KENNEDALE
Kennedale Economic
Development Corporation
www.cityofkennedale.com

ECONOMIC DEVELOPMENT CORPORATION AGENDA

BOARD OF DIRECTORS REGULAR MEETING
APRIL 30, 2019 AT 7:00 PM
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE

I. CALL TO ORDER

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

II. ROLL CALL

III. REGULAR ITEMS

A. Consider approval of the minutes from the March 26, 2019 Regular Meeting

B. Review and accept the KEDC Financial Report for March 2019

C. Receive the independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2018

D. Discuss and provide staff direction regarding the Kennedale Area Chamber of Commerce office building lease agreement

IV. REPORTS AND ANNOUNCEMENTS

In addition to any specific matters listed below, the EDC Board may receive reports regarding 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. Chamber of Commerce report

B. Board member reports and announcements

C. Staff reports and announcements

V. EXECUTIVE SESSION

The Economic Development Corporation (EDC) will meet in closed session, ***pursuant to §551.072 of the Texas Government Code****, to deliberate the purchase, lease, or value of real property:*

A. Harris Corporation Addition, Block 1 Lot 1A2 (S Dick Price Road)

Pursuant to §551.087 of the Texas Government Code*, deliberation regarding economic development negotiations:*

B. Potential Economic Development Tax Abatement Agreement

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

VII. ADJOURNMENT

CERTIFICATION

I DO HEREBY CERTIFY THAT THE APRIL 30, 2019 KENNEDALE ECONOMIC DEVELOPMENT CORPORATION AGENDA WAS POSTED INSIDE THE MAIN ENTRANCE OF CITY HALL (405 MUNICIPAL DRIVE), IN A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AT ALL TIMES; AND THAT SAID AGENDA WAS POSTED AT LEAST SEVENTY-TWO (72) HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING, IN ACCORDANCE WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE.

Leslie E. Galloway

LESLIE E. GALLOWAY, CITY SECRETARY

In compliance with the Americans with Disabilities Act (ADA), the City of Kennedale will provide for reasonable accommodations for persons attending meetings. This facility is wheelchair accessible and accessible parking spaces are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meeting by calling 817-985-2104 or (TTY) 1-800-735-2989.

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: REGULAR ITEMS - A.

I. Subject:
Consider approval of the minutes from the March 26, 2019 Regular Meeting

II. Summary:
Please see the attached minutes for your consideration.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	2019_03.26 EDC Minutes _ WM	2019_03.26 EDC Minutes _ WM.pdf

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ECONOMIC DEVELOPMENT CORPORATION AGENDA
BOARD OF DIRECTORS REGULAR MEETING
CITY COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
MARCH 26, 2019 AT 7:00 PM

I. CALL TO ORDER
President Mark Yeary called the meeting to order at 7:01 p.m.

II. ROLL CALL
Present: President Mark Yeary, Place 6; Joshua Altom, Place 2; Darold Tippey, Place 4; April Coltharp, Place 7*;* **Absent:** Vice President Ralph Grimes, Place 5; Johnny Trevino, Place 1; Ronald Whitley, Place 3; **Staff:** *City Manager George Campbell, Director of Planning and Economic Development Melissa Dailey, Finance Director Brady Olsen, City Secretary & Communications Coordinator Leslie E. Galloway, Administrative Assistant Rosie Ericson.*

III. REGULAR ITEMS

A. Consider approval of the minutes from the February 26, 2019 Regular Meeting

Motion To Approve the minutes from the February 26, 2019 Regular Meeting. **Action** Approve, **Moved By** Altom, **Seconded By** Tippey. **Motion passes unanimously.**

B. Review and accept the KEDC Financial Report for February 2019

Finance Director Brady Olsen stated that elevated sales tax revenue coupled with minimal expenditures was helping to rebuild EDC Fund reserves. He added that staff would send the FY17-18 audit via email when it was finalized, and that bound copies would be provided to the Board at the next meeting.

Motion To Approve the KEDC Financial Report for February 2019. **Action** Approve, **Moved By** Tippey, **Seconded By** Coltharp. **Motion passes unanimously.**

IV. REPORTS AND ANNOUNCEMENTS

A. Chamber of Commerce report

President Mark Yeary noted that Ralph Grimes was not present to provide a Chamber report.

B. Board member reports and announcements

There was no discussion at this time.

C. Staff reports and announcements

City Manager George Campbell stated that an upcoming agenda would include a discussion of potential updates to the Chamber of Commerce lease agreement.

President Yeary recessed to Executive Session at 7:05 p.m.

V. EXECUTIVE SESSION

A. Potential development of Harris Corporation Addition, Block 1, Lot 1A2 (S Dick Price Road)

B. Harris Corporation Addition, Block 1 Lot 1A2 (S Dick Price Road)

C. Bloxom Park Addition, Block 1, Lot 2R1 (7215 Bloxom Park Road)

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

President Yeary reconvened the meeting at 7:56 p.m.

He announced that the next Regular Meeting (scheduled for Tuesday, April 23) conflicted with the Chamber's Candidate Forum. There was a consensus among the Board that staff would poll members regarding their availability to meet, instead, on the following Tuesday, April 30.

VII. ADJOURNMENT

Motion To Adjourn. **Action** Adjourn, **Moved By** Coltharp, **Seconded By** Altom. **Motion passes unanimously.**

President Yeary adjourned the meeting at 8:00 p.m.

APPROVED:

MARK YEARY, PRESIDENT

ATTEST:

ROSIE ERICSON, BOARD SECRETARY

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: REGULAR ITEMS - B.

I. Subject:
Review and accept the KEDC Financial Report for March 2019

II. Summary:
The EDC Financial Reports for the previous month are attached for your review. Because former Finance Director Brady Olsen will not be available during this meeting, other staff members will be present to answer or to make note of any questions for further response.

III. Recommendation:

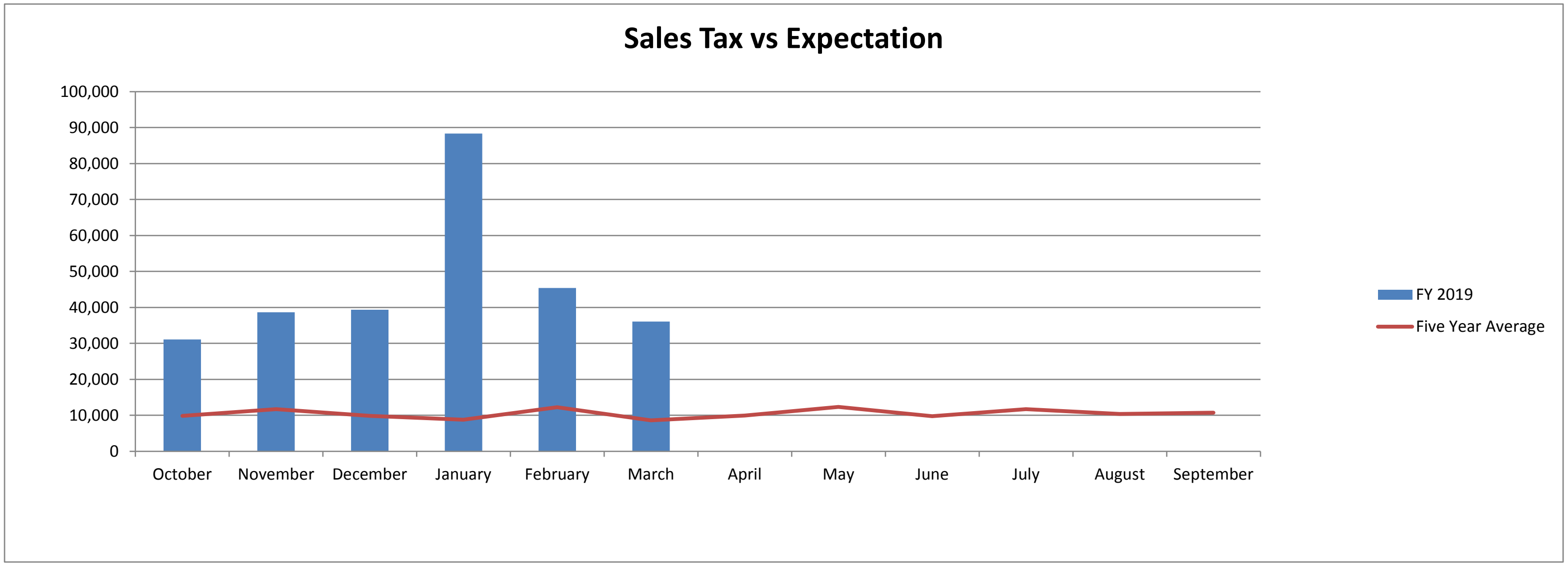
IV. Alternative Actions:

V. Attachments:

1.	Sales Tax Update-EDC March	Sales Tax Update-EDC March.pdf
2.	2019_03 Monthly Financials - EDC	2019_03 Monthly Financials - EDC.pdf

Sales Tax By Month

Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY2019	$ 31,048	$ 38,680	$ 39,362	$ 88,360	$ 45,433	$ 36,033	$ -	$ -	$ -	$ -	$ -	$ -	**$ 92,972**
FY2018	$ 34,607	$ 38,169	$ 28,985	$ 31,808	$ 54,501	$ 31,672	$ 41,253	$ 43,121	$ 36,295	$ 41,089	$ 39,590	$ 29,697	**$ 150,262**
FY2017	$ 29,583	$ 38,719	$ 27,285	$ 29,652	$ 35,265	$ 26,215	$ 29,043	$ 33,374	$ 26,747	$ 33,648	$ 16,530	$ 28,850	**$ 118,303**
FY2016	$ 31,046	$ 39,712	$ 32,662	$ 25,293	$ 38,669	$ 29,196	$ 26,505	$ 38,181	$ 27,906	$ 28,195	$ 29,231	$ 30,459	**$ 125,685**
FY2015	$ 23,985	$ 31,479	$ 27,515	$ 24,594	$ 35,857	$ 24,104	$ 27,064	$ 39,783	$ 42,821	$ 55,252	$ 48,766	$ 59,232	**$ 146,818**
FY2014	$ 21,990	$ 29,867	$ 31,661	$ 22,458	$ 32,594	$ 23,228	$ 26,412	$ 31,319	$ 25,832	$ 23,976	$ 28,866	$ 22,659	**$ 106,954**
FY2013	$ 33,617	$ 31,297	$ 23,446	$ 20,135	$ 30,003	$ 20,791	$ 20,318	$ 32,020	$ 21,136	$ 22,435	$ 27,973	$ 26,025	**$ 103,066**
	*Net payment after correcting an audit error.												**$ -**



Industry	Amount	% Change	Adjusted Chan(	YTD	FYTD
General Services	$7,627.00	8.29%	3.87%	$26,839.17	$50,514.92
Retail	$7,378.47	52.80%	59.41%	$24,519.99	$47,326.03
Manufacturing	$6,601.09	22.18%	-81.38%	$23,151.70	$49,908.79
Wholesale	$5,784.79	16.61%	53.50%	$16,235.32	$34,555.21
Professional Services	$5,236.54	-19.41%	-3.53%	$16,970.47	$33,848.17
Food	$2,870.40	1.23%	3.98%	$8,851.36	$17,655.68
Agricultural	$462.65	918.21%	-1.82%	$56,131.67	$48,390.97
Miscellaneous	$76.23	14.60%	-24.23%	$179.68	$462.71
Accommodation	$0.00	0.00%	0.00%	$0.00	$0.00

CITY OF KENNEDALE
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ECONOMIC DEVELOPMENT CORPORATION FINANCIALS SUMMARY

Budget Amendment

Monthly Information

1. $36,033 Sales Tax continues strong growth; mostly in manufacturing and wholesale
2. EDC audit complete. "Clean" opinion--meaning our books represent our finances accurately
3. Fund has recovered to a respectable cash position
4. EDC director engaged in long-term planning, including relationship with Chamber, hotel status, Red's Roadhouse, and development deals

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

Brady Olsen

ADDITIONAL INFORMATION

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

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EDC CASH POSITION

CATEGORY	DESCRIPTION		FY18-19 YTD
FROM PREVIOUS MONTHS REPORT:			
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	$	256,046
BEGINNING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
BEGINNING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	-
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	$	122,808
BEGINNING CASH BALANCE - TOTAL		**$**	**378,854**
BEGINNING AVAILABLE CASH - TOTAL			**256,046**
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		$	27,708 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	$	269,250
ENDING TEXPOOL BALANCE - FUND 15	(Operating Investments)	$	-
ENDING TEXPOOL BALANCE - FUND 19	(Unspent bond proceeds)	$	-
ENDING CASH BALANCE - FUND 95	(Required reserves)	$	123,254
ENDING CASH BALANCE - TOTAL		**$**	**392,505**
UNAVAILABLE CASH - EARMARKED			
RESERVES FOR LEVERAGE NOTE	(Required reserves)	$	123,254
TOTAL UNAVAILABLE CASH		**$**	**123,254**
AVAILABLE CASH		**$**	**269,250**

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

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COMBINED EDC4B FUNDS SUMMARY

CATEGORY	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 313,866**	**$ 313,866**	**$ 134,784**		**$ 303,248**			
AD VALOREM TAXES	-	-	35,000	-	-	#DIV/0!	0.0%	35,000
SALES/BEVERAGE TAXES	145,503	447,132	384,598	36,212	212,434	32.5%	55.2%	172,164
INVESTMENT EARNINGS	1,809	5,399	65	743	4,406	33.5%	6778.1%	(4,341)
MISCELLANEOUS INCOME	23,996	66,420	24,120	3,462	17,355	36.1%	72.0%	6,765
SURPLUS SALES/RENTALS	391,459	487,579	185,969	18,814	113,406	80.3%	61.0%	72,563
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
TOTAL REVENUES	**$ 562,766**	**$ 1,006,531**	**$ 659,471**	**$ 59,231**	**$ 347,600**	**55.9%**	**52.7%**	**$ 282,152**
SUPPLIES	-	-	2,100	-	-	#DIV/0!	0.0%	2,100
MAINTENANCE	263,276	237,161	29,920	3,561	27,300	111.0%	91.2%	2,620
SUNDRY	72,762	183,614	187,460	17,944	89,442	39.6%	47.7%	98,018
DEBT	56,076	172,418	165,607	10,017	55,236	32.5%	33.4%	110,371
TRANSFERS	33,794	152,588	184,544	-	-	22.1%	0.0%	184,544
CAPITAL	89,262	237,866	-	-	5,738	37.5%	#DIV/0!	(5,738)
TOTAL EXPENDITURES	**$ 515,169**	**$ 983,646**	**$ 569,631**	**$ 31,522**	**$ 177,715**	**52.4%**	**31.2%**	**$ 391,916**
REVENUES OVER EXPENDITURES	$ 47,596	$ 22,885	$ 89,840	$ 27,708	$ 169,885			
ENDING FUND BALANCE	**$ 361,462**	**$ 336,751**	**$ 224,624**		**$ 473,133**			
FUND BALANCE AS % OF EXP	**70.2%**	**34.2%**	**39.4%**	**0.0%**	**266.2%**			
RESERVE ($115,000) REQUIREMENT)	$ -	$ -	$ 115,000	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 361,462**	**$ 336,751**	**$ 109,624**	**$ -**	**$ 473,133**			

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15: EDC4B FUND

CATEGORY		FY17-18 YTD		FY17-18 ACTUAL		FY18-19 ADOPTED		CURRENT MONTH		FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED		BUDGET REMAINING
BEGINNING FUND BALANCE	**$**	**164,460**	**$**	**164,460**	**$**	**(15,517)**			**$**	**152,017**				
AD VALOREM TAXES		-		-		35,000		-		-	#DIV/0!	0.0%		35,000
SALES/BEVERAGE TAXES		145,503		447,132		384,598		36,212		212,434	32.5%	55.2%		172,164
INVESTMENT EARNINGS		1,119		3,574		65		506		3,151	31.3%	4847.1%		(3,086)
MISCELLANEOUS INCOME		23,996		66,420		24,120		3,462		17,355	36.1%	72.0%		6,765
SURPLUS SALES/RENTALS		391,459		487,579		185,969		18,814		113,406	80.3%	61.0%		72,563
TOTAL REVENUES	**$**	**562,076**	**$**	**1,004,706**	**$**	**629,752**	**$**	**58,994**	**$**	**346,345**	**55.9%**	**55.0%**	**$**	**283,407**
SUPPLIES		-		-		2,100		-		-	#DIV/0!	0.0%		2,100
MAINTENANCE		263,276		237,161		29,920		3,561		27,300	111.0%	91.2%		2,620
SUNDRY		72,762		183,614		187,460		17,944		89,442	39.6%	47.7%		98,018
DEBT		56,076		172,418		165,607		10,017		55,236	32.5%	33.4%		110,371
TRANSFERS		33,794		152,588		154,825		-		-	22.1%	0.0%		154,825
CAPITAL		89,262		237,866		-		-		5,738	37.5%	#DIV/0!		(5,738)
TOTAL EXPENDITURES	**$**	**515,169**	**$**	**983,646**	**$**	**539,912**	**$**	**31,522**	**$**	**177,715**	**52.4%**	**32.9%**	**$**	**362,197**
REVENUES OVER EXPENDITURES	$	46,906	$	21,060	$	89,840	$	27,471	$	168,630				
ENDING FUND BALANCE	**$**	**211,367**	**$**	**152,017**	**$**	**74,323**			**$**	**320,647**				
FUND BALANCE AS % OF EXP		**41.0%**		**15.5%**		**13.8%**		**0.0%**		**180.4%**				
RESERVE (NO REQUIREMENT)	$	-	$	-	$	-	$	-	$	-				
RESERVE SURPLUS/(SHORTFALL)	**$**	**211,367**	**$**	**152,017**	**$**	**74,323**	**$**	**-**	**$**	**320,647**				

CITY OF KENNEDALE
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15: EDC4B FUND

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4002-00-00	MMD TAX-CURRENT YEAR	-	-	35,000	-	-	#DIV/0!	0.0%	35,000
	AD VALOREM TAXES	**$ -**	**$ -**	**$ 35,000**	**$ -**	**$ -**	**#DIV/0!**	**0.0%**	**$ 35,000**
4081-00-00	SALES TAX	145,503	447,132	384,598	36,212	212,434	32.5%	55.2%	172,164
	SALES/BEVERAGE TAXES	**$ 145,503**	**$ 447,132**	**$ 384,598**	**$ 36,212**	**$ 212,434**	**32.5%**	**55.2%**	**$ 172,164**
4401-00-00	INVESTMENT INCOME	1,119	3,574	65	506	3,151	31.3%	4847.1%	(3,086)
	INVESTMENT EARNINGS	**$ 1,119**	**$ 3,574**	**$ 65**	**$ 506**	**$ 3,151**	**31.3%**	**4847.1%**	**$ (3,086)**
4409-00-00	MISCELLANEOUS INCOME	23,996	36,624	24,120	3,462	17,355	65.5%	72.0%	6,765
4415-00-00	INSURANCE REIMBURSEMENTS	-	14,898	-	-	-	0.0%	0.0%	-
	MISCELLANEOUS INCOME	**$ 23,996**	**$ 66,420**	**$ 24,120**	**$ 3,462**	**$ 17,355**	**36.1%**	**72.0%**	**$ 6,765**
4805-00-00	RENTAL FEES-SHOPPING CENTER	42,280	105,856	185,223	18,814	113,406	39.9%	61.2%	71,817
4806-00-00	RENTAL INSURANCE	-	2,350	746	-	-	0.0%	0.0%	746
4902-00-00	PROCEEDS-DEBT/LOAN/LEASE	349,179	349,179	-	-	-	100.0%	#DIV/0!	-
4884-00-01	SALE OF ASSETS	-	30,194	-	-	-	0.0%	#DIV/0!	-
	SURPLUS SALES/RENTALS	**$ 391,459**	**$ 487,579**	**$ 185,969**	**$ 18,814**	**$ 113,406**	**139.9%**	**#DIV/0!**	**$ 72,563**
	TOTAL REVENUES	**$ 562,076**	**$ 1,004,706**	**$ 629,752**	**$ 58,994**	**$ 346,345**	**55.9%**	**55.0%**	**$ 283,407**
	TOTAL REVENUES (EXCLUDING INTEREST/TRANSFERS)	**$ 560,957**	**$ 1,001,132**	**$ 629,687**	**$ 58,488**	**$ 343,195**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

15: EDC4B FUND
01: ADMINISTRATION

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5240-01-00	PRINTED SUPPLIES	-	-	2,000	-	-		0.0%	2,000
5260-01-00	GENERAL OFFICE SUPPLIES	-	-	50	-	-	0.0%	0.0%	50
5261-01-00	POSTAGE	-	-	50	-	-	0.0%	0.0%	50
	SUPPLIES	**$ -**	**$ -**	**$ 2,100**	**$ -**	**$ -**		**0.0%**	**$ 2,100**
5501-01-00	ADVERTISING	-	35	1,200	-	-	0.0%	0.0%	1,200
5510-01-00	ASSOC DUES/PUBLICATIONS	-	4,890	5,320	-	-	0.0%	0.0%	5,320
5525-01-00	TRAINING/SEMINARS	-	-	250	-	-	#DIV/0!	0.0%	250
5565-01-00	LEGAL SERVICES	4,200	20,855	13,000	1,400	1,570	20.1%	12.1%	11,430
5567-01-00	AUDIT SERVICES	-	2,000	4,250	-	-	0.0%	0.0%	4,250
5570-01-00	SPECIAL SERVICES	5,752	13,774	250	44	147	41.8%	58.8%	103
5578-01-00	TRAVEL	-	-	100	-	-	0.0%	0.0%	100
5595-01-00	ADMIN CHARGE-GENERAL FUND	40,823	81,647	117,890	9,824	58,945	50.0%	50.0%	58,945
5615-01-00	FUNCTIONAL GRANT	7,660	19,380	24,000	5,690	12,216	39.5%	50.9%	11,784
	SUNDRY	**$ 58,435**	**$ 142,581**	**$ 166,260**	**$ 16,958**	**$ 72,877**	**41.0%**	**43.8%**	**$ 93,383**
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**		**$ -**
	TOTAL EXPENDITURES	**$ 58,435**	**$ 142,581**	**$ 168,360**	**$ 16,958**	**$ 72,877**	**41.0%**	**43.3%**	**$ 95,483**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

15: EDC4B FUND
01: ADMINISTRATION
03: DEBT SERVICE

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
5643-01-03	2007 $1.2M TAX BOND-INTEREST	27,378	54,831	50,735	-	25,321	49.9%	49.9%	25,414
5644-01-03	2007 $1.2M TAX BOND-PRINCIPAL	-	60,000	60,000	-	-	0.0%	0.0%	60,000
5645-01-03	2011 $1.7M TX LEVERAGE-INT	8,537	17,926	12,834	3,395	10,169	47.6%	79.2%	2,665
5646-01-03	2011 $1.7M TX LEVERAGE-PRI	20,160	39,661	42,038	6,622	19,745	50.8%	47.0%	22,293
	DEBT	**$ 56,076**	**$ 172,418**	**$ 165,607**	**$ 10,017**	**$ 55,236**	**32.5%**	**33.4%**	**$ 110,371**
5702-01-03	TRANSFER OUT-DEBT SERVICE FUND	33,794	152,588	154,825	-	-	22.1%	0.0%	154,825
	TRANSFER	**$ 33,794**	**$ 152,588**	**$ 154,825**	**$ -**	**$ -**	**22.1%**	**0.0%**	**$ 154,825**
	TOTAL EXPENDITURES	**$ 89,870**	**$ 325,006**	**$ 320,432**	**$ 10,017**	**$ 55,236**	**27.7%**	**17.2%**	**$ 265,196**

CITY OF KENNEDALE
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March 2019

15: EDC4B FUND
02: TOWN SHOPPING CENTER

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5403-02-00	BUILDING MAINTENANCE	263,276	237,161	29,920	3,561	27,300	111.0%	91.2%	2,620
	MAINTENANCE	**$ 263,276**	**$ 237,161**	**$ 29,920**	**$ 3,561**	**$ 27,300**	**111.0%**	**91.2%**	**$ 2,620**
5530-02-00	ELECTRIC SERVICES	2,846	8,002	6,700	486	2,425	35.6%	36.2%	4,275
5545-02-00	INSURANCE-PROPERTY	8,341	8,341	8,500	-	11,139	100.0%	131.0%	(2,639)
5570-02-00	SPECIAL SERVICES	3,141	24,691	6,000	500	3,000	12.7%	50.0%	3,000
	SUNDRY	**$ 14,327**	**$ 41,033**	**$ 21,200**	**$ 986**	**$ 16,564**	**34.9%**	**78.1%**	**$ 4,636**
	TOTAL EXPENDITURES	**$ 277,603**	**$ 278,194**	**$ 51,120**	**$ 4,547**	**$ 43,864**	**99.8%**	**85.8%**	**$ 7,256**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

15: EDC4B FUND

03: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5847-03-00	CONSTRUCTION	89,262	237,866	-	-	5,738	0.0%		(5,738)
	CAPITAL	**$ 89,262**	**$ 237,866**	**$ -**	**$ -**	**$ 5,738**	**0.0%**		**$ (5,738)**
	TOTAL EXPENDITURES	**$ 89,262**	**$ 237,866**	**$ -**	**$ -**	**$ 5,738**	**0.0%**		**$ (5,738)**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

15: EDC4B FUND
04: TEXAS LEVERAGE PROGRAM

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5800-04-00	LAND	-	-	-	-	-		0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**0.0%**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

19: EDC4B CAPITAL BOND FUND

CATEGORY	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
BEGINNING FUND BALANCE	**$ 29,444**	**$ 29,444**	**$ 29,719**		**$ 29,904**			
INVESTMENT EARNINGS	184	460	-	-	-	39.9%		-
TOTAL REVENUES	**$ 184**	**$ 460**	**$ -**	**$ -**	**$ -**	**39.9%**		**$ -**
TRANSFERS	-	-	29,719	-	-	0.0%	0.0%	-
CAPITAL	-	-	-	-	-	0.0%	0.0%	-
TOTAL EXPENDITURES	**$ -**	**$ -**	**$ 29,719**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
REVENUES OVER EXPENDITURES	$ 184	$ 460	$ (29,719)	$ -	$ -			
ENDING FUND BALANCE	**$ 29,628**	**$ 29,904**	**$ 0**		**$ 29,904**			
FUND BALANCE AS % OF EXP	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**			
RESERVE (NO REQUIREMENT)	$ -	$ -	$ -	$ -	$ -			
RESERVE SURPLUS/(SHORTFALL)	**$ 29,628**	**$ 29,904**	**$ 0**	**$ -**	**$ 29,904**			

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

19: EDC4B CAPITAL BOND FUND

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	184	460	-	-	-	39.9%		-
	INVESTMENT EARNINGS	**$ 184**	**$ 460**	**$ -**	**$ -**	**$ -**	**39.9%**		**$ -**
	TOTAL REVENUES	**$ 184**	**$ 460**	**$ -**	**$ -**	**$ -**	**39.9%**		**$ -**

19: EDC4B CAPITAL BOND FUND
01: TOWN CENTER REDEVELOPMENT

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED	BUDGET REMAINING
5580-01-00	TRANSFER OUT	-	-	-	-	-	0.0%	0.0%	-
	TRANSFERS	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
5800-01-00	LAND	-	-	-	-	-	0.0%	0.0%	-
5847-01-00	CONSTRUCTION	-	-	-	-	-	0.0%	0.0%	-
	CAPITAL	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

95: EDC4B RESERVE FUND

CATEGORY		FY17-18 YTD		FY17-18 ACTUAL		FY18-19 ADOPTED		CURRENT MONTH		FY18-19 YTD	% OF PY ACTUAL USED	% OF CY BUDGET USED		BUDGET REMAINING
BEGINNING FUND BALANCE	**$**	**119,962**	**$**	**119,962**	$	120,582			**$**	**121,327**				
INVESTMENT EARNINGS		506		1,365		-		237		1,255	37.1%			(1,255)
TOTAL REVENUES	**$**	**506**	**$**	**1,365**	$	-	**$**	**237**	**$**	**1,255**	**37.1%**		**$**	**(1,255)**
TOTAL EXPENDITURES	**$**	**-**	**$**	**-**	$	-	**$**	**-**	**$**	**-**	**0.0%**	**0.0%**	**$**	**-**
REVENUES OVER EXPENDITURES	$	506	$	1,365	$	-	$	237	$	1,255				
ENDING FUND BALANCE	**$**	**120,468**	**$**	**121,327**	$	120,582			**$**	**122,582**				
FUND BALANCE AS % OF EXP		**N/A**		**N/A**		N/A		**N/A**		**N/A**				
RESERVE ($112,606 REQUIREMENT)	$	112,606	$	112,606	$	112,606	$	112,606	$	112,606				
RESERVE SURPLUS/(SHORTFALL)	**$**	**7,862**	**$**	**8,721**	$	7,976	**$**	**(112,606)**	**$**	**9,976**				

CITY OF KENNEDALE
ANNUAL PROGRAM OF SERVICES
March 2019

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
4401-00-00	INVESTMENT INCOME	506	1,365	-	237	1,255	37.1%		(1,255)
	INVESTMENT EARNINGS	**$ 506**	**$ 1,365**	$ -	**$ 237**	**$ 1,255**	**37.1%**		**$ (1,255)**
	TOTAL REVENUES	**$ 506**	**$ 1,365**	$ -	**$ 237**	**$ 1,255**	**37.1%**		**$ (1,255)**

95: EDC4B RESERVE FUND

ACCOUNT	ACCOUNT NAME	FY17-18 YTD	FY17-18 ACTUAL	FY18-19 ADOPTED	CURRENT MONTH	FY18-19 YTD	% OF PY BUDGET USED	% OF CY BUDGET USED	BUDGET REMAINING
	TRANSFERS	**$ -**	**$ -**	$ -	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**
	TOTAL EXPENDITURES	**$ -**	**$ -**	$ -	**$ -**	**$ -**	**0.0%**	**0.0%**	**$ -**

KENNEDALE
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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

Date: April 30, 2019

Agenda Item No: REGULAR ITEMS - C.

I. Subject:
Receive the independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2018

II. Originated by:

Brady Olsen, Finance Director

III. Summary:
The final version of the CAFR was distributed to the Board via email on Wednesday, April 24, and bound copies will be provided during the meeting. Because former Finance Director Brady Olsen will not be available during this meeting, other staff members will be present to answer or to make note of any questions for further response.

Also attached to this report for your information are copies of the Auditor's Management Letter and Internal Control Report.

IV. Fiscal Impact Summary:

V. Legal Impact:

VI. Recommendation:
Approve

VII. Alternative Actions:

VIII. Attachments:

1.	Management Letter_SAS Final 2018	Management Letter_SAS Final 2018.pdf
2.	Internal Controls_GAGAS Opinion Final 2018	Internal Controls_GAGAS Opinion Final 2018.pdf

BKD
CPAs & Advisors

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The Honorable Mayor and Members of the City Council
City of Kennedale, Texas
Kennedale, Texas

As part of our audit of the financial statements of City of Kennedale, Texas (City) as of and for the year ended September 30, 2018, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in *Government Auditing Standards* Issued by the Comptroller General of the United States

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The City's significant accounting policies are described in *Note 1* of the audited financial statements.

Alternative Accounting Treatments

No matters are reportable.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Receivables (ambulance, property tax, court, etc.) and related allowance for doubtful accounts
- Other post-employment benefit liability and related deferred outflows/inflows of resources
- Net pension liability and related deferred outflows/inflows of resources
- Depreciation

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Loss contingencies
- Net pension liability and other post-employment benefits
- Restatement of beginning net position due to adoption of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75)

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated.

Proposed Audit Adjustments Recorded

- Accounts receivable, related allowance and deferred inflows of resources
- Net pension liability and related deferred inflows/outflows of resources
- Total OPEB liability and related deferred inflows/outflows of resources
- Capital assets and related depreciation expense
- Compensated absences
- Fund balance and net position
- Reclassification entry between operating expense and capital outlay
- Entries necessary to convert from modified accrual to full accrual basis of accounting.

Proposed Audit Adjustments Not Recorded

- None

Auditor's Judgments About the Quality of the City's Accounting Principles

During the course of the audit, we made the following observation regarding the City's application of accounting principles:

- Adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB No. 75)

Significant Issues Discussed with Management

Prior to Retention

No matters are reportable.

During the Audit Process

During the audit process, the adoption of GASB No. 75 was discussed.

Other Material Communication

Listed below is a material communication between management and us related to the audit:

- Management representation letter (*attached*)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the City as of and for the year ended September 30, 2018, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the City's financial statements on a timely basis.

A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be significant deficiencies.

Significant Deficiency

Year-end Close Process

Year-end closing procedures were not adequately performed which resulted in initial errors in year-end balances and required numerous audit adjustments, including adjustments to beginning fund balance/net position due to prior period audit adjustments not being recorded. Accounting tasks such as monthly reconciliations play a key role in proving the accuracy of accounting data and information included in interim financial statements. Constant delays in receiving timely and accurate financial information can significantly impact management's ability to effectively manage the City. Critical areas such as financial analysis, budgetary control and cash flow can all be negatively impacted. In order to provide more accurate and timely accounting information, we recommend that the City establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. This would involve monthly reconciliations of accounts and providing accurate and timely interim reports to both management and the City Council throughout the year.

Segregation of Duties

Management is responsible for establishing and maintaining effective internal controls to safeguard the City's assets. During our internal control analysis, we noted instances where individuals had access, recording and monitoring capabilities within the cash inflow and cash outflow transaction cycles. Although this concentration of responsibilities may be efficient, it could lead to possible errors or irregularities. Management should evaluate the cost versus the benefits of further segregating these duties by hiring additional personnel or shifting certain accounting duties to other current employees to assist in implementing additional monitoring or other compensating controls.

OTHER MATTERS

We observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

New Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities* (GASB 84) establishes criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries. GASB 84 is effective for fiscal year ended September 30, 2020. Earlier application is encouraged.

GASB Statement No. 87, *Leases* (GASB 87) provides a new framework for accounting for leases under the principle that leases are financings. No longer will leases be classified between capital and operating. Lessees will recognize an intangible asset and a corresponding liability. The liability will be based on the payments expected to be paid over the lease term, which includes an evaluation of the likelihood of exercising renewal or termination options in the lease. Lessors will recognize a lease receivable and related deferred inflow of resources. Lessors will not derecognize the underlying asset. An exception to the general model is provided for short-term leases that cannot last more than 12 months. Contracts that contain lease and nonlease components will need to be separated so each component is accounted for accordingly.

GASB 87 is effective for financial statements for fiscal year ended September 30, 2021. Earlier application is encouraged. Governments will be allowed to transition using the facts and circumstances in place at the time of adoption, rather than retroactive to the time each lease was begun.

Meeting the Increasing Challenges of Cybersecurity

The increasing value of electronic protected health information (ePHI), payment card data and intellectual property (e.g. trade secrets) is driving more organizations of all sizes to prepare for the potential of a cyberattack. Hackers and cyber-thieves have become adept at pilfering confidential information, using ransomware to extort money and leveraging social engineering techniques to trick employees into wiring funds.

As a first step to improving their cyber-readiness, companies need to perform a cybersecurity risk assessment to determine the current state of cybersecurity processes, controls and technology. This effort can determine how well the organization can prevent, detect and respond to cyber-attacks.

Key to the assessment process is choosing an appropriate framework against which the organization may be evaluated. In fact, two nationally recognized organizations have developed cybersecurity frameworks.

The National Institute of Standards and Technology (NIST) has developed a Cybersecurity Framework to assist organizations manage cybersecurity-related risk more effectively. The NIST Cybersecurity Framework provides a prioritized, flexible, repeatable and a cost-effective approach that can be used in any industry or organization.

For organizations that store, process or transmit ePHI, there is an additional industry-specific framework. The Health Information Trust (HITRUST) Alliance—in collaboration with health care and information security professionals—has developed the HITRUST Common Security Framework (CSF). The CSF rationalizes relevant health care regulations and standards into a single overarching security framework.

This communication is intended solely for the information and use of management, the Mayor, City Council and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

March 28, 2019

KENNEDALE
Finance Department
www.cityofkennedale.com

March 28, 2019

BKD, LLP
Certified Public Accountants
14241 Dallas Parkway, Suite 1100
Dallas, Texas 75254

We are providing this letter in connection with your audit of our financial statements as of and for the year ended September 30, 2018. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated August 6, 2018, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes. We have reviewed and approved the adjusting entries to convert our modified accrual-basis accounting records to accrual-basis accounting records that you have proposed during the course of your audit of our financial statements. We acknowledge that we are responsible for the propriety of the adjustments.

5. We have provided you with:

   (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.

   (b) Additional information that you have requested from us for the purpose of the audit.

(c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

(d) All minutes of meetings of the governing body held through the date of this letter.

(e) All significant contracts.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:

(a) Misappropriation of assets.

(b) Misrepresented or misstated assets, liabilities or net position/fund balance.

8. We have no knowledge of any known or suspected:

(a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.

(b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.

9. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, customers, citizens, regulators, suppliers or others.

10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.

11. Except as reflected in the financial statements, there are no:

(a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.

(b) Material transactions omitted or improperly recorded in the financial statements.

(c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

(d) Events occurring subsequent to the statement of net position/balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.

(e) Agreements to purchase assets previously sold.

(f) Restrictions on cash balances or compensating balance agreements.

(g) Guarantees, whether written or oral, under which the City is contingently liable.

12. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

13. We have no reason to believe the City owes any penalties or payments under the Employer Shared Responsibility Provisions of the Patient Protection and Affordable Care Act nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.

14. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

15. Adequate provisions and allowances have been accrued for any material losses from:

(a) Uncollectible receivables.

(b) Reducing obsolete or excess inventories to estimated net realizable value.

(c) Sales/service commitments, including those unable to be fulfilled.

(d) Purchase commitments in excess of normal requirements or above prevailing market prices.

16. Except as disclosed in the financial statements, we have:

(a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.

(b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

17. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

18. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

19. With regard to deposit and investment activities:

    (a) All deposit and investment transactions have been made in accordance with legal and contractual requirements.

    (b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

    (c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

20. With respect to any nonattest services you have provided us during the year, including drafting of the financial statements and preparing entries necessary to convert from modified accrual to full accrual basis of accounting:

    (a) We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    (b) We have established and monitored the performance of the nonattest services to ensure that they meet our objectives.

    (c) We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    (d) We have evaluated the adequacy of the services performed and any findings that resulted.

21. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.

22. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

23. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

24. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.

25. We have a process to track the status of audit findings and recommendations.

26. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.
27. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

28. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the statement of net position/balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

29. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.

30. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, budgetary comparisons and pension/other post-employment benefit information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. Other than the new requirements related to the adoption of GASB Statement No. 75, there has been no change from the preceding period in the methods of measurement and presentation.

31. With regard to supplementary information:

    (a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.

    (b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.

    (c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.

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(d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

(e) If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.

George Campbell, City Manager

Brady Olsen, Director of Finance

405 Municipal Drive, Kennedale, TX 76060 | Telephone: 817-985-2120 | Fax: 817-483-0720

BKD
CPAs & Advisors

14241 Dallas Parkway, Suite 1100 | Dallas, TX 75254-2961
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Mayor and City Council
City of Kennedale, TX
Kennedale, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements 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 of Kennedale, Texas (City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated March 28, 2019, which contained an emphasis of matter paragraph regarding a change in accounting principle.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
March 28, 2019

City of Kennedale, Texas
Schedule of Findings and Responses
Year Ended September 30, 2018

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2018-001	**Criteria or Specific Requirement** Management is responsible for the timely preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). **Condition:** The City's year-end closing procedures were not adequately performed. **Effect:** Significant adjustments to numerous accounts were necessary in order to correct the financial statements, which delayed audit issuance. **Cause:** Internal controls and review processes were not in place or were not followed to ensure all year-end close related activity was completed timely. **Recommendation:** We suggest that the City more closely follow the accounting policies and procedures manual that indicates all items to be completed during the year-end close and the individuals responsible for each item. In addition, monthly reconciliations play a key role in proving the accuracy of accounting data and information included in interim financial statements. In order to provide more accurate and timely accounting information, we recommend the City establish a more effective review and reconciliation policies. This would involve monthly reconciliations of general ledger accounts and providing interim reports to both management and the City Council throughout the year. **Views of Responsible Officials:** We agree with the finding. The Finance Department will work to ensure future employee turnover does not significantly delay the year-end close process.

City of Kennedale, Texas
Schedule of Findings and Responses (Continued)
Year Ended September 30, 2018

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2018-002	**Finding**: Segregation of Duties

Criteria or Specific Requirement: Segregation of accounting duties is an essential element of an internal control system, involving the separation of custody of assets from the related recording and monitoring of the transactions. This separation helps ensure transactions are recorded accurately and timely, reducing possibilities of errors or fraud being undetected in the normal course of business, thereby providing accurate financial data. Management is responsible for establishing and maintaining effective internal controls over financial reporting.

Condition: The Accounts Payable Clerk, Accounting Technician, and Director of Finance have access, recording, and monitoring capabilities within the cash inflow and cash outflow transaction cycles.

Effect: The effect of the lack of segregation of duties could lead to possible errors or irregularities.

Cause: The cause of the lack of segregation of duties is due to the limited number of individuals within the Finance Department.

Recommendation: We recommend the City evaluate the cost versus the benefit of further segregating these duties by hiring additional personnel or shifting certain accounting duties to other current employees to assist in implementing additional monitoring or other compensating controls.

Views of Responsible Officials: We agree with the finding. The Finance Department will examine the benefits of compensating controls and continue to segregate duties as necessary.

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: REGULAR ITEMS - D.

I. Subject:
Discuss and provide staff direction regarding the Kennedale Area Chamber of Commerce office building lease agreement

II. Summary:
The lease of Lot 8R Block A, Kennedale Retail Center Addition in TownCenter from the Kennedale EDC to the Kennedale Chamber of Commerce will automatically extend for an additional twelve (12) months following its ending date of September 30, 2019, <u>unless notice of termination is provided by either the landlord or the tenant at least ninety (90) days prior to the expiration date</u>. Therefore, if the Board desires to terminate the lease it must give notice of termination not later than June 30, 2019.

This discussion item is therefore placed on the April 30, 2019 EDC Board agenda in order that the Board may discuss the lease agreement and provide staff direction regarding the renewal or modification of the lease.

Attached for the Board's reference is a copy of the staff report and current lease agreement that was provided to the Board at its meeting last year dated September 25, 2018

Board discussion and direction is respectfully requested.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	2018_09.25 EDC Staff Report_HL	2018_09.25 EDC Staff Report_HL.pdf
2.	2012 Commercial Lease Agreement	2012 Commercial Lease Agreement.pdf

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: September 25, 2018

Agenda Item No: REGULAR ITEMS - C.

I. Subject:
Discuss and provide staff direction regarding the lease of Kennedale Chamber office building

II. Summary:

At the EDC Special Board Meeting on September 14th, the Board requested that an item be placed on their September 25th regular agenda to discuss the current lease of the Chamber of Commerce building on Lot 8R of the TownCenter. Attached for reference is a copy of the lease between the EDC and the Chamber of Commerce.

It appears this lease did commence on or about February 1, 2012. The lease therefore expires on September 30th of each year and automatically renews for 12 months unless either party gives notice to cancel the lease **at least 90 days** before the date of termination. Since there has been no notice of an EDC intent to cancel this year, the earliest the lease could be terminated by the EDC is September 30, 2019.

Note also on page 4 of the lease that the tenant is required to pay all utilities directly to the various utility companies.

Board discussion and direction is respectfully requested.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

1.	Chamber of Commerce Lease	Chamber of Commerce Lease.pdf

TEXAS ASSOCIATION OF REALTORS®

COMMERCIAL LEASE

1. **PARTIES:** The parties to this lease are:

   Landlord: KENNEDALE ECONOMIC DEVEL CORP ____________________; and

   Tenant: KENNEDALE CHAMBER OF COMMERCE ____________________.

2. **LEASED PREMISES:**

   A. Landlord leases to Tenant the following described real property, known as the "leased premises," along with all its improvements *(Check only one box)*:

   ☐ (1) Multiple-Tenant Property: Suite or Unit Number ______ containing approximately ______ square feet of rentable area in ____________________ *(project name)* at ____________________ *(address)* in ______________ *(city)*, ______________ *(county)*, Texas, which is legally described on attached Exhibit ______________ or as follows: ____________________.

   ☒ (2) Single-Tenant Property: The real property at: 205 KENNEDALE PKWY ____________________ *(address)* in KENNEDALE *(city)*, TARRANT *(county)*, Texas, which is legally described on attached Exhibit ______________ or as follows: LOT 8R BLOCK A,KENNEDALE RETAIL CENTER ADD, CITY OF KENNEDALE,TARRANT COUNTY TEXAS ____________________.

   B. If Paragraph 2A(1) applies:
   (1) "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks; and
   (2) the parties agree that the rentable area of the leased premises may not equal the actual or useable area within the leased premises and may include an allocation of common areas in the Property. The rentable area ☐ will ☐ will not be adjusted if re-measured.

3. **TERM:**

   A. Term: The term of this lease is 8 months and ______ days, commencing on:

   FEB1, 2012 (Commencement Date)

   and ending on SEPT 30, 2012 (Expiration Date).

Commerical lease concerning: 205 Kennedale Parkway, Kennedale, Texas 76060

Addendum-page 2a

Term:

Thereafter, the term of the lease is 12 months, commencing on October 1 and ending on September 30 of each year. This agreement will be extended annually unless landlord or tenant provides a 90 – day notice of termination.

Initialed for identification by Tenant_____, and Landlord_____

B. Delay of Occupancy: If Tenant is unable to occupy the leased premises on the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Landlord will not be liable to Tenant for such delay and this lease will remain enforceable. In the event of such a delay, the Commencement Date will automatically be extended to the date Tenant is able to occupy the Property and the Expiration Date will also be extended by a like number of days, so that the length of this lease remains unchanged. If Tenant is unable to occupy the leased premises after the 90th day after the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Tenant may terminate this lease by giving written notice to Landlord before the leased premises become available to be occupied by Tenant and Landlord will refund to Tenant any amounts paid to Landlord by Tenant. This Paragraph 3B does not apply to any delay in occupancy caused by cleaning or repairs.

C. Unless the parties agree otherwise, Tenant is responsible for obtaining a certificate of occupancy for the leased premises if required by a governmental body.

4. RENT AND EXPENSES:

A. Base Monthly Rent: On or before the first day of each month during this lease, Tenant will pay Landlord base monthly rent as described on attached Exhibit ____________ or as follows:

Dates		Rate per rentable square foot *(optional)*		Base Monthly Rent $
From	To	$ Monthly Rate	$ Annual Rate	
FEB 1	SEPT 30	/ rsf / month	/ rsf / year	10.00
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	

B. Additional Rent: In addition to the base monthly rent, Tenant will pay Landlord all other amounts, as provided by the attached *(Check all that apply.)*:
- ☐ (1) Commercial Lease Addendum for Expense Reimbursement (TAR-2103)
- ☐ (2) Commercial Lease Addendum for Percentage Rent (TAR-2106)
- ☐ (3) Commercial Lease Addendum for Parking (TAR-2107)
- ☐ (4) ____________

All amounts payable under the applicable addenda are deemed to be "rent" for the purposes of this lease.

C. First Full Month's Rent: The first full monthly rent is due on or before ____________.

D. Prorated Rent: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the base monthly rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this lease commences. The prorated rent is due on or before the Commencement Date.

E. Place of Payment: Tenant will remit all amounts due Landlord under this lease to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Name: KENNEDALE ECONOMIC DEVELOPMENT CORP., ATTN:EXECUTIVE DIRECTOR
Address: 405 MUNICIPAL DR.
KENNEDALE,TX. 76060

F. Method of Payment: Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If Tenant fails to timely pay any amounts due under this lease or if any check of Tenant is returned to Landlord by the institution on which it was drawn, Landlord after providing written notice to Tenant may require Tenant to pay subsequent amounts that become due under this lease in certified funds. This paragraph does not limit Landlord from seeking other remedies under this lease for Tenant's failure to make timely payments with good funds.

G. Late Charges: If Landlord does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Tenant will pay Landlord a late charge equal to 5% of the amount due. In this paragraph, the mailbox is not the agent for receipt for Landlord. The late charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 20.

H. Returned Checks: Tenant will pay $ 25.00 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus any late charges until Landlord receives payment.

5. **SECURITY DEPOSIT:**

A. Upon execution of this lease, Tenant will pay $ 100.00 to Landlord as a security deposit.

B. Landlord may apply the security deposit to any amounts owed by Tenant under this lease. If Landlord applies any part of the security deposit during any time this lease is in effect to amounts owed by Tenant, Tenant must, within 10 days after receipt of notice from Landlord, restore the security deposit to the amount stated.

C. Within 60 days after Tenant surrenders the leased premises and provides Landlord written notice of Tenant's forwarding address, Landlord will refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease.

6. **TAXES:** Unless otherwise agreed by the parties, Landlord will pay all real property ad valorem taxes assessed against the leased premises.

7. **UTILITIES:**

A. The party designated below will pay for the following utility charges to the leased premises and any connection charges for the utilities. *(Check all that apply.)*

	N/A	Landlord	Tenant
(1) Water	☐	☐	☒
(2) Sewer	☐	☐	☒
(3) Electric	☐	☐	☒
(4) Gas	☐	☐	☒
(5) Telephone	☐	☐	☒
(6) Internet	☐	☐	☒
(7) Cable	☐	☐	☒
(8) Trash	☐	☐	☒
(9) COMMON AREA MAINTENANCE	☐	☐	☒
(10) All other utilities	☐	☐	☒

B. The party responsible for the charges under Paragraph 7A will pay the charges directly to the utility service provider. The responsible party may select the utility service provider except that if Tenant selects the provider, any access or alterations to the Property or leased premises necessary for the utilities may be made only with Landlord's prior consent, which Landlord will not unreasonably withhold. If Landlord incurs any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount.

C. **Notice: Tenant should determine if all necessary utilities are available to the leased premises and are adequate for Tenant's intended use.**

D. After-Hours HVAC Charges: "HVAC services" means heating, ventilating, and air conditioning of the leased premises. *(Check one box only.)*

☐ (1) Landlord is obligated to provide the HVAC services to the leased premises only during the Property's operating hours specified under Paragraph 9C.

☐ (2) Landlord will provide the HVAC services to the leased premises during the operating hours specified under Paragraph 9C for no additional charge and will, at Tenant's request, provide HVAC services to the leased premises during other hours for an additional charge of $ ______________ per hour. Tenant will pay Landlord the charges under this paragraph immediately upon receipt of Landlord's invoice. Hourly charges are charged on a half-hour basis. Any partial hour will be rounded up to the next half hour. Tenant will comply with Landlord's procedures to make a request to provide the additional HVAC services under this paragraph.

☐ (3) Tenant will pay for the HVAC services under this lease.

8. **INSURANCE:**

A. During all times this lease is in effect, Tenant must, at Tenant's expense, maintain in full force and effect from an insurer authorized to operate in Texas:
(1) public liability insurance naming Landlord as an additional insured with policy limits on an occurrence basis in a minimum amount of: *(check only (a) or (b) below)*
☐ (a) $1,000,000; or
☐ (b) $2,000,000.
If neither box is checked the minimum amount will be $1,000,000.
(2) personal property damage insurance for the business operations being conducted in the leased premises and contents in the leased premises in an amount sufficient to replace such contents after a casualty loss; and
☐ (3) business interruption insurance sufficient to pay 12 months of rent payments;

B. Before the Commencement Date, Tenant must provide Landlord with a copy of insurance certificates evidencing the required coverage. If the insurance coverage is renewed or changes in any manner or degree at any time this lease is in effect, Tenant must, not later than 10 days after the renewal or change, provide Landlord a copy of an insurance certificate evidencing the renewal or change.

C. If Tenant fails to maintain the required insurance in full force and effect at all times this lease is in effect, Landlord may:
(1) purchase insurance that will provide Landlord the same coverage as the required insurance and Tenant must immediately reimburse Landlord for such expense; or
(2) exercise Landlord's remedies under Paragraph 20.

D. Unless the parties agree otherwise, Landlord will maintain in full force and effect insurance for: (1) fire and extended coverage in an amount to cover the reasonable replacement cost of the improvements of the Property; and (2) any public liability insurance in an amount that Landlord determines reasonable and appropriate.

E. If there is an increase in Landlord's insurance premiums for the leased premises or Property or its contents that is caused by Tenant, Tenant's use of the leased premises, or any improvements made by or for Tenant, Tenant will, for each year this lease is in effect, pay Landlord the increase immediately after Landlord notifies Tenant of the increase. Any charge to Tenant under this Paragraph 8E will be equal to the actual amount of the increase in Landlord's insurance premium.

9. USE AND HOURS:

A. Tenant may use the leased premises for the following purpose and no other: CHAMBER OF COMMERCE FUNCTIONS ____________________.

B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the leased premises during business hours that are typical of the industry in which Tenant represents it operates.

C. The Property maintains operating hours of *(specify hours, days of week, and if inclusive or exclusive of weekends and holidays):* ____________________.

10. LEGAL COMPLIANCE:

A. Tenant may not use or permit any part of the leased premises or the Property to be used for:
(1) any activity which is a nuisance or is offensive, noisy, or dangerous;
(2) any activity that interferes with any other tenant's normal business operations or Landlord's management of the Property;
(3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, tenants' association rules, Landlord's rules or regulations, or this lease;
(4) any hazardous activity that would require any insurance premium on the Property or leased premises to increase or that would void any such insurance;
(5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters;
(6) the permanent or temporary storage of any hazardous material; or
(7) ____________________.

B. "Hazardous material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance, or rule existing as of the date of this lease or later enacted.

C. Landlord does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant's intended use. <u>Tenant must satisfy itself that the leased premises may be used as Tenant intends by independently investigating all matters related to the use of the leased premises or Property. Tenant agrees that it is not relying on any warranty or representation made by Landlord, Landlord's agent, or any broker concerning the use of the leased premises or Property.</u>

11. SIGNS:

A. Tenant may not post or paint any signs or place any decoration outside the leased premises or on the Property without Landlord's written consent. Landlord may remove any unauthorized sign or decorations, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign or decorations.

B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the leased premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the leased premises or the Property.

C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all signs that were placed on the Property or leased premises by or at the request of Tenant. Any signs that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

12. ACCESS BY LANDLORD:

A. During Tenant's normal business hours Landlord may enter the leased premises for any reasonable purpose, including but not limited to purposes for repairs, maintenance, alterations, and showing the leased premises to prospective tenants or purchasers. Landlord may access the leased premises after Tenant's normal business hours if: (1) entry is made with Tenant's permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonably interfere with Tenant's business operations when accessing the leased premises.

B. During the last 90 days of this lease, Landlord may place a "For Lease" or similarly worded sign in the leased premises.

13. MOVE-IN CONDITION: Tenant has inspected the leased premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease or in an addendum. Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the leased premises or Property.

14. MOVE-OUT CONDITION AND FORFEITURE OF TENANT'S PERSONAL PROPERTY:

A. At the time this lease ends, Tenant will surrender the leased premises in the same condition as when received, except for normal wear and tear. Tenant will leave the leased premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.

B. If Tenant leaves any personal property in the leased premises after Tenant surrenders possession of the leased premises, Landlord may: (1) require Tenant, at Tenant's expense, to remove the personal property by providing written notice to Tenant; or (2) retain such personal property as forfeited property to Landlord.

C. "Surrender" means vacating the leased premises and returning all keys and access devices to Landlord. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse.

D. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all fixtures that were placed on the Property or leased premises by or at the request of Tenant. Any fixtures that Landlord does not require Tenant to remove become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

15. MAINTENANCE AND REPAIRS:

A. Cleaning: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. ☐ Landlord ☒ Tenant will provide, at its expense, janitorial services to the leased premises that are customary and ordinary for the property type. Tenant will maintain any grease trap on the Property which Tenant uses, including but not limited to periodic emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.

B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.

C. Repair and Maintenance Responsibility: Except as otherwise provided by this Paragraph 15, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the leased premises (if any). The specified items must be maintained in clean and good operable condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property. *(Check all that apply.)*

		N/A	Landlord	Tenant
(1)	Foundation, exterior walls, roof, and other structural components....	[ ]	[X]	[ ]
(2)	Glass and windows	[ ]	[ ]	[X]
(3)	Fire protection equipment and fire sprinkler systems....	[ ]	[ ]	[X]
(4)	Exterior & overhead doors, including closure devices, molding, locks, and hardware	[ ]	[ ]	[X]
(5)	Grounds maintenance, including landscaping and irrigation systems	[ ]	[X]	[X]
(6)	Interior doors, including closure devices, frames, molding, locks, and hardware	[ ]	[ ]	[X]
(7)	Parking areas and walks	[ ]	[X]	[ ]
(8)	Plumbing systems, drainage systems and sump pumps	[ ]	[ ]	[X]
(9)	Electrical systems, mechanical systems	[ ]	[ ]	[X]
(10)	Ballast and lamp replacement	[ ]	[ ]	[X]
(11)	Heating, Ventilation and Air Conditioning (HVAC) systems	[ ]	[ ]	[X]
(12)	Signs and lighting:			
	(a) Pylon	[X]	[ ]	[ ]
	(b) Facia	[X]	[ ]	[ ]
	✓(c) Monument	[ ]	[ ]	[X]
	(d) Door/Suite	[X]	[ ]	[ ]
	(e) Other: ____	[ ]	[ ]	[ ]
(13)	Extermination and pest control, excluding wood-destroying insects	[ ]	[ ]	[X]
(14)	Fences and Gates	[X]	[ ]	[ ]
(15)	Storage yards and storage buildings....	[X]	[ ]	[ ]
(16)	Wood-destroying insect treatment and repairs	[ ]	[ ]	[X]
(17)	Cranes and related systems	[X]	[ ]	[ ]
(18)	____		[ ]	[ ]
(19)	____		[ ]	[ ]
(20)	All other items and systems.		[ ]	[ ]

D. Repair Persons: Repairs must be completed by trained, qualified, and insured repair persons.

E. HVAC Service Contract: If Tenant maintains the HVAC system under Paragraph 15C(11), Tenant [X] is [ ] is not required to maintain, at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from a HVAC maintenance company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and Tenant will reimburse Landlord for the expense of such maintenance and service contract or Landlord may exercise Landlord's remedies under Paragraph 20.

F. Common Areas: Landlord will maintain any common areas in the Property in a manner as Landlord determines to be in the best interest of the Property. Landlord will maintain any elevator and signs in the common area. Landlord may change the size, dimension, and location of any common areas, provided that such change does not materially impair Tenant's use and access to the leased premises. Tenant has the non-exclusive license to use the common areas in compliance with Landlord's rules and regulations. Tenant may not solicit any business in the common areas or interfere with any other person's right to use the common areas. This paragraph does not apply if Paragraph 2A(2) applies.

G. Notice of Repairs: Tenant must promptly notify Landlord of any item that is in need of repair and that is Landlord's responsibility to repair. All requests for repairs to Landlord must be in writing.

H. Failure to Repair: Landlord must make a repair for which Landlord is responsible within a reasonable period of time after Tenant provides Landlord written notice of the needed repair. If Tenant fails to repair or maintain an item for which Tenant is responsible within 10 days after Landlord provides Tenant written notice of the needed repair or maintenance, Landlord may: (1) repair or maintain the item, without liability for any damage or loss to Tenant, and Tenant must immediately reimburse Landlord for the cost to repair or maintain; or (2) exercise Landlord's remedies under Paragraph 20.

16. ALTERATIONS:

A. Tenant may not alter (including making any penetrations to the roof, exterior walls or foundation), improve, or add to the Property or the leased premises without Landlord's written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements to the leased premises.

B. Tenant may not alter any locks or any security devices on the Property or the leased premises without Landlord's consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.

C. If a governmental order requires alteration or modification to the leased premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order and in compliance with Paragraphs 16A and 17.

D. Any alterations, improvements, fixtures or additions to the Property or leased premises installed by either party during the term of this lease will become Landlord's property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.

17. LIENS: Tenant may not do anything that will cause the title of the Property or leased premises to be encumbered in any way. If Tenant causes a lien to be filed against the Property or leased premises, Tenant will within 20 days after receipt of Landlord's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.

18. LIABILITY: To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant's employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:

A. an act, omission, or neglect of: Tenant; Tenant's agent; Tenant's guest; Tenant's employees; Tenant's patrons; Tenant's invitees; or any other tenant on the Property;

B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.

19. INDEMNITY: Each party will indemnify and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the leased premises or Property, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.

20. DEFAULT:

A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.

B. If Landlord does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Tenant will be in default. If Tenant fails to comply with this lease for any other reason within 10 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default.

C. If Tenant is in default, Landlord may, with at least 3 days written notice to Tenant: (i) terminate this lease, or (ii) terminate Tenant's right to occupy the leased premises without terminating this lease and may accelerate all rents which are payable during the remainder of this lease or any renewal period. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by using commercially reasonable means. If Tenant is in default, Tenant will be liable for:
(1) any lost rent;
(2) Landlord's cost of reletting the leased premises, including brokerage fees, advertising fees, and other fees necessary to relet the leased premises;
(3) repairs to the leased premises for use beyond normal wear and tear;
(4) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
(5) all Landlord's costs associated with collection of rent such as collection fees, late charges, and returned check charges;
(6) cost of removing any of Tenant's equipment or fixtures left on the leased premises or Property;
(7) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the leased premises or Property;
(8) cost to replace any unreturned keys or access devices to the leased premises, parking areas, or Property;
(9) any other recovery to which Landlord may be entitled under this lease or under law.

21. ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT: Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the leased premises; (b) interruption of utilities; (c) removal of Tenant's property; and (d) "lock-out" of Tenant.

22. HOLDOVER: If Tenant fails to vacate the leased premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the leased premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for any holdover period will be 150% of the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.

23. LANDLORD'S LIEN AND SECURITY INTEREST: To secure Tenant's performance under this lease, Tenant grants to Landlord a lien and security interest against all of Tenant's nonexempt personal property that is in the leased premises or on the Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. Landlord may file a financing statement to perfect Landlord's security interest under the Uniform Commercial Code.

24. ASSIGNMENT AND SUBLETTING: Landlord may assign this lease to any subsequent owner of the Property. Tenant may not assign this lease or sublet any part of the leased premises without Landlord's written consent. An assignment of this lease or subletting of the leased premises without Landlord's written consent is voidable by Landlord. If Tenant assigns this lease or sublets any part of the leased premises, Tenant will remain liable for all of Tenant's obligations under this lease regardless if the assignment or sublease is made with or without the consent of Landlord.

25. RELOCATION:

☐ A. By providing Tenant with not less than 90 days advanced written notice, Landlord may require Tenant to relocate to another location in the Property, provided that the other location is equal in size or larger than the leased premises then occupied by Tenant and contains similar leasehold improvements. Landlord will pay Tenant's reasonable out-of-pocket moving expenses for moving to the other location. "Moving expenses" means reasonable expenses payable to professional movers, utility companies for connection and disconnection fees, wiring companies for connecting and disconnecting Tenant's office equipment required by the relocation, and printing companies for reprinting Tenant's stationary and business cards. A relocation of Tenant will not change or affect any other provision of this lease that is then in effect, including rent and reimbursement amounts, except that the description of the suite or unit number will automatically be amended.

☒ B. Landlord may not require Tenant to relocate to another location in the Property without Tenant's prior consent.

26. SUBORDINATION:

A. This lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to:
(1) any lien, encumbrance, or ground lease now or hereafter placed on the leased premises or the Property that Landlord authorizes;
(2) all advances made under any such lien, encumbrance, or ground lease;
(3) the interest payable on any such lien or encumbrance;
(4) any and all renewals and extensions of any such lien, encumbrance, or ground lease;
(5) any restrictive covenant affecting the leased premises or the Property; and
(6) the rights of any owners' association affecting the leased premises or Property.

B. Tenant must, on demand, execute a subordination, attornment, and non-disturbance agreement that Landlord may request that Tenant execute, provided that such agreement is made on the condition that this lease and Tenant's rights under this lease are recognized by the lien-holder.

27. ESTOPPEL CERTIFICATES & FINANCIAL INFORMATION:

A. Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies the terms and conditions of this lease.

B. Within 30 days after receipt of a written request from Landlord, Tenant will provide to Landlord Tenant's current financial information (balance sheet and income statement). Landlord may request the financial information no more frequently than once every 12 months.

28. CASUALTY LOSS:

A. Tenant must immediately notify Landlord of any casualty loss in the leased premises. Within 20 days after receipt of Tenant's notice of a casualty loss, Landlord will notify Tenant if the leased premises are less than or more than 50% unusable, on a per square foot basis, and if Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss.

B. If the leased premises are less than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord will restore the leased premises to substantially the same condition as before the casualty. If Landlord fails to substantially restore within the time required, Tenant may terminate this lease.

C. If the leased premises are more than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord may: (1) terminate this lease; or (2) restore the leased premises to substantially the same condition as before the casualty. If Landlord chooses to restore and does not substantially restore the leased premises within the time required, Tenant may terminate this lease.

D. If Landlord notifies Tenant that Landlord cannot substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss, Landlord may: (1) choose not to restore and terminate this lease; or (2) choose to restore, notify Tenant of the estimated time to restore, and give Tenant the option to terminate this lease by notifying Landlord within 10 days.

E. If this lease does not terminate because of a casualty loss, rent will be reduced from the date Tenant notifies Landlord of the casualty loss to the date the leased premises are substantially restored by an amount proportionate to the extent the leased premises are unusable.

29. CONDEMNATION: If after a condemnation or purchase in lieu of condemnation the leased premises are totally unusable for the purposes stated in this lease, this lease will terminate. If after a condemnation or purchase in lieu of condemnation the leased premises or Property are partially unusable for the purposes of this lease, this lease will continue and rent will be reduced in an amount proportionate to the extent the leased premises are unusable. Any condemnation award or proceeds in lieu of condemnation are the property of Landlord and Tenant has no claim to such proceeds or award. Tenant may seek compensation from the condemning authority for its moving expenses and damages to Tenant's personal property.

30. ATTORNEY'S FEES: Any person who is a prevailing party in any legal proceeding brought under or related to the transaction described in this lease is entitled to recover prejudgment interest, reasonable attorney's fees, and all other costs of litigation from the nonprevailing party.

31. REPRESENTATIONS:

A. Tenant's statements in this lease and any application for rental are material representations relied upon by Landlord. Each party signing this lease represents that he or she is of legal age to enter into a binding contract and is authorized to sign the lease. If Tenant makes any misrepresentation in this lease or in any application for rental, Tenant is in default.

B. Landlord is not aware of any material defect on the Property that would affect the health and safety of an ordinary person or any environmental hazard on or affecting the Property that would affect the health or safety of an ordinary person, except: ______________________________
____
____
____

C. Each party and each signatory to this lease represents that: (1) it is not a person named as a Specially Designated National and Blocked Person as defined in Presidential Executive Order 13224; (2) it is not acting, directly or indirectly, for or on behalf of a Specially Designated and Blocked Person; and (3) is not arranging or facilitating this lease or any transaction related to this lease for a Specially Designated and Blocked Person. Any party or any signatory to this lease who is a Specially Designated and Blocked person will indemnify and hold harmless any other person who relies on this representation and who suffers any claim, damage, loss, liability or expense as a result of this representation.

32. BROKERS:

A. The brokers to this lease are:

Principal Broker License No.	Cooperating Broker License No.
Agent	Agent
Address	Address
Phone Fax	Phone Fax
E-Mail License No.	E-Mail License No.

Principal Broker: *(Check only one box)*
☐ represents Landlord only.
☐ representsTenant only.
☐ is an intermediary between Landlord and Tenant.

Cooperating Broker represents Tenant.

B. Fees:

☐ (1) Principal Broker's fee will be paid according to: *(Check only one box).*
☐ (a) a separate written commission agreement between Principal Broker and:
☐ Landlord ☐ Tenant.
☐ (b) the attached Addendum for Broker's Fee.

☐ (2) Cooperating Broker's fee will be paid according to: *(Check only one box).*
☐ (a) a separate written commission agreement between Cooperating Broker and:
☐ Principal Broker ☐ Landlord ☐ Tenant.
☐ (b) the attached Addendum for Broker's Fee.

33. ADDENDA: Incorporated into this lease are the addenda, exhibits and other information marked in the Addenda and Exhibit section of the Table of Contents. If Landlord's Rules and Regulations are made part of this lease, Tenant agrees to comply with the Rules and Regulations as Landlord may, at its discretion, amend from time to time.

34. NOTICES: All notices under this lease must be in writing and are effective when hand-delivered, sent by mail, or sent by facsimile transmission to:

Landlord at: KENNEDALE ECONOMIC DEVELOPMENT CORP., ATTN: EXEC DIR.
Address: 405 MUNICIPAL DR, KENNEDALE,TX 76060
Phone: (817) 985-2102 Fax:
and a copy to: CITY SECRETARY, CITY OF KENNEDALE
Address: 405 MUNICIPAL DR., KENNEALE,TX 76060
Phone: (817) 985-2104 Fax:
☒ Landlord also consents to receive notices by e-mail at: BHART@CITYOFKENNEDALE.COM

Tenant at the leased premises,
and a copy to: PRESIDENT, ECONOMIC DEVELOPMENT CORP.ATT:EXEC DIR
Address: 205 KENNEDALE PKWY., PO BOX 1552, KENNEDALE,TX. 76060
Phone: ______ Fax: ______
☒ Tenant also consents to receive notices by e-mail at: info@kennedale chamber.com

35. SPECIAL PROVISIONS:

36. AGREEMENT OF PARTIES:

A. Entire Agreement: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.

B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.

C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any term of this lease, its renewal, or its termination is binding on all Tenants.

D. Controlling Law: The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.

E. Severable Clauses: If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.

F. Waiver: Landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.

G. Quiet Enjoyment: Provided that Tenant is not in default of this lease, Landlord covenants that Tenant will enjoy possession and use of the leased premises free from material interference.

H. Force Majeure: If Landlord's performance of a term in this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, or any cause outside Landlord's control, the time for Landlord's performance will be abated until after the delay.

I. Time: Time is of the essence. The parties require strict compliance with the times for performance.

Brokers are not qualified to render legal advice, property inspections, surveys, engineering studies, environmental assessments, tax advice, or compliance inspections. The parties should seek experts to render such services. READ THIS LEASE CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

Landlord: KENNEDALE ECONOMIC DEVEL CORP

By: ______

By (signature): Bob Hart
Printed Name: BOB HART
Title: EXEC DIR.

By: ______

By (signature): ______
Printed Name: ______
Title: ______

Tenant: KENNEDALE CHAMBER OF COMMERCE

By: Pat Doescher Chair

By (signature): Pat Doescher Chair
Printed Name: PAT DOESCHER
Title: CHAIRMAN

By: ______

By (signature): ______
Printed Name: ______
Title: ______

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Development Corporation
www.cityofkennedale.com

STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: REPORTS AND ANNOUNCEMENTS - A.

I. Subject:
Chamber of Commerce report

II. Summary:
At this time, City Manager George Campbell, a member of the Kennedale Area Chamber of Commerce (KACC) Board of Directors, may provide updates and announcements from the Chamber.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: REPORTS AND ANNOUNCEMENTS - B.

I. Subject:
Board member reports and announcements

II. Summary:
At this time, any member of the EDC Board of Directors may offer updates to the Board.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: REPORTS AND ANNOUNCEMENTS - C.

I. Subject:
Staff reports and announcements

II. Summary:
At this time, City Manager George Campbell, Director of Planning and Economic Development Melissa Dailey, and/or any other staff member may offer updates to the Board.

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: EXECUTIVE SESSION - A.

I. Subject:
Harris Corporation Addition, Block 1 Lot 1A2 (S Dick Price Road)

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments:

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STAFF REPORT TO THE BOARD OF DIRECTORS

Date: April 30, 2019

Agenda Item No: EXECUTIVE SESSION - B.

I. Subject:
Potential Economic Development Tax Abatement Agreement

II. Summary:

III. Recommendation:

IV. Alternative Actions:

V. Attachments: