

KENNEDALE CITY COUNCIL
AGENDA
REGULAR MEETING
April 12, 2012
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

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

I. CALL TO ORDER

II. WORK SESSION

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

- A. Review Independent Auditor's Report for year ended September 30, 2011.
- B. Storm cleanup debrief.
- C. Discuss formation of a water rate committee.
- D. Discuss any other items on the agenda.

III. REGULAR SESSION

IV. ROLL CALL

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

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

VIII. VISITOR/CITIZENS FORUM

At this time, any person with business before the City Council not scheduled on the Agenda may speak, provided that an official 'Visitor/Citizen Request to Speak' Form has been completed and submitted to the City Secretary prior to the start of the meeting. All comments must be directed towards the Council as a whole, 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 can be taken on these items.

IX. REPORTS/ANNOUNCEMENTS

In addition to any specific matters listed below, the city council may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

- A. Presentation by the Texas Police Chiefs Association Foundation's Best Practices Program.

B. Information and updates from the City Manager, if any:

- Storm cleanup report

C. Information and updates from Councilmembers, if any:

D. Information and updates from the Mayor, if any:

Upcoming Events

- April 27-28 Citywide Garage Sale
- May 5 Great American Cleanup/Arbor Day Celebration in TownCenter Park 9AM-12PM
- May 5 Citywide Cleanup at the Landfill 8AM-12PM
- May 19 Kidfish, Bark in the Park, & National Kids to Parks Day. Time TBA

X. CONSENT ITEMS

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are considered to be routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately.

A. Consider approval of regular meeting minutes from March 8, 2012.

B. Consider a Developer's Agreement for Emerald Crest Estates

C. Consider action regarding a notice from the Public Utility Commission (PUC) of Texas for a Consumer Price Index (CPI) adjustment to municipal telecommunications right-of-way access line rates.

D. Consider approval of Auditing Services Request For Proposal (RFP).

E. Consider approval of a revised police-wrecker service contract.

F. Consider the 37th year CDBG contract award for sanitary sewer replacement on Kenny and Sulphur Streets

XI. REGULAR ITEMS

A. Consider sending a letter to TXDOT related to the signal light at Kennedale Parkway and Valley Lane.

B. Consider an ordinance canceling the May 12, 2012 election and declaring unopposed candidates elected to office.

C. Consider an Ordinance amending the FY2010-2011 budget.

D. Consider action for approval of Independent Auditor's Report for year ended September 30, 2011.

E. Consider an Ordinance amending section 2-3 of the city code relative to administrative fees for credit card charges.

F. Consider approval of a Resolution determining that an update of Impact Fees is unnecessary.

XII. EXECUTIVE SESSION

The City Council will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under

the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion on any item posted on the agenda.

A. The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. City Manager's annual performance evaluation.

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

XIV. ADJOURNMENT

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

CERTIFICATION

I certify that a copy of the April 12, 2012, agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.



Amethyst G. Cirno, City Secretary

Date: April 12, 2012

Agenda Item No: WORK SESSION - A.

I. Subject:

Review Independent Auditor's Report for year ended September 30, 2011.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

Our auditors (Patillo, Brown & Hill) will be in attendance to present their findings of the City audit to Council, as well as answer any questions Council may have. A copy of the City's audit will be emailed to the Council on Mon (April 9, 2012) for review prior to the meeting.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: WORK SESSION - B.

I. Subject:

Storm cleanup debrief.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Bob Hart will provide information related to the April 3 tornado and resulting cleanup.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: WORK SESSION - C.

I. Subject:

Discuss formation of a water rate committee.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Bob Hart will present information on this topic.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: WORK SESSION - D.

I. Subject:

Discuss any other items on the agenda.

II. Originated by:

III. Summary:

At this time the Mayor or City Council members may discuss any items on the agenda.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: REPORTS/ANNOUNCEMENTS - A.

I. Subject:

Presentation by the Texas Police Chiefs Association Foundation's Best Practices Program.

II. Originated by:

III. Summary:

In February of this year, the Kennedale Police Department passed its on-site inspection to become a Recognized Agency through the TPCA Foundation's Best Practices Program. Chief Mark Hafner of the Keller Police Department will represent the foundation to formally present the award to the city.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: CONSENT ITEMS - A.

I. Subject:

Discuss and consider regular meeting minutes from March 8, 2012.

II. Originated by:

Amethyst G. Cirimo, City Secretary and Communications Coordinator

III. Summary:

Please see the attached minutes.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	minutes	03.08.2012 CC Minutes.doc
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**KENNEDALE CITY COUNCIL
MINUTES
REGULAR MEETING
March 8, 2012
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

Mayor Bryan Lankhorst called the work session to order at 5:30 PM.

II. WORK SESSION

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

A. Update from the Youth Advisory Council.

A group from the Youth Advisory Council presented a short survey to the council, displaying their likes and dislikes of certain visual aspects of the city. Likes included municipal buildings, TownCenter Park, the 9-11 Memorial, the Section House, Sonora Park, and the new TownCenter retail area. Roads on the like list included the new Bowman Springs Road, Fellowship Academy, new bridges, and the roundabouts. Dislikes were based on appearance and not on business function. These included Chicken Express, Pecan Manor, Baseball Fields, unscreened businesses, and several dilapidated buildings and vacant lots throughout town.

B. Discuss traffic routing and construction schedule for Sublett Road project

Larry Hoover presented information related to temporarily making Sublett Road one-way to maintain safety during grading and construction. Councilmembers Carrington, Fernandez, and Turner expressed concerns regarding the length of the process and previous stipulations made related to maintaining two-way traffic.

Sam Davis from JLB Construction approached the council describing the status of the project, current processes, and future timelines.

Councilmember Clark asked that JLB consider a construction schedule that would allow for continued travel, at least one way, for the duration of the crosscutting process.

C. Discuss establishing a water rate committee for water/sewer rate study

Due to time constraints, this item was postponed until after executive session

D. Discuss the Comprehensive Land Use Plan.

Adam Wood and François De Kock from Halff and Associations presented the final draft of the Comprehensive Land Use Plan, noting that the plan was intended to achieve the desired vision that

current residents have for Kennedale's future. The presenters noted that the public participation portion of the process was attended by a very well-rounded cross-section of the community. The plan covers transportation, economic development, image and identity enhancements, and positive development. Specific areas of enhancement included biking and pedestrian connections between neighborhoods.

III. REGULAR SESSION

IV. ROLL CALL

Roll Call

Present Bryan Lankhorst (Not Voting), Frank Fernandez, John Clark, Brian Johnson , Kelly Turner, Liz Carrington

V. INVOCATION

VI. UNITED STATES PLEDGE

VII. TEXAS PLEDGE

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

VIII. VISITOR/CITIZENS FORUM

At this time, any person with business before the City Council not scheduled on the Agenda may speak, provided that an official 'Visitor/Citizen Request to Speak' Form has been completed and submitted to the City Secretary prior to the start of the meeting. All comments must be directed towards the Council as a whole, 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 can be taken on these items.

One resident signed up to speak.

1. Pat Doescher, President of the Kennedale Chamber of Commerce approached the council, expressing thanks for all of the help that everyone provided for the parade. The chamber hopes to continue to expand this event every year. Plans for the next event will begin this April. Senator Wendy Davis presented a proclamation to the Chamber and the City, which the Mayor read aloud.

IX. REPORTS/ANNOUNCEMENTS

In addition to any specific matters listed below, the city council may receive a report about items of community interest, including but not limited to recognition of individual officials, citizens or departments, information regarding holiday schedules, upcoming or attended events, etc.

- A. Information and updates from the City Manager, if any:
 - Sexually oriented business closures

City Manager Bob Hart noted the SOBs have now been closed.

The city's automatic emergency notification system has now been updated to include automatic tornado warnings from the national weather service.

- B. Information and updates from Councilmembers, if any:

Liza Carrington gave an update on Art in the Park, noting that the race would be held on the 24th and that the festival would be held from March 30 through April 1.

- C. Information and updates from the Mayor, if any:
- Board and Commission Dinner on March 29th.

X. CONSENT ITEMS

All matters listed under consent agenda have been previously discussed, require little or no deliberation, or are considered to be routine by the council. If discussion is desired, then an item will be removed from the consent agenda and considered separately.

A. Discuss and consider approval of the meeting minutes from February 9, 2012.

B. Discuss and consider authorizing the City Manager to execute an interlocal agreement with the City of Arlington regarding water and wastewater service.

Motion to approve the consent agenda as presented, **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Liz Carrington
Motion Passed Unanimously

XI. REGULAR ITEMS

A. Conduct a public hearing related to the potential removal of a traffic signal located at the intersection of Kennedale Parkway and Valley Lane.

1. Staff Presentation

Bob Hart noted that TXDOT has asked for formal notification and public hearing information.

2. Public Hearing –

The public hearing was opened by Mayor Lankhorst. No one signed up to speak so the hearing was closed.

3. Staff Response and Summary

Safety concerns include the road incline and visibility issues to the North. There are three options: Signal removal, a change to traffic actuated light only, or change to protected left turn signals.

4. Action by the City Council

The City will bring a formal recommendation to the Council in April.

B. Public Hearing to receive comments and consider action on the revised Comprehensive Land Use Plan for the City of Kennedale

1. Staff Presentation

Rachel Roberts approached the council, noting that the comprehensive plan must be updated every 5 years.

2. Consultant Presentation

François De Kock and Adam Wood of Halff and Associates briefly presented information on the plan, noting that public participation in the process was high and represented the community well. The presentation was a brief recap of what was presented during the work session.

3. Public Hearing

Mayor Lankhorst opened the public hearing. No one signed up to speak and the hearing was closed.

4. Consultant Response, if needed

Mr. Wood and Mr. De Kock noted that it had been a pleasure working on the plan and that they were looking forward to its implementation.

5. Staff Response and Summary

Ms. Roberts asked that the council look over the list of catalyst projects (handed out during the meeting) for further consideration at the next meeting.

C. Discuss and consider AN ORDINANCE UPDATING THE COMPREHENSIVE LAND USE PLAN FOR THE CITY OF KENNEDALE BY AMENDING THE FORMER PLAN IN ITS ENTIRETY; PROVING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

Motion To approve Ordinance 495 as presented. , **Action** Approve, **Moved By** Liz Carrington, **Seconded By** Kelly Turner
Motion Passed Unanimously

D. Conduct a public hearing relative to Tarrant County Community Development and Housing for the 38th Year Community Development Block Grant (CDBG) Project for water and sewer improvements.

1. Staff Presentation

Larry Ledbetter approached the council, explaining that the 38th year project intends to replace sanitary sewer on Municipal Drive. The city's funding portion of this project is projected to be \$50,000.

2. Public Hearing

Mayor Lankhorst opened the public hearing. No one signed up to speak and the hearing was closed.

3. Staff Response and Summary

No staff response was necessary.

E. Discuss and consider approval of Resolution 386, to authorize funding participation with Tarrant County Community Development and Housing for the 38th year Community Development Block Grant (CDBG) project for water and sewer improvements.

Motion To approve Resolution 386 as presented. , **Action** Approve, **Moved By** Liz Carrington, **Seconded By** Kelly Turner
Motion Passed Unanimously

F. Conduct a public hearing and consider action on CASE PZ 11-1, a request to amend the QuikTrip Planned Development District, approximately 2.6 acres located at 1301, 1209, 1207 W Kennedale Pkwy, 5405 High Ridge Rd, 6605 SE Loop 820, and an unaddressed property on SE Loop 820, Kennedale, Tarrant County, Texas, more particularly described as Oak Crest Addition, Block 4, Lots 1A, 2A, 3A, 4, 5A, 6, and 7, a part of Lot 27, Lot 28A (the Well Lot), and Lot 28, Tarrant County, Texas, by amending regulations governing signs, parking, the approved concept plan, and the approved site plan, and amending the district boundaries. The rezoning is requested by QuikTrip.

1. Staff Presentation

Rachel Roberts approached the council, noting that this store is a new prototype store that is intended to accommodate for a variety of customers and shopping needs. Quiktrip has made slight changes to their signage to better accommodate for the city's vision.

2. Applicant Presentation

Jake Petras from QuikTrip noted that the architecture of this store is very different from past stores, and that this building is the most architecturally advanced design that the company has used so far. The store will offer several different types of food, including fresh and packaged.

3. Public Hearing

Mayor Lankhorst opened the public hearing. No one signed up to speak and the public hearing was closed.

4. Applicant Response

No response was necessary.

5. Staff Response and Summary

6. Action by the City Council

Motion To approve the Ordinance as presented. , **Action** Approve, **Moved By** Kelly Turner, **Seconded By** John Clark

Motion Passed Unanimously

G. Conduct a public hearing and consider action on CASE PZ 12-0, an Ordinance amending the comprehensive zoning ordinance of the City of Kennedale, as amended, by amending section 17-420 of the city code, regulations governing overlay districts; and by amending section 17-424, regulations governing loading docks; providing that the ordinance shall be cumulative of all ordinances; providing a penalty clause; providing a savings clause; providing a severability clause; and providing an effective date.

1. Staff Presentation

Rachel Roberts explained that this ordinance cleaned up language and redirects to other sections within the code.

2. Public Hearing

Mayor Lankhorst opened the public hearing. No one signed up to speak and the public hearing was closed.

3. Staff Response and Summary

No response was necessary.

4. Action by the City Council

Motion To approve the Ordinance as presented. , **Action** Adjourn, **Moved By** John Clark, **Seconded By** Kelly Turner

Motion Passed Unanimously

H. Discuss and consider adoption of AN ORDINANCE ADOPTING SPEED LIMITS ON CERTAIN ROADWAYS WITHIN THE CITY OF KENNEDALE, TEXAS; DIRECTING THE ERECTION OF SIGNS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

Bob Hart noted that state law allows cities to establish a prima facie speed limit of not lower than 25 miles per hour. Kennedale's current prima facie speed is 30. Mr. Hart went through and explained the proposed limits by streets, (which can be found in the packet and /or ordinance)

Motion To approve the ordinance as presented. , **Action** Approve, **Moved By** John Clark, **Seconded By** Kelly Turner
Motion Passed Unanimously

I. Discuss and consider approval of AN ORDINANCE ADOPTING SPEED LIMITS WITHIN SCHOOL ZONES ON CERTAIN ROADWAYS WITHIN THE CITY OF KENNEDALE, TEXAS; DIRECTING THE ERECTION OF SIGNS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

Police Chief Tommy Williams approached the Council, explaining that this ordinance was meant to provide a cohesive ordinance regulating speed limits for al school zones, including Fellowship Academy.

Motion To approve the ordinance as presented. , **Action** Approve, **Moved By** Kelly Turner, **Seconded By** Liz Carrington

Motion Passed Unanimously

J. Discuss and consider approval of AN ORDINANCE PROVIDING FOR THE ENFORCEMENT OF TEXAS TRANSPORTATION CODE PROHIBITIONS ON THE USE OF WIRELESS COMMUNICATION DEVICES WHILE OPERATING A MOTOR VEHICLE IN SCHOOL ZONES WITHIN THE CITY OF KENNEDALE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

Councilmember Turner noted that this ordinance may be difficult to enforce.

Motion To approve the ordinance as presented. , **Action** Approve, **Moved By** John Clark, **Seconded By** Kelly Turner
Motion Passed Unanimously

K. Discuss and consider appointments to the Library Advisory Board.

Sharon Dehnel approached the council and explained her background as a professional librarian and her desire to serve the community.

Motion To appoint Sharon Dehnel to the Library Advisory Board, **Action** Approve, **Moved By** Kelly Turner, **Seconded By** John Clark
Motion Passed Unanimously

XII. EXECUTIVE SESSION WITH THE ECONOMIC DEVELOPMENT CORPORATION - 8:30 PM

A. The City Council and the Economic Development Corporation will meet in closed session pursuant to Section 551.071 of the Texas Government Code for consultation with the City Attorney pertaining to any matter in which the duty of the City Attorney under the Texas Disciplinary Rules of Professional Conduct may conflict with the Open Meetings Act, including discussion on any item posted on the agenda and Section 551.072 of the Texas Government Code to deliberate the purchase, sale, exchange, lease, or value of real property.

1. Proposal from Speed Fab-Crete to purchase property at 1000 E Kennedale Parkway.

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

No action pursuant to executive session was necessary.

Item II-C Discuss establishing a water rate committee for water/sewer rate study:

Bob Hart noted that the implementation of a committee to study and review water/sewer rates may be in the city's best interest. The Council agreed.

XIV. ADJOURNMENT

Motion To adjourn. , **Action** Adjourn, **Moved By** Brian Johnson , **Seconded By** John Clark
Motion Passed Unanimously

The meeting was adjourned at 9:52 PM.

Date: April 12, 2012

Agenda Item No: CONSENT ITEMS - B.

I. Subject:

Discuss and consider a Developer's Agreement for Emerald Crest Estates

II. Originated by:

Rachel Roberts, City Planner

III. Summary:

City code requires that developers sign a developer's agreement with the city as part of applying for a plat for a subdivision. The developer's agreement with McCaslin Holdings for the Emerald Crest Estates plat (approved last year) is included with this report for your review.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

1.	Emerald Crest	Emerald Cresr.pdf
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CITY OF KENNEDALE
DEVELOPER'S AGREEMENT
FOR THE

EMERALD CREST ESTATES ADDITION

STATE OF TEXAS §
§
COUNTY OF TARRANT §

THIS AGREEMENT is entered into on the ____ day of _____, 2012, between the City of Kennedale, Texas, hereinafter referred to as the "CITY", and McCaslin Holdings, whose address is 100 N. Mitchell Rd. Mansfield, Texas 76063, hereinafter referred to as the "DEVELOPER."

WHEREAS, the DEVELOPER has requested the CITY to permit the platting and/or development of a tract of land known as Emerald Crest Estates (the "Addition"); and

WHEREAS, the CITY has approved such platting and/or development which requires the construction of community facilities and improvements to serve the Addition as provided herein; and

WHEREAS, this Agreement shall operate as a covenant running with the land and shall be binding upon the DEVELOPER and its successors, heirs, assigns, grantees, trustees and representatives; and

WHEREAS, the DEVELOPER has agreed to create a homeowner's association for the Addition which shall be considered to be a successor and assign of the DEVELOPER for purposes of carrying out future obligations of the DEVELOPER pursuant to this Agreement.

NOW, THEREFORE, the CITY and the DEVELOPER, in consideration of the mutual covenants and agreements contained herein, do mutually agree as follows:

A. ZONING, PLATTING and ADDITION PLANNING

All property owned by the DEVELOPER and located within the limits of the Addition shall be zoned and platted in accordance with the Zoning Ordinance and the Subdivision Ordinance of the CITY before any Building Permit will be issued. The DEVELOPER shall dedicate, at no cost to the CITY, all easements and other dedications as required by CITY regulations at the time of platting.

The DEVELOPER shall comply with all requirements in this Agreement as a condition of approval of the Addition.

B. PUBLIC IMPROVEMENTS

All public and private infrastructure improvements, including streets, utilities, drainage, sidewalks, street lighting, street signage, and all other required improvements, shall be provided by the DEVELOPER, at no cost to the CITY, in accordance with the Subdivision Ordinance and other Regulations of the CITY, and as approved by the City Engineer or his agent. Such improvements shall be installed within all applicable time frames in accordance with the Subdivision Ordinance of the CITY and this Agreement.

The DEVELOPER shall employ a civil engineer licensed to practice under Chapter 1001 of the Texas Occupations Code for the design and preparation of plans and specifications for the construction of the public improvements. The DEVELOPER shall assume all responsibility for the adequacy and accuracy of the design, plans and specifications. Engineering studies, plan/profile sheets, and other construction documents (hereinafter referred to as the "Construction Plans") prepared by the licensed engineer shall be provided by the DEVELOPER at the time of platting as required by the Subdivision Ordinance. Such documents shall be approved by the City Engineer or his agent prior to approval and filing of a Final Plat. Construction of such improvements shall not be initiated until a Pre-Construction Conference has been conducted regarding the proposed construction.

In accordance with the Subdivision Ordinance of the CITY, construction of all public improvements shall be subject to routine review by the City Engineer or his agent to evaluate conformance with the construction plans, project specifications and CITY standards. However, such review and evaluation shall not relieve the DEVELOPER, his engineer and/or agent of responsibility for the design, construction and maintenance of the improvements as set out in this Agreement and relevant ordinances of the CITY.

Upon completion of construction of public improvements as required by this

Agreement and the Subdivision Ordinance, the DEVELOPER shall deliver to the CITY the following As-Built construction plans for the public improvements constructed or engineered by the DEVELOPER:

1. One FULL set in AutoCAD 14 (or the City's most recent version);
2. One FULL MYLAR set;
3. One FULL Blue-Line set;
4. One Blue-Line copy of the executed ("filed") Final Plat sheet;
5. One 11" X 17" copy of the Final Plat Sheet;
6. Two (2) Blue-Line copies of the Water and Sanitary Sewer Layout sheet at a scale of 1:200; and
7. One Blue-Line copy of the Storm Drain Layout sheet at a scale of 1:200.

No building permits will be issued for the Addition until all public improvements have been installed and inspected and a Letter of Acceptance has been issued by the City.

C. CONSTRUCTION BONDS

Prior to initiating any construction for the Addition, the construction contractor(s) for the DEVELOPER shall provide the CITY with one original and one quality copy of the following construction bonds:

1. PERFORMANCE BOND

A good and sufficient Performance Bond in an amount equal to one hundred percent (100%) of the total contract price of the contract between the DEVELOPER and the Prime Contractor for the construction of public improvements (and any private improvements constructed in lieu thereof), guaranteeing the full and faithful execution of the work and performance of this contract and for the protection of the CITY against any improper execution of the work or the use of inferior materials. The Performance Bond shall guarantee completion of the improvements within one year of execution of this Agreement.

2. PAYMENT BOND

A good and sufficient Payment Bond in an amount equal to one hundred percent (100%) of the total contract price of the contract between the DEVELOPER and the Prime Contractor for the construction of public improvements (and any private

improvements constructed in lieu thereof), guaranteeing payment for all labor, materials and equipment used in the construction of the improvements.

3. **MAINTENANCE BOND**

A good and sufficient Maintenance Bond in an amount equal to one hundred percent (100%) of the total cost of the public improvements (and any private improvements constructed in lieu thereof), guaranteeing the maintenance in good condition of the facilities for a period of two (2) years from and after the date that a Letter of Acceptance is issued by the CITY indicating that the public improvements have been completed by the DEVELOPER and accepted by the CITY.

Each of the above bonds shall be in a form acceptable to the CITY. Any surety company through which a bond is written shall be duly authorized to do business in the State of Texas, provided that the CITY, through its Mayor, shall retain the right to reject any surety company for any work under this Agreement regardless of such company's authorization to do business in the State of Texas. Approval by the City shall not be unreasonably withheld or delayed.

D. STREETS

1. In conjunction with the platting and development of the Addition, all required on-site and off-site street improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the Developer's engineer and accepted by the CITY prior to the issuance of any Building Permit. Streets shall be constructed of portland cement and the DEVELOPER shall install curb and gutter in accordance with CITY standards. The CITY shall assume maintenance responsibilities of any public street improvements installed by the DEVELOPER once the two-year maintenance bond is released. The DEVELOPER shall be responsible for maintenance of all private drives or access ways.
2. Street lighting shall be installed by TXU Delivery Company or its agent ("TXU") in accordance with a street lighting layout plan provided by TXU and approved by the City Engineer or his agent. The DEVELOPER shall be responsible for the installation costs of any required street lighting as provided herein.

E. SIDEWALKS

Sidewalks are required to be installed by the Home builder before a final inspection shall be approved in accordance with the CITY's Subdivision Ordinance.

F. UTILITIES

1. WATER

All required on-site and off-site water mains, valves, fire hydrants and other improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the DEVELOPER's engineer and accepted by the CITY prior to the issuance of any building permit. The CITY shall assume maintenance responsibilities of the water system once the two-year maintenance bond is released.

2. SANITARY SEWER

All required on-site and off-site sanitary sewer mains, manholes and other improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the DEVELOPER's engineer and accepted by the CITY prior to the issuance of any building permit. The CITY shall assume maintenance responsibilities of the sewer system once the two-year maintenance bond is released.

3. DRAINAGE

All required on-site and off-site drainage improvements shall be constructed by the DEVELOPER in accordance with the plans and specifications prepared by the DEVELOPER's engineer and accepted by the CITY prior to the issuance of any building permit. The DEVELOPER agrees to comply with all applicable EPA, TCEQ and other Federal, State and local requirements relating to the planning, permitting and management of storm water. The DEVELOPER agrees to construct the necessary drainage facilities within the Addition. These facilities shall be designed and constructed in accordance with the CITY's Subdivision Ordinance and the Construction Plans. The DEVELOPER agrees to comply with all provisions of the Texas Water Code. The City shall assume maintenance responsibilities of the drainage facilities once the two-year

maintenance bond is released, with the exception of the detention facilities, which will be maintained by the DEVELOPER.

G. PUBLIC FACILITIES TO BE PROVIDED BY THE CITY

1. The CITY makes no guarantee that water supply or wastewater treatment capacity will be available at any particular time or place, it being fully understood by both parties hereto that the ability of the CITY to supply water and wastewater services is subject to the CITY's water and wastewater system capacity. The CITY shall be the sole judge of the availability of such capacity to supply such water and/or wastewater services, provided, however, that the CITY will use its best efforts to insure that said water supply and wastewater treatment capacity is available.
2. The CITY does note to the DEVELOPER that in and along the SOUTHWEST side of the proposed Addition, a 12-inch diameter water main exists for connection.
3. The CITY does note to the DEVELOPER that at the NORTHEAST corner of the Addition, a 12-inch diameter sanitary sewer main exists for connection. A sanitary sewer manhole is required for 6-inch connections and larger.

H. FEES TO BE PAID BY THE DEVELOPER

1. **PLAT FEES**
The DEVELOPER has paid the CITY for all plat fees. The Final Plat was approved by the City Council on August 11, 2011.
2. **CONSTRUCTION INSPECTION FEES**
The DEVELOPER hereby agrees to pay the CITY construction inspection fees equal to four percent (4%) of the construction costs of water and sanitary sewer infrastructure improvements and four percent (4%) of the construction costs of street and drainage improvements for the Addition. Payment is due prior to initiating construction of these infrastructure improvements.
3. **STREET NAME SIGNS and TRAFFIC CONTROL DEVICE SIGNAGE**

The DEVELOPER is responsible for material costs, installation costs and maintenance costs of all street name signs, traffic control devices and school zone signs, including flashing light school zone signs as required by the City Engineer. All street name signs and traffic control device signs shall meet the current CITY standards and comply with the requirements of the Texas Manual on Uniform Traffic Control Devices at the time of installation. Installation must be completed prior to CITY acceptance of the Addition's infrastructure improvements. Traffic Control or regulatory signs shall be installed by the DEVELOPER where required.

4. **IMPACT FEES**

It is understood and agreed that impact fees will be assessed by the CITY at the time of final platting of the Addition, including the applicable sanitary sewer and water impact fees assessed by both the CITY and the City of Fort Worth. These fees must be paid prior to obtaining building permits for lots in the Addition.

5. **PARK FEES**

Required park fees (in lieu of dedication of park land) shall be paid by the DEVELOPER before construction of the public improvements. The park fee for the Addition is calculated as follows:

6. **PUBLIC UTILITIES**

The DEVELOPER agrees to pay the public utility companies (Charter Communications Cable Company, SBC Telephone Company, TXU Energy Company, TXU Gas Company and TXU Delivery Company) for their required costs of main installations, for street lighting, etc. for the Addition.

I. GENERAL CONDITIONS

1. **LAW COMPLIANCE**

The DEVELOPER agrees to comply with all federal, state and local laws that are applicable to development of the Addition.

2. **EROSION CONTROL**

During construction of the Addition and after the streets have been installed, the DEVELOPER agrees to keep the streets free

from soil build-up. The DEVELOPER agrees to use soil control measures such as silt screening, hydromulch, etc., to prevent soil erosion. It will be the DEVELOPER'S responsibility to present to the City Engineer a soil control development plan that will be implemented for the Addition. When, in the opinion of the City Engineer or his agent, there is sufficient soil build-up on the streets or other drainage areas and notification has been given to the DEVELOPER, the DEVELOPER will have twenty-four (24) hours to clear the soil from the streets or affected areas. If the DEVELOPER does not remove the soil from the streets within the twenty-four (24) hours, the CITY may cause the soil to be removed either by contract or CITY forces and place the soil within the Addition at the DEVELOPER'S expense. All expenses incurred by the CITY in doing so must be paid to the CITY prior to acceptance of the Addition.

3. PRIVATE AMENITIES

It is understood that the Addition may incorporate a number of unique amenities and aesthetic improvements such as ponds, aesthetic lakes, unique landscaping, fences and walls, street furniture, etc. and may incorporate specialty signage and accessory facilities. The DEVELOPER agrees to accept responsibility for the construction and maintenance of all such aesthetic or specialty items. The CITY shall not be responsible for the maintenance or replacement of these items under any circumstances.

4. AMENITIES WITHIN PUBLIC RIGHT-OF-WAY

Only those amenities or specialty items listed in this section may be constructed within the public right-of-way. The CITY shall not be responsible for the replacement of these items under any circumstances. The DEVELOPER agrees to accept responsibility for the installation and maintenance of all landscaping and irrigation, as specified on the approved Construction Plans, within any open spaces or other public right-of-way within the Addition and agrees to indemnify and hold harmless the CITY from any and all damage, loss or liability of any kind whatsoever by reason of injury to property or third persons occasioned by the location of these amenities within the public right-of-way, and the DEVELOPER shall defend and protect the CITY against all such claims and demands. The

DEVELOPER shall replace any plants, trees, or grass that die with the same type of plant, tree, or grass that is the same size and in the same stage of growth as the landscaping that died.

5. VENUE

Venue for any action brought hereunder shall be in Tarrant County, Texas.

6. ASSIGNMENT

This Agreement or any part hereof or any interest herein shall not be assigned by the DEVELOPER without the express written consent of the Mayor, which consent shall not be unreasonably withheld.

7. HOMEOWNERS' ASSOCIATION

DEVELOPER shall create a Homeowners' Association for the purpose of assuming the responsibility for continuing maintenance of facilities and infrastructure that are the responsibility of DEVELOPER. The provisions for the creation and operation of the Homeowners' Association shall be a covenant running with the land and shall provide for adequate funding of the Homeowners' Association for purposes of carrying out the obligations of this Agreement. The provisions for the creation and operation of the Homeowners' Association shall be subject to approval by the CITY.

J. FINAL ACCEPTANCE OF SUBDIVISION INFRASTRUCTURE

The CITY will not issue a Letter of Acceptance until the Addition's public improvements are completely constructed (Final Completion) to the satisfaction of the City Engineer or his agent. However, upon Substantial Completion, a "punch list" of outstanding items shall be presented to the DEVELOPER'S contractor(s) indicating those outstanding items and their deficiencies that need to be addressed for Final Completion of the Addition.

The DEVELOPER agrees to deliver to the CITY clear and unencumbered title to all public improvements. Upon issuance of a Letter of Acceptance, title to all public improvements mentioned herein shall be vested in the CITY and the DEVELOPER hereby relinquishes any right, title or interest in and to such improvements or any part thereof. It is understood and agreed that the CITY shall have no liability or responsibility in connection with such public improvements until the Letter of

Acceptance is issued.

K. NON-WAIVER

The DEVELOPER expressly acknowledges that by entering into this Agreement, the DEVELOPER shall never construe this Agreement as waiving any of the requirements of the Zoning Ordinance or Subdivision Ordinance or any other ordinance of the CITY.

L. HOLD HARMLESS AGREEMENT

THE DEVELOPER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT APPROVAL BY THE CITY ENGINEER OR OTHER CITY EMPLOYEE OF THE CONSTRUCTION PLANS OR ANY OTHER PLANS, DESIGNS OR SPECIFICATIONS SUBMITTED BY THE DEVELOPER PURSUANT TO THIS AGREEMENT SHALL NOT CONSTITUTE OR BE DEEMED TO BE A RELEASE OF THE RESPONSIBILITY AND LIABILITY OF THE DEVELOPER, HIS ENGINEER, EMPLOYEES, OFFICERS OR AGENTS FOR THE ACCURACY AND COMPETENCY OF THEIR DESIGN AND SPECIFICATIONS. SUCH APPROVAL SHALL NOT BE DEEMED TO BE AN ASSUMPTION OF SUCH RESPONSIBILITY AND LIABILITY BY THE CITY FOR ANY DEFECT IN THE DESIGN AND SPECIFICATIONS PREPARED BY THE DEVELOPER'S ENGINEER, HIS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES, IT BEING THE INTENT OF THE PARTIES THAT APPROVAL BY THE CITY ENGINEER SIGNIFIES THE CITY'S APPROVAL ON ONLY THE GENERAL DESIGN CONCEPT OF THE IMPROVEMENTS TO BE CONSTRUCTED. IN THIS CONNECTION, THE DEVELOPER SHALL, FOR A PERIOD OF TWO (2) YEARS AFTER THE ACCEPTANCE BY THE CITY OF THE COMPLETED CONSTRUCTION OF INFRASTRUCTURE FOR THE ADDITION, INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES, FROM ANY LOSS, DAMAGE, LIABILITY OR EXPENSE ON ACCOUNT OF DAMAGE TO PROPERTY AND INJURIES, INCLUDING DEATH, TO ANY AND ALL PERSONS WHICH MAY ARISE OUT OF ANY DEFECT, DEFICIENCY OR NEGLIGENCE OF THE DEVELOPER'S ENGINEER'S DESIGNS AND SPECIFICATIONS INCORPORATED INTO ANY IMPROVEMENTS CONSTRUCTED IN ACCORDANCE THEREWITH, WHETHER OR NOT CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF THE CITY, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES, AND THE DEVELOPER SHALL DEFEND AT HIS OWN EXPENSE ANY SUITS OR OTHER PROCEEDINGS BROUGHT AGAINST THE CITY, ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES OR ANY OF THEM, ON ACCOUNT THEREOF, AND SHALL PAY ALL EXPENSES

(INCLUDING WITHOUT LIMITATION REASONABLE FEES AND EXPENSES OF ATTORNEYS) AND SATISFY ALL JUDGMENTS WHICH MAY BE INCURRED BY OR RENDERED AGAINST THEM OR ANY OF THEM IN CONNECTION THEREWITH.

THE DEVELOPER DOES HEREBY FULLY RELEASE AND AGREE TO, INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM ALL CLAIMS, SUITS, JUDGMENTS, AND DEMANDS OF ANY NATURE WHATSOEVER, FOR PROPERTY DAMAGE OR PERSONAL INJURY, INCLUDING DEATH, RESULTING FROM OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS AND FACILITIES IN THE ADDITION OR THE FAILURE TO SAFEGUARD THE CONSTRUCTION WORK, OR ANY OTHER ACT OR OMISSION OF THE DEVELOPER RELATED THERETO, WHICH ACCRUE PRIOR TO ACCEPTANCE OF THE IMPROVEMENTS BY THE CITY, WHETHER OR NOT CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE OF THE CITY, ITS OFFICERS, AGENTS OR EMPLOYEES.

M. AMENDMENTS

This Agreement may be changed or modified only with the written consent of both the DEVELOPER and the City Council of the CITY.

N. ASSESSMENT

In the event the DEVELOPER fails to comply with any of the provisions of this Agreement, the CITY shall be authorized to cease issuance of any further Certificates of Occupancy or building permits on property owned by the DEVELOPER, and the CITY shall be further authorized to file this Agreement in the Mechanic's Lien/Deed Records of Tarrant County as a mechanic's lien against the DEVELOPER'S property; and in the alternative, the CITY shall be authorized to levy an assessment against the DEVELOPER'S property for public improvements in accordance with applicable state law.

O. CONTINUITY

This Agreement shall be a covenant running with the land and shall be binding upon the DEVELOPER, its successors, heirs, assigns, grantees, trustees and representatives. The use of the term DEVELOPER in this Agreement shall include the DEVELOPER'S successors, heirs, assigns, grantees, trustees and

representatives.

P. SEVERABILITY

The provisions of this Agreement are severable and, in the event any word, phrase, sentence, paragraph, section or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect and the application thereof to any other person or circumstance shall not be affected thereby. The invalid, illegal or unenforceable provision shall be rewritten by the parties to this Agreement to accomplish the parties' original intent as nearly as possible.

Q. TERMINATION AND RELEASE

Upon the satisfactory completion by the DEVELOPER and final acceptance by the CITY of all requirements of this Agreement, this Agreement shall terminate and if this Agreement has been filed in the county records, the CITY will execute a release of covenant to the DEVELOPER and the CITY shall file said release in the county records.

In Witness whereof, each of the parties hereto has caused this Agreement to be executed by its undersigned duly authorized representative as of the date herein above first mentioned.

DEVELOPER: McCaslin Holdings

By: 
ROBERT B. MCCASLIN
PRESIDENT

CITY OF KENNEDALE

By: _____
Bryan Lankhorst, Mayor

ATTEST:

By: _____

Amethyst Cirimo, City Secretary

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority in and for Tarrant County, Texas, on this day personally appeared Robert B. McMaslin^{III} known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he is the President of McMaslin Holdings Inc. and that he executed the same on behalf of McMaslin Holdings Inc. for the purposes and consideration therein expressed.

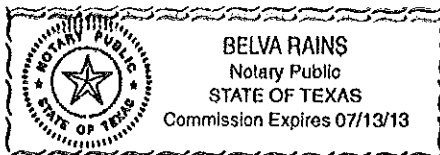
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 29th day of February, 2012.

Belva Rains

Notary Public in and for the State of Texas

BELVA RAINS

Type or Print Notary's Name



My Commission Expires: 7/13/13

Date: April 12, 2012

Agenda Item No: CONSENT ITEMS - C.

I. Subject:

Review and consider action regarding a notice from the Public Utility Commission (PUC) of Texas for a Consumer Price Index (CPI) adjustment to municipal telecommunications right-of-way access line rates.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

HB 1777 went into effect on Sept 1, 1999. As of March 1, 2000, all telecommunications franchise fees in Texas are required to be based on a fee-per-access line method. The PUC, in October 1999, established three categories of access lines - residential, non-residential, and point-to-point. Each city was required to submit its 1998 base amount and allocation of the base amount to the PUC by Dec. 1, 1999. All CTPs were required to submit a city-by-city, December 31, 1998 access line count to the PUC by January 24, 2000. The PUC then calculated maximum access line rates for the three categories of access lines, for each city. The rate for each category, when multiplied by the number of lines in that category in a city, should equal that city's base amount.

In March, 2000, the PUC established maximum initial access line rates for 1106 cities. These cities were then allowed to 1) exempt life-line customers, 2) choose lower rates, and 3) update base amounts and allocation formulas. CTPs were allowed to update line counts and petition unreasonable initial allocations. In response to this input from cities and CTPs, the PUC established final access line rates in April, 2000. CTPs were allowed to begin implementing these rates for the 2nd quarter of 2000 (April, May, June), but were required to begin implementing the rates by the 3rd quarter 2000 (July, August, September).

State law allows a city to change its rates once a year given the Consumer Price Index, and its allocation once every 2 years. These changes must be initiated by the city each September and become effective the following January. CTPs may also petition the commission on unreasonable allocations in September of each year. The PUC will also annually adjust the access line rates by half of the increase in the Consumer Price Index starting in 2002. Should Council wish to accept this upward adjustment, we are not required to respond. Council is only required to respond via attached memo no later than April 30, 2012 should it wish to actually keep the access line rates at current levels.

Access Line Type	2011 (Current)	2012 (Proposed)	(Difference)
Residential	\$1.60	\$1.63	\$0.03
Non-Residential	\$1.47	\$1.50	\$0.03
Point-To-Point	\$1.64	\$1.67	\$0.03

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

Approve

VII. Alternative Actions:

Authorize upward adjustment as proposed by the PUC given approximately a 1.72% increase in Consumer Price Index and direct staff to take no action. CPI increase will automatically go into effect on April 30, 2012.

VIII. Attachments:

1.	2012 CPI Adjustment Memo	20120326162905574.pdf
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Public Utility Commission of Texas

1701 N. Congress Ave., PO Box 13326, Austin, TX 78711-3326

2012 CONSUMER PRICE INDEX (CPI) ADJUSTMENT TO MUNICIPAL TELECOMMUNICATIONS RIGHT-OF-WAY ACCESS LINE RATES

March 20, 2012

PURPOSE

This letter is to notify you that your city's 2011 maximum access line rates have increased by 1.72% due to inflation, as measured by the CPI. This adjustment has been made pursuant to Chapter 283 of the Local Government Code (House Bill 1777)

DEFAULT RATES FOR 2012: INCREASE

Based on the choices made by your city in April 2011, your city's 2012 rate will either be adjusted for inflation, or will remain the same as your 2011 rate. According to our records, when similar CPI adjustments were made in April 2011, your city chose the MAXIMUM allowable CPI-adjusted rates. Therefore, your 2012 rates will reflect an increase of 1.72% from your 2011 rates. You have the option to decline this increase in rates by taking the action explained below.

ACTION BY CITY: TO REFUSE THE INCREASE

(1) You do not have to respond to accept the increased access line rates. (2) Respond ONLY if you want to DECLINE the increase in access line rates. (3) To decline, notify the PUC using page 2 of this letter no later than April 30, 2012. (4) The PUC does not require City council authorization; however, if your city charter requires it, please do so immediately. (5) Verify your contact information and highlight any changes. (6) Make a copy of this document.

WHAT HAPPENS IF A CITY DOES NOT RESPOND BY APRIL 30, 2012?

If a city does not respond by April 30, 2012, the rates for your city will increase from 2011 levels. The next opportunity to adjust your rates will be September 1, 2012.

WHAT HAPPENS NEXT?

The PUC will notify telephone companies of your desired rates and you will be compensated accordingly no later than July 1, 2012.

FUTURE REVISIONS TO CPI

The access line rates will be revised annually in March depending on whether the CPI changes for the previous year. If the CPI changes for the year 2012, you will receive a similar letter in March 2013.

See over...

CITY OF KENNEDALE

SECTION 1: Your 2011 city preferred rates are as follows:

Residential \$1.60 Non-Residential \$1.47 Point-to-Point \$1.64

SECTION 2: Your default rates for 2012 are as follows. Note: These are higher than the 2011 rates due to the CPI inflation adjustment.

Residential \$1.63 Non-Residential \$1.50 Point-to-Point \$1.67

To decline your default increase in rates, notify the PUC by completing the section below. You can mail or fax this page to the PUC. To accept rates in Section 2, no action is required.

I _____, Title _____, am an authorized representative for the City/Town/Village of _____. The City declines to accept the default rates indicated in Section 2 above. Instead, we choose the following rates: Residential _____; Non-Residential _____; Point-to-Point _____.

Date: _____

Signature: _____

Other Comments:

HOW TO RESPOND

Mail: Stephen Mendoza
Public Utility Commission
P.O. Box 13326
Austin, Texas 78711-3326

INQUIRIES

Inquiries only. NOT for sending your response.
HB1777@puc.state.tx.us
Phone No: 512-936-7394

OR FAX TO Stephen Mendoza at: 512-936-7428

CITY CONTACT INFORMATION

Please notify us if the contact information we have on file for your city has changed. Thank you.

Phone No. 1 (817) 985-2110

Phone No. 2 _____

Fax No: (817) 483-0720

Email: sdedrick@cityofkennedale.com

Address

SAKURA MOTEN-DEDRICK DIRECTOR OF FINANCE
or current city official responsible for right-of-way issues
CITY OF KENNEDALE
405 MUNICIPAL DRIVE
KENNEDEALE TX 76060

Date: April 12, 2012

Agenda Item No: CONSENT ITEMS - D.

I. Subject:

Discuss and consider approval of Auditing Services Request For Proposal (RFP).

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The Kennedale City Charter requires the Council to engage an independent certified public accounting firm to conduct the annual external audit of both the City and Kennedale Economic Corporation, and then report the results of the each audit to the appropriate board.

The City's contract with Patillo, Brown & Hill, the City's external auditor, will expire at the end of the FY2010/2011 audit (ending September 30, 2011). Accordingly, staff would like approval from the Council to begin a competitive procurement process via Request For Proposal (RFP) to select a certified public accounting firm to conduct the annual financial audit for the next five years (FY2011/2012 - FY2015/2016, ending September 30).

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

Please reference Page 2 of the Auditing Services RFP attachment for tentative schedule and selection timeframe.

VIII. Attachments:

1.	Auditing Services RFP	Auditing Services RFP.doc
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CITY OF KENNEDALE, TEXAS
KENNEDALE ECONOMIC DEVELOPMENT CORPORATION (EDC) 4B

(HEREINAFTER COLLECTIVELY REFERRED TO AS THE)

“CITY”

**REQUEST FOR PROPOSAL (RFP)
FOR
PROFESSIONAL AUDITING SERVICES
RFP NO.: 2012-001**

MARCH 26, 2012

**405 MUNICIPAL DRIVE
KENNEDALE, TEXAS 76060**

NOTICE TO AUDITORS

Competitive sealed proposals for the furnishing of Professional Auditing Services for the CITY will be received at the CITY offices, 405 Municipal Drive, Kennedale, Texas from 8 AM until 5:00 PM from Friday, April 20, 2012 to Friday, May 18, 2012 from 8:00 AM until 3:00 PM. All proposals will be publicly opened and read aloud at 3:15 PM on Friday, May 18, 2012 in the Council Chambers of the Kennedale City Hall Building.

RFP Published	April 20 / April 27
Pre-Proposal Conference (Not Required, 9:00 AM)	May 4
Proposal Submission Deadline (3:00 PM)	May 18
Proposal Opening (3:15 PM)	May 18
Oral Presentations (City Discretion)	May 21 – June 1
Recommendation to Governing Bodies	June 14*
Selection Notified/Contract Execution	June 15 – June 30*

*Indicates tentative dates.

All proposals submitted for the CITY consideration must clearly marked on the outside of the sealed envelope with the words:

**City of Kennedale
Professional Auditing Services Proposal
Attention: Sakura Moten-Dedrick, Director of Finance & IT
405 Municipal Drive
Kennedale, TX 76060**

The CITY reserves the right to reject any or all proposals and waive any or all irregularities. Proposals shall be valid for a period of ninety (90) days from the date the proposals are opened.

Late proposal submissions will be returned unopened, and unsigned proposals will be rejected as non-responsive.

Packets will be available online at www.cityofkennedale.com or may be picked up at 405 Municipal Drive, Kennedale, Texas, 76060. Telephone requests may be executed by calling (817) 985-2110. The City will also submit our RFP through Onvia at www.onviacom, an online solicitation notification system, which alerts thousands of suppliers with qualifications specific to the City's needs.

It is the policy of the CITY to afford all people an equal opportunity to bid on any contract being let by the CITY. The CITY has a policy that prohibits discrimination against any person because of race, color, sex, or national origin, in the award of performance of any contract.

I. INTRODUCTION

- A) Purpose
- B) Term of Engagement

II. NATURE OF SERVICES REQUIRED

- A) Scope of Work to be Performed
- B) Auditing Standards to be Followed
- C) Reports to be Issued
- D) Special Considerations
- E) Working Paper Retention and Access to Working Papers
- F) Conferences

III. DESCRIPTION OF THE GOVERNMENT

- A) Entity Description
- B) Fund Structure
- C) Budget
- D) Accounting Process - Related Systems
- E) Computer Systems
- F) Organizational Responsibility for the Accounting Function

IV. GENERAL PROPOSAL REQUIREMENTS

- A) Required Information
- B) Instructions
- C) Knowledge of Conditions
- D) Exceptions
- E) Late Proposals
- F) Altering Proposals
- G) Withdrawal of Proposals
- H) Sales Tax
- I) Pricing
- J) Preparation Costs
- K) Duration
- L) Proposal Opening
- M) Rejection of Proposals
- N) Contract Award
- O) Addenda
- P) Minor Defects
- Q) Funding
- R) Insurance
- S) Subcontracting
- T) Conflicts of Interest
- U) Ethics
- V) Indemnification
- W) Ownership
- X) Proprietary Information
- Y) References

V. SPECIFIC PROPOSAL REQUIREMENTS

- A) Deadline and Distribution
- B) Inquiries
- C) Submission of Proposal
- D) Technical Proposal
 - 1) Independence
 - 2) License to Practice in Texas
 - 3) Auditor Qualifications and Experience
 - 4) Partner, Supervisory and Staff Qualifications and Experience
 - 5) Assignment of Auditing Staff and Changes in Assigned Staff
 - 6) Prior Engagements with the CITY
 - 7) Similar Engagements with Other Government Entities
 - 8) Specific Audit Approach
 - 9) Identification of Anticipated Potential Audit Problems
 - 10) Additional Information
- E) Compensation Proposal
 - 1) Total All-Inclusive Maximum Price
 - 2) Rates by Partner, Supervisory, Staff Level, and Time Hours Anticipated for Each
 - 3) Rates for Additional Professional Services
 - 4) Manner of Payment
 - 5) Subsequent Year Fees

VI. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

- A) Finance Department and Clerical Assistance
- B) Electronic Data Processing (EDP) Assistance
- C) Prior Audit
- D) Work Area, Telephones, Photocopying and Facsimile Machines

VII. EVALUATION PROCESS

- A) Schedule
- B) Pre-Proposal Conference
- C) Evaluation Criteria
- D) Oral Presentations
- E) Final Selection
- F) Engagement Letter

VIII. APPENDICES

- A) Organizational Chart: City of Kennedale, Texas
- B) List of Key Personnel and Phone Numbers
- C) List of Officials
- D) Sample Format: Schedule of Professional Fees and Expenses
- E) Sample Format: Current and Previous References
- F) Insurance & Indemnity
- G) Insurance Requirements Affidavit
- H) Auditor Checklist
- I) Basic Financial Statements: City of Kennedale, Texas
- J) Basic Financial Statements: Kennedale Economic Development Corporation

I. INTRODUCTION

A. Purpose

The City of Kennedale, Texas, and Kennedale Economic Development Corporation (EDC) 4B (hereinafter collectively referred to as the CITY) is requesting proposals from qualified firms of certified public accountants to perform financial audits for the fiscal year ending September 30, 2012, with the option of auditing its financial statements for each of the four (4) subsequent fiscal years through September 30, 2016.

These audits are to be performed in accordance with Generally Accepted Auditing Standards (GAAS) as defined by the American Institute of Certified Public Accountants (AICPA), and the standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards (2003).

B. Term of Engagement

A five (5) year contract is contemplated, subject to the following:

- 1) The satisfactory negotiation of contract terms (including a price acceptable to both the CITY and the selected auditor).
- 2) The annual availability of an appropriation approved by City Council and the respective Boards.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The CITY desires the auditor to express an opinion on the fair presentation of its financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

The auditor is not required to audit the supporting schedules. However, the auditor is to provide an "in-relation-to" report on the supporting schedules based on the auditing procedures applied during the audit of the general purpose financial statements and the combining and individual fund financial statements and schedules.

The auditor is not required to audit the statistical section of the report nor is it required to audit a schedule of expenditures of federal awards.

B. Auditing Standards to be Followed

To meet the requirements of this Request for Proposal (RFP), this audit shall be performed in accordance with GAAS as defined by AICPA, and the standards set forth for financial audits in the GAO's Government Auditing Standards (2003).

C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue the following:

- 1) Reports as shown in the most recent audits (Appendix I & J).
- 2) Report On Government Auditing Standards
 - a) The auditor shall provide written communication of any reportable conditions found during the audit to management and City Council and/or the respective Board. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.
 - b) Reportable conditions that are also material weaknesses shall be identified as such in the letter.
 - c) The letter on compliance shall include all instances of noncompliance.
 - d) The auditor shall be required to make an immediate, written report of all material irregularities and illegal acts or indications of illegal acts of which it becomes aware to the following parties:
City Manager
Director of Finance & IT
City Attorney
City Council and/or Respective Board
- 3) Management Letter
 - a) Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, as well as City Council and/or the respective Board.
- 4) Reporting to City Council and Respective Boards. Auditors shall assure themselves that the aforementioned are informed of each of the following:
 - a) The auditor's responsibility under GAAP.
 - b) Significant accounting policies.
 - c) Management judgments and accounting estimates.
 - d) Significant audit adjustments.
 - e) Other information in documents containing audited financial statements.
 - f) Disagreements with management.
 - g) Management consultation with other accountants.
 - h) Major issues discussed with management prior to retention.
 - i) Difficulties encountered in performing the audit.

D. Special Considerations

The CITY anticipates that during the course of the engagement, one or more official statements will be prepared in connection with the sale of debt securities, which will contain the basic financial statements and the auditor's report thereon. The auditor may be required, if requested by the CITY, financial advisor and/or the underwriter, to issue a

"consent and citation of expertise," as well as any necessary "comfort letters."

E. Work Paper Retention and Access to Work Papers

All work papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the auditor is notified in writing by the CITY of the need to extend the retention period. The auditor will be required to make the work papers available, upon request, to representatives of federal and state agencies and the CITY.

In addition, the auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers relating to matters of continuing accounting significance.

F. Conferences

The following conferences are to be conducted with the City Manager, Director of Finance & IT, and/or other CITY personnel as needed:

- 1) Entrance conference prior to interim work.
- 2) Exit conference at conclusion of interim work.
- 3) Entrance conference at beginning of fieldwork.
- 4) Progress conferences during fieldwork.
- 5) Exit conference at end of fieldwork.
- 6) Conference when draft copy of management letter is prepared.
- 7) Presentation to City Council and the respective Board.

III. DESCRIPTION OF THE GOVERNMENT

A. Entity Description

The City of Kennedale was incorporated in 1947. After an election in July of 1947, the Town of Kennedale was incorporated with a population of 300 people. By 1950, the population had increased to 500 residents and a petition to the State of Texas was approved which changed the Township into a recognized City.

The City of Kennedale is located at the apex of the southeast corner of Fort Worth and the southwest border of Arlington in south Tarrant County. The City currently occupies a land area of 7 square miles and serves a population of 6,763. The City is empowered to levy property tax on both real and business personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically, when deemed appropriate by the City Council.

The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and five Council members. The term of office is two years with the terms of the Mayor and two of the Council members' terms expiring in even-numbered years and the other terms of the three Council members expiring in odd-numbered years. The City Council is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing the members of various statutory and advisory boards, the City Manager, City Secretary, and Municipal Judges. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the executive directors, and heads of departments, and the performance of functions within the municipal organization.

Kennedale is becoming one of Tarrant County's fastest growing cities. Fronted by the major highways of 1-20 and 287, the City provides an excellent location for major retail and professional businesses. This transportation corridor provides quick and easy access to the Dallas Fort Worth Intercontinental Airport, downtown Fort Worth just 15 minutes to the west, and downtown Dallas just 20-25 minutes to the east. Furthermore, the City of Kennedale is within just a short drive to major entertainment venues including, but not limited to, Six Flags over Texas, Hurricane Harbor, Texas Motor Speedway, the Ballpark at Arlington, home of the Texas Rangers baseball team, and Cowboy Stadium home of the Dallas Cowboys football team.

Kennedale has experienced steady population growth in the last decade. Beautiful Village Creek slowly winds through the City and provides a tranquil feeling throughout the community. Current and future subdivisions are designed on oversized lots, which result in spacious residential areas that compliment the coveted rural setting. Currently, the City is approximately 7 square miles with the vast majority of this land undeveloped. This allows for selective locations for the incoming developments and pulls the citizen away from the crowds and traffic congestion of a major metropolitan city. As the economy continues to grow and expand into North Texas, Kennedale will be the leading choice for businesses and families alike.

The Kennedale Economic Development Corporation (KEDC) was formed in 1996 to spearhead the anticipated growth of the City. The KEDC is funded by a voter approved, half cent sales tax, which is used to offer grants and other economic incentives to existing and new businesses. The KEDC has successfully upgraded and improved the infrastructure of the City in preparation for commercial and retail businesses locating in Kennedale. The KEDC worked with the City, Tarrant County and the Kennedale Independent School District (KISD) to acquire tax delinquent properties, clear properties and recruit business investment. These partnerships will continue through the coming years to strengthen and expand the City's industrial base. Retail business development will be focused at the TownCenter, and the redevelopment of Oak Crest. The KEDC commitment and involvement is essential.

The CITY provides the following services:

CITY OF KENNEDALE, TEXAS

Administration	Municipal Court
Community Development	Parks & Recreation
Debt Service	Planning & Zoning
Fire/EMS	Police
Information Technology	Storm Sewer
Library	Water/Wastewater

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION 4B
Economic Development Projects

B. Fund Structure

The CITY'S accounting records are maintained in accordance with GAAP as promulgated by the Governmental Accounting Standards Board (GASB). Accordingly, the CITY has maintained general, debt service, and capital projects governmental fund types; general fixed assets and general long-term debt account groups.

C. Budget

The annual budget serves as the foundation for the City of Kennedale's financial planning and control. All agencies of the City of Kennedale are required to submit requests for appropriation to the City Manager on or before June of each year. These requests are used to develop a proposed budget. The proposed budget is then presented to the City Council for review on or before August. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Kennedale's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Transfer of appropriations within a department and within funds may be made with approval from the City Manager. Transfers between funds or additional appropriation require the approval of the City Council. The budget, as well as all revenues, appropriations, and encumbrances are recorded in the accounting records.

The City's Proposed and Adopted Budgets can be found on our website under the Finance Department. The CITY participates in the Texas Municipal Retirement System (TMRS).

D. Accounting Process – Related Systems

The CITY'S accounting records for general governmental operations are maintained on a modified accrual basis, and revenues are recorded when available and measurable and expenditures are recorded when the services or goods are received and the liabilities are incurred.

E. Computer Systems

The general ledger accounting system is operated and maintained on a comprehensive financial enterprise system developed by STW Inc. The system supports full reporting and inquiry functions.

F. Organizational Responsibility for the Accounting Function

The Accounting function falls under the general supervision of the Director of Finance & IT, who reports to the City Manager. The present accounting staff members assigned to the audit includes the Accounting & Payroll Specialist, and the Accounts Payable Clerk.

IV. GENERAL PROPOSAL REQUIREMENTS

A. Required Information

The CITY proposal packet contains various sections requiring completion. All forms herein must be completed prior to the date and time set for proposal opening and included with the proposal or the auditor may be found non-responsive. Responding auditors may be required to complete and supply all information contained in a "supplemental information" packet at a date after proposal opening. Failure to complete "supplemental information" requirements in a timely manner, prior to award, may be used by the CITY in determining a respondent's responsibility.

B. Instructions

These instructions apply to all proposals and become a part of terms and conditions of any proposal packet submitted.

C. Knowledge of Conditions

Auditors submitting proposals should carefully examine all terms, conditions, specifications and related documents. Should discrepancies in or omission from the specifications or related documents, or should there be doubt as to their meaning, the principal contact should be notified immediately for clarification prior to submitting the proposal. In the event of any conflict between the terms and provisions of these requirements and the specifications, the specifications shall govern. In the event of any conflict of interpretation of any part of this overall document, the CITY'S interpretation shall govern.

D. Exceptions

All proposals must clearly and specifically detail all exceptions to the exact requirements imposed by this document. Such exceptions must be explained in the auditor's proposal. Otherwise, the CITY shall consider the subject proposal as being made in strict compliance with this document.

E. Late Proposals

Proposals received after the submission deadline will be returned unopened, and unsigned proposals will be rejected as non-responsive. The CITY is not responsible for lateness or non-delivery of mail, carrier, etc., and the date/time stamp at the designated location shall be the official time receipt.

F. Altering Proposals

Proposals cannot be altered or amended after submission deadline. Any alterations or erasures made before the opening time must be initialed by the signer of the proposal, thus guaranteeing authenticity.

G. Withdrawal of Proposals

Any proposals may be withdrawn prior to the scheduling time for the opening. Notice to withdraw the proposal must be in writing and submitted to the CITY prior to the scheduled time for opening proposals. Any proposal withdrawal notice, which is received after the deadline for receiving proposals, shall not be considered.

H. Sales Tax

The CITY is exempt by law from payment of Texas Sales Tax and Federal Excise Tax. Do not include tax in the proposal.

I. Pricing

Prices for all goods and/or services shall be firm for the duration of this contract. Prices shall be all inclusive. Additional charges not shown in the proposal will not be honored.

J. Preparation Costs

The CITY will not be liable for any costs associated with the preparation, transmittal, or presentation of any proposals or material submitted in response to this RFP.

K. Duration

The auditor must agree, in writing, that all information contained in the submitted proposal is valid for at least ninety (90) days from the date of submittal or until a final contract is approved, whichever occurs first.

L. Proposal Opening

All proposals submitted will be read at the CITY scheduled proposal opening for the designated project. However, the reading of a proposal at such opening should not be construed as a comment on the responsiveness of proposal bid or as any indication that the CITY accepts such proposal as responsive.

M. Rejection of Proposals

The CITY may choose to reject all proposals and not award any contract. If the aforementioned does not award a contract within ninety (90) days following the date specified for the opening of proposals, all proposals are deemed to be rejected by the CITY.

N. Contract Award

If a contract is awarded, the auditor will be selected on a rational basis using the proposal evaluation criteria and results of subsequent negotiations. The CITY has a right to award a contract upon the conditions, terms and specifications contained in a proposal submitted to the CITY for a period of up to ninety (90) days following the date specified for the opening of proposals. *The CITY contract form shall be used in the negotiation process.*

O. Addenda

Any interpretations, corrections or changes to this proposal packet will be made by addenda. Addenda will be sent to all who are known to have received a copy of this proposal packet. Auditors shall acknowledge receipt of all addenda or they may be declared non-responsive.

P. Minor Defects

The CITY reserves the right to waive any minor defect, irregularity, or informality in any bid.

Q. Funding

The CITY are governmental entities operated and funded on an October 1 to September 30 basis; accordingly, the CITY reserves the right to terminate, without liability to them, any contract for which funding is not available.

R. Insurance

The auditor shall comply with all insurance requirements as specified in the contract and proposal documents. Failure to meet such requirements shall disqualify the auditor from award. The auditor shall submit an Insurance Requirements Affidavit (Appendix I) certifying that the insurance requirements have been reviewed and that auditor is able to provide the insurance as required.

S. Subcontracting

No subcontracting will be allowed without the express prior written consent of the CITY.

T. Conflicts of Interest

No officer or employee of the CITY shall have a financial interest, direct or indirect, in any contract with the CITY.

U. Ethics

The auditor shall not offer or accept gifts or anything of value or enter into any business arrangement with any employee, official or agent of the CITY. More than one proposal on any one contract from a firm or auditor under different names shall be grounds for rejection of all proposals in which the firm or auditor has an interest. One or all proposals will be rejected if there is any reason to believe that collusion exists between auditors.

V. Indemnification

The auditor shall indemnify, defend, and hold the CITY, its officers, agents and employees harmless from any liability, claims, suits, actions, causes of action, costs, expenses, charges or fees, including attorney's fees, for injury to any person (including death) or damage to or destruction of any property; and, any act of omission of auditor, its contractors, subcontractors, suppliers, or agents, in connection with or arising out of, whether directly or indirectly, this agreement.

W. Ownership

All responses and accompanying documentation will become the property of the CITY.

X. Proprietary Information

Information construed as proprietary by a submitting auditor must be marked as such and will be so regarded by the CITY. Subject to Texas Open Records Act, Texas Government Code, Chapter 552, the CITY will treat such information as confidential to the extent permitted by law and the CITY agrees to withhold any such information and request an opinion from the Attorney General should another party request such data. The CITY shall abide by the decision of the Attorney General. Such information should be submitted in a separate folder attached to the proposal and referred to appropriately in the proposal. For a proposal to be valid, however, all information must be available for review by approval bodies as required by the CITY. Viewing of information designated as proprietary by such bodies will not be construed to violate the constraints of proprietary information.

Y. References

Auditors submitting proposals shall submit the names, addresses, contact persons, phone numbers, and dates of a minimum of three (3) current and three (3) previous governments in which the auditor has provided similar services (Appendix E).

V. SPECIFIC PROPOSAL REQUIREMENTS

A. Deadline and Distribution

All proposals must be received by the CITY on or before 3:00 PM, Friday, May 18, 2012. Proposals may be delivered or mailed to:

City of Kennedale
Professional Auditing Services Proposal
Attention: Sakura Moten-Dedrick, Director of Finance & IT
405 Municipal Drive
Kennedale, TX 76060

Proposals must be signed by the auditor, with his or her signature in full. When an auditor is a partnership, the proposal shall be signed in the name of the partnership by one or more of the partners. When an auditor is a corporation, the officer signing shall sign his name and give the title of his office.

Auditors will submit one (1) original and two (2) copies of all proposals and associated documentation. Price quotes must be signed by a duly authorized official of the auditor organization and notarized.

B. Inquiries

All inquiries regarding this RFP should be directed to the Principal Contact:

Sakura Moten-Dedrick, Director of Finance & IT
405 Municipal Drive, Kennedale, TX 76060
(817) 985-2110 Phone
(817) 483-0720 Fax
sdedrick@cityofkennedale.com

C. Submission of Proposal

To simplify the review process and obtain the maximum degree of comparison, the proposal should be organized in the following manner:

- 1) Title Page
 - a) Show the RFP subject, the name of the auditor's firm, address, telephone number, name of contact person, and the date.
- 2) Table of Contents
 - a) Include a clear identification of the material by section and by page number.
- 3) Letter of Intent
 - a) A signed letter of intent briefly stating the auditor's understanding of the work to be performed and a positive commitment to perform the work within the time period required should be included. Such letter of intent should also state why the auditor believes itself to be best qualified to perform the engagement and that the proposal is a firm and irrevocable offer for at least ninety (90) days from the date of submittal or until a final contract is approved, whichever occurs first.
- 4) Detailed Proposal
 - a) The detailed proposal should follow the order set forth in Section V: Specific Proposal Requirements.

D. Technical Proposal

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the auditors seeking to undertake an independent audit of the CITY in conformity with the requirements of the RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the qualifications of the auditor and of the particular staff to be assigned to

this engagement. It should also specify an audit approach that will meet the RFP requirements.

Interested auditors are encouraged to use their own preferred style and format in preparing a proposal. However, it is suggested that the proposal include at least the following arranged accordingly. ***There should be no dollar units or total costs included in the Technical Proposal document.***

The Technical Proposal should address all the points outlined in the RFP, excluding any cost information, which should only be included in the Compensation Proposal document. The proposal should be prepared simply and economically, providing a straightforward and concise description of the auditor's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects, item No. 1 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

1) Independence

- a) The audit must be made by an independent auditor or auditors. An "independent auditor" means a public auditor who meets the independence standards specified by the GAO and AICPA.
- b) The auditor should provide an affirmative statement that it is independent of the CITY as to relationships between the CITY and its management and members of your firm, and with regard to any other work performed by the firm for the CITY that might impair the firm's independence and objectivity.
- c) The auditor should also list and describe its professional relationships involving the CITY or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

2) License to Practice in Texas

- a) An affirmative statement should be included indicating that the auditor and all assigned key professional staff are properly licensed to practice in Texas.

3) Auditor Qualifications and Experience

- a) The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time and a part-time basis. State the number of partners, managers, supervisors, seniors, and other professional staff employed at the local office. Describe the range of activities performed by the local office, such as auditing, accounting, tax service, or management advisory services. Describe the local office's capability to audit computerized systems, including the number and classification of personnel skilled in computer science who will work on the audit.
- b) The auditor should demonstrate a commitment to governments by participation in Special Review Committees of the GFOA Certificate of Achievement program and active participation in the governmental accounting standards process.
- d) The auditor is also required to submit a copy of the report on its most recent external quality control review, with a statement as to whether that quality control review included a review of specific government engagements.

- e) The auditor shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the auditor shall provide information on the circumstances and status of any disciplinary action taken or pending against the auditor during the past three (3) years with state regulatory bodies or professional organizations. Please identify any litigation involving the local office.
- h) Describe why the CITY would be important to your firm and to the local office as a client. Discuss your policies regarding staff education and development.
- 4) Partner, Supervisory and Staff Qualifications and Experience
 - a) The auditor should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists who would be assigned to the engagement and indicate whether each such person is licensed to practice as a CPA in Texas. Indicate areas of specialty: audit, tax, management advisory services, etc. Indicate the ratio of audit managers and other staff to audit partners in the local office.
 - b) The auditor should provide information on the governmental auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit. Include resumes as an appendix. Clearly indicate what specific responsibility each individual will have. Provide information as to what time commitment or workload is presently assigned to each person who will be working on this engagement. The auditor should also indicate how the quality of staff over the term of the agreement would be assured.
 - c) Indicate your firm's policy in rotating partners and managers. Indicate what commitments your firm will make to the CITY management and financial employees with respect to accessibility of the partners and managers assigned to this engagement.
- 5) Assignment of Auditing Staff and Changes in Assigned Staff
 - a) It is understood by the CITY that the individuals specified in the auditor's proposal are the individuals who will actually perform the work associated with the CITY'S audit. The CITY reserves the right to approve or deny any change to the assigned staff named in the proposal, whether such change occurs prior to or during the engagement. The CITY shall be provided with a resume of any proposed substitute and shall be given the opportunity to interview that person prior to its decision to approve or disapprove.
- 6) Prior Engagements with the CITY
 - a) The auditor should list separately any and all engagements performed for the CITY within the last five (5) years. For each engagement, the auditor should indicate the scope of work, date, engagement, partners, total hours, and the location of the firm's office from which the engagement was performed.
- 7) Similar Engagements with Other Governmental Entities
 - a) The auditors must list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in the RFP. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date of engagement, partners, total hours, and the name and telephone number of the principal client contact. Auditors desiring to keep this list confidential or that do not want these past or present clients

contacted should so state next to each engagement listed. The CITY will comply with confidentiality requests to the full extent allowed by federal and State of Texas freedom of information statutes. Auditors should be advised that failure to provide evidence satisfactory to the CITY of any listed engagement may result in that engagement being disallowed for bid evaluation purposes.

8) Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required in Section II of the RFP. In developing the work plan, reference should be made to such sources of information as the CITY budgets and related materials, organizational charts, manuals and programs, and financial and other management information systems.

- a) Proposed segmentation of the engagement.
- b) Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c) Sample sizes and the extent to which statistical sampling is to be used in the engagement.
- d) Type and extent of analytical procedures to be used in the engagement.
- e) Approach to be taken to gain and document an understanding of the CITY'S internal control structure.
- f) Approach to be taken in determining laws and regulations that will be subject to audit test work.
- g) Approach to be taken in drawing audit samples for purposes of tests of compliance.

9) Identification of Anticipated Potential Audit Problems

- a) The proposal should identify and describe any anticipated potential audit problems, the auditor's approach to resolving these problems, and any special assistance that will be requested from the CITY.

10) Additional Information

- a) Any additional information the auditor considers essential to the proposal should be included in this section.

E. Compensation Proposal

1) Total All-Inclusive Maximum Price

- a) The proposal should contain all pricing information relative to performing the audit engagement as described in the RFP. The Total All-Inclusive Maximum Price to be bid is to contain all direct and indirect costs, including all out-of-pocket expenses.

2) Rates by Partner, Supervisory, Staff Level, and Time Hours Anticipated for Each

- a) Include a schedule of professional fees and expenses that support the Total All-Inclusive Maximum Price. The cost of special services described in the RFP should be disclosed as separate components of the Total All-Inclusive Maximum Price.

3) Rates for Additional Professional Services

- a) If it should become necessary for the CITY to request the auditor to render any additional services to either supplement the services requested in the RFP or to perform additional work as a result of the specific recommendations included in any report issued during this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the CITY and

the auditor. Any such additional work agreed to between the CITY and the auditor shall be performed at the same rates set forth in the schedule of fees and expenses.

- 4) Manner of Payment
 - a) An initial payment of 25% of the total contract price will be made upon completion of the interim fieldwork. A second payment of 50% of the total contract price will be made at the end of the fieldwork. The final 25% of the total contract price will be paid upon issuance of the final reports.
- 5) Subsequent Year Fees
 - a) A proposed fee adjustment method for future contract years should be submitted.

VI. ASSISTANCE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department staff and responsible management personnel will be available during the audit to assist the auditor by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the CITY. Clerical support will be made available to the auditor for the preparation of routine letters, confirmations and memoranda.

B. Electronic Data Processing (EDP) Assistance

Any requirements for computer time and/or system documentation will be coordinated through the Director of Finance & IT.

C. Prior Audit

Patillo, Brown & Hill, located at 115 South Church Street, P.O. Box 475, in Hillsboro, Texas conducted the audit of the financial records for the fiscal years ended September 30, 2001 through 2011. Patillo, Brown & Hill has agreed to make their work papers available to the successor auditor at their offices. Requests concerning inspection of previous work papers should be submitted to Greg Shropshire at (254) 582-2583 or gshropshire@pbhcpa.com.

D. Work Area, Telephones, Photocopying and Facsimile Machines

The CITY shall provide the space and facilities necessary for the auditor to conduct the examination. In addition, all information, data, reports, and records necessary for carrying out the work shall be furnished to the auditor and the CITY shall cooperate with the auditor in every reasonable way to ensure timely completion of the audit. The auditor will also be provided with access to one telephone line, photocopying facilities, and a facsimile machine.

VII. EVALUATION PROCESS

A. Schedule

RFP Published	April 20 / April 27
Pre-Proposal Conference (Not Required, 9:00 AM)	May 4
Proposal Submission Deadline (3:00 PM)	May 18
Proposal Opening (3:15 PM)	May 18
Oral Presentations (City Discretion)	May 21 – June 1
Recommendation to Governing Bodies	June 14*
Selection Notified/Contract Execution	June 15 – June 30*

*Indicates Tentative Dates

C. Pre-Proposal Conference

A pre-proposal conference will be conducted in the CITY boardroom room at 9:00 AM, Friday, May 4, 2012. The boardroom is located at 405 Municipal Drive, Kennedale, Texas 76060. The purpose of the conference is to answer any questions prospective auditors may have relating to the RFP. *Attendance at the conference is not mandatory for submitting proposals nor will non-attendance be a factor in our selection.*

D. Evaluation Criteria

Proposals will be evaluated using the following weighted criteria:

Audit Approach	50%
Experience and Quality of Personnel	30%
Compensation Proposal	<u>20%</u>
TOTAL	100%

E. Oral Presentations

During the evaluation process, the City Manager and/or Director of Finance & IT, at its discretion, may request any one or all auditors to make oral presentations. Such presentations will provide auditors an opportunity to elaborate on their written proposals and answer questions.

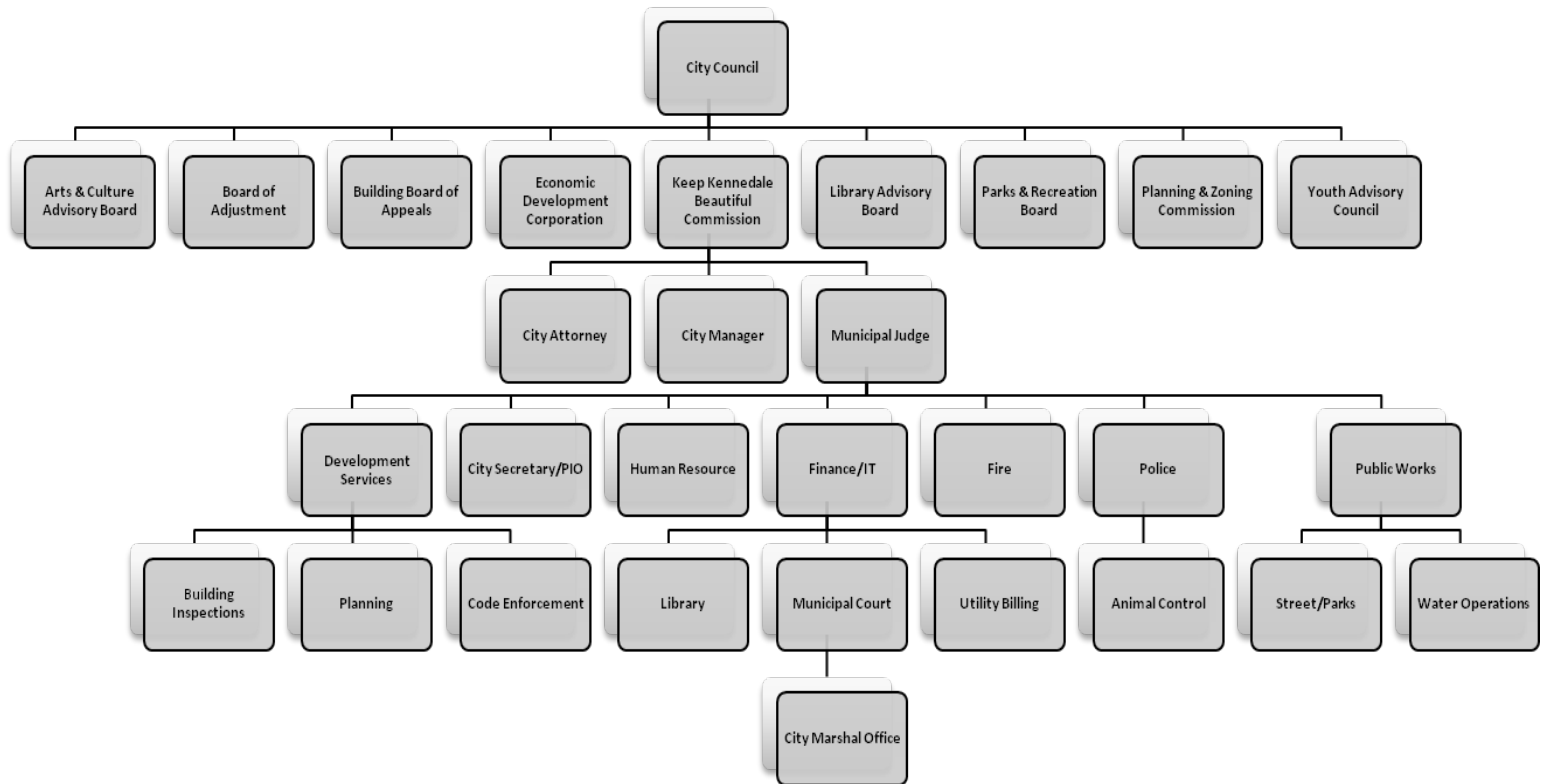
F. Final Selection

The CITY will select an auditor based upon the recommendations of the City Manager and Director of Finance & IT, with the approval of City Council and the respective Boards. Following notification of the auditor selected, it is expected a contract will be executed between both parties within thirty (30) days of approval.

G. Engagement Letter

The auditor shall prepare a written and dated engagement letter, which will identify the specific responsibilities of the CITY and the auditor, along with a list of client prepared documents and delivery dates established within ten (10) days of final selection.

APPENDIX A: ORGANIZATIONAL CHART
CITY OF KENNEDALE, TEXAS



APPENDIX B: LIST OF KEY PERSONNEL AND PHONE NUMBERS

MANAGEMENT TEAM

City Manager	Bob Hart	(817) 985-2102
City Secretary/Communications	Amethyst Cirimo	(817) 985-2104
Director of Development Services	James Cowey	(817) 985-2132
Director Of Finance & IT	Sakura Moten-Dedrick	(817) 985-2110
Director of Human Resources	Kelly Cooper	(817) 985-2106
Director of Planning	Rachel Roberts	(817) 985-2135
Director of Public Works	Larry Ledbetter	(817) 985-2171
Fire Chief	Mike McMurray	(817) 985-2151
Police Chief	Tommy Williams	(817) 985-2161

APPENDIX C: LIST OF OFFICIALS

ELECTED OFFICIALS

Mayor	Bryan Lankhorst
Place 1: Mayor Pro Tem	John Clark
Place 2: Council Member	Liz Carrington
Place 3: Council Member	Brian Johnson
Place 4: Council Member	Kelly Turner
Place 5: Council Member	Frank Fernandez

APPOINTED OFFICIALS

City Manager	Bob Hart
City Attorney	Wayne Olsen
City Secretary & Communications Coordinator	Amethyst Cirmo
Municipal Judge	Honorable Bill Lane

BOARDS & COMMISSIONS

Arts & Culture Advisory Board
Board Of Adjustment
Building Board Of Appeals
Economic Development Corporation
Keep Kennedale Beautiful Commission
Library Advisory Board
Parks & Recreation Board
Planning & Zoning Commission
Youth Advisory Council (YAC)

APPENDIX D: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES
(SAMPLE FORMAT)

	HOURS	STANDARD HOURLY RATE	QUOTED HOURLY RATE	2011-12 TOTAL
Partners	_____	_____	_____	_____
Managers	_____	_____	_____	_____
Supervisory Staff	_____	_____	_____	_____
Staff	_____	_____	_____	_____
Other	_____	_____	_____	_____
SUBTOTAL	_____	_____	_____	_____

Out-Of-Pocket Expenses: _____

Other (Specify): _____

TOTAL ALL-INCLUSIVE MAXIMUM PRICE 2011-12 AUDIT: _____

	2012-13 TOTAL	2013-14 TOTAL	2014-15 TOTAL	2015-16 TOTAL
Outyears	_____	_____	_____	_____

NOTE: The rate quoted should not be presented as a general percentage of the standard hourly rate or as a gross deduction from the Total All-Inclusive Maximum Price.

APPENDIX E: CURRENT AND PREVIOUS REFERENCES
(SAMPLE FORMAT)

1. COMPANY NAME: _____

ADDRESS: _____

CITY / STATE / ZIP: _____

PHONE: _____

CONTACT / TITLE: _____

DATES: _____

2. COMPANY NAME: _____

ADDRESS: _____

CITY / STATE / ZIP: _____

PHONE: _____

CONTACT / TITLE: _____

DATES: _____

3. COMPANY NAME: _____

ADDRESS: _____

CITY / STATE / ZIP: _____

PHONE: _____

CONTACT / TITLE: _____

DATES: _____

APPENDIX F: INSURANCE & INDEMNITY

PLEASE REVIEW THIS SECTION CAREFULLY WITH YOUR INSURANCE AGENT
--

1. General Insurance Requirements

- 1.1 The auditor/vendor/supplier (hereinafter called "auditor") shall not start work under this contract until the auditor has obtained at his own expense all of the insurance called for here under and such insurance has been approved by the CITY; nor shall the auditor allow any subcontractor to start work on any subcontract until all insurance required of the subcontractor has been so obtained and approved by the auditor. Approval of insurance required of the auditor and subcontractors for the CITY will be granted only after submission to the CITY of original, signed certificates of insurance or, alternately, at the CITY'S request, certified copies of the required insurance policies.
- 1.2 The auditor shall require all subcontractors to maintain during the term of this agreement, Commercial General Liability insurance, Business Automobile Liability insurance, and Workers' Compensation and Employer's Liability insurance, in the same manner as specified for the auditor. The auditor shall furnish subcontractors' certificates of insurance to the CITY immediately upon request.
- 1.3 All insurance policies required hereunder shall be endorsed to include the following provision:
 - 1.3.1 "It is agreed that this policy is not subject to cancellation, non-renewal, material change, or reduction in coverage until ten (10) days prior written notice has been given to the CITY".

NOTE: The words "endeavor to" and "but failure to mail such notice shall impose no obligation to liability of any kind upon the company, its agents or representatives" are to be eliminated from the cancellation provision of standard ACORD certificates of insurance.

- 1.3.2 The CITY shall be named as additional insured on all policies, except for Auditor Liability and Workers Compensation.
 - 1.3.3 The CITY shall be provided with Waiver of Subrogation on Workers' Compensation or Alternative program if applicable.
- 1.4 No acceptance and/or approval of any insurance by the CITY shall be construed as relieving or excusing the auditor, or the surety, or its bond, from any liability or obligation imposed upon either or both of them by the provisions of the contract documents.
- 1.5 The CITY (including its elected and appointed officials, agents, volunteers, and employees) is to be named as an additional insured under all coverages except Workers' Compensation and Automobile Liability, and the certificate of insurance, or the certified policy, if requested, must so state. Coverage afforded under this paragraph shall be primary as respects the CITY, its elected and appointed officials, agents and employees.
 - 1.5.1 The following definition of the term "CITY" applies to all policies issued under the contract:

The Entities Council of the CITY and any affiliated or subsidiary Board, Authority, Committee, or Independent Agency (including those newly constituted), provided that such affiliated or subsidiary Board, Authority, Committee, or Independent Agency is either a Body Politic created by the Entities Council of the CITY, or one in which controlling interest is vested in the CITY; and CITY Constitutional Officers.

- 1.6 **INDEMNITY.** The auditor covenants to release, defend, hold harmless and indemnify the CITY and all of its elected or appointed officials, agents and employees from and against any and all claims, loss, damage, injury, cost (including court costs and attorney's fees), charges, liability or exposure, however caused, resulting from or arising out of or in any way connected with the auditor's negligent performance or non-performance of the terms of the contract documents or its obligations under the contract. This indemnification shall continue in full force and effect until the auditor completes all of the work required under the contract, except that indemnification shall continue for all claims involving auditor services after final acceptance of the work by the CITY for which the CITY gives notice to the auditor after the CITY'S final acceptance of the work.
- 1.7 The auditor shall be responsible for the work performed under the contract documents and every part thereof, and for all materials, tools, equipment, appliances, and property of any and all descriptions used in connection with the work. The auditor assumes all risks for direct and indirect damage or injury to the property or persons used or employed on or in connection with the work contracted for, and of all damage or injury to any person property wherever located, resulting from any action, omission, commission or operation under the contract, or in connection in any way whatsoever with the contracted work, until final acceptance of the work by the CITY.
- 1.8 Insurance coverage required in these specifications shall be in force throughout the contract term. Should the auditor fail to provide acceptable evidence of current insurance within seven (7) days of written notice at any time during the contract term, the CITY shall have the absolute right to terminate the contract without any further obligation to the auditor, and the auditor shall be liable to the CITY for the entire additional cost of procuring performance and the cost of performing the incomplete portion of the contract at time of termination.
- 1.9 Contractual and other liability insurance provided under this contract shall not contain a supervision, inspection or engineering services exclusion that would preclude the CITY from supervising or inspecting the project as to the end result. The auditor shall assume all on-the-job responsibilities as to the control of persons directly employed by it and of the subcontractors and any persons employed by the subcontractor.
- 1.10 Nothing contained in the specifications shall be construed as creating any contractual relationship between any subcontractor and the CITY. The auditor shall be as fully responsible to the CITY for the acts and omissions of the subcontractors and of persons employed by them as it is for acts and omissions of persons directly employed by it.
- 1.11 Precaution shall be exercised by the auditor at all times for the protection of persons, (including employees) and property. All existing structures, utilities, roads, services, trees and shrubbery shall be protected against damage or interruption of service at all times by the auditor and its subcontractors during the term of the contract, and the auditor

shall be held responsible for any damage to property occurring by reason of its operation on the property.

- 1.12 Written requests for consideration of alternate coverages must be received by the CITY at least ten (10) working days prior to the date set for receipt of bids or proposals. If the CITY denies the request for alternative coverages, the specified coverages will be required to be submitted.
- 1.13 All required insurance coverages must be acquired from insurers authorized to do business in the State of Texas and acceptable to the CITY. The CITY prefers that all insurers also have a policyholder's rating of "A-" or better, and a financial size of "Class VI" or better in the latest edition of A.M. Best, or A or better by Standard and Poors, unless the CITY grants specific approval for an exception, in the same manner as described in 1.13 above.
- 1.14 The CITY will consider deductible amounts as part of its review of the financial stability of the bidder. Any deductibles shall be disclosed in the auditor's proposal and all deductibles will be assumed by the auditor. Auditor may be required to provide proof of financial ability to cover deductibles, or may be required to post a bond to cover deductibles.

2. Auditor's Insurance - "Occurrence" Basis; Except as Specifically Provided

- 2.1 The Auditor shall purchase the following insurance coverages:
 - 2.1.1 Commercial General Liability - Such Commercial General Liability policy shall include the following:
 - i. General aggregate limit is to apply per project.
 - ii. Premises/Operations.
 - iii. Actions of Independent Contractors.
 - iv. Products/Completed Operations to be maintained for one year. Final completion and acceptance of the work, with evidence of same filed with owner.
 - v. Contractual Liability including protection for the auditor from claims arising out of liability assumed under this contract.
 - vi. Personal Injury Liability including coverage for offenses related to employment.
 - vii. Explosion, Collapse, or Underground (XCU) hazards; if applicable. Coverage required for any and all work involving drilling, excavation, etc.
 - 2.1.2 Business Automobile Liability including coverage for any owned, hired, or non-owned motor vehicles and automobile contractual liability.

2.1.3 Workers' Compensation - statutory benefits as required by the State of Texas, or other laws as required by labor union agreements, including Employers' Liability coverage.

2.2 Auditor Errors and Omissions – Claims Made Basis

Auditor shall carry Auditor Liability insurance which will pay for injuries arising out of errors or omissions in the rendering, or failure to render auditor services under the contract, for the term of the contract documents and up to three (3) years after the contract is completed in the amount following amount:

Auditor Errors and Omissions, Limit \$1,000,000.

APPENDIX G: INSURANCE REQUIREMENTS AFFIDAVIT

TO BE COMPLETED BY APPROPRIATE INSURANCE AGENT AND RETURNED AS PART OF
BID

I, the undersigned agent, certify that the insurance requirements contained in this proposal document have been reviewed by me with the below-identified auditor. If the below-identified auditor is awarded this contract by the CITY, I will be able, within ten (10) working days after being notified of such award, to furnish a valid insurance certificate to the CITY, thus meeting all of the requirements contained in this bid.

Agent Signature

Agent Name (Print or Type)

Name of Insurance Carrier

Address of Agency

City/State/Zip Code

Phone Number

Name of Auditor (Print or Type)

SUBSCRIBED AND SWORN TO before me this _____ day of _____, _____.

Notary Public, State of Texas

NOTE TO AGENT

If this time requirement is not met, the CITY have the right to declare this vendor non-responsible and award the contract to the alternate auditor meeting the specifications. If you have any questions concerning these requirements, please contact the CITY at (817) 985-2110.

APPENDIX H: AUDITOR CHECKLIST

All information included in, attached to, or required by the RFP shall be public record upon delivery to the CITY. Please ensure, at a minimum, that the following have been attached:

- 1) Proposal as outlined in Section V: Specific Proposal Requirements (1 Original, 2 Copies).
- 2) Appendix D: Schedule of Professional Fees and Expenses (Separate Envelope).
- 3) Appendix E: References (3 Current and 3 Previous).
- 4) Appendix G: Insurance Requirements Affidavit.
- 5) If selected, valid insurance certificate, as outlined in Appendix F (Within 10 Days of Selection).
- 6) If selected, Engagement Letter, as outlined in Section VII: Evaluation Process (Within 10 Days of Selection).

APPENDIX I: BASIC FINANCIAL STATEMENTS
CITY OF KENNEDALE, TEXAS

Please refer to the City website under Finance Department for financial reports.

APPENDIX J: BASIC FINANCIAL STATEMENTS
KENNEDALE ECONOMIC DEVELOPMENT CORPORATION

Please refer to the City website under Finance Department for financial reports.

Date: April 12, 2012

Agenda Item No: CONSENT ITEMS - E.

I. Subject:

Consider approval of a revised police-wrecker service contract.

II. Originated by:

Tommy Williams, Police Chief

III. Summary:

This is an updated service contract for police pulls with Beard's Wrecker Service. Beard's was recently bought out by another company but has retained the current staffing in place to service their existing contracts. This new contract updates ownership and also contains an increase in the cost of police tows. The cost increase appears to be in line with what other police tow service companies charge.

This is a contract for service in which the city does not receive a share of the funds for towing and storage. We do receive a slight percentage of unclaimed vehicles that are auctioned off. That money is placed in the General Fund as it is received.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	contract	tow.pdf
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KENNEDALE WRECKER AGREEMENT

THIS AGREEMENT is entered into between the City of Kennedale, Texas, a home rule municipal corporation located in Tarrant County, Texas, ("City"), acting through its City Manager, Bob Hart, and JDB Towing, LLC dba Beards Towing, ("Operator"), acting through its duly authorized President, James Bennett, Jr.

WHEREAS, the City Council adopted Ordinance No. 50 providing for regulations applicable to wrecker and towing services within the City; and

WHEREAS, pursuant to Ordinance No. 50, the City Council deems it in the best interests of the citizens of the City to enter into this agreement for the providing of wrecker and vehicle removal services where needed pursuant to the exercise of the City's police or governmental powers;

NOW THEREFORE,

City and Operator Agree as Follows:

I.

SCOPE

Operator agrees to provide emergency and non-emergency wrecker and vehicle removal service when requested by the City through its Police Department for accidents on public streets, DWI arrests, disabled vehicle incidents, or other vehicle removals requested by the Police Chief where authorized or required to do so.

II.

TERM

This agreement shall be for a term of one year commencing on 03/1/2012. City may extend this agreement for additional one-year terms by giving written notice thereof to Operator at least 30 days prior to the expiration of any term. Notwithstanding the above, either party may cancel this agreement upon 30 days written notice given at any time to the other party.

III.

PRIMARY WRECKER SERVICE

During the term of this agreement and so long as Operator is not in default of its obligations under this agreement, Operator shall be entitled to serve as the principal towing and storage provider for the towing and storage of motor vehicles which Operator has removed at the request of the City. The City agrees to use Operator for all police requested vehicle removals except in emergency situations requiring equipment, personnel, or storage facilities that cannot be promptly provided by Operator. The decision of whether to add additional wrecker services in emergency situations shall be made by the Police Chief in his sole discretion.

IV.
TWENTY-FOUR HOUR SERVICE; ASSIGNMENT

Operator agrees to maintain wrecker service 24 hours a day, seven days a week. Operator shall conduct its operations in such a manner as to insure an average response time of 30 minutes or less. No calls for wrecker service may be referred or subcontracted to any other wrecker operator except upon prior written approval by the Police Chief. This agreement may not be assigned, in whole or in part, without the prior written approval of the City, and any attempted assignment shall be void. In the event that Operator is unable to provide wrecker service as requested by the City, Operator shall immediately advise the Police Department in order that additional wrecker service may be procured.

V.
WRECKER LICENSE

- A. Operator shall procure a license from the City as required by Ordinance No. 50 in order to operate a wrecker service within the City. In the event the Operator's license for wrecker services is suspended or revoked by the City in accordance with Ordinance No. 50, the City may cancel this agreement or may utilize additional wrecker services during the period of a suspension or revocation.
- B. Operator agrees to comply with all requirements of Ordinance No. 50. The failure to comply with any of the requirements of Ordinance No. 50 shall be deemed to be a breach of this agreement.

VI.
EQUIPMENT

Operator agrees to provide equipment and vehicles meeting the minimum requirements of Ordinance No. 50. Operator agrees to provide the following additional equipment throughout the term of this agreement:

- A. Each wrecker utilized by Operator shall be equipped with a mobile telephone or a two-way radio.
- B. Operator shall maintain in the Operator's fleet a trailer, tilt bed or other similar vehicle capable of handling the safe movement of motorcycles and large vehicle component parts.
- C. Operator shall provide or have immediate access to at least one wrecker capable of towing a tractor trailer. Operator shall provide proof of ability to access such a vehicle to the Police Chief.

All vehicles and equipment shall be maintained in a good working condition, subject only to replacement in the normal course of business, in substantially equivalent form.

VII. STORAGE FACILITIES

All vehicles removed pursuant to this agreement and stored pending being claimed by the owner, shall be taken to the Operator's storage facility located at 5305 Vesta Farley Road, Fort Worth, Texas 76119, or to such other location as directed by the City or as Operator and the vehicle owner may agree. Operator shall maintain its storage facilities in compliance with all applicable laws and ordinances and in a good condition and state of repair, without the accumulation of vegetation, litter, trash, or debris. All vehicle and vehicle parts shall be stored and maintained in a neat and orderly condition and shall be secured from unlawful tampering and vandalism. Operator shall provide a minimum of two storage spaces for the indoor storage of designated vehicles which must be secured from unlawful tampering and weather related damage for purposes of preserving evidence for use at trial.

VIII. FEES

- A. Unless otherwise agreed to in writing by the City, all fees charged by Operator for services for towing and impounding vehicles shall be in accordance with the bid submitted to the City, attached as Exhibit A, and made part of this agreement for all purposes.
- B. Upon payment of the fees established in Exhibit A, the vehicle shall be released to the owner. No additional charges for calls or service in the City shall be made unless agreed to in writing by the City. For towing to points outside of the City or originating outside of the City, the Operator and Owner(s) shall agree upon their own price and the City shall not be responsible for supervision of this charge.
- C. Operator agrees that the City is not responsible or liable to Operator for costs incurred by Operator in responding to calls when it is subsequently determined that vehicle removal is not needed. In this regard, the City agrees that it will exercise reasonable efforts to ascertain the necessity for wrecker service before calling Operator and will make reasonable efforts to keep Operator from making unnecessary calls.
- D. Operator shall provide removal or towing services for City Police Department and City Administrative vehicles of less than one ton in size:
 - (1) From within Tarrant County at no charge to the City; and
 - (2) For vehicles outside Tarrant County and those counties contiguous to Tarrant County, at the minimum towing charge allowed under state law.
- E. Operator shall provide storage to the City for vehicles which are forfeited to the City pursuant to state or federal forfeiture laws for the minimum storage fee allowed under state law. In those cases where the court awards the vehicle back to the owner, the minimum storage fee will be charged to the owner for the period of time from the date of the tow to the date custody of the vehicle is awarded by the court back to the owner. Regular fees for storage after the date of the court order and other reasonable fees may be collected from the owner.
- F. Operator agrees that under no circumstances shall the City be liable for fees owed for towing or impounding a third party vehicle.

IX.
WAIVER OF CHARGES

It is contemplated by the parties hereto that a small percentage of the vehicle pulls and impoundments performed pursuant to this agreement will result in all or a portion of the fees therefore being uncollectible due to unusual circumstances. Due to the nature of police pulls, circumstances may arise where the collection of towing and impoundment fees would result in inequity to the owner of the vehicle, whether because of the propriety of the pull, judicial delays or because of other circumstances which unreasonably prevented the release of the vehicle in a timely manner. Operator specifically acknowledges and agrees that the benefits received under this agreement outweigh any offset for uncollectible fees in these unusual circumstances; therefore, Operator agrees to waive all or a portion of the fees where equity so dictates. In most circumstances, Operator shall nevertheless be entitled to collect a nominal fee equivalent to the charges for towing and three (3) days of impoundment.

X.
OPERATOR'S RESPONSIBILITIES

Operator agrees that it shall comply with the following:

- A. Operator shall maintain in good standing, without any reduction in scope or authority, its certificates for operation issued by the Texas Department of Transportation and the United States Interstate Commerce Commission.
- B. Operator shall maintain its principal place of business at 5305 Vesta Farley Road, Fort Worth, Texas 76119, or such suitable location as may be agreed to in writing between the parties.
- C. Operator shall be responsible for all vehicles which are towed and any contents or personal property in those vehicles while they are in operator's custody.
- D. Operator shall send all notices and file all forms required by law with respect to the storage or disposition of a motor vehicle the Operator removes under this agreement, whether the notice or form is required to be filed by Operator or by the City.
- E. Operator shall keep all information required by this agreement and in its application for a wrecker license updated and current.

XI.
INDEPENDENT CONTRACTOR

It is expressly understood and agreed that Operator shall operate under this agreement as an independent contractor and not as an agent, representative, servant or employee of the City; that Operator shall be solely responsible for the acts and omissions of its officers, agents, contractors, subcontractors, servants and employees; and that nothing in this agreement shall be construed as creating a partnership or joint enterprise between the City and Operator.

XII. INSURANCE

Operator agrees to maintain in full force and effect and at its sole cost and expense, the following types and limits of insurance:

- A. Worker's compensation insurance meeting applicable statutory requirements and employer's liability insurance with minimum limits of \$100,000 for each accident.
- B. Comprehensive commercial general liability insurance with minimum limits of \$1,000,000 as the combined single limit for each occurrence of bodily injury, personal injury and property damage.
- C. Automobile liability insurance covering all owned, hired, and non-owned vehicles in use by Operator, its employees and agents, with personal protection insurance and property protection insurance to comply with the provisions of state law with minimum limits of \$500,00 as the combined single limit for each occurrence for bodily injury and property damage.
- D. All policies other than those for Worker's Compensation shall be written on an occurrence and not on a claim made basis.
- E. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those stated.
- F. All policies, except for worker's compensation policies, shall name the City, its officers, boards, commissions, employees, and agents as additional insured's ("Additional Insured's")
- G. Certificates of insurance for each insurance policy required to be obtained in compliance with the paragraph, shall be filed and maintained with the City annually during the term of this agreement. Operator shall immediately advise the City of any claim or litigation that may result in liability to the City.
- H. All insurance policies maintained pursuant to this agreement shall contain the following endorsement:

"At least thirty (30) days prior written notice shall be given to the City of Kennedale, Texas, by the insurer of any intention not to renew this policy or to cancel, replace or materially alter this policy, the notice to be given by registered mail"

- I. The insurance required in this paragraph shall be carried with a responsible company or companies acceptable to the City, licensed to do business in the State of Texas.

XIII. OPERATION FEE

Operator shall pay to the City an operation fee of \$0.00 per month. An authorized tow is one made at the direction of a police officer of the City and for which a Police Department pull sheet is prepared. The fees required herein shall be paid to the City monthly, no later than the tenth (10th) day of the month following the month in which such tow is made. Such sums shall be documented in a form and manner agreed upon between Operator and the City.

XIV. INSPECTION

City employees and officials shall have the right of entry into Operator's storage facility at reasonable times to inventory and inspect vehicles removed at the direction of the City. Operator shall be furnished a copy of any inventory so taken. Operator shall be responsible for vehicles and their contents while in Operator's custody. The City is hereby authorized to inspect, audit and examine all books and records of Operator that pertain to the performance, operation, and payments or Operator hereunder.

XV. ADMINISTRATIVE FORMS

- A. Operator shall prepare and issue in a proper and timely manner all necessary notices required under applicable laws and ordinances, including, without limitation, the Texas Litter Abatement Act and the Texas Abandoned Motor Vehicle Act, as amended, to provide adequate notification to owners and lienholders of motor vehicles which are towed and impounded and any attendant auction and sale of unclaimed or abandoned motor vehicles. Operator shall obtain a release from the Police Department prior to the disposition of any vehicle. Operator shall maintain accurate and proper documentation of all fees incurred and notices sent for purposes of verifying the accuracy of any fees charged and procedures implemented. In addition, Operator shall keep and maintain books and records reflecting its operations as required by Ordinance No. 50.
- B. Operator shall submit to the Police Department no later than the 10th day of each month a monthly activity report related to Operator's operation during the previous month pursuant to the agreement. This monthly report shall contain, at a minimum, the following information:
 - (1) Number and listing of vehicles towed.
 - (2) Number and listing of vehicles released.
 - (3) Number and listing of vehicles currently in custody.
 - (4) Length of impoundment of vehicles.
 - (5) Any disposition of vehicles not released to the owner.
 - (6) Such other information that may be required by the Police Chief.

XVI. INDEMNIFICATION

OPERATOR HEREBY AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY, ITS OFFICERS, AGENTS, SERVANTS AND EMPLOYEES FROM ANY AND ALL CLAIMS, DEMANDS OR CAUSES OF ACTION, OF WHATSOEVER KIND OR NATURE, ARISING OUT OF OUR INCIDENT TO THE TOWING, STORAGE AND SALE OF MOTOR VEHICLES PURSUANT TO THIS AGREEMENT OR THE PERFORMANCE OF ANY DUTIES ARISING UNDER OR BY VIRTURE OR THIS AGREEMENT, WHETHER OR NOT CAUSED, IN WHOLE OR IN PART, BY THE ALLEGED NEGLIGENCE OF THE CITY OR ITS OFFICERS, AGENTS, SERVANTS OR EMPLOYEES. OPERATOR SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE CITY SHALL NOT BE

LIABLE FOR ANY TOWING OR IMPUNDMENT CHARGES OR ANY OTHER COSTS OR EXPENSES INCURRED BY OPERATOR PURSUANT TO THIS AGREEMENT.

XVII. DEFAULT

In the event the Operator should breach any of the terms or conditions of this agreement or should otherwise be in default of any of its obligations pursuant to this agreement, the City shall have the right to terminate this agreement as provided below. Upon the occurrence of any event of default, the City shall provide 30 days written notice to Operator of the default. In the event that Operator fails or refuses to cure the conditions of default within said 30 day period, the City may, in writing, immediately declare this agreement terminated. Notwithstanding the above, City shall only be required to give 10 days' written notice of a default by Operator for non-payment of any sums due the City under this agreement.

No waiver by the City of any default in the obligations of the Operator shall constitute in any form an estoppel of the City from at any time asserting or reasserting any such default, it being clearly understood and agreed by the parties that no waiver or estoppel shall occur except by written agreement duly authorized and signed by the City Manager.

XVIII. NOTICES

Notices required to be delivered pursuant to this agreement shall be sufficient if personally delivered or sent by certified mail in the United States Mail, postage pre-paid to the appropriate party at the following address:

If to City: City of Kennedale
 405 Municipal Drive
 Kennedale, TX 76060
 Attention: Police Chief

If to Operator: JDB Towing, LLC dba Beards Towing
 P.O. Box 15523
 Fort Worth, Texas 76119
 Attention: James Bennett Jr., President

XIX. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the parties and may not be modified or amended except by written agreement signed by the parties.

XX.
VENUE

Should any action, whether real or asserted, at law or in equity, arise out of the execution, performance or nonperformance of this agreement, venue for the action shall be in Tarrant County, Texas.

EXECUTED this 15th day of March, 2012.

JDB Towing, LLC dba Beards Towing

By: [Signature]
James Bennett, Jr.

City of Kennedale

By: _____
Bob Hart, City Manager

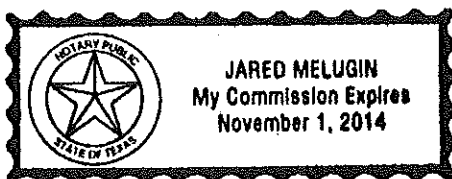
ATTEST:

[Signature]
Notary Public in and for the State of Texas

City Secretary

Jared Melugin
Typed/Printed Name of Notary Public

My Commission Expires: 11/1/2014



BID SHEET FOR TOWING AND IMPOUND SERVICE

A. Base charge for Police Authorized Tows:

1. Base charge pulls (normal & flatbed/car carrier) \$135.00
(up to 10,000 GVW)
2. Additional charges to base
 - a. Use of Dollies \$25.00
 - b. Winching \$30.00
 - c. Waiting/Standby Hourly Rate \$20.00 per 15 mins
 - d. Working Time \$100.00 per hr
(first 15 min free)
 - e. Pulls of 10,001 GVW and greater \$250.00 per hr
(2 hour minimum)

B. Base charge for city vehicles: (Towing only) (i.e. police department, fire department, & pick-ups, etc.)

1. Base charge pulls (normal & flatbed/car carrier) 1 ton & under – No charge
(within Tarrant County)
2. Additional charges to base
 - a. Use of Dollies \$25.00
 - b. Winching \$30.00
 - c. Waiting/Standby Hourly Rate \$20.00 per 15 mins
 - d. Working Time \$100.00 per hr
(first 15 min free)
 - e. Pulls of 10,001 GVW and greater \$250.00 and up

C. Storage Rate per day

\$20.00 per day
(under 25 feet)
\$35.00 per day
(25 feet and over)

D. Preservation \$20.00

E. Notification Fee \$50.00

F. Motorcycle/Trailer Usage same as tow above

G. Franchise percentage from revenues as described 0%

BID SHEET FOR AUCTION REVENUES AND CHARGES

The successful bidder must fill out this portion of the bid explaining various revenues and charges for Police impounded vehicles that are auctioned by the bidder. This section applies specifically to vehicles that are towed to the impound area because of a police call.

- (1). Charge, if any, to the City of Kennedale for towed vehicles that are auctioned by the bidder. NO CHARGE
- (2). Charge, if any, to the City of Kennedale for the storage of any vehicles that are auctioned. NO CHARGE
- (3). Charge, if any, to the City of Kennedale for any other service on vehicles that are auctioned. List:
NO CHARGE

- (4). Revenue, if any, to the City of Kennedale for proceeds from the sales by the bidder of any auctioned vehicles. This can be stated in a specific dollar amount per vehicle or a percentage of sale amount per vehicle. The stated amount will be before auction commission is deducted.
NONE

****ALL NEWSPAPER PUBLICATIONS PERTAINING TO VEHICLE TAKEN INTO POSSESSION OR AUCTIONS WILL BE PAID BY BEARD'S TOWING****

Date: April 12, 2012

Agenda Item No: CONSENT ITEMS - F.

I. Subject:

Consider the 37th year CDBG contract award for sanitary sewer replacement on Kenny and Sulphur Streets

II. Originated by:

Larry Ledbetter, Director of Public Works

III. Summary:

The City has an annual Public Works project that is funded by the Community Development Block Grant Program (CDBG) administered by Tarrant County. As part of the process, the County requires the City authorize the project and pledge any funds that the City may use in participation of the project.

This years recommended project is the sanitary sewer rehabilitation of Kenny and Sulphur Streets. This project involves the reconstruction of approximately 2,100 LF of existing sanitary sewer pipe and manhole replacement.

The low bid for the project was submitted by Tejas Commercial Construction in the amount of \$134,566.00. The low bidder is a utility contractor in River Oaks who is currently performing other CDBG projects and is approved in the City of Fort Worth.

The 37th year CDBG construction funds amount to \$82,037.09. The difference between the available CDBG monies and the bid price is \$52,528.91 and will require supplemental City funding.

Staff recommends awarding the bid to Tejas Commercial Construction in the amount of \$82,037.09 and approval of \$52,528.91 in additional City funds to cover the unfunded portion.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: REGULAR ITEMS - A.

I. Subject:

Discuss and consider sending a letter to TXDOT related to the signal light at Kennedale Parkway and Valley Lane.

II. Originated by:

III. Summary:

The signal light at Kennedale Parkway and Valley Lane was originally installed based on the traffic volume that was using the old Dick Price Road. With the realignment and reconstruction of Bowman Springs Road and Dick Price Road the signal light serves only those businesses and residents who live on Valley Lane and Grapevine Trail. The Texas Department of Transportation will remove the signal on a limited basis when requested by the city. Signal lights are typically placed based on traffic volume. The traffic volume from Valley Lane does not meet those set standards.

Staff has received feedback concerning the removal of the signal light, most of which has been from individuals or business located in the area served by the signal light. The businesses on Valley Lane have expressed their concerns regarding the removal of the traffic signals because of limited visibility with the bridge and trucks having difficulty moving up the incline before entering Kennedale Parkway. Council needs to direct the staff to prepare a letter to TxDOT indicating its preference concerning the removal of the signal light. The options you may wish to consider are:

1. Removal of the signal light
2. Leave the signal lights with continual green for left turning movements with the provision that the lights would only change when activated by traffic on Valley Lane.
3. Leave the lights as is with a protected left turn signal.

Assuming the long-range plans for the area, the staff would recommend option 2. There will be a number of changes for the residents and businesses in the area and there is no need to compound the frustrations. A letter will be prepared following council direction for the Mayor's signature.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: REGULAR ITEMS - B.

I. Subject:

Consider an ordinance canceling the May 12, 2012 election and declaring unopposed candidates elected to office.

II. Originated by:

Amethyst G. Cirimo, City Secretary and Communications Coordinator

III. Summary:

As Liz Carrington, Kelly Turner, and Bryan Lankhorst have all filed for candidacy and were unopposed as of the closing day for candidate filing, please consider approval of the attached Ordinance.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Ordinance	Ordinance XXX - Cancelling 2012 Election.docx
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ORDINANCE NO. ____

AN ORDINANCE CANCELING THE MAY 12, 2012 GENERAL ELECTION AND DECLARING EACH UNOPPOSED CANDIDATE ELECTED TO OFFICE; 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, in accordance with law a general election has been ordered for May 12, 2012 for the purpose of election council members to serve on the city council in the City of Kennedale; and

WHEREAS, no proposition is to appear on the ballot in that election; and

WHEREAS, the city secretary has certified in writing that each candidate on the ballot is unopposed for election to office; and

WHEREAS, the filing deadlines for placement on the ballot and declaration of write -in candidacy have passed; and

WHEREAS, in these circumstances Subchapter C of Chapter 2 of the Election Code authorizes a governing body to declare each unopposed candidate election of office and cancels the election.

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

SECTION 1

The following candidates, who are unopposed in the May 12, 2012 general election, are hereby declared to office, and shall be issued a certificate of election at the time prescribed in the Election Code for canvassing of votes:

Bryan Lankhorst	Mayor
Liz Carrington	Council Place 2
M. Kelly Turner	Council Place 4

SECTION 2

The general election previously ordered for May 12, 2012 for the purposed of election councilmember to serve on the city council in the City of Kennedale is hereby canceled.

SECTION 3

The city secretary is directed to post a copy of this ordinance at each designated polling place on May 12, 2012.

SECTION 4

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

SECTION 5

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

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

PASSED AN APPROVED ON THIS 12th DAY OF APRIL, 2012.

APPROVE:

Mayor Bryan Lankhorst

ATTEST:

Amethyst G. Cirimo, City Secretary

APPROVED AS TO FORM AND LEGALITY

Wayne K. Olson, City Attorney

Date: April 12, 2012

Agenda Item No: REGULAR ITEMS - C.

I. Subject:

Consider an Ordinance amending the FY2010-2011 budget.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The purpose of this budget amendment is to ensure that we are in compliance with budgetary guidelines. Generally, staff completes two budget amendments each year, if necessary. The first budget amendment occurs in during mid-fiscal year, and the second occurs after the end of the fiscal year to align with the result of the audit. We did not find it necessary to bring forth a mid-fiscal year amendment to Council for the FY10/11 budget. However, we do find it necessary to bring forth a year end amendment, and it must be adopted prior to final acceptance of the FY10/11 audit.

Like that of the FY2010/11 audit, staff will email proposed budget amendments to Council on Monday, April 9, for review prior to the meeting.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1. Budget Amendment Ordinance	20100311 Ordinance To Amend Fiscal Year Budget.doc
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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS AMENDING THE BUDGET OF THE CITY OF KENNEDALE, TEXAS; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR AN AMENDMENT; PROVIDING A SAVINGS AND REPEALER CLAUSE; PROVIDING FOR SEVERABILITY; PROVIDING FOR ENGROSSMENT AND ENROLLMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas Fiscal Year 2010-2011 Budget was adopted within the time and in the manner required by State Law; and

WHEREAS, the City Council of the City of Kennedale, Texas hereby finds and determines that it is prudent to amend specific line items due to unforeseen situations that have occurred in the City and impacted those line items; and

WHEREAS, the City Council of the City of Kennedale, Texas further finds that the amendments, as set forth in Exhibit "A," will serve in the public interest and are necessary to support City operations; and

WHEREAS, the City Council of the City of Kennedale, Texas finds and determines that the change in the Budget for the stated municipal purpose serves best interests of the taxpayers, is necessary and warrants action at this time;

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

SECTION 1.

That the above and foregoing premises are true and correct and are incorporated herein and made a part hereof for all purposes.

SECTION 2.

The City of Kennedale, Texas, Fiscal Year 2010-2011 Budget is hereby amended to fund the line items as stated in Exhibit "A." This Amendment No. 1 (Exhibit "A") to the Original Budget of the City of Kennedale, Texas, for the Fiscal Year 2010-2011 shall be attached to and made part of the Original Budget by the City Secretary and shall be filed in accordance with State Law. This Ordinance is hereby adopted and shall constitute the first budget amendment that has occurred since the October 1, 2010 effective date of the City's Fiscal Year 2010-2011 Budget.

SECTION 3.

That this Ordinance shall be cumulative of all other Ordinances of the City affecting the Fiscal Year 2010-2011 Budget of the City and shall not repeal any of the provisions of such Ordinances except in those instances where provisions of those Ordinances are in direct conflict with the provisions of this Ordinance; whether such Ordinances are codified or uncoded, and all other provisions of the Ordinances of the City of Kennedale, codified or uncoded, not in conflict with the provisions of this Ordinance, shall remain in full force and effect.

SECTION 4.

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of the Ordinance, and the City Council hereby declares it would have passed such remaining portions of the Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 5.

The City Secretary of the City of Kennedale is hereby directed to engross and enroll this Ordinance in the Ordinance records of the City and to properly record this Ordinance in accordance with the City Charter.

SECTION 6.

This Ordinance shall take effect from and after its date of passage in accordance with law, and it is so ordained.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 12th day of April 2012.

APPROVED:

Mayor, Bryan Lankhorst

ATTEST:

Amethyst Cirimo, City Secretary

Date: April 12, 2012

Agenda Item No: REGULAR ITEMS - D.

I. Subject:

Discuss and consider action for approval of Independent Auditor's Report for year ended September 30, 2011.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The auditor's opinion on the financial statements for the year ended September 30, 2011 is that the statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely-presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2011. The statements also present the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for major fund-types, thus demonstrating the City of Kennedale's end of year financial report is in conformity with the Generally Accepted Accounting Principles (GAAP) as provided by the Governmental Accounting Standard Boards (GASB) of America.

A copy of the actual bound Comprehensive Annual Financial Report (CAFR) that will be submitted to the Government Financial Officer's Association (GFOA) will be available for public review on the City's website by April 30, 2012. Staff is in the process of putting it together for the April 30 deadline. However, we have attached a copy of the Independent Auditor's Report that is brought before you every year (will be emailed to the Council on Mon, April 9, 2012 for review prior to workshop and regular meeting).

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

Staff recommends Council accept the Independent Auditor's Report as presented by Patillo, Brown, & Hill, LLP.

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: REGULAR ITEMS - E.

I. Subject:

Consider an Ordinance amending section 2-3 of the city code relative to administrative fees for credit card changes.

II. Originated by:

Sakura Moten-Dedrick, Director of Finance & IT

III. Summary:

The purpose of this ordinance is to set forth those fees and charges authorized to be charged by the City of Kennedale pursuant to specific authorization by the City Council. Fees and charges help offset both direct and indirect costs associated with the administration, investigation and implementation of ordinances and regulations applicable to development, as well as numerous other City activities and operations.

The City Council last approved revisions to this "schedule" of fees and charges on September 8, 2011 (Oil & Gas Well Permits & Fees: Annual Air Sampling & Reporting Fee). For the purposes of this update, City staff would like to revise the Credit Card Fees section, specifically as it pertains to the Utility Billing Department. Up to this point, customers have not incurred a fee when paying their monthly bill in-person or online. However, they have paid a \$5.00 fee to make a payment via phone. In order to remain within Visa's "Utility Program" and receive low credit card surcharge rates, as well as strengthen internal controls given customer information provided at the window, staff recommends that the City discontinue taking payments via phone, thus eliminating the \$5 fee. The Visa Utility Program requires that businesses not pass on "any" fees to the customer, and eliminating payments via phone will address both aforementioned concerns. Initially, staff took a very large volume of payments via phone, but with the incorporation of the \$5 fee almost one year ago, we only receive approximately eight (8) calls per month at present. Previous phone payments users have transitioned mainly to online payments.

We would also recommend eliminating the \$1.00 fee for credit cards taken under the Miscellaneous/Other Activity. We do not receive a large volume of these types of payments; furthermore, similar to Utility Billing, we can strengthen internal control issues at the same time. Examples: facility and park rentals.

New changes to the schedule are denoted in red on attached Schedule of Fees.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Schedule of Fees Ordinance	Schedule of Fees Ordinance.docx
2.	Exhibit A: Draft Fee Schedule	Draft Schedule of Fees.pdf

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTION 2-3 OF THE KENNEDALE CITY CODE (1991), AS AMENDED, BY AMENDING, REPEALING, OR PROVIDING FOR FEES FOR CERTAIN CITY SERVICES; PROVIDING FOR THE ADOPTION OF ADDITIONAL FEES BY ORDINANCE; PROVIDING FOR THE REPEAL OF FEES INCONSISTENT WITH THE FEES ESTABLISHED HEREIN; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, in order to offset costs associated with the administration, investigation and implementation of ordinances and regulations applicable to development and other activities, the City Council has previously established a schedule of fees; and

WHEREAS, the City Council now desires to update its schedule of fees by amending or repealing certain fees and adopting new fees; and

WHEREAS, the City Council desires to repeal all previously adopted fees, which are inconsistent with fees established by this ordinance.

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

SECTION 1.

Section 2-3 of the Kennedale City Code (1992), as amended, is hereby amended to read as follows:

“Sec. 2-3. Fees for Licenses, Inspections, Permits, etc.

- (a) All persons, firms or corporations applying for licenses, inspections, permits or other city services, activities or uses that, by their nature, require the applicant to pay a fee incident to such application, shall be required to pay the following fees as established in Exhibit “A.”

- (b) The City Council shall periodically review the need for and the amount of fees for city services, uses and activities and shall adopt or revise it from time to time.
- (c) In addition, the fees established in paragraph (a) above, the City Council may adopt other ordinances from time to time establishing various fees for city services, activities and uses.
- (d) It shall be a violation of this Section to conduct any activity or commence any use for which the payment of a fee is required unless such fee has been paid.”

SECTION 2.

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

SECTION 3.

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

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this ordinance shall be fined not more than Five Hundred Dollars (\$500.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 5.

All rights and remedies of the City of Kennedale are expressly saved as to any and all violations of the provisions of Section 2-3 of the Kennedale City Code (1991), as amended, or any other ordinance or code provision affecting fees which have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 6.

The City Secretary of the City of Kennedale is hereby directed to publish the caption, penalty clause, publication clause and effective date of this ordinance in every issue of the official newspaper of the City of Kennedale for two days, or one issue of the newspaper if the official newspaper is a weekly newspaper, as authorized by Section 52.011 of the Local Government Code.

SECTION 7.

This ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

PASSED, ADOPTED AND APPROVED by the City Council of the City of Kennedale, Texas, this the 12th day of April 2012.

APPROVED:

Mayor, Bryan Lankhorst

ATTEST:

Amethyst Cirno, City Secretary

EXHIBIT A: SCHEDULE OF FEES
(04-12-12 Draft)

ADMINISTRATIVE FEES (CURRENT)

Credit Card Fees		
Municipal Court	3%	When payment of any fee, fine court cost or other charge related to Kennedale Municipal Court is made by credit card via phone, online or in-person, a fee equaling three (3) percent per fine, fine, court cost or other charge paid by credit card will be added to the fee, fine, court cost or other charge paid.
Utility Billing	\$5.00	When payment of any fee or other charge related to Kennedale Utility Billing is made by credit card via phone only, a fee equaling five dollar (\$5.00) per fee or other charge paid by credit card will be added to the fee or other charge paid.
Utility Billing	\$0.00	When payment of any fee or other charge related to Kennedale Utility Billing is made by credit card online or in-person, no fee will be required. Phone payments are not accepted.
Permitting	3%	When payment of any fee or other charge related to Kennedale Permitting is made by credit card via phone, online or in-person, a fee equaling three (3) percent per fee or other charge paid by credit card will be added to the fee or other charge paid.
Miscellaneous/Other Activity	\$1.00	When payment of any fee or other charge related to any other miscellaneous activity is made by credit card via phone, online or in-person, a fee equaling one dollar (\$1.00) per fee or other charge paid by credit card will be added to the fee or other charge paid.
Miscellaneous/Other Activity	\$0.00	When payment of any fee or other charge related to any other miscellaneous activity is made by credit card online or in-person, no fee will be required. Phone payments are not accepted. If, for any reason, a payment by credit card is not honored by the credit card company on which the funds are drawn, the city shall collect the same amount as the fee charged for the collection of a check drawn on an account with insufficient funds from the person who owes the fee, fine, court cost or other charge in addition to the original fee, fine, court cost or other charge.

Date: April 12, 2012

Agenda Item No: REGULAR ITEMS - F.

I. Subject:

Consider approval of a Resolution determining that an update of Impact Fees is unnecessary.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Here is a brief synopsis of the procedures for determining that no impact fee update is necessary. There is at least one contingency that can change the time period for accomplishing this -- that is, has anyone submitted, within the last two years, a request to be notified of hearings related to impact fees? If so, a special notice has to be sent to them and the time period for compliance is expanded. The request would have been submitted to the city secretary or other designated official. We not not received such a request.

Also, as you know, the city is required to appoint a Capital Improvements Advisory Committee (CIAC) to review and make reports to the city council on impact fees (including making written comments on whether there is a need to update the impact fees). It is logical and implied in the statute that the CIAC will make its reports to the city council before the city council takes action. This is the recommended course of action. However, the timelines set forth in the statute would allow the city council to make its determination that no update is necessary before the CIAC makes its recommendation and report to the city council.

Assuming that no special request for notice has been sent, here is the timeline:

1. The city council makes a determination that an update to the land use assumptions, capital improvements plan and impact fees is unnecessary.
2. Notice of this determination must be published in the newspaper once a week for three consecutive weeks.
3. The CIAC must file its written comments more than 5 business days before the first date of publication.
4. If the city receives a request to update impact fees from anyone within 60 days after the first date of publication, the city council must update the impact fees.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

Approve

VII. Alternative Actions:

VIII. Attachments:

1.	resolution	Resolution - Impact Fee.docx
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RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF KENNEDALE, TEXAS DETERMINING THAT AN
UPDATE OF IMPACT FEES IS UNNECESSARY 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 of Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City of Kennedale has previously adopted impact fees pursuant to Chapter 395 of the Texas Local Government Code which provide for the assessment and collection of impact fees for water and wastewater improvements; and

WHEREAS, Chapter 395 of the Texas Local Government Code requires periodic updates of the Capital Improvements Plan, Land Use Assumptions and Impact Fees unless a determination is made by the city council that an update is unnecessary.

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

SECTION 1.

Pursuant to Section 395.0575 of the Texas Local Government Code, the City Council has determined that an update to the current Capital Improvements Plan, Land Use Assumptions and Impact Fees for water and wastewater improvements is unnecessary. The City Secretary is directed to publish notice of this determination in accordance with Section 395.0575 with a statement that any person desiring to require an update of the Land Use Assumptions, Capital Improvements Plan, or Impact Fees must file a written request with the City Secretary within sixty (60) days after publication of the first notice.

SECTION 2.

This resolution shall be effective upon approval.

APPROVED this ____ day of April, 2012.

Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM AND LEGALITY:

City Attorney

Date: April 12, 2012

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:

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

II. Originated by:

III. Summary:

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

VII. Alternative Actions:

VIII. Attachments:

Date: April 12, 2012

Agenda Item No: EXECUTIVE SESSION - B.

I. Subject:

The City Council will meet in closed session pursuant to Section 551.074 of the Texas Government Code to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee.

1. City Manager's annual performance evaluation.

II. Originated by:

Bob Hart, City Manager

III. Summary:

Please see the attached document.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:

None

VII. Alternative Actions:

VIII. Attachments:

1.	CM Eval	cm eval.pdf
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