# *KENNEDALE CITY COUNCIL MINUTES*

**REGULAR MEETING | MARCH 19, 2019**
**CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**
**WORK SESSION - 5:30 PM | REGULAR SESSION - 7:00 PM**

## I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:33 p.m.

## II. WORK SESSION

A. Presentation of the FYE 2018 annual audit draft – Comprehensive Annual Financial Report (CAFR)
Finance Director Brady Olsen introduced Kevin Kemp – a partner at the City's auditing firm BKD – who gave an overview of the FY18 CAFR and was available to answer questions from the Council. He noted that no significant changes were expected to the financial statements before submission to the State Comptroller's Office by the end of March, that BKD expected the City would receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 14th year in a row, and that the audit was being presented with a clean, unmodified opinion.

Following a brief discussion, there was consensus among the City Council that questions would be submitted to Olsen; and that acceptance of the FY18 CAFR (Consent Item B) would be postponed until the next Regular Meeting.

B. Discussion of items on the Regular Agenda
At this time, there was discussion regarding Decision Items A and B (contracts to purchase water from and to transfer the operation and maintenance of the water and wastewater utility systems to the City of Arlington). Councilmember Rhodes noted that the O&M agreement had a term of 5 years, but that the water purchase agreement was for 20 years. In response to Councilmember Gilley's questions regarding cost savings, Finance Director Brady Olsen presented projected financials. There were then questions regarding future capital projects, pass-through (transmission) rights, staffing within City Hall, a preliminary timeline for moving to the Arlington water supply, future rates, and contract language.

Mayor Johnson recessed to Executive Session at 6:25 p.m.

## III. REGULAR SESSION

Mayor Brian Johnson called the Regular Session to order at 7:05 p.m.

## IV. ROLL CALL

**Present:** Mayor Brian Johnson; Mayor Pro Tem Sandra Lee, Place 3; Rockie Gilley, Place 1; Chris Pugh, Place 2; Linda Rhodes, Place 4; Jan Joplin, Place 5; **Absent:** NONE
***Staff:*** *City Manager George Campbell, City Secretary & Communications Coordinator Leslie E. Galloway, City Attorney*

*Wayne Olson, Finance Director Brady Olsen, Police Chief Tommy Williams, Fire Chief James Brown, Director of Planning & Economic Development Melissa Dailey, Library Director Amanda King, Director of Human Resources & Administrative Services Danielle Clarke, Public Works Director Larry Hoover, Administrative Assistant Rosie Ericson, Police Captain Darrell Hull, Police Officer Tara Culpepper, Backflow Customer Service Inspector (CSI) Dennis Brown*

## V. INVOCATION

Minister Marcus Simmons of Full of Faith Bible Church offered the invocation.

## VI. UNITED STATES PLEDGE AND TEXAS PLEDGE

## VII. VISITOR AND CITIZEN FORUM

- **Erin Jackson**, *1037 Swiney Hiett Road*, requested that Council consider her request for reimbursement for the clean-up necessary after sewage backed-up into her residence.
  *City Manager George Campbell stated that this consideration could be added to an upcoming Executive Session for consultation with the City Attorney.*
- **Ed White**, *1106 Columbia Drive, Mansfield,* a *flooring installer hired by Ms. Jackson*, offered his support of Ms. Jackson's request and described some of the resulting damage to her home and the work that might be required.
- **John Hivale**, 418 Coker Valley, praised the increased transparency under the current City Council, stated his hope that it would continue, and urged the community to be involved.
- **Laurie Middleton Sanders**, *208 W 5th Street*, invited the community to the Mayor's History Lecture, the KKB Don't Mess With Texas Clean-Up, and the KKB Spring Planting Kick-Off.

## VIII. REPORTS AND ANNOUNCEMENTS

A. Updates from the City Council
- **JAN JOPLIN, PLACE 5,** stated that she enjoyed a recent vacation.
- **LINDA RHODES, PLACE 4,** stated that she felt the Senior Citizen's bus should have a lift, thanked Fire Chief James Brown for the AED that was being installed at the Senior Center, announced that she attended the UIB meeting, and that she attended a portable rodeo event that she would like the City to consider hosting.
- **MAYOR PRO TEM SANDRA LEE, PLACE 3,** stated that she, Mayor Johnson, and City Manager George Campbell met with several legislators during trips to Austin and Washington D.C.
- **CHRIS PUGH, PLACE 2**, stated that he attended the Senior Outreach where several entities were represented, noting that Mayor Johnson was spearheading an effort to have Kennedale chosen as a satellite site for a JPS health center.
- **ROCKIE GILLEY, PLACE 1**, stated that he had met with individuals who are working to reform property taxes in Texas through the proposal of elected appraisal district representatives and property tax caps among other efforts.

B. Updates from the City Manager

City Manager George Campbell stated that he attended Tarrant County Days at the State Capitol and the NLC Conference in Washington D.C. with Mayor Johnson and Mayor Pro Tem Lee where they met with legislators and other local elected and appointed officials regarding proposed bills that had the potential to affect local government. He reminded the City Council of the upcoming Employee Awards Banquet on Friday, March 22.

C. Updates from the Mayor

Mayor Brian Johnson stated that he discussed the potential for a county satellite healthcare location during the Senior Outreach meeting; that he attended the Tarrant County Homeless Coalition Board meeting; that he discussed mental health issues with State Representatives Bill Zedler and Beverly Powell; that he met with Tarrant County Precinct 2 Commissioner Devan Allen; that he plans to meet with County Judge Glen Whitley; that he and Mayor Pro Tem Lee met with U.S. Congressman Ron Wright regarding truancy grants; that he attended a Tarrant Regional Transportation Coalition (TRTC) meeting where drones, national infrastructure, and at-grade railroad crossings were discussed; that he met with the Water Committee where aging infrastructure was discussed; that he and Mayor Pro Tem Lee and Burleson Mayor Ken Shetter met with One Safe Place to discuss laws regarding domestic violence involving children; and that he plans to attend several upcoming events including his role in the Theater in the Park production of '*Seussical*' in April.

Mayor Johnson then proclaimed Saturday, May 18, 2019 'Kids to Parks Day'.

## IX. MONITORING INFORMATION

A. Monthly Financials – February 2019

There was no discussion at this time

B. Monthly EDC Financials and Activity Report

There was no discussion at this time

## X. INCIDENTAL ITEMS

## XI. REQUIRED APPROVAL ITEMS (CONSENT)

A. Consider approval of the minutes from the February 19, 2019 Regular Meeting

B. Discuss and consider acceptance of independent auditor's draft report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2018

Item A was removed from the Consent Agenda at the request of Councilmember Gilley; Item B was removed at the request of Councilmember Joplin.

Councilmember Gilley requested that the February 19, 2019 minutes reflect the reasoning behind his motion to postpone item XII.C. on that agenda (a Resolution of Support for OM Housing's application to TDHCA), stating that the postponement was to allow time to request an Attorney General opinion as to whether cases cited in letters sent by legal representatives of OM Housing apply to a Council decision on a Resolution of Support; the lawfulness of letters delivered by a private citizen threatening action against Councilmember Joplin if she did not recuse herself; and as to whether each of these threats of legal action constitute a coercion of a public official to influence a vote under Texas Penal Code 36.03.

**Motion To** Approve Consent Item A (minutes from the February 19, 2019 Regular Meeting), with the requested correction. **Action** Approve, **Moved By** Gilley. **Seconded By** Joplin. **Motion passes unanimously.**

**Motion To** Postpone Consent Item B (acceptance of the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2018). **Action** Postpone, **Moved By** Joplin. **Seconded By** Mayor Pro Tem Lee. **Motion passes unanimously.**

## XII. DECISION ITEMS

A. Hold a Public Hearing and consider authorizing the City Manager to enter into a contract to transfer the operation and maintenance of the Kennedale water and sewer systems to the City of Arlington

Finance Director Brady Olsen stated that he was grateful for the number of residents in attendance due to the significance of these contracts, noting that the City Council had previously received most, if not all, of this information but that it was being presented again for the benefit of the public; and that the Utility and Infrastructure Board (UIB), at their March 12 meeting, voted unanimously to recommend to the Council approval of both contracts. Olsen offered an overview of the contracts including goals, added assurances, projected savings, impacts to residents and employees, substantive changes, and other significant details and considerations. Olsen, City Manager George Campbell, and City Attorney Wayne Olson were available to answer questions from Council.

**The following registered for the combined Public Hearing on Items A and B:**

- **Jerod Reeves**, *1519 Diamond Creek Lane*, declined to speak.
- **John Hivale**, 418 Coker Valley, asked several questions regarding monitoring of bids, projected savings, and utility rates.
  *In response, Finance Director Brady Olsen stated that the City of Arlington would report expenses for auditing; that Arlington would cover $100,000 of unexpected costs in the first two contract years; and that the current rates would not support ongoing operations without the contract, but under this contract rates were projected to be sufficient.*
- **Jeff Nevarez**, *338 Spring Branch Lane*, did not speak but registered in favor.
- **Chad Wandel**, *614 Reeves Lane*, did not speak but registered in favor.

**Motion To** Approve authorizing the City Manager to enter into a contract to transfer the operation and maintenance of the Kennedale water and sewer systems to the City of Arlington, contingent upon the City of Arlington's approval of both contracts. **Action** Approve, **Moved By** Pugh. **Seconded By** Mayor Pro Tem Lee.

Councilmember Gilley stated that Kennedale rates will be significantly higher than those paid Arlington customers, adding that residents should not expect lower rates going forward, but that he believed they would receive a better product and level of service.

Further discussion included the Water Fund's current deficit budget, the timeline for establishing an interconnect and transitioning to the Arlington water supply, compared costs of purchased vs. well water, effects on City of Kennedale employees, repairs needed on the water tanks, and the costs of ending the contract with Global.

The Mayor called for a vote. **Motion passes 3-1-1**, with Councilmember Rhodes voting against and Councilmember Gilley abstaining.

B. Hold a Public Hearing and consider authorizing the City Manager to enter into a contract to purchase potable water from the City of Arlington

**Motion To** Approve authorizing the City Manager to enter into a contract to purchase potable water from the City of Arlington, contingent upon the City of Arlington's approval of both contracts. **Action** Approve, **Moved By** Pugh. **Seconded By** Mayor Pro Tem Lee. **Motion passes unanimously.**

*COUNCIL DID NOT CONVENE INTO CLOSED SESSION AT THIS TIME. AN EXECUTIVE SESSION WAS HELD FOLLOWING THE WORK SESSION, BUT BEFORE THE REGULAR SESSION.*

## XIII. EXECUTIVE SESSION

A. Discussion of pending legal matters regarding Ron Sturgeon vs. City of Kennedale

B. Discussion with the City Attorney regarding proposed contracts to purchase potable water from the City of Arlington and to transfer the operation and maintenance of the Kennedale water and sewer systems to the City of Arlington

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

Discussion of City Manager's Annual Evaluation

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

There was neither discussion nor action at this time.

## XV. ADJOURNMENT

**Motion To** Adjourn. **Action** Adjourn, **Moved By** Mayor Pro Tem Lee. **Seconded By** Gilley. **Motion passes unanimously.**

Mayor Johnson adjourned the meeting at 8:35 p.m.

**APPROVED:**

*BRIAN JOHNSON, MAYOR*

**ATTEST:**

*LESLIE E. GALLOWAY, CITY SECRETARY*