

**KENNEDALE CITY COUNCIL AGENDA**  
**REGULAR MEETING | SEPTEMBER 17, 2019**  
**CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**  
**WORK SESSION AT 5:30 PM | REGULAR SESSION AT 7:00 PM**

**I. CALL TO ORDER**

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

**II. WORK SESSION**

Anyone wishing to address the City Council regarding Work Session items may do so as that item is considered, provided that a 'Speaker Request Form' is submitted to the City Secretary before the Work Session begins. Speakers are allotted three (3) minutes, must limit their comments to the subject indicated on the submitted form, and should address the Council as a whole, rather than individual Councilmembers or staff.

- A. Continue interviews of applicants for appointment to Advisory Boards and Commissions, if needed
- B. Discussion regarding the composition, purpose, and charge of the Utility and Infrastructure Board (UIB)
- C. Discussion of contracting with Chute 2 Productions to hold the "Kennedale Western Festival", a Professional bull riding event with various vendors to be held on Saturday, November 9, 2019 in TownCenter, at a cost of \$15,000.00
- D. Continued discussion regarding the City Manager's Proposed Fiscal Year 2019–2020 annual budget
- E. Discussion of items on the regular agenda

**III. REGULAR SESSION**

**IV. ROLL CALL**

**V. INVOCATION**

**VI. UNITED STATES PLEDGE AND TEXAS PLEDGE**

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

**VII. VISITOR AND CITIZEN FORUM**

At this time, any person may address the City Council, provided that a 'Speaker Request Form' is submitted to the City Secretary before the meeting begins. Speakers are allotted three (3) minutes, must limit their comments to the subject indicated on the submitted form, and should address the Council as a whole, rather than individual Councilmembers or staff. No formal action or discussion may be taken at this time. Those wishing to speak about an agenda item should indicate as much on the "Speaker Request Form" and will be called upon to speak when the Council considers that item.

**VIII. REPORTS AND ANNOUNCEMENTS**

In addition to any items listed below, the Mayor and Councilmembers may give or receive reports regarding items of community interest, including, but not limited to, recognition of officials, citizens, staff, or departments; information regarding holiday schedules; and upcoming or attended events.

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

- C. Updates from the City Manager

## **IX. INCIDENTAL ITEMS**

### **X. MONITORING INFORMATION**

- A. Monthly Financials for August 2019

### **XI. REQUIRED APPROVAL ITEMS (CONSENT)**

*Consent items are matters that have appeared on previous agendas, require little or no deliberation, or are considered routine. If discussion is desired, any item may be removed from Consent and considered separately.*

- A. Approval of the minutes from the August 20, 2019 Regular Meeting
- B. Approval of the minutes from the 5:00 p.m. September 5, 2019 Special Meeting
- C. Approval of the minutes from the 7:00 p.m. September 5, 2019 Special Meeting
- D. Consider approval of Ordinance 677, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2019 rate review mechanism (RRM) filing
- E. Consider authorizing the City Manager to sign a one-year extension of an Interlocal Agreement with City of Fort Worth for rabies control services and the utilization of animal impoundment and quarantine facilities
- F. Discuss and consider approval of Resolution 559, to adopt the HART InterCivic Verity, version 2.3.1, for use in Absentee Voting By Mail, Early Voting By Personal Appearance, Regular Voting on Election Day and Provisional Voting
- G. Approval of Resolution 560, approving the continued receipt of a share of bingo prize fees collected by licensed authorized organizations in accordance with section 2001.502 of the Texas Occupations Code

### **XII. DECISION ITEMS**

- A. Discuss and consider Ordinance 678 of the City of Kennedale, Texas, adopting the Budget for the Fiscal Year beginning October 1, 2019, and ending September 30, 2020; appropriating resources for each department, project, operation, activity, purchase, account, and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable State Law; providing for the filing and posting of the Budget as required by State Law; providing a severability clause; and providing an effective date
- B. Discuss and consider ratification of property tax increase reflected in FY2019–2020 Adopted Budget
- C. Discuss and consider approval of Ordinance 679, fixing and levying municipal Ad Valorem Taxes for the City of Kennedale, Texas, for the Fiscal Year beginning October 1, 2019, and ending September 30, 2020; directing the assessment and collection thereof; providing a severability clause; and providing an effective date
- D. Consider making appointments to various advisory boards and commissions
- E. Consider authorizing the City Manager to enter into an agreement with Shield Engineering Group for civil engineering services associated with roadway, water, sanitary sewer and drainage improvements for Linda Road
- F. Consider authorizing the City Manager to enter into an agreement with Shield Engineering Group for civil engineering services associated with roadway, water, sanitary sewer, and drainage improvements for Collett Sublet Road



- G. Consider authorizing the City Manager to enter into an agreement with Shield Engineering Group for civil engineering services associated with approximately 600 linear feet of roadway for Trent Street

### **XIII. EXECUTIVE SESSION**

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

- A. Discussion with the City Attorney regarding salvage yards, including A&A Pickup & Van, Inc., and special exception/special use permits

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

### **XV. ADJOURNMENT**

#### **CERTIFICATION**

*I DO HEREBY CERTIFY THAT THE SEPTEMBER 17, 2019 KENNEDALE CITY COUNCIL 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, 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.

**DATE:** September 17, 2019

**AGENDA ITEM:** WORK SESSION ITEM A.

**SUBJECT:**

Continue interviews of applicants for appointment to Advisory Boards and Commissions, if needed

**ORIGINATED BY:**

Leslie E. Galloway, City Secretary & Communications Coordinator

**SUMMARY:**

As the Council is aware, odd-numbered Advisory Board and Commission seats expire in September of odd years. Staff began sending emails to those with expiring terms on July 24, 2019, as well as posting application information on the City's website, Facebook, Twitter, and newsletter. During the July 16, 2019 Work Session, the consensus among the Council was to only interview new applicants.

Interviews were held on Thursday, September 5 and Friday, September 13. There is an action item on this agenda to consider making appointments, if needed. Attached to this item are rosters of all current boards (indicating any expiring terms or vacancies, but not reflecting any appointments that may have been made by the Council during their meeting on Friday, September 13 at 2:30 p.m.).

**CITY OF KENNEDALE ADVISORY BOARDS AND COMMISSIONS**

The City maintains six advisory boards, five of which are advisory to Council, and provide feedback, updates, and recommendations on projects, actions, and other relevant topics:

- Keep Kennedale Beautiful Commission (KKB)
- Parks and Recreation Board
- Planning and Zoning Commission (P&Z)
- Utility and Infrastructure Board
- Youth Advisory Council (YAC) (application process occurs in the Spring)

One board is advisory to staff:

- Library Advisory Board

The City currently maintains two\* quasi-judicial boards, which are tasked with enforcing public policy and making legally-binding decisions based on the authority given to the board by state law. These boards also provide feedback and updates Council:

- Board of Adjustment (BOA)
- Building Board of Appeals (BBA)

\*While these are, indeed, two separate boards, for the purposes of the City of Kennedale, all Board of Adjustment (BOA) members shall automatically serve as members of the Building Board of Appeals (BBA).

The City maintains three separate entity boards, which serve as advisory to City Council, but are separate legal

entities from the City of Kennedale. These boards each oversee an independent affiliate organization:

- Kennedale Economic Development Corporation (EDC or KEDC)
- TownCenter Development District (TDD)
- Tax Increment Reinvestment District (TIRZ)

**RECOMMENDATION:**

**ATTACHMENTS:**

|    |                                         |                                             |
|----|-----------------------------------------|---------------------------------------------|
| 1. | 2019_09.09 Board Rosters and Applicants | 2019_09.12 Board Rosters and Applicants.pdf |
|----|-----------------------------------------|---------------------------------------------|

| Attachment # | NEW APPLICATIONS AS OF 09.08.2019 | NOTES | APPLIED FOR | Your Nomination For This Applicant |
|--------------|-----------------------------------|-------|-------------|------------------------------------|
|--------------|-----------------------------------|-------|-------------|------------------------------------|

Interview Schedule for Thursday, September 5, 2019 from 5:00 to 7:00 p.m.

|   |           |                  |  |                                  |
|---|-----------|------------------|--|----------------------------------|
| 1 | 5:00 p.m. | Keith Courtney   |  | Parks; P&Z                       |
| 2 | 5:15 p.m. | Ann Beck         |  | Parks                            |
| 3 | X         | Jessica Virnoche |  | BOA/BBA; EDC;<br>KKB; Parks; TDD |
| 4 | 5:45 p.m. | Jeremy Johnston  |  | Parks; P&Z                       |
| 5 | 6:15 p.m. | Andrew Schaffer  |  | EDC; P&Z                         |
| 6 | X         | Heather Hicks    |  | Library; KKB                     |
| 7 | 6:45 p.m. | Austin Degenhart |  | EDC; P&Z                         |

Interviews to be Scheduled for Friday, September 13

|        |        |           |                  |                  |                               |
|--------|--------|-----------|------------------|------------------|-------------------------------|
| UPDATE | 6      | 2:30 p.m. | Heather Hicks    |                  | Library; KKB                  |
| UPDATE | NEW    | 2:45 p.m. | Vinita Thomas    | Previous Service | P&Z                           |
| UPDATE | 10     | 3:00 p.m. | Mark Perkins     | Serves on UIB    | EDC; P&Z                      |
| UPDATE | 3      | X         | Jessica Virnoche |                  | BOA/BBA; EDC; KKB; Parks; TDD |
| UPDATE | NO APP | X         | Derrick Rubin    |                  | Unknown                       |

Those Who Have Previous Service on a Board OR are Currently Serving but have Applied for a New/Additional Board  
(The City Council did not request that these applicants be scheduled for interviews.)

|        |    |               |  |                                                                          |                                   |
|--------|----|---------------|--|--------------------------------------------------------------------------|-----------------------------------|
|        | 8  | David Green   |  | Previous service                                                         | Parks; P&Z                        |
|        | 9  | Patrick Vader |  | Previous service                                                         | BOA/BBA; P&Z                      |
|        | 10 | Mark Perkins  |  | Serves on UIB                                                            | EDC; P&Z                          |
|        | 11 | Jan Joplin    |  | Previous service; *Requested BOA/BBA and P&Z be added to her application | EDC; TDD; TIRZ,<br>BOA/BBA*, P&Z* |
|        | 12 | Robert Mundy  |  | Serves on EDC (Vice President)                                           | TDD; TIRZ                         |
|        | 13 | Azam Shaikh   |  | Serves as an alternate on BOA/BBA                                        | EDC; P&Z                          |
|        | 14 | Lana Sather   |  | Serves on BOA/BBA                                                        | TDD                               |
| UPDATE |    | Vinita Thomas |  | Previous Service                                                         | P&Z                               |

| Attachment # Board of Adjustment/Building Board of Appeals |              |       |                            | (Places in RED are expiring or vacant.)                                                                                     | BOA                                                                            |
|------------------------------------------------------------|--------------|-------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
|                                                            | TERM<br>ENDS | PLACE | MEMBER                     | NOTES                                                                                                                       | Your Nomination For This Place                                                 |
| 16                                                         | 2019         | 1     | Eric Elam                  | Reapplied in hardcopy 08.01.2019                                                                                            | BOA, Place 1: Incumbent Eric Elam <input type="checkbox"/><br>OTHER _____      |
|                                                            | 2020         | 2     | Jeff Nevarez<br>Chair      |                                                                                                                             |                                                                                |
| 17                                                         | 2019         | 3     | Perry Clementi             | Reapplied online 07.09.2019                                                                                                 | BOA, Place 3: Incumbent Perry Clementi <input type="checkbox"/><br>OTHER _____ |
|                                                            | 2020         | 4     | Martin Young               |                                                                                                                             |                                                                                |
| 14                                                         | 2019         | 5     | Lana Sather                | Reapplied online 07.27.2019                                                                                                 | BOA, Place 5: Incumbent Lana Sather <input type="checkbox"/><br>OTHER _____    |
|                                                            | 2020         | 6*    | Kelli Rod<br>Alternate     |                                                                                                                             |                                                                                |
| X                                                          | 2019         | 7*    | Josh Virnoche<br>Alternate | Does not wish to continue service<br>(via email 08.05.2019)                                                                 | BOA, Place 7: Incumbent<br>OTHER _____                                         |
|                                                            | 2020         | 8*    | Thelma Kobeck<br>Alternate |                                                                                                                             |                                                                                |
| 13                                                         | 2019         | 9*    | Azam Shaikh<br>Alternate   | Reapplied online 08.06.19;<br><u>Requests promotion to regular place on BOA/BBA;</u><br>+ applied for P&Z (new) + EDC (new) | BOA, Place 9: Incumbent Azam Shaikh <input type="checkbox"/><br>OTHER _____    |

\*These Places Serve as Alternates

New Applicants: Jan Joplin, Patrick Vader, Jessica Virnoche

## Attachment # Economic Development Corporation

(Places in RED are expiring or vacant.)

EDC

TERM  
ENDS

PLACE

MEMBER

NOTES

Your Nomination For This Place

18

2019

1

Johnny Trevino

Appointed November 2018 to partial term;  
Reapplied online 08.27.2019EDC, Place 1: Incumbent Johnny Trevino ☐

OTHER \_\_\_\_\_

2020

2

VACANT  
was Cesar GuerraCesar Guerra resigned 08.19.2019; Withdrew resignation  
09.11.2019; Requests reappointment to same place.

EDC, Place 2: Cesar Guerra

OTHER \_\_\_\_\_

X

2019

3

VACANT  
(was Ron Whitley)

VACANCY

EDC, Place 3: Incumbent

OTHER \_\_\_\_\_

2020

4

Darold Tippey

EDC, Place 5: Incumbent Robert Mundy ☐

OTHER \_\_\_\_\_

12

2019

5

Robert Mundy  
Vice PresidentAppointed May 2019; Wishes to continue service;  
Most recent application attached

2020

6

Mark Yeary  
PresidentEDC, Place 7: Incumbent April Coltharp ☐

OTHER \_\_\_\_\_

19

2019

7

April Coltharp

Appointed November 2018 to partial term;  
Reapplied online 07.31.2019

New Applicants: Mark Perkins, Austin Degenhart, Jan Joplin, Jessica Virnoche, Azam Shaikh, Andrew Schaffer

UPDATE

Attachment # **Keep Kennedale Beautiful Commission**

(Places in RED are expiring or vacant.)

**KKB**

|    | TERM<br>ENDS | PLACE    | MEMBER                                         | NOTES                                                                                                                                                             | <b>Your Nomination For This Place</b>                                        |
|----|--------------|----------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| 20 | <b>2019</b>  | <b>1</b> | <b>Cesar Guerra</b>                            | Reapplied online 08.07.2019                                                                                                                                       | KKB, Place 1: Incumbent Cesar Guerra <input type="checkbox"/><br>OTHER _____ |
|    | 2020         | 2        | Darlene Winters                                |                                                                                                                                                                   |                                                                              |
| X  | <b>2019</b>  | <b>3</b> | <b>Vinita Thomas</b>                           | Does not wish to continue service<br>(via email 08.01.2019)                                                                                                       | KKB, Place 3: <del>Incumbent</del><br>OTHER _____                            |
| X  | <b>2020</b>  | <b>4</b> | <b>VACANT</b><br>(was Michael Chandler, Chair) | VACANCY                                                                                                                                                           | KKB, Place 4: <del>Incumbent</del><br>OTHER _____                            |
| 21 | <b>2019</b>  | <b>5</b> | <b>Wilda Turner</b>                            | Reapplied online 07.31.2019                                                                                                                                       | KKB, Place 5: Incumbent Wilda Turner <input type="checkbox"/><br>OTHER _____ |
|    | 2020         | 6        | Kenneth Michels                                |                                                                                                                                                                   |                                                                              |
| 22 | <b>2019</b>  | <b>7</b> | <b>Linda Miller</b>                            | Appointed November 2018 to partial term;<br>Wishes to continue service (via email 7.23.2019);<br>Most recent application attached                                 | KKB, Place 7: Incumbent Linda Miller <input type="checkbox"/><br>OTHER _____ |
|    | 2020         | 8        | Laurie Sanders<br>Vice Chair                   |                                                                                                                                                                   |                                                                              |
| 23 | <b>2019</b>  | <b>9</b> | <b>Lauren Warn</b>                             | Appointed November 2018; Wishes to continue service but is<br>moving in June 2020; Staff would still recommend<br>reappointment; Most recent application attached | KKB, Place 9: Incumbent Lauren Warn <input type="checkbox"/><br>OTHER _____  |

New Applicants: Heather Hicks, Jessica Virnoche

Attachment # **Library Board**

(Places in RED are expiring or vacant.)

**LIBRARY**

|                               | TERM<br>ENDS | PLACE | MEMBER               | NOTES                                                    | <b>Your Nomination For This Place</b>                                           |
|-------------------------------|--------------|-------|----------------------|----------------------------------------------------------|---------------------------------------------------------------------------------|
| 24                            | 2019         | 1     | Susan Reed Dalrymple | Appointed November 2018; Reapplied online 07.24.2019     | LAB, Place 1: Incumbent Susan Dalrymple <input type="checkbox"/><br>OTHER _____ |
|                               | 2020         | 2     | Josh Virnoche        |                                                          |                                                                                 |
| X                             | 2019         | 3     | Stan Seat            | Does not wish to continue service (via email 07.24.2019) | LAB, Place 3: Incumbent<br>OTHER _____                                          |
|                               | 2020         | 4     | Troy Brannon         |                                                          |                                                                                 |
| X                             | 2019         | 5     | Donald Rawe          | Does not wish to continue service (via email 08.28.2019) | LAB, Place 5: Incumbent<br>OTHER _____                                          |
| New Applicants: Heather Hicks |              |       |                      |                                                          |                                                                                 |



| Attachment # Parks & Recreation Board                                                    |              | (Places in RED are expiring or vacant.) |                          |                                                                                        | PARKS                                                                             |
|------------------------------------------------------------------------------------------|--------------|-----------------------------------------|--------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
|                                                                                          | TERM<br>ENDS | PLACE                                   | MEMBER                   | NOTES                                                                                  | Your Nomination For This Place                                                    |
| 15                                                                                       | 2019         | 1                                       | David Deaver, Chair      | Reapplied online 07.27.2019                                                            | Parks, Place 1: Incumbent David Deaver <input type="checkbox"/><br>OTHER _____    |
|                                                                                          | 2020         | 2                                       | Jeff Nevarez             |                                                                                        |                                                                                   |
| 25                                                                                       | 2019         | 3                                       | Kenneth Michels          | Appointed July 2019; Wishes to continue service;<br>Most recent application attached   | Parks, Place 3: Incumbent Kenneth Michels <input type="checkbox"/><br>OTHER _____ |
|                                                                                          | 2020         | 4                                       | Gary Swan                |                                                                                        |                                                                                   |
| 26                                                                                       | 2019         | 5                                       | Phil Wallace             | Reapplied online 08.20.2019                                                            | Parks, Place 5: Incumbent Phil Wallace <input type="checkbox"/><br>OTHER _____    |
|                                                                                          | 2020         | 6                                       | VACANT<br>was Josh Hayes | VACANCY; Josh Hayes resigned via email 09.04.2019                                      | Parks, Place 6: <del>Incumbent</del><br>OTHER _____                               |
| X                                                                                        | 2019         | 7                                       | Donald Spikes            | Appointed November 2018<br>Does not wish to continue service<br>(via email 07.31.2019) | Parks, Place 7: <del>Incumbent</del><br>OTHER _____                               |
| New Applicants: Ann Beck, David Green, Jessica Virnoche, Keith Courtney, Jeremy Johnston |              |                                         |                          |                                                                                        |                                                                                   |

## Attachment # Planning &amp; Zoning Commission

(Places in RED are expiring or vacant.)

## P&amp;Z

|    | TERM<br>ENDS | PLACE | MEMBER                   | NOTES                                                                                                                                       | Your Nomination For This Place                                                 |
|----|--------------|-------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 27 | 2019         | 1     | Greg Adams               | Appointed May 2019; Wishes to continue service (via email 07.24.2019); Most recent application attached                                     | P&Z, Place 1: Incumbent Greg Adams <input type="checkbox"/><br>OTHER _____     |
|    | 2020         | 2     | Martha Dibella<br>Chair  | Appointed May 2019                                                                                                                          |                                                                                |
| X  | 2019         | 3     | Bob Gruenhagen           | Promoted in November 2018;<br>Originally appointed to Place 8 (Alternate) May 2018;<br>No application or response received as of 08.29.2019 | P&Z, Place 3: Incumbent Bob Gruenhagen <input type="checkbox"/><br>OTHER _____ |
|    | 2020         | 4     | Kayla Hughes             |                                                                                                                                             |                                                                                |
| 28 | 2019         | 5     | Sheldon Geron            | Reapplied online 07.25.2019                                                                                                                 | P&Z, Place 5: Incumbent Sheldon Geron <input type="checkbox"/><br>OTHER _____  |
|    | 2020         | 6     | Billy Don Gilley         |                                                                                                                                             |                                                                                |
| X  | 2019         | 7     | John Hivale              | Plans to reapply (via VM on 08.13.2019);<br>No application received as of 08.29.2019                                                        | P&Z, Place 7: Incumbent John Hivale <input type="checkbox"/><br>OTHER _____    |
|    | 2020         | 8     | Brent Jones<br>Alternate |                                                                                                                                             |                                                                                |
| X  | 2019         | 9     | Allen Ray<br>Alternate   | Appointed November 2018;<br>Does not wish to continue service;<br>Resigned effective immediately                                            | P&Z, Place 9: Incumbent <del>Allen Ray</del><br>OTHER _____                    |

\*These Places Serve as Alternates

## UPDATE

New Applicants: Mark Perkins, Austin Degenhart, David Green, Jan Joplin, Patrick Vader, Keith Courtney, Azam Shaikh, Andrew Schaffer, Jeremy Johnston, Vinita Thomas

## Attachment # Tax Increment Reinvestment Zone #1 Board

(Places in RED are expiring or vacant.)

## TIRZ

|    | TERM<br>ENDS | PLACE | MEMBER                                                                                                                             | NOTES                                                                                                                                         | REPRESENTING      | Your Nomination For This Place                                                                                         |
|----|--------------|-------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------|
| 29 | 2019         | 1     | Darold Tippey                                                                                                                      | Appointed November 2018;<br>Applied online 09.05.2019                                                                                         | City              | TIRZ, Place 1: Incumbent Darold Tippey <input type="checkbox"/><br>OTHER _____                                         |
|    | 2020         | 2     | Bruce Cates                                                                                                                        |                                                                                                                                               | City              |                                                                                                                        |
| X  | 2019         | 3     | Councilmember Chris Pugh                                                                                                           | Appointed July 2019                                                                                                                           | City              | TIRZ, Place 3: Incumbent Chris Pugh <input type="checkbox"/><br>OTHER _____                                            |
|    | 2020         | 4     | Councilmember Chad Wandel                                                                                                          | Appointed July 2019                                                                                                                           | City              |                                                                                                                        |
| X  | 2019         | 5     | Precinct 2 Commissioner<br>Devan Allen                                                                                             | Representatives selected by external<br>taxing unit; All are new and should<br>be included in any motion to appoint<br>members to this Board. | County            | TIRZ, Place 5: Tarrant County Precinct 2<br>Commissioner Devan Allen                                                   |
| X  | 2020         | 6     | Jill "J.R." Labbe, Vice President,<br>Communications & Community<br>Affairs                                                        |                                                                                                                                               | Hospital District | TIRZ, Place 6: Jill "J. R." Labbe, Vice President,<br>Communications & Community Affairs for JPS                       |
| X  | 2019         | 7     | Dr. Eugene Giovannini, Chancellor<br>[If he is unavailable, Susan Alanis<br>(Chief Operating Officer) will serve<br>as his proxy.] |                                                                                                                                               | College District  | TIRZ, Place 7: Dr. Eugene Giovannini, Chancellor;<br>with COO Susan Alanis designated as his proxy,<br>if/when needed. |

New Applicants: Jan Joplin, Robert Mundy



Attachment # **Utility & Infrastructure Board**

(Places in RED are expiring or vacant.)

**UIB**

|    | TERM<br>ENDS | PLACE | MEMBER                       | NOTES                                                    | Your Nomination For This Place                                                        |
|----|--------------|-------|------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------|
| X  | 2019         | 1     | Harry Browne                 | Does not wish to continue service (via email 07.31.2019) | <b>UIB, Place 1: Incumbent</b><br>OTHER _____                                         |
|    | 2020         | 2     | Kenneth Michels              |                                                          |                                                                                       |
| 18 | 2019         | 3     | Johnny Trevino<br>Vice Chair | Appointed November 2018; Reapplied online 08.27.2019     | <b>UIB, Place 3: Incumbent Johnny Trevino</b> <input type="checkbox"/><br>OTHER _____ |
|    | 2020         | 4     | Jeff Gregory                 |                                                          |                                                                                       |
| X  | 2019         | 5     | Tom Newsom                   | Does not wish to continue service (via email 08.27.2019) | <b>UIB, Place 5: Incumbent</b><br>OTHER _____                                         |
|    | 2020         | 6     | Idin Deljavan<br>Chair       |                                                          |                                                                                       |
| 10 | 2019         | 7     | Mark Perkins                 | Reapplied online 07.31.2019 + P&Z (new) and EDC (new)    | <b>UIB, Place 7: Incumbent Mark Perkins</b> <input type="checkbox"/><br>OTHER _____   |
|    | 2020         | 8*    | Amy Cates<br>Alternate       |                                                          |                                                                                       |
| X  | 2019         | 9*    | VACANT<br>Alternate          | VACANCY                                                  | <b>UIB, Place 9: Incumbent</b><br>OTHER _____                                         |

\*These Places Serve as Alternates

New Applicants: NONE

**DATE:** September 17, 2019

**AGENDA ITEM:** WORK SESSION ITEM B.

**SUBJECT:**

Discussion regarding the composition, purpose, and charge of the Utility and Infrastructure Board (UIB)

**ORIGINATED BY:**

George Campbell, City Manager

**SUMMARY:**

The Utility and Infrastructure Board (UIB) was created via Ordinance 614 (attached) in October 2016 with 7 regular members (with a quorum of 4). It was expanded to include 2 alternate members via Ordinance 656 (attached) in December 2018.

Also attached is current City Code ([www.cityofkennedale.com/code](http://www.cityofkennedale.com/code)) regarding this board (Chapter 23, Article 2, Division 1, Sec. 23-33), which incorporates each of these ordinances and defines the composition, purpose, and charge of the UIB.

**RECOMMENDATION:**

**ATTACHMENTS:**

|    |                                              |                                                  |
|----|----------------------------------------------|--------------------------------------------------|
| 1. | Ordinance 614 - Creating UIB                 | Ordinance 614 - Creating UIB.pdf                 |
| 2. | Ordinance 656 - Adding Alternate Members UIB | Ordinance 656 - Adding Alternate Members UIB.pdf |
| 3. | Kennedale, TX Code of Ordinances - UIB       | Kennedale, TX Code of Ordinances - UIB.pdf       |

## **ORDINANCE NO. 614**

**AN ORDINANCE CREATING A UTILITY AND INFRASTRUCTURE BOARD; PROVIDING FOR CREATION AND PURPOSE, MEMBERSHIP, ORGANIZATION, RULES AND REQUIREMENTS, AND POWERS AND DUTIES OF THE BOARD; PROVIDING THAT THIS ORDINANCE SHALL BE CUMCLATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kennedale is a home rule city acting under its charter adopted by the electorate pursuant to Article X1, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, the City Council desires to create a Utility and Infrastructure Board to provide policy recommendations for the City's water and wastewater, solid waste collection, storm water utility, and streets/transportation systems.

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

### **SECTION 1. CREATION AND PURPOSE**

There is hereby created and established a Utility and Infrastructure Board. Such board shall be officially designated as the Utility and Infrastructure Board of the City of Kennedale, Texas. The board shall provide recommendations and advice to the City Council on policies, projects, and other matters pertaining to the water and wastewater system, the storm water utility system, the street/transportation system, and the solid waste collection system.

### **SECTION 2. MEMBERSHIP**

- (a) The board shall consist of seven (7) regular members, designated by Places 1 through 7, who shall be appointed by a majority vote of the City Council. The initial appointment of Places 1, 3, 5, and 7 shall be for a term expiring October 1, 2017. The initial appointment of Places 2, 4, and 6 shall be for a term expiring October 1, 2018. Thereafter the terms for each place shall be two (2) years.
- (b) Members must meet the following qualifications:
  - (1) Be a registered voter of the City;

- (2) Shall have resided in the corporate limits of the City for at least one (1) year; and
- (3) Shall continue residency in the City during the term of office.
- (c) The City Council shall appoint a replacement to fill any vacancy for the unexpired term of a member whose place has become vacant.
- (d) The City Council shall have the authority to remove any member at any time, with or without cause.

### **SECTION 3. ORGANIZATION, RULES, AND REQUIREMENTS**

- (a) By November of each year, the membership shall determine, by simple majority vote, a chair and vice chair. The terms of the chair and vice chair shall be one (1) year. It will be the duty of the chair to preside over meetings. If the chair is absent the vice chair shall assume the duties of the office.
- (b) Members of the board shall meet at least six (6) times per year, on a regular day and time selected by its members. The chair may call special meetings as necessary.
- (c) The board shall conduct meetings and govern its proceedings according to the City Council's adopted rules of order, abide by the Texas Open Meetings Law, and shall keep a record of its proceedings, including votes and attendance, and shall submit these records to the City Secretary's Office.
- (d) Members of the board shall not take any action unless a quorum is present. A quorum shall consist of four (4) members. Each member, including the chair, is entitled to one (1) vote, and action of the board shall require a majority of those members present.
- (e) The City Manager shall designate a city employee to serve as staff liaison to the board.
- (f) Members of the board shall receive one dollar (\$1.00) for each regular meeting attended as compensation for the performance of their duties, but no compensation shall be paid for special meetings. In addition, members may receive reimbursement of authorized expenses attendant to the performance of their duties.

### **SECTION 4. POWERS AND DUTIES**

- (a) This board is advisory only and shall not have any decision-making authority.



(b) The board shall have the following duties:

- (1) To make studies and project plans for the City's water and wastewater system; solid waste collection system; streets/transportation system; and storm water utility system, including erosion controls and improvements along Village Creek tributaries and improvements to the main branch of Village Creek;
- (2) To aid and assist the City in the procuring of financial and other aids and assistance for the City from the state and federal governments and their agencies for each and all the purposes herein enumerated;
- (3) To act with and assist all other municipal boards, governmental agencies, regional associations and the City Council in formulating proper plans for utility infrastructure development;
- (4) To plan and recommend capital improvement projects (CIP) related to the water and wastewater utility, storm water utility, streets and transportation, and solid waste utility;
- (5) To recommend general rules and regulations governing use of water and wastewater utilities, storm water utility, streets and transportation, and solid waste collection;
- (6) To accomplish these duties, the board may establish subcommittees as necessary. Any subcommittee shall be chaired by a Utility and Infrastructure Board member, and an unspecified number of community volunteers may be chosen by the commission as working subcommittee members.

#### **SECTION 5. CUMULATIVE CLAUSE**

This ordinance shall be cumulative of all other ordinances of the City of Kennedale, Texas, and shall not repeal any of the provisions of such ordinance except in those instances when provisions of such ordinances are in direct conflict with the provisions of this ordinance, in which event the conflicting provisions of such ordinances are hereby repealed.

#### **SECTION 6. SEVERABILITY CLAUSE**

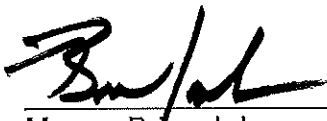
It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs or sections of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction,

such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance, since the same shall have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION 7.  
EFFECTIVE DATE**

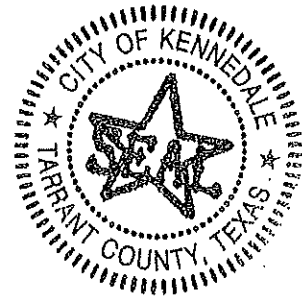
This Ordinance shall be in full force and effect from and after its passage, and it is so ordained.

**PASSED AND APPROVED ON THIS 17<sup>th</sup> DAY OF OCTOBER, 2016.**

  
\_\_\_\_\_  
Mayor, Brian Johnson

**ATTEST:**

  
\_\_\_\_\_  
City Secretary, Leslie Galloway



**APPROVED AS TO FORM AND LEGALITY:**

  
\_\_\_\_\_  
City Attorney, Wayne K. Olson

## ORDINANCE NO. 656

**AN ORDINANCE AMENDING CHAPTER 23, ARTICLE II, OF THE CODE OF ORDINANCES OF THE CITY OF KENNEDALE, TEXAS, AS AMENDED, BY AMENDING SECTION 23-33, "UTILITY AND INFRASTRUCTURE BOARD" TO ADD ALTERNATE MEMBERS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kennedale is a home rule city acting under its charter adopted by the electorate pursuant to Article X1, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

**WHEREAS**, the City Council previously adopted an ordinance providing for the creation and appointment of the Utility and Infrastructure Board; and

**WHEREAS**, the City Council now desires to amend said ordinance to provide for the appointment of alternate members on the board.

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

### SECTION 1.

Subsection (b)(1) of Section 23-33 "Utility and infrastructure board" of Article II "Municipal Water System" of Chapter 23 "Water, Sewers and Sewage Disposal" of the Kennedale City Code is hereby amended to read as follows:

#### **Sec. 23-33. – Utility and infrastructure board.**

\* \* \*

#### **(b) *Membership.***

(1) The board shall consist of seven (7) regular members, designated by Places 1 through 7, who shall be appointed by a majority vote of the city council. Places 1, 3, 5, and 7 shall serve two (2) year terms expiring October 1 of odd numbered years and Places 2, 4, and 6 shall serve two (2) year terms expiring October 1 of even numbered years. The city council may also appoint by majority vote two (2) alternate members, designated as Places 8 and 9 who shall serve in the absence of one or more regular members. Place 8 shall be appointed to an initial term expiring October 1, 2020. Place 9 shall be appointed to an initial term expiring October 1, 2019. Thereafter the terms for each alternate place shall be two (2) years.

\* \* \*

## SECTION 2.

This Ordinance shall be cumulative of all other ordinances of the City of Kennedale, and shall not repeal any of the provisions of such ordinance except in those instances when provisions of such ordinances are in direct conflict with the provisions of this ordinance, in which event the conflicting provisions of such ordinances are hereby repealed.

### SECTION 3.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

## SECTION 4.

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

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THE 11<sup>th</sup> DAY OF DECEMBER, 2018.

**APPROVED:**

  
MAYOR, BRIAN JOHNSON

ATTEST:

*Leslie Galloway*  
CITY SECRETARY, LESLIE GALLOWAY



APPROVED AS TO FORM AND LEGALITY:

W/De  
CITY ATTORNEY

Sec. 23-33. - Utility and infrastructure board.

- (a) *Creation and purpose.* There is hereby created and established a utility and infrastructure board. Such board shall be officially designated as the utility and infrastructure board of the City of Kennedale, Texas. The board shall provide recommendations and advice to the city council on policies, projects, and other matters pertaining to the water and wastewater system, the storm water utility system, the street/transportation system, and the solid waste collection system.
- (b) *Membership.*
  - (1) The board shall consist of seven (7) regular members, designated by Places 1 through 7, who shall be appointed by a majority vote of the city council. Places 1, 3, 5, and 7 shall serve two (2) year terms expiring October 1 of odd numbered years and Places 2, 4, and 6 shall serve two (2) year terms expiring October 1 of even numbered years. The city council may also appoint by majority vote two (2) alternate members, designated as Places 8 and 9 who shall serve in the absence of one or more regular members. Place 8 shall be appointed to an initial term expiring October 1, 2020. Place 9 shall be appointed to an initial term expiring October 1, 2019. Thereafter the terms for each alternate place shall be two (2) years.
  - (2) Members must meet the following qualifications:
    - a. Be a registered voter of the city;
    - b. Shall have resided in the corporate limits of the city for at least one (1) year; and
    - c. Shall continue residency in the city during the term of office.
  - (3) The city council shall appoint a replacement to fill any vacancy for the unexpired term of a member whose place has become vacant.
  - (4) The city council shall have the authority to remove any member at any time, with or without cause.
- (c) *Organization, rules, and requirements.*
  - (1) By November of each year, the membership shall determine, by simple majority vote, a chair and vice chair. The terms of the chair and vice chair shall be one (1) year. It will be the duty of the chair to preside over meetings. If the chair is absent the vice chair shall assume the duties of the office.
  - (2) Members of the board shall meet at least six (6) times per year, on a regular day and time selected by its members. The chair may call special meetings as necessary.
  - (3) The board shall conduct meetings and govern its proceedings according to the city council's adopted rules of order, abide by the Texas Open Meetings Law, and shall keep a record of its proceedings, including votes and attendance, and shall submit these records to the city secretary's office.
  - (4) Members of the board shall not take any action unless a quorum is present. A quorum shall consist of four (4) members. Each member, including the chair, is entitled to one (1) vote, and action of the board shall require a majority of those members present.

- (5) The city manager shall designate a city employee to serve as staff liaison to the board.
  - (6) Members of the board shall receive one dollar (\$1.00) for each regular meeting attended as compensation for the performance of their duties, but no compensation shall be paid for special meetings. In addition, members may receive reimbursement of authorized expenses attendant to the performance of their duties.
- (d) Powers and duties.
- (1) This board is advisory only and shall not have any decision-making authority.
  - (2) The board shall have the following duties:
    - a. To make studies and project plans for the city's water and wastewater system; solid waste collection system; streets/transportation system; and storm water utility system, including erosion controls and improvements along Village Creek tributaries and improvements to the main branch of Village Creek;
    - b. To aid and assist the city in the procuring of financial and other aids and assistance for the city from the state and federal governments and their agencies for each and all the purposes herein enumerated;
    - c. To act with and assist all other municipal boards, governmental agencies, regional associations and the city council in formulating proper plans for utility infrastructure development;
    - d. To plan and recommend capital improvement projects (CIP) related to the water and wastewater utility, storm water utility, streets and transportation, and solid waste utility;
    - e. To recommend general rules and regulations governing use of water and wastewater utilities, storm water utility, streets and transportation, and solid waste collection;
    - f. To accomplish these duties, the board may establish subcommittees as necessary. Any subcommittee shall be chaired by a utility and infrastructure board member, and an unspecified number of community volunteers may be chosen by the commission as working subcommittee members.

( Ord. No. 614, §§ 1-4, 10-17-16; Ord. No. 656, § 1, 12-11-18)

**DATE:** September 17, 2019

**AGENDA ITEM:** WORK SESSION ITEM C.

**SUBJECT:**

Discussion of contracting with Chute 2 Productions to hold the "Kennedale Western Festival", a Professional bull riding event with various vendors to be held on Saturday, November 9, 2019 in TownCenter, at a cost of \$15,000.00

**ORIGINATED BY:**

Larry Hoover, Public Works Director

**SUMMARY:**

Chute 2 Productions produces annual professional bull riding events in North Texas Cities including Lake Worth, Granbury, Springtown, Nevada, Princeton, Wylie and Haslet — each of which have experienced increasing revenues as the event grows in popularity over the years. The provided arena is portable and can be adjusted to accommodate almost any location and provide a safe event. As outlined in the contract, Kelly Clark and Chute 2 Productions would provide advertising, livestock, an arena, and personnel for the event; and the City would provide a location, electricity (200 amps), sand for the arena floor, a standby Ambulance/EMT, fencing for ticketed entrances, and lighting if needed. Public Works staff would assist Chute 2 with any necessary set-up (including fencing to direct the public to the entrance) and assist in directing parking. Parks Board members will be available to collect money at the gates. The attached contract is a draft provided by Chute 2, which has not yet been fully reviewed by the City Attorney, but is almost certainly insufficient to protect the City from the potential losses or liabilities related to such an event.

Mr. Kelly Clark has provided a brief slide presentation with photos from his events (events).

At their August 7, 2019 Regular Meeting, the Parks and Recreation Board received a presentation from Mr. Clark and voted unanimously to recommend hosting such an event in Kennedale. The Board would also recommend charging \$5.00 for admission, with children 12 and under being free. However, during their September 4, 2019 Regular Meeting, the Parks Board continued their discussion of this potential event, and expressed concern regarding several factors including the lack of funding, the total budget required (including items and staffing outside of those provided by the contract), and the lack of lead time to plan and publicize such an event. Following that meeting, staff understood that it was the consensus of the Parks Board that the event might be better suited as a portion of a larger event (rather than an event unto itself) possibly during 2020 (to allow more time for development and promotion). However, no additional or substituted formal recommendation was made by the Board.

Mr. Craig Hughes, Managing Principal of Hughes Commercial Texas, was not in favor of hosting the event on an undeveloped lot in TownCenter. A second potential location is Sonora Park. However, challenges could include its isolation from the business center, very limited parking (coupled with the significant cost and logistical hardship of providing and managing a transportation system to available parking), and the potential inconvenience to adjacent residents including those at the senior living facility.

There is currently no funding allocated for this event, and with a cost of \$5.00 per person (over age 12), an attendance of 4,000 people ages 13+ would be necessary to cover the costs of this event, which is estimated at ~\$20,000 (\$15,000 for the contract, plus additional costs for materials and staffing, which are estimated at \$4,000 to \$5,000).

Staff reached out to some of the other Cities who have hosted this event to gather feedback, which is summarized as

follows:

- The Granbury Convention and Visitors Bureau stated that they "highly recommend them and even advertise 'Visit Granbury' in the arena as a sponsor for Chute 2".
- The City of Lake Worth stated that "the City recently became more involved with the event, as the Lions Club used it as a fund raiser previously. They did have an issue with some damage last year, so they invoiced him for the repairs, which he paid. They are looking forward to this year's event and they have no concerns with Chute 2."
- The City of Springtown stated that "the City has actually had a great deal of success in working with Chute 2 Productions. We have found them easy to work with and they work hard to make sure their events stay well within our ordinances. All the events that they have worked with us and our local chamber of commerce has always proved to be successful. Based on my past experiences with Chute 2, I would recommend them without hesitation."

**RECOMMENDATION:** Postpone

Staff recommends that the City continues to evaluate this proposal for consideration in 2020, allowing sufficient time to vet all issues and negotiate an acceptable contract for consideration by the City Council.

**ATTACHMENTS:**

|    |                                                           |                                                               |
|----|-----------------------------------------------------------|---------------------------------------------------------------|
| 1. | 2019_08.07 Chute 2 Presentation to Parks Board            | 2019_08.07 Chute 2 Presentation to Parks Board.pdf            |
| 2. | Chute 2 Provided Contract Kennedale Western Festival 2019 | Chute 2 Provided Contract Kennedale Western Festival 2019.pdf |





Kelly Clark    817-228-2474    Springtown, Texas





Granbury



Granbury





Granbury 2019



Texas Music Revolution, Plano







Wylie First Baptist 2019



Lone Star Shootout, Nevada



Haslet Open Bull Riding



Haslet Open Bull Riding





Haslet Open Bull Riding



Haslet Open Bull Riding



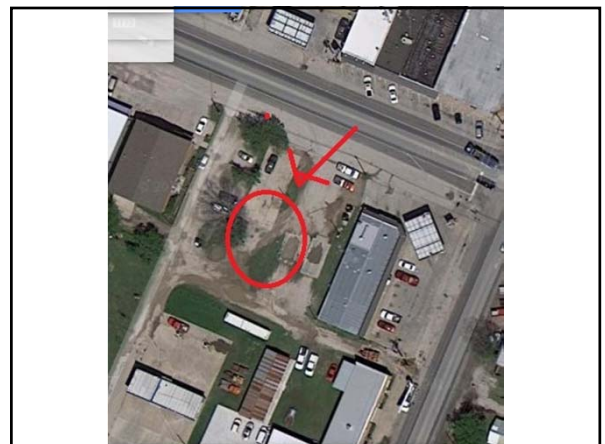
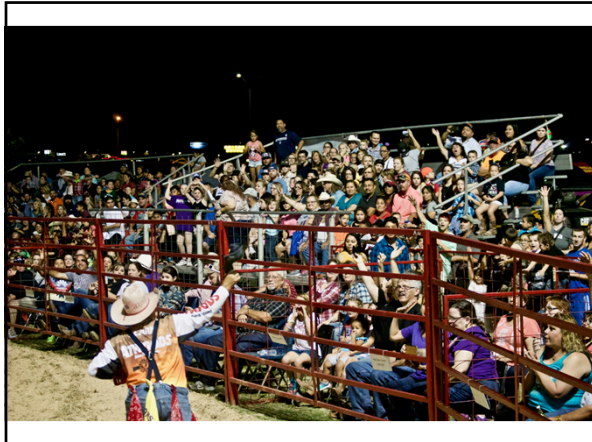
Haslet Open Bull Riding



PBR World Champion Ednie Caminhas, Brazil



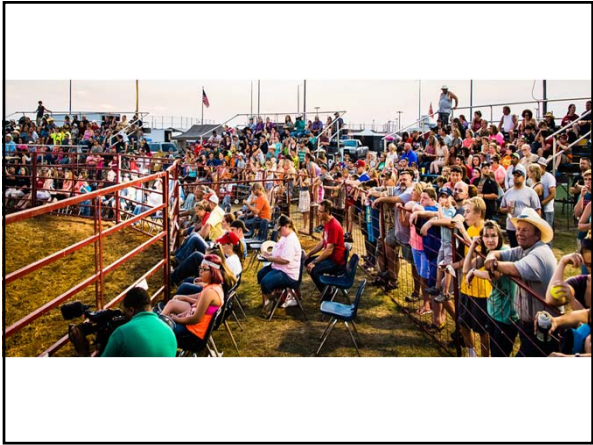
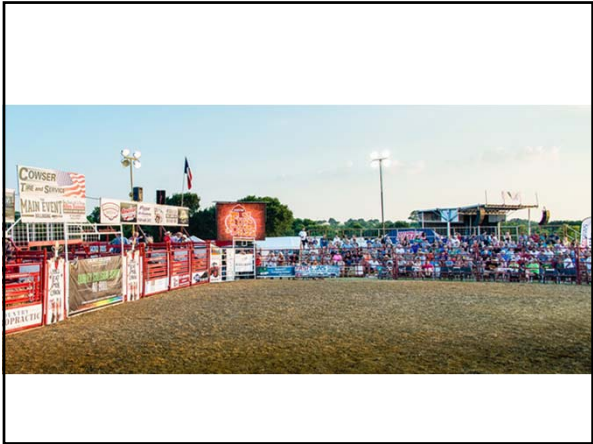






















## Chute 2 Productions 2019 Schedule of Shows

|                                                                                                                                         |                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Sixth Annual Bull Riding on the Beach March 16</p> |  <p>10<sup>th</sup> Annual Haslet Wild West Fest</p> |
|  <p>24th Annual Texas Music Revolution and Rodeo</p> |  <p>35 Annual Springtown Wild West Fest</p>         |
|  <p>Second Annual First Baptist Wylie Rodeo</p>      |  <p>Seventh Annual Bull Frog West Fest</p>          |
|  <p>Third Annual Lone Star Shootout</p>              |  <p>Fifth Annual Princeton Fall Fest</p>            |

## Kennedale Western Festival 2019

Agreement between Kelly Clark and the City of Kennedale , Texas to produce a Bull Riding show in Kennedale, Texas November 9 ,2019.

Kelly Clark will provide the following to produce said Bull Riding event:

- 1.) Bulls and Riders for event
- 2.) Announcers for event
- 3.) Official Judges for Bull Riding Competitions
- 4.) Bull Fighters and Clown for Cowboy protection and entertainment
- 5.) Advertising for Bull Riding event
- 6.) Panel sled for animal removal in event of animal injury
- 7.) Secretary / Timer for bull riding event
- 8.) Music and Sound
- 9.) Calves and for kid events
- 10.) Awards for event
- 11.) All Arena advertising will be paid directly to Kelly Clark
- 12.) No other advertising allowed in arena except through Mr. Clark
- 13.) All arena video content is sole property of Kelly Clark

Committee will provide:

- 1.) Event location
  - 2.) Electricity to arena 200 amps
  - 3.) Sand for Arena area
  - 4.) Ambulance / EMT
  - 5.) Lighting if needed
- \$ 15,000.00 paid to Kelly Clark

Payment schedule of \$5,000.00 on signing contract  
Balance of \$ 10,000.00 to be paid on or before November 1, 2019.

**City of Kennedale** Representative

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

Kelly Clark 817-228-4274

1601 Mc Void Road Springtown, TX 76082 chute2productions@gmail.com

**WARNING UNDER TEXAS LAW (CHAPTER 87, CIVIL PRACTICE AND REMEDIES CODE), A FARM ANIMAL PROFESSIONAL IS NOT LIABLE FOR AN INJURY TO OR THE DEATH OF A PARTICIPANT IN FARM ANIMAL ACTIVITIES RESULTING FROM THE INHERENT RISKS OF FARM ANIMAL ACTIVITIES.**

**DATE:** September 17, 2019

**AGENDA ITEM:** WORK SESSION ITEM D.

**SUBJECT:**

Continued discussion regarding the City Manager's Proposed Fiscal Year 2019–2020 annual budget

**ORIGINATED BY:**

George Campbell, City Manager  
Lakeita Sutton, Director of Finance and Information Technology

**SUMMARY:**

At this time, the Council may continue any discussion regarding the FY19–20 Proposed Budget and Tax Rate, and staff will, again, be available to answer questions.

A draft of the Proposed FY19–20 Budget was distributed to the Council on Tuesday, August 6, before being presented by City Manager George Campbell during a Special Meeting on Thursday, August 8. The final version of the Proposed FY19–20 Budget was filed with the City Secretary's Office on Monday, August 12 (and is available for public inspection either in person or via [www.cityofkennedale.com/budget](http://www.cityofkennedale.com/budget)). It was distributed to the Council on Friday, August 16, along with an Informal Staff Report (attached) outlining the sources and outcome of changes in proposed amounts. Discussion of the Budget continued during the Work Session of the Tuesday, August 20 Regular Meeting. A second Informal Staff Report (also attached) was sent to the Council on Wednesday, August 28, addressing questions from Council during that meeting. Public Hearings were held on Thursday, September 5 (on the budget and the tax rate) and on Friday, September 13 (on the tax rate only). For your reference, staff's presentation from the Thursday, September 5 Public Hearing on the Proposed FY19–20 Budget is attached (with updated dates and one correction to slide 9 regarding the ending fund balance of the Stormwater Fund, as discussed during that meeting).

**The only additional update to the FY 19–20 Proposed Budget is the receipt of the proceeds from the 2019 Tax Notes.** The Capital Bond Fund budget (attached) has been updated to recognize the \$1,957,00 that the City anticipates receiving before the end of FY18–19, which will improve the Fund Balance of the Capital Bond Fund for both FY18–19 and FY19–20. The ending fund balance for FY19–20 is now projected to be \$1.8 million.

The Council can elect to spend the proceeds at any time for the purposes stated in Ordinance 670, which approved the debt issuance:

*"(I) acquiring land for parks and a future public safety facility,  
(II) constructing street improvements in various locations in the city, together with curbs, gutters, sidewalks, utility relocation and/or drainage improvements incidental thereto,  
(III) acquiring rights of way for existing and future streets, and  
(IV) paying professional services related to the design, construction, project management and financing of such projects"*

**RECOMMENDATION:**

**ATTACHMENTS:**

|    |                                                                 |                                                                    |
|----|-----------------------------------------------------------------|--------------------------------------------------------------------|
| 1. | <b>**NEW**</b> FY19–20 Capital Bond Fund Proposed Budget Update | FY19–20 Capital Bond Fund Proposed Budget Update.pdf               |
| 2. | 2019_09.13 Proposed Budget 2019-2020 PPT for Pub Hearing        | 2019_09.13 Proposed Budget 2019-2020 PPT for Pub Hearing.pdf       |
| 3. | 2019_08.16 ISR FY19-20 Proposed Budget                          | 2019_08.16 ISR FY19-20 Proposed Budget.pdf                         |
| 4. | 2019_08.28 ISR Budget Questions From 8.20 Council Work Session  | 2019_08.28 ISR Budget Questions From 8.20 Council Work Session.pdf |

**FISCAL YEAR 2019-2020 PROPOSED BUDGET**  
**CAPITAL BOND FUND**

| 13-CAPITAL BOND FUND                        |                                 | 2016-2017 | 2017-2018 | 2018-2019    | 2018-2019    | 2019-2020    |
|---------------------------------------------|---------------------------------|-----------|-----------|--------------|--------------|--------------|
|                                             |                                 | ACTUAL    | ACTUAL    | APPROVED     | PROJECTED    | PROPOSED     |
| <b>REVENUES</b>                             |                                 |           |           |              |              |              |
| 13-4401-00-00                               | INVESTMENT INCOME               | \$ -      |           | \$ -         | 10,770       | 500          |
| 13-4902-00-00                               | PROCEEDS-DEBT/LOAN/LEASE        | \$ -      |           |              | 736,450      | -            |
| 13-4903-00-00                               | 2019 TAX NOTES                  |           |           |              | 1,957,000    | -            |
| <b>TOTAL REVENUES</b>                       |                                 | \$ -      | \$ -      | \$ -         | \$ 2,704,220 | \$ 500       |
| <b>FUND EXPENDITURES</b>                    |                                 |           |           |              |              |              |
| 13-5625-03-00                               | ENGINEERING SVCS PENNSYLV       | -         | -         | -            | 5,186        | -            |
| 13-5625-07-00                               | ENGINEERING SVCS BOWMAN SPRINGS | -         | -         | -            | 81,615       | -            |
| 13-5850-08-00                               | TX DOT BRIDGE PROJECT           |           |           | 570,000      | -            | 570,000      |
| 13-5851-09-00                               | SAFE ROUTES TO SCHOOL           |           |           | 165,000      | -            | 165,000      |
| <b>TOTAL FUND EXPENDITURES</b>              |                                 | \$ -      | \$ -      | \$ 735,000   | \$ 86,801    | \$ 735,000   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   |                                 | \$ -      | \$ -      | \$ (735,000) | \$ 2,617,419 | \$ (734,500) |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                                 |           |           |              |              |              |
| TRANSFERS IN (OUT)                          |                                 | -         | -         | -            | -            | -            |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> |                                 | -         | -         | -            | -            | -            |
| <b>NET CHANGE IN FUND BALANCE</b>           |                                 | \$ -      | \$ -      | \$ (735,000) | \$ 2,617,419 | \$ (734,500) |
| RESTRICTED FUND BALANCE, OCT 1              |                                 | -         | -         | -            | -            | 2,617,419    |
| <b>RESTRICTED FUND BALANCE, SEP 30</b>      |                                 | \$ -      | \$ -      | \$ (735,000) | \$ 2,617,419 | \$ 1,882,919 |



# PROPOSED BUDGET HIGHLIGHTS FISCAL YEAR 2019–20

SEPTEMBER 13, 2019 AT 2:00 P.M.  
CITY COUNCIL WORK SESSION

## Major Assumptions & Highlights

### **GENERAL FUND**

- 9% increase in property valuations
- One-cent property tax increase
- Implementation of compensation and pay plan for City staff

# Major Assumptions & Highlights

## GENERAL FUND (cont.)

- 4.5% increase in health insurance costs
- Projected drawdown of \$854,694
- 7.94% Fund Balance as a Percentage of Expenditures

# Budget Enhancements

## GENERAL FUND

- |                                                                                    |                  |
|------------------------------------------------------------------------------------|------------------|
| ▪ General Fund Salary Improvements<br><i>(Additional \$30,000 in Streets Fund)</i> | <b>\$320,000</b> |
| ▪ Breathing Apparatus (Fire Dept.)                                                 | <b>\$40,830</b>  |
| ▪ 4.5% Health Insurance Increase                                                   | <b>\$17,376</b>  |
| ▪ One Additional Police Officer                                                    | <b>\$95,714</b>  |
| ▪ Planner I Position                                                               | <b>\$56,208</b>  |
| ▪ Office Space in Library                                                          | <b>\$14,000</b>  |
| ▪ Employee Assistance Program                                                      | <b>\$1,746</b>   |



# General Fund Expenditures

|                           | FY16-17<br>ACTUAL   | FY17-18<br>ACTUAL   | FY18-19<br>APPROVED | FY18-19<br>PROJECTED | FY19-20<br>PROPOSED |
|---------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| City Manager              | \$ 356,066          | \$ 361,526          | \$ 365,464          | \$ 335,716           | \$ 347,179          |
| Mayor/City Council        | 129,553             | 158,562             | 177,323             | 174,422              | 186,444             |
| City Secretary            | 152,017             | 130,434             | 164,073             | 173,982              | 167,322             |
| Municipal Court           | 110,036             | 89,729              | 108,148             | 99,072               | 110,778             |
| Human Resources           | 123,083             | 165,221             | 104,909             | 103,537              | 104,931             |
| Finance                   | 293,954             | 341,383             | 358,365             | 316,745              | 378,601             |
| Police                    | 2,056,591           | 2,119,441           | 2,604,764           | 2,371,491            | 2,432,866           |
| Police SRO                | 133,728             | 142,259             | 155,077             | 149,258              | 158,144             |
| Fire                      | 1,679,349           | 1,727,193           | 1,907,680           | 1,915,356            | 2,095,168           |
| Community Development     | 305,758             | 337,991             | 371,590             | 380,707              | 395,323             |
| Senior Citizen Center     | 66,084              | 49,895              | 54,528              | 53,244               | 63,376              |
| Library                   | 284,790             | 311,250             | 268,259             | 276,626              | 276,629             |
| Non-Departmental          | 504,400             | 390,256             | 511,749             | 429,572              | 519,887             |
| Health Insurance Increase |                     |                     |                     |                      | 17,376              |
| Salary Improvements       |                     |                     |                     |                      | 320,000             |
| New Programs/Resources    |                     |                     |                     |                      | 208,498             |
| <b>Total Expenditures</b> | <b>\$ 6,195,408</b> | <b>\$ 6,325,141</b> | <b>\$ 7,151,929</b> | <b>\$ 6,779,728</b>  | <b>\$ 7,782,522</b> |

## Tax Rates

- Current Tax Rate: \$0.725714/\$100
- Proposed Tax Rate: \$0.734970/\$100
- Maximum Rate Council Can Adopt\*:  
\$0.734971/\$100
- Rollback Tax Rate: \$0.734971/\$100
- Effective Tax Rate: \$0.688321/\$100

*\*Without possibility of a rollback election*



# Major Assumptions & Highlights

## WATER AND SEWER FUND

- Arlington contracts in place
- \$220,000 for FATHOM early release (one-time expense)
- Increase franchise fee to Street Fund from 5% to 7% (\$77,000)
- Water/Sewer renewal for Linda Road (\$300,000)
- Working Capital 31.2%
- No Water/Sewer Rate Increase

# Major Assumptions & Highlights

## STREET IMPROVEMENT FUND

- Increase franchise fee transfer to Streets from the Water/Sewer Fund (from 5% to 7%)
  - *Adds approximately \$77,000 in revenue*
- Recommended adoption of Street Maintenance Fee (Similar to Stormwater Fee)

# Major Assumptions & Highlights

## STORMWATER FUND

- Recommend increasing Stormwater Fee from \$3.50 to \$4.50 *(as a part of originally planned step program)*
  - Adds approximately \$33,200 in revenue
- Cost of needed drainage projects: \$1,009,371
- Proposed Budget includes \$866,787 drawdown, leaving an ending fund balance of \$354,890

## Next Steps

- **TODAY: FRIDAY, SEPTEMBER 13 AT 2:00 P.M.**  
Public Hearing on Tax Rate
- **TUESDAY, SEPTEMBER 17**  
Regular Meeting to Adopt Budget and Tax Rate



# INFORMAL STAFF REPORT

## *to the Mayor and City Council*

**DATE:** Friday, August 16, 2019

**SUBJECT:** FY19–20 Proposed Budget

**ORIGINATED BY:** Lakeita Sutton, Finance Director

On Thursday, August 8, 2019, a draft of the FY19–20 Proposed Budget was presented to Council by City Manager George Campbell at a Special Session. During that meeting, staff noted that adjustments to some of the proposed amounts would likely be necessary upon the receipt of pending information from external sources including the City’s health insurance provider.

The final version of the FY19–20 Proposed Budget was filed with the City Secretary’s Office on Monday, August 12, and is now being distributed to Council under cover of this Informal Staff Report. It is also available for public inspection at [www.cityofkennedale.com/budget](http://www.cityofkennedale.com/budget).

The second page of this report outlines the sources of each adjustment (by fund) along with the effect on Fund Balance projections.

Discussion regarding the FY19–20 Proposed Budget is scheduled to continue during the Work Session of Council’s Tuesday, August 20 Regular Meeting.

**GENERAL FUND**

|                                     | Previously Proposed Amount | Updated Proposed Amount | \$ Change |
|-------------------------------------|----------------------------|-------------------------|-----------|
| Health Care Increased Cost          | \$ 9,125                   | \$ 17,376               | \$ 8,251  |
|                                     |                            |                         | \$ -      |
| Total Expenditures                  | \$ 7,774,271               | \$ 7,782,522            | \$ 8,251  |
|                                     |                            |                         | \$ -      |
| Fund Balance Draw Down              | \$ 854,694                 | \$ 862,945              | \$ 8,251  |
|                                     |                            |                         |           |
| Fund Balance as a % of Expenditures | 8.05%                      | 7.94%                   |           |

**WATER SEWER FUND**

|                                     | Previously Proposed Amount | Updated Proposed Amount | \$ Change |
|-------------------------------------|----------------------------|-------------------------|-----------|
| Water Utility M&O City of Arlington | 1,175,000                  | 1,075,000               | (100,000) |
|                                     |                            |                         | -         |
| Total Expenditures                  | 4,450,939                  | 4,350,939               | (100,000) |
|                                     |                            |                         |           |
| Fund Balance Draw Down              | 422,608                    | 322,608                 | (100,000) |
|                                     |                            |                         |           |
| Fund Balance as a % of Expenditures | 28.31%                     | 31.26%                  |           |

**TIRZ/TIF FUND**

|                      | Previously Proposed Amount | Updated Proposed Amount | \$ Change |
|----------------------|----------------------------|-------------------------|-----------|
| Engineering Services | 10,000                     | -                       | (10,000)  |
|                      |                            |                         | -         |
| Total Expenditures   | 10,000                     | -                       | (10,000)  |

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**SHOULD YOU HAVE ANY QUESTIONS REGARDING THIS REPORT, PLEASE CONTACT FINANCE DIRECTOR LAKEITA SUTTON AT 817-985-2110 OR [LSUTTON@CITYOFKENNEDEALE.COM](mailto:LSUTTON@CITYOFKENNEDEALE.COM).**

# INFORMAL STAFF REPORT

## *to the Mayor and City Council*

**DATE:** Wednesday, August 28, 2019

**SUBJECT:** Budget Questions from the August 20, 2019 City Council Work Session

**ORIGINATED BY:** Lakeita Sutton, Finance Director

During the Work Session of the Tuesday, August 20 City Council meeting, Councilmember Rhodes had several questions regarding the FY19–20 Proposed Budget. Below you will see those questions, as understood by staff, as well as the answers to each.

Of note, the page numbers cited within this report reference the page numbers as marked (e.g., *the page marked 18 is the 24<sup>th</sup> page of the PDF*) in the Proposed Budget that was filed with the City Secretary on Monday, August 12, and is available to the public at [cityofkennedale.com/budget](http://cityofkennedale.com/budget) (rather than the hardcopy draft distributed to the Council on Tuesday, August 6). The page numbers are similar in each, but not identical.

On page 18, in the “All Funds Expenditure Summary”, why is there a \$10,000 expenditure included for the TIF Fund for FY19–20, when no correlating expenditure is shown on the individual budget sheet for the TIF?

The \$10,000 should have been removed from the “All Funds Expenditure Summary” (as it was on the budget sheet) since this is not being proposed for FY19–20. Staff will make this correction before presenting an updated budget document for consideration by the Council.

On page 21, why is there such a large difference between the FY18–19 Budgeted and FY18–19 Projected “Miscellaneous Income” line item?

Landfill revenue should be received by the Capital Projects Fund. However, in FY18–19, \$83,000 in landfill revenue was erroneously budgeted to be received by the General Fund instead. This error was recognized and corrected before calculating the FY18–19 projection. For FY19–20, the landfill revenue is appropriately budgeted to be received into the Capital Projects Fund.

On page 28, what caused the increase in the Mayor/Council “Special Services” line item for FY19–20?

The \$6,350 difference (from FY18–19) reflects the cost of a consultant/facilitator for the City Council’s annual retreat. This expense was previously paid from the City Manager’s budget. However, since it is a City Council expense, it is appropriately being budgeted there for FY19–20. In the event the expense is not incurred in FY 19–20, a savings will be recognized.

On page 47, why did gas services increase from \$1,800 in FY18–19 to \$2,500 in FY19–20?

The previous two years have shown an annual increase of approximately \$400 for natural gas service to the Senior Center. For FY18–19, this line item was under-budgeted at \$1,100. Staff estimates that the \$2,500 budgeted for FY19–20 will account for both the historical increase plus ongoing inflation.

On page 51, why is the budgeted \$65,000 transfer from the General Fund to the Capital Replacement Fund not included in the FY18–19 projection?

The Capital Replacement Fund has sufficient funding to support all budgeted needs for the remainder of FY18–19. Therefore, in an effort to offer relief to the General Fund, staff proposes to delay this transfer (originally budgeted to occur in FY18–19) until FY19–20. The Funds will be used in FY19–20 for information technology (IT) and/or vehicle replacements as needed. In the event that the expense is not incurred in FY19–20, the General Fund will, again, be provided relief and savings will be recognized.

On page 54, why is the Police Personnel increasing by three positions in FY19–20?

The original personnel budget included all three of the additional requested patrol officers. However, the final Proposed Budget recommended by the City Manager for FY19–20 reflects the addition of just one of these positions (for a total of 22 FTEs (Full-Time Equivalents)) for FY19–20. Staff will make this correction before presenting an updated budget document for consideration by the Council.

On page 64, what does the \$10,780 in the Enterprise Lease Senior Center line item cover?

This amount covers the leased van for the Senior Center, which — as was discussed at the August 20 meeting — does not include a lift.

On page 67, why did Drainage Improvements increase from \$47,993 (FY18–19) to \$1,009,371 (FY19–20)?

Several drainage projects (including pipe rehabilitation on Hilltop Court and improvements along Pennsylvania Avenue) are budgeted in FY19–20 as a part of the Five-Year Stormwater Capital Projects Plan. However, during the discussion on August 20, it was determined that some of the projects originally included in the FY19–20 Proposed Budget will actually be funded with proceeds from the 2018 Tax Note. Therefore, the “Drainage Improvement” line item for FY19–20 will be updated to \$427,000 (instead of \$1,009,371). As a result, the drawdown of the Stormwater Utility Fund for FY19–20 will decrease from \$866,878 to \$284,416, with a projected ending Fund Balance of \$937,261, providing additional opportunity for drainage improvements in FY 19–20.



On page 78, why did the Temporary Part Time line item in the Streets Fund increase significantly from FY18–19 to FY19–20?

There are currently three employees budgeted in the Streets Fund that were previously positions in the Water/Sewer Fund. This change occurred as a result of the maintenance and operations functions within Water/Sewer Fund being transferred to the City of Arlington in March 2019.

On page 94, why are there two “Misc-Income Paver” line items in the Park Dedication Fund?

These two line items represent identical object codes being utilized in two different fiscal years. One of the line items will cease to appear in future years, but is still needed at this time for accounting purposes.

Regarding renovations at the Senior Center:

There are no funds allocated in the FY19–20 Budget for this project. However, estimates are expected to be available in the near future. Funding options will then be considered and recommended to Council as appropriate.

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**DATE:** September 17, 2019

**AGENDA ITEM:** WORK SESSION ITEM E.

**SUBJECT:**

Discussion of items on the regular agenda

**ORIGINATED BY:**

George Campbell, City Manager

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

**RECOMMENDATION:**

**ATTACHMENTS:**

**DATE:** September 17, 2019

**AGENDA ITEM:** REPORTS AND ANNOUNCEMENTS ITEM A.

**SUBJECT:**

Updates from the City Council

**ORIGINATED BY:**

George Campbell, City Manager

**SUMMARY:** Updates and information from each of the Councilmembers, if any.

**RECOMMENDATION:**

**ATTACHMENTS:**

**DATE:** September 17, 2019

**AGENDA ITEM:** REPORTS AND ANNOUNCEMENTS ITEM B.

**SUBJECT:**

Updates from the Mayor

**ORIGINATED BY:**

George Campbell, City Manager

**SUMMARY:** Updates and information from Mayor Brian Johnson, if any

**RECOMMENDATION:**

**ATTACHMENTS:**

**DATE:** September 17, 2019

**AGENDA ITEM:** REPORTS AND ANNOUNCEMENTS ITEM C.

**SUBJECT:**

Updates from the City Manager

**ORIGINATED BY:**

George Campbell, City Manager

**SUMMARY:** Updates and information from City Manager George Campbell, if any.

**RECOMMENDATION:**

**ATTACHMENTS:**



**DATE:** September 17, 2019

**AGENDA ITEM:** MONITORING INFORMATION ITEM A.

**SUBJECT:**

Monthly Financials for August 2019

**ORIGINATED BY:**

Lakeita Sutton, Director of Finance and Information Technology

**SUMMARY:** Monthly financials and sales tax update as produced by the Finance Department.

**RECOMMENDATION:**

**ATTACHMENTS:**

|    |                                           |                                               |
|----|-------------------------------------------|-----------------------------------------------|
| 1. | 2019_08 Expenditure Summary by Department | 2019_08 Expenditure Summary by Department.pdf |
| 2. | 2019_08 Revenue Summary by Fund           | 2019_08 Revenue Summary by Fund.pdf           |
| 3. | 8- 2019 SALES TAX COMPARISON              | 8- 2019 SALES TAX COMPARISON.pdf              |

**CITY OF KENNEDALE**  
**ANNUAL PROGRAM OF SERVICES**  
**August 2019**

EXPENDITURE SUMMARY BY DEPARTMENT

| GENERAL FUND          | FY17-18<br>YTD | FY17-18<br>ACTUAL | FY18-19<br>ADOPTED | CURRENT<br>MONTH | FY18-19<br>YTD | % OF PY ACTUAL<br>EXPENSED | % OF CY BUDGET<br>EXPENSED | BUDGET<br>REMAINING |
|-----------------------|----------------|-------------------|--------------------|------------------|----------------|----------------------------|----------------------------|---------------------|
| CITY MANAGER          | \$ 324,881     | \$ 363,210        | \$ 365,464         | \$ 39,876        | \$ 298,084     | 89.4%                      | 81.6%                      | \$ 67,380           |
| MAYOR/CITY COUNCIL    | \$ 128,269     | \$ 158,561        | \$ 177,323         | \$ 26,791        | \$ 183,377     | 80.9%                      | 103.4%                     | \$ (6,054)          |
| CITY SECRETARY        | \$ 116,294     | \$ 130,433        | \$ 164,073         | \$ 15,769        | \$ 145,053     | 89.2%                      | 88.4%                      | \$ 19,020           |
| MUNICIPAL COURT       | \$ 81,794      | \$ 65,492         | \$ 108,148         | \$ 9,340         | \$ 90,264      | 124.9%                     | 83.5%                      | \$ 17,884           |
| HUMAN RESOURCES       | \$ 151,413     | \$ 165,966        | \$ 104,909         | \$ 13,976        | \$ 87,792      | 91.2%                      | 83.7%                      | \$ 17,117           |
| FINANCE               | \$ 314,744     | \$ 341,293        | \$ 358,365         | \$ 28,733        | \$ 314,568     | 92.2%                      | 87.8%                      | \$ 43,797           |
| POLICE                | \$ 1,979,489   | \$ 2,257,421      | \$ 2,759,841       | \$ 304,604       | \$ 2,339,814   | 87.7%                      | 84.8%                      | \$ 420,027          |
| FIRE                  | \$ 1,544,108   | \$ 1,744,007      | \$ 1,907,680       | \$ 196,343       | \$ 1,726,195   | 88.5%                      | 90.5%                      | \$ 181,485          |
| COMMUNITY DEVELOPMENT | \$ 272,067     | \$ 338,010        | \$ 372,090         | \$ 39,425        | \$ 316,063     | 80.5%                      | 84.9%                      | \$ 56,027           |
| SENIOR CITIZEN CENTER | \$ 44,199      | \$ 49,877         | \$ 54,028          | \$ 6,206         | \$ 43,184      | 88.6%                      | 79.9%                      | \$ 10,844           |
| LIBRARY               | \$ 259,877     | \$ 311,250        | \$ 268,259         | \$ 30,946        | \$ 247,831     | 83.5%                      | 92.4%                      | \$ 20,428           |
| NONDEPARTMENTAL       | \$ 308,301     | \$ 414,496        | \$ 511,749         | \$ 15,708        | \$ 407,016     | 74.4%                      | 79.5%                      | \$ 104,733          |
| TOTAL EXPENDITURES    | \$ 5,525,436   | \$ 6,340,016      | \$ 7,151,929       | \$ 727,717       | \$ 6,199,241   | 87.2%                      | 86.7%                      | \$ 952,688          |

| WATER/SEWER FUND   | FY17-18<br>YTD | FY17-18<br>ACTUAL | FY18-19<br>ADOPTED | CURRENT<br>MONTH | FY18-19<br>YTD | % OF PY BUDGET<br>EXPENSED | % OF CY BUDGET<br>EXPENSED | BUDGET<br>REMAINING |
|--------------------|----------------|-------------------|--------------------|------------------|----------------|----------------------------|----------------------------|---------------------|
| UTILITY BILLING    | \$ 1,063,142   | \$ 1,412,952      | \$ 1,293,973       | \$ 118,506       | \$ 1,161,091   | 75.2%                      | 89.7%                      | \$ 132,882          |
| WATER OPERATIONS   | \$ 1,169,014   | \$ 1,324,784      | \$ 1,576,197       | \$ 189,244       | \$ 1,132,653   | 88.2%                      | 71.9%                      | \$ 443,544          |
| DEBT               | \$ 509,735     | \$ 175,327        | \$ 509,680         | \$ 39,481        | \$ 509,680     | 290.7%                     |                            |                     |
| W&S CAPITAL        | \$ 11,395      | \$ 15,519         | \$ 654,796         | \$ 60,525        | \$ 412,479     |                            | 63.0%                      | \$ 242,317          |
| NONDEPARTMENTAL    | \$ 495,543     | \$ 1,441,811      | \$ 624,875         | \$ 47,496        | \$ 570,179     | 34.4%                      | 91.2%                      | \$ 54,696           |
| TOTAL EXPENDITURES | \$ 3,248,829   | \$ 4,370,393      | \$ 4,659,521       | \$ 455,252       | \$ 3,786,082   | 74.3%                      | 81.3%                      | \$ 873,439          |

| STREET IMPROVEMENT FUND | FY17-18<br>YTD | FY17-18<br>ACTUAL | FY18-19<br>ADOPTED | CURRENT<br>MONTH | FY18-19<br>YTD | % OF PY BUDGET<br>EXPENSED | % OF CY BUDGET<br>EXPENSED | BUDGET<br>REMAINING |
|-------------------------|----------------|-------------------|--------------------|------------------|----------------|----------------------------|----------------------------|---------------------|
| STREETS                 | \$ 545,064     | \$ 630,950        | \$ 740,910         | \$ 79,063        | \$ 614,884     | 86.4%                      | 83.0%                      | \$ 126,026          |
| PARKS MAINTENANCE       | \$ 64,677      | \$ 80,379         | \$ 125,920         | \$ 9,239         | \$ 81,566      | 80.5%                      | 64.8%                      | \$ 44,354           |
| CAPITAL                 | \$ 32          | \$ 60,555         | \$ 79,058          | \$ -             | \$ 79,058      |                            |                            |                     |
| TOTAL EXPENDITURES      | \$ 609,773     | \$ 771,884        | \$ 945,888         | \$ 88,302        | \$ 775,508     | 79.0%                      | 82.0%                      | \$ 170,380          |

| EDC4B FUNDS              | FY17-18<br>YTD | FY17-18<br>ACTUAL | FY18-19<br>ADOPTED | CURRENT<br>MONTH | FY18-19<br>YTD | % OF PY BUDGET<br>EXPENSED | % OF CY BUDGET<br>EXPENSED | BUDGET<br>REMAINING |
|--------------------------|----------------|-------------------|--------------------|------------------|----------------|----------------------------|----------------------------|---------------------|
| ADMINISTRATION           | \$ 120,606     | \$ 142,581        | \$ 168,360         | \$ 18,565        | \$ 150,242     | 84.6%                      | 89.2%                      | \$ 18,118           |
| DEBT SERVICE             | \$ 235,088     | \$ 325,006        | \$ 320,432         | \$ 164,842       | \$ 315,463     | 72.3%                      | 98.4%                      | \$ 4,969            |
| TOWN SHOPPING CENTER     | \$ 332,224     | \$ 278,194        | \$ 51,120          | \$ 4,520         | \$ 67,978      | 119.4%                     | 133.0%                     | \$ (16,858)         |
| TOWNCENTER REDEVELOPMENT | \$ 177,712     | \$ 237,866        | \$ -               | \$ -             | \$ 5,738       |                            |                            |                     |
| TOTAL EXPENDITURES       | \$ 865,630     | \$ 983,647        | \$ 539,912         | \$ 187,927       | \$ 539,421     | 88.0%                      | 99.9%                      | \$ 491              |

**CITY OF KENNEDALE  
ANNUAL PROGRAM OF SERVICES  
August 2019**

**REVENUE SUMMARY BY FUND**

| REVENUES                  | FY17-18<br>YTD | FY17-18<br>ACTUAL | FY18-19<br>ADOPTED | CURRENT<br>MONTH | FY18-19<br>YTD | % OF PY ACTUAL<br>EARNED | % OF CY BUDGET<br>EARNED | BUDGET<br>REMAINING |
|---------------------------|----------------|-------------------|--------------------|------------------|----------------|--------------------------|--------------------------|---------------------|
| GENERAL FUND              | \$ 6,215,569   | \$ 6,751,815      | \$ 6,406,759       | \$ 255,296       | \$ 6,481,608   | 92.1%                    | 101.2%                   | \$ (74,849)         |
| OTHER GENERAL FUNDS       | \$ 529,757     | \$ 1,035,991      | \$ 941,983         | \$ 44,736        | \$ 701,375     | 51.1%                    | 74.5%                    | \$ 240,608          |
| GENERAL FUND              | \$ 6,745,326   | \$ 7,787,806      | \$ 7,348,742       | \$ 300,032       | \$ 7,182,983   | 86.6%                    | 97.7%                    | \$ 165,759          |
|                           |                |                   |                    |                  |                |                          |                          | \$ -                |
| GENERAL DEBT SERVICE FUND | \$ 1,392,268   | \$ 1,572,159      | \$ 1,518,995       | \$ 27,969        | \$ 1,353,905   | 88.6%                    | 89.1%                    | \$ 165,090          |
|                           |                |                   |                    |                  |                |                          |                          | \$ -                |
| WATER/SEWER FUND          | \$ 4,393,903   | \$ 4,804,352      | \$ 4,010,901       | \$ 467,732       | \$ 3,982,344   | 91.5%                    | 99.3%                    | \$ 28,557           |
| STORMWATER UTILITY FUND   | \$ 241,912     | \$ 256,278        | \$ 254,950         | \$ 22,954        | \$ 246,946     | 94.4%                    | 96.9%                    | \$ 8,004            |
| WATER IMPACT FUND         | \$ 151,593     | \$ 165,170        | \$ 120,450         | \$ 1,980         | \$ 37,012      | 91.8%                    | 30.7%                    | \$ 83,438           |
| SEWER IMPACT FUND         | \$ 83,309      | \$ 93,162         | \$ 32,664          | \$ 2,021         | \$ 19,075      | 89.4%                    | 58.4%                    | \$ 13,589           |
| WATER/SEWER FUND          | \$ 4,870,717   | \$ 5,318,962      | \$ 4,418,965       | \$ 494,687       | \$ 4,285,377   | 91.6%                    | 97.0%                    | \$ 133,588          |
|                           |                |                   |                    |                  |                |                          |                          | \$ -                |
| EDC4B FUND                | \$ 423,002     | \$ 991,633        | \$ 629,752         | \$ 66,974        | \$ 600,675     | 42.7%                    | 95.4%                    | \$ 29,077           |
|                           |                |                   |                    |                  |                |                          |                          | \$ -                |
| CAPITAL FUND              | \$ 38,452      | \$ 186,462        | \$ 172,535         | \$ 10,902        | \$ 146,592     | 20.6%                    | 85.0%                    | \$ 25,943           |
|                           |                |                   |                    |                  |                |                          |                          | \$ -                |
| SPECIAL REVENUE FUND      | \$ 44,862      | \$ 43,873         | \$ 127,497         | \$ 3,675         | \$ 248,978     | 102.3%                   | 195.3%                   | \$ (121,481)        |
| TOTAL REVENUES            | \$ 13,514,627  | \$ 15,900,895     | \$ 14,216,486      | \$ 904,239       | \$ 13,818,510  | 85.0%                    | 97.2%                    | \$ 397,976          |

**EXPENDITURE SUMMARY BY FUND**

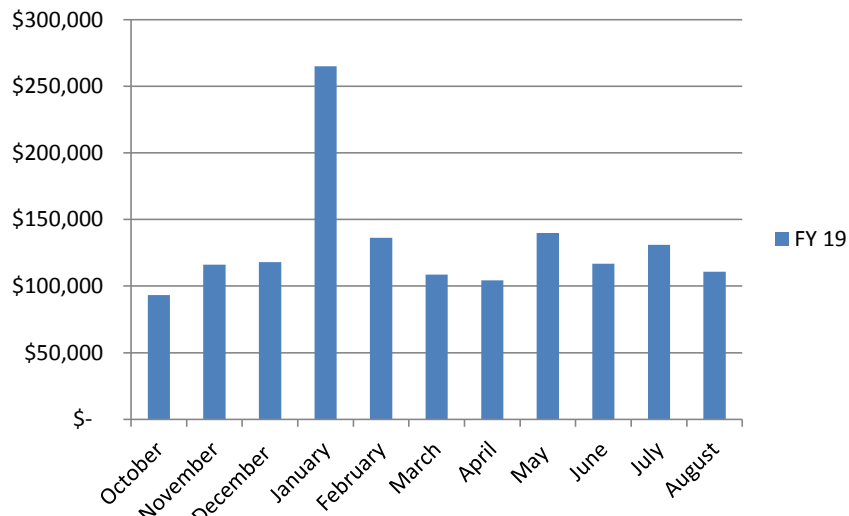
| EXPENDITURES              | FY17-18<br>YTD | FY17-18<br>ACTUAL | FY18-19<br>ADOPTED | CURRENT<br>MONTH | FY18-19<br>YTD | % OF PY BUDGET<br>EXPENSED | % OF CY BUDGET<br>EXPENSED | BUDGET<br>REMAINING |
|---------------------------|----------------|-------------------|--------------------|------------------|----------------|----------------------------|----------------------------|---------------------|
| GENERAL FUND              | \$ 5,525,436   | \$ 6,340,017      | \$ 7,028,284       | \$ 727,717       | \$ 6,199,241   | 87.2%                      | 88.2%                      | \$ 829,043          |
| OTHER GENERAL FUND        | \$ 609,773     | \$ 1,063,510      | \$ 1,197,369       | \$ 88,302        | \$ 775,508     | 57.3%                      | 64.8%                      | \$ 421,861          |
| GENERAL FUND              | \$ 6,135,209   | \$ 7,403,527      | \$ 8,225,653       | \$ 816,019       | \$ 6,974,749   | 82.9%                      | 84.8%                      | \$ 1,250,904        |
|                           |                |                   |                    |                  |                |                            |                            | \$ -                |
| GENERAL DEBT SERVICE FUND | \$ 1,420,004   | \$ 1,420,004      | \$ 1,511,744       | \$ 71,353        | \$ 1,509,649   | 100.0%                     | 99.9%                      | \$ 2,095            |
|                           |                |                   |                    |                  |                |                            |                            | \$ -                |
| WATER/SEWER FUND          | \$ 3,248,829   | \$ 4,370,392      | \$ 4,659,521       | \$ 455,252       | \$ 3,786,082   | 74.3%                      | 81.3%                      | \$ 873,439          |
| STORMWATER UTILITY FUND   | \$ 129,371     | \$ 188,545        | \$ 139,764         | \$ 29,503        | \$ 186,702     | 68.6%                      | 133.6%                     | \$ (46,938)         |
| WATER IMPACT FUND         | \$ 151,593     | \$ 153,573        | \$ 152,525         | \$ -             | \$ 152,525     | 98.7%                      | 100.0%                     | \$ -                |
| SEWER IMPACT FUND         | \$ 83,308      | \$ 60,000         | \$ 60,000          | \$ -             | \$ 60,000      | 138.8%                     | 100.0%                     | \$ -                |
| WATER/SEWER FUND          | \$ 3,613,101   | \$ 4,772,510      | \$ 5,011,810       | \$ 484,755       | \$ 4,185,309   | 75.7%                      | 83.5%                      | \$ 826,501          |
|                           |                |                   |                    |                  |                |                            |                            | \$ -                |
| EDC4B FUND                | \$ 865,630     | \$ 1,013,841      | \$ 539,912         | \$ 187,927       | \$ 539,421     | 85.4%                      | 99.9%                      | \$ 491              |
|                           |                |                   |                    |                  |                |                            |                            | \$ -                |
| CAPITAL FUND              | \$ 83,000      | \$ 186,536        | \$ 735,000         | \$ 107,119       | \$ 193,920     | 44.5%                      | 26.4%                      | \$ 541,080          |
|                           |                |                   |                    |                  |                |                            |                            | \$ -                |
| SPECIAL REVENUE FUND      | \$ 41,226      | \$ 26,919         | \$ 11,767          | \$ 11,839        | \$ 155,321     | 153.1%                     | 1320.0%                    | \$ (143,554)        |
| TOTAL EXPENDITURES        | \$ 12,158,170  | \$ 14,823,337     | \$ 16,035,886      | \$ 1,679,012     | \$ 13,558,369  | 82.0%                      | 84.6%                      | \$ 2,477,517        |

**CITY OF KENNEDALE  
SALES TAX COMPARISON**

**COMPARISON BY FISCAL YEAR**

|           | <b>FY 2014<br/>ACTUAL</b> | <b>FY 2015<br/>ACTUAL</b> | <b>FY 2016<br/>ACTUAL</b> | <b>FY 2017<br/>ACTUAL</b> | <b>FY 2018<br/>ACTUAL</b> | <b>FY 2019<br/>ACTUAL</b> | <b>VARIANCE<br/>OVER<br/>PRIOR YEAR</b> |
|-----------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------------------|
| October   | \$ 65,971                 | \$ 71,955                 | \$ 93,137                 | \$ 88,748                 | \$ 103,820                | \$ 93,144                 | \$ (10,676)                             |
| November  | 89,600                    | 94,438                    | 119,137                   | 116,156                   | \$ 114,506                | \$ 116,039                | \$ 1,533                                |
| December  | 94,982                    | 82,545                    | 97,985                    | 81,855                    | \$ 86,956                 | \$ 118,085                | \$ 31,129                               |
| January   | 67,373                    | 73,782                    | 75,878                    | 88,956                    | \$ 95,425                 | \$ 265,081                | \$ 169,656                              |
| February  | 97,781                    | 107,571                   | 116,006                   | 105,794                   | \$ 163,502                | \$ 136,298                | \$ (27,204)                             |
| March     | 69,685                    | 72,312                    | 87,589                    | 78,644                    | \$ 95,107                 | \$ 108,636                | \$ 13,529                               |
| April     | 79,236                    | 81,193                    | 79,516                    | 87,130                    | \$ 123,760                | \$ 104,356                | \$ (19,404)                             |
| May       | 93,957                    | 119,350                   | 114,543                   | 100,121                   | \$ 129,363                | \$ 139,848                | \$ 10,485                               |
| June      | 77,496                    | 128,463                   | 83,718                    | 80,241                    | \$ 108,885                | \$ 116,904                | \$ 8,019                                |
| July      | 71,927                    | 165,756                   | 84,586                    | 100,943                   | \$ 123,268                | \$ 131,085                | \$ 7,817                                |
| August    | 86,597                    | 146,297                   | 87,693                    | 49,590                    | \$ 118,770                | \$ 110,825                | \$ (7,945)                              |
| September | 67,978                    | 177,697                   | 91,377                    | 86,549                    | \$ 89,090                 |                           |                                         |
|           | <b>\$ 962,583</b>         | <b>\$ 1,321,359</b>       | <b>\$ 1,131,165</b>       | <b>\$ 1,064,727</b>       | <b>\$ 1,352,452</b>       | <b>\$ 1,440,301</b>       | <b>\$ 176,939</b>                       |

**FY 19 SALES TAX REVENUE BY MONTH**



**STAFF REPORT  
TO THE HONORABLE MAYOR AND CITY COUNCIL**

**DATE:** September 17, 2019

**AGENDA ITEM:** REQUIRED APPROVAL ITEMS (CONSENT) ITEM A.

**SUBJECT:**

Approval of the minutes from the August 20, 2019 Regular Meeting

**ORIGINATED BY:**

Leslie E. Galloway, City Secretary & Communications Coordinator

**SUMMARY:** Please see the attached minutes for your approval.

**RECOMMENDATION:**

**ATTACHMENTS:**

|    |                                                       |                                                           |
|----|-------------------------------------------------------|-----------------------------------------------------------|
| 1. | 2019_08.20_Minutes_City Council Regular Meeting_DRAFT | 2019_08.20_Minutes_City Council Regular Meeting_DRAFT.pdf |
|----|-------------------------------------------------------|-----------------------------------------------------------|



**KENNEDALE CITY COUNCIL MINUTES**  
**REGULAR MEETING | AUGUST 20, 2019**  
**CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**  
**WORK SESSION AT 5:30 PM | REGULAR SESSION AT 7:00 PM**

**I. CALL TO ORDER**

Mayor Johnson called the meeting to order at 5:30 p.m.; and immediately recessed to Executive Session.

Mayor Johnson reconvened the Work Session at 6:20 p.m.

**Motion To Approve. Action** Approve authorizing the City Attorney to take action on A&A Pickup and Van. **Moved By** Altom. **Seconded By** Pugh. **Motion passes unanimously.**

**II. WORK SESSION**

- A. Continued discussion regarding the City Manager's Proposed Fiscal Year 2019-2020 annual budget

In response to Councilmember Rhodes questions regarding the Proposed FY19-20 budget, Finance Director Lakeita Sutton offered some additional information and stated that she would research each and submit more in-depth answers to Council following the meeting.

- B. Discussion of items on the regular agenda

In regards to Decision Item XII.H., City Manager George Campbell stated that the health insurance bid had increased from what was included in the Proposed Budget, noting that Director of HR and Administrative Services Danielle Clarke was available to answer questions.

In response to a question from Mayor Johnson regarding Consent Item XI.F., Police Chief Tommy Williams stated that the Kennedale Independent School District had not requested additional School Resource Officers (SROs) for other campuses (in addition to the Junior High and High School), but that it was a consideration for future years; and that there had not yet been any request for an officer to attend School Board meetings, but that it was being discussed.

In response to a question from Mayor Pro Tem Lee regarding Decision Item XII.B., City Manager George Campbell stated that, after issuance, the Council would designate projects to be funded by the proceeds of the Tax Note. There was some discussion about the potential of using impact fees and the requirement for any projects funded by those funds to be included in the Impact Fee Capital Improvement Plan (CIP).

Mayor Johnson closed the Work Session at 6:46 p.m.

**III. REGULAR SESSION**

Mayor Johnson called the Regular Session to order at 7:01 p.m.

**IV. ROLL CALL**

**Present:** Mayor Brian Johnson; Mayor Pro Tem Sandra Lee, Place 3; Josh Altom, Place 1; Chris Pugh, Place 2; Linda Rhodes, Place 4; Chad Wandel, Place 5; **Absent:** NONE.

**Staff:** City Manager George Campbell, City Secretary & Communications Coordinator Leslie E.

Galloway, Finance Director Lakeita Sutton, Director of Planning & Economic Development Melissa Dailey, Director of HR and Administrative Services Danielle Clarke, Public Works Director Larry Hoover, Library Director Amanda King, Fire Chief James Brown, Police Chief Tommy Williams, Planner Meghan Riddlespurger, City Attorney Drew Larkin

## V. INVOCATION

Laurie Sanders offered the invocation.

## VI. UNITED STATES PLEDGE AND TEXAS PLEDGE

## VII. VISITOR AND CITIZEN FORUM

- **Rockie Gilley**, 220 S Dick Price Road, spoke in opposition of the Council having replaced him on the TIRZ Board before his term had expired.
- **Perry Clementi**, 103 Creekside Court, stated the need for debris to be picked up that was left after Atmos Energy completed a project near the corner of Sublett Road and Hillside Drive. *City Manager George Campbell stated that staff would follow up on this item.*
- **Alex Alkhazshvili**, 206 Collett Sublett, spoke regarding low water pressure at his home on Collett Sublett and construction traffic. *City Manager George Campbell stated that staff would follow up on this item.*
- **Jessica Spiegel**, 118 Peachtree Court #D, stated her desire to have a requirement for a grease trap waived for her establishment. *Mayor Johnson asked that she speak with Director of Planning & Economic Development Melissa Dailey.*
- **Joe Palmer**, 4017 Sanguinet Court, Fort Worth, spoke on behalf of the Kennedale Alliance of Business Owners (KABO), regarding bond elections and his desire for a congenial atmosphere. *In response, Mayor Johnson noted that a bond election was being considered for May 2020.*
- **Susan Lewandowski**, 212 Collett Sublett, spoke about construction traffic on Collett Sublett.

## VIII. REPORTS AND ANNOUNCEMENTS

### A. Updates from the City Council

- **JOSH ALTOM, Place 1**, had no announcements at this time.
- **CHRIS PUGH, Place 2**, announced that he attended the Tarrant County Mayors' Council with City Manager George Campbell and Mayor Pro Tem Lee; and he and his wife attended the 1-year anniversary of the Iron Wheel Antiques Mall.
- **MAYOR PRO TEM SANDRA LEE, Place 3**, announced that she and Public Works Director Larry Hoover met with County Commissioner Devan Allen regarding creek erosion issues.
- **LINDA RHODES, Place 4**, announced that she attended the Parks Board meeting, where the Board recommended that the Council consider hosting a Chute 2 rodeo event.
- **CHAD WANDEL, Place 5**, announced that he attended a charity function for 'When We Love', which assists the homeless; and had been contacted by several regarding Collett Sublett.

### B. Updates from the Mayor

Mayor Johnson announced that he attended a Tarrant Regional Transportation Coalition (TRTC) meeting regarding legislative issues; and attended a demonstration of the Hyperloop technology.

Mayor Johnson announced that Summer Reading Club participants read a total of 98,560 minutes; that Abby Lopez was the top reader with 8,500 minutes; Anna Shonkwiler was second with 3,750 minutes; and Anastasia Zyuskina was third with 3,520 minutes.

Mayor Johnson Proclaimed September 2019 as Senior Center Month; and the week of September

9–14, 2019 as "The Future is Bright: A Week of Suicide Prevention".

C. Updates from the City Manager

City Manager George Campbell had no updates at this time.

## IX. INCIDENTAL ITEMS

### X. MONITORING INFORMATION

A. Monthly Financials for July 2019

There was no discussion at this time.

B. KEDC Financial Report for June 2019

There was no discussion at this time.

C. Schedule of Investment Activity for quarter ending June 30, 2019

There was no discussion at this time.

### XI. REQUIRED APPROVAL ITEMS (CONSENT)

A. Approval of the minutes from the July 16, 2019 Regular Meeting

B. Approval of the minutes from the August 8, 2019 Special Meeting

C. Consider adopting Resolution 556, amending authorized representatives of TEXPOOL local government investment pool

D. Consider adopting Resolution 557, amending authorized representatives for the Texas Short-Term Asset Reserve Program (TexSTAR) local government investment pool

E. Consider adopting Resolution 558, amending authorized representatives for the TexasTERM / TexasDAILY local government investment pool

F. Consider approval of amended interlocal agreement with Kennedale ISD for the provision of two School Resource Officers (SRO)

G. Consider appointment of Martin Young as Vice Chair of the Board of Adjustment (BOA) / Building Board of Appeals (BBA)

**Motion To Approve. Action** Approve the Consent Agenda (*including the corrected version of the July 16, 2019 minutes as presented by staff this evening*). **Moved By** Rhodes. **Seconded By** Altom. **Motion passes unanimously.**

### XII. DECISION ITEMS

A. **Case #PZ19-02** — Consider an ordinance 667 and request by Spirals Gymnastics, Inc. for a rezoning from "PD-UV" Planned Development Urban Village to "UV" of approximately 2 acres at 1083 Bowman Springs Road, Block 1, Lot 19R, Woodlea Acres Addition, City of Kennedale, Texas

*THIS ITEM WAS TAKEN OUT OF ORDER. IT WAS CONSIDERED AFTER DECISION ITEM XII.B., BEFORE XII.C.*

City Manager George Campbell noted that the Public Hearing was held during the previous regular meeting, but that staff was available to answer any questions. Director of Planning & Economic Development Melissa Dailey offered an overview of the case, including surrounding uses and zoning, noting that staff recommends approval, but that the Planning and Zoning Commission (P&Z) recommended denial of the request with a vote of 4–3. She distributed a copy

of the current PD (Planned Development) Ordinance, and added that the owner was available to answer questions. There was brief discussion regarding potential uses of the land under the requested "UV" zoning, the size of the lot, and setback requirements.

In response to a question from Councilmember Altom, Simon King, owner of Spirals Gymnastics, stated that there were no immediate plans to alter the use of the property.

**Motion To Approve. Action** Approve Ordinance 667 and request by Spirals Gymnastics, Inc. for a rezoning from "PD-UV" Planned Development Urban Village to "UV" of approximately 2 acres at 1083 Bowman Springs Road, Block 1, Lot 19R, Woodlea Acres Addition, City of Kennedale, Texas. **Moved By** Mayor Pro Tem Lee. **Seconded By** Wandel. **Motion passes unanimously.**

- B. Consider approval of Ordinance 670, Authorizing the Issuance of Up to \$2,000,000 in Principal Amount of City of Kennedale, Texas Tax Note, Series 2019; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Letter, and All Other Instruments and Procedures Related Thereto

*THIS ITEM WAS TAKEN OUT OF ORDER. IT WAS CONSIDERED AFTER DECISION ITEM XII.H., BEFORE XII.A.*

Andrew Friedman of SAMCO Capital Markets, the City's Financial Advisor, distributed a summary of the bids received, noting that the winning bid was 1.9% fixed rate.

**Motion To Approve. Action** Approve Ordinance 670, Authorizing the Issuance of Up to \$2,000,000 in Principal Amount of City of Kennedale, Texas Tax Note, Series 2019; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Letter, and All Other Instruments and Procedures Related Thereto. **Moved By** Mayor Pro Tem Lee. **Seconded By** Pugh.

In response to a question from Mayor Johnson, City Manager George Campbell stated that the proceeds would be used for land acquisition for various projects to be determined by the Council.

**Motion passes unanimously.**

- C. **CASE #PZ 19-05** — Conduct a public hearing and consider Ordinance 671, regarding a request by Cannon Maki for a rezoning from "R3" Residential to "C2" Commercial for approximately 6 acres located at 5306 Kennedale Sublett Road, Abstract 792, Tract 1 Less HS, James R Hawkins Survey, City of Kennedale, Tarrant County, Texas.

*THIS ITEM WAS TAKEN OUT OF ORDER. IT WAS CONSIDERED AFTER DECISION ITEM XII.A.*

Director of Planning & Economic Development Melissa Dailey stated that this request would rezone the front portion of the Coker Family property for retail pad sites. Dailey gave an overview of surrounding uses and zoning, noting that staff and the Planning and Zoning Commission (P&Z) both recommended approval; and that the developer was available to answer questions.

There was a brief discussion of the expansion of Sublett Road by the City of Arlington.

Mayor Johnson opened the Public Hearing at 8:05 p.m.

- **BJ Hall**, 6312 Calendar Road, Arlington, the agent for the property, spoke in support.
- **Devan Pharis**, 2900 Wingate Street, Fort Worth, of Vaquero Ventures — the developer — distributed a site plan and spoke in support.  
*In response, Mayor Johnson requested a copy of the road plans.*
- **Jim Maibach**, 1703 North Peyco Drive, Arlington, of Peyco Southwest Realty, spoke on behalf of the Coker Family in support.
- **Bennett Cole Carter**, 6903 Costa Del Sol Court, Arlington, spoke in support.
- **Don Coker**, 5306 Sublett Road, spoke in support.
- **Ron Sturgeon**, 1208 Mansfield Highway, spoke in support.
- **Carolyn Williamson**, 3170 Joplin Road, spoke in support.

Mayor Johnson closed the Public Hearing at 8:16 p.m.

**Motion To Approve. Action** Approve Ordinance 671, regarding a request by Cannon Maki for a rezoning from "R3" Residential to "C2" Commercial for approximately 6 acres located at 5306 Kennedale Sublett Road, Abstract 792, Tract 1 Less HS, James R Hawkins Survey, City of Kennedale, Tarrant County, Texas. **Moved By** Pugh. **Seconded By** Wandel. **Motion passes unanimously.**

- D. **CASE #PZ 19-06** — Conduct a public hearing and consider Ordinance 672, regarding a request by Adlai Pennington for a rezoning from "I" Industrial to "C2" Commercial for approximately 2 acres located at 1170 E Kennedale Parkway, Abstract 378, Tract 1DD01, E C Cannon Survey, City of Kennedale, Tarrant County, Texas

Director of Planning & Economic Development Melissa Dailey stated that this property, owned by the Economic Development Corporation (EDC) and leased by Adlai Pennington for use as 'Red's Roadhouse', had been zoned Industrial for years. She outlined the surrounding uses and zoning, noting that staff recommends approval, but that the Planning and Zoning Commission (P&Z) recommended denial of the request with a vote of 5–2 (with a recommendation that the current non-conforming use continue to be permitted). Dailey stated that the lessee was present to answer questions, and wished to add a restaurant, which was not allowed in the current zoning.

Mayor Johnson opened the Public Hearing at 8:22 p.m.

- **Ron Sturgeon**, 1208 Kennedale Parkway, spoke in opposition.
- **Joe Palmer**, 4017 Sanguinet Court, Fort Worth, spoke on behalf of KABO in opposition.
- **Jim Eaton**, 3901 San Miguel Court, Arlington, spoke on behalf of C&C Tire in opposition.
- **Jose Jaime**, 819 Shady Creek, spoke in opposition.
- **Luke Beshura**, 221 W Exchange Avenue, Ste. 206 A, Fort Worth, spoke on behalf of Ron Sturgeon Real Estate in opposition and provided a handout of the lease agreement.
- **Carl Hall**, 807 Shady Bend Drive, spoke on behalf of Speed Fab Crete in opposition.
- **Adlai Pennington**, 1375 Gilman Road, the lessee of the property, spoke on behalf of the Pennington family in support.

**The following registered in opposition, but did not speak:** Ronald A. Hamm of Speed Fab-Crete Corporation, 1150 E Kennedale Parkway; Ron Sturgeon of Ron Sturgeon Real Estate, 1206 Kennedale Parkway, 1220 Kennedale Parkway, and 1208 Kennedale Parkway; Robert Ciszewski of RBL 1212 LLC, 1200 E Kennedale Parkway; Horatio Ramirez, 1111 E Kennedale Parkway; Ronald A. Hamm of JDJRC Warehouse Partners FW LP, 1201 E Kennedale Parkway; Joseph Moniz, 1113 E Kennedale Parkway; Kou L Lin, 1115 E Kennedale Parkway; Kirby Williams, 1109 E Kennedale Parkway; Craig Needham or RBL 1212 LLC, 1200 E Kennedale Parkway; and Hubert Haynie, 1109 E Mansfield Highway.

**The following registered in favor, but did not speak:** Charles Stokely, 1107 E Kennedale Parkway; and Jazz Automotive, 1111 E Kennedale Parkway.

Mayor Johnson closed the Public Hearing at 8:45 p.m.

Mayor Johnson recessed to Executive Session at 8:48 p.m.; and reconvened at 8:59 p.m.

**Motion To Approve. Action** Approve Ordinance 672, regarding a request by Adlai Pennington for a rezoning from "I" Industrial to "C2" Commercial for approximately 2 acres located at 1170 E Kennedale Parkway, Abstract 378, Tract 1DD01, E C Cannon Survey, City of Kennedale, Tarrant County, Texas. **Moved By** Altom. **Seconded By** Mayor Pro Tem Lee. **Motion passes unanimously.**

- E. Conduct a public hearing and consider approval of Ordinance 673, amending the Unified Development Code by including additional multi-family regulations by adding a new Section 3.6 "Additional Multi-Family Regulations", amending Section 12.8 "Required Off-street Parking", and amending Table 13.6 "Buffer Area Landscape Requirement."



Director of Planning & Economic Development Melissa Dailey stated that these changes to the Multi-Family regulations would allow for higher quality development and outlined some of the highlights including increased walkability and connectivity, rear parking, fenestration requirements, minimum setbacks, and street-oriented structures. Dailey recommended that a motion approving Ordinance 673 should include the deletion of the 8,000 square-foot maximum building footprint requirement from the table on page four, as it was not necessary for these types of developments. There was a brief discussion of roadway specifications.

Mayor Johnson opened the Public Hearing at 9:13 p.m. There were no requests to speak; and the Public Hearing was closed.

**Motion To Approve. Action** Approve Ordinance 673 (amended to delete the “Max building footprint” of 8,000 sqft. in the table on page 4), amending the Unified Development Code by including additional multi-family regulations by adding a new Section 3.6 “Additional Multi-Family Regulations”, amending Section 12.8 “Required Off-street Parking”, and amending Table 13.6 “Buffer Area Landscape Requirement”. **Moved By** Wandel. **Seconded By** Pugh. **Motion passes unanimously.**

- F. Conduct a public hearing and consider approval of Ordinance 674, amending the Unified Development Code by adding a new “R-4” Single-Family District and providing for new R-4 District regulations by amending Section 3.1 “Purpose”, Table 3.2 “Schedule of Uses: Agricultural and Residential Districts”, Table 3.3 “Spatial Requirements: Agricultural and Residential Districts”, Section 10.9.C.1 “Dwellings per Lot”, Section 11.2 “Accessory Buildings”, Section 11.30 “Residential Sales”, Section 11.36 “Sexually Oriented Businesses”, Section 11.38 “Temporary Uses”, Section 12.8 “Required Off-Street Parking”, Section 13.2 “General Landscaping Requirements”, Table 13.6 “Buffer Area Landscape Requirements”, and Section 29.5 “Board of Adjustment”.

Director of Planning & Economic Development Melissa Dailey stated that, in recent years, the City had approved several Planned Developments (PDs) to accommodate the smaller residential lots demanded by the market, and recommended adding R-4, which would allow for smaller lots with reduced setbacks – reducing the need for PDs.

Mayor Johnson opened the Public Hearing at 9:18 p.m. There were no requests to speak; and the Public Hearing was closed.

**Motion To Approve. Action** Approve Ordinance 674, amending the Unified Development Code by adding a new “R-4” Single-Family District and providing for new R-4 District regulations by amending Section 3.1 “Purpose”, Table 3.2 “Schedule of Uses: Agricultural and Residential Districts”, Table 3.3 “Spatial Requirements: Agricultural and Residential Districts”, Section 10.9.C.1 “Dwellings per Lot”, Section 11.2 “Accessory Buildings”, Section 11.30 “Residential Sales”, Section 11.36 “Sexually Oriented Businesses”, Section 11.38 “Temporary Uses”, Section 12.8 “Required Off-Street Parking”, Section 13.2 “General Landscaping Requirements”, Table 13.6 “Buffer Area Landscape Requirements”, and Section 29.5 “Board of Adjustment”. **Moved By** Mayor Pro Tem Lee. **Seconded By** Rhodes. **Motion passes unanimously.**

- G. Consider Ordinance 675, vacating and abandoning a 10’ utility easement on 1033 Estates Drive, Lot 9, Block 1, Brookstone Estates Addition, and authorizing the City Manager to execute a Quitclaim Deed

*COUNCILMEMBER JOSH ALTOM RECUSED HIMSELF FROM THIS ITEM AS SOMEONE WITH AN EQUITABLE OR LEGAL OWNERSHIP OF THE PROPERTY CONCERNED; AND WAS NOT PRESENT IN THE COUNCIL CHAMBERS DURING EITHER THE DELIBERATION OR THE VOTE.*

Director of Planning & Economic Development Melissa Dailey stated that this was a 10-foot utility easement standard to most developments, but that neither the City of Kennedale nor any of the utility companies would have any future need for this particular easement.

**Motion To Approve. Action** Approve Ordinance 675, vacating and abandoning a 10' utility easement on 1033 Estates Drive, Lot 9, Block 1, Brookstone Estates Addition, and authorizing the City Manager to execute a Quitclaim Deed. **Moved By Pugh. Seconded By Wandel. Motion passes unanimously.**

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

*THIS ITEM WAS TAKEN OUT OF ORDER. IT WAS CONSIDERED BEFORE DECISION ITEM XII.B.*

There was no discussion at this time.

**Motion To Approve. Action** Approve the bid award for health insurance and authorize the City Manager to sign the agreement. **Moved By Pugh. Seconded By Rhodes. Motion passes unanimously.**

### **XIII. EXECUTIVE SESSION**

*AN EXECUTIVE SESSION WAS HELD IMMEDIATELY FOLLOWING THE CALL TO ORDER AT 5:30 P.M., BEFORE THE DISCUSSION OF ANY WORK SESSION ITEMS. THE RESULTING MOTION IS NOTED BEFORE WORK SESSION ITEM II.A. MAYOR JOHNSON ALSO RECESSED TO EXECUTIVE SESSION DURING CONSIDERATION OF DECISION ITEM XII.D.*

- A. Discussion with the City Attorney regarding settlement agreement between Ron Sturgeon, et al and the City of Kennedale
- B. Discussion with the City Attorney regarding salvage yards, including A&A Pickup & Van, Inc., and special exception/special use permits
- C. Discussion with the City Attorney regarding an early termination and release agreement with Global Water Management, LLC
- D. Discussion with City Attorney regarding legal issues associated with Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)
- E. Economic Development and Performance Agreement, Tax Abatement, and Chapter 380 Agreement with Compressed Air Systems for project located at Harris Corporation Addition, Block 1 Lot 1A2 (Linda Road)

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

*AN EXECUTIVE SESSION WAS HELD IMMEDIATELY FOLLOWING THE CALL TO ORDER AT 5:30 P.M., BEFORE THE DISCUSSION OF ANY WORK SESSION ITEMS. A MOTION RESULTING FROM EXECUTIVE SESSION IS DOCUMENTED IN THESE MINUTES BEFORE WORK SESSION ITEM II.A.*

### **XV. ADJOURNMENT**

**Motion To Adjourn. Action** Adjourn. **Moved By Wandel. Seconded By Rhodes. Motion passes unanimously.**

Mayor Johnson adjourned the meeting at 9:22 p.m.

**APPROVED:**

**ATTEST:**

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BRIAN JOHNSON, MAYOR

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LESLIE E. GALLOWAY, CITY SECRETARY

**DATE:** September 17, 2019

**AGENDA ITEM:** REQUIRED APPROVAL ITEMS (CONSENT) ITEM B.

**SUBJECT:**

Approval of the minutes from the 5:00 p.m. September 5, 2019 Special Meeting

**ORIGINATED BY:**

Leslie E. Galloway, City Secretary & Communications Coordinator

**SUMMARY:** Please see the attached minutes for your approval.

**RECOMMENDATION:**

**ATTACHMENTS:**

|    |                                                           |                                                               |
|----|-----------------------------------------------------------|---------------------------------------------------------------|
| 1. | 2019_09.05_5PM_Minutes_City Council Special Meeting_DRAFT | 2019_09.05_5PM_Minutes_City Council Special Meeting_DRAFT.pdf |
|----|-----------------------------------------------------------|---------------------------------------------------------------|

**KENNEDALE CITY COUNCIL MINUTES**  
**SPECIAL MEETING | SEPTEMBER 5, 2019 AT 5:00 PM**  
**CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

**I. CALL TO ORDER**

Mayor Johnson called the meeting to order at 5:07 p.m.

**II. ROLL CALL**

**Present:** Mayor Brian Johnson; Mayor Pro Tem Sandra Lee, Place 3; Josh Altom, Place 1; Chris Pugh, Place 2; Linda Rhodes, Place 4; Chad Wandel, Place 5; **Absent:** NONE.

**Staff:** City Manager George Campbell, City Secretary & Communications Coordinator Leslie E. Galloway, Administrative Assistant Rosie Ericson

**III. VISITOR AND CITIZEN FORUM**

There were no requests to speak.

**IV. WORK SESSION**

**A. Interviews of applicants for appointment to Advisory Boards and Commissions**

The Council interviewed Keith Courtney, Ann Beck, Jeremy Johnston, Andrew Schaffer, and Austin Degenhart. Jessica Virnoche and Heather Hicks were not able to attend.

There was a brief discussion regarding residency requirements of board members, the ability to discuss board member performance in closed session, the need for another meeting to interview additional applicants, and the potential of adding two alternative places to the Parks and Recreation Board. It was the consensus of the Council to schedule a special meeting to continue interviews and consider appointments to various Advisory Boards and Commissions on Friday, September 13, immediately following the second public hearing on the Tax Rate.

**V. ADJOURNMENT**

Mayor Johnson adjourned the meeting at 6:52 p.m.

**APPROVED:**

**ATTEST:**

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BRIAN JOHNSON, MAYOR

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LESLIE E. GALLOWAY, CITY SECRETARY

**STAFF REPORT**  
**TO THE HONORABLE MAYOR AND CITY COUNCIL**

**DATE:** September 17, 2019

**AGENDA ITEM:** REQUIRED APPROVAL ITEMS (CONSENT) ITEM C.

**SUBJECT:**

Approval of the minutes from the 7:00 p.m. September 5, 2019 Special Meeting

**ORIGINATED BY:**

Leslie E. Galloway, City Secretary & Communications Coordinator

**SUMMARY:** Please see the attached minutes for your approval.

**RECOMMENDATION:**

**ATTACHMENTS:**

|    |                                                           |                                                               |
|----|-----------------------------------------------------------|---------------------------------------------------------------|
| 1. | 2019_09.05_7PM_Minutes_City Council Special Meeting_DRAFT | 2019_09.05_7PM_Minutes_City Council Special Meeting_DRAFT.pdf |
|----|-----------------------------------------------------------|---------------------------------------------------------------|



**KENNEDALE CITY COUNCIL MINUTES**  
**SPECIAL MEETING | SEPTEMBER 5, 2019 AT 7:00 PM**  
**CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

**I. CALL TO ORDER**

Mayor Johnson called the meeting to order at 7:00 p.m.

**II. ROLL CALL**

**Present:** Mayor Brian Johnson; Mayor Pro Tem Sandra Lee, Place 3; Josh Altom, Place 1; Chris Pugh, Place 2; Linda Rhodes, Place 4; Chad Wandel, Place 5; **Absent:** NONE.

**Staff:** City Manager George Campbell, City Secretary & Communications Coordinator Leslie E. Galloway, Finance Director Lakeita Sutton, Director of Planning & Economic Development Melissa Dailey, Director of HR and Administrative Services Danielle Clarke, Planner Meghan Riddlespurger, Public Works Director Larry Hoover, Library Director Amanda King, Fire Chief James Brown, Police Chief Tommy Williams

**III. VISITOR AND CITIZEN FORUM**

There were no requests to speak.

**IV. WORK SESSION**

- A. Continued discussion regarding the City Manager's Proposed Fiscal Year 2019–2020 annual budget

There was no discussion at this time.

**V. REGULAR SESSION**

- A. Public hearing on the Fiscal Year 2019–2020 Proposed Budget

1. Staff Presentation

Finance Director Lakeita Sutton gave a brief overview of the budget including assumptions and highlights for the major funds, budget enhancements, proposed FY19–20 General Fund expenditures compared to those over the past three fiscal years, the proposed tax rate, and next steps in the process. She noted that there was an error on slide nine of the PowerPoint, in that the Stormwater Fund was projected to end FY19-20 with a balance of \$354,890 (rather than the \$1.22 million stated).

City Manager George Campbell noted that this presentation covered both public hearings and that staff was available to answer any questions from Council.

Councilmember Pugh stated his desire for staff to develop a proposed Street Maintenance Fee for consideration by the Council, including a comparison to other Cities' fees and a timeline for implementation. Campbell stated that staff planned to bring such a proposal to the Council following the start of FY19–20.

2. Public Hearing

Mayor Johnson opened the public hearing at 7:10 p.m.

There were no requests to speak; Mayor Johnson closed the public hearing.

### 3. Staff Response and Summary

There was no discussion at this time.

### 4. Council Action

**Motion To Postpone. Action** Postpone consideration of the adoption of the FY 2019-2020 Budget to the next Regular Meeting, scheduled for 7:00 p.m., Tuesday, September 17, 2019, in these Chambers. **Moved By** Pugh. **Seconded By** Mayor Pro Tem Lee. **Motion passes unanimously.**

## B. Public hearing on the Fiscal Year 2019–2020 Tax Rate

### 1. Staff Presentation

There was no additional presentation by staff at this time.

### 2. Public Hearing

Mayor Johnson opened the public hearing at 7:12 p.m.

There were no requests to speak; Mayor Johnson closed the public hearing.

### 3. Staff Response and Summary

There was no discussion at this time.

### 4. Announcement of Date of Vote on Tax Rate

Mayor Johnson announced that the vote on the FY 2019–2020 Tax Rate would be held Tuesday, September 17, 2019, at 7:00 p.m., in these Council Chambers (405 Municipal Drive, Kennedale, TX 76060); and that the next Public Hearing on the Tax Rate would be Friday, September 13, at 2:00 p.m., also in these chambers.

## VI. ADJOURNMENT

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

Mayor Johnson adjourned the meeting at 7:13 p.m.

APPROVED:

ATTEST:

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BRIAN JOHNSON, MAYOR

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LESLIE E. GALLOWAY, CITY SECRETARY

**DATE:** September 17, 2019

**AGENDA ITEM:** REQUIRED APPROVAL ITEMS (CONSENT) ITEM D.

**SUBJECT:**

Consider approval of Ordinance 677, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2019 rate review mechanism (RRM) filing

**ORIGINATED BY:**

George Campbell, City Manager

**SUMMARY:**

The attached Ordinance 677 adopts new gas rates for Atmos Mid-Tex, pursuant to a settlement between Atmos Cities Steering Committee (ACSC) and the Company to resolve the pending RRM rate filing. The included rates will go into effect on October 1, 2019. Thus, ACSC recommends approval of this ordinance by September 30.

**BACKGROUND AND SUMMARY**

The City of Kennedale, along with 171 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2019, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2018, entitled it to additional system-wide revenues of \$70 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to \$54 million, \$39.3 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$38.7 million instead of the claimed \$54 million. The amount of the \$38.7 million deficiency applicable to ACSC members would be \$28.2 million.

After the Company reviewed ACSC's consultants' report, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$35.4 million from ACSC Cities.

The Executive Committee recommends a settlement at this amount. The Effective Date for new rates is October 1, 2019. ACSC members should take action approving the Ordinance before the end of September.

**PROOF OF REVENUES**

Atmos generated proof that the rate tariffs attached to the Ordinance will generate \$35.4 million in additional revenues from ACSC Cities (labeled as Attachment 1). ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

**BILL IMPACT**

The impact of the settlement on average residential rates is an increase of \$2.05 on a monthly basis, or 3.7 percent.

The increase for average commercial usage will be \$6.18 or 2.31 percent. A bill impact comparison is included (labeled as Attachment 2).

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

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

### **RRM SAVINGS OVER GRIP**

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2019, ACSC residents will have a slight economic monthly advantage over comparable GRIP and comparable DARR rates (labeled Attachment 3).

### **EXPLANATION OF "BE IT ORDAINED" PARAGRAPHS:**

1. This section approves all findings in the Ordinance.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$35.4 million from ACSC Cities.
4. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
5. This section approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.
6. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Ordinance approving new rate tariffs.
7. This section repeals any resolution or ordinance that is inconsistent with the Ordinance.
8. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
9. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Ordinance. This section further directs that the remaining provisions of the Ordinance are to be interpreted as if the offending section or clause never existed.
10. This section provides for an effective date upon passage.
11. This section directs that a copy of the signed Ordinance be sent to a representative of the Company and legal counsel for ACSC.

### **CONCLUSION**

The Legislature's GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex's claim that its historic cost of service should entitle it to recover \$70 million in additional system-wide revenues, or \$54 million from ACSC Cities, the RRM settlement at \$35.4 million for ACSC Cities reflects substantial savings to ACSC Cities in the amount of \$18.6 million. ACSC's consultants produced a report indicating that Atmos had justified increased revenues for ACSC Cities of at least \$32.7 million. Settlement at \$35.4 million is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Ordinance before September 30, 2019. New rates become effective October 1, 2019.

### **RECOMMENDATION: Approve**

**ATTACHMENTS:**

|    |                     |                                  |
|----|---------------------|----------------------------------|
| 1. | ASCS Cities         | Exhibit A to RRM Tariff_Ver2.pdf |
| 2. | RRM Attachments     | RRM Attachments (3).pdf          |
| 3. | 2019 Atmos RRM FAQ  | 2019 Atmos RRM FAQ.pdf           |
| 4. | O677_ATMOS RRM ACSC | O677_ATMOS RRM ACSC.pdf          |



**ATMOS ENERGY CORPORATION**  
**MID-TEX DIVISION**

|                        |                                                                                            |                |
|------------------------|--------------------------------------------------------------------------------------------|----------------|
| <b>RATE SCHEDULE:</b>  | <b>RRM – Rate Review Mechanism</b>                                                         |                |
| <b>APPLICABLE TO:</b>  | <b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b> |                |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on and after 04/01/2018</b>                                              | <b>PAGE: 7</b> |

## Exhibit A

### ACSC Cities

|               |                        |                  |                      |
|---------------|------------------------|------------------|----------------------|
| Abilene       | Cleburne               | Frost            | Lincoln Park         |
| Addison       | Clyde                  | Gainesville      | Little Elm           |
| Albany        | College Station        | Garland          | Lorena               |
| Allen         | Colleyville            | Garrett          | Madisonville         |
| Alvarado      | Colorado City          | Grand Prairie    | Malakoff             |
| Angus         | Comanche               | Grapevine        | Mansfield            |
| Anna          | Commerce               | Groesbeck        | Mckinney             |
| Argyle        | Coolidge               | Gunter           | Melissa              |
| Arlington     | Coppell                | Haltom City      | Mesquite             |
| Aubrey        | Copperas Cove          | Harker Heights   | Midlothian           |
| Azle          | Corinth                | Haskell          | Murphy               |
| Bedford       | Crandall               | Haslet           | Newark               |
| Bellmead      | Crowley                | Hewitt           | Nocona               |
| Benbrook      | Dalworthington Gardens | Highland Park    | North Richland Hills |
| Beverly Hills | Denison                | Highland Village | Northlake            |
| Blossom       | Denton                 | Honey Grove      | Oak Leaf             |
| Blue Ridge    | Desoto                 | Hurst            | Ovilla               |
| Bowie         | Draper                 | Hutto            | Palestine            |
| Boyd          | Duncanville            | Iowa Park        | Pantego              |
| Bridgeport    | Eastland               | Irving           | Paris                |
| Brownwood     | Edgecliff Village      | Justin           | Parker               |
| Buffalo       | Emory                  | Kaufman          | Pecan Hill           |
| Burkburnett   | Ennis                  | Keene            | Petrolia             |
| Burleson      | Eules                  | Keller           | Plano                |
| Caddo Mills   | Everman                | Kemp             | Ponder               |
| Canton        | Fairview               | Kennedale        | Pottsboro            |
| Carrollton    | Farmers Branch         | Kerens           | Prosper              |
| Cedar Hill    | Farmersville           | Kerrville        | Quitman              |
| Celeste       | Fate                   | Killeen          | Red Oak              |
| Celina        | Flower Mound           | Krum             | Reno (Parker County) |
| Centerville   | Forest Hill            | Lake Worth       | Rhome                |
| Cisco         | Forney                 | Lakeside         | Richardson           |
| Clarksville   | Fort Worth             | Lancaster        | Richland             |
|               | Frisco                 | Lewisville       | Richland Hills       |

**ATMOS ENERGY CORPORATION**  
**MID-TEX DIVISION**

|                        |                                                                                            |                |
|------------------------|--------------------------------------------------------------------------------------------|----------------|
| <b>RATE SCHEDULE:</b>  | <b>RRM – Rate Review Mechanism</b>                                                         |                |
| <b>APPLICABLE TO:</b>  | <b>ALL CITIES IN THE MID-TEX DIVISION AS IDENTIFIED IN EXHIBIT A TO THIS RATE SCHEDULE</b> |                |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on and after 04/01/2018</b>                                              | <b>PAGE: 8</b> |

|                 |                   |
|-----------------|-------------------|
| River Oaks      | Temple            |
| Roanoke         | Terrell           |
| Robinson        | The Colony        |
| Rockwall        | Trophy Club       |
| Roscoe          | Tyler             |
| Rowlett         | University Park   |
| Royse City      | Venus             |
| Sachse          | Vernon            |
| Saginaw         | Waco              |
| Sansom Park     | Watauga           |
| Seagoville      | Waxahachie        |
| Sherman         | Westlake          |
| Snyder          | Westover Hills    |
| Southlake       | Westworth Village |
| Springtown      | White Settlement  |
| Stamford        | Whitesboro        |
| Stephenville    | Wichita Falls     |
| Sulphur Springs | Woodway           |
| Sweetwater      | Wylie             |

**ATMOS ENERGY CORP., MID-TEX DIVISION  
RRM CITIES RATE REVIEW MECHANISM  
PROOF OF REVENUES - SYSTEMWIDE  
TEST YEAR ENDING DECEMBER 31, 2018**

| Line No. | Customer Class                         | Current   | Proposed  | Bills      | Ccf/MmBtu   |
|----------|----------------------------------------|-----------|-----------|------------|-------------|
|          | (a)                                    | (b)       | (c)       | (d)        | (e)         |
| 1        | <b>Residential</b>                     |           |           |            |             |
| 2        | Customer Charge                        | \$ 18.85  | \$ 19.55  | 18,572,400 |             |
| 3        | Consumption Charge                     | 0.14846   | 0.17423   |            | 876,575,629 |
| 4        | Revenue Related Taxes                  |           |           |            |             |
| 5        | Total Class Revenue                    |           |           |            |             |
| 6        |                                        |           |           |            |             |
| 7        | <b>Commercial</b>                      |           |           |            |             |
| 8        | Customer Charge                        | \$ 43.50  | \$ 46.50  | 1,492,740  |             |
| 9        | Consumption Charge                     | 0.09165   | 0.09924   |            | 576,758,305 |
| 10       | Revenue Related Taxes                  |           |           |            |             |
| 11       | Total Class Revenue                    |           |           |            |             |
| 12       |                                        |           |           |            |             |
| 13       | <b>Industrial &amp; Transportation</b> |           |           |            |             |
| 14       | Customer Charge                        | \$ 784.00 | \$ 845.50 | 9,804      |             |
| 15       | Consumption Charge Tier 1              | \$ 0.3312 | \$ 0.3572 |            | 10,724,328  |
| 16       | Consumption Charge Tier 2              | \$ 0.2425 | \$ 0.2616 |            | 12,346,302  |
| 17       | Consumption Charge Tier 3              | \$ 0.0520 | \$ 0.0561 |            | 22,335,700  |
| 18       | Revenue Related Taxes                  |           |           |            |             |
| 19       | Total Class Revenue                    |           |           |            |             |
| 20       |                                        |           |           |            |             |
| 21       | <b>Total Excluding Other Revenue</b>   |           |           |            |             |
| 22       |                                        |           |           |            |             |
| 23       |                                        |           |           |            |             |
| 24       | <b>Revenue Related Tax Factor</b>      | 6.7078%   |           |            |             |

| Current<br>Revenues   | Proposed<br>Revenues  | Increase             |
|-----------------------|-----------------------|----------------------|
| (f)                   | (g)                   | (h)                  |
| \$ 350,089,740        | \$ 363,090,420        |                      |
| 130,136,418           | 152,725,772           |                      |
| 32,212,790            | 34,600,111            |                      |
| <u>\$ 512,438,948</u> | <u>\$ 550,416,303</u> | <u>\$ 37,977,356</u> |
| <br>                  |                       |                      |
| \$ 64,934,190         | \$ 69,412,410         |                      |
| 52,859,899            | 57,237,494            |                      |
| 7,901,436             | 8,495,470             |                      |
| <u>\$ 125,695,525</u> | <u>\$ 135,145,374</u> | <u>\$ 9,449,849</u>  |
| <br>                  |                       |                      |
| \$ 7,686,336          | \$ 8,289,282          |                      |
| 3,551,897             | 3,830,730             |                      |
| 2,993,978             | 3,229,793             |                      |
| 1,161,456             | 1,253,033             |                      |
| 1,032,582             | 1,113,691             |                      |
| <u>\$ 16,426,250</u>  | <u>\$ 17,716,529</u>  | <u>\$ 1,290,278</u>  |
| <br>                  |                       |                      |
| <u>\$ 654,560,722</u> | <u>\$ 703,278,206</u> | <u>\$ 48,717,483</u> |

**ATMOS ENERGY CORP., MID-TEX DIVISION  
AVERAGE BILL COMPARISON - BASE RATES  
TEST YEAR ENDING DECEMBER 31, 2018**

| Line |                           |       |           |              |   | CURRENT   | PROPOSED | CHANGE |
|------|---------------------------|-------|-----------|--------------|---|-----------|----------|--------|
| 1    | <b>Rate R @ 47.5 Ccf</b>  |       |           |              |   |           |          |        |
| 2    | Customer charge           |       |           |              |   | \$ 18.85  |          |        |
| 3    | Consumption charge        | 47.5  | CCF       | X \$ 0.14846 | = | 7.05      |          |        |
| 4    | Rider GCR Part A          | 47.5  | CCF       | X \$ 0.27375 | = | 13.00     |          |        |
| 5    | Rider GCR Part B          | 47.5  | CCF       | X \$ 0.27485 | = | 13.06     |          |        |
| 6    | Subtotal                  |       |           |              |   | \$ 51.96  |          |        |
| 7    | Rider FF & Rider TAX      |       | \$ 51.96  | X 0.06708    | = | 3.49      |          |        |
| 8    | Total                     |       |           |              |   | \$ 55.45  |          |        |
| 9    |                           |       |           |              |   |           |          |        |
| 10   | Customer charge           |       |           |              |   |           | \$ 19.55 |        |
| 11   | Consumption charge        | 47.5  | CCF       | X \$ 0.17423 | = | 8.28      |          |        |
| 12   | Rider GCR Part A          | 47.5  | CCF       | X \$ 0.27375 | = | 13.00     |          |        |
| 13   | Rider GCR Part B          | 47.5  | CCF       | X \$ 0.27485 | = | 13.06     |          |        |
| 14   | Subtotal                  |       |           |              |   | \$ 53.89  |          |        |
| 15   | Rider FF & Rider TAX      |       | \$ 53.89  | X 0.06708    | = | 3.61      |          |        |
| 16   | Total                     |       |           |              |   | \$ 57.50  | \$ 2.05  |        |
| 17   |                           |       |           |              |   |           |          | 3.70%  |
| 18   |                           |       |           |              |   |           |          |        |
| 19   | <b>Rate C @ 367.6 Ccf</b> |       |           |              |   |           |          |        |
| 20   | Customer charge           |       |           |              |   | \$ 43.50  |          |        |
| 21   | Consumption charge        | 367.6 | CCF       | X \$ 0.09165 | = | 33.69     |          |        |
| 22   | Rider GCR Part A          | 367.6 | CCF       | X \$ 0.27375 | = | 100.62    |          |        |
| 23   | Rider GCR Part B          | 367.6 | CCF       | X \$ 0.19927 | = | 73.25     |          |        |
| 24   | Subtotal                  |       |           |              |   | \$ 251.06 |          |        |
| 25   | Rider FF & Rider TAX      |       | \$ 251.06 | X 0.06708    | = | 16.84     |          |        |
| 26   | Total                     |       |           |              |   | \$ 267.90 |          |        |
| 27   |                           |       |           |              |   |           |          |        |
| 28   | Customer charge           |       |           |              |   |           | \$ 46.50 |        |
| 29   | Consumption charge        | 367.6 | CCF       | X \$ 0.09924 | = | 36.48     |          |        |
| 30   | Rider GCR Part A          | 367.6 | CCF       | X \$ 0.27375 | = | 100.62    |          |        |
| 31   | Rider GCR Part B          | 367.6 | CCF       | X \$ 0.19927 | = | 73.25     |          |        |
| 32   | Subtotal                  |       |           |              |   | \$ 256.85 |          |        |
| 33   | Rider FF & Rider TAX      |       | \$ 256.85 | X 0.06708    | = | 17.23     |          |        |
| 34   | Total                     |       |           |              |   | \$ 274.08 | \$ 6.18  |        |
| 35   |                           |       |           |              |   |           |          | 2.31%  |



**ATMOS ENERGY CORP., MID-TEX DIVISION  
AVERAGE BILL COMPARISON - BASE RATES  
TEST YEAR ENDING DECEMBER 31, 2018**

| Line |                            |       |       |               |  | CURRENT             | PROPOSED  | CHANGE |
|------|----------------------------|-------|-------|---------------|--|---------------------|-----------|--------|
| 36   | <b>Rate I @ 4066 MMBTU</b> |       |       |               |  |                     |           |        |
| 37   | Customer charge            |       |       |               |  | \$ 784.00           |           |        |
| 38   | Consumption charge         | 1,500 | MMBTU | X \$ 0.3312 = |  | 496.80              |           |        |
| 39   | Consumption charge         | 2,566 | MMBTU | X \$ 0.2425 = |  | 622.14              |           |        |
| 40   | Consumption charge         | 0     | MMBTU | X \$ 0.0520 = |  | -                   |           |        |
| 41   | Rider GCR Part A           | 4,066 | MMBTU | X \$ 2.6733 = |  | 10,868.51           |           |        |
| 42   | Rider GCR Part B           | 4,066 | MMBTU | X \$ 0.4491 = |  | 1,825.85            |           |        |
| 43   | Subtotal                   |       |       |               |  | \$ 14,597.30        |           |        |
| 44   | Rider FF & Rider TAX       |       |       |               |  | 979.16              |           |        |
| 45   | Total                      |       |       |               |  | <u>\$ 15,576.46</u> |           |        |
| 46   |                            |       |       |               |  |                     |           |        |
| 47   | Customer charge            |       |       |               |  |                     | \$ 845.50 |        |
| 48   | Consumption charge         | 1,500 | MMBTU | X \$ 0.3572 = |  |                     | 535.80    |        |
| 49   | Consumption charge         | 2,566 | MMBTU | X \$ 0.2616 = |  |                     | 671.14    |        |
| 50   | Consumption charge         | 0     | MMBTU | X \$ 0.0561 = |  |                     | -         |        |
| 51   | Rider GCR Part A           | 4,066 | MMBTU | X \$ 2.6733 = |  |                     | 10,868.51 |        |
| 52   | Rider GCR Part B           | 4,066 | MMBTU | X \$ 0.4491 = |  |                     | 1,825.85  |        |
| 53   | Subtotal                   |       |       |               |  | \$ 14,746.80        |           |        |
| 54   | Rider FF & Rider TAX       |       |       |               |  | 989.19              |           |        |
| 55   | Total                      |       |       |               |  | <u>\$ 15,735.99</u> | \$ 159.53 |        |
| 56   |                            |       |       |               |  |                     |           | 1.02%  |
| 57   | <b>Rate T @ 4066 MMBTU</b> |       |       |               |  |                     |           |        |
| 58   | Customer charge            |       |       |               |  | \$ 784.00           |           |        |
| 59   | Consumption charge         | 1,500 | MMBTU | X \$ 0.3312 = |  | 496.80              |           |        |
| 60   | Consumption charge         | 2,566 | MMBTU | X \$ 0.2425 = |  | 622.14              |           |        |
| 61   | Consumption charge         | 0     | MMBTU | X \$ 0.0520 = |  | -                   |           |        |
| 62   | Rider GCR Part B           | 4,066 | MMBTU | X \$ 0.4491 = |  | 1,825.85            |           |        |
| 63   | Subtotal                   |       |       |               |  | \$ 3,728.79         |           |        |
| 64   | Rider FF & Rider TAX       |       |       |               |  | 250.12              |           |        |
| 65   | Total                      |       |       |               |  | <u>\$ 3,978.91</u>  |           |        |
| 66   |                            |       |       |               |  |                     |           |        |
| 67   | Customer charge            |       |       |               |  |                     | \$ 845.50 |        |
| 68   | Consumption charge         | 1,500 | MMBTU | X \$ 0.3572 = |  |                     | 535.80    |        |
| 69   | Consumption charge         | 2,566 | MMBTU | X \$ 0.2616 = |  |                     | 671.14    |        |
| 70   | Consumption charge         | 0     | MMBTU | X \$ 0.0561 = |  |                     | -         |        |
| 71   | Rider GCR Part B           | 4,066 | MMBTU | X \$ 0.4491 = |  |                     | 1,825.85  |        |
| 72   | Subtotal                   |       |       |               |  | \$ 3,878.29         |           |        |
| 73   | Rider FF & Rider TAX       |       |       |               |  | 260.15              |           |        |
| 74   | Total                      |       |       |               |  | <u>\$ 4,138.44</u>  | \$ 159.53 |        |
| 75   |                            |       |       |               |  |                     |           | 4.01%  |

ACSC Margin Advantage Over GRIP and DARR Residential Customers  
Effective October 1, 2019

| <b>Group</b>     | <b>Average Monthly Consumption</b> | <b>Customer Charge</b> | <b>Consumption Charge</b> | <b>Average Bill</b> | <b>Average Monthly Savings</b> |
|------------------|------------------------------------|------------------------|---------------------------|---------------------|--------------------------------|
| ACSC/RRM         | 47.5 CCF                           | \$19.55                | \$0.17423                 | \$27.83             | X                              |
| Environs<br>GRIP | 47.5 CCF                           | \$19.84                | \$0.18653                 | \$28.70             | \$0.87                         |
| ATM GRIP         | 47.5 CCF                           | \$21.69                | \$0.14846                 | \$28.74             | \$0.92                         |
| DARR             | 47.5 CCF                           | \$21.25                | \$0.14924                 | \$28.34             | \$0.51                         |

## **FREQUENTLY ASKED QUESTIONS REGARDING ACSC HISTORY AND THE RRM RATEMAKING PROCESS**

### **What is the role of Cities in ratemaking?**

Cities have historically exercised original jurisdiction over the level of gas rates charged within their boundaries. Generally, gas distribution utilities have filed rate cases at the City level and have only gone to the Railroad Commission of Texas (“RCT” or “Commission”) with an appeal of City action or when they could not reach a settlement with Cities. If a utility and Cities reach an agreement, the utility may then file a case at the RCT to implement the same rates approved by Cities in areas outside municipal boundaries.

Once a case is at the RCT, the Commission Staff generally expects Cities to intervene and do most of the discovery, cross-examination, briefing, and sponsor opposing witnesses. There is no consumer advocate at the RCT. If Cities do not participate in hearings at the RCT, the request of a regulated utility is likely to be rubber-stamped.

### **How and why was the Atmos Cities Steering Committee created?**

The Atmos pipeline and distribution systems were built, owned, and operated by Lone Star Gas (“LSG”), which maintained over 200 rate jurisdictions until it sold its assets to Texas Utilities (“TXU”) in the late 1990’s. That meant that many Cities had their own unique distribution rates and that individual Cities had to process rate cases at the local level. LSG-Pipeline served all 200-plus distribution systems, and pipeline rates were set by the RCT.

From the early 1980’s through the late 1990’s, LSG filed no pipeline or system-wide rate cases at the RCT. When LSG was finally brought before the RCT to show cause why its rates should not be reduced, approximately 80 Cities intervened and created an *ad hoc* group known as the Steering Committee of Cities Served by Lone Star. In Gas Utilities Division (“GUD”) docket number 8664, three separate groups of Cities and a number of independent Cities (jointly the “Aligned Cities”) participated and coordinated their efforts to oppose the rate increase.

TXU purchased the LSG assets in the late 1990’s and immediately commenced consolidating 200-plus ratemaking jurisdictions into regions. As regional cases were filed, Cities within each region created an *ad hoc* committee to form a common strategy and negotiating position. Once TXU had aggregated the Cities into five or six jurisdictions, each with a different rate, Texas Utilities Gas Company filed a system-wide case to bring all of the old LSG territory under one common rate. The different City regional committees then united and formed the Allied Coalition of Cities (“ACC”). While the gas utility assets were owned and controlled by TXU, the coalition transformed itself from an *ad hoc* group that came together only in response to rate filings by the utility into a permanent standing coalition.

In Gas Utilities Docket (“GUD”) No. 9400 in 2004, TXU’s request for a \$61.6 million system-wide increase was aggressively opposed by ACC. Cities achieved disallowances of \$42.9 million of a regulatory asset and \$87.8 million of capitalized gas utility plant. The company received only a \$2.01 million increase. Unhappy with that result, TXU decided that owning a gas system was neither as fun nor as profitable as the deregulated electric system, and they sold the system to Atmos Energy Corporation (“Atmos” or “Company”). ACC was then transformed into the Steering

Committee of Cities Served by Atmos and then renamed Atmos Cities Steering Committee to obtain an easy to remember acronym, “ACSC.”

### **What is the Atmos Cities Steering Committee?**

ACSC is a coalition of 170 Cities that unite in common purpose to address gas utility rate and franchise issues related to Atmos Energy Corporation. Its objectives are to: (1) ensure that gas utility rates charged to Cities and their residents are fair and reasonable; (2) maintain reasonable franchise fee revenues for Cities; (3) protect Cities’ original jurisdiction over rates and services; (4) be a voice for consumers where no state agency assumes such a role; and (5) promote sound ratemaking policies in the public interest.

Cities join the permanent standing committee by passing a resolution and agreeing to support the work of ACSC through modest occasional *per capita* assessments that support ongoing administrative and legislative advocacy and all expenses where Cities are not entitled to reimbursement. Each member City designates a representative to ACSC. Member representatives may volunteer to serve on the ACSC Executive Committee. The Executive Committee sets policy, hires legal counsel and consultants, directs litigation, establishes a legislative agenda, sets assessments on members as needed, and meets quarterly with Atmos executives. The Settlement Committee is directly involved in negotiating resolution of contested matters with Atmos executives. The list of current members is attached.

### **What is the benefit of membership in ACSC?**

One hundred seventy Cities speaking as one voice is much more effective in advocacy before the Railroad Commission and legislature than any one City or multiple small groups of Cities.

The legislature has given gas utilities a right to an annual increase in rates. Resources (both financial and human) of individual Cities are conserved by membership in ACSC. Additionally, membership enhances institutional memory of ratemaking issues, public policy debates, and right-of-way and franchise fee battles.

### **What has ACSC accomplished?**

Going into the 82nd Legislative Session, in December 2010, ACSC released a 48-page report, “Natural Gas Consumers and the Texas Railroad Commission.” More than 200 television, newspaper and radio news sites posted information on, and a link to, the report that may be found on ACSC’s website, [TexasGasConsumers.org](http://TexasGasConsumers.org).

ACSC has also been instrumental in ongoing Sunset Commission reviews of the RCT. The agency has undergone three Sunset reviews since 2010, and in each case ACSC has maintained a watchful eye on the process to ensure that provisions that could harm the interest of gas utility ratepayers are excluded from the legislation. ACSC representatives also visited on several occasions with the Sunset Commission Staff, and several ACSC recommendations for reform were included in Sunset Commission Reports on the agency. Several ACSC member representatives testified before the legislature regarding the Sunset review of the Railroad Commission.

During the 2011 legislative session, lobbying efforts by ACSC were critical in killing two gas utility bills that would have undermined traditional regulation, deprived Cities of certain rights, and led to even greater rate increases.

ACSC has also resolved a major issue involving franchise fees. In 2010, Atmos unilaterally, without notice, ceased inclusion of franchise fees in the calculations of gross receipts regardless of whether specific franchises included such payments. Several Cities were willing to pursue the matter through litigation. However, counsel for ACSC was able to negotiate a resolution that allowed each member City to determine whether it desired an increase in franchise fee payments based on inclusion of franchise fees in the calculation of gross receipts. If a City opted for inclusion of fee-on-fee revenues, it had the further option of retroactive payments back to the point in time that Atmos decided to curtail fee-on-fee payments. Each member had these options regardless of the wording of the then-valid franchise agreement. This resolution spared significant litigation costs and anxiety and was only possible because of the clout of the ACSC membership.

One of the most significant accomplishments of ACSC occurred in 2007 via a settlement of the then-pending, system-wide rate case. Approximately 50 ACSC City representatives showed up in Arlington for a meeting with Atmos executives who were shocked at the vocal opposition to Atmos' practices, the unfairness of annual Gas Reliability Infrastructure Program ("GRIP") rate filings that precluded City and citizen review, and the Company's lack of coordination with Cities. That meeting led to the creation of the Rate Review Mechanism ("RRM") process and improved ongoing communications between the Company and ACSC.

In 2010, these improved communications between ACSC and the Company led to a workable solution to the need to replace steel service lines in a manner that accommodated Cities' needs to control their rights-of-way, while moderating the rate impact and focusing first on the riskiest service lines based on leak repair histories. This compromise precluded a more onerous (from a City and consumer perspective) program threatened by the RCT.

### **What is an RRM case?**

The concept of an RRM proceeding emerged as a three-year experimental substitute for GRIP cases as part of the settlement of Atmos Mid-Tex's 2007 system-wide rate case. In 2003, the Texas Legislature added Section 104.301, Interim Adjustment for Changes in Investment, to the Gas Utility Regulatory Act. While not identified as such in the law, § 104.301 was referred to as the Gas Reliability Infrastructure Program or GRIP. The GRIP adjustments allowed gas companies to recover changes to invested capital without a review of whether increased revenues or declining expenses offset the invested capital costs. Both Atmos Pipeline and Atmos Mid-Tex filed GRIP cases as soon as the RCT adopted rules to implement the interim adjustments. As explained below, it quickly became apparent that the GRIP adjustments were terrible public policy.

As an alternative to GRIP, ACSC entered into a negotiated agreement with Atmos in 2007 to establish the RRM process. Unlike GRIP, the RRM provided for an annual review of all portions of Mid-Tex's cost of service. It fixed an authorized rate of return on equity for the three-year period at 9.6% (which was less than what the RCT would have authorized) and set caps on the extent to which expenses or investments could increase from one year to the next. More importantly, it allowed Cities to make a comprehensive evaluation of all aspects of the utility's business—investment, operation and maintenance expenses, and revenues—unlike GRIP that only allows consideration of changes to invested capital.

### **Why is RRM superior to GRIP?**

GRIP cases guarantee a one-sided, rubber-stamp approval of the utility's rate request. ACSC attempted to participate in the first two GRIP proceedings filed by both Atmos Pipeline and Atmos Mid-Tex at the RCT. Not only were Cities' motions to intervene denied, but also, ACSC's comments were ignored. At the City level, ACSC consultants determined that Atmos was not only including items such as artwork, chairs, computers, and meals in interim rate adjustments that were allegedly intended to promote pipeline safety, but the Company was also over-earning its previously authorized rate of return. ACSC attacked the Commission's rule in court because it denied City participation, denied a hearing on a contested matter, and denied Cities' recovery of any expenses associated with resisting GRIP rate increases. The courts were not helpful to Cities. In 2011, the Texas Supreme Court upheld the Commission's rule implementing the GRIP statute.

Cities have contended that the GRIP process is terrible public policy since it authorizes what would, from the perspective of a history of public interest regulation, be regarded as unlawful—piecemeal ratemaking. GRIP allows rates to increase if the utility's invested capital net of depreciation increases year-over-year. An increase in rates is mandated under GRIP if investment increases, even if increasing revenues and declining expenses more than offset the costs associated with increased investment.

The RRM process negotiated by ACSC solves the piecemeal ratemaking problem by providing for a comprehensive review of Atmos' expenses and revenues. Furthermore, the RRM process benefitted ACSC by: (1) allowing Cities' participation that would be denied under GRIP; (2) allowing Cities to recover, at utility shareholders' expense, all their ratemaking costs; and (3) avoiding both litigation and RCT jurisdiction.

The legislature has functionally authorized annual increases in gas utility rates through the GRIP process. Since consumers are otherwise stuck with annual rate increases, it is better to have Cities participate in the comprehensive RRM process than be unable to participate in a piecemeal process.

### **What has been the history of the RRM efforts?**

A total of eleven RRM filings have been made by the Company. These filings all resulted in settlements at the City level, except for the 2014 filing, which the ACSC Cities denied. The Company appealed the denial to the RCT, and ACSC was ultimately able to settle that proceeding before it reached the stage of a final RCT order. The results of these filings from a system-wide perspective are as follows (continued on next page):

| <b>RRM Filing</b> | <b>Year</b> | <b>Atmos Request</b> | <b>ACSC Settlement</b> |
|-------------------|-------------|----------------------|------------------------|
| #1                | 2008        | \$33.5 million       | \$20 million           |
| #2                | 2009        | \$20.2 million       | \$2.6 million          |
| #3                | 2010        | \$70.2 million       | \$27 million           |
| #4                | 2011        | \$15.7 million       | \$6.6 million          |
| #5                | 2013        | \$22.7 million       | \$16.6 million         |
| #6                | 2014        | \$45.7 million       | \$43.8 million         |
| #7                | 2015        | \$28.8 million       | \$22.8 million         |
| #8                | 2016        | \$35.4 million       | \$29.6 million         |
| #9                | 2017        | 57.4 million         | \$48 million           |



| <b>RRM Filing</b> | <b>Year</b> | <b>Atmos Request</b> | <b>ACSC Settlement</b> |
|-------------------|-------------|----------------------|------------------------|
| #10               | 2018        | \$27.4 million       | \$24.9 million         |
| #11               | 2019        | \$54 million         | \$35.4 million         |

Unable to reach agreement to perpetuate the original RRM terms, Atmos filed a traditional rate case with Cities in 2012 (GUD No. 10170), which was then appealed to the Railroad Commission. A final order in that case was entered in December 2012. The ratemaking decisions of the Commission then became the basis of renewal negotiations on the RRM process. The renewed RRM included some modifications that enhanced the original RRM process. Among these modifications were:

- A limit on the percentage of increase to be included in the monthly customer charge;
- A prohibition against capital post-test year adjustments;
- A time limit for known and measurable adjustments to operating and maintenance expenses;
- A guaranteed reduction in the Company's requested increase of at least \$3 million annually; and
- A limitation on the amount of equity in the Company's capital structure.

### **Changes to the RRM process**

As noted in a communication to ACSC in May 2017, the rate of return on equity ("ROE") embedded in the RRM process between 2013 and 2017 of 10.5% is excessive by at least 100 basis points, based upon a reasonable rate of return that reflects the market conditions in which the Company, and its parent Atmos Energy, operates. Because this ROE cannot be altered except by (1) changing the terms of the RRM tariff, or (2) a Commission order coming out of a new rate case, ACSC informed the Company that the 2017 RRM will be the last filing by the Company under the current tariff. Atmos agreed to renegotiate the terms and conditions of a revised RRM tariff in 2017.

In February and March 2018, ACSC adopted a new RRM tariff ordinance that implemented new procedures and criteria for the RRM process. The revised RRM tariff reduced the allowed ROE from 10.5% to 9.8% and captured the reduced federal income tax rate of 21%. The new tariff expanded Cities' review period from three months to five months. It also required Atmos Mid-Tex to accept ACSC's position regarding incentive compensation related to Atmos' Shared Services Unit. The 2019 RRM filing is the second under the new tariff.

### **When must Cities approve new rates?**

ACSC's Tariff Ordinance adopted around March 2018 declares that new rates become effective October 1<sup>st</sup> of each year. While it is preferable that ordinances or resolutions adopting new tariffs are passed before the end of September, there is no adverse consequence if final action cannot take place until sometime in October. The only thing that will frustrate new rates becoming effective on October 1, 2019 is City action that specifically denies the increase.

**What would happen if a City Council denies the RRM rate increase?**

Atmos would either appeal the denial to the Railroad Commission or initiate imposition of GRIP rates or both. Rates for residents of that City would be higher than rates of other ACSC member residents. Rate case expenses (both the City and Company) associated with litigation at the Railroad Commission would likely be surcharged back to the City that denied the increase.

If you have other questions please contact me at (512) 322-5875 and/or gmg@lglawfirm.com, or Georgia Crump at (512) 322-5832 and/or gcrump@lglawfirm.com.

Geoffrey Gay  
ACSC, General Counsel

## ORDINANCE NO. 677

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2019 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.**

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

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

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

**WHEREAS**, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

**WHEREAS**, on about April 1, 2019, Atmos Mid-Tex filed its 2019 RRM rate request with ACSC Cities based on a test year ending December 31, 2018; and

**WHEREAS**, ACSC coordinated its review of the Atmos Mid-Tex 2019 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

**WHEREAS**, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$35.4 million applicable to ACSC Cities; and

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

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

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

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

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

#### **SECTION 1.**

That the findings set forth in this Ordinance are hereby in all things approved.

#### **SECTION 2.**

That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$35.4 million for ACSC Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2019 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

#### **SECTION 3.**

That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$35.4 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

#### **SECTION 4.**

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

#### **SECTION 5.**

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

#### **SECTION 6.**

That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2019 RRM filing.

#### **SECTION 7.**

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

#### **SECTION 8.**

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

#### **SECTION 9.**

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

#### **SECTION 10.**

That consistent with the City Ordinance that established the RRM process, this Ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2019.

#### **SECTION 11.**

That a copy of this Ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LJB Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General

Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2019.**

**APPROVED:**

\_\_\_\_\_  
**MAYOR BRIAN JOHNSON**

[CITY SEAL]

**ATTEST:**

\_\_\_\_\_  
**CITY SECRETARY LESLIE E. GALLOWAY**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**CITY ATTORNEY DREW LARKIN**



## **Exhibit A**

### **Rate Tariffs Effective October 1, 2019**

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

**RRC Tariff No:**

|                        |                                                                   |              |
|------------------------|-------------------------------------------------------------------|--------------|
| <b>RATE SCHEDULE:</b>  | <b>R – RESIDENTIAL SALES</b>                                      |              |
| <b>APPLICABLE TO:</b>  | <b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b> |              |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on or after 10/01/2019</b>                      | <b>PAGE:</b> |

**Application**

Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

| <b>Charge</b>                     | <b>Amount</b>                  |
|-----------------------------------|--------------------------------|
| Customer Charge per Bill          | \$ 19.55 per month             |
| Rider CEE Surcharge               | \$ 0.05 per month <sup>1</sup> |
| <b>Total Customer Charge</b>      | <b>\$ 19.60 per month</b>      |
| Commodity Charge – All <u>Ccf</u> | \$0.17423 per Ccf              |

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

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<sup>1</sup>Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2019.

|                        |                                                                   |              |
|------------------------|-------------------------------------------------------------------|--------------|
| <b>RATE SCHEDULE:</b>  | <b>C – COMMERCIAL SALES</b>                                       |              |
| <b>APPLICABLE TO:</b>  | <b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b> |              |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on or after 10/01/2019</b>                      | <b>PAGE:</b> |

**Application**

Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

| <b>Charge</b>                | <b>Amount</b>                  |
|------------------------------|--------------------------------|
| Customer Charge per Bill     | \$ 46.50 per month             |
| Rider CEE Surcharge          | \$ 0.02 per month <sup>2</sup> |
| <b>Total Customer Charge</b> | <b>\$ 46.52 per month</b>      |
| Commodity Charge – All Ccf   | \$ 0.09924 per Ccf             |

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

<sup>1</sup> Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2019.

|                        |                                                                   |              |
|------------------------|-------------------------------------------------------------------|--------------|
| <b>RATE SCHEDULE:</b>  | <b>I – INDUSTRIAL SALES</b>                                       |              |
| <b>APPLICABLE TO:</b>  | <b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b> |              |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on or after 10/01/2019</b>                      | <b>PAGE:</b> |

**Application**

Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 3,500 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 3,500 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

| <b>Charge</b>                | <b>Amount</b>       |
|------------------------------|---------------------|
| Customer Charge per Meter    | \$ 845.50 per month |
| First 0 MMBtu to 1,500 MMBtu | \$ 0.3572 per MMBtu |
| Next 3,500 MMBtu             | \$ 0.2616 per MMBtu |
| All MMBtu over 5,000 MMBtu   | \$ 0.0561 per MMBtu |

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Curtailment Overpull Fee**

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

|                        |                                                                   |              |
|------------------------|-------------------------------------------------------------------|--------------|
| <b>RATE SCHEDULE:</b>  | <b>I – INDUSTRIAL SALES</b>                                       |              |
| <b>APPLICABLE TO:</b>  | <b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b> |              |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on or after 10/01/2019</b>                      | <b>PAGE:</b> |

**Agreement**

An Agreement for Gas Service may be required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

|                        |                                                                   |              |
|------------------------|-------------------------------------------------------------------|--------------|
| <b>RATE SCHEDULE:</b>  | <b>T – TRANSPORTATION</b>                                         |              |
| <b>APPLICABLE TO:</b>  | <b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b> |              |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on or after 10/01/2019</b>                      | <b>PAGE:</b> |

**Application**

Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

**Type of Service**

Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

**Monthly Rate**

Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

| <b>Charge</b>                | <b>Amount</b>       |
|------------------------------|---------------------|
| Customer Charge per Meter    | \$ 845.50 per month |
| First 0 MMBtu to 1,500 MMBtu | \$ 0.3572 per MMBtu |
| Next 3,500 MMBtu             | \$ 0.2616 per MMBtu |
| All MMBtu over 5,000 MMBtu   | \$ 0.0561 per MMBtu |

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

**Imbalance Fees**

All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

**Monthly Imbalance Fees**

Customer shall pay Company the greater of (i) \$0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.



|                 |                                                            |       |
|-----------------|------------------------------------------------------------|-------|
| RATE SCHEDULE:  | T – TRANSPORTATION                                         |       |
| APPLICABLE TO:  | ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF |       |
| EFFECTIVE DATE: | Bills Rendered on or after 10/01/2019                      | PAGE: |

**Curtailment Overpull Fee**

Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

**Replacement Index**

In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

**Agreement**

A transportation agreement is required.

**Notice**

Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

**Special Conditions**

In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

|                        |                                                                   |              |
|------------------------|-------------------------------------------------------------------|--------------|
| <b>RIDER:</b>          | <b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>                     |              |
| <b>APPLICABLE TO:</b>  | <b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b> |              |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on or after 11/01/2019</b>                      | <b>PAGE:</b> |

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

$i$  = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$  = Weather Normalization Adjustment Factor for the  $i^{th}$  rate schedule or classification expressed in cents per Ccf

$R_i$  = Commodity Charge rate of temperature sensitive sales for the  $i^{th}$  schedule or classification.

$HSF_i$  = heat sensitive factor for the  $i^{th}$  schedule or classification divided by the average bill count in that class

$NDD$  = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

$ADD$  = billing cycle actual heating degree days.

$BL_i$  = base load sales for the  $i^{th}$  schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the  $j$ th customer in  $i$ th rate schedule is computed as:

$$WNA_j = WNAF_i \times q_{ij}$$

Where  $q_{ij}$  is the relevant sales quantity for the  $j$ th customer in  $i$ th rate schedule.

**MID-TEX DIVISION  
ATMOS ENERGY CORPORATION**

|                        |                                                                   |              |
|------------------------|-------------------------------------------------------------------|--------------|
| <b>RIDER:</b>          | <b>WNA – WEATHER NORMALIZATION ADJUSTMENT</b>                     |              |
| <b>APPLICABLE TO:</b>  | <b>ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF</b> |              |
| <b>EFFECTIVE DATE:</b> | <b>Bills Rendered on or after 11/01/2019</b>                      | <b>PAGE:</b> |

Base Use/Heat Use Factors

| Weather Station  | <u>Residential</u>     |                            | <u>Commercial</u>      |                            |
|------------------|------------------------|----------------------------|------------------------|----------------------------|
|                  | Base use<br><u>Ccf</u> | Heat use<br><u>Ccf/HDD</u> | Base use<br><u>Ccf</u> | Heat use<br><u>Ccf/HDD</u> |
| Abilene          | 9.77                   | 0.1487                     | 88.49                  | 0.7036                     |
| Austin           | 9.04                   | 0.1537                     | 201.48                 | 1.0000                     |
| Dallas           | 13.07                  | 0.2202                     | 184.64                 | 1.1385                     |
| Waco             | 8.77                   | 0.1470                     | 135.70                 | 0.7744                     |
| Wichita<br>Falls | 11.40                  | 0.1468                     | 117.90                 | 0.5943                     |

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at [atmosenergy.com/mtx-wna](http://atmosenergy.com/mtx-wna), in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

## **Exhibit B**

### **2019 Benchmark for Pensions and Retiree Medical Benefits**

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL**  
**TEST YEAR ENDING DECEMBER 31, 2018**

| Line No. | Description                                                          | Shared Services      |                              | Mid-Tex Direct       |                              | Adjustment Total |
|----------|----------------------------------------------------------------------|----------------------|------------------------------|----------------------|------------------------------|------------------|
|          |                                                                      | Pension Account Plan | Post-Employment Benefit Plan | Pension Account Plan | Post-Employment Benefit Plan |                  |
|          | (a)                                                                  | (b)                  | (c)                          | (d)                  | (e)                          | (f)              |
|          | Proposed Benefits Benchmark - Fiscal Year 2019 Willis Towers         |                      |                              |                      |                              |                  |
| 1        | Watson Report as adjusted (1) (2) (3)                                | \$ 2,744,088         | \$ 2,267,927                 | \$ 4,724,119         | \$ 193,211                   | \$ 2,621,842     |
| 2        | Allocation to Mid-Tex                                                | 43.48%               | 43.48%                       | 73.88%               | 100.00%                      | 73.88%           |
|          | Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2) |                      |                              |                      |                              |                  |
| 3        |                                                                      | \$ 1,193,029         | \$ 986,012                   | \$ 3,490,241         | \$ 193,211                   | \$ 1,937,051     |
| 4        | O&M and Capital Allocation Factor                                    | 100.00%              | 100.00%                      | 100.00%              | 100.00%                      | 100.00%          |
| 5        | Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)       | \$ 1,193,029         | \$ 986,012                   | \$ 3,490,241         | \$ 193,211                   | \$ 1,937,051     |
| 6        |                                                                      |                      |                              |                      |                              | \$ 7,799,544     |
| 7        |                                                                      |                      |                              |                      |                              |                  |
| 8        | Summary of Costs to Approve (1):                                     |                      |                              |                      |                              |                  |
| 9        |                                                                      |                      |                              |                      |                              |                  |
| 10       | O&M Expense Factor (WP_F-2.3, Ln 2)                                  | 81.35%               | 81.35%                       | 38.28%               | 16.24%                       | 38.28%           |
| 11       |                                                                      |                      |                              |                      |                              |                  |
| 12       |                                                                      |                      |                              |                      |                              |                  |
| 13       | Total Pension Account Plan                                           | \$ 970,514           |                              | \$ 1,336,038         |                              | \$ 2,306,553     |
| 14       | Total Post-Employment Benefit Plan                                   |                      | \$ 802,108                   |                      | \$ 31,377                    | \$ 741,489       |
| 15       | Total Supplemental Executive Benefit Plan                            |                      |                              |                      |                              |                  |
| 16       | Total (Ln 13 + Ln 14 + Ln 15)                                        | \$ 970,514           | \$ 802,108                   | \$ 1,336,038         | \$ 31,377                    | \$ 31,377        |
| 17       |                                                                      |                      |                              |                      |                              | \$ 3,881,527     |

**Notes:**

1. Studies not applicable to Mid-Tex or Shared Services are omitted.
2. The Company is requesting that the benchmark amount approved by the RRM Cities for future periods include only the expense amount.
- The amount attributable to capital would continue to be recorded to utility plant through the overhead process as described in the CAM.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

## **Exhibit C**

### **2019 Amortization Schedule for Regulatory Liability**

**ATMOS ENERGY CORP., MID-TEX DIVISION**  
**RATE BASE ADJUSTMENTS**  
**TEST YEAR ENDING DECEMBER 31, 2018**  
**AMORTIZATION OF REGULATORY LIABILITY**

| Line No. | Year Ended Dec. 31 | Beginning of Year               |                         | End of Year                 |  |
|----------|--------------------|---------------------------------|-------------------------|-----------------------------|--|
|          |                    | Rate Base Adjustment Amount (1) | Annual Amortization (2) | Rate Base Adjustment Amount |  |
|          | (a)                | (b)                             | (c)                     | (d)                         |  |
| 1        | 2018               | \$ 290,043,948                  | \$ -                    | 290,043,948                 |  |
| 2        | 2019               | 290,043,948                     | 12,085,165              | 277,958,784                 |  |
| 3        | 2020               | 277,958,784                     | 12,085,165              | 265,873,619                 |  |
| 4        | 2021               | 265,873,619                     | 12,085,165              | 253,788,455                 |  |
| 5        | 2022               | 253,788,455                     | 12,085,165              | 241,703,290                 |  |
| 6        | 2023               | 241,703,290                     | 12,085,165              | 229,618,126                 |  |
| 7        | 2024               | 229,618,126                     | 12,085,165              | 217,532,961                 |  |
| 8        | 2025               | 217,532,961                     | 12,085,165              | 205,447,797                 |  |
| 9        | 2026               | 205,447,797                     | 12,085,165              | 193,362,632                 |  |
| 10       | 2027               | 193,362,632                     | 12,085,165              | 181,277,468                 |  |
| 11       | 2028               | 181,277,468                     | 12,085,165              | 169,192,303                 |  |
| 12       | 2029               | 169,192,303                     | 12,085,165              | 157,107,139                 |  |
| 13       | 2030               | 157,107,139                     | 12,085,165              | 145,021,974                 |  |
| 14       | 2031               | 145,021,974                     | 12,085,165              | 132,936,810                 |  |
| 15       | 2032               | 132,936,810                     | 12,085,165              | 120,851,645                 |  |
| 16       | 2033               | 120,851,645                     | 12,085,165              | 108,766,481                 |  |
| 17       | 2034               | 108,766,481                     | 12,085,165              | 96,681,316                  |  |
| 18       | 2035               | 96,681,316                      | 12,085,165              | 84,596,152                  |  |
| 19       | 2036               | 84,596,152                      | 12,085,165              | 72,510,987                  |  |
| 20       | 2037               | 72,510,987                      | 12,085,165              | 60,425,823                  |  |
| 21       | 2038               | 60,425,823                      | 12,085,165              | 48,340,658                  |  |
| 22       | 2039               | 48,340,658                      | 12,085,165              | 36,255,494                  |  |
| 23       | 2040               | 36,255,494                      | 12,085,165              | 24,170,329                  |  |
| 24       | 2041               | 24,170,329                      | 12,085,165              | 12,085,165                  |  |



|    |                                                                                 |            |                   |                             |
|----|---------------------------------------------------------------------------------|------------|-------------------|-----------------------------|
| 25 | 2042                                                                            | 12,085,165 | 12,085,165        | (0)                         |
| 27 |                                                                                 |            |                   |                             |
| 28 |                                                                                 |            |                   |                             |
| 29 | Revenue Related Tax Factor                                                      |            | 6.71%             | See WP_F-5.1                |
| 30 | Revenue Related Taxes on Annual                                                 |            |                   | Amortization * Tax          |
| 31 | Amortization (see WP_B-6.3)                                                     | \$         | 810,653           | Factor                      |
| 32 | Related Taxes (see WP_B-6.3)                                                    | \$         | <u>12,905,421</u> | <u>Amortization + Taxes</u> |
| 33 | Notes:                                                                          |            |                   |                             |
| 34 | 1. The beginning 2018 balance is the September, 2018 balance. The regulatory    |            |                   |                             |
| 35 | liability for excess deferred taxes is an estimate. This estimate will be       |            |                   |                             |
| 36 | finalized when the Company files its federal tax return in July, 2019. To the   |            |                   |                             |
| 37 | extent that this estimate changes with the filing of the Company's tax return,  |            |                   |                             |
| 38 | the Company will 'true-up' the amount in the 2020 RRM filing.                   |            |                   |                             |
| 39 | 2. The annual amortization of a 24 year recovery period is based on the         |            |                   |                             |
| 40 | Reverse South Georgia Method.                                                   |            |                   |                             |
| 41 | 3. The Regulatory Liability is recorded to FERC Account 253, Sub Account 27909. |            |                   |                             |

**DATE:** September 17, 2019

**AGENDA ITEM:** REQUIRED APPROVAL ITEMS (CONSENT) ITEM E.

**SUBJECT:**

Consider authorizing the City Manager to sign a one-year extension of an Interlocal Agreement with City of Fort Worth for rabies control services and the utilization of animal impoundment and quarantine facilities

**ORIGINATED BY:**

Tommy Williams, Police Chief

**SUMMARY:** In FY16–17, the City Council approved an Interlocal Agreement (ILA) with the City of Fort Worth for limited rabies control services and impoundment and quarantine facilities for animals.

During FY18–19, we have impounded 39 dogs, 4 cats, and 1 raccoon. We have been billed for a total of \$14,400 in shelter services to date. These invoices were associated with the impounding and adoption fees for our animals that were not claimed by an owner. The amount is much lower than FY17–18 due, in large part, to our Animal Control Officer (ACO) being hired as a police officer in early May of this year. We have used a contracted service since that time working on a part-time basis. This reduction of hours reduced the total animals impounded to a lower than average number.

The original contract allowed for 3 (three) one-year extensions by written agreement of both parties. The first of these extensions was signed for FY17–18, the second for FY18–19, and the attached document (received August 16, 2019) would approve the final one-year extension through September 30, 2020.

**RECOMMENDATION:** Approve

**ATTACHMENTS:**

|    |                           |                                |
|----|---------------------------|--------------------------------|
| 1. | One-Year Extension of ILA | Ft Worth Shelter Agreement.pdf |
|----|---------------------------|--------------------------------|

**CITY OF FORT WORTH  
REQUEST TO EXERCISE RENEWAL OPTION**

August 15, 2019

City Of Kennedale  
Attn: Capt. Darrell Hull-PD  
401 Municipal Dr.  
Kennedale, TX. 76060

Re: REQUEST TO EXERCISE RENEWAL OPTION  
Interlocal Agreement for Rabies Control  
Contract No. CSC No. 48788 (the "Contract")  
Renewal Term No. 3: October 1, 2019 to September 30, 2020

The above referenced Contract with the City of Fort Worth expires on September 30, 2019 (the "Expiration Date"). Pursuant to Section 3 of the Contract, contract renewals are at the mutual agreement of the parties. This letter is to inform you that the City is requesting to renew the Contract for an additional one (1) year period, which will begin immediately after the Expiration Date and which will expire on September 30, 2020. All other terms and conditions of the Contract remain unchanged.

**To agree to renew the Contract for an additional one (1) year period, please sign and return this request to exercise renewal option, along with a copy of your current insurance certificate, to the address set forth below.**

Please log onto PeopleSoft Purchasing at <http://fortworthtexas.gov/purchasing> to insure that your company information is correct and up-to-date.

If you have any questions concerning this Request for Contract Renewal, please contact me at the telephone number listed below.

Sincerely,

Christopher Lirette  
5000 Martin Luther King Blvd.  
Fort Worth, Texas 76119  
Ph# 817-392-7084

ACCEPTED AND AGREED:

|                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>CITY OF FORT WORTH</b></p> <p>By: _____<br/> Name: Valerie R. Washington<br/> Title: Assistant City Manager</p> <p>APPROVAL RECOMMENDED:</p> <p>By: _____<br/> Name: Dr. Timothy Morton<br/> Title: Asst. Code Compliance Director</p> <p>ATTEST:</p> <p>By: _____<br/> Name: Mary J. Kayser<br/> Title: City Secretary</p> | <p><b>CONTRACT COMPLIANCE MANAGER:</b><br/> By signing I acknowledge that I am the person responsible for the monitoring and administration of this contract, including ensuring all performance and reporting requirements.</p> <p>By: _____<br/> Name: Christopher Lirette<br/> Title: Superintendent Code Compliance</p> <p>APPROVED AS TO FORM AND LEGALITY:</p> <p>By: _____<br/> Name: Matthew Murray<br/> Title: Assistant City Attorney</p> <p><b>CONTRACT AUTHORIZATION:</b><br/> M&amp;C: C-28077<br/> Date Approved: January 24, 2017<br/> Form 1295 Certification No.: Not required</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>City of Kennedale</p> <p>By: _____<br/> Name: George C. Campbell<br/> Title: City Manager</p> <p>APPROVED AS TO FORM AND LEGALITY:</p> <p>By: _____<br/> Assistant City Attorney</p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**DATE:** September 17, 2019

**AGENDA ITEM:** REQUIRED APPROVAL ITEMS (CONSENT) ITEM F.

**SUBJECT:**

Discuss and consider approval of Resolution 559, to adopt the HART InterCivic Verity, version 2.3.1, for use in Absentee Voting By Mail, Early Voting By Personal Appearance, Regular Voting on Election Day and Provisional Voting

**ORIGINATED BY:**

Leslie E. Galloway, City Secretary & Communications Coordinator

**SUMMARY:** As the Council is aware, the City contracts with Tarrant County Elections for election services.

On August 13, 2019, the the Tarrant County Commissioners Court voted to accept a contract with HART InterCivic to purchase a new voting system (the Verity System Version 2.3.1); and on August 27, 2019, adopted that system as the voting system for Tarrant County to be used for all forms of voting in Tarrant County including election day voting at polling locations, early voting in person, early voting by mail, and provisional voting. The new system will be used beginning with the Constitutional Amendment Election in November 2019.

Section 123.001 of the Texas Elections Code requires that "Before a voting system may be used in elections, the authority designated by this section, by resolution, order, or other official action of the authority, must adopt the system for use in the elections."

Resolution 559 (attached) serves to adopt the system for use by the City of Kennedale.

**RECOMMENDATION:** Approve

**ATTACHMENTS:**

|    |                                                                            |                                                                                |
|----|----------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 1. | Staff Report from Commissioners Court Adoption of the Verity Voting System | Staff Report from Commissioners Court Adoption of the Verity Voting System.pdf |
| 2. | R559_Voting Equipment                                                      | R559_Voting Equipment.pdf                                                      |



# COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF

1

DATE: 08/27/2019

SUBJECT: **ADOPTION OF THE HART INTERCIVIC VERITY SYSTEM AS THE VOTING SYSTEM TO BE USED FOR ALL FORMS OF VOTING IN TARRANT COUNTY**

## **COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court adopt the Hart Intercivic Verity Voting System v. 2.3.1, as the voting system for Tarrant County to be used in accordance with the terms and conditions specified in the certification order issued by the Texas Secretary of State, for all forms of voting in Tarrant County, including election day voting at polling locations, early voting in person, early voting by mail, and provisional voting.

## **BACKGROUND:**

Section 123.001 of the Texas Elections Code requires that "Before a voting system may be used in elections, the authority designated by this section, by resolution, order, or other official action of the authority, must adopt the system for use in the elections."

On August 13, 2019, the Commissioners Court, through Court Order #130826, awarded RFP 2019-002 to HART InterCivic, completing the acquisition of the new voting system.

It is now necessary that the Court formally adopt this newly purchased voting system for voting in Tarrant County, starting with the Constitutional Amendment Election of November 2019 for all forms of voting in this election.

## **FISCAL IMPACT:**

There is no fiscal impact associated to this item.

SUBMITTED BY: Elections

PREPARED BY: Heider Garcia  
APPROVED BY:

**RESOLUTION NO. 559**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ADOPTING A NEW VOTING SYSTEM FOR CITY ELECTIONS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City of Kennedale contracts with Tarrant County for the purpose of conducting its elections; and

**WHEREAS**, on August 13, 2019, the Tarrant County Commissioners Court voted to accept a contract with HART InterCivic to purchase Verity System version 2.3.1 (the "System"); and

**WHEREAS**, the System will be used in accordance with the terms and conditions specified in the certification order issued by the Texas Secretary of State; and

**WHEREAS**, Chapter 123, Subchapter A of the Texas Election Code requires voting systems to be adopted by the City.

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

**SECTION 1.**

The City adopts the HART InterCivic Verity Voting System version 2.3.1 as the voting system for City elections, including absentee voting by mail, early voting by personal appearance, regular voting on election day and provisional voting.

**SECTION 2.**

This resolution shall be effective immediately from and after its passage.

**DULY PASSED, ADOPTED, AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2019.**

**APPROVED:**

\_\_\_\_\_  
**MAYOR BRIAN JOHNSON**

[CITY SEAL]

**ATTEST:**

\_\_\_\_\_  
**CITY SECRETARY LESLIE E. GALLOWAY**



**DATE:** September 17, 2019

**AGENDA ITEM:** REQUIRED APPROVAL ITEMS (CONSENT) ITEM G.

**SUBJECT:**

Approval of Resolution 560, approving the continued receipt of a share of bingo prize fees collected by licensed authorized organizations in accordance with section 2001.502 of the Texas Occupations Code

**ORIGINATED BY:**

George Campbell, City Manager

**SUMMARY:**

As outlined in the attached letters from the Texas Lottery Commission (TLC), currently non-profit charitable organizations conducting bingo collect a 5% fee on prizes awarded. These funds are submitted each quarter to the TLC, which in turn remits a pro rata share of the funds to local governments at the end of each fiscal year. The City of Kennedale is eligible to receive a share of these bingo prize fees because it elected to do so prior to September 1, 1993. The City does not, however, currently receive any proceeds from this eligibility, as a search of Charitable Bingo Units at <https://bsc.txbingo.org/bsp/faces/bspPublicReports.jsf> shows that none are currently registered in Kennedale.

Pursuant to House Bill (HB) 914, enacted by the 86th Texas Legislature, in order to continue to be eligible to receive a share of bingo prize fees after January 1, 2020, a municipal governing board must affirmatively vote to do so and submit proof of that vote to the Texas Lottery Commission (TLC) by Friday, November 1, 2019. If no eligible local governments vote to continue receiving their share of the prize fee, the bingo organizations will keep that share for themselves to fund their charitable purposes.

**If the Council chooses to maintain this eligibility, three requirements must be met:**

1. approve the continued receipt of the share of bingo prize fee funds by a majority vote; and
2. notify the TLC of that decision no later than November 1, 2019; and
3. notify each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee.

If the Council adopts Resolution 560, the attached "Vote Verification Notice" will be submitted to the TLC; and any affected organization within the jurisdiction will be notified.

**RELATED INFORMATION:**

Another change effective January 1, 2020, impacts the collection and remittance of prize fees. Local governments will no longer receive their bingo prize fee payments from TLC at the end of the fiscal year. After January 1, 2020, licensed organizations conducting bingo in a jurisdiction that has fulfilled all of the requirements of Section 11 of H.B. 914 will remit to that jurisdiction, allocations up to 50% of the prize fees the charitable organizations collect payable on a quarterly basis.

**RECOMMENDATION:** Approve

**ATTACHMENTS:**

|    |                                              |                                                  |
|----|----------------------------------------------|--------------------------------------------------|
| 1. | 2019_07.17 Texas Lottery Commission Letter 1 | 2019_07.17 Texas Lottery Commission Letter 1.pdf |
| 2. | 2019_08.26 Texas Lottery Commission Letter 2 | 2019_08.26 Texas Lottery Commission Letter 2.pdf |
| 3. | R560 Bingo Prize Fees                        | R560 Bingo Prize Fees.pdf                        |
| 4. | BINGO - Vote Verification Notice             | BINGO - prescribed_attestation_form.pdf          |



# Texas Lottery Commission

Commissioners:

J. Winston Krause, Chairman

Mark A. Franz • Robert Rivera



Michael P. Farrell  
Director

July 17, 2019

The Honorable Wayne K. Olson  
City of Kennedale  
405 Municipal Drive  
Kennedale, TX 76060-2202

Dear Mr./Ms. Olson:

The Texas Lottery Commission (TLC), Charitable Bingo Operations Division, is providing this notification because your county and/or municipality currently receives a share of the prize fees collected on charitable bingo activity that occurs in its jurisdiction.

**Pursuant to House Bill (HB) 914, enacted by the 86<sup>th</sup> Texas Legislature, in order to continue to receive a share of bingo prize fees after Jan. 1, 2020, your county and/or municipal governing board must affirmatively vote to do so and submit proof of that vote to the TLC by Nov. 1, 2019. If no eligible local governments vote to continue receiving their share of the prize fee, the bingo organizations will keep that share for themselves to fund their charitable purposes.<sup>1</sup>**

Currently, non-profit charitable organizations conducting bingo collect a 5% fee on prizes awarded. These funds are submitted each quarter to the TLC, which in turn remits a *pro rata* share of the funds to local governments at the end of each fiscal year. Your county and/or municipality receives a share of the bingo prize fees because it elected to do so prior to Sept. 1, 1993.

Effective Jan. 1, 2020, H.B. 914 includes another change regarding the collection and remittance of prize fees. Local governments will no longer receive their bingo prize fee payments from the TLC at the end of the fiscal year; instead, the licensed organizations conducting bingo in the local jurisdiction will be responsible for sending eligible local governments 50% of the prize fees they collect on a quarterly basis.

**The most immediate matter for your attention is that your local government will only continue to receive a share of the bingo prize fees collected after Jan. 1, 2020 if it meets the requirements set forth in HB 914 that require your governing body to:**

- (1) approve the continued receipt of the share of bingo prize fee funds by a majority vote; and**
- (2) notify the TLC of that decision no later than Nov. 1, 2019; and**
- (3) notify each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee.**

<sup>1</sup> For the full text of H.B. 914, see <https://legiscan.com/TX/text/HB914/id/2027641>

This notification is being provided to inform you of the new statutory requirements. We will provide a further communication in the coming months that will include more information and a prescribed form that will need to be submitted to the agency's Charitable Bingo Operations Division to verify that a vote took place.

Please let us know as soon as possible if there is a specific contact person or office to direct our future correspondence, and that will serve as your county and/or municipality's official address of record for notification purposes. Without a dedicated address for this purpose, it is possible that future communications may be misdirected. This could result in your county and/or municipality *permanently* losing its share of bingo prize fees.

If you have any questions, email us at [bingo.services@lottery.state.tx.us](mailto:bingo.services@lottery.state.tx.us) or call 800-246-4677.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael P. Farrell". The signature is fluid and cursive, with the first name "Michael" and last name "Farrell" clearly distinguishable.

Michael P. Farrell  
Director  
Charitable Bingo Operations Division



# Texas Lottery Commission

Commissioners:

J. Winston Krause, Chairman

Mark A. Franz • Robert Rivera • Erik C. Saenz



Michael P. Farrell  
Director

August 26, 2019

Department of Finance  
City of Kennedale  
316 W 3rd St  
Kennedale, TX 76060-2202

Dear Finance Director:

This letter is a follow-up communication to my letter dated July 17, 2019 and serves as a reminder of the deadline imposed by the 86<sup>th</sup> Legislature's House Bill (HB) 914, as well as providing additional information relating to that bill.

**The most immediate matter for your attention is that your local government will only continue to receive a share of the bingo prize fees collected after Jan. 1, 2020 if it meets the requirements set forth in HB 914. Your governing body must:**

- (1) approve the continued receipt of the share of bingo prize fee funds by a majority vote;**
- (2) notify the Texas Lottery Commission (TLC) of that decision no later than Nov. 1, 2019; and**
- (3) notify each licensed authorized organization within the county's or municipality's jurisdiction, as applicable, of the continued imposition of the fee.**

If a county or municipality has not voted and notified the Commission by **Nov. 1, 2019**, that county or municipality will forfeit their right to receive prize fees generated by bingo permanently.

I have also enclosed the required vote verification notice (attestation form) to be used to notify TLC of your jurisdiction's status; the *Bingo Prize Fee Funds County/Municipality Governing Body Vote Verification Notice*. It is also located on the Charitable Bingo website at:

[https://www.txbingo.org/export/sites/bingo/Documents/prescribed\\_attestation\\_form.pdf](https://www.txbingo.org/export/sites/bingo/Documents/prescribed_attestation_form.pdf)

(This is the same form that was enclosed in individual responses to local governments.)

Moreover, the Commission is creating an administrative tool that will allow municipalities and counties to generate a custom report on licensed, authorized organizations that conduct bingo occasions in their jurisdictions. This will provide local jurisdictions access to reports that will provide information on playing locations and organizational contact information. We anticipate having this tool available by the end of September.

Until then, you can access a report containing information on organizations conducting bingo in your jurisdiction by using the address below to the Charitable Bingo's website and accessing the Conductor Location/Address report.

[https://bsc.txbingo.org/bsp/faces/bspPublicReports.jspx;jsessionid=2faMfrxr-ZtrYgKeaHMd\\_ZaSIRFa-hLlz7yVX7ZEfs1JX85EegZD!-1709348529](https://bsc.txbingo.org/bsp/faces/bspPublicReports.jspx;jsessionid=2faMfrxr-ZtrYgKeaHMd_ZaSIRFa-hLlz7yVX7ZEfs1JX85EegZD!-1709348529).

Please note, the information changes regularly, as we process hundreds of licenses each year. The link provided will allow your organization to access numerous other reports which may be useful.

Another change effective Jan. 1, 2020 impacts the collection and remittance of prize fees. Local governments will no longer receive their bingo prize fee payments from TLC at the end of the fiscal year. After Jan. 1, 2020, licensed organizations conducting bingo in a jurisdiction that has fulfilled all of the requirements of Section 11 of H.B. 914 will remit to that jurisdiction, allocations up to 50% of the prize fees the charitable organizations collect payable on a quarterly basis.

It should also be noted that while precincts may have voted to allow bingo occasions, they are **ineligible** to receive any prize fee allocations.

If you have any questions, email us at [bingo.services@lottery.state.tx.us](mailto:bingo.services@lottery.state.tx.us), or if you would like to speak with a Charitable Bingo representative, please call 1-800-BINGO-77 (246-4677), press 1 for English or 2 for Spanish; then press 4 to reach the Bingo Division and press 5 for the Training and Education Department.

Respectfully,

A handwritten signature in blue ink, appearing to read "Michael P. Farrell".

Michael P. Farrell  
Director  
Charitable Bingo Operations Division

ENCL: *Bingo Prize Fee Funds County/Municipality Governing Body Vote Verification Notice*



**TEXAS LOTTERY COMMISSION – CHARITABLE BINGO DIVISION**  
**BINGO PRIZE FEE FUNDS**  
**COUNTY/MUNICIPALITY GOVERNING BODY VOTE VERIFICATION**  
**NOTICE**

This form serves as the required notice to the Texas Lottery Commission (Commission) that a county or municipality has fulfilled two of the requirements of House Bill 914, 86<sup>th</sup> Texas Legislature (H.B. 914) that are necessary for that county or municipality to continue to receive a share of bingo prize fees after January 1, 2020. Specifically, Section 11 of H.B. 914 provides:

- “(a) a county or municipality may receive a portion of the prize fee...only if:
- (1) The county or municipality was entitled to receive a portion of a bingo prize fee as of January 1, 2019; and
  - (2) The governing body of the county or municipality:
    - (A) by majority vote of the members of the governing body approves the continued receipt of funds under that section and notifies the Texas Lottery Commission of that decision not later than November 1, 2019; and
    - (B) notifies each licensed authorized organization within the county’s or municipality’s jurisdiction, as applicable, of the continued imposition of the fee.”

Your county/municipality should consult with an attorney if you have any questions about complying with the provisions of H.B. 914.

This form is only an attestation that certain requirements set forth in H.B. 914 have been fulfilled.

Accordingly, the undersigned county or municipal representative hereby swears and affirms that:

- (1) the county or municipality was entitled to receive a share of a bingo prize fee as of January 1, 2019; and
- (2) the governing body of the county or municipality approved the continued receipt of the share of bingo prize fee funds by a majority vote.

\_\_\_\_\_  
Name of County or Municipality

\_\_\_\_\_  
Authorized Signature (Name and Title)      Date



**TEXAS LOTTERY COMMISSION – CHARITABLE BINGO DIVISION  
BINGO PRIZE FEE FUNDS  
COUNTY/MUNICIPALITY GOVERNING BODY VOTE VERIFICATION  
NOTICE**

State of Texas

County of \_\_\_\_\_

This form attesting to the fulfillment of the requirements of H.B. 914 was acknowledged before

me on \_\_\_\_\_ by \_\_\_\_\_ as \_\_\_\_\_ of  
(date) (name of representative) (title of representative)

\_\_\_\_\_  
(name of county or municipality)

(Personalized Seal)

\_\_\_\_\_  
Notary Public's Signature

## **RESOLUTION NO. 560**

**A RESOLUTION OF THE CITY OF KENNEDALE, TEXAS, APPROVING THE CONTINUED RECEIPT OF A SHARE OF BINGO PRIZE FEES COLLECTED BY LICENSED AUTHORIZED ORGANIZATIONS IN ACCORDANCE WITH SECTION 2001.502 OF THE TEXAS OCCUPATIONS CODE; AND PROVIDING AN EFFECTIVE DATE.**

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

**WHEREAS**, the City Council previously imposed a gross receipt tax on licensed authorized organizations conducting charitable bingo; and

**WHEREAS**, House Bill 914, enacted by the 86<sup>th</sup> Texas Legislature amends Section 2001.502 of the Texas Occupations Code to require licensed authorized organizations conducting charitable bingo to now send local governments fifty (50) percent of the bingo prize fees they collect to eligible local governments each quarter; and

**WHEREAS**, a county and/or municipal governing board, who previously elected to impose a gross receipts tax on licensed authorized organizations must also affirmatively vote by November 1, 2019, to continue to receive its share of bingo prize fees collected after January 1, 2020.

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

### **SECTION 1.**

That the City approves the continued receipt of the share of bingo prize fee funds after January 1, 2020.

### **SECTION 2.**

That the City Manager is authorized to execute all documents necessary to implement this resolution, including notifying the Texas Lottery Commission of the City's decision, and notifying all licensed authorized organizations conducting charitable bingo within its jurisdiction of the continued imposition of the bingo fee.

### **SECTION 3.**

That this resolution shall be effective immediately from and after its passage.

**DULY PASSED, ADOPTED, AND APPROVED BY THE CITY COUNCIL OF  
THE CITY OF KENNEDALE, TEXAS, ON THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2019.**

**APPROVED:**

---

**MAYOR BRIAN JOHNSON**

[CITY SEAL]

**ATTEST:**

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**CITY SECRETARY LESLIE E. GALLOWAY**

**TEXAS LOTTERY COMMISSION – CHARITABLE BINGO DIVISION**  
**BINGO PRIZE FEE FUNDS**  
**COUNTY/MUNICIPALITY GOVERNING BODY VOTE VERIFICATION**  
**NOTICE**

This form serves as the required notice to the Texas Lottery Commission (Commission) that a county or municipality has fulfilled two of the requirements of House Bill 914, 86<sup>th</sup> Texas Legislature (H.B. 914) that are necessary for that county or municipality to continue to receive a share of bingo prize fees after January 1, 2020. Specifically, Section 11 of H.B. 914 provides:

- “(a) a county or municipality may receive a portion of the prize fee...only if:
- (1) The county or municipality was entitled to receive a portion of a bingo prize fee as of January 1, 2019; and
  - (2) The governing body of the county or municipality:
    - (A) by majority vote of the members of the governing body approves the continued receipt of funds under that section and notifies the Texas Lottery Commission of that decision not later than November 1, 2019; and
    - (B) notifies each licensed authorized organization within the county’s or municipality’s jurisdiction, as applicable, of the continued imposition of the fee.”

Your county/municipality should consult with an attorney if you have any questions about complying with the provisions of H.B. 914.

This form is only an attestation that certain requirements set forth in H.B. 914 have been fulfilled.

Accordingly, the undersigned county or municipal representative hereby swears and affirms that:

- (1) the county or municipality was entitled to receive a share of a bingo prize fee as of January 1, 2019; and
- (2) the governing body of the county or municipality approved the continued receipt of the share of bingo prize fee funds by a majority vote.

---

Name of County or Municipality

---

Authorized Signature (Name and Title)      Date

**TEXAS LOTTERY COMMISSION – CHARITABLE BINGO DIVISION  
BINGO PRIZE FEE FUNDS  
COUNTY/MUNICIPALITY GOVERNING BODY VOTE VERIFICATION  
NOTICE**

State of Texas

County of \_\_\_\_\_

This form attesting to the fulfillment of the requirements of H.B. 914 was acknowledged before

me on \_\_\_\_\_ by \_\_\_\_\_ as \_\_\_\_\_ of  
(date) (name of representative) (title of representative)

\_\_\_\_\_.  
(name of county or municipality)

(Personalized Seal)

\_\_\_\_\_  
Notary Public's Signature

**DATE:** September 17, 2019

**AGENDA ITEM:** DECISION ITEMS ITEM A.

**SUBJECT:**

Discuss and consider Ordinance 678 of the City of Kennedale, Texas, adopting the Budget for the Fiscal Year beginning October 1, 2019, and ending September 30, 2020; appropriating resources for each department, project, operation, activity, purchase, account, and other expenditures; providing for emergency expenditures and expenditures as allowed by applicable State Law; providing for the filing and posting of the Budget as required by State Law; providing a severability clause; and providing an effective date

**ORIGINATED BY:**

Lakeita Sutton, Director of Finance and Information Technology

**SUMMARY:**

At this time, Council will consider adoption of Ordinance 678, adopting the FY19–20 Budget (Program of Services) for the City of Kennedale, Texas. A PDF of the FY19–20 Budget, as adopted by City Council will be posted at [www.cityofkennedale.com/budget](http://www.cityofkennedale.com/budget) no later than September 30, 2019. According to Chapter 102, Municipal Budget, of the Local Government Code (LGC), a municipal budget shall be prepared to cover the proposed expenditures of the municipal government for the succeeding year. The proposed budget must be filed with the municipal clerk for public inspection, and a public hearing conducted on the budget with special notice published in relation to the budget hearing. At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget (or table it for adoption at a later meeting), and it may make any changes in the budget that it considers warranted by the law or by the best interest of the municipal taxpayers. A vote to adopt the budget under this Chapter is in addition to and separate from the vote to set the tax rate required by Chapter 26, Tax Code, or other law. The following timetable represents key dates during which notices were published and meetings were conducted:

| DATE     | ACTION                                                                                               |
|----------|------------------------------------------------------------------------------------------------------|
| 08/06/19 | Draft of Proposed FY19–20 Budget was distributed to the Council                                      |
| 08/08/19 | Council FY19-20 Budget Meeting (presentation of the City Manager's Proposed Budget)                  |
|          | Staff Provides Effective Tax Rate And Schedules To Council                                           |
|          | Council Votes To Place Proposal For Tax Increase On Future Agenda and set Public Hearing Dates       |
| 08/12/19 | Proposed FY19–20 Budget filed with City Secretary's Office                                           |
| 08/16/19 | Hardcopy of Final Proposed FY19–20 Budget distributed to Council along with an Informal Staff Report |
| 08/20/19 | Council discussion of the FY19–20 Proposed Budget continues during Regular Meeting Work Session      |
| 08/28/19 | Informal Staff Report issued to the Council to address questions from the August 20 discussion       |
| 08/21/19 | Publish Notice of Public Hearing On Budget in the Newspaper of Record ( <i>Star-Telegram</i> )       |
| 08/23/19 | Publish Notice of Proposed Property Tax Rate in the Newspaper of Record ( <i>Star-Telegram</i> )     |
| 09/05/19 | Hold Public Hearing On Budget AND First Public Hearing on Tax Rate                                   |
| 09/13/19 | Hold Second Public Hearing on Tax Rate                                                               |
| 09/17/19 | Adopt FY19–20 Budget (via Ordinance 678)                                                             |
|          | Ratify Tax Revenue Rate that supports FY19–20 Adopted Budget                                         |
|          | Adopt FY19–20 Tax Rate (via Ordinance 679)                                                           |

**RECOMMENDATION:** Approve

**MUST BE A RECORD VOTE.**

**ATTACHMENTS:**

|    |                         |                             |
|----|-------------------------|-----------------------------|
| 1. | O678_Adoption of Budget | O678_Adoption of Budget.pdf |
|----|-------------------------|-----------------------------|



## **ORDINANCE NO. 678**

**AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; APPROPRIATING RESOURCES FOR EACH DEPARTMENT, PROJECT, OPERATION, ACTIVITY, PURCHASE, ACCOUNT AND OTHER EXPENDITURES; PROVIDING FOR EMERGENCY EXPENDITURES AND EXPENDITURES AS ALLOWED BY APPLICABLE STATE LAW; PROVIDING FOR THE FILING AND POSTING OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.**

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

**WHEREAS**, the City Manager of the City has filed with the City Secretary a budget outlining all proposed expenditures of the government of the City for the fiscal year beginning October 1, 2019, and ending September 30, 2020, (hereinafter referred as the "Budget"); and

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

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

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

**WHEREAS**, such public hearing was held on September 5, 2019, prior approval of such date being ratified and confirmed by the City Council, and those wishing to speak on the Budget were heard; and

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

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

### **SECTION 1.**

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

### **SECTION 2.**

The Budget of the revenue of the City and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2019, and ending September 30, 2020, is hereby adopted and approved, and there is hereby appropriated from the funds indicated therein such sums for the projects, operations, activities, purchases, accounts and other expenditures proposed in the Budget, as set forth in Exhibit "A".

### **SECTION 3.**

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

### **SECTION 4.**

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

### **SECTION 5.**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION 6.**

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

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF  
KENNE DALE, TEXAS, THIS THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2019.**

**APPROVED:**

\_\_\_\_\_  
**MAYOR BRIAN JOHNSON**

[CITY SEAL]

**ATTEST:**

\_\_\_\_\_  
**CITY SECRETARY LESLIE E. GALLOWAY**

**APPROVED AS TO FORM AND LEGALITY:**

\_\_\_\_\_  
**CITY ATTORNEY DREW LARKIN**

# ORDINANCE NO. 678 ATTACHMENT "A"

| CITY OF KENNEDALE                                      |                      |                                  |                      |
|--------------------------------------------------------|----------------------|----------------------------------|----------------------|
| FY 2019-2020 ALL FUNDS REVENUE AND EXPENDITURE SUMMARY |                      |                                  |                      |
| REVENUES                                               |                      | EXPENDITURES                     |                      |
| <b>GENERAL FUNDS</b>                                   |                      | <b>GENERAL FUNDS</b>             |                      |
| GENERAL FUND                                           | 6,919,577            | GENERAL FUND                     | 7,782,522            |
| CAPITAL REPLACEMENT FUND                               | 185,732              | CAPITAL REPLACEMENT FUND         | 185,732              |
| COURT SECURITY FUND                                    | 3,000                | COURT SECURITY FUND              | -                    |
| COURT TECHNOLOGY FUND                                  | 3,920                | COURT TECHNOLOGY FUND            | 875                  |
| STREET IMPROVEMENT FUND                                | 838,926              | STREET IMPROVEMENT FUND          | 1,052,154            |
| JUVENILE CASE MANAGER FUND                             | 5,650                | JUVENILE CASE MANAGER FUND       | 13,873               |
| PARK REC/OTHER DONATION FUND                           | 50                   | PARK REC/OTHER DONATION FUND     | -                    |
| TREE REFORESTATION FUND                                | 500                  | TREE REFORESTATION FUND          | -                    |
| UNCLAIMED PROPERTY FUND                                | -                    | UNCLAIMED PROPERTY FUND          | -                    |
| <b>GENERAL DEBT SERVICE FUND</b>                       | <b>1,487,585</b>     | <b>GENERAL DEBT SERVICE FUND</b> | <b>1,487,059</b>     |
| <b>WATER AND SEWER FUNDS</b>                           |                      | <b>WATER AND SEWER FUNDS</b>     |                      |
| WATER/SEWER FUND                                       | 4,028,331            | WATER/SEWER FUND                 | 4,350,939            |
| STORMWATER UTILITY FUND                                | 300,900              | STORMWATER UTILITY FUND          | 585,316              |
| WATER IMPACT FUND                                      | 35,146               | WATER IMPACT FUND                | 152,525              |
| SEWER IMPACT FUND                                      | 17,201               | SEWER IMPACT FUND                | 60,000               |
| WATER IMPROVEMENT FUND                                 | -                    | WATER IMPROVEMENT FUND           | -                    |
| <b>EDC FUNDS</b>                                       |                      | <b>EDC FUNDS</b>                 |                      |
| EDC4B FUND                                             | 700,728              | EDC4B FUND                       | 572,598              |
| EDC4B CAPITAL BOND FUND                                | -                    | EDC4B CAPITAL BOND FUND          | -                    |
| EDC4B BOND RESERVE FUND                                | 2,000                | EDC4B BOND RESERVE FUND          | -                    |
| <b>CAPITAL PROJECT FUNDS</b>                           |                      | <b>CAPITAL PROJECT FUNDS</b>     |                      |
| CAPITAL PROJECTS FUND                                  | 70,250               | CAPITAL PROJECTS FUND            | 104,768              |
| CAPITAL BOND FUND                                      | -                    | CAPITAL BOND FUND                | 735,000              |
| PARK DEDICATION FUND                                   | 800                  | PARK DEDICATION FUND             | 30,170               |
| LIBRARY BUILDING FUND                                  | 2,270                | LIBRARY BUILDING FUND            | 2,000                |
| ROADWAY IMPACT FEE FUND                                | 27,535               | ROADWAY IMPACT FEE FUND          | 10,000               |
| <b>SPECIAL REVENUE FUNDS</b>                           |                      | <b>SPECIAL REVENUE FUNDS</b>     |                      |
| TIF #1 (NEW HOPE) FUND                                 | 146,648              | TIF #1 (NEW HOPE) FUND           | -                    |
| HOTEL/MOTEL TAX FUND                                   | -                    | HOTEL/MOTEL TAX FUND             | -                    |
| POLICE SEIZURE FUND                                    | -                    | POLICE SEIZURE FUND              | -                    |
| LEOSE FUND                                             | 1,767                | LEOSE FUND                       | 1,650                |
| <b>TOTAL REVENUES</b>                                  | <b>\$ 14,778,516</b> | <b>TOTAL EXPENDITURES</b>        | <b>\$ 17,127,181</b> |

**DATE:** September 17, 2019

**AGENDA ITEM:** DECISION ITEMS ITEM B.

**SUBJECT:**

Discuss and consider ratification of property tax increase reflected in FY2019–2020 Adopted Budget

**ORIGINATED BY:**

Lakeita Sutton, Director of Finance and Information Technology

**SUMMARY:**

**At this time, the Council will consider ratifying the FY19–20 Property Tax Increase reflected in the adopted FY19–20 Budget for the City of Kennedale.**

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

**RECOMMENDATION:** Approve

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

**I MOVE TO RATIFY THE PROPERTY TAX INCREASE REFLECTED IN THE FY19–20 ADOPTED BUDGET.**

**ATTACHMENTS:**

**DATE:** September 17, 2019

**AGENDA ITEM:** DECISION ITEMS ITEM C.

**SUBJECT:**

Discuss and consider approval of Ordinance 679, fixing and levying municipal Ad Valorem Taxes for the City of Kennedale, Texas, for the Fiscal Year beginning October 1, 2019, and ending September 30, 2020; directing the assessment and collection thereof; providing a severability clause; and providing an effective date

**ORIGINATED BY:**

Lakeita Sutton, Director of Finance and Information Technology

**SUMMARY:** At this time, Council will consider adoption of Ordinance 679, fixing and levying FY19–20 ad valorem (property) taxes for the City of Kennedale.

According to the Texas Constitution and Property Tax Code, which both embody the concept of truth-in-taxation, a municipality is required to comply with certain steps in adopting their tax rate in an effort to make taxpayers aware of tax rate proposals and allow taxpayers, in certain cases, roll back or limit a tax increase. A vote to set the tax rate required by Chapter 26, Tax Code, is in addition to and separate from the vote to adopt the budget. According to Section 5.05 of the Texas Tax Code, the taxing unit must vote to place a proposal to adopt the proposed tax rate as an action item on the agenda of a future meeting when a proposed rate exceeds the rollback rate or the effective rate, whichever is lower, and hold two public hearings prior to consideration of adoption.

At its Special Meeting on Thursday, August 8, 2019, the Council approved the placement of an item to adopt a proposed tax rate not to exceed \$0.734970 on the agenda for the Tuesday, September 17, 2019 Regular Meeting. Furthermore, the Council scheduled two public hearings on the proposal to occur on Thursday, September 5, at 7:00 p.m. and Friday, September 13, at 2:00 p.m., at which time taxpayers were given an opportunity to express their views on the proposed FY19–20 tax rate. These dates were published in the *Fort Worth Star-Telegram* (the City's newspaper of record) on Friday, August 23, 2019. The City Manager's FY19–20 Budget Proposal (presented at the August 8, 2019 meeting) was based on a FY19–20 Tax Rate of \$0.734970 (an increase of \$0.09256 from FY18–19).

Should the FY19–20 Budget adopted by Council require raising more revenue from property taxes than in the previous year, the governing body must conduct a separate vote to ratify the property tax increase reflected in the budget (the item immediately preceding this agenda item). Action can now be taken by Council at tonight's meeting (Tuesday, September 17, 2019) on the FY19–20 Budget and Tax Rate. Council can consider and adopt any FY19–20 Tax Rate, up to and including \$0.734970 (per \$100 of assessed valuation).

**RECOMMENDATION:** Approve

The vote on tax rate must be a **RECORD** vote. There is specific required wording for a motion by a governing body to set the tax rate. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue (or "effective") tax rate **must be made in the following form.**

Choose the appropriate motion:

**RECOMMENDED TAX RATE REFLECTED IN THE PROPOSED BUDGET:**

"I move that the property tax rate be increased by the adoption of a tax rate of **\$0.734970**, which is effectively a **8.0%** increase in the tax rate."

**OTHER:**

"I move that the property tax rate be increased by the adoption of a tax rate of (SPECIFY TAX RATE), which is effectively a \_\_\_\_\_% increase in the tax rate."

**ATTACHMENTS:**

|    |                           |                               |
|----|---------------------------|-------------------------------|
| 1. | O679_Adoption of Tax Rate | O679_Adoption of Tax Rate.pdf |
|----|---------------------------|-------------------------------|



## **ORDINANCE NO. 679**

**AN ORDINANCE FIXING AND LEVYING MUNICIPAL AD VALOREM TAXES FOR THE CITY OF KENNEDALE, TEXAS, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; DIRECTING THE ASSESSMENT AND COLLECTION THEREOF; PROVIDING FOR THE APPROVAL OF THE TAX ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE CLAUSE.**

**WHEREAS**, the City Council has approved on the 17<sup>th</sup> day of September 2019, the budget for the fiscal year beginning October 1, 2019, and ending September 30, 2020; and

**WHEREAS**, the City Council of the City of Kennedale, Texas, hereby finds that a tax at the rate set forth below for the fiscal year beginning October 1, 2019, and ending September 30, 2020, must be levied to provide the revenue requirements of the budget for the ensuing year; and

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

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

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

### **SECTION 1.**

For the current expense of the City of Kennedale and for the general improvements of the City and its property, there is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2019, and ending September 30, 2020, and for each fiscal year thereafter until it be otherwise provided and ordained, on all property situated within the corporate limits of the City of Kennedale, and not exempt from taxation by valid laws, an ad valorem tax rate of \$0.734970 cents on each One Hundred Dollars (\$100.00) of valuation of such property, to be assessed as follows:

|            |                                              |
|------------|----------------------------------------------|
| \$0.544429 | FOR THE PURPOSE OF MAINTENANCE AND OPERATION |
| \$0.190541 | FOR THE PURPOSE OF INTEREST AND SINKING      |
| \$0.734970 | TOTAL TAX RATE                               |

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 8.00 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$9.21.**

#### **SECTION 2.**

The taxes herein are levied according to law and shall be due and payable on October 1, 2019, and the same shall become delinquent on February 1, 2020. Should any taxpayer fail to make payment before the date of delinquency, a penalty and interest as provided by law shall be assessed until the unpaid taxes and penalty have been satisfied.

#### **SECTION 3.**

Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that the taxes become delinquent on or after February 1, 2020, but not later than May 1, 2020, and that remain delinquent on July 1, 2020, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty and interest then due shall be added as collection costs to be paid by the taxpayer.

#### **SECTION 4.**

Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all taxes that become delinquent on or after June 1, 2020, shall, in order to defray the costs of collection, incur an additional penalty in the amount of twenty percent (20%) of the delinquent tax, penalty and interest.

#### **SECTION 5.**

The tax roll for tax year 2019 for the City of Kennedale, Texas, is hereby approved.

#### **SECTION 6.**

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

#### **SECTION 7.**

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

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 17<sup>TH</sup> DAY OF SEPTEMBER, 2019.**

**APPROVED:**

---

**MAYOR BRIAN JOHNSON**

[CITY SEAL]

**ATTEST:**

---

**CITY SECRETARY LESLIE E. GALLOWAY**

**APPROVED AS TO FORM AND LEGALITY:**

---

**CITY ATTORNEY DREW LARKIN**

**DATE:** September 17, 2019

**AGENDA ITEM:** DECISION ITEMS ITEM D.

**SUBJECT:**

Consider making appointments to various advisory boards and commissions

**ORIGINATED BY:**

George Campbell, City Manager

**SUMMARY:** At this time, Council may consider making appointments to various advisory boards and commissions. A full listing of the membership, vacancies, and applications received for each of the boards is attached to Work Session Item A.

**RECOMMENDATION:**

**ATTACHMENTS:**

**DATE:** September 17, 2019

**AGENDA ITEM:** DECISION ITEMS ITEM E.

**SUBJECT:**

Consider authorizing the City Manager to enter into an agreement with Shield Engineering Group for civil engineering services associated with roadway, water, sanitary sewer and drainage improvements for Linda Road

**ORIGINATED BY:**

Larry Hoover, Public Works Director

**SUMMARY:** The attached agreement would replace Linda Road (an existing ~20-foot-wide asphalt roadway with bar ditches along both sides contained within a 50-foot public right of way (ROW)) with a 24-foot edge-to-edge asphalt roadway with culverts and drainage ditches along both sides. The capacity of the drainage system will also be analyzed and up-sized if necessary. This analysis will also consider the system for a future curb and gutter section with storm drainage.

The existing water lines include an 8" asbestos line along the north side of Linda Road between S Dick Price and Gail Drive, a 16" line between Gail Drive and Susan Drive, and a 2" line along the south side of Linda Road. A new 8" waterline is proposed to replace and abandon the existing 8" asbestos one. The services will be reconnected to this new waterline, at which time the existing 2" line would also be abandoned. The existing sanitary sewer line is a 6" line along the north side of Linda Road that will be reviewed using CCTV and rehabilitated, based on the condition assessment of the pipe.

The agreement will also review a potential future connection to Little School Road (as outlined in the Master Thoroughfare Plan) including necessary improvements to accommodate future needs, which may consist of curb and gutter, close drainage, and/or additional ROW acquisition.

The Agreement has four sections: the first addresses improvements related to the Compressed Air Systems (CAS) 380 Agreement; the second serves to complete the block to Gail Drive; the third addresses the stretch between Gail Drive and Susan Drive; and the fourth completes the remaining existing portion of Linda Road.

The agreement provides services from design to bidding to completion of construction. Possible funding sources for this \$99,200 project are the 2019 Tax Notes, the Stormwater Fund, or the Water and Sewer Fund.

**RECOMMENDATION:** Approve

**ATTACHMENTS:**

|    |                                                  |                                                        |
|----|--------------------------------------------------|--------------------------------------------------------|
| 1. | Linda Road Professional Services Agreement (PSA) | Linda Road Professional Services Agreement (PSA) 2.pdf |
| 2. | Linda Road Project Extents                       | Linda Road Project Extents.pdf                         |



## AN AGREEMENT TO PROVIDE LIMITED PROFESSIONAL SERVICES

**PROJECT NAME:** Linda Road Improvements

**PROJECT NO:** 2019033.01

**CLIENT:** City of Kennedale, Attn: Larry Hoover

**ADDRESS:** 405 Municipal Drive, Kennedale, TX 76060

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

**SCOPE:** The city of Kennedale (Client, CITY or Owner) has identified roadway, drainage and utility improvements along Linda Road to be rehabilitated in conjunction with the Compressed Air Systems (CAS) development. The City has also identified a potential need for these improvements to be extended for future development. The segments proposed for rehabilitation along Linda Road breakdown as follows:

- Segment A: S Dick Price to CAS driveway – 1212 LF
- Segment B: CAS driveway to Gail Drive – 423 LF
- Segment C: Gail Drive to Susan Drive – 431 LF
- Segment D: Susan Drive to end of Linda Road – 670 LF

Total Linda Road Rehabilitation 2736 Linear Feet

The Firm understands Linda Road Improvements, located in Kennedale, Texas, to consist of civil engineering services associated with roadway, water, sanitary sewer and drainage rehabilitation improvements.

Linda Road is an existing 20'+/- asphalt roadway with bar ditches along both sides contained within a 50' public ROW. This roadway is proposed to be replaced with 24' edge to edge asphalt roadway with culverts and drainage ditches along both sides in the existing 50' ROW. The drainage system will be analyzed for capacity and upsized if necessary. The analysis will also consider the system for future curb and gutter section with a future storm drain system. The existing water lines include an asbestos 8" WL along the north side of Linda Road between S Dick Price and Gail Drive, a 16" WL between Gail Drive and Susan Drive and a 2" WL along the south side of Linda Road. A new 8" water line is proposed to replace and abandon the existing 8" asbestos water pipe. The services will be reconnected to the new water line and the existing 2" water line will be abandoned. The existing sanitary sewer line is shown as a 6" SS along the north side of Linda Road. This line will be reviewed using CCTV and rehabilitated based on the condition assessment of the pipe.

The Firm understands that the current City master thoroughfare plan from the 2012 Comprehensive Plan Update shows the future extension of Little School Road to follow a proposed alignment near Linda Road and it is the City's intent to analyze this alignment with these proposed improvements to plan for these future improvements. This may include identifying future needs for ROW acquisition to accommodate the proposed 100' ROW and location of proposed and future curb and gutter with a closed drainage system.

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

Initials \_\_\_\_\_ Page 1 of 9

(FIRM) (CLIENT)

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The Client shall either directly provide the following information or make the information available from one of the Client's subconsultants including but not limited to:

- Geotechnical Report for pavement recommendation
- CCTV of SS Line for condition assessment

**Basic Services:**

**1. Conceptual Design Package and Data Collection: \$14,800**

- a. Site Visit: The Firm will visit the site one time to observe existing conditions.
- b. Plan Research: The Firm will gather available existing infrastructure plans adjacent to and serving the site to be used for the site civil design. Firm will research proposed improvements in conjunction with any other planned future improvements that may influence the project.
- c. Future Improvements: The Firm will research proposed improvements in conjunction with any other planned future improvements that may influence the project.
- d. Data Collection: The data collection efforts may include conducting special coordination meetings with affected property owners and businesses as necessary to develop rehabilitation plans.
- e. Conceptual Design Package: shall include the following:
  - i. Graphic exhibits and written summary of alternative design concepts considered, strengths and weaknesses of each, and the rationale for selecting the recommended design concept.
  - ii. Proposed phasing of any water, sanitary sewer, and pavement work that is included in this project.
  - iii. Existing and proposed typical sections of the roadway to be constructed for the roadway including: existing and proposed ROW, existing and proposed lane widths, existing and proposed curbs, sidewalks, and retaining walls. It is assumed that the proposed roadway section will be POL or MOL depending on the geotechnical report provided by the City or as directed by the City.
  - iv. Conceptual plan and profile sheets showing existing and proposed horizontal roadway alignments, existing and proposed ROW, existing and proposed sidewalks and driveways, proposed lane dimensions, existing drainage structures, city owned and franchise utilities as determined by dig-tess, and existing roadway vertical alignments (profiles).
- f. Preliminary Opinion of Probable Costs: The Firm will prepare one Preliminary Opinion of Probable Cost using our recent bid tabs, or Client provided unit prices, however, in either case, the Client represents their acceptance of these prices by using the estimate provided.

**2. Survey Services: \$23,200**

- a. Topographic Design Survey: Perform on-the-ground design survey for the site (as defined above) to verify detailed information for engineering design. The Firm will provide topographic design survey which may include but is not limited to 1' contour intervals, horizontal and vertical location of existing surface features such as water valves, fire hydrants, telephone poles, sanitary sewer manholes and flowline information, storm drain system structures and flowlines

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(FIRM) (CLIENT)

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and pipe sizes, curbs, edge of pavement, retaining walls, power poles, dig-tess pin flags, creek cross sections, etc.

- b. Right-of-Way Research: The Firm shall determine rights-of-way and easements needed for construction of the project. Required temporary and permanent easements will be identified based on available information and recommendations will be made for approval by the City.
- c. Right of Entry: Prior to construction, the Firm's Surveyor shall prepare Temporary Right of Entry documents for the City to use and obtain from landowners. It is assumed that letters will only be required for land owners adjacent to temporary construction easements or who are directly affected by the project and no easement is required to enter their property.

**3. Preliminary Design and Specifications: \$35,800**

- a. Preliminary Design Drawings: The preliminary design drawings shall include:
  - i. Project Control Sheet showing all control points used or set while gathering data,
  - ii. Overall project easement layout,
  - iii. Overall Water layout sheet, preliminary water plans and water profiles for waterlines 12" and larger,
  - iv. Overall Sanitary Sewer layout sheets and preliminary sanitary sewer plan and profiles,
  - v. Preliminary iSWM: The Firm will prepare a preliminary iSWM submittal per the City requirements.
  - vi. Downstream Assessment: The Firm will provide a downstream assessment for the site. This assessment will include the current City Design Criteria and adopted iSWM standards. The intent of this modeling and design is to satisfy the "no adverse impact" criteria downstream.
  - vii. Drainage area map and preliminary drainage plans,
  - viii. Preliminary Roadway plan and profiles and typical roadway sections,
  - ix. Preliminary details.
- b. Traffic Control Plan: The Firm will prepare a traffic control plan using City and MUTCD standards.
- c. Erosion Control Plan: The Firm will prepare an erosion control plan using City and TCEQ standards to be used with the contractor SWPPP.
- d. Preliminary Opinion of Probable Costs: The Firm will update the Preliminary Opinion of Probable Cost.
- e. Specifications: The Firm shall prepare draft specifications.

**4. Final Design and Construction Documents: \$17,900**

- a. SWPPP: For projects that disturb an area greater than one (1) acre, the Contractor will be responsible for preparing and submitting the Storm Water Pollution Prevention Plan (SWPPP) with appropriate regulatory agencies.
- b. Draft Final plans (90%) and specifications shall be submitted to City for final comments.

Initials \_\_\_\_\_ Page 3 of 9

(FIRM) (CLIENT)

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- c. Following a 90% construction plan review meeting with the City, the Firm shall submit Construction Documents (100%) to the City per the approved Project Schedule. Each plan sheet shall be stamped, dated, and signed by the engineer registered in State of Texas.
- d. The Firm shall submit a final design estimate of probable construction cost with 100% design package.

**5. Bid Phase Support Services: \$2,500 Hourly**

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

**6. Construction Phase Services: \$5,000 Hourly**

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

**7. Easement Separate Instruments:** The Firm's Surveyor shall prepare documents to be used to obtain permanent and/or temporary easements required to construct the improvements. The Firm shall assist the Client with normal coordination of the easement process but is not responsible for negotiating, securing or executing any part of the easement(s). Additional easements will be considered Additional Services. **\$1,500 each, scope to be determined.**

**8. Right-of-Way:** The Firm's Surveyor shall prepare documents to be used to obtain right-of-way required to construct the improvements. The Firm shall assist the Client with normal coordination of the ROW acquisition process but is not responsible for negotiating, securing or executing any part of the ROW(s). **\$TBD, scope to be determined.**

Initials \_\_\_\_\_ Page 4 of 9

(FIRM) (CLIENT)

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**SUMMARY:**

|                                                  |                          |
|--------------------------------------------------|--------------------------|
| 1. Conceptual Design Package and Data Collection | \$ 14,800                |
| 2. Survey Services                               | \$ 23,200                |
| 3. Preliminary Design and Specifications         | \$ 35,800                |
| 4. Final Design and Construction Documents       | \$ 17,900                |
| 5. Bid Phase Support Services                    | hourly estimate \$ 2,500 |
| 6. Construction Phase Services                   | hourly estimate \$ 5,000 |
| Total Estimated Fee:                             |                          |
|                                                  | <b>\$ 99,200</b>         |
| 7. Easements                                     | each \$ 1,500            |
| 8. Right-of-Way                                  | if needed \$ TBD         |

Reimbursable budget estimate: **As Incurred**

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

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

Accepted for **CLIENT**

Accepted for **SHIELD ENGINEERING GROUP, PLLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Craig H. Barnes  
Title: President  
Date: \_\_\_\_\_

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(FIRM) (CLIENT)

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

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

Initials \_\_\_\_\_ Page 6 of 9

(FIRM) (CLIENT)

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## TERMS AND CONDITIONS

1. **AUTHORIZATION TO PROCEED:** Signing this Agreement shall be construed as authorization by CLIENT for the FIRM to proceed with the Services, unless otherwise provided for in this Agreement.
2. **ACCESS TO SITE:** Unless otherwise stated, the Firm will have access to the site for activities necessary for the performance of the services.
3. **COST ESTIMATES:** Any cost estimates provided will be on a basis of experience and judgment. Since the FIRM has no control over market conditions or bidding procedures, the FIRM does not warrant that bids or ultimate construction costs will not vary from these cost estimates.
4. **ADDITIONAL SERVICES:** Services in addition to those specified in Scope will be provided if authorized in writing by CLIENT. Additional services will be paid for by CLIENT as indicated in any Letter of Proposal, Task Authorization, or such other document as deemed appropriate by CLIENT and FIRM. In the absence of an express agreement about compensation, the FIRM shall be entitled to an equitable adjustment to its compensation for performing such additional services.
5. **STANDARD OF CARE:** In providing services under this Agreement, the Consultant shall perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. Upon notice to the FIRM and by mutual agreement between the parties, the FIRM will, without additional compensation, correct those services not meeting such a standard.
6. **INDEMNIFICATION:** FIRM SHALL INDEMNIFY AND HOLD HARMLESS CLIENT, ITS OFFICERS, OFFICIALS, AGENTS AND EMPLOYEES, IN THEIR INDIVIDUAL AND OFFICIAL CAPACITIES, FROM ANY LOSS, DAMAGES, LIABILITY OR EXPENSE ON ACCOUNT OF DAMAGE TO PROPERTY AND/OR INJURIES (INCLUDING DEATH) TO ANY PERSON OR PERSONS, INCLUDING OFFICERS, EMPLOYEES OR AGENTS OF FIRM, WHICH ARE CAUSED BY ANY NEGLIGENT ERROR, OMISSION, DEFECT, OR DEFICIENCY IN THE PERFORMANCE OF FIRM'S PROFESSIONAL SERVICES OR IN THE NEGLIGENT PREPARATION OF DESIGNS, WORKING DRAWINGS, SPECIFICATIONS OR OTHER ENGINEERING DOCUMENTS INCORPORATED INTO ANY IMPROVEMENTS CONSTRUCTED IN ACCORDANCE HERewith. FIRM SHALL PAY ALL EXPENSES (INCLUDING REIMBURSEMENT OF REASONABLE ATTORNEY'S FEES AND COSTS OF COURT IN PROPORTION TO ENGINEER'S LIABILITY) AND SATISFY ALL JUDGMENTS WHICH MAY BE INCURRED BY OR RENDERED AGAINST CLIENT OR ITS OFFICERS, OFFICIALS, AGENTS OR EMPLOYEES IN CONNECTION HERewith; PROVIDING AND EXCEPT, HOWEVER, THAT THIS INDEMNITY PROVISION SHALL NOT BE CONSTRUED AS REQUIRING ENGINEER TO INDEMNIFY OR HOLD HARMLESS CLIENT, ITS OFFICERS, OFFICIALS, AGENTS, OR EMPLOYEES FROM LOSS, DAMAGES, LIABILITY OR EXPENSE ON ACCOUNT OF DEFECTS OR DEFICIENCIES IN DESIGN CRITERIA AND INFORMATION FURNISHED TO FIRM BY CLIENT AND WHICH FIRM COULD NOT DISCOVER BY THE EXERCISE OF REASONABLE DILIGENCE. IT IS UNDERSTOOD AND AGREED BY BOTH PARTIES TO THIS AGREEMENT THAT THE FIRST TEN DOLLARS (\$10.00) OF REMUNERATION PAID TO FIRM UNDER THIS AGREEMENT SHALL BE IN CONSIDERATION FOR INDEMNITY/INDEMNIFICATION PROVIDED FOR IN THIS AGREEMENT. THIS SECTION WILL SURVIVE THE TERMINATION OF THIS AGREEMENT.
7. **DISPUTE RESOLUTION:** Any claims or disputes made during design, construction or post-construction between the CLIENT and FIRM shall be submitted to non-binding mediation, and any mediation must be conducted by a mutually agreed upon mediator located in Tarrant County, Texas. CLIENT and FIRM agree to include a similar mediation agreement with all contractors, subcontractors, sub-consultants, suppliers and fabricators, thereby providing for mediation as the primary method for dispute resolution between all parties.
8. **PAYMENT TO FIRM:** Invoices for the FIRM's service shall be submitted to CLIENT on a monthly basis. The CLIENT shall either approve these invoices or notify the FIRM of any invoices not approved. The CLIENT and the FIRM shall confer and attempt to resolve such disputed invoices. The CLIENT shall pay the FIRM for all undisputed invoices 30 days after CLIENT receives the invoice. If Client has failed to pay an undisputed invoice after 45 days of CLIENT's receipt of the invoice, FIRM may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, terminate the performance of the service. [Retainers/Deposits shall be credited on the final invoice.]
9. **LATE PAYMENTS:** Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.
10. **TERMINATION:** Either CLIENT or FIRM may terminate this Agreement by giving 30 days' written notice to the other party. In such event CLIENT shall forthwith pay FIRM in full for all work previously authorized and performed prior to effective date of termination. FIRM, unless requested by CLIENT, is not authorized to perform any services after either party receives a notice of termination, and will not be paid for any such unauthorized work. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.
11. **CERTIFICATIONS:** Guarantees and Warranties: The FIRM shall not be required to execute any document that would result in its certifying, guaranteeing or warranting the existence of conditions whose existence the FIRM cannot ascertain.
12. **OWNERSHIP OF DOCUMENTS:** Upon FIRM's completion of services and receipt of payment in full, or upon termination of this Agreement, FIRM shall grant to CLIENT a non-exclusive license to possess the final drawings and instruments produced in connection with FIRM's performance of the work under this Agreement, if any. Said drawings and instruments may be copied, duplicated, reproduced and used by CLIENT for the purpose of constructing, operating and maintaining the improvements contemplated by this Agreement. CLIENT agrees that such documents are not intended or represented to be suitable for reuse by CLIENT or others for purposes outside the scope of this Agreement. Notwithstanding the foregoing, CLIENT understands and agrees that any and all computer programs, GIS applications, proprietary data or processes, and certain other items related to the services performable under this Agreement are and shall remain the sole and exclusive property of FIRM and may not be used or reused, in any form, by CLIENT without the express written authorization of FIRM. Client agrees that any reuse by CLIENT, or by those who obtain said information from or through CLIENT, without written verification or adaptation by FIRM, will be at CLIENT's sole risk and without liability or legal exposure to FIRM or to FIRM's employees, agents, representatives, officers, directors, affiliates, shareholders, owners, members, managers, attorneys, subsidiary entities, advisors, subconsultants or independent contractors or associates.
13. **SEVERABILITY:** In case any one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.
14. **JOBSITE SAFETY:** Neither the professional activities of the FIRM, nor the presence of the FIRM or its employees and subconsultant's at a construction/project site, shall impose any duty on the FIRM, nor relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies. The FIRM and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures.
15. **ENTIRE AGREEMENT:** This Agreement represents the entire understanding of CLIENT and FIRM. No prior oral or written understandings shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties. This Agreement constitutes, represents and is intended by the parties to be the complete and final statement and expression of all of the terms and arrangements between the parties to this Agreement with respect to the matters provided for in this Agreement. This Agreement supersedes any and all prior or contemporaneous agreements, understandings, negotiations, and discussions between the parties and all such matters are merged into this Agreement.
16. **INSURANCE:** FIRM shall, at its own expense, purchase, maintain and keep in force throughout the duration of this Agreement and for a period of four (4) years thereafter, professional liability insurance. The limits of liability shall be \$1,000,000 per claim and in the aggregate. FIRM shall submit to the CLIENT a certificate of insurance prior to commencing any work for the CLIENT.
17. **ASSIGNMENT:** Neither the CLIENT nor FIRM may assign their rights or delegate their duties without the written consent of the other party. This Agreement is binding on the parties to the fullest extent permitted by law. Nothing herein is to be construed as creating any personal liability on the part of any CLIENT officer, employee or agent.
18. **JURISDICTION AND VENUE:** This Agreement shall be administered under the substantive laws of the State of Texas (and not its conflicts of law principles) which shall be used to govern all matters arising out of, or relating to, this Agreement and all of the transactions it contemplates, including without limitation, its validity, interpretation, construction, performance and enforcement. Exclusive venue shall lie in any court of competent jurisdiction in Tarrant County, Texas.
19. **ATTORNEY'S FEES:** If it becomes necessary to take legal action to interpret or enforce the terms of this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party, the prevailing party's reasonable attorney's fees and costs of court.

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(FIRM) (CLIENT)

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### 2019 HOURLY RATE SCHEDULE

|                              |       |
|------------------------------|-------|
| Principal                    | \$235 |
| Program Manager              | \$200 |
| Project Manager              | \$180 |
| Senior Professional Engineer | \$170 |
| Professional Engineer        | \$145 |
| EIT II                       | \$115 |
| EIT I                        | \$100 |
| Senior Designer              | \$125 |
| Designer                     | \$100 |
| CAD Drafter                  | \$85  |
| Support                      | \$70  |
| QA/QC                        | \$155 |
| Senior RPLS                  | \$175 |
| RPLS                         | \$155 |
| GIS Specialist               | \$135 |
| Survey Technician            | \$100 |
| Party Chief                  | \$100 |
| Survey Crew Member           | \$55  |

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

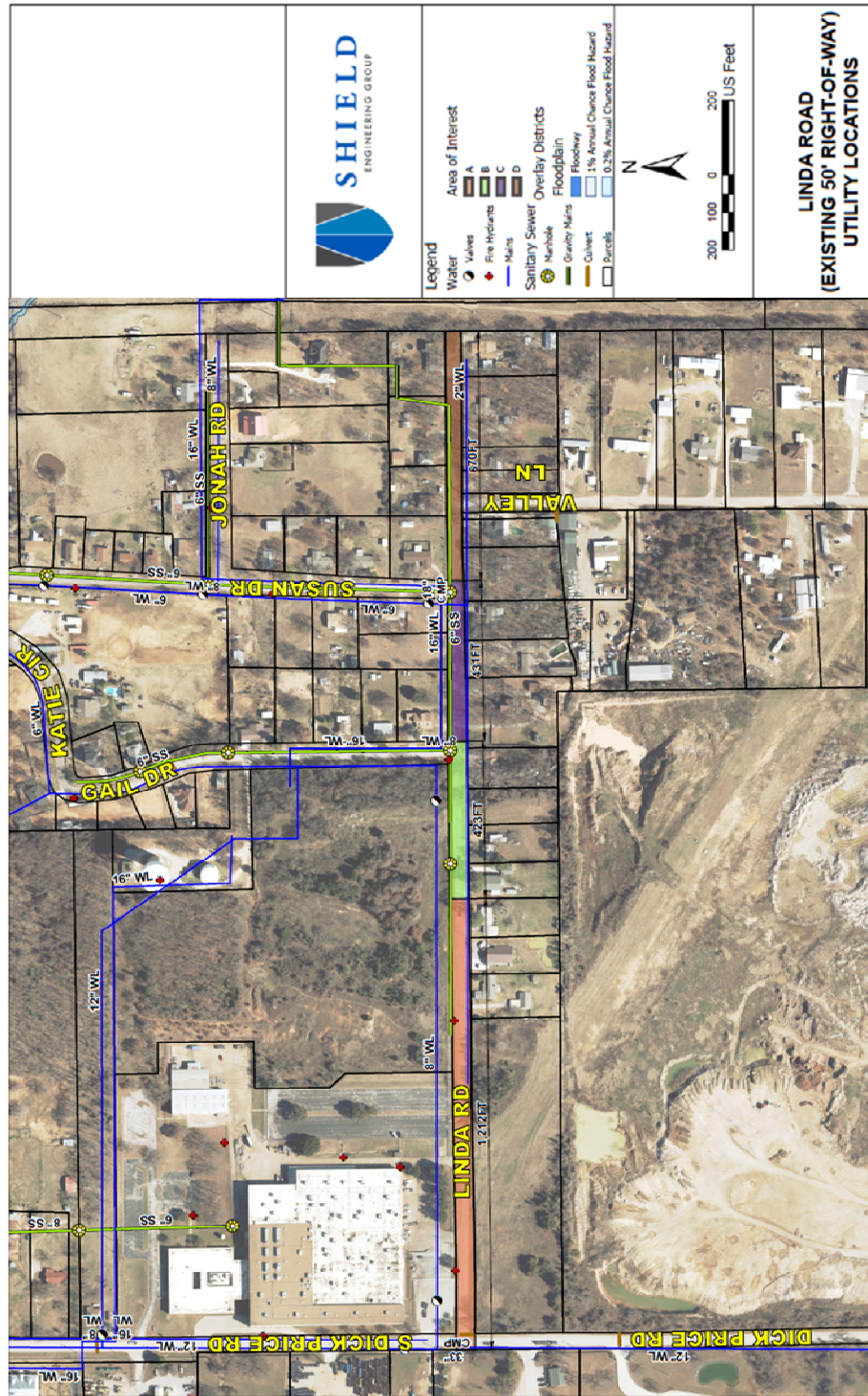
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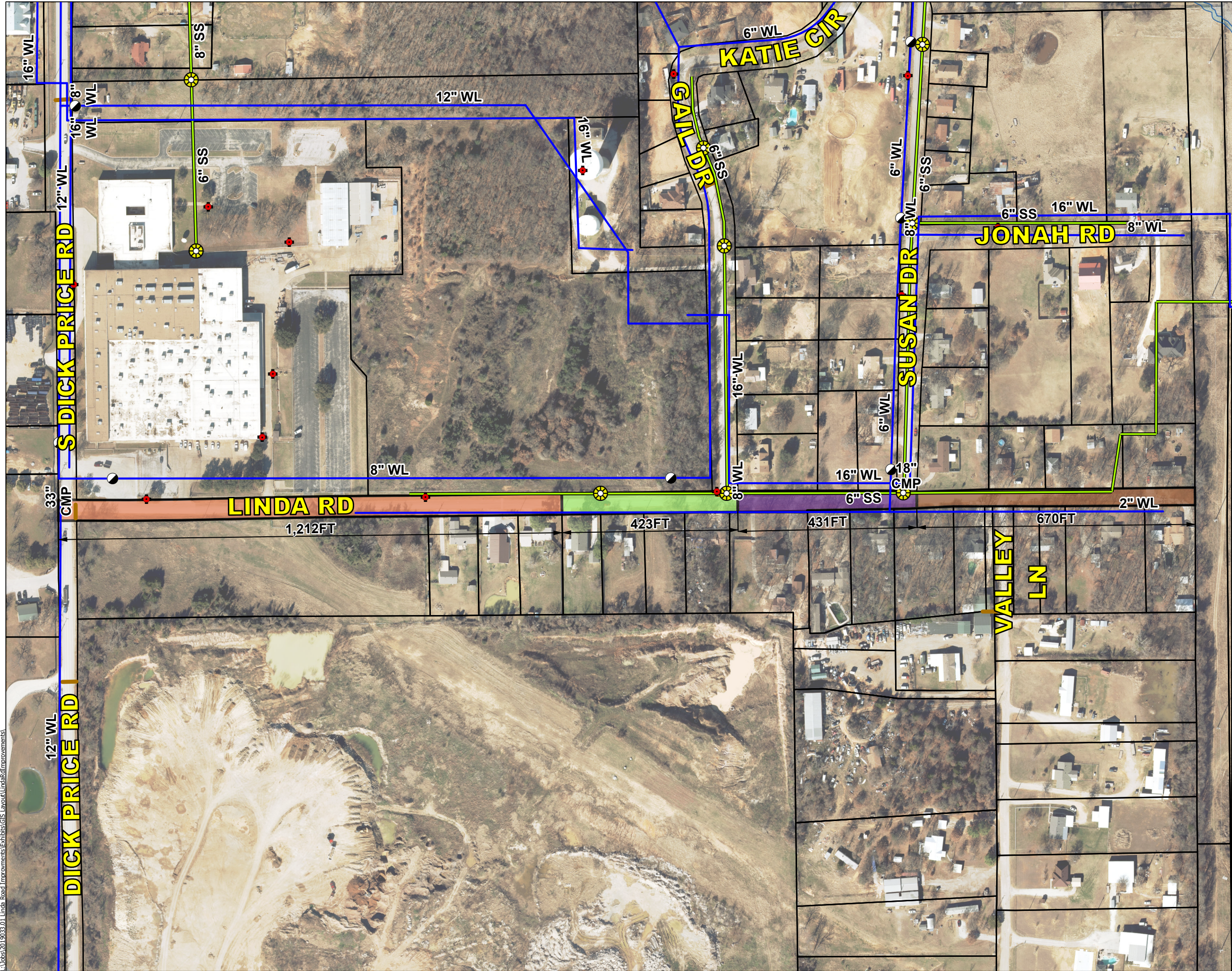
(FIRM)

(CLIENT)

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**SHIELD**  
ENGINEERING GROUP

#### Legend

##### Water

- Valves
- Fire Hydrants
- Mains

##### Sanitary Sewer

- Manhole
- Gravity Mains
- Culvert
- Parcels

##### Area of Interest

- A
- B
- C
- D

##### Overlay Districts

##### Floodplain

- Floodway
- 1% Annual Chance Flood Hazard
- 0.2% Annual Chance Flood Hazard



200 100 0 200  
US Feet

**LINDA ROAD  
(EXISTING 50' RIGHT-OF-WAY)  
UTILITY LOCATIONS**



**DATE:** September 17, 2019

**AGENDA ITEM:** DECISION ITEMS ITEM F.

**SUBJECT:**

Consider authorizing the City Manager to enter into an agreement with Shield Engineering Group for civil engineering services associated with roadway, water, sanitary sewer, and drainage improvements for Collett Sublett Road

**ORIGINATED BY:**

Larry Hoover, Public Works Director

**SUMMARY:** The attached agreement would replace Collett Sublett Road (an existing ~20-foot-wide asphalt roadway with bar ditches along both sides contained within a 50-foot public right of way (ROW)) with a 28-foot back-to-back concrete roadway with a storm drainage system and curb inlets.

The existing water line is an 8-inch asbestos line along the west side of the roadway, which would be abandoned and replaced with a 12-inch line. The existing sanitary sewer line is shown as a 6-inch PVC line along the west side of the roadway, which would be reviewed using CCTV and rehabilitated, based on the condition assessment of the pipe. There is a potential that this line will need to be relocated to meet State minimum separation standards between it and the waterline. Sidewalks are proposed along both sides of the roadway.

The current Master Thoroughfare Plan from the 2012 Comprehensive Plan Update designates the future extension of Collett Sublett Road as an "Avenue" section contained within a 60-foot ROW with on-street parallel parking. However, these plans, as presented, would waive the on-street parking so that the improved roadway can be contained within the existing 50-foot ROW.

The agreement provides services from design to completion of construction. Possible funding sources for this \$87,700 project are the 2019 Tax Notes, the Stormwater Fund, the Water and Sewer Fund, or the Impact Fee Capital Improvement Fund.

**RECOMMENDATION:** Approve

**ATTACHMENTS:**

|    |                                                                           |                                                                               |
|----|---------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 1. | Collett Sublett Road Infrastructure Professional Services Agreement (PSA) | Collett Sublett Road Infrastructure Professional Services Agreement (PSA).pdf |
| 2. | Collett Sublett Road Project Extents                                      | Collett Sublett Road Project Extents.pdf                                      |





## AN AGREEMENT TO PROVIDE LIMITED PROFESSIONAL SERVICES

**PROJECT NAME:** Collett Sublett Infrastructure Improvements

**PROJECT NO:** 2019035.01

**CLIENT:** City of Kennedale, Attn: Larry Hoover

**ADDRESS:** 405 Municipal Drive, Kennedale, TX 76060

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

**SCOPE:** The city of Kennedale (Client, City or Owner) has identified roadway, drainage and utility improvements along Collett Sublett Road to be rehabilitated from Swiney Hiatt Road north to the proposed Magnolia Hills subdivision approximately 1600 linear feet.

The Firm understands Collett Sublett Road Improvements, located in Kennedale, Texas, to consist of civil engineering services associated with roadway, water, sanitary sewer and drainage rehabilitation improvements.

The existing asphalt roadway is 20'+/- wide with bar ditches along both sides contained within a 50' public ROW. This roadway is proposed to be replaced with 28' back to back concrete roadway with a storm drainage system and curb inlets contained within the existing 50' ROW. The existing water line is an 8" WL along the west side of the roadway. A new 8" water line is proposed to replace and abandon the existing 8" asbestos water pipe. The services will be reconnected to the new water line. The existing sanitary sewer line is shown as a 6" SS PVC along the west side of the roadway. This line will be reviewed using CCTV and rehabilitated based on the condition assessment of the pipe. This line may also need to be relocated due to the apparent proximity to the water line to meet State minimum separation standards. The sidewalks are proposed along both sides of the roadway.

The Firm understands that the current City master thoroughfare plan from the 2012 Comprehensive Plan Update shows the future extension of Collett Sublett Road as an "Avenue" section in a 60' ROW with on-street parallel parking. It is our understanding that the on-street parking will be waived by the City so that the proposed improvements can be contained within the existing 50' ROW.

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

The Client shall either directly provide the following information or make the information available from one of the Client's subconsultants including but not limited to:

- Geotechnical Report for pavement recommendation
- CCTV of SS Line for condition assessment

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## Basic Services:

### 1. Conceptual Design Package and Data Collection: \$12,800

- a. Site Visit: The Firm will visit the site one time to observe existing conditions.
- b. Plan Research: The Firm will gather available existing infrastructure plans adjacent to and serving the site to be used for the site civil design. Firm will research proposed improvements in conjunction with any other planned future improvements that may influence the project.
- c. Future Improvements: The Firm will research proposed improvements in conjunction with any other planned future improvements that may influence the project.
- d. Data Collection: The data collection efforts may include conducting special coordination meetings with affected property owners and businesses as necessary to develop rehabilitation plans.
- e. Conceptual Design Package: shall include the following.
  - i. Graphic exhibits and written summary of alternative design concepts considered, strengths and weaknesses of each, and the rationale for selecting the recommended design concept.
  - ii. Proposed phasing of any water, sanitary sewer, and pavement work that is included in this project.
  - iii. Existing and proposed typical sections of the roadway to be constructed for the roadway including: existing and proposed ROW, existing and proposed lane widths, existing and proposed curbs, sidewalks, and retaining walls. It is assumed that the proposed roadway section will be reinforced concrete section as specified in the geotechnical report provided by the City or as directed by the City.
  - iv. Conceptual plan and profile sheets showing existing and proposed horizontal roadway alignments, existing and proposed ROW, existing and proposed sidewalks and driveways, proposed lane dimensions, existing drainage structures, city owned and franchise utilities as determined by dig-tess, and existing roadway vertical alignments (profiles).
- f. Preliminary Opinion of Probable Costs: The Firm will prepare one Preliminary Opinion of Probable Cost using our recent bid tabs, or Client provided unit prices, however, in either case, the Client represents their acceptance of these prices by using the estimate provided.

### 2. Survey Services: \$21,900

- a. Topographic Design Survey: Perform on-the-ground design survey for the site (as defined above) to verify detailed information for engineering design. The Firm will provide topographic design survey which may include but is not limited to 1' contour intervals, horizontal and vertical location of existing surface features such as water valves, fire hydrants, telephone poles, sanitary sewer manholes and flowline information, storm drain system structures and flowlines and pipe sizes, curbs, edge of pavement, retaining walls, power poles, dig-tess pin flags, creek cross sections, etc.
- b. Right-of-Way Research: The Firm shall determine rights-of-way and easements needed for construction of the project. Required temporary and permanent easements will be identified based on available information and recommendations will be made for approval by the City.
- c. Right of Entry: Prior to construction, the Firm's Surveyor shall prepare Temporary Right of Entry documents for the City to use and obtain from landowners. It is assumed that letters will only

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be required for land owners adjacent to temporary construction easements or who are directly affected by the project and no easement is required to enter their property.

**3. Preliminary Design and Specifications: \$30,300**

- a. Preliminary Design Drawings: The preliminary design drawings shall include:
  - i. Project Control Sheet showing all control points used or set while gathering data,
  - ii. Overall project easement layout,
  - iii. Overall Water layout sheet, preliminary water plans and water profiles for waterlines 12" and larger,
  - iv. Overall Sanitary Sewer layout sheets and preliminary sanitary sewer plan and profiles,
  - v. Preliminary iSWM: The Firm will prepare a preliminary iSWM submittal per the City requirements.
  - vi. Downstream Assessment: The Firm will provide a downstream assessment for the site. This assessment will include the current City Design Criteria and adopted iSWM standards. The intent of this modeling and design is to satisfy the "no adverse impact" criteria downstream.
  - vii. Drainage area map and preliminary drainage plans – including hydraulic calculations and preliminary storm drain plan and profile,
  - viii. Preliminary Roadway plan and profiles and typical roadway sections,
  - ix. Preliminary details.
- b. Traffic Control Plan: The Firm will prepare a traffic control plan using City and MUTCD standards.
- c. Erosion Control Plan: The Firm will prepare an erosion control plan using City and TCEQ standards to be used with the contractor SWPPP.
- d. Preliminary Opinion of Probable Costs: The Firm will update the Preliminary Opinion of Probable Cost.
- e. Specifications: The Firm shall prepare draft specifications.

**4. Final Design and Construction Documents: \$15,200**

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

**5. Bid Phase Support Services: \$2,500 Hourly**

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- a. The Firm shall sell (or transmit electronically at no cost) contract documents and maintain a plan holders list of Contractor's and Plan Holder Registrations who have requested or purchased plans.
  - b. The Firm will develop and implement procedures for receiving and answering bidders' questions and requests for additional information. The procedures shall include a log of all significant bidders questions and requests and the response thereto. The Firm will provide technical interpretation of the contract bid documents and will prepare proposed responses to all bidders questions and requests, in the form of addenda. The Firm shall transmit all approved addenda distribute addenda to all plan holders.
  - c. The Firm will attend the prebid conference in support of the City.
  - d. The Firm will assist the City in determining the qualifications and acceptability of prospective contractors, subcontractors, and suppliers.
  - e. The Firm will attend the bid opening in support of the City.
  - f. The Firm will tabulate and review all bids received for the construction project, assist the City in evaluating bids, and recommend award of the contract.
  - g. The Firm will incorporate all addenda into the contract documents and issue conformed sets.
- 6. Construction Phase Services: \$5,000 Hourly**
- a. The Firm shall attend the preconstruction conference.
  - b. The Firm shall visit the project site at requested intervals as construction proceeds to observe and report on progress.
  - c. As requested by the City, the Firm shall provide necessary interpretations and clarifications of contract documents, review change orders, and make recommendations as to the acceptability of the work.
- 7. Easement Separate Instruments:** The Firm's Surveyor shall prepare documents to be used to obtain permanent and/or temporary easements required to construct the improvements. The Firm shall assist the Client with normal coordination of the easement process but is not responsible for negotiating, securing or executing any part of the easement(s). Additional easements will be considered Additional Services. **\$1,500 each**
- 8. Right-of-Way:** The Firm's Surveyor shall prepare documents to be used to obtain right-of-way required to construct the improvements. The Firm shall assist the Client with normal coordination of the easement process but is not responsible for negotiating, securing or executing any part of the easement(s). Additional easements will be considered Additional Services. **TBD**

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**SUMMARY:**

|                                                  |                          |
|--------------------------------------------------|--------------------------|
| 1. Conceptual Design Package and Data Collection | \$ 12,800                |
| 2. Survey Services                               | \$ 21,900                |
| 3. Preliminary Design and Specifications         | \$ 30,300                |
| 4. Final Design and Construction Documents       | \$ 15,200                |
| 5. Bid Phase Support Services                    | hourly estimate \$ 2,500 |
| 6. Construction Phase Services                   | hourly estimate \$ 5,000 |
| Total Estimated Fee:                             |                          |
|                                                  | <b>\$ 87,700</b>         |
| 7. Easements                                     | each \$ 1,500            |
| 8. Right-of-Way                                  | if needed \$ TBD         |

Reimbursable budget estimate: **As Incurred**

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

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

Accepted for **CLIENT**

Accepted for **SHIELD ENGINEERING GROUP, PLLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Craig H. Barnes  
Title: President  
Date: \_\_\_\_\_

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

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

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## TERMS AND CONDITIONS

1. **AUTHORIZATION TO PROCEED:** Signing this Agreement shall be construed as authorization by CLIENT for the FIRM to proceed with the Services, unless otherwise provided for in this Agreement.
2. **ACCESS TO SITE:** Unless otherwise stated, the Firm will have access to the site for activities necessary for the performance of the services.
3. **COST ESTIMATES:** Any cost estimates provided will be on a basis of experience and judgment. Since the FIRM has no control over market conditions or bidding procedures, the FIRM does not warrant that bids or ultimate construction costs will not vary from these cost estimates.
4. **ADDITIONAL SERVICES:** Services in addition to those specified in Scope will be provided if authorized in writing by CLIENT. Additional services will be paid for by CLIENT as indicated in any Letter of Proposal, Task Authorization, or such other document as deemed appropriate by CLIENT and FIRM. In the absence of an express agreement about compensation, the FIRM shall be entitled to an equitable adjustment to its compensation for performing such additional services.
5. **STANDARD OF CARE:** In providing services under this Agreement, the Consultant shall perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. Upon notice to the FIRM and by mutual agreement between the parties, the FIRM will, without additional compensation, correct those services not meeting such a standard.
6. **INDEMNIFICATION:** FIRM SHALL INDEMNIFY AND HOLD HARMLESS CLIENT, ITS OFFICERS, OFFICIALS, AGENTS AND EMPLOYEES, IN THEIR INDIVIDUAL AND OFFICIAL CAPACITIES, FROM ANY LOSS, DAMAGES, LIABILITY OR EXPENSE ON ACCOUNT OF DAMAGE TO PROPERTY AND/OR INJURIES (INCLUDING DEATH) TO ANY PERSON OR PERSONS, INCLUDING OFFICERS, EMPLOYEES OR AGENTS OF FIRM, WHICH ARE CAUSED BY ANY NEGLIGENT ERROR, OMISSION, DEFECT, OR DEFICIENCY IN THE PERFORMANCE OF FIRM'S PROFESSIONAL SERVICES OR IN THE NEGLIGENT PREPARATION OF DESIGNS, WORKING DRAWINGS, SPECIFICATIONS OR OTHER ENGINEERING DOCUMENTS INCORPORATED INTO ANY IMPROVEMENTS CONSTRUCTED IN ACCORDANCE HERewith. FIRM SHALL PAY ALL EXPENSES (INCLUDING REIMBURSEMENT OF REASONABLE ATTORNEY'S FEES AND COSTS OF COURT IN PROPORTION TO ENGINEER'S LIABILITY) AND SATISFY ALL JUDGMENTS WHICH MAY BE INCURRED BY OR RENDERED AGAINST CLIENT OR ITS OFFICERS, OFFICIALS, AGENTS OR EMPLOYEES IN CONNECTION HERewith; PROVIDING AND EXCEPT, HOWEVER, THAT THIS INDEMNITY PROVISION SHALL NOT BE CONSTRUED AS REQUIRING ENGINEER TO INDEMNIFY OR HOLD HARMLESS CLIENT, ITS OFFICERS, OFFICIALS, AGENTS, OR EMPLOYEES FROM LOSS, DAMAGES, LIABILITY OR EXPENSE ON ACCOUNT OF DEFECTS OR DEFICIENCIES IN DESIGN CRITERIA AND INFORMATION FURNISHED TO FIRM BY CLIENT AND WHICH FIRM COULD NOT DISCOVER BY THE EXERCISE OF REASONABLE DILIGENCE. IT IS UNDERSTOOD AND AGREED BY BOTH PARTIES TO THIS AGREEMENT THAT THE FIRST TEN DOLLARS (\$10.00) OF REMUNERATION PAID TO FIRM UNDER THIS AGREEMENT SHALL BE IN CONSIDERATION FOR INDEMNITY/INDEMNIFICATION PROVIDED FOR IN THIS AGREEMENT. THIS SECTION WILL SURVIVE THE TERMINATION OF THIS AGREEMENT.
7. **DISPUTE RESOLUTION:** Any claims or disputes made during design, construction or post-construction between the CLIENT and FIRM shall be submitted to non-binding mediation, and any mediation must be conducted by a mutually agreed upon mediator located in Tarrant County, Texas. CLIENT and FIRM agree to include a similar mediation agreement with all contractors, subcontractors, sub-consultants, suppliers and fabricators, thereby providing for mediation as the primary method for dispute resolution between all parties.
8. **PAYMENT TO FIRM:** Invoices for the FIRM's service shall be submitted to CLIENT on a monthly basis. The CLIENT shall either approve these invoices or notify the FIRM of any invoices not approved. The CLIENT and the FIRM shall confer and attempt to resolve such disputed invoices. The CLIENT shall pay the FIRM for all undisputed invoices 30 days after CLIENT receives the invoice. If Client has failed to pay an undisputed invoice after 45 days of CLIENT's receipt of the invoice, FIRM may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, terminate the performance of the service. [Retainers/Deposits shall be credited on the final invoice.]
9. **LATE PAYMENTS:** Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.
10. **TERMINATION:** Either CLIENT or FIRM may terminate this Agreement by giving 30 days' written notice to the other party. In such event CLIENT shall forthwith pay FIRM in full for all work previously authorized and performed prior to effective date of termination. FIRM, unless requested by CLIENT, is not authorized to perform any services after either party receives a notice of termination, and will not be paid for any such unauthorized work. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.
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12. **OWNERSHIP OF DOCUMENTS:** Upon FIRM's completion of services and receipt of payment in full, or upon termination of this Agreement, FIRM shall grant to CLIENT a non-exclusive license to possess the final drawings and instruments produced in connection with FIRM's performance of the work under this Agreement, if any. Said drawings and instruments may be copied, duplicated, reproduced and used by CLIENT for the purpose of constructing, operating and maintaining the improvements contemplated by this Agreement. CLIENT agrees that such documents are not intended or represented to be suitable for reuse by CLIENT or others for purposes outside the scope of this Agreement. Notwithstanding the foregoing, CLIENT understands and agrees that any and all computer programs, GIS applications, proprietary data or processes, and certain other items related to the services performable under this Agreement are and shall remain the sole and exclusive property of FIRM and may not be used or reused, in any form, by CLIENT without the express written authorization of FIRM. Client agrees that any reuse by CLIENT, or by those who obtain said information from or through CLIENT, without written verification or adaptation by FIRM, will be at CLIENT's sole risk and without liability or legal exposure to FIRM or to FIRM's employees, agents, representatives, officers, directors, affiliates, shareholders, owners, members, managers, attorneys, subsidiary entities, advisors, subconsultants or independent contractors or associates.
13. **SEVERABILITY:** In case any one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.
14. **JOBSITE SAFETY:** Neither the professional activities of the FIRM, nor the presence of the FIRM or its employees and subconsultant's at a construction/project site, shall impose any duty on the FIRM, nor relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies. The FIRM and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures.
15. **ENTIRE AGREEMENT:** This Agreement represents the entire understanding of CLIENT and FIRM. No prior oral or written understandings shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties. This Agreement constitutes, represents and is intended by the parties to be the complete and final statement and expression of all of the terms and arrangements between the parties to this Agreement with respect to the matters provided for in this Agreement. This Agreement supersedes any and all prior or contemporaneous agreements, understandings, negotiations, and discussions between the parties and all such matters are merged into this Agreement.
16. **INSURANCE:** FIRM shall, at its own expense, purchase, maintain and keep in force throughout the duration of this Agreement and for a period of four (4) years thereafter, professional liability insurance. The limits of liability shall be \$1,000,000 per claim and in the aggregate. FIRM shall submit to the CLIENT a certificate of insurance prior to commencing any work for the CLIENT.
17. **ASSIGNMENT:** Neither the CLIENT nor FIRM may assign their rights or delegate their duties without the written consent of the other party. This Agreement is binding on the parties to the fullest extent permitted by law. Nothing herein is to be construed as creating any personal liability on the part of any CLIENT officer, employee or agent.
18. **JURISDICTION AND VENUE:** This Agreement shall be administered under the substantive laws of the State of Texas (and not its conflicts of law principles) which shall be used to govern all matters arising out of, or relating to, this Agreement and all of the transactions it contemplates, including without limitation, its validity, interpretation, construction, performance and enforcement. Exclusive venue shall lie in any court of competent jurisdiction in Tarrant County, Texas.
19. **ATTORNEY'S FEES:** If it becomes necessary to take legal action to interpret or enforce the terms of this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party, the prevailing party's reasonable attorney's fees and costs of court.

Initials \_\_\_\_\_ Page 7 of 10

(FIRM) (CLIENT)

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### 2019 HOURLY RATE SCHEDULE

|                              |       |
|------------------------------|-------|
| Principal                    | \$235 |
| Program Manager              | \$200 |
| Project Manager              | \$180 |
| Senior Professional Engineer | \$170 |
| Professional Engineer        | \$145 |
| EIT II                       | \$115 |
| EIT I                        | \$100 |
| Senior Designer              | \$125 |
| Designer                     | \$100 |
| CAD Drafter                  | \$85  |
| Support                      | \$70  |
| QA/QC                        | \$155 |
| Senior RPLS                  | \$175 |
| RPLS                         | \$155 |
| GIS Specialist               | \$135 |
| Survey Technician            | \$100 |
| Party Chief                  | \$100 |
| Survey Crew Member           | \$55  |

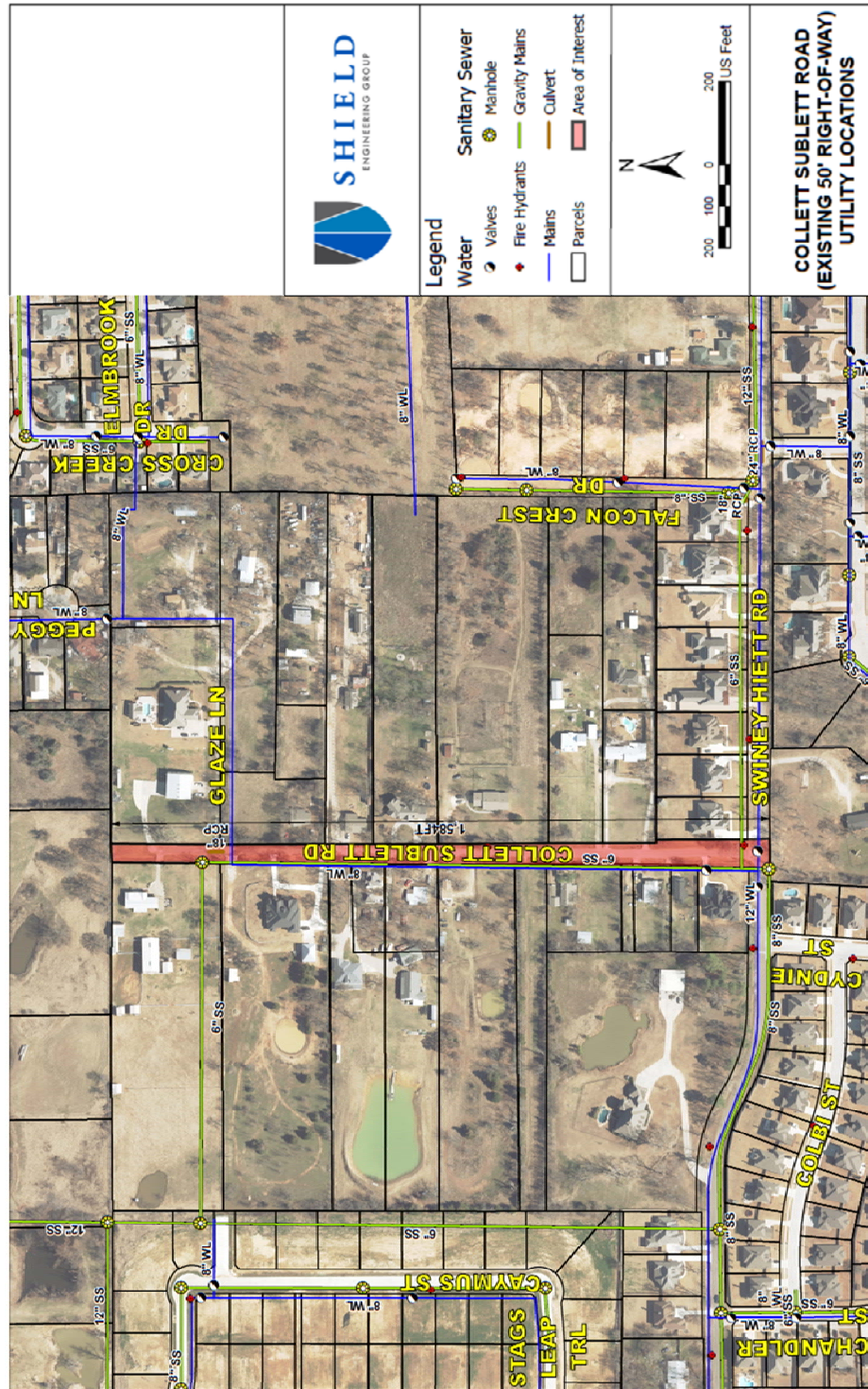
Hourly Rate Schedule as of the date of this contract is subject to change without notice.

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2012  
COMPREHENSIVE  
PLAN UPDATE  
FUTURE TRANSPORTATION PLAN

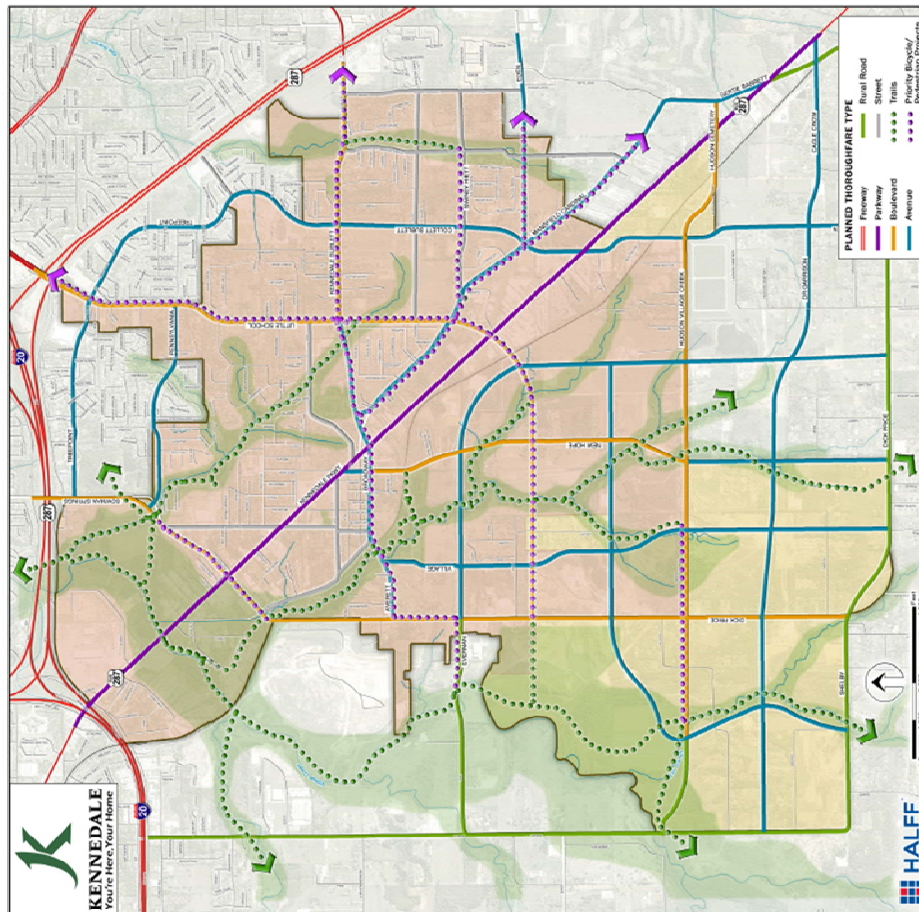
| Thoroughfare Type                                      | Parkway   | Multilane Parkway / Main lanes / Access lanes | Boulevard | Avenue            | Street               | Rural Road |
|--------------------------------------------------------|-----------|-----------------------------------------------|-----------|-------------------|----------------------|------------|
| Number of Through Lanes                                | 4         | 4 / 2                                         | 4         | 2 to 4            | 2                    | 2          |
| Desired Operating Speed (mph)                          | 40-45     | 40-45 / 30-35                                 | 35-40     | 30-35             | 25-30                | 35-40      |
| Median                                                 | 16'-18"   | 12'-18" / 6'-8"                               | 12'-18"   | 4'-16" (optional) | --                   | --         |
| Driveway Access                                        | Limited   | From access lanes                             | Limited   | Yes               | Yes                  | Yes        |
| Curb Parking                                           | No        | Yes (access lane)                             | Optional  | Yes               | Yes (not delineated) | No         |
| Pedestrian Facilities <sup>1</sup> (clear through-way) | 5'        | 5'-10" (access lanes)                         | 5'-10"    | 5'-10"            | 5'-8"                | 5'         |
| Bicycle Facilities <sup>2</sup>                        | SP or SH  | BL or SL                                      | BL or BBL | BL or SL          | SL                   | SL or SH   |
| Streetside Width <sup>3</sup>                          | 18'-25'   | 15'-20'                                       | 18'-22'   | 15'-20'           | 10'-16'              | 25'-30'    |
| Required ROW                                           | 100'-150' | 120'-160'                                     | 100'-130' | 60'-110'          | 50'-70'              | 80'-100'   |
| Width                                                  |           |                                               |           |                   |                      |            |

**NOTES:**

<sup>1</sup> Proposed widths of pedestrian facilities should be applied to both sides of the street.

<sup>2</sup> SP - Side Path  
SH - Shared lane  
BL - Buffered bike lane  
BL - Bike lane

<sup>3</sup> Streetside Width refers to the area between the street and building. It includes the edge, frontage/planing strip, clear throughway, and frontage zones.



Initials \_\_\_\_\_

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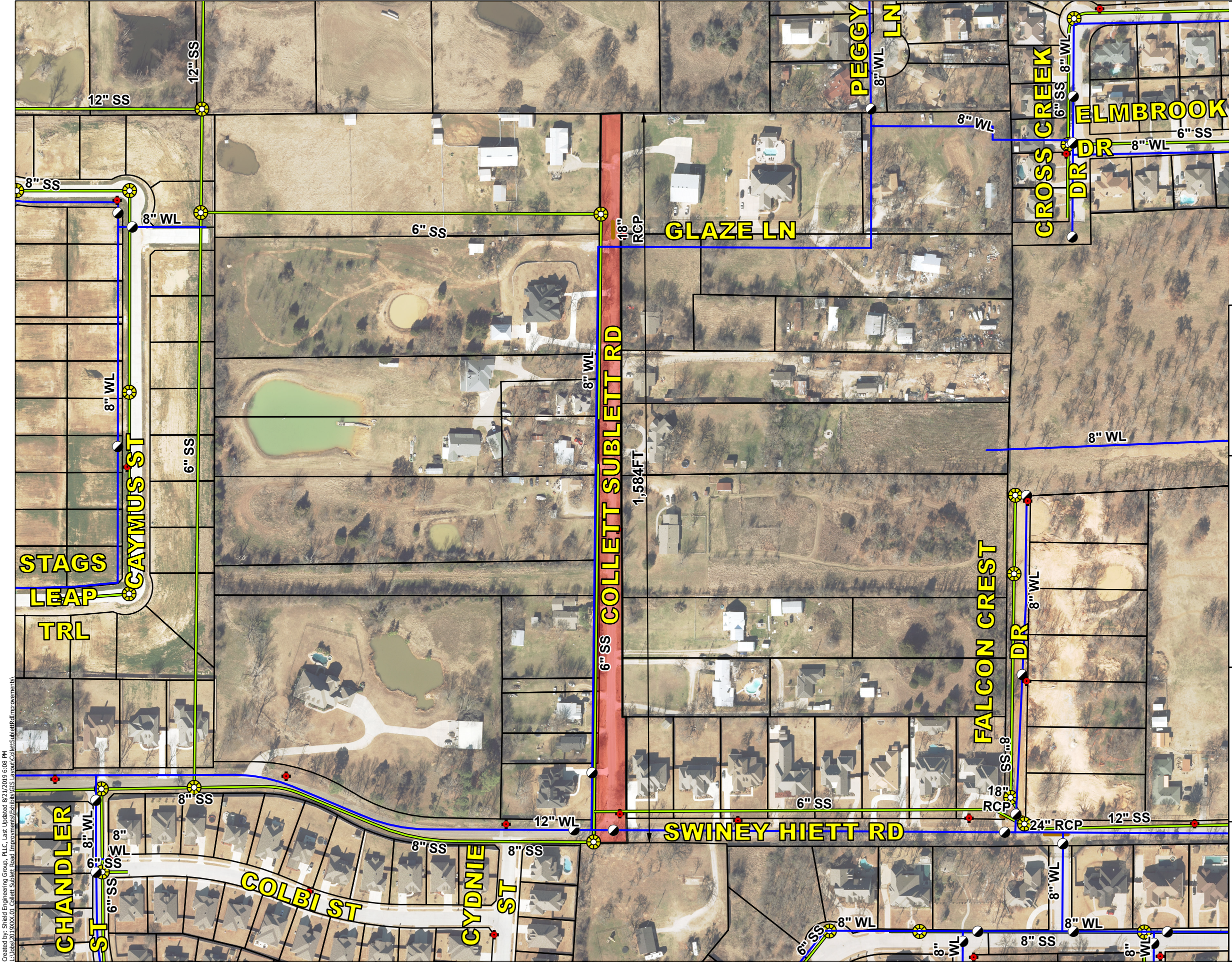
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### Legend

#### Water

- Valves
- Fire Hydrants
- Mains
- Parcels

#### Sanitary Sewer

- Manhole
- Gravity Mains
- Culvert
- Area of Interest



200 100 0 200  
US Feet

**COLLETT SUBLETT ROAD  
(EXISTING 50' RIGHT-OF-WAY)  
UTILITY LOCATIONS**



**DATE:** September 17, 2019

**AGENDA ITEM:** DECISION ITEMS ITEM G.

**SUBJECT:**

Consider authorizing the City Manager to enter into an agreement with Shield Engineering Group for civil engineering services associated with approximately 600 linear feet of roadway for Trent Street

**ORIGINATED BY:**

Larry Hoover, Public Works Director

**SUMMARY:** This project would connect Trent Street to Kennedale Parkway (Business 287), which is necessary as a second point of access for the Oak Crest area of Valley Lane, Trent Street, and Grapevine Trail as there are plans to address the erosion issues on Valley Lane in the coming months. (Staff is currently in discussions with another engineering firm to address the erosion issues and expects to receive a proposed contract for that work later this month.) The next significant rain event could leave this area without access if the existing roadway is further eroded.

The attached agreement provides for civil engineering services to design and complete construction — within a 50-foot right of way (ROW) — of a County-designed and City-approved 30-foot edge-to-edge asphalt roadway of approximately 600 linear feet, including all documents necessary for ROW acquisition. The road will require TxDOT permitting for the connection to Kennedale Parkway (Business 287), and Shield will act as the City's representative to obtain any necessary permits and submit required plans to TxDOT.

Possible funding sources for this \$59,400 project are the 2019 Tax Notes or the Stormwater Fund.

**RECOMMENDATION:** Approve

**ATTACHMENTS:**

|    |                                                     |                                                          |
|----|-----------------------------------------------------|----------------------------------------------------------|
| 1. | Trent Street Professional Services Agreement (PSA)  | Trent Street Professional Services Agreement (PSA) 2.pdf |
| 2. | Trent Street Preliminary Opinion of Profitable Cost | Trent Street Preliminary Opinion of Profitable Cost.pdf  |
| 3. | Trent Street Proposed Connection                    | Trent Street Proposed Connection.pdf                     |



**SHIELD**  
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## AN AGREEMENT TO PROVIDE LIMITED PROFESSIONAL SERVICES

PROJECT NAME: Trent Street Infrastructure

PROJECT NO: 2019025.01

CLIENT: City of Kennedale EDC Larry Hoover

ADDRESS: 405 Municipal Drive, Kennedale TX 76060

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

**SCOPE:** The Firm understands this project, known as the Trent Street Infrastructure, located in Kennedale, Texas, to consist of civil engineering services associated with approximately 600 linear feet of road improvements. This site is located at approximately 801 W Kennedale Pkwy, Kennedale, TX 76060. The proposed roadway will be designed City standards and use the typical Tarrant County Precinct #2 county road section. The roadway is approximately 30-foot roadway width in a 50 Right of Way.

Drainage will be conveyed in a bar ditch system and offsite drainage will be reviewed for existing conditions to determine if drainage easements are required at this time. The Firm understands that Geotechnical investigation will be provided by others and available to the Firm to perform this scope of work.

The Firm will prepare the ROW dedication instruments. The City will be responsible for obtaining this ROW. This scope is based on the attached site plan and shown on the last page of this document.

Water lines, sanitary sewer lines and storm drain improvements are not planned with this project and are therefore excluded from this scope of work.

Exhibits, as-built plans, and other miscellaneous services beyond this scope will be additional services and billed at the hourly rate schedule provided with this scope.

### 1. Survey Services: \$ 14,400

- a. Land Title / Boundary Survey: The Firm will field tie the monuments referenced on the boundary survey used for conveyance to the Client. The Firm will then analyze the found monumentation to determine the boundary to be used to calculate the ROW. Adjoining deeds, easements (on and adjacent to the subject tract) and subject tract deeds shall be provided by the Client (or his title company). The easements and other exceptions listed in Schedule "B" will be located based on the descriptions of record as provided to the surveyor. The correction or resolution of erroneous, deficient or ambiguous easement descriptions is not included within this Scope. The resolution of boundary conflicts or gaps discovered during the course of this verification is not included within this Scope.

Note: This task does not include studies (i.e. water, sanitary sewer, drainage, etc) or additional exhibits. Those services, if required, can be provided for an additional fee.

- b. Topographic Design Survey: Perform on-the-ground design survey for the site (as defined above) to verify detailed information for engineering design. The Firm will provide topographic design survey which may include but is not limited to 1' contour intervals, horizontal and vertical location of existing surface features such as water valves, fire hydrants, telephone poles, sanitary sewer manholes and flowline information, storm drain system structures and flowlines and pipe sizes, curbs, edge of pavement, retaining walls, power poles, dig-tess pin flags, creek cross sections, etc.
- c. ROW / Easements: The Firm will prepare the ROW documents to be used by the City to obtain the necessary Right-Of-Way.

The Firm anticipates that various easements may be required for utilities, drainage, or cross access. The Firm will prepare easement documents if required and bill per each easement. We have estimated three (3) separate legal descriptions and exhibits for easements to be prepared.

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ROW and easement documents shall be sent to the Client for further execution. The Firm shall assist the Client with normal coordination of the easement process but is not responsible for negotiating, securing or executing any part of the easement(s). Additional easements will be considered additional services.

- d. ROW Monumentation: The Surveyor will provide one (1) complete set of iron rods at ROW corners (PIs, PCs and PTs).

## 2. Infrastructure Plans: \$ 25,000

- a. Roadway Paving Plan: The Firm will prepare plan and profile plans. The Firm is not responsible for the pavement section design.
- b. Drainage Area Map: The Firm will prepare one Drainage Area Map and associated hydraulic calculations to show the pre and post development discharge from the site.

Detention Pond design or Downstream Assessment has not been included in this task.

**NOTE:** The proposed roadway is shown on the proposed FEMA study to be located within the Floodway, therefore the roadway will need to be designed and constructed to provide no net increase in fill. A flood study is not anticipated so long as this provision is met.

- c. Storm / Channel Design: There does not appear to be a closed storm drain system in place and storm water is conveyed through roadside bar ditches. The Firm will provide a plan to convey storm water to an adequate outfall that has yet to be determined at the preparation of this scope.

**NOTE:** This may require design for a channel to be constructed in what appears to be existing City ROW. The Firm will provide preliminary design under this scope and provide the Client with an additional scope and fee (if required) to complete final channel design plans.

- d. Erosion and Sediment Control Plan: The Firm will prepare an erosion and sediment control plan with erosion control details for the project site in accordance with local, state, and federal regulations and Best Management Practices (BMPs). A NOI is not anticipated because the site is less than 5 acres and considered a "Small Construction Site"; however, the Contractor will be required to prepare and implement a SW3P book onsite, post site notice, and submit a copy of the site notice to the MS4 Operator.
- e. Pavement Striping and Signage Plan: The Firm will prepare a pavement striping and signage plan based on the City, TxDOT and County requirements where applicable and in conformance with the latest MUTCD standards.
- f. Lighting and Conduit Plan: Is not anticipated and excluded from this scope of work.
- g. Traffic Control Plan – The Firm will prepare one traffic control plan in accordance with local and MUTCD standards.
- h. Dry Utility Coordination: The Firm will provide basic coordination for miscellaneous gas, electric, and telephone utilities that may be affected by the proposed improvements. This task will be billed hourly but has estimated 10 hours of basic coordination with the utility companies for budgeting.
- i. Preliminary Opinion of Probable Costs: The Firm will prepare one Preliminary Opinion of Probable Cost using our recent bid tabs, or Client provided unit prices, however, in either case, the Client represents their acceptance of these prices by using the estimate provided.
- j. Meetings: Regular design meetings are not anticipated and therefore not included with this scope.

Plans will be submitted to the City and County (if necessary) for review and comment. The Firm will address one set of City and County comments one time. Additional comments, analysis, or plan preparation will be considered Additional Services and billed on an hourly basis.





**3. TxDOT Driveway Permit: \$ 5,000**

- a. TxDOT Permitting: The Firm will provide TxDOT coordination for the required driveway permit. This service includes:
  - i. Concept Plan: Prepare one conceptual plan exhibit for the driveway connection and attend one meeting with TxDOT to review the intent of the connection and identify the TxDOT requirements for the driveway permit.
  - ii. Driveway Permit: Prepare one TxDOT driveway permit and submit to TxDOT for review and comment. The Firm anticipates addressing one set of TxDOT comments. The Firm will meet with TxDOT for coordination and processing. This scope anticipates one meeting.
  - iii. The Firm will obtain and provide the current and required TxDOT standard details needed for the driveway connection.
  - iv. The Firm will prepare traffic control plans in conformance with TxDOT.

**NOTE:** A Traffic Study / Analysis has not been included at this time. If TxDOT determines that a traffic study is required; the Firm will subcontract this service for the additional fee. This task does not anticipate or include a traffic warrant analysis therefore this service has not been included with this task.

**NOTE:** If TxDOT requires a right turn decel lane, the Firm can provide this design and associated traffic control for the additional fee.

**NOTE:** The Firm does not guarantee approval by TxDOT and does not have any control over TxDOT's review time. The Firm will not be responsible for the time it takes TxDOT to review and approve the permit.

**4. Bid Phase Services: \$5,000**

- a. Contract Documents: The Firm will prepare contract documents for construction. The Firm may be asked to prepare separate contract document for utilities, paving and lighting. This task will be billed at the attached hourly rate schedule.
- b. Addendums / Bidder Questions: The Firm will receive and answer bidder questions and requests for clarification on the plans and keep a log of significant questions for distribution to all bidders in the form of an addendum.
- c. Pre-Bid Conferences: The Firm will attend pre-bid conferences and prepare addenda if required. This task will be billed at the attached hourly rate schedule.
- d. Bid Opening, Tabulation and Qualification: The Firm will attend and assist the City with the bid opening. The Firm will prepare a bid tabulation and assist the City with evaluating the bids. The Firm will assist the City in determining the qualifications and acceptability of prospective bidders. Once the lowest qualified bidder has been identified, the Firm will issue a letter recommending award of the contract.

**5. Construction Phase Services: \$ 10,000**

- a. Pre-Construction Meeting: The Firm will attend one pre-construction meeting with the City and Contractor to discuss the proposed project schedule and scope.
- b. RFI: The Firm will respond to requests for information from the Contractor regarding civil improvements (up to 4 hours of coordination)
- c. Site Visits: The Firm will provide at least one (1) and up to three (3) visits to the site to observe the progress of the executed work. The Firm will provide a site visit report for each observation if required. Additional site visits will be billed at the attached hourly rate schedule.

Initials \_\_\_\_\_  
(FIRM)

Page 3 of 10

(CLIENT)

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- d. Pay Applications: The Firm will review contractors monthly pay requests for conformance with the contract documents
- e. Final Walk-through: The Firm will attend a final walk-through as conducted by the Client (or Client's General Contractor) to identify final civil related punch-list items.
- f. Record Drawings: The Firm will prepare a final set of record drawing plans from the information as provided by the contractor. The contractor must provide the Firm a complete and detailed description on the plans of all City approved field changes for the Firm to complete this task.

**6. Reimbursables: \$ 1,500 Budget Estimate**

- a. All reimbursable expenses will be at the Client's expense. The Firm will provide all drawings and other deliverable items electronically. Reimbursable expenses include mileage, postage, courier fees, reproduction fees and printing costs. All City or agency required fees will be paid directly by the Client. The reimbursable allowance for this project has been estimated based on anticipated submittals and professional experience.

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(FIRM) (CLIENT)

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**SUMMARY**

|                                 |                 |
|---------------------------------|-----------------|
| 1. Survey Services:             | \$14,400        |
| 2. Infrastructure Plans:        | \$25,000        |
| 3. TxDOT Driveway Permit:       | \$5,000         |
| 4. Bid Phase Services:          | \$5,000         |
| 5. Construction Phase Services: | \$10,000        |
| <b>Total Fee</b>                | <b>\$59,400</b> |

Reimbursable budget estimate: **\$1,500 budget estimate. Billed as Incurred**

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

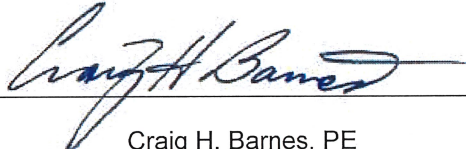
The Firm will provide the professional services listed above in accordance with local requirements and per the Client's instructions within the legal and ethical obligations as described in *The State of Texas, Texas Engineering Practice Act and Rules Concerning the Practice of Engineering and Professional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

The parties agree to the Firms standard Terms and Conditions as provided or available upon request.

Accepted for **CLIENT**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Accepted for **SHIELD ENGINEERING GROUP, PLLC**

By:   
Name: Craig H. Barnes, PE  
Title: President  
Date: 06.07.19





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

- Entitlements, Annexation, Zoning, Concept Site Planning,
- Survey Services (beyond those listed above): As-Built Survey/ALTA Survey, Title Search, Vacation Instruments, Additional Closing Exhibits and Legal Descriptions, Preliminary Plat, Final Plat, Construction Staking, Finished Pad/Grade Certification, Rail Certification
- Subsurface Utility Engineering (SUE)
- Design Services (beyond those listed above): Regular (weekly, monthly, etc) design meetings, Demolition Plans, Technical Specifications, Design of offsite spoil/borrow area for excavation material, Lighting and Conduit Plan
- Bidding Phase Services (beyond those listed above): Advertisement will be the Client's responsibility
- Construction Phase Services (other than those listed above): Attendance at regular construction meetings, construction observation, review of payment applications, processing of Change Orders
- Franchise Utility Relocation Coordination and Offsite Franchise Utility Coordination
- Traffic Study and Modeling, Traffic Analysis, Parking Flow Study, Signal Warrant Study,
- Flood Studies, LOMR, CLOMR, SWPPP or detention pond design
- Other Studies: Water, Sanitary Sewer, Drainage, Feasibility, Line of Sight
- Storm Water Management Plan, Storm Water Pollution Prevention Plan (SW3P)
- Community Facilities Agreements (CFA), Community Facilities Contracts (CFC)
- Permits: Grading, Tree Removal, Tree Preservation Plan, Urban Forestry Compliance Plan, Water Appropriations, Dam Safety, FAA, TRA, Railroad, Special Use Permits, City Encroachment Agreements
- Landscape architecture or irrigation system design
- Environmental assessment, impact statement, Waters of the US/Wetland delineations or permits
- Design of pump house, fire alarms, flow test(s) and/or ground storage tank for fire protection system design
- Design of retaining walls, screening walls, detached structures, special brick paved areas, sidewalks, etc.
- Geotechnical Investigations, Material Testing and Inspection Services
- Coordination of Building Permit Processing and TDLR Review shall be provided by Architect or a third-party reviewer. This includes review of the latest edition of the Texas Accessibility Standards (TAS).
- Services of Special Consultants

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(FIRM)

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## TERMS AND CONDITIONS

1. **AUTHORIZATION TO PROCEED:** Signing this Agreement shall be construed as authorization by CLIENT for the FIRM to proceed with the Services, unless otherwise provided for in this Agreement.
2. **ACCESS TO SITE:** Unless otherwise stated, the Firm will have access to the site for activities necessary for the performance of the services.
3. **COST ESTIMATES:** Any cost estimates provided will be on a basis of experience and judgment. Since the FIRM has no control over market conditions or bidding procedures, the FIRM does not warrant that bids or ultimate construction costs will not vary from these cost estimates.
4. **ADDITIONAL SERVICES:** Services in addition to those specified in Scope will be provided if authorized in writing by CLIENT. Additional services will be paid for by CLIENT as indicated in any Letter of Proposal, Task Authorization, or such other document as deemed appropriate by CLIENT and FIRM. In the absence of an express agreement about compensation, the FIRM shall be entitled to an equitable adjustment to its compensation for performing such additional services.
5. **STANDARD OF CARE:** In providing services under this Agreement, the Consultant shall perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. Upon notice to the FIRM and by mutual agreement between the parties, the FIRM will, without additional compensation, correct those services not meeting such a standard.
6. **INDEMNIFICATION:** FIRM SHALL INDEMNIFY AND HOLD HARMLESS CLIENT, ITS OFFICERS, OFFICIALS, AGENTS AND EMPLOYEES, IN THEIR INDIVIDUAL AND OFFICIAL CAPACITIES, FROM ANY LOSS, DAMAGES, LIABILITY OR EXPENSE ON ACCOUNT OF DAMAGE TO PROPERTY AND/OR INJURIES (INCLUDING DEATH) TO ANY PERSON OR PERSONS, INCLUDING OFFICERS, EMPLOYEES OR AGENTS OF FIRM, WHICH ARE CAUSED BY ANY NEGLIGENT ERROR, OMISSION, DEFECT, OR DEFICIENCY IN THE PERFORMANCE OF FIRM'S PROFESSIONAL SERVICES OR IN THE NEGLIGENT PREPARATION OF DESIGNS, WORKING DRAWINGS, SPECIFICATIONS OR OTHER ENGINEERING DOCUMENTS INCORPORATED INTO ANY IMPROVEMENTS CONSTRUCTED IN ACCORDANCE HERewith. FIRM SHALL PAY ALL EXPENSES (INCLUDING REIMBURSEMENT OF REASONABLE ATTORNEY'S FEES AND COSTS OF COURT IN PROPORTION TO ENGINEER'S LIABILITY) AND SATISFY ALL JUDGMENTS WHICH MAY BE INCURRED BY OR RENDERED AGAINST CLIENT OR ITS OFFICERS, OFFICIALS, AGENTS OR EMPLOYEES IN CONNECTION HERewith; PROVIDING AND EXCEPT, HOWEVER, THAT THIS INDEMNITY PROVISION SHALL NOT BE CONSTRUED AS REQUIRING ENGINEER TO INDEMNIFY OR HOLD HARMLESS CLIENT, ITS OFFICERS, OFFICIALS, AGENTS, OR EMPLOYEES FROM LOSS, DAMAGES, LIABILITY OR EXPENSE ON ACCOUNT OF DEFECTS OR DEFICIENCIES IN DESIGN CRITERIA AND INFORMATION FURNISHED TO FIRM BY CLIENT AND WHICH FIRM COULD NOT DISCOVER BY THE EXERCISE OF REASONABLE DILIGENCE. IT IS UNDERSTOOD AND AGREED BY BOTH PARTIES TO THIS AGREEMENT THAT THE FIRST TEN DOLLARS (\$10.00) OF REMUNERATION PAID TO FIRM UNDER THIS AGREEMENT SHALL BE IN CONSIDERATION FOR INDEMNITY/INDEMNIFICATION PROVIDED FOR IN THIS AGREEMENT. THIS SECTION WILL SURVIVE THE TERMINATION OF THIS AGREEMENT.
7. **DISPUTE RESOLUTION:** Any claims or disputes made during design, construction or post-construction between the CLIENT and FIRM shall be submitted to non-binding mediation, and any mediation must be conducted by a mutually agreed upon mediator located in Tarrant County, Texas. CLIENT and FIRM agree to include a similar mediation agreement with all contractors, subcontractors, sub-consultants, suppliers and fabricators, thereby providing for mediation as the primary method for dispute resolution between all parties.
8. **PAYMENT TO FIRM:** Invoices for the FIRM's service shall be submitted to CLIENT on a monthly basis. The CLIENT shall either approve these invoices or notify the FIRM of any invoices not approved. The CLIENT and the FIRM shall confer and attempt to resolve such disputed invoices. The CLIENT shall pay the FIRM for all undisputed invoices 30 days after CLIENT receives the invoice. If Client has failed to pay an undisputed invoice after 45 days of CLIENT's receipt of the invoice, FIRM may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, terminate the performance of the service. [Retainers/Deposits shall be credited on the final invoice.]
9. **LATE PAYMENTS:** Accounts unpaid 30 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney's fees.
10. **TERMINATION:** Either CLIENT or FIRM may terminate this Agreement by giving 30 days' written notice to the other party. In such event CLIENT shall forthwith pay FIRM in full for all work previously authorized and performed prior to effective date of termination. FIRM, unless requested by CLIENT, is not authorized to perform any services after either party receives a notice of termination, and will not be paid for any such unauthorized work. If no notice of termination is given, relationships and obligations created by this Agreement shall be terminated upon completion of all applicable requirements of this Agreement.
11. **CERTIFICATIONS:** Guarantees and Warranties: The FIRM shall not be required to execute any document that would result in its certifying, guaranteeing or warranting the existence of conditions whose existence the FIRM cannot ascertain.
12. **OWNERSHIP OF DOCUMENTS:** Upon FIRM's completion of services and receipt of payment in full, or upon termination of this Agreement, FIRM shall grant to CLIENT a non-exclusive license to possess the final drawings and instruments produced in connection with FIRM's performance of the work under this Agreement, if any. Said drawings and instruments may be copied, duplicated, reproduced and used by CLIENT for the purpose of constructing, operating and maintaining the improvements contemplated by this Agreement. CLIENT agrees that such documents are not intended or represented to be suitable for reuse by CLIENT or others for purposes outside the scope of this Agreement. Notwithstanding the foregoing, CLIENT understands and agrees that any and all computer programs, GIS applications, proprietary data or processes, and certain other items related to the services performable under this Agreement are and shall remain the sole and exclusive property of FIRM and may not be used or reused, in any form, by CLIENT without the express written authorization of FIRM. Client agrees that any reuse by CLIENT, or by those who obtain said information from or through CLIENT, without written verification or adaptation by FIRM, will be at CLIENT's sole risk and without liability or legal exposure to FIRM or to FIRM's employees, agents, representatives, officers, directors, affiliates, shareholders, owners, members, managers, attorneys, subsidiary entities, advisors, subconsultants or independent contractors or associates.
13. **SEVERABILITY:** In case any one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.
14. **JOBSITE SAFETY:** Neither the professional activities of the FIRM, nor the presence of the FIRM or its employees and subconsultant's at a construction/project site, shall impose any duty on the FIRM, nor relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies. The FIRM and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures.
15. **ENTIRE AGREEMENT:** This Agreement represents the entire understanding of CLIENT and FIRM. No prior oral or written understandings shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties. This Agreement constitutes, represents and is intended by the parties to be the complete and final statement and expression of all of the terms and arrangements between the parties to this Agreement with respect to the matters provided for in this Agreement. This Agreement supersedes any and all prior or contemporaneous agreements, understandings, negotiations, and discussions between the parties and all such matters are merged into this Agreement.
16. **INSURANCE:** FIRM shall, at its own expense, purchase, maintain and keep in force throughout the duration of this Agreement and for a period of four (4) years thereafter, professional liability insurance. The limits of liability shall be \$1,000,000 per claim and in the aggregate. FIRM shall submit to the CLIENT a certificate of insurance prior to commencing any work for the CLIENT.
17. **ASSIGNMENT:** Neither the CLIENT nor FIRM may assign their rights or delegate their duties without the written consent of the other party. This Agreement is binding on the parties to the fullest extent permitted by law. Nothing herein is to be construed as creating any personal liability on the part of any CLIENT officer, employee or agent.
18. **JURISDICTION AND VENUE:** This Agreement shall be administered under the substantive laws of the State of Texas (and not its conflicts of law principles) which shall be used to govern all matters arising out of, or relating to, this Agreement and all of the transactions it contemplates, including without limitation, its validity, interpretation, construction, performance and enforcement. Exclusive venue shall lie in any court of competent jurisdiction in Tarrant County, Texas.
19. **ATTORNEY'S FEES:** If it becomes necessary to take legal action to interpret or enforce the terms of this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party, the prevailing party's reasonable attorney's fees and costs of court.

Initials \_\_\_\_\_ Page 7 of 10

(FIRM) (CLIENT)

1600 West 7th Street, Suite 200, Fort Worth, TX 76102 · 817.810.0696

info@segpllc.com · www.SHIELDENGINEERINGGROUP.com  
TBPE FIRM #F-11039 · TBPLS FIRM #10193890



### 2019 HOURLY RATE SCHEDULE

|                              |       |
|------------------------------|-------|
| Principal                    | \$235 |
| Program Manager              | \$200 |
| Project Manager              | \$180 |
| Senior Professional Engineer | \$170 |
| Professional Engineer        | \$145 |
| EIT II                       | \$115 |
| EIT I                        | \$100 |
| Senior Designer              | \$125 |
| Designer                     | \$100 |
| CAD Drafter                  | \$85  |
| Support                      | \$70  |
| QA/QC                        | \$155 |
| Senior RPLS                  | \$175 |
| RPLS                         | \$155 |
| GIS Specialist               | \$135 |
| Survey Technician            | \$100 |
| Party Chief                  | \$100 |
| Survey Crew Member           | \$55  |

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

Initials \_\_\_\_\_ Page 8 of 10  
(FIRM) (CLIENT)

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**SHIELD**  
ENGINEERING GROUP



Initials \_\_\_\_\_  
(FIRM)

Page 9 of 10

(CLIENT)

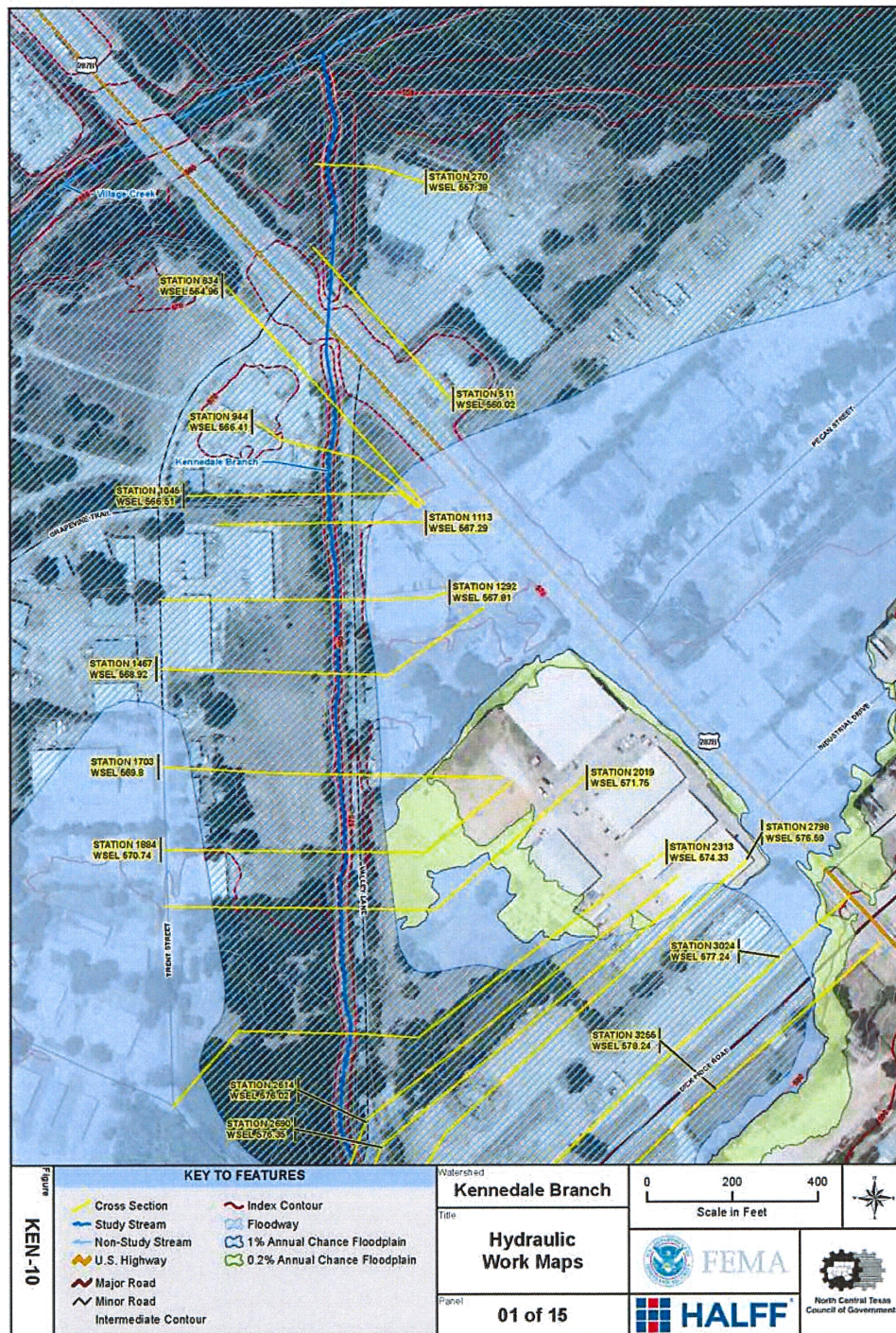
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(FIRM)

Page 10 of 10  
(CLIENT)

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SHIELD ENGINEERING GROUP, PLLC  
1600 W 7th STREET SUITE 200, FORT WORTH, TEXAS 76102  
PHONE NO. (817) 810-0696

**PRELIMINARY OPINION OF PROBABLE COST**

**SHIELD PROJECT NO.:** 2019025.01

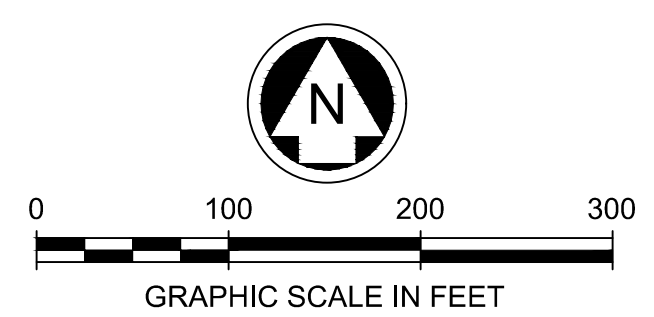
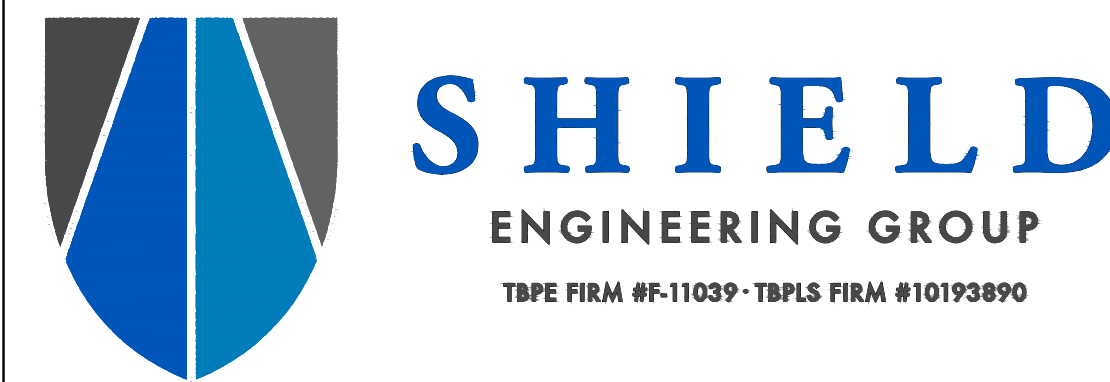
Project Name Trent Street  
City: Kennedale

**DATE:** June 26, 2019

**CONSTRUCTION COSTS**

| BIDLIST ITEM #                 | DESCRIPTION                             | UNIT | QTY  | PRICE       | AMOUNT               |
|--------------------------------|-----------------------------------------|------|------|-------------|----------------------|
| 1                              | Removal & Disposal of Conc Pvmnt        | SY   | 222  | \$ 45.00    | \$ 9,990.00          |
| 2                              | SWPPP ≥ 1 acre                          | LS   | 1    | \$ 3,000.00 | \$ 3,000.00          |
| 3                              | 10" Pulverization                       | SY   | 1376 | \$ 7.00     | \$ 9,630.59          |
| 4                              | 4" Asphalt Base Type B                  | SY   | 1376 | \$ 26.00    | \$ 35,770.75         |
| 5                              | 3" Asphalt Pvmnt Type C                 | SY   | 1376 | \$ 17.00    | \$ 23,388.56         |
| 6                              | ADA Ramp                                | EA   | 2    | \$ 2,800.00 | \$ 5,600.00          |
| 7                              | 4" Solid White Thermoplastic (HAS) Lane | LF   | 1150 | \$ 5.00     | \$ 5,750.00          |
| 8                              | 4" Yellow Center Stripe                 | LF   | 575  | \$ 5.00     | \$ 2,875.00          |
| 9                              | Traffic Control                         | MO   | 1    | \$ 7,333.33 | \$ 7,333.33          |
| 10                             | 24" RCP                                 | LF   | 40   | \$ 125.00   | \$ 5,000.00          |
| 11                             | 24" Type "B" HDWL                       | EA   | 2    | \$ 3,000.00 | \$ 6,000.00          |
| 12                             | 8" Reinf Conc Pvmnt                     | SY   | 201  | \$ 89.00    | \$ 17,906.99         |
| <b>TOTAL CONSTRUCTION COST</b> |                                         |      |      |             | <b>\$ 114,338.23</b> |





CITY OF KENNEDALE, TEXAS  
PUBLIC WORKS

TRENT STREET CONSTRUCTION

|                |             |                |               |
|----------------|-------------|----------------|---------------|
| DESIGNED: ____ | SCALE: ____ | DATE: JUN 2019 | SHEET: 1 OF 1 |
| DRAWN: ____    |             |                |               |

**DATE:** September 17, 2019

**AGENDA ITEM:** EXECUTIVE SESSION ITEM A.

**SUBJECT:**

Discussion with the City Attorney regarding salvage yards, including A&A Pickup & Van, Inc., and special exception/special use permits

**ORIGINATED BY:**

**SUMMARY:**

**RECOMMENDATION:**

**ATTACHMENTS:**