality has over a quarter century of experience as a provider and integrator of audiovisual systems for business, education, government and healthcare. We take the time to consult with each customer to ensure that we are designing and implementing a custom solution to meet their needs. We also provide support and training to ensure that the systems are working properly, and the staff understands how to get the most out of them.

We carry all the major manufacturers including Cisco, Polycom, LifeSize, Crestron, Extron, AMX, Vidyo and many more. We can also recommend all of the ancillary systems and equipment necessary to achieve the level of telepresence needed to meet the needs and budget of our customers, such as displays, projectors, screens, furniture, etc.

We take our customers needs seriously. We have tried to capture your needs in this proposal and turn those needs into a working system.   If you have any questions or need changes more closely meet your needs, We are always here to serve you.

Howard Barnett, President Visionality

STATEMENT OF CONFIDENTIALITY

This proposal is the work product of Visionality - Designs That Compute (DTC), and as a result remains the property of Visionality-DTC. This proposal has been given to **Kennedale, City of** for the express interest of offering products and services to **Kennedale, City of**. The particulars of this proposal must remain confidential between the personnel of **Kennedale, City of** and Visionality-DTC. This proposal may not be offered to others without the express written consent of Visionality-DTC.

CORPORATE MISSION

Visionality partners with its customers. Our goal is to enable a communication between the customer and DTC to enhance the relationship and produce a result which meets or exceeds the needs of our customers.

Visionality was founded in 1985 and has been at the forefront of technological development. We are an Audio Visual integrator with an emphasis on video communications. Visionality has aligned with the leading manufacturers in the industry, enabling us to provide our customers the latest advancements in the industry at competitive prices. Visionality primarily focuses on its customer’s needs. We work closely with our customers to examine the particular need of each customer and then design the best possible solution for their application.

OUR VALUE PROPOSITON:

VISONALITY OFFERS A UNIQUE SET OF SKILLS

LONGEVITY

Visionality was incorporated in 1985. We are seasoned providers and integrators of audiovisual technology with hundreds of customers.

DIVERSITY OF PRODUCTS

We offer numerous products that can provide unique value to our customers. We have a great understanding of the needs of Kennedale, City of. This allows us to contribute in a meaningful way to the overall design in this proposal.

CONVERGENCE OF A/V AND IT

Visionality knows that the converged AV/IT world is here to stay. We understand network philosophies, infrastructure, and enterprise-based IT. We know how to intelligently discuss IT AV requirements, concerns, and deployment with your IT staff.

INTEGRATION CAPABILITIES

We are an Infocomm certified provider, which means our personnel have passed certification tests in audio visual systems. Further, our personnel hold certifications in many Audio Visual manufacturers' equipment.

HISTORICALLY UNDERUTILIZED BUSINESS

We are a women-owned business in the state of Texas.

CUSTOMER SERVICE

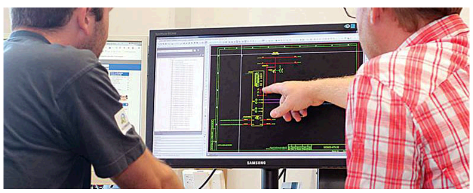
We excel at customer service and have programs in place to service our customers at all levels. We have many customers, some in the fortune 500 which use our tech support resources to assure that they have support for their existing equipment. Once your equipment is installed, we will provide the level of service that best meets your needs. Whether you require onsite support, phone support, remote diagnostics, or preventative maintenance, our tech support department will take care of you.

OUR PROCESS

FROM DESIGN TO IMPLEMENTATION, TRAINING, & SERVICE

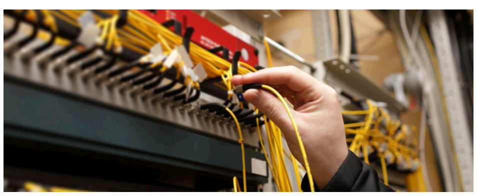
CONSULTATION

Visionality believes that each customer is unique, and therefore each design should be unique. For this reason, Visionality conducts a thorough consultation with each customer to ensure that we understand their individual needs and the layout and unique properties of the location in which the audiovisual technology will be used.



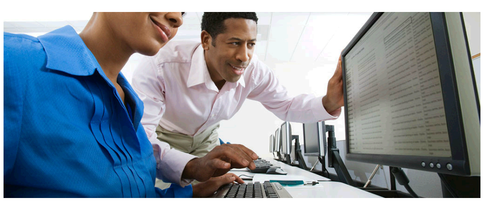
DESIGN

Armed with the knowledge of the customer's needs and the environment in which it will be used, Visionality will create a tailored design that will allow for the optimal use of the technology. Our experienced designers hold manufacturer certifications and are Certified Technology Specialists, a prestigious industry designation.



IMPLEMENTATION AND PROGRAMMING

Once the design has received customer approval, our well-trained implementation team will make the design a reality. They will ensure that all of the equipment is installed according to the design specifications. Our programers will make sure that the software works properly and to the customer's satisfaction.



TRAINING

Training is a very important component to the success of a project, and Visionality will ensure that the customer has the proper training needed to get the most out of their new equipment and software. We will answer any questions, and provide documentation and training guides when necessary.

SERVICE

Once your equipment is installed, we will provide the level of service that best meets your needs. Whether you require onsite support, phone support, remote diagnostics, or preventative maintenance, our tech support department will take care of you.

References

The City of Plano

Visionality has been a valued partner of The City of Plano as they look to standardize and modernize their AV Systems across the city. Conference Room, Training, and Multi-Space Systems. Over 100k in projects recently.

Gavin Metoyer

The City of Plano

972-941-5151

gmetoyer@plano.gov

Kiamichi Technology Centers

KTC has recently completed several AV projects for KTC. These projects range from computer labs, divide/combine classrooms, seminar spaces, and large presentation spaces.

Larry Cravens

Kiamichi Technology Centers

918-465-2323

lcravens@ktc.edu

Dallas County

Visionality has completed and is in the process of working on various projects with the Dallas County Courts System. Visionality has completed over 3 million plus of AV Projects with Dallas County over the last 3 years.

Jorge Garcia

Dallas County Courts

AV Specialist

214-502-0576

Jorge.garcia@dallascounty.org

Texas A&M Central Texas. Visionality has completed various projects recently for TAMUCT from lecture halls, classrooms, and conference rooms with over 900k in the last 2 years.

Scott Chambless

Assoc. Director of Academic Technology Services

254-501-5885

schambless65@tamuct.edu

Region 7 ESC

Visionality has completed a variety of AV projects in the past and is currently completing projects for ESC 7 including updates and Divide/Combine spaces with over 500k in the last 2 years.

Steve Vaughn

Region 7 ESC

Associate Director of Technology

903-988-6922

svaughn@esc7.net

Introduction

City of Kennedale-
Council Chambers AV Upgrade
With Voting System.

Executive Summary:

Visionality has been requested to provide a proposal for upgrading the Audio Visual (AV) Systems for the Kennedale City Council Chambers.

The current system requires updating in order to provide more functionality within an easy to operate and reliable system. The proposed system below provides Kennedale with up to date audio, video, voting, and sound reinforcement systems with recording capabilities.

Visionality presents the following proposal for programming, supply of required equipment listed herein, and installation of a commercial audio video system

This document defines the role of Visionality and establishes a basis of agreement engaging Visionality in the delivery of the systems for all named locations and the equipment provided in the detailed quote herein.

The acronym OFE as referenced in this document refers to "Owner Furnished Equipment", meaning equipment provided by KENNEDALE. All electrical power, structural support, furniture modification, network connections, and network wiring required for proper operation of the equipment listed herein is to be provided by KENNEDALE.*

Council Chambers Designed Functionality:

Space Overview:

The AV System in the Council Chambers will allow for connection from one (1) OFE System PC (in the AV rack), one (1) OFE Desktop PC (at the lectern), one (1) wired HDMI cable (located at the lectern), one (1) wired VGA w/ Audio cable (at the lectern), along with one (1) wired HDMI (Mayor's seat) and one (1) Wireless Presentation Device.

The display devices in this space include one (1) Panasonic 84" Display, one (1) 75" Panasonic Display, eight (8) 22" monitors for each council seat.

Control in the room is provided by a 22" touch screen at the clerk's seat along with a 7" touch panel at the AV rack for redundant and backup control that provides the ability to easily turn the system on/off, switch AV sources, control audio volume, control voting, control mic volume and muting along with request to speak functions.

The sound reinforcement (microphones) in the space will consist of one (1) Chairman Microphone with voting capabilities, five (5) Delegate Microphones with voting capabilities, two (2) additional microphones without voting capabilities (fill the additional council seat positions), one (1) OFE Gooseneck Microphone at the lectern for guest speakers, and one (1) OFE Gooseneck Microphone for the Clerk. A wireless microphone system will also be provided. This system provides a voting system along with the ability to record audio.

Detailed Systems View:

Display System:

- Visionality will provide and install one (1) Panasonic 84" LED Display for provided video playback of connected content. This display will be located behind the council seating on the same wall with the current OFE AV Rack. This device carries a 3-year advanced replacement warranty.
  Dimensions: W: 75.2" x H: 43.4" x D 3.1"
  Electrical outlet required to provide power for this device is to be provided by KENNEDALE.

- Visionality will provide and install one (1) Panasonic 75" LED Display for provided video playback of connected content. This display will be located behind the clerk's seating position. This device carries a 3-year advanced replacement warranty.
  Dimensions: W: 66.2" x H: 37.8" x D: 3.0"
  Electrical outlet required to provide power for this device is to be provided by KENNEDALE.

- Visionality will provide and install two (2) Chief Manufacturing wall mounts to provided mounting of the Panasonic Displays.

- Visionality will provide and install eight (8) Planar 22" LED Displays for use in viewing video content by council members. Video distributed to these displays is controlled by the Clerk and the 7" touch panel located at the AV Rack.

- Visionality will provide and install eight (8) AVF Surface Monitor Mounts that provide the capability for the attached monitor to be positioned in such a way that it does not block the view of the council members looking at the audience or speakers.

Image: Small Monitor Mount

Video System:

- Visionality will provide, program, and install one (1) Crestron Digital Media Presentation System (DMPS) that provides ultra-fast digital video and audio switching and lossless HD multi-display AV signal distribution. This system allows the user to send the same or different signals to each display in the system.

  This system provides the digital AV back bone for the Council Chambers along with Digital Signal Processing (DSP) and Control System functions described herein. This system provides additional inputs needed for system expansion, such as adding lecture capture to the system.

  The following AV Inputs and Outputs (I/0s) will be connected to the DMPS:

  Image: Crestron DMPS

  Inputs
  1. Wired HDMI @ Lectern
  2. Wired VGA w/Audio @ Lectern
  3. OFE Desktop PC @ Lectern (via HDMI)
  4. OFE System PC @ AV Rack (via HDMI)
  5. Wired HDMI @ Mayor's Seat
  6. AirMedia (via HDMI)

  Outputs
  1. Display 1
  2. Display 2
  3. Council Displays
  4. Clerk Control Touch Display

- Visionality will provide and install one (1) Crestron DM Transmitter to provide connection of the lectern video sources to the DMPS.
- Visionality will provide and install three (3) Kramer HDBaseT Transmitters and five (5) HDBaseT Receivers to provide connection via shielded category 6 wire to AV devices.
- Visionality will provide and install one (1) Crestron HDMI 1x8 Splitter to provide video signals to the 22" Council Member Monitors.

Council Chambers Continued…..

Control System:

- Visionality will provide, program, and install one (1) Crestron 3-Series Control Processor (processor included with the DMPS mentioned above).

  This device will provide the following control:

  - **System On/OFF**
  - **AV Source Selection and Switching**
  - **Displays On/Off**
  - **Source Routing to Display Devices**
  - **Volume Control Up/Down/Mute**
  - **Microphone Volume Control Up/Down/Mute**
  - **One Button system on and source selection.**
  - **Voting Control**
  - **Request to Speak Control**
  - **Audio Recording Control**

- Visionality will provide and install one (1) Crestron DGE-100. This device turns a normal touch-screen into a Crestron Control Touch Screen with Video Viewing Capabilities. This device will be connected to one (1) Planar 22" touch screen that will be located at the Clerk's seating position. This device will allow the Clerk to have full control of the AV System.

- Visionality will provide and install one (1) Crestron 7" Touch Screen that provides the user interface for control of the entire system. This device will be located at the AV Rack for system control and as a back control to the 22" touch screen used by the Clerk.

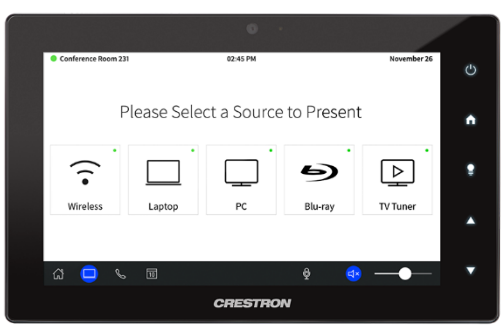


Image: Crestron 7" Touch Screen

Council Chambers Continued…..

Sound Reinforcement System:

- Visionality will provide, program, and install one (1) Televic Plixus Audio Engine Central Unit with Recording. This device provides all the processing and signal handling for the Microphone Discussion Units. This device provides the voting system for use with the Microphones. This device also provides audio recording for the AV System. This device provides a user-friendly web interface while also providing control from the Crestron System. Recording can be easily moved to a USB flash drive.

- Visionality will provide and install one (1) Televic Chairman Voting Microphone Unit with 16" Gooseneck Microphone. This units provides an integrated speaker, volume control, head-phone jack, voting capabilities, next inline speaker control, voting tally, and start/stop voting buttons.

- Visionality will provide and install five (5) Televic Delegate Voting Microphone Units with 16" Gooseneck Microphones. These units provide an integrated speaker, volume control, head-phone jack, 3 voting options, request to speak button, and vote tally feedback. These devices will be located at the voting member locations.

- Visionality will provide and install two (2) Televic Delegate Microphone Units with 16" Gooseneck Microphones. These units provide an integrated speaker, volume control, head-phone jack, and a request to speak button. These devices will be located at the non-voting member locations.

  Visionality will incorporate two (2) OFE Gooseneck Microphones located at the lectern for use by guest speakers and at the Clerk's seat.

- Visionality will provide and install one (1) Televic CoCon Meeting Suite software suite installed on one (1) OFE System PC. This software contains the Televic Discussion, Voting, and Signage software.

Images: Televic Mic, Audio Engine, and Software GUI

Audio System:

- Visionality will provide, program, and install one (1) Crestron DMPS (same as device listed in Video System above) that includes a Digital Signal Processor (DSP) to provide updated and advanced switching and mixing of the Audio Signals and the Sound Reinforcement System in the room. This device allows for content audio to be mixed with microphone audio while allowing that audio to be distributed to the speakers in the room*.* Independent level control is provided for both overall audio and microphone audio.

  This device converts analog audio to digital audio while also converting digital audio to analog audio used to feed the OFE in-ceiling speakers.

  Both content audio and microphone audio are connected to the DMPS.

- Visionality will incorporate (1) OFE QSC Audio Amplifier to provide power to the OFE in-ceiling speakers for audio playback.

- Visionality will incorporate the OFE In-Ceiling Speakers for audio playback from connected devices.

- Visionality will provide, program, and install one (1) Shure Wireless Microphone System that contains a Wireless Hand Held and Wireless Lavalier Microphone. Either the Hand Held or Lavalier may be used, but they cannot both be used at the same time.

Cabling:

- Visionality will provide and install two (2) Kramer HDMI Adapter Ring that provides cable adapters for Mini Display Port to HDMI, Display Port to HDMI, USB C to HDMI, and Min HDMI to HDMI. These devices are secured to the in-room HDMI cables so they doesn't easily disappear.

Image: Kramer HDMI Adapter Ring.

Rack System:

- Visionality will incorporate the current OFE AV Rack into the system.

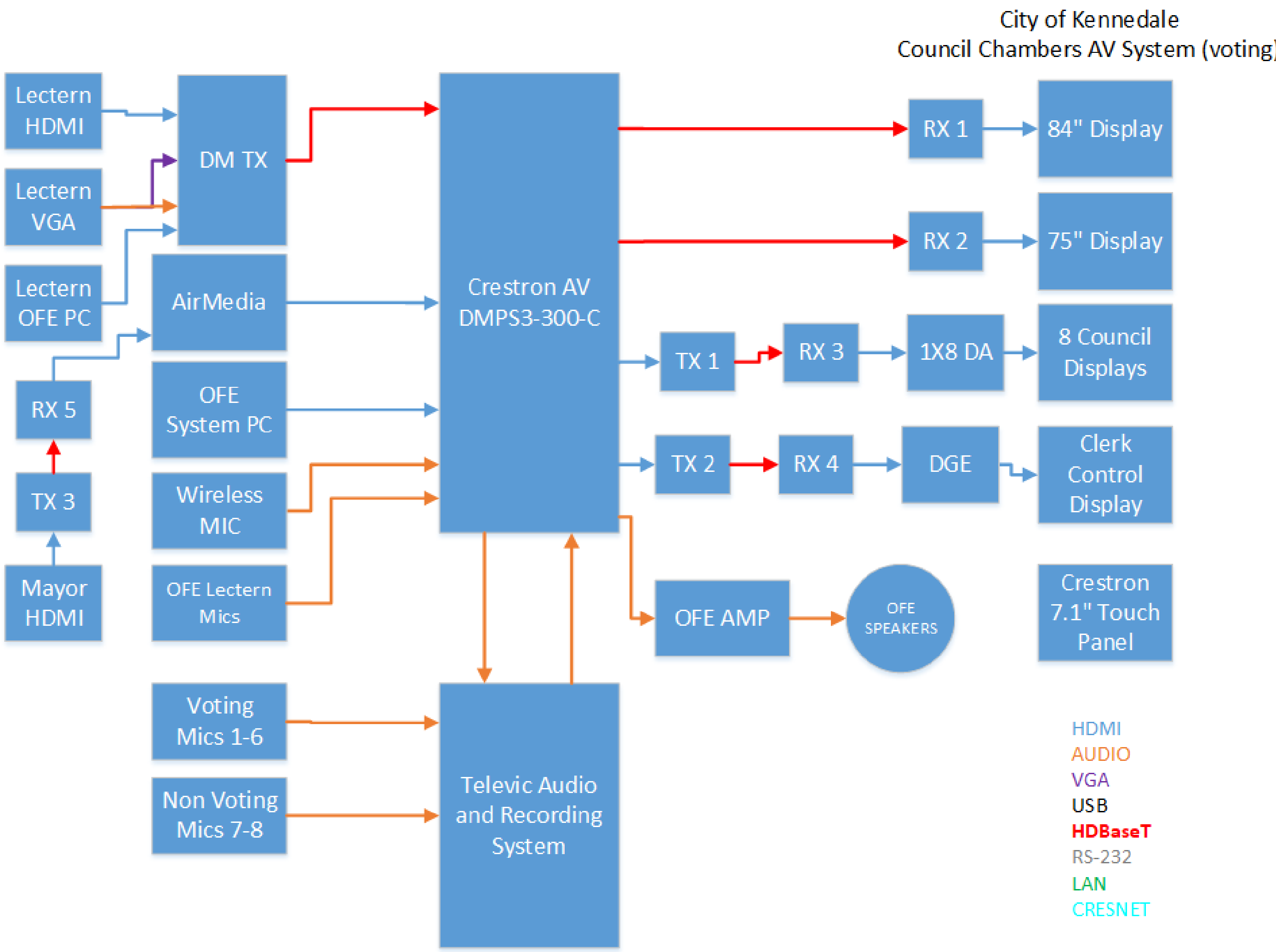
Video Option, Price $11,222.18

- Visionality will provide, install, and program one (1) Vaddio HD PTZ Camera providing a wide-angle view of the council members. This device is a 1080p PTZ camera with 30x zoom, 65 degree field of view, and improved color mapping for true, precise color representation. This device can also be used to zoom in on specific areas in the chambers. Presets can be established to make camera use easy and reliable.

- Visionality will provide, install, and program one (1) Extron SMP 351 Lecture Capture Recording and on demand services device. This device will allow for live streaming of events and include both camera and content views. Schedule streaming and recording using Microsoft Exchange, iCalendar, and others is available. Chamber sessions and events can also be recorded for on-demand or archived viewing.

Image: Extron Lecture Capture Device

Council Chambers with Voting Basic Layout Drawing:



Pricing

QTY	Manufacturer Part Number	Description	UNIT List	Discount Price	Total Price
QTY	**Manf. Part#**	**Description**	**UNIT List**	**Discount Price**	**Total Price**
	TIPS	This Quote is produced for the The Interlocal Purchasing System Contract #171001			
		DISPLAY SYSTEMS			
1	TH-84EF1U	84" Full HD LCD Professional Display 350 cd/m2	$6,119.00	$4,824.71	$4,824.71
1	TH-75EF1U	75" Full HD LCD Professional Display 410 cd/ m2	$3,549.00	$2,824.71	$2,824.71
2	XTM1U	Micro-Adjust Tilt Wall Mount X-Large	$359.00	$257.58	$515.16
8	997-9044-00	22" Slim LED Monitor with HDMI Input	$139.00	$125.10	$1,000.80
8	PLM1022	10"- 24" Monitor Surface Mount. Swivel and tilt functions. Mounts to any flat surface. VESA mounting pattern of 75x75 100x100 200x100 and 200x200 mm.. Black finish	$218.00	$163.50	$1,308.00
1	997-7039-00	22" Slim LED Touch-Monitor with HDMI Input	$269.00	$242.10	$242.10
		VIDEO and CONTROL SYSTEM			
1	DMPS3-300-C	3-Series® DigitalMedia™ Presentation System 300	$6,400.00	$3,616.00	$3,616.00

1	DM-TX-4K-302-C	4K DigitalMedia 8G+® Transmitter 302	$2,000.00	$1,130.00	$1,130.00
1	AM-200	AirMedia® Presentation System 200	$1,800.00	$1,017.00	$1,017.00
3	TP-580T	HDMIBidirect.RS?232IR over Twisted Pair HDBaseT Transmitte	$240.00	$162.00	$486.00
5	TP-580R	HDMI Bidirect.RS?232 IR over Twisted Pair HDBaseT Receiver	$240.00	$162.00	$810.00
1	HD-DA8-4K-E	1-to-8 4K HDMI® Distribution Amplifier	$1,000.00	$565.00	$565.00
1	DGE-100	Digital Graphics Engine 100	$2,000.00	$1,130.00	$1,130.00
1	TSW-760-B-S	7" Touch Screen Black Smooth	$1,400.00	$791.00	$791.00
		AUDIO SYSTEM			
1	PLIXUS-AER	Televic Plixus Audio Engine Central Unit with Recording	$3,971.00	$3,176.80	$3,176.80
1	T-CV	Televic Wired Chairman Voting Unit	$679.00	$543.20	$543.20
5	T-DV	Televic Wired Delegate Voting Unit	$648.00	$518.40	$2,592.00
2	T-DD	Televic Wired Delegate Voting Unit	$584.00	$467.20	$934.40

8	D-MIC40SL	Televic Conferencing Gooseneck Microphone 16in	$192.00	$153.60	$1,228.80
1	CoCon-MeetingSuite	Meeting Suite Conferencing Software with Discussion, Signage, and Voting	$8,807.00	$7,045.60	$7,045.60
1	LA-10	Co-Con System On-Site Cerfitication and Training	$2,500.00	$2,000.00	$2,000.00
2	OFE GOOSENECK	Cardioid-18" Desktop Gooseneck Condenser Microphone Attached 10´ XLR Cable Logic Functions Programmable Switch and LED Indicator Attached Desktop Base	$374.00	$0.00	$0.00
1	QLXD124/85-G50	Bodypack and Vocal Combo System with WL185 and SM58®	$1,799.00	$1,410.54	$1,410.54
1	OFE AMP	OFE QSC AMP	$0.00	$0.00	$0.00
1	OFE SPEAKERS	OFE SPEAKERS	$0.00	$0.00	$0.00
		CABLE INTERCONNECTS			
3	C-HM/HM-3	HDMI (Male - Male) Cable (3')	$11.00	$7.43	$22.29
4	C-HM/HM-6	HDMI (Male - Male) Cable (6')	$12.00	$8.10	$32.40
5	C-HM/HM-10	HDMI (Male - Male) Cable (10')	$16.00	$10.80	$54.00

2	C-HM/HM-12	HDMI (Male - Male) Cable (15')	$18.00	$12.15	$24.30
2	C-HM/HM-15	HDMI (Male - Male) Cable (15')	$24.00	$16.20	$32.40
2	C-HM/HM-25	HDMI (Male - Male) Cable (25')	$29.00	$19.58	$39.16
1	C-MGMA/MGMA -10	Molded 15-pin HD(Male-Male) Flexible Cable with Audio (10')	$30.00	$20.25	$20.25
1	C-USB/AB-10	USB 2.0 A(M) to B(M) Cable-10ft	$4.00	$2.70	$2.70
		PROFESSIONAL SERVICES			
1		Install, Programming, Testing, and Training	$16,509.53	$10,922.22	$10,922.22

TOTAL LIST	$71,723.53
TOTAL DISCOUNT PRICE	$50,610.20
SHIPPING	$0.00
SALES TAX	$0.00
TOTAL	$50,610.20

Responsibilities *(Unless otherwise specified above)*

Visionality Obligations

Visionality will be responsible for the following:

- Testing new system and making sure all is properly operational from both the hardware and software perspective.

Company/Customer Obligations

The following items shall be the provided by the Company and are not part of this scope or proposal:

- All 120V Electrical provisions (Specifications and call-outs will be provided by Visionality after acceptance of the proposal).
- All conduit and raceway as required by local code.
- Conveyance (pathway) for AV cabling- includes any core drilling or structural modifications.
- “Hard Points” for mounting of equipment and structural supports will be provided and installed by the Company prior to Visionality deployment. When in doubt the Company should contact a certified Structural Engineer for safety factors.
- Custom millwork, construction, or trim. Includes ceiling, floor and structural amendments or repairs.
- Required Local Permits and/or plan approvals.
- Required local inspection and compliance procedures.
- Hazardous material discovery and/or abatement.
- Provide and commission all Telephony and Network demarcations as required prior to Visionality onsite deployment.
- Ready access to room
- A minimum of 8 A.M – 5 P.M. daily. Monday through Friday.
- Security and Safety
- Prior to installation, if equipment is to be shipped in advance, the customer is responsible for receiving and storing this equipment in a safe location.
- During installation, customer is responsible for making sure rooms can be secured and equipment is safe.
- Rooms are clean and ready for installation. All equipment, furniture, debris, or other objects needs to be removed from the room for access or safety, prior to onset of installation.
- Sufficient on-site support, persons readily available to answer questions
- Network connectivity. Computer or other Network connections are to be installed and tested prior to DTC personnel arriving on site. Necessary firewall ports will be opened prior to the installation time, and IT staff will be available during the installation process if there is a connectivity issue. Adequate bandwidth will be provided for the equipment chosen.
- Computer Network jacks are to be tested with information for connection readily available
- Customer will assure that any customer furnished equipment is in working order.
- Customer is responsible, for firewall or router configuration, unless expressly stated as a term of this proposal.
- For maintenance purposes, customer will work with Visionality to create a mutually acceptable method that will allow remote access to installed equipment.

Project Management Procedures

Each entity will appoint one designee for as the prime project manager. These two people will ensure that the products are installed the way the project was envisioned. Any problems need to be funneled through these persons. For example, if there is a change in the room layout, this should be discussed between the two project managers and a change order written.

Status Reviews. Project implantation is taken seriously at Visionality. A weekly status meeting with management is held during all phases of the implementation to address issues early. Visionality Project Management is available to the customer for regular status meetings (via telephone or video) prior to the onset of installation. During the installation process, Visionality Project management will be available daily to discuss the status and needs of the installation with the customer designated representative.

Payments. Payment for the goods delivered is due when goods are shipped to site. Payment for installation is due when the installation is substantially complete. That is all work has been done and the equipment is operational. However there may be some tasks remaining (e.g. bug list).

Change Orders. All change orders must be submitted in writing from the customer designee to the Visionality project manager. If such a change is a fundamental change of scope either in parts or labor, the project manager will provide an estimate of the change in price. Visionality will proceed with this change when the change order has been completed and the approved by both parties.

Terms and Conditions

Disclaimers
Visionality - Designs That Compute (DTC) is a reseller of electronic equipment. Warranty and liability for use of any product sold is limited to what is stated by the manufacturer of these products. DTC creates no warranties express or implied beyond the manufacturer's warranty.

Limitations
The express obligation stated above is in lieu of all liabilities or obligations of DTC for damages, including but not limited to any liability due to or associated with infringement of a third party's intellectual property rights or any loss, damage, or injury, direct or consequential (including any loss of profits, use, business or the like, even if DTC has been advised of the possibility of same), arising out of or in connection with the delivery, use or performance of products resold by DTC, and it is agreed that repair or replacement, in accordance with the foregoing warranty, is DTC's sole liability and buyer's sole remedy for such liability, loss, damage, or injury. This limitation of DTC's liability will apply regardless of the form of action, whether in contract or tort (including negligence) or based on a warranty. Any action against DTC must be brought within 12 months after the cause of action arises. The parties expressly agree that the products are not consumer goods.

To the extent any limitation of liability contained herein is construed by a court of competent jurisdiction to be a limitation of liability in violation of state law, such limitation of liability shall be void, however the validity of the remaining parts, terms or provisions shall not be affected thereby, and said illegal or invalid part, term or provision shall be deemed not to be a part of this limitation of liability.

Statement of Confidentiality
This proposal is the work product of DTC and as a result remains the property of DTC. This proposal has been submitted for the express interest of offering products and services. The particulars of this proposal must remain confidential between the receiving agency and DTC. This proposal may not be offered to others without the express written consent of DTC. Where applicable, confidentiality is to be consistent with freedom of information act. If there is a request for this document the customer will take all necessary steps to defend the confidentiality of this document including an appeal the disclosure to the attorney general.

Installation (if applicable)
Installation prices are estimated based on the customers stated requirements. Unless otherwise noted, the customer is responsible for standard installation preparation and assistance; this include but is not limited to: Site security before and during the installation; fee access to perform installation during business hours while scheduled on site; customer furnished installation or materials are ready prior to Visionality installation; and resources are available quickly to resolve issues. A full list of these requirements is in the proposal above. If these conditions are not met, additional charges may apply.

Product Returns
DTC does not accept product returns unless defective and only for replacement.

Payment Terms

Prepayment may be required. If terms are extended, payment is due immediately upon receipt of goods. Any objections to delivery or installation by the customer that many delay payment must be submitted to DTC in writing with 15 day of delivery of invoice to purchasing. When DTC resolves the problem they will resubmit invoice to purchasing. At that time customer must respond within 15 days if there is a further problem. DTC fully expects any invoice to be paid within 30 days of submittal. Failure to pay in a timely manner will constitute charges at the rate of 2% per month from date of invoice submittal.

Products delivered for an installation, are billed and due at the time of delivery. Installation will be billed and due when substantial completion has occurred. DTC will work with the customer to assure the highest quality products and services are delivered and installed. At the customer's request a payment schedule can be designed that withholds a percentage of the invoice based upon successful installation.

Some equipment has service or warranty that starts at the time of delivery. If installation is delayed this may affect the time coverage of those products is in effect after installation.

At times, the goods and services in this proposal may be purchased by a government entity or under a specific purchasing contract. In the cases where be a law or contract has conflicts with the above terms, the terms of a purchasing contract or law will take precedence.

Non-Taxable Entities

Please include a copy of your Sales Tax Exemption Form along with any Purchase Order sent to Designs That Compute dba Visionality

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: DECISION ITEMS - A.

I. Subject:
Discuss and consider Ordinance 649 providing for an increase in exemptions from ad valorem taxes relating to residential homestead property owned by adult persons age sixty-five or older or who are disabled

II. Originated by:

Brady Olsen, Finance Director

III. Summary:
*Updated from July 16th, 2018 staff report. Many of the same drawbacks in a senior tax freeze are similar to those of increasing the senior tax exemption.

The City of Kennedale currently has an over 65 property tax exemption of $50,000. The exemption is not granted on basis of ability to pay, it is applied equally to all property owners 65 and over.

The following comes from the Government Finance Officers Association—"When granting exemptions or abatements, government officials should be aware that they are moving away from the economic ideal of taxation, which is applying the lowest tax rate against the broadest tax base. This ideal allows for the optimal collection of taxes; the lower the rate, the less likely people will attempt avoiding the tax and a broad tax base with few exceptions is simpler and less expensive to administer. Also, by reducing the tax base, governments are choosing to shift the tax burden from one class of constituents to another. Government officials should carefully consider the objectives of granting exemptions and whether the exemptions will have the intended effect. For example, it is assumed that tax exemptions or freezes are needed for elderly homeowners since they have fixed incomes. However, census data suggests that the elderly who own homes are relatively wealthy compared to other segments of society, especially lower income families or elderly residents who are confined to rental housing."

Kennedale currently has approximately $100 million in tax exempt property. This would equate to roughly $775,000 property tax revenue in the current budget. As a thought exercise, if all the property in the city was taxable, last year instead of raising the tax rate by 1 cent, we could have lowered it by 7 cents and still covered all current expenditures. Currently, Kennedale grants an exemption of $50,000 to all persons age 65 and older. These exemptions add up to approximately $26 million in property value, or ~$200,000 in unrealized revenue.

Any time a tax exemption goes into effect, the remaining tax payers have to make up the lost revenue. Over time, the cost providing services tends to increase. Even without providing any new services, Kennedale may need to spend over $100,000 more next year to maintain existing services. About 15% of all land value in the City is held by residents age 65 and older. With an exemption increase, that $100,000 of costs would be shifted to the remaining 85% of property owners. For illustration, if every property tax bill needed to increase by $100, senior bills would not increase at all and every other bill including those less able to pay would increase by $118.

Increasing the Senior exemption from $50,000 to $60,000 would cost the City between $30,000 and $40,000 annually. The exemption is currently on the high end for the area and an increasing it to $60,000 would make it one of the highest in DFW.

While many senior citizens may live on a fixed income, census figures show that those who are able to own a home tend to be in a better financial situation than the population at large. For instance, according to the American Community's Survey, 9.1% of all Kennedale residents age 18-64 were below the poverty line, while 9.2% of all Kennedale seniors were below the poverty line. This figure takes into account seniors in rental housing who may not see the direct impact of rising property taxes. Senior renters, such as those at Kennedale Seniors do not directly pay property taxes. Any increases to the property tax bill is split between the owner of the property and the seniors via increased rent. Since these properties would not likely be benefited by the tax exemption, Kennedale senior renters would be worse off with an increased tax exemption. There will always be examples of specific senior citizens who would benefit from a property tax exemption increase, but for every senior, there is another resident with the same needs who will now carry a greater burden. Based on poverty rate, Kennedale Seniors are no worse off than the population at large.

The population is only expected to age as more baby boomers retire. Increasing exemption would place an undue burden on the remaining population. We do not recommend increasing the senior tax exemption at this time.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
None

VII. Alternative Actions:

VIII. Attachments:

1.	O649 Property tax exemption increase	O649 Property tax exemption increase.pdf

ORDINANCE NO. 649

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS PROVIDING FOR AN INCREASE IN EXEMPTIONS FROM AD VALOREM TAXES RELATING TO RESIDENTIAL HOMESTEAD PROPERTY OWNED BY PERSONS AGE SIXTY-FIVE (65) YEARS AND OLDER, AND OF ADULT PERSONS WHO ARE DISABLED, IN ACCORDANCE WITH THE DEFINITIONS AND PROCEDURES OF THE PROPERTY TAX CODE OF THE STATE OF TEXAS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, Section 11.13(d) of the Texas Property Tax Code provides that the City Council may adopt an exemption from taxation of a portion of the appraised value of the residence homestead of disabled individuals or individuals who are 65 years of age or older; and

WHEREAS, the City Council has previously adopted a residence homestead exemption of this nature pursuant to Section 11.13(d) under Sec. 11-22 of the Kennedale City Code; and

WHEREAS, the City Council desires to increase the amount of the residential homestead exemption for individuals who are disabled or are 65 years of age or older pursuant to Section 11.13(f) of the Texas Property Tax Code and Sec. 11-22 of the Kennedale City Code.

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

SECTION 1.

Pursuant to Section 11.13 of the Texas Property Tax Code and Sec. 11-22 of the Kennedale City Code, an adult who is disabled or age sixty-five (65) years or older is hereby entitled to an exemption from taxation by the City of Kennedale in the amount of **<u>Sixty Thousand Dollars ($60,000.00)</u>** of the appraised value of his residential homestead.

SECTION 2.

This ordinance shall be cumulative of all provisions of ordinances of the City of Kennedale, Texas, as amended, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 3.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared 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 4.

This ordinance shall be in full force and effect from and after its passage by the City Council.

PASSED AND APPROVED this the 17th day of September 2018.

____
BRIAN JOHNSON, MAYOR

ATTEST:

____
LESLIE GALLOWAY, CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

____
CITY ATTORNEY

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: DECISION ITEMS - B.

I. Subject:
Discuss and consider Ordinance 650 of the City of Kennedale, Texas, adopting the Budget for the Fiscal Year beginning October 1, 2018, and ending September 30, 2019; appropriating resources for each department, project, operation, activity, purchase, account, and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable State Law; providing for the filing and posting of the Budget as required by State Law; providing a severability clause; and providing an effective date

II. Originated by:

Brady Olsen, Finance Director

III. Summary:

At this time, Council will consider adoption of Ordinance 650, adopting the FY18-19 Budget (Program of Services) for the City of Kennedale. Staff recommends Council adopt the budget as shown in Exhibit A.

Additional Information:
Exhibit A represents a brief summary of the budget as it stands now, after having been proposed by the City Manager on Friday, August 9, 2018; and discussed by City Council at the August 9th, 20th, and 23rd, September 6th and 14th work sessions. A PDF of the original City Manager's Proposed FY18-19 Budget is available at www.cityofkennedale.com/budget. A PDF of the FY-18-19 Budget, as adopted by City Council will be posted at www.cityofkennedale.com/budget no later than September 30, 2018.

According to Chapter 102, Municipal Budget, of the Local Government Code (LGC), a municipal budget shall be prepared to cover the proposed expenditures of the municipal government for the succeeding year. The proposed budget must be filed with the municipal clerk for public inspection, and a public hearing conducted on the budget with special notice published in relation to the budget hearing. At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget (or table it for adoption at a later meeting), and it may make any changes in the budget that it considers warranted by the law or by the best interest of the municipal taxpayers. A vote to adopt the budget under this Chapter is in addition to and separate from the vote to set the tax rate required by Chapter 26, Tax Code, or other law. The following timetable represents key dates during which notices were published and meetings were conducted:

DATE	ACTION
08/09/17	Staff Provides Effective Tax Rate And Schedules To Council
	Council FY18-19 Budget Meeting (presentation of the City Manager's Proposed Budget)
	Council Votes To Place Proposal For Tax Increase On Future Agenda and set Public Hearing Dates
08/23/17	Publish Notice of Public Hearing On Budget in the Newspaper of Record (*Star-Telegram*)
	Publish Notice of Proposed Property Tax Rate in the Newspaper of Record (*Star-Telegram*)
09/06/17	Hold Public Hearing On Budget AND First Public Hearing on Tax Rate
09/14/17	Hold Second Public Hearing on Tax Rate
09/17/17	Adopt FY18-19 Budget and Tax Rate
	Ratify Tax Revenue Rate that supports FY18-19 Budget

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:
MUST BE A RECORD VOTE.

VIII. Attachments:

1.	9-17 Budget Staff Report	9-17 Budget Staff Report.docx
2.	Exhibit A- FY 18-19 Adopted Budget Summary	Exhibit A- FY 18-19 Adopted Budget Summary.xlsx
3.	O650 Budget.2018-2019	O650 Budget.2018-2019.pdf

MEMORANDUM

To: Mayor and City Council Members

Date: September 17, 2018

Subject: Budget to be Adopted

Originated by: Brady Olsen, Finance Director

Summary:
Including the initial budget proposal on August 9th, the City Council has held 5 work sessions discussing the budget. Based on these discussions, it is the belief of staff that Council has a general consensus on changing a number of items from the proposed budget. The table below details the changes, associated dollar figure and fund.

When the issuance of COs failed, a number of needed capital projects were to be unfunded in the coming fiscal year. In order to fund the TxDOT and Safe Routes matching projects, we are planning a $755,000 issuance of Tax Notes in early October. Additionally, we have included cash funding for the Danny Drive CDBG and Crestdale sewer projects out of the water and sewer fund. Finally, in the Stormwater fund we have allocated the approximately $140,000 that would have been spent for debt service to capital projects.

Additionally, several smaller items have changed from the August 9th proposed budget due to requests from Council and the correction of minor mistakes. Council has requested the City no longer fund Rotary Dues and City Staff not purchase tablet devices for Council. Staff has corrected mistakes in the proposed budget including reclassifying KKB funding from Community Development to the Street Fund and correcting a typographical error in EDC rental income.

Finally, Council directed staff to move forward with two revenue reducing actions. First, it is Council's desire to increase the Senior Tax Exemption from $50,000 to $60,000. Second, Council does not wish to increase the Stormwater Fee from $3.50 to $4.00.

The attached budget in Exhibit A reflects the changes mentioned above. This is the budget Council will be voting on September 17th.

Item	Cost	Fund
Issuance of $755K Tax Note	$ -	DS
Cash Fund Danny Drive-CDBG	$ (200,000.00)	W&S
Cash Fund Crestdale Sewer	$ (415,000.00)	W&S
W&S Debt Service Reduction	$ 109,000.00	W&S
Health Insurance Savings	$ 8,850.00	W&S
Change Stormwater Debt Service to Stormwater Capital Projects	$ -	SW
Cost of not Increasing Stormwater Fee	$ (36,000.00)	SW
Correct Rental Income in EDC Fund	$ (11,000.00)	EDC
Reclassify KKB Funding to Street Fund	$ (5,000.00)	Street
Health Insurance Savings	$ 1,500.00	Street
Health Insurance Savings	$ 34,200.00	GF
Cost of Tax Exemption Increase	$ (32,500.00)	GF
Removal of Rotary Dues	$ 1,500.00	GF
Removal of funding for Drop Box Account	$ 1,620.00	GF

ALL FUNDS BUDGET SUMMARY

CATEGORY	COMBINED ENERAL FUND	EBT SERVIC FUNDS	APITAL PROJECT FUNDS	PECIAL REVENU FUNDS	COMBINED W&S FUNDS	COMBINED EDC FUNDS	TOTAL FUNDS
BEGINNING FUND BALAN	**$ 2,202,592**	**$ 48,073**	**$ 435,273**	**$ (760,994)**	**########**	**$ 243,633**	**########**
AD VALOREM TAXES	4,157,949	1,356,594	-	-	-	35,000	5,549,543
SALES/BEVERAGE TAXES	1,275,794	-	-	-	-	384,598	1,660,392
FRANCHISE FEES	721,244	-	-	-	-	-	721,244
GRANTS	76,327	-	-	1,767	-	-	78,094
LICENSES/PERMITS	225,370	-	-	-	-	-	225,370
FINES/FEES	196,900	-	90,000	-	406,814	-	693,714
CHARGES FOR SERVICES	190,950	-	-	-	4,256,376	-	4,447,326
INVESTMENT EARNINGS	13,011	1,500	1,135	-	2,250	215	18,111
MISCELLANEOUS INCOM	126,070	-	79,400	-	7,500	24,120	237,090
INTERGOVERNMENTAL	604,714	-	2,000	115,730	-	-	722,444
SURPLUS/RENTALS	4,850	-	-	-	1,000	185,969	191,819
TRANSFERS	182,458	154,825	-	10,000	212,525	-	559,808
TOTAL REVENUES	**$ 7,775,637**	**$ 1,512,919**	**$ 172,535**	**$ 127,497**	**########**	**$ 629,902**	**########**
PERSONNEL	5,384,311	-	-	-	775,383	-	6,159,693
SUPPLIES	237,541	-	-	-	67,475	2,100	307,116
MAINTENANCE	523,849	-	2,000	-	447,083	29,920	1,002,851
SUNDRY	1,602,979	-	170	1,767	2,338,242	187,460	4,130,618
DEBT	-	1,512,344	-	-	509,680	165,607	2,187,632
TRANSFERS	144,058	-	128,000	-	212,525	154,825	639,408
CAPITAL	235,233	-	-	10,000	824,796	-	1,070,029
GRANTS	92,500	-	-	-	-	-	92,500
TOTAL EXPENDITURES	**$ 8,220,470**	**$ 1,512,344**	**$ 130,170**	**$ 11,767**	**########**	**$ 539,912**	**########**
		-					
		-					
REVENUES OVER EXPEN	$ (444,833)	$ 575	$ 42,365	$ 115,730	########	$ 89,990	$ (484,892)
		$ -					
ENDING FUND BALANCE	**$ 1,757,759**	**$ 48,648**	**$ 477,638**	**$ (645,264)**	**########**	**$ 333,623**	**########**

ORDINANCE NO. 650

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; APPROPRIATING RESOURCES FOR EACH DEPARTMENT, PROJECT, OPERATION, ACTIVITY, PURCHASE, ACCOUNT AND OTHER EXPENDITURES; PROVIDING FOR EMERGENCY EXPENDITURES AND EXPENDITURES AS ALLOWED BY APPLICABLE STATE LAW; PROVIDING FOR THE FILING AND POSTING OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, the City Manager of the City has filed with the City Secretary a budget outlining all proposed expenditures of the Government of the City for the fiscal year beginning October 1, 2018, and ending September 30, 2019, (hereinafter referred as the "Budget"); and

WHEREAS, the Budget specifically sets forth each of the various projects for which appropriations are delineated, and the estimated amount of money carried in the Budget for each of such projects; and

WHEREAS, the Budget has been filed with the City Secretary for at least thirty (30) days before the date the City Council makes its tax levy for the fiscal year and such Budget has been available for inspection by any taxpayer; and

WHEREAS, notice of a public hearing on the proposed Budget, stating the date, time, place and subject matter of said public hearing, was given as required by the laws of the State of Texas; and

WHEREAS, such public hearing was held on September 6, 2018, prior approval of such date being ratified and confirmed by the City Council, and those wishing to speak on the Budget were heard; and

WHEREAS, the City Council has studied the Budget and listened to the comments of the taxpayers at the public hearing held thereon and has determined that the Budget, a copy of which is attached hereto as Exhibit "A" and incorporated herein for all purposes, is in the best interest of the City and that same should be approved and adopted.

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

SECTION 1. All of the above premises are found to be true and correct and are incorporated into the body of this Ordinance as if copied in their entirety.

SECTION 2. The Budget of the revenue of the City and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2018, and ending September 30, 2019, is hereby adopted and approved, and there is hereby appropriated from the funds indicated therein such sums for the projects, operations, activities, purchases, accounts and other expenditures proposed in the Budget, as set forth in Exhibit “A”.

SECTION 3. No expenditure of the funds of the City of Kennedale shall hereafter be made except in compliance with the Budget and applicable state law; provided, however, that in case of grave public necessity to meet unusual and unforeseen conditions, which could not by reasonable, diligent thought and attention have been included in the original Budget, expenditures may from time to time be authorized by the City Council as amendments to the original Budget.

SECTION 4. A copy of the approved Budget, including the cover page, shall be posted on the City’s website, along with the record vote of each member of the City Council, as required by law. In addition, the City Manager shall file or cause to be filed a true and correct copy of this ordinance, along with the approved Budget attached hereto, with the City Secretary. The City Manager shall file or cause to be filed a true and correct copy of this ordinance, along with the approved Budget attached hereto, and any amendments thereto, in the office of the County Clerk of Tarrant County, Texas, as required by State law.

SECTION 6. 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 7. That this ordinance be in full force and effect from and after its adoption.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 17th day of September, 2018.

ATTEST: **APPROVED:**

______________________________ ______________________________

City Secretary, Leslie Galloway **Mayor, Brian Johnson**

APPROVED AS TO FORM AND LEGALITY:

____

City Attorney, Wayne K. Olson

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: DECISION ITEMS - C.

I. Subject:
Discuss and consider ratification of property tax increase reflected in FY2018-2019 Adopted Budget

II. Originated by:

Brady Olsen, Finance Director

III. Summary:

At this time, Council will consider ratifying the FY18-19 Property Tax Increase reflected in the adopted FY18-19 Budget for the City of Kennedale.

According to Chapter 102, Municipal Budget, of the Local Government Code (LGC), a municipal budget shall be prepared to cover the proposed expenditures of the municipal government for the succeeding year. In addition to the adoption of a budget, should that budget require raising more revenue from property taxes than in the previous year, the governing body must conduct a separate vote to ratify the property tax increase reflected in the budget. Should the FY18-19 budget adopted by Council require raising more revenue from property taxes than in the previous year, the governing body must conduct a separate vote to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve
Alternative Actions (see below)

VII. Alternative Actions:

This should be approved by a separate motion, immediately after approval of the budget. Required wording for a motion by a governing body to ratify a property tax increase in an approved budget:

I MOVE TO RATIFY THE PROPERTY TAX INCREASE REFLECTED IN THE BUDGET.

VIII. Attachments:

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Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: DECISION ITEMS - D.

I. Subject:
Discuss and consider approval of Ordinance 651, fixing and levying municipal Ad Valorem Taxes for the City of Kennedale, Texas, for the Fiscal Year beginning October 1, 2018, and ending September 30, 2019; directing the assessment and collection thereof; providing a severability clause; and providing an effective date

II. Originated by:

Brady Olsen, Finance Director

III. Summary:
At this time, Council will consider adoption of Ordinance 651, fixing and levying FY18-19 ad valorem (property) taxes for the City of Kennedale.

There are two versions of Ordinance 651 attached: 1. Blank, with no Tax Rate Entered; 2. The Proposed Tax Rate (Reflected in the City Manager's Proposed Budget). The highlight indicates the portion of each Ordinance that differs, depending on the rate. The remainder of the text is unchanged.

According to the Texas Constitution and Property Tax Code, which both embody the concept of truth-in-taxation, a municipality is required to comply with certain steps in adopting their tax rate in an effort to make taxpayers aware of tax rate proposals and allow taxpayers, in certain cases, roll back or limit a tax increase. A vote to set the tax rate required by Chapter 26, Tax Code, is in addition to and separate from the vote to adopt the budget. The following timetable represents key dates during which notices were published and meetings were conducted:

DATE	ACTION
08/09/18	Staff Provides Effective Tax Rate And Schedules To Council
	Council FY18-19 Budget Meeting (presentation of the City Manager's Proposed Budget)
	Council Votes To Place Proposal For Tax Increase On Future Agenda and set Public Hearing Dates
08/23/18	Publish Notice of Public Hearing On Budget in the Newspaper of Record (*Star-Telegram*)
	Publish Notice of Proposed Property Tax Rate in the Newspaper of Record (*Star-Telegram*)
09/06/18	Hold Public Hearing On Budget AND First Public Hearing on Tax Rate
09/14/18	Hold Second Public Hearing on Tax Rate
09/17/18	Adopt FY18-19 Budget and Tax Rate
	Ratify Tax Revenue Rate that supports FY18-19 Budget

ADDITIONAL INFORMATION:
According to Section 5.05 of the Texas Tax Code, the taxing unit must vote to place a proposal to adopt the proposed tax rate as an action item on the agenda of a future meeting when a proposed rate exceeds the rollback rate or the effective rate, whichever is lower, and hold two public hearings prior to. At its budget workshop (special session) Friday, August 9, 2018, Council approved the placement of an item to

adopt a proposed tax rate not to exceed $0.7675 on the agenda for the Monday, September 17, 2018 (regular session) meeting. Furthermore, it scheduled two public hearings on the proposal to occur on Thursday, September 6, at 5:30 p.m. (special session) and September 14 (special session) at 2:00 p.m. Publication of these dates was accomplished in the Fort Worth Star-Telegram (the City of Kennedale's newspaper of record) on Thursday, August 23, 2018.

The City Manager's FY18-19 Budget Proposal (presented at the August 9, 2018 (special meeting) was based on a FY18-19 Tax Rate of $0.767500 (a one-cent reduction from FY17-18). Council can consider and adopt any FY18-19 Tax Rate, up to this rate.

Taxpayers were given an opportunity to express their views on the proposed FY 2018-19 property tax rate at the Public Hearings on September 6 and 14, 2018. Action can now be taken by Council at tonight's meeting (Monday, September 17, 2018) on the FY2018-2019 Budget and Tax Rate. Should the FY18-19 budget adopted by Council require raising more revenue from property taxes than in the previous year, the governing body must conduct a separate vote to ratify the property tax increase reflected in the budget.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve
Alternative Actions (see below)

VII. Alternative Actions:
THE VOTE ON TAX RATE MUST BE A **RECORD** VOTE. **THERE IS SPECIFIC REQUIRED WORDING FOR A MOTION BY A GOVERNING BODY TO SET THE TAX RATE. CHOOSE THE APPROPRIATE MOTION:**

RECOMMENDED TAX RATE:
I MOVE THAT THE PROPERTY TAX RATE BE DECREASED BY THE ADOPTION OF A TAX RATE OF $0.767500, WHICH IS EFFECTIVELY A 7.99 PERCENT INCREASE IN THE TAX RATE.

OTHER:
I MOVE THAT THE PROPERTY TAX RATE (INCREASE/DECREASE) BY THE ADOPTION OF A TAX RATE OF $0.____________, WHICH IS EFFECTIVELY A ___________ PERCENT (INCREASE/DECREASE) IN THE TAX RATE.

VIII. Attachments:

1.	O651 Tax Rate.2018-2019	O651 Tax Rate.2018-2019.pdf
2.	O651 Tax Rate.2018-2019-version 2	O651 Tax Rate.2018-2019-version 2.pdf

ORDINANCE NO. 651

AN ORDINANCE FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF KENNEDALE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING FOR THE APPROVAL OF THE TAX ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE CLAUSE.

WHEREAS, the City Council has approved on the 17th day of September 2018, the budget for the fiscal year beginning October 1, 2018, and ending September 30, 2019; and

WHEREAS, the City Council of the City of Kennedale, Texas hereby finds that a tax at the rate set forth below for the fiscal year beginning October 1, 2018 and ending September 30, 2019, must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, the City Council desires to approve the official tax roll of the City which is calculated based upon the adopted tax rate; and

WHEREAS, all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been completed in due and correct time, including providing notice of and conducting public hearings regarding the ad valorem tax levied hereby.

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

SECTION 1. For the current expense of the City of Kennedale and for the general improvements of the City and its property, there is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2018 and ending September 30, 2019, and for each fiscal year thereafter until it be otherwise provided and ordained, on all property situated within the corporate limits of the City of Kennedale, and not exempt from taxation by valid laws, an ad valorem tax rate of _____________ cents on each One Hundred Dollars ($100.00) of valuation of such property, to be assessed as follows:

$______________ For the purpose of maintenance and operation.

$______________ For the purpose of interest and sinking.

$______________ Total Tax Rate

THIS TAX RATE WILL RAISE MORE TAXES FROM MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY _______ PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY ___________.

SECTION 2. The taxes herein are levied according to law and shall be due and payable on October 1, 2018, and the same shall become delinquent on February 1, 2019. Should any taxpayer fail to make payment before the date of delinquency, a penalty and interest as provided by law shall be assessed until the unpaid taxes and penalty have been satisfied.

SECTION 3. Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that the taxes become delinquent on or after February 1, 2019 but not later than May 1, 2019 and that remain delinquent on July 1, 2019, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty and interest then due shall be added as collection costs to be paid by the taxpayer.

SECTION 4. Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all taxes that become delinquent on or after June 1, 2019 shall, in order to defray the costs of collection, incur an additional penalty in the amount of 20% of the delinquent tax, penalty and interest.

SECTION 5. The tax roll for tax year 2018 for the City of Kennedale is hereby approved.

SECTION 6. In the event any section, sub-section, clause, sentence, or phrase of this ordinance shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no means affect any other section, sub-section, clause sentence, or phrase of this ordinance, but all the rest thereof shall be in full force and effect just as though the section, sub-section, sentence, clause or phrase so declared or adjudged invalid or unconstitutional was not originally a part thereof.

SECTION 7. This ordinance shall be in full force and effect from and after its passage.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 17th day of September, 2018.

ATTEST: **APPROVED:**

_______________________________ _______________________________

City Secretary, Leslie Galloway **Mayor, Brian Johnson**

APPROVED AS TO FORM AND LEGALITY:

____

City Attorney, Wayne K. Olson

ORDINANCE NO. 651

AN ORDINANCE FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF KENNEDALE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019; DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING FOR THE APPROVAL OF THE TAX ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE CLAUSE.

WHEREAS, the City Council has approved on the 17th day of September 2018, the budget for the fiscal year beginning October 1, 2018, and ending September 30, 2019; and

WHEREAS, the City Council of the City of Kennedale, Texas hereby finds that a tax at the rate set forth below for the fiscal year beginning October 1, 2018 and ending September 30, 2019, must be levied to provide the revenue requirements of the budget for the ensuing year; and

WHEREAS, the City Council desires to approve the official tax roll of the City which is calculated based upon the adopted tax rate; and

WHEREAS, all statutory and constitutional requirements concerning the levying and assessing of ad valorem taxes have been completed in due and correct time, including providing notice of and conducting public hearings regarding the ad valorem tax levied hereby.

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

SECTION 1. For the current expense of the City of Kennedale and for the general improvements of the City and its property, there is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2018 and ending September 30, 2019, and for each fiscal year thereafter until it be otherwise provided and ordained, on all property situated within the corporate limits of the City of Kennedale, and not exempt from taxation by valid laws, an ad valorem tax rate of 0.7675 cents on each One Hundred Dollars ($100.00) of valuation of such property, to be assessed as follows:

$ 0.579739 For the purpose of maintenance and operation.

$ 0.187761 For the purpose of interest and sinking.

$ 0.7675 Total Tax Rate

THIS TAX RATE WILL RAISE MORE TAXES FROM MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.99 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A $100,000 HOME BY APPROXIMATELY 0.99 CENTS.

SECTION 2. The taxes herein are levied according to law and shall be due and payable on October 1, 2018, and the same shall become delinquent on February 1, 2019. Should any taxpayer fail to make payment before the date of delinquency, a penalty and interest as provided by law shall be assessed until the unpaid taxes and penalty have been satisfied.

SECTION 3. Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that the taxes become delinquent on or after February 1, 2019 but not later than May 1, 2019 and that remain delinquent on July 1, 2019, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty and interest then due shall be added as collection costs to be paid by the taxpayer.

SECTION 4. Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all taxes that become delinquent on or after June 1, 2019 shall, in order to defray the costs of collection, incur an additional penalty in the amount of 20% of the delinquent tax, penalty and interest.

SECTION 5. The tax roll for tax year 2018 for the City of Kennedale is hereby approved.

SECTION 6. In the event any section, sub-section, clause, sentence, or phrase of this ordinance shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no means affect any other section, sub-section, clause sentence, or phrase of this ordinance, but all the rest thereof shall be in full force and effect just as though the section, sub-section, sentence, clause or phrase so declared or adjudged invalid or unconstitutional was not originally a part thereof.

SECTION 7. This ordinance shall be in full force and effect from and after its passage.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 17th day of September, 2018.

ATTEST: **APPROVED:**

______________________________ ______________________________

City Secretary, Leslie Galloway **Mayor, Brian Johnson**

APPROVED AS TO FORM AND LEGALITY:

____

City Attorney, Wayne K. Olson

Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: DECISION ITEMS - E.

I. Subject:
Consider adoption of Ordinance 652, revising the rates for water service and sanitary sewer service

II. Originated by:

George Campbell, City Manager

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	O652 Water_Sewer Rates draft per LR comments 083018	O652 Water_Sewer Rates draft per LR comments 083018.pdf

ORDINANCE NO. 652

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 THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, 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
¾"	$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.

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
¾"	$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

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	$30.00	$55.00	$55.00	$30.00*
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.
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

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Staff Report to the Honorable Mayor and City Council

Date: September 17, 2018

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:
Briefing on Arlington Water Contract negotiations

II. Originated by:

George Campbell, City Manager

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments: