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KENNEDALE CITY COUNCIL AGENDA

REGULAR MEETING VIA VIDEOCONFERENCE
APRIL 21, 2020 AT 5:30 PM

MEMBERS OF THE PUBLIC MAY JOIN BY VISITING WWW.CITYOFKENNEDALE.COM/JOINMEETING AND/OR BY DIALING 1-877-853-5257 (TOLL-FREE) AND USING ACCESS CODE 76060-76060

I. CALL TO ORDER

*Join this meeting via the web address and/or toll-free phone number and access code above. To reduce background noise, participants may be muted upon entry. Please leave yourself on mute unless you are recognized by the Mayor and are actively speaking. Toggle between mute and unmute by pressing *6 on your keypad.* ***Anyone wishing to address the Council regarding any item on this agenda may do so as the item is considered.*** *If you wish to speak on the current item, indicate as much by pressing *9 on your telephone keypad or the "Raise Hand" button under the "Participants" tab on your computer or smart device. If you have joined via telephone only, the Mayor may call upon you to speak using the last four digits of your phone number. If you have joined via browser or app, ensure that you enter your name as you would like to be recognized during the meeting. As usual, speakers should begin by stating their name and address, will be allotted three (3) minutes, should limit their comments to the current item, and should address the Council as a whole, rather than individual Councilmembers or staff.*

II. WORK SESSION

A. WORK SESSION REPORTS

1. Presentation of the independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2019

2. Hold a discussion and provide staff direction regarding the development of an economic assistance program for local small businesses relating to the Coronavirus (COVID-19) pandemic and the City's local disaster declaration

3. Receive a report and hold a discussion of operations issues relating to the Coronavirus (COVID-19) emergency

4. Receive a report regarding the current status of utility customer service and billing issues

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

III. EXECUTIVE SESSION

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

IV. REGULAR SESSION

A. ROLL CALL

B. INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS

C. VISITOR AND CITIZEN FORUM

At this time, any person may address the City Council about items not on the agenda. The rules and procedures for addressing the Council during a remote meeting are included under "I. CALL TO

ORDER". Neither formal action nor discussion may occur at this time. Those wishing, instead, to speak on an agenda item should indicate their desire to speak as the Council considers that item.

D. REPORTS AND ANNOUNCEMENTS

1. Updates from the City Council

2. Updates from the Mayor
   - *Proclaiming April 2020 as Child Abuse Prevention Month and recognizing Alliance for Children for their dedication to protecting the children of Tarrant County*
   - *Proclaiming May 16, 2020 as Kids to Parks Day*

3. Updates from the City Manager

4. Financial Reports for the City

5. Schedule of Investment Activity for quarter ending March 31, 2020

E. CONSENT AGENDA

1. Approval of the minutes from the February 18, 2020 regular meeting

2. Approval of the minutes from the March 24, 2020 special meeting via teleconference

3. Approval of the minutes from the March 31, 2020 special meeting via teleconference

4. Consider adoption of Ordinance 693, amending Chapter 12, "Miscellaneous Provisions and Offenses" of the Kennedale City Code by adding section 12-10, "Protection of Children Exposed to Unjustified Violence."

5. Consider adoption of Ordinance 694, amending Chapter 12, "Miscellaneous Provisions and Offenses" of the Kennedale City Code by adding Section 12-11, "Effective Response to Strangulation."

6. Consider acceptance of independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2019

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider approval of Ordinance 691, amending various provisions of Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code to adopt the 2018 International Building Code (IBC), 2017 National Electrical Code (NEC), 2018 International Mechanical Code (IMC), 2018 International Plumbing Code (IPC), 2018 International Fire Code (IFC), 2018 International Residential Code (IRC), 2018 International Fuel Gas Code (IFGC), 2018 International Energy Conservation Code (IECC), and 2018 International Swimming Pool and Spa Code (SPSC) along with local amendments as recommended by the North Central Texas Council of Governments (NCTCOG)

2. Consider adoption of Ordinance 692, amending Article III "Fire Department" of Chapter 6 "Emergency Management and Services" of the Kennedale City Code to authorize and establish mitigation fees for the deployment of emergency services by the City of Kennedale Fire Department

G. PUBLIC HEARINGS

1. Conduct a Public Hearing and consider approval of Resolution 569, authorizing funding participation with Tarrant County Community Development and Housing for the 46th Year Community Development Block Grant (CDBG) Project for rehabilitation of water lines in the 400 to 600 blocks of Third Street

H. TAKE ACTION NECESSARY, PURSUANT TO EXECUTIVE SESSION, IF NEEDED

1. Take any action deemed necessary as a result of the Executive Session

V. ADJOURNMENT

Pursuant to the March 16, 2020 Proclamation issued by Governor Abbott suspending various provisions of Chapter 551, VTCA, Government Code, the public may join this remote meeting of the City Council via videoconference and/or teleconference. The Mayor and Council will also be participating remotely in compliance with the Texas Open Meetings Act and under provisions provided by the Governor in conjunction with the Declaration of Disaster enacted March 13, 2020. Virtual meetings are aimed at advancing social distancing by limiting in-person interaction to slow the spread of COVID-19. If you should have questions, please contact the City Secretary at 817-985-2104 or citysecretary@cityofkennedale.com.

CERTIFICATION

I DO HEREBY CERTIFY THAT THE APRIL 21, 2020 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

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.

CREATED 4/17/2020 3:55 PM

POSTED ___________ (DATE) ___________ (TIME)

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: WORK SESSION ITEM II.A.1.

SUBJECT
Presentation of the independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2019

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
As you will see in the report below, the CAFR included in your packet is watermarked as a draft only because it has not yet been presented to and accepted by the Council. Acceptance of the FY19 CAFR appears on this agenda as Consent Item 6. The "Statement on Auditing Standards (SAS)" letter is also attached. Staff will provide a more in-depth analysis of the year-end financials at a later date.

Danny Martinez of BKD will join the meeting to present the CAFR for FY19 (October 1, 2018 – September 30, 2019). He and staff will be available to answer any questions from the Council.

The City's financial statements have been audited by BKD, Independent Certified Public Accountants (CPAs). The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019, are free of material misstatements.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

We are pleased to announce that the independent auditor concluded, based upon the audit, that **there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP**. The independent auditor's report is presented as the first component of the financial section of the Comprehensive Annual Financial Report (CAFR).

GENERAL NOTES REGARDING THE AUDIT
- The City's Finance Department and the independent auditor have agreed on the "draft" CAFR being presented. The CAFR remains in "draft" format until the Council has formally accepted the report and a final version will be available on the City's Website following acceptance.
- The term **'Governmental Funds'** encompasses all non-Water/Sewer Funds.
- The term **'Non-Major Governmental Funds'** includes LEOSE (Law Enforcement Officers Standards and Education), Park Dedication, Capital Projects, Roadway Impact Fees, Library Building, and Capital Bond Funds.
- The term **'General Fund'** refers to all other funds (*not* just our budgetary General Fund) and includes Streets, Capital Replacements, etc.
- **'Water and Wastewater'** includes restricted water and sewer impact fees; however, the Stormwater Fund is reported separately.
- The EDC is not included in this audit, as they undergo a separate audit, which will be presented at the next Regular Meeting of the EDC Board

- Page 12 of the CAFR provides the best overview of the current assets of the major governmental funds.
- Page 14 of the CAFR provides the best overview of the operations of the major governmental funds.
- Page 16 and17 of the CAFR provide the best overview of the Water and Sewer Fund.
- Page 33 and 34 of the CAFR provide the best overview of the City's capital assets.
- Page 36 of the CAFR provides the best overview of the outstanding debts of the City.

BUDGETARY HIGHLIGHTS

FY 2018-2019 FUND BALANCE			
	FY19 BUDGET	**AUDITED**	**DIFFERENCE**
General Fund	$ 1,109,789.00	$ 1,597,593.00	$ (487,804.00)
Debt Service	$ 201,388.00	$ 315,015.00	$ (113,627.00)
Storm Water	$ 113,180.00	$ 198,778.00	$ (85,598.00)
Water & Sewer	$ 1,341,985.00	$ 2,471,302.00	$ (1,129,317.00)
EDC	$ 258,019.00	$ 543,188.00	$ (285,169.00)
Streets	$ 249,917.00	$ 553,695.00	$ (303,778.00)

RESPONSE TO MANAGEMENT LETTER
While the FY19 audit was successful and produced no new findings, there were two opportunities for improvement that carried over from FY18.

Year End Closing Procedures: Due to turnover in two key Finance positions during the audit year we relied on our auditors to assist in many end of year accounting entries. This will likely continue into FY20 for some of the more complicated GASB entries.

Segregation of Duties: Proper segregation of duties in a smaller finance department such as ours will remain a challenge. However, we have since filled all positions and will continue to take recommendations from BKD and to look for ways to improve in this area.

RECOMMENDATION
Staff recommends acceptance of the FY19 CAFR.

ATTACHMENTS

1.	City of Kennedale SAS Draft	City of Kennedale SAS Draft.pdf
2.	City of Kennedale CAFR Draft for Presentation	City of Kennedale CAFR Draft for Presentation.pdf

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

As part of our audit of the financial statements of City of Kennedale, Texas (City) as of and for the year ended September 30, 2019, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

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

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

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

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

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

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

Alternative Accounting Treatments

We had no discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies.

Management Judgments and Accounting Estimates

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

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

Financial Statement Disclosures

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

- Loss contingencies
- Net pension liability and other post-employment benefits

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated.
A misstatement is a difference between the amount, classification, presentation or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed Audit Adjustments Recorded

- Accounts receivable, related allowance and deferred inflows of resources
- Net pension liability and related deferred inflows/outflows of resources
- Total OPEB liability and related deferred inflows/outflows of resources
- Capital assets and related depreciation expense
- Compensated absences
- Entries necessary to convert from modified accrual to full accrual basis of accounting.

Proposed Audit Adjustments Not Recorded

- None

<u>Auditor's Judgments About the Quality of the City's Accounting Principles</u>

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

No matters are reportable.

<u>Other Material Communication</u>

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

- Management representation letter (*attached*)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of the City as of and for the year ended September 30, 2019, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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

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

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

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

Significant Deficiencies

Year-end Close Process

Year-end closing procedures were not adequately performed which required numerous audit adjustments to present the financial statements in accordance with GAAP. In order to provide more accurate and timely accounting information, we recommend that the City establish more effective review and reconciliation policies and procedures as a customary part of the accounting process. For additional information, please refer to the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards.*

Segregation of Duties

Management is responsible for establishing and maintaining effective internal controls to safeguard the City's assets. During our internal control analysis, we noted instances where individuals had access, recording and monitoring capabilities within the cash inflow and cash outflow transaction cycles. Although this concentration of responsibilities may be efficient, it could lead to possible errors or irregularities. Management should evaluate the cost versus the benefits of further segregating these duties by hiring additional personnel or shifting certain accounting duties to other current employees to assist in implementing additional monitoring or other compensating controls. For additional information, please refer to the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards.*

OTHER MATTERS

We offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

New Accounting Pronouncements

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

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

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

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

Dallas, Texas
April 16, 2020

DRAFT
4/17/2020

City of Kennedale, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2019

City of Kennedale, Texas

Comprehensive Annual Financial Report
Year Ended September 30, 2019

Contents

KENNEDALE
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405 Municipal Drive, Kennedale TX 76060
Ph: (817) 478-5418 www.cityofkennedale.com

April 16, 2020

Honorable Mayor and City Council,
Citizens of Kennedale:

The City of Kennedale (City) Financial Management Policies requires that the City's Finance Department prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Comprehensive Annual Financial Report for the City of Kennedale, Texas for the fiscal year ended September 30, 2019, is hereby issued.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making representations, the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather that absolute, assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by **BKD, LLP**, Independent Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2019, are free from material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2019, are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

The City of Kennedale was incorporated in 1947. The City of Kennedale is a first tier suburb of Fort Worth and is located adjacent to Arlington in south Tarrant County. The City currently occupies a land area of 6.2 square miles and serves a population of 8,543. The City is empowered to levy property tax on both real and business personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically, when deemed appropriate by the city council.

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

The City of Kennedale provides a full range of services including police, fire, emergency medical service, municipal court, library, parks, water distribution, wastewater collection, solid waste collection, curb-side recycling, streets, storm water drainage, community development (planning, code enforcement, and building inspection), and general administrative services.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Kennedale as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government's operations. The Kennedale Economic Development Corporation (KEDC) is included in the financial statements as a discretely presented component unit.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Kennedale operates.

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

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

Kennedale has experienced steady population growth in the last decade. Beautiful Village Creek slowly winds through the City and provides a tranquil feeling throughout the community.

Currently, the City is 6.2 square miles with much of this land undeveloped. This allows for selective locations for the incoming developments and pulls the citizen away from the crowds and traffic congestion of a major metropolitan city. As the economy continues to grow and expand into North Texas, Kennedale will be an attractive choice for businesses and families alike.

The Kennedale Economic Development Corporation (KEDC) was formed in 1996 to spearhead the economic growth of the City. The KEDC is funded by a voter approved, half cent sales tax, which is used to offer grants and other economic incentives to existing and new businesses. The KEDC is pursuing a four-pronged approach to economic development: land assembly and clearing for resell, manufacturing expansion, retail development and quality of life improvements. The redevelopment of the north entry into Kennedale (Oak Crest area) continues. A master plan has been adopted. Link Street to Kennedale Parkway was opened in 2015 and extension was opened in October 2016. The improved access has led to the development of a Popeye's and Burger King which opened in 2015. McDonald's opened in the Oak Crest area in October 2016. A hotel site is in the process of development. Multiple new subdivisions have been approved in the past year. The KEDC is also working with property owners in the area to develop their land. The Town Center has completed a spec building, along with the openings of a martial arts studio, electric supply store, Dickie's, and an antique shop.

Accounting System and Budgetary Control. The City's accounting records for general government operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities incurred. Accounting records for the City's utilities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The annual budget serves as the foundation for the City of Kennedale's financial planning and control. All departments of the City of Kennedale are required to submit requests for appropriation to the City Manager on or before June of each year. These requests are used to develop a proposed budget. The proposed budget is then presented to the City Council for review in or before August. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City of Kennedale's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. police). Transfer of appropriations within a department and within funds may be made with approval from the City Manager. Transfers between funds or additional appropriation require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

LONG-TERM FINANCIAL PLANNING

CURRENT YEAR PROJECTS

The City of Kennedale leverages its resources by working with TxDOT and Tarrant County to enhance its transportation network. Road projects are funded by the City purchasing road material, and the Tarrant County Precinct 2 road crews building the roadways. The City is partnering with TxDOT to rebuild a local bridge.

An important element of the City's strategic plan – *Imagine Kennedale 2015* – was to close the racetracks and convert the property to residential use. The City began that process with an update of the Comprehensive Land Use Plan. The City created a Tax Increment Reinvestment Zone (TIRZ) to fund off-site infrastructure improvements, namely the extension of water and sewer service, reconstruction of New Hope Road, and the addition of hike and bike trails along Kennedale Branch. TIRZ participation agreements with Tarrant County, Tarrant College District, and the Tarrant County Health District were completed in 2013. The City is working to convert racetrack property. A water and sewer study to plan for the extension of the utility services is complete. The site of a current track is identified in the park master plan as a future community park.

Council, Board, and staff activities are guided by the City's strategic plan – *Imagine Kennedale 2015* – and the adopted Comprehensive Land Use Plan. These plans call for the creation of residential areas on the southwest portion of Kennedale. The TIRZ, noted earlier, will guide this effort. Redevelopment of Oak Crest will be a long-term effort, and it too is underway. Restoration of Village Creek as a park and water quality feature will consume staff time and resources for many years to come. Village Creek will require the assistance of the City of Arlington, the Corps of Engineers, the Trinity River Authority (TRA), the Tarrant Regional Water District, the University of Texas at Arlington (UTA), the Environmental Protection Agency (EPA), the Texas Commission on Environmental Quality (TCEQ), and the Texas Water Development Board (TWDB). Flood control and water quality planning activity may be essential to the City's efforts to encourage closure of a portion or all of the salvage yards located in the Village Creek floodplain.

The continued partnership with the City of Arlington is expected to expand by obtaining drinking water from the City of Arlington. While this will not change immediately, the process is set to begin soon, starting with establishing the water connection between the two systems. Construction along Little Road near the entrance sign just north of Pennsylvania is where the construction phase of the project will begin.

Also, as part of this collaboration, the City of Kennedale also has plans to transition its customer utility accounts to the City of Arlington's billing system. This is expected to create a more streamlined utility customer service experience for utility customers.

The Asset Management Plan will be used to guide future council policy discussions.

FUTURE PROJECTS

Beyond physical improvements in Kennedale, there will continue to be a focus on operational efficiencies and strategic planning.

The unified development code was adopted in mid-2016 and will need revisions as it is implemented. The City has held numerous neighborhood meetings to gather citizen input on future development.

RELEVANT FINANCIAL POLICIES

The city will work towards controlling expenditures and exploring new revenue opportunity to grow the general fund balance. Efforts have been put into place to restore net working capital in both the Water and Sewer Fund and the General Fund. The City confirmed a bond rating of AA- from Standard & Poor's in the current year.

AWARDS AND ACKNOWLEDGEMENTS

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Kennedale for its CAFR for the fiscal year ended September 30, 2018. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we may submit it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and our independent auditors. We would like to express our sincere appreciation to those persons who have made possible the publication of this report. We would also like to thank the mayor and the members of the City Council for their support in planning and conducting the financial operations of the City.

Respectfully Submitted,

Lakeita Sutton

George Campbell
City Manager

Lakeita Sutton
Director of Finance & IT

DRAFT
4/17/2020

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kennedale

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

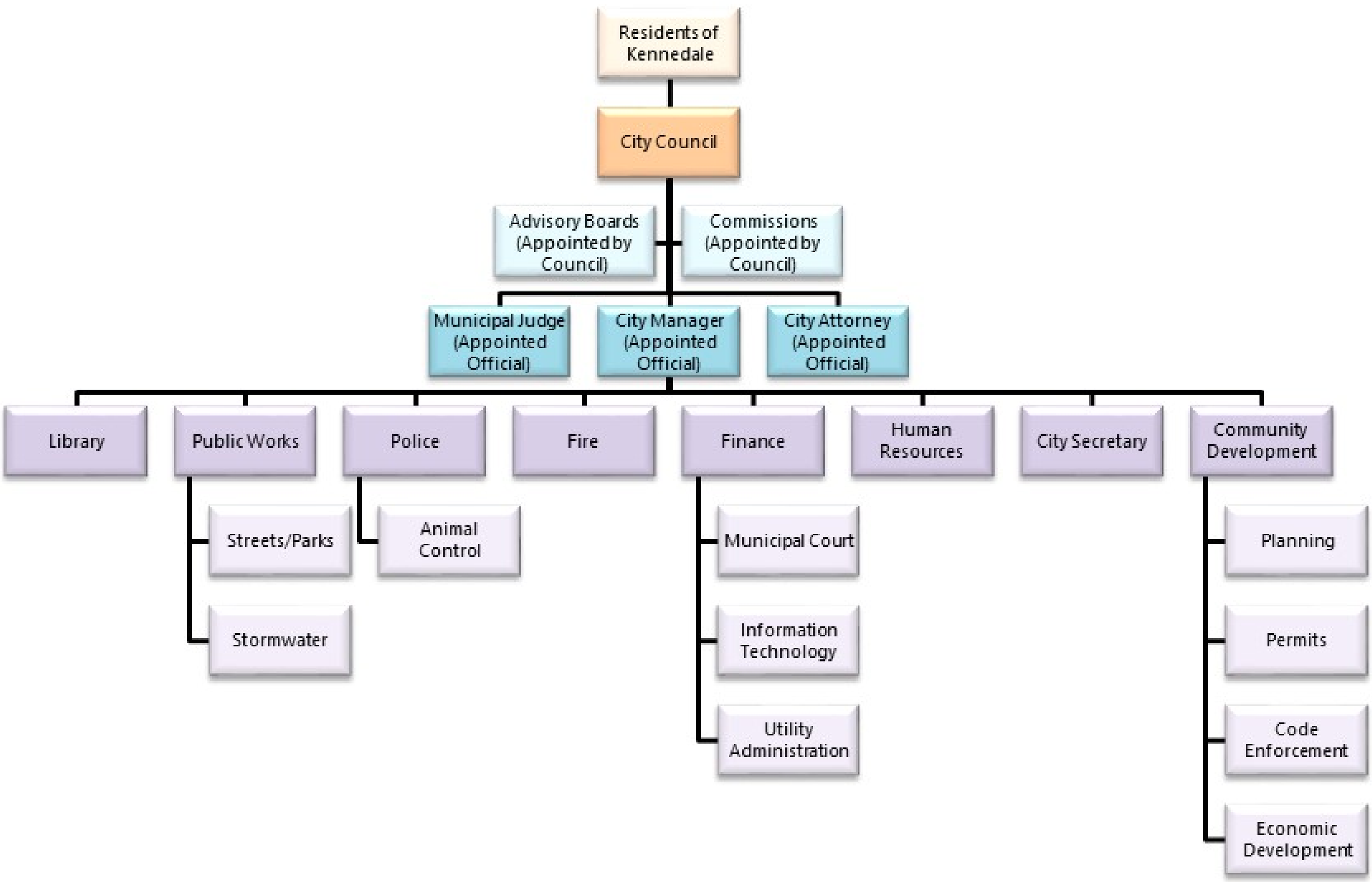
September 30, 2018

Christopher P. Morrill

Executive Director/CEO

DRAFT
4/17/2020

City of Kennedale, Texas
Organizational Chart



City of Kennedale, Texas

List of Principal Officers

Elected Officials

Mayor	Brian Johnson
Council Member Place 1	Josh Altom
Council Member Place 2	Chris Pugh
Council Member Place 3/Mayor Pro Tem	Sandra Lee
Council Member Place 4	Linda Rhodes
Council Member Place 5	Chad Wandel

Appointed & Key Officials

City Manager	George Campbell
City Secretary/Communications Coordinator	Leslie Galloway
City Attorney	Taylor, Olsen, Adkins, Sralla & Elam, LLP
Director of Finance & IT	Lakeita Sutton
Human Resources Director	Danielle Clarke
Police Chief	Tommy Williams
Fire Chief	James Brown
Director of Public Works	Larry Hoover
Director of Planning	Melissa Dailey

Economic Development Corporations Officials

Director Place 1– Vice President	Johnny Trevino
Director Place 2	Cesar Guerra
Director Place 3	Andrew Schaffer
Director Place 4	Darold Tippey
Director Place 5	Sandra Lee
Director Place 6 - President	Mark Yeary
Director Place 7	April Coltharp

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Kennedale, Texas (City) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other postemployment benefits information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we also have issued our report dated April 16, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Dallas, Texas
April 16, 2020

City of Kennedale, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2019

The Management's Discussion and Analysis (MD&A) section presents a narrative overview and analysis of the financial activities of the City of Kennedale, Texas (City) for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities at the end of fiscal year 2019, resulting in $41,903,388 of net position. Net position associated with governmental activities is approximately $26 million, or 61 percent of the total net position of the City. Net position associated with business-type activities is approximately $16 million, or 39 percent of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is approximately $41 million.
- Unrestricted net position, which may be used to meet the City's future obligations, consists of approximately $0.2 million, or 0.5 percent of the City's total net position. Unrestricted net position for governmental activities is in a deficit of $2.5 million. Unrestricted net position for business-type activities is approximately $2.7 million or 17 percent of total net position for business-type activities.
- As of the close of fiscal year 2019, the City's Governmental Funds reported a combined ending fund balance of $5,645,366, an increase of $2,659,011 from the prior year.
- At the end of the current fiscal year, total fund balance for the General Fund was $2,673,894. This represents approximately 32 percent of General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City of Kennedale, Texas' basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the City of Kennedale's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the City of Kennedale's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Kennedale is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, for example uncollected taxes and earned, but not used, vacation leave. Both the statement of net position and the statement of activities are prepared utilizing the full accrual basis of accounting.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include most of the City's basic services such as fire, police, public works, culture and recreation as well as general government activities. The business-type activities of the City include water and wastewater and storm water drainage.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. City of Kennedale, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Kennedale can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Kennedale maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, TIRZ #1 New Hope Fund, and Capital Bond Fund which are considered to be major funds. Data from the other 5 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Kennedale adopts an annual appropriated budget for its General Fund and Debt Service Fund. Budgetary comparison statements have been provided for the General Fund and the Debt Service Fund to demonstrate compliance with the budget.

Proprietary Funds: The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. There is one type of proprietary fund: Enterprise Fund. The City's Enterprise Fund is identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the financial section.

Other Information: The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2019, City assets and deferred outflows of resources exceeded its liabilities and deferred inflows resulting in $41,903,388 of net position.

Statement of Net Position for Governmental and Business-type Activities

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	$ 6,286,730	$ 3,358,195	$ 9,644,925	$ 3,701,753	$ 3,593,935	$ 7,295,688
Capital assets	33,267,332	16,489,218	49,756,550	33,875,170	16,778,486	50,653,656
Total assets	39,554,062	19,847,413	59,401,475	37,576,923	20,372,421	57,949,344
Deferred outflows of resources	1,163,482	153,503	1,316,985	518,886	59,356	578,242
Long-term liabilities	12,680,182	3,057,813	15,737,995	10,185,267	3,356,815	13,542,082
Other liabilities	2,151,612	763,594	2,915,206	1,756,995	1,325,500	3,082,495
Total liabilities	14,831,794	3,821,407	18,653,201	11,942,262	4,682,315	16,624,577
Deferred inflows of resources	142,903	18,968	161,871	420,610	61,630	482,240
Net position						
Net investment in capital assets	27,195,004	13,397,767	40,592,771	24,410,280	13,310,004	37,720,284
Restricted	998,047	92,694	1,090,741	867,754	274,043	1,141,797
Unrestricted	(2,450,204)	2,670,080	219,876	454,903	2,103,785	2,558,688
Total net position	$ 25,742,847	$ 16,160,541	$ 41,903,388	$ 25,732,937	$ 15,687,832	$ 41,420,769

By far, the largest portion of the City's net position (97 percent) reflects its investment in capital assets (*e.g.*, land, buildings, machinery, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (2.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $219,876 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Analysis of City's Operations: The following table provides a summary of the City's operations for the year ended September 30, 2019. Overall, the City had an increase in net position of $482,619.

Revenues and Expenses for Governmental and Business-type Activities

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program Revenues						
Charges for services	$ 1,313,586	$ 4,467,770	$ 5,781,356	$ 1,477,290	$ 4,832,378	$ 6,309,668
Operating grant and contribution	154,825	-	154,825	152,588	-	152,588
Capital grant and contribution	-	51,247	51,247	-	325,676	325,676
General revenues						
Taxes and fees	7,860,810	-	7,860,810	7,377,616	-	7,377,616
Other	332,551	43,329	375,880	195,820	17,591	213,411
Total revenues	9,661,772	4,562,346	14,224,118	9,203,314	5,175,645	14,378,959
Expenses						
General government	1,979,235	-	1,979,235	1,526,536	-	1,526,536
Public safety	5,213,493	-	5,213,493	4,680,243	-	4,680,243
Public works	1,737,211	-	1,737,211	1,615,294	-	1,615,294
Culture and recreation	372,805	-	372,805	436,270	-	436,270
Interest and fiscal charges	349,118	-	349,118	403,223	-	403,223
Water and sewer	-	3,953,898	3,953,898	-	4,370,394	4,370,394
Storm water drainage	-	135,739	135,739	-	188,545	188,545
Total expenses	9,651,862	4,089,637	13,741,499	8,661,566	4,558,939	13,220,505
Change in Net Position	9,910	472,709	482,619	541,748	616,706	1,158,454
Net Position, Beginning of Year, As Previously Reported	25,732,937	15,687,832	41,420,769	25,301,812	15,087,335	40,389,147
Change in Accounting Principle	-	-	-	(110,623)	(16,209)	(126,832)
Net Position, Beginning of Year, As Restated	25,732,937	15,687,832	41,420,769	25,191,189	15,071,126	40,262,315
Net Position, Ending of Year	$ 25,742,847	$ 16,160,541	$ 41,903,388	$ 25,732,937	$ 15,687,832	$ 41,420,769

Governmental Activities: Governmental activities increased the City's net position by $9,910. Total revenue for the governmental activities increased from the previous year by $458,458. General revenue had a net increase of $619,925. Property tax collections increased as a result of real property appraisals and new business and property additions which continues to grow the local economy. Program Revenues increased as a result of an increase in developmental services fees from new businesses.

Business-type Activities: Net position from business-type activities increased by $472,709. Total revenue for the business-type activities decreased from the previous year by $613,299 primarily due to a decrease in water and sewer rates.

Financial Analysis of the City's Funds

Governmental Funds: The focus of the City's Governmental Funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of $5,645,366, an increase of $2,659,011 from the prior year. This amount includes fund balance restricted for Capital Projects of $3,164,782, restricted for Debt Service of $315,015, restricted for Parks of $68,115, restricted for Municipal Court of $38,232 and Public Safety of $1,895. The net unassigned fund balance was $1,003,265, an increase of $45,142 from prior year. Components of the net increase of the total fund balance are:

In the General Fund, the final budget projected a $583,345 decrease in fund balance this fiscal year; however, the actual decrease was $181,553. Total revenues were $1,372,164 over budget and total expenditures were over budget by $1,445,650. Revenues increased from the budget primarily due to increase in franchise tax and an increase in sales tax. Expenditures increased from the budget primarily due to an increase in public safety and public works personnel costs.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Water and Wastewater Fund at the end of the fiscal year amounted to $2,471,302 and the Storm Water Drainage Fund reported an unrestricted net position of $198,778.

Capital Assets: The City's capital assets for its governmental and business-type activities as of September 30, 2019, amount to $49,756,550 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, park facilities, roads, bridges and water and sewer lines.

Additional information on capital asset activity can be found in *Note 7* of this report.

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	$ 4,206,187	$ 4,206,187	$ 620,490	$ 585,429	$ 4,826,677	$ 4,791,616
Buildings	5,151,356	5,033,147	5,761,788	5,761,788	10,913,144	10,794,935
Machinery and equipment	4,053,981	3,570,509	1,018,752	1,018,752	5,072,733	4,589,261
Construction in progress	544,754	427,990	583,539	253,989	1,128,293	681,979
Infrastructure/water distribution	39,411,897	39,411,897	19,224,629	19,099,806	58,636,526	58,511,703
Accumulated depreciation	(20,100,843)	(18,774,560)	(10,719,980)	(9,941,278)	(30,820,823)	(28,715,838)
Total	$ 33,267,332	$ 33,875,170	$ 16,489,218	$ 16,778,486	$ 49,756,550	$ 50,653,656

Long-term Debt: At the end of the current fiscal year, the City had total bonds outstanding of $12,616,194 and $2,575,000 of tax notes, all being tax supported. The City also has approximately $1,872,785 of additional debt through capital leases.

Additional information on long-term debt activity can be found in *Note 8* of this report.

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 4,069,682	$ 4,614,582	$ 491,512	$ 613,912	$ 4,561,194	$ 5,228,494
Certificates of obligation	4,030,000	4,410,000	1,450,000	1,600,000	5,480,000	6,010,000
Tax notes	2,575,000	-	-	-	2,575,000	-
Capital leases	722,846	554,114	1,149,939	1,254,570	1,872,785	1,808,684
Total	$ 11,397,528	$ 9,578,696	$ 3,091,451	$ 3,468,482	$ 14,488,979	$ 13,047,178

The City has an AA- rating from Standard and Poor's.

Economic Factors and the Next Fiscal Year's Budget and Rates

The City Council passed the effective tax rate of .725714 and budgeted to decrease overall city reserves by approximately $636,925. The Council continued the next phase of funding of public safety officer raises.

The City is currently exploring long term solutions for the water and sewer fund. Cash funded capital projects were largely put on hold for the coming year, as the City examines debt opportunities.

Development continues within the city, with new subdivisions continuing construction. In addition, a new Hilton branded hotel is set to open within city limits. The city continues to develop the town center, with full occupancy of current buildings possible within the fiscal year. City management continues to explore expanded revenue streams for the City.

Requests for Information

This financial report is designed to provide a general overview of the City of Kennedale's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Kennedale, 405 Municipal Dr., Kennedale, Texas 76060.

DRAFT
4/17/2020

Basic Financial Statements

City of Kennedale, Texas
Statement of Net Position
September 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Kennedale Economic Development Corporation
Assets				
Cash and cash equivalents	$ 5,882,956	$ 1,826,015	$ 7,708,971	$ 469,588
Receivables (net of allowance)				
Accounts	388,401	629,847	1,018,248	28,591
Taxes	281,628	-	281,628	85,018
Prepaid items	54,346	147,827	202,173	10,000
Inventory	-	57,381	57,381	-
Internal balances	(320,601)	320,601	-	-
Restricted assets				
Cash and cash equivalents	-	376,524	376,524	-
Capital assets				
Land and construction in progress	4,750,941	1,204,029	5,954,970	864,017
Other capital assets, net of accumulated depreciation	28,516,391	15,285,189	43,801,580	3,863,233
Total assets	39,554,062	19,847,413	59,401,475	5,320,447
Deferred Outflows of Resources				
Deferred charge on refunding	102,426	-	102,426	-
Deferred outflows of resources - Pension	1,054,200	152,499	1,206,699	-
Deferred outflows of resources - OPEB	6,856	1,004	7,860	-
Total deferred outflows of resources	1,163,482	153,503	1,316,985	-
Liabilities				
Accounts payable and contracts payable	325,702	46,680	372,382	21,821
Accrued liabilities	185,836	467	186,303	28,188
Accrued interest	35,509	42,240	77,749	20,956
Due to other governments	10,425	-	10,425	-
Deposits	-	283,830	283,830	-
Bonds payable	956,075	281,225	1,237,300	108,533
Tax notes payable	300,000	-	300,000	
Compensated absences	91,717	482	92,199	-
Capital leases	246,348	108,670	355,018	-
Noncurrent liabilities				
Bonds payable	7,143,607	1,660,287	8,803,894	904,785
Tax notes payable	2,275,000	-	2,275,000	
Compensated absences	366,866	1,927	368,793	-
Capital leases	476,498	1,041,269	1,517,767	-
OPEB liability	141,784	20,775	162,559	-
Net pension liability	2,276,427	333,555	2,609,982	-
Total liabilities	14,831,794	3,821,407	18,653,201	1,084,283
Deferred Inflows of Resources				
Deferred inflows of resources - Pension	132,211	17,401	149,612	-
Deferred inflows of resources - OPEB	10,692	1,567	12,259	-
Total deferred inflows of resources	142,903	18,968	161,871	-
Net Position				
Net investment in capital assets	27,195,004	13,397,767	40,592,771	3,713,932
Restricted for				
Capital projects	574,790	-	574,790	-
Debt service	315,015	-	315,015	-
Economic development	-	-	-	522,232
Impact fees	-	92,694	92,694	-
Municipal court	38,232	-	38,232	-
Parks	68,115	-	68,115	-
Other	1,895	-	1,895	-
Unrestricted	(2,450,204)	2,670,080	219,876	-
Total net position	$ 25,742,847	$ 16,160,541	$ 41,903,388	$ 4,236,164

DRAFT
4/17/2020

City of Kennedale, Texas

Statement of Activities

For the Year Ended September 30, 2019

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Program				
Primary government				
Governmental activities				
General government	$ 1,979,235	$ 630,969	$ 154,825	$ -
Public safety	5,213,493	486,937	-	-
Public works	1,737,211	127,549	-	-
Culture and recreation	372,805	68,131	-	-
Interest and fiscal charges	349,118	-	-	-
Total governmental activities	9,651,862	1,313,586	154,825	-
Business-type activities				
Water and wastewater	3,953,898	4,199,173	-	51,247
Storm water drainage	135,739	268,597	-	-
Total business-type activities	4,089,637	4,467,770	-	51,247
Total primary government	$ 13,741,499	$ 5,781,356	$ 154,825	$ 51,247
Component unit				
Kennedale Economic Development Corporation	$ 762,541	$ 228,241	$ -	$ -
Total component unit	$ 762,541	$ 228,241	$ -	$ -

General revenues
Taxes
Property taxes
Sales taxes
Franchise taxes
Interest on investments
Miscellaneous

Total general revenues

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

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4/17/2020

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit Economic Development Corporation
Governmental Activities	Business-type Activities	Total	
$ (1,193,441)	$ -	$ (1,193,441)	$ -
(4,726,556)	-	(4,726,556)	-
(1,609,662)	-	(1,609,662)	-
(304,674)	-	(304,674)	-
(349,118)	-	(349,118)	-
(8,183,451)	-	(8,183,451)	-
-	296,522	296,522	-
-	132,858	132,858	-
-	429,380	429,380	-
$ (8,183,451)	$ 429,380	$ (7,754,071)	$ -
$ -	$ -	$ -	$ (534,300)
$ -	$ -	$ -	$ (534,300)
$ 5,321,225	$ -	$ 5,321,225	$ -
1,774,698	-	1,774,698	545,785
764,887	-	764,887	-
112,609	43,329	155,938	9,144
219,942	-	219,942	35,897
8,193,361	43,329	8,236,690	590,826
9,910	472,709	482,619	56,526
25,732,937	15,687,832	41,420,769	4,179,638
$ 25,742,847	$ 16,160,541	$ 41,903,388	$ 4,236,164

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4/17/2020

City of Kennedale, Texas

Balance Sheet
Governmental Funds
September 30, 2019

	General Fund	Debt Service	TIRZ #1 New Hope	Capital Bond	Non-major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 2,363,570	$ 319,287	$ 146,551	$ 2,647,774	$ 405,774	$ 5,882,956
Receivables (net of allowance for uncollectibles)						
Accounts	265,838	-	-	115,080	7,483	388,401
Taxes	279,969	1,659	-	-	-	281,628
Due from other funds	165,494	-	-	-	-	165,494
Prepaid expenses	54,346	-	-	-	-	54,346
Advances to other funds	102,866	-	-	-	297,060	399,926
Total assets	$ 3,232,083	$ 320,946	$ 146,551	$ 2,762,854	$ 710,317	$ 7,172,751
Liabilities						
Accounts payable	$ 248,458	$ -	$ -	$ 16,226	$ 61,018	$ 325,702
Accrued liabilities	185,836	-	-	-	-	185,836
Due to other funds	-	-	8,858	156,636	-	165,494
Due to other governments	10,425	-	-	-	-	10,425
Advance from other funds	-	-	720,527	-	-	720,527
Total liabilities	444,719	-	729,385	172,862	61,018	1,407,984
Deferred Inflows of Resources	113,470	5,931	-	-	-	119,401
Fund Balances						
Nonspendable						
Prepaid expenses	54,346	-	-	-	-	54,346
Restricted for						
Capital projects	-	-	-	2,589,992	574,790	3,164,782
Debt service	-	315,015	-	-	-	315,015
Municipal court	38,232	-	-	-	-	38,232
Parks	68,115	-	-	-	-	68,115
Public safety	-	-	-	-	1,895	1,895
Assigned						
Capital and special projects	915,608	-	-	-	-	915,608
Parks	-	-	-	-	84,108	84,108
Unassigned (deficits)	1,597,593	-	(582,834)	-	(11,494)	1,003,265
Total fund balances (deficits)	2,673,894	315,015	(582,834)	2,589,992	649,299	5,645,366
Total liabilities, deferred inflows of resources and fund balances	$ 3,232,083	$ 320,946	$ 146,551	$ 2,762,854	$ 710,317	$ 7,172,751

City of Kennedale, Texas

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2019

Total fund balances – governmental funds		$ 5,645,366
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported in the funds.		33,267,332
Interest payable on long-term debt in the City's governmental activities is not payable from current resources and therefore is not reported in the governmental funds balance sheet.		(35,509)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		119,401
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Deferred charges on refunding	$ 102,426	
Deferred outflows of resources - Pension	1,054,200	
Deferred outflows of resources - OPEB	6,856	
Deferred inflows of resources - Pension	(132,211)	
Deferred inflows of resources - OPEB	(10,692)	1,020,579
Long-term liabilities, including bonds payable, notes payable, compensated absences, net pension liability are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet.		
Bonds payable	(8,018,486)	
Tax notes payable	(2,575,000)	
Issuance premium	(81,196)	
Capital lease obligation	(722,846)	
Compensated absences	(458,583)	
Net pension liability	(2,276,427)	
Total OPEB liability	(141,784)	(14,274,322)
Total net position of governmental activities		$ 25,742,847

DRAFT
4/17/2020

City of Kennedale, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2019

	General Fund	Debt Service	TIRZ #1 New Hope	Capital Bond	Non-major Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	$ 3,841,102	$ 1,360,512	$ 193,188	$ -	$ -	$ 5,394,802
General sales tax	1,774,698	-	-	-	-	1,774,698
Franchise fees	764,887	-	-	-	-	764,887
Licenses and permits	156,820	-	-	-	25,390	182,210
Public safety fees	194,930	-	-	-	-	194,930
Intergovernmental	707,744	154,825	-	-	1,767	864,336
Charges for services	82,754	-	-	-	-	82,754
Fines and forfeitures	142,773	-	-	-	1,408	144,181
Investment earnings	79,429	8,812	1,370	13,307	9,691	112,609
Miscellaneous	131,785	-	-	-	88,157	219,942
Total revenues	7,876,922	1,524,149	194,558	13,307	126,413	9,735,349
Expenditures						
Current						
General government	1,611,757	-	-	-	-	1,611,757
Public safety	4,965,215	-	-	-	1,650	4,966,865
Public works	788,130	-	-	-	-	788,130
Culture and recreation	323,154	-	-	-	5,353	328,507
Capital outlay	565,594	-	-	116,765	42,897	725,256
Debt service						
Principal	214,903	1,213,640	-	-	-	1,428,543
Interest and fiscal charges	-	296,008	-	-	-	296,008
Total expenditures	8,468,753	1,509,648	-	116,765	49,900	10,145,066
Excess (deficiency) of revenues over (under) expenditures	(591,831)	14,501	194,558	(103,458)	76,513	(409,717)
Other financing sources (uses):						
Lease and notes proceeds	375,278	-	-	2,760,000	-	3,135,278
Bond issuance costs	-	-	-	(66,550)		(66,550)
Transfers in	114,058	106,379	10,000	-	-	230,437
Transfers out	(79,058)	-	-	-	(151,379)	(230,437)
Total other financing sources (uses)	410,278	106,379	10,000	2,693,450	(151,379)	3,068,728
Net Change in Fund Balances	(181,553)	120,880	204,558	2,589,992	(74,866)	2,659,011
Fund Balances (Deficits), Beginning of Year	2,855,447	194,135	(787,392)	-	724,165	2,986,355
Fund Balances (Deficits), End of Year	$ 2,673,894	$ 315,015	$ (582,834)	$ 2,589,992	$ 649,299	$ 5,645,366

City of Kennedale, Texas

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended September 30, 2019

Net change in fund balances – total governmental funds		$ 2,659,011
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay		718,445
Depreciation		(1,326,283)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(73,577)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:		
Payments on bonds	$ 917,600	
Payments on tax notes	185,000	
Payments on capital leases	206,546	1,309,146
The issuance of long-term debt, such as bonds and capital leases, are shown as "Other Sources" and "Other Uses" in the governmental funds, but are shown on the statement of net position with related costs amortized over the life of the bonds. Differences consist of the following:		
Proceeds from tax notes	(2,760,000)	
Proceeds from capital lease	(375,278)	
Amortization of deferred loss on refunding bonds	(11,380)	
Amortization of bond premium	7,300	(3,139,358)
Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability, deferred outflows of resources and deferred inflow of resources balances.		(76,306)
Current year OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in net pension liability, deferred outflows of resources and deferred inflow of resources balances.		(15,272)
Current year change in long-term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(63,416)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		17,520
Change in net position of governmental activities		$ 9,910

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4/17/2020

City of Kennedale, Texas
Statement of Net Position
Proprietary Funds
September 30, 2019

	Water and Wastewater	Non-major Storm Water Drainage	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	$ 1,749,586	$ 76,429	$ 1,826,015
Receivables (net of allowance for uncollectibles)			
Accounts	505,950	123,897	629,847
Inventory	57,381	-	57,381
Prepaid expenses	147,827	-	147,827
Restricted cash and cash equivalents			
Impact fees	92,694	-	92,694
Customer deposits	283,830	-	283,830
Total current assets	2,837,268	200,326	3,037,594
Non-current assets			
Advances to other funds	320,601	-	320,601
Capital assets			
Land and improvements	472,232	148,258	620,490
Buildings	5,761,788	-	5,761,788
Water/Wastewater distribution	18,314,151	910,478	19,224,629
Equipment and furniture	1,018,752	-	1,018,752
Construction in progress	533,483	50,056	583,539
Accumulated depreciation	(10,691,149)	(28,831)	(10,719,980)
Total non-current assets	15,729,858	1,079,961	16,809,819
Total assets	18,567,126	1,280,287	19,847,413
Deferred Outflows of Resources			
Deferred outflow of resources - Pension	152,499	-	152,499
Deferred outflow of resources - OPEB	1,004	-	1,004
Total deferred outflows of resources	153,503	-	153,503
Liabilities			
Current liabilities			
Accounts payable	45,132	1,548	46,680
Accrued liabilities	467	-	467
Accrued interest	42,240	-	42,240
Deposits	283,830	-	283,830
Bonds payable	281,225	-	281,225
Capital leases payable	108,670	-	108,670
Compensated absences	482	-	482
Total current liabilities	762,046	1,548	763,594
Non-current liabilities			
Bonds payable	1,660,287	-	1,660,287
Capital leases payable	1,041,269	-	1,041,269
Compensated absences	1,927	-	1,927
Net pension liability	333,555	-	333,555
Total OPEB liability	20,775		20,775
Total non-current liabilities	3,057,813	-	3,057,813
Total liabilities	3,819,859	1,548	3,821,407
Deferred Inflows of Resources			
Deferred inflows of resources - Pension	17,401	-	17,401
Deferred inflows of resources - OPEB	1,567	-	1,567
Total deferred outflows of resources	18,968	-	18,968
Net Position			
Net investment in capital assets	12,317,806	1,079,961	13,397,767
Restricted for			
Impact fees	92,694	-	92,694
Unrestricted	2,471,302	198,778	2,670,080
Total net position	$ 14,881,802	$ 1,278,739	$ 16,160,541

City of Kennedale, Texas

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2019

	Water and Wastewater	Non-major Storm Water Drainage	Total Proprietary Funds
Operating Revenues			
Charges for services			
Water	$ 2,397,216	$ -	$ 2,397,216
Wastewater	1,692,698	-	1,692,698
Storm water drainage	-	268,597	268,597
Other	109,259	-	109,259
Total operating revenues	4,199,173	268,597	4,467,770
Operating Expenses			
Personnel services	234,189	-	234,189
General and administration	410,582	114,195	524,777
Maintenance and supplies	76,678	65	76,743
Cost of sales and service	2,344,595	2,722	2,347,317
Depreciation	759,945	18,757	778,702
Total operating expenses	3,825,989	135,739	3,961,728
Operating Income	373,184	132,858	506,042
Non-operating Revenues (Expenses)			
Interest and investment revenue	42,596	733	43,329
Interest and fiscal charges	(127,909)	-	(127,909)
Total non-operating revenues (expenses)	(85,313)	733	(84,580)
Income Before Capital Contributions	287,871	133,591	421,462
Capital Contributions			
Capital contributions	51,247	-	51,247
Total capital contributions	51,247	-	51,247
Change in Net Position	339,118	133,591	472,709
Net Position, Beginning of Year	14,542,684	1,145,148	15,687,832
Net Position, End of Year	$ 14,881,802	$ 1,278,739	$ 16,160,541

City of Kennedale, Texas
Statement of Cash Flows
Propriety Funds
For the Year Ended September 30, 2019

	Water and Wastewater	Non-major Storm Water Drainage	Total
Cash Flows From Operating Activities			
Receipts from customers and users	$ 4,145,514	$ 285,112	$ 4,430,626
Payments to employees	(710,301)	-	(710,301)
Payments to suppliers	(2,969,740)	(276,545)	(3,246,285)
Net cash provided by operating activities	465,473	8,567	474,040
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	(422,684)	(66,750)	(489,434)
Principal payments on debt	(272,400)	-	(272,400)
Interest payments on debt	(132,649)	-	(132,649)
Payments on capital leases	(104,631)	-	(104,631)
Capital contributions - impact fees	51,247	-	51,247
Net cash used in capital and financing activities	(881,117)	(66,750)	(947,867)
Cash Flows From Investing Activities			
Interest on investments	42,596	733	43,329
Net cash provided by investing activities	42,596	733	43,329
Decrease in Cash and Cash Equivalents	(373,048)	(57,450)	(430,498)
Cash and Cash Equivalents, Beginning of Year	2,499,158	133,879	2,633,037
Cash and Cash Equivalents, End of Year	$ 2,126,110	$ 76,429	$ 2,202,539
Reconciliation of Net Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 373,184	$ 132,858	$ 506,042
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	759,945	18,757	778,702
Changes in assets and liabilities			
Accounts receivable	(63,446)	16,515	(46,931)
Prepaid expenses	(147,827)	-	(147,827)
Deferred outflows of resources	(94,147)	-	(94,147)
Accounts payable	(380,185)	(159,563)	(539,748)
Accrued expenses	(10,668)	-	(10,668)
Net pension liability	150,638	-	150,638
Compensated absences	(78,948)	-	(78,948)
Total OPEB Liability	(411)	-	(411)
Deferred inflows of resources	(42,662)	-	(42,662)
Net cash provided by operating activities	$ 465,473	$ 8,567	$ 474,040

Note 1: Summary of Significant Accounting Policies

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies:

Reporting Entity

City of Kennedale, Texas (City) was incorporated in 1947. The City operates as a home-rule City under a council-manager form of government and provides the following services as authorized by its charter: police, fire, planning, zoning and code enforcement, public works, streets, parks and recreation, public library, ambulance, water and sewer utilities and general administrative services. Sanitation collection services are provided through a private contractor.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are appropriately presented as funds of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

Discretely Presented Component Unit: The Kennedale Economic Development Corporation (KEDC). KEDC is a legally separate entity incorporated on December 2, 1996. The Corporation's purpose is to promote economic development within the City, including, but not limited to, construction, operation and administration, as permitted by Section 4B of the Act, as amended. The City Council appoints the governing board for this entity and is able to impose its will upon the Corporation.

A separately issued audited financial report is available for the Kennedale Economic Development Corporation. This report may be obtained by contacting the following office:

City of Kennedale, Texas
Director of Finance
405 Municipal Drive
Kennedale, Texas 76060

Blended Component Unit: On July 12, 2012, the City Council adopted an Ordinance designating an area Tax Increment Reinvestment Zone (TIRZ) #1 New Hope. The purpose for creation of the TIRZ was to finance and make certain public improvements, under the authority of the *Tax Increment Financing Act*. For reporting purposes, the TIRZ is a blended component unit. The Council appoints a majority of the TIRZ board members and approves recommendations from the Board in regard to administration, management, and operation of the TIRZ. The TIRZ is reported as a governmental fund and a separate unaudited financial report is available from the City's finance department.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities. Program revenue includes: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The TIRZ #1 (New Hope) Fund is used to account for the construction of various capital improvements within the TIRZ that will be funded with the incremental property tax revenue within the TIRZ area.

The Capital Bond Fund - to account for the acquisition and construction of various capital improvements and is funded by general obligation bonds.

The City reports the following major proprietary fund:

The Water and Wastewater Fund accounts for the activities necessary for the provision of water and wastewater services.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Deposits and Investments

The City pools substantially all cash and investments except for separate cash and investment accounts, which are maintained in accordance with legal restrictions.

Investments in government pools are recorded at amortized cost or net asset value. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

For purpose of presenting the proprietary fund cash flow statement, cash and cash equivalents include demand deposits and investments with a maturity date within three months of the date acquired by the City.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type in the government-wide financial statements as "internal balances."

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied each October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The Tarrant County Tax Assessor/Collector bills and collects the City's property taxes. Any uncollected property taxes as of September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred inflows of resources.

As a City that operates under a home-rule charter, the City has a tax rate limitation of $2.50 per $100 assessed valuation. For the year ended September 30, 2019, the City had a tax rate of $0.725714 per $100 of which $0.535219 was allocated for general government and $0.190495 was allocated for payment of principal and interest on general long-term debt.

Inventories and Prepaid Items

All inventories are valued using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain cash and cash equivalent balances are restricted by various legal and contractual obligations. Customer deposits and impact fees are, by law, to be considered restricted assets. These activities are included in the Water and Wastewater Fund.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Plants and buildings	20 years
Machinery and equipment	4 – 10 years
Infrastructure (streets and drainage)	35 - 125 years
Other structures	50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) until then. The City has the following items that quality for reporting in this category.

- Deferred charge on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.

- Pension & OPEB contributions/benefit payments after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions related to the pension and OPEB plans – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has the following items that qualify for reporting in this category.

- Unavailable revenue – This amount represents uncollected property taxes, municipal court fees, and ambulance fees and notes receivables. This amount is deferred and recognized once payments are made in the following fiscal year. This item is only presented in the Balance Sheet – Governmental Funds.
- Differences between expected and actual experience – Pensions – These amounts represent the differences with regard to economic and demographic factors. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Net difference in projected and actual earnings – Pensions – This difference is deferred and amortized as a component of pension expense on a closed basis over a five year period beginning with the period in which the difference occurred.

Compensated Absences

Vacation is earned in varying amounts up to a maximum of 160 hours per year for 40-hour week personnel with six or more years of service. Vacation leave does not accumulate from one year to the next for amounts over 160 hours.

Each 40-hour per week employee accrues one-half working day (four hours) of sick leave for each full month of employment in the calendar year. Upon separation from employment, a permanent employee who has completed six months of employment is entitled to be paid the amount of salary for the employee’s accumulated sick leave but not to exceed 60 hours for 40-hour per week employees.

All unused vested vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the period of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits Plans

The City has a single-employer defined benefit other postemployment benefit (OPEB) plan (Plan). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between assets, deferred inflows/outflows of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either: (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the city council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the city council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- **Assigned:** This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The city council has by resolution authorized the city manager and finance director to assign fund balance. The city council may also assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflows and inflows of resources, and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual amounts could differ from those estimates.

Deficit Fund Balance

At year-end the TIRZ #1 New Hope Fund had a deficit fund balance of $582,834. It is anticipated that this deficit fund balance will be funded with incremental property tax revenue within the TIRZ in subsequent years. The Capital Projects Fund had a deficit fund balance of $7,600. The Library Building Fund also had a fund balance of $3,894.

New Pronouncements

The City has adopted and implemented the following GASB statements which have become effective for fiscal year 2019:

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88)

- This Statement defines debt for purposes of financial statement disclosure and establishes disclosure requirements for additional information related to debt including balances of unused lines of credit, assets pledged as collateral for debt and significant contractual terms including financial-related impacts in the event of default, significant termination events and any significant subjective acceleration clauses. Adoption of GASB 88 had no effect on the City' financial statements.

Note 2: Deposits and Investments

The *Public Funds Investment Act* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in: (1) obligations of the U. S. Treasury, certain U. S. Agencies and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts and (10) common trust funds. The *Public Funds Investment Act* also requires the City to have independent auditors perform test procedures related to investment practices as provided by the *Public Funds Investment Act*. The City is in substantial compliance with the requirements of the *Public Funds Investment Act* and with local policies.

In compliance with the *Public Funds Investment Act*, the City has adopted a deposit and investment policy. That policy does address the following risks:

(A) ***Custodial Credit Risk:*** Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2019, the City's deposit balance was collateralized with securities held by the pledging financial institution in the City's name or covered by FDIC insurance. The balances held at financial institutions at year-end were $637,238 (with a book value of $520,472).

(B) ***Credit Risk:*** It is the City's policy to limit investments to investment types with an investment quality rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days. The City's investments were rated AAA-m by Standard and Poor's Investors Services.

(C) ***Interest Rate Risk:*** In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 90 days or less, dependent on market conditions.

(D) ***Concentration of Credit Risk:*** The government's investment policy states the maximum percentage allowed for each different investment instrument that can be used to make up the portfolio.

As of September 30, 2019, the City held the following investments:

	Carrying Value
Primary Government	
TexPool	$ 7,239,268
TexStar	324,503
TexasTerm	31,173
Total primary government	7,594,944
Component Unit	
TexPool	419,077
TexStar	18,785
TexasTerm	1,805
Total component units	439,667
Total investments	$ 8,034,611

During the fiscal year, the City managed the investments of the KEDC. The KEDC investments are categorized in the same manner as the City's.

The *Interlocal Cooperation Act*, Chapter 791 of the Texas Government Code and the *Public Funds Investment Act*, Chapter 2256 of the Texas Government Code, provide for the creation of public funds investment pools, such as Texas Short-term Reserve Fund (TexStar), Texas Local Government Investment Pool (TexPool), and TexasTerm, through which political subdivisions and other entities may invest public funds.

TexStar, TexPool, and TexasTERM have a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Note 3: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

All investments are measured using amortized cost or net asset value per share (or its equivalent). The carrying value amounts included above approximate amortized cost or net asset value for all related external investment pool balances.

Note 4: Receivables

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Fund	Non-major Governmental	Water and Wastewater	Storm Water Drainage	Total
Receivables							
Taxes	$ 458,085	$ 51,671	$ -	$ -	$ -	$ -	$ 509,756
Accounts	105,563	-	115,080	7,483	641,905	36,659	906,690
Intergovernmental	-	-	-	-	-	111,193	111,193
Court fines	1,171,482	-	-	-	-	-	1,171,482
Ambulance	2,745,326	-	-	-	-	-	2,745,326
Gross receivables	4,480,456	51,671	115,080	7,483	641,905	147,852	5,444,447
Less: allowance for uncollectibles	(3,934,649)	(50,012)	-	-	(135,955)	(23,955)	(4,144,571)
Net total receivables	$ 545,807	$ 1,659	$ 115,080	$ 7,483	$ 505,950	$ 123,897	$ 1,299,876

Note 5: Property Taxes

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on October 1 and are due and payable on or before January 31, of the following year. All unpaid taxes become delinquent February 1 of the following year. Tax collections for the year ended September 30, 2019, were 99 percent of the levy. Tarrant County bills and collects property taxes for the City. Any uncollected property taxes at September 30, that are collected within 60 days, are recognized as revenue and recorded as taxes receivable. Any uncollected property taxes at September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred inflow of resources in governmental funds. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable, and their validity seems certain.

The statutes of the state of Texas do not prescribe a legal debt limit, nor does the City's charter provide for a debt limit. However, provision of Article XI, Section 5 of the Texas Constitution applicable to cities with populations greater than 5,000 limits the ad-valorem tax rate to $2.50 per $100 assessed valuation. However, as a city operating under a Home Rule Charter, the City has a debt limit of $1.50 per $100 assessed valuation. For the year ended September 30, 2019, the City had a tax rate of $.725714 per $100.00 assessed valuation, of which $.535219 was allocated for general government and $.190495 was allocated for the payment of principal and interest on general obligation debt.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values.

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property.

However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the tax rate for the previous year by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight percent above the tax rate of the previous year. This legislation provides that, if approved by the qualified voters in the City, both the appraisal and collection functions may be placed with the appraisal district. In addition, the City may obtain approval from its governing body to place these functions with the appraisal district.

Note 6: Interfund Receivables, Payables and Transfers

Due To/Due From

The composition of inter-fund balances as of September 30, 2019 is as follows:

	Due to Other Funds	Due from Other Funds
General	$ -	$ 165,494
Capital Bond	156,636	-
TIRZ #1 New Hope	8,858	-
Total	$ 165,494	$ 165,494

These balances resulted primarily from the General Fund temporarily loaning cash to the Capital Bond Fund for expenditures that will be reimbursed by a granting agency and the other funds for various expenditures.

Advances To/Advances From

	Advances from Other Funds	Advances to Other Funds
General	$ -	$ 102,866
Non-major governmental	-	297,060
Water and Wastewater	-	320,601
TIRZ #1 New Hope	720,527	-
Total	$ 720,527	$ 720,527

Interfund Transfers

Interfund activity for the year ended September 30, 2019, is as follows:

	Transfers In	Transfers Out
General	$ 114,058	$ 79,058
Debt Service	106,379	-
TIRZ #1 New Hope	10,000	-
Non-major governmental	-	151,379
Total	$ 230,437	$ 230,437

Transfers out of the Non-major governmental funds to the General and Debt Service fund were for debt payments. These transfers were in accordance with budgetary authorizations.

Note 7: Capital Assets

Governmental Activities

Capital assets of the Governmental Activities are as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 4,206,187	$ -	$ -	$ 4,206,187
Construction in progress	427,990	116,764	-	544,754
Total capital assets not being depreciated	4,634,177	116,764	-	4,750,941
Capital assets being depreciated				
Buildings	5,033,147	118,209	-	5,151,356
Infrastructure	39,411,897	-	-	39,411,897
Machinery and equipment	3,570,509	483,472	-	4,053,981
Total capital assets being depreciated	48,015,553	601,681	-	48,617,234
Less accumulated depreciation for:				
Buildings	2,793,907	149,825	-	2,943,732
Infrastructure	13,094,804	892,233	-	13,987,037
Machinery and equipment	2,885,849	284,225	-	3,170,074
Total accumulated depreciation	18,774,560	1,326,283	-	20,100,843
Total capital assets being depreciated, net	29,240,993	(724,602)	-	28,516,391
Governmental activities capital assets, net	$ 33,875,170	$ (607,838)	$ -	$ 33,267,332

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

General government	$ 86,276
Public safety	246,628
Public works	949,081
Culture and recreation	44,298
Total depreciation expense – governmental activities	$ 1,326,283

Business-type Activities

Capital assets of the Business-type Activities are as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets not being depreciated					
Land	$ 585,429	$ 35,061	$ -	$ -	$ 620,490
Construction in progress	253,989	329,550	-	-	583,539
Total capital assets not being depreciated	839,418	364,611	-	-	1,204,029
Capital assets being depreciated					
Buildings	5,761,788	-	-	-	5,761,788
Machinery and equipment	1,018,752	-	-	-	1,018,752
Improvements (not buildings)	19,099,806	124,823	-	-	19,224,629
Total capital assets being depreciated	25,880,346	124,823	-	-	26,005,169
Less accumulated depreciation for:					
Buildings	2,609,428	120,521	-	-	2,729,949
Machinery and equipment	966,000	43,892	-	-	1,009,892
Improvements (not buildings)	6,365,850	614,289	-	-	6,980,139
Total accumulated depreciation	9,941,278	778,702	-	-	10,719,980
Total capital assets being depreciated, net	15,939,068	(653,879)	-	-	15,285,189
Business-type activities capital assets, net	$ 16,778,486	$ (289,268)	$ -	$ -	$ 16,489,218

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

Water and wastewater	$ 759,945
Storm water drainage	18,757
Total depreciation expense – business-type activities	$ 778,702

Discretely Presented Component Units

Capital assets activity of the discretely presented component unit for the year was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Capital assets, not being depreciated				
Land	$ 864,017	$ -	$ -	$ 864,017
Totals capital assets not being depreciated	864,017	-	-	864,017
Capital assets, being depreciated				
Buildings	4,917,189	-	-	4,917,189
Improvements	1,078,455	5,738	-	1,084,193
Infrastructure	209,707	-	-	209,707
Totals capital assets being depreciated	6,205,351	5,738	-	6,211,089
Less accumulated depreciation for:				
Buildings	1,646,862	245,859	-	1,892,721
Improvements	380,455	54,210	-	434,665
Infrastructure	16,276	4,194	-	20,470
Total accumulated depreciation	2,043,593	304,263	-	2,347,856
Total capital assets, being depreciated, net	4,161,758	(298,525)	-	3,863,233
Capital assets, net	$ 5,025,775	$ (298,525)	$ -	$ 4,727,250

Note 8: Long-term Liabilities

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 4,526,086	$ -	$ 537,600	$ 3,988,486	$ 553,775
Certificates of obligation	4,410,000	-	380,000	4,030,000	395,000
Tax notes	-	2,760,000	185,000	2,575,000	300,000
Capital leases	554,114	375,278	206,546	722,846	246,348
Premiums on bonds	88,496	-	7,300	81,196	7,300
Compensated absences	395,167	123,643	60,227	458,583	91,717
Total governmental activities	$ 9,973,863	$ 3,258,921	$ 1,376,673	$ 11,856,111	$ 1,594,140
Business-type Activities					
General obligation bonds	$ 613,912	$ -	$ 122,400	$ 491,512	$ 126,225
Certificates of obligation	1,600,000	-	150,000	1,450,000	155,000
Capital leases	1,254,570	-	104,631	1,149,939	108,670
Compensated absences	81,357	2,235	81,183	2,409	482
Total business-type activities	$ 3,549,839	$ 2,235	$ 458,214	$ 3,093,860	$ 390,377

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 730,000	$ -	$ 60,000	$ 670,000	$ 65,000
Texas leverage fund loan	385,356	-	42,038	343,318	43,533
Total	$ 1,115,356	$ -	$ 102,038	$ 1,013,318	$ 108,533

General Obligation Bonds and Certificates of Obligation

The City issues general bonds and certificates of obligation to provide funds for the acquisition and construction of major capital facilities. These bonds have been issued for both governmental and business-type activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenue.

General obligation bonds and certificates of obligation are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. Bonds currently outstanding are as follows:

	Governmental Activities	Water and Sewer	Total Primary Government
General Obligation Bonds			
$4,365,000, 2007 General Obligation Refunding Bonds, due in annual installments through February 15, 2024, 3.97%	$ 793,486	$ 491,512	$ 1,284,998
$3,720,000, 2016 General Obligation Refunding Bonds, due in annual installments through February 15, 2028, 1.79%	3,195,000	-	3,195,000
	$ 3,988,486	$ 491,512	$ 4,479,998
Certificates of Obligation			
$2,900,000, 2007 Certificate of Obligation Bonds, due in annual installments through February 15, 2027, 4.10%	$ -	$ 1,450,000	$ 1,450,000
$2,735,000, 2007A Certificate of Obligation Bonds, due in annual installments through February 15, 2024, 4.00%	1,000,000	-	1,000,000
$2,000,000, 2010 Certificate of Obligation Bonds, due in annual installments through February 15, 2030, 2.00%-5.00%	1,275,000	-	1,275,000
$3,260,000, 2011 Certificate of Obligation Bonds, due in annual installments through February 15, 2031, 2.00% – 4.00%	1,755,000	-	1,755,000
	$ 4,030,000	$ 1,450,000	$ 5,480,000

Tax notes are issued to provide funding for capital purchases and other improvements. These notes pledge the full faith and credit of the government and are payable with ad valorem revenue. Tax notes outstanding are as follows:

	Governmental Activities	Water and Sewer	Total Primary Government
Tax Notes			
$760,000, 2018 Tax Notes due in annual installments through February 15, 2021, 2.40%	$ 575,000	$ -	$ 575,000
$2,000,000, 2019 Tax Notes due in annual installments through February 1, 2026, 1.90%	2,000,000	-	2,000,000
	$ 2,575,000	$ -	$ 2,575,000

Annual debt service requirements to maturity for bonds are as follows:

Fiscal Year	Governmental Activities Principal	Interest	Total
2020	$ 948,775	$ 266,719	$ 1,215,494
2021	963,037	220,708	1,183,745
2022	905,412	187,691	1,093,103
2023	936,587	158,000	1,094,587
2024	964,675	127,240	1,091,915
2025-2029	2,800,000	332,300	3,132,300
2030-2031	500,000	21,550	521,550
Total	$ 8,018,486	$ 1,314,208	$ 9,332,694

General obligation bonds are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest income tax regulations under those provisions.

The various bond obligations contain certain financial limitations and restrictions. The ordinances authorizing the issuance of certificates of obligation bonds created an interest and sinking fund (general debt service fund). The ordinances require the City to ascertain a rate and amount of tax which will be sufficient to pay interest as it comes due and provide a reserve fund which is adequate to meet principal as it matures. The City is in compliance with all such significant financial restrictions.

The compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund.

Annual debt service requirements to maturity for tax notes are as follows:

Fiscal Year	Governmental Activities Principal	Interest	Total
2020	$ 300,000	$ 22,659	$ 322,659
2021	470,000	35,578	505,578
2022	275,000	31,683	306,683
2023	370,000	25,555	395,555
2024	380,000	18,430	398,430
2025-2029	780,000	14,916	794,916
2030-2031	-	-	-
Total	$ 2,575,000	$ 148,821	$ 2,723,821

Capital Leases

The City has acquired certain capital assets for governmental and business-type activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities	Total
Assets			
Machinery and equipment	$ 833,949	$ -	$ 833,949
Buildings and improvements	221,887	-	221,887
Infrastructure	-	1,721,658	1,721,658
Less: Accumulated amortization	(396,159)	(832,166)	(1,228,325)
Total	$ 659,677	$ 889,492	$ 1,549,169

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2019, were as follows:

Capital Leases

Fiscal Year	Governmental Activities	Business-Type Activities
2020	$ 274,837	$ 152,813
2021	183,732	152,813
2022	137,879	152,813
2023	114,952	152,813
2024	86,019	152,813
2025-2029	7,168	617,711
Total minimum lease payments	804,587	1,381,776
Less: amount of representing interest	81,741	231,837
Present value of minimum lease payments	$ 722,846	$ 1,149,939

Note 9: Employee Retirement System

Plan Description

The City participates as one of over 880 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the *TMRS Act*, Subtitle G, Title 8, Texas Government Code (TMRS Act) as an agency multiple- employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at *www.tmrs.org*.

All eligible employees of the City are required to participate in TMRS.

A summary of plan provisions for the City are as follows:

Deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	5 years at age 60 and above
Updated service credit	100% Repeating
Annuity increase (to retirees)	70% of CPI Repeating

Benefits Provided

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75 percent of the member's deposits and interest.

Beginning in 2006, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at five percent until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 2006, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

At the December 31, 2018, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	39
Inactive employees entitled to but not yet receiving benefits	110
Active employees	72
	221

Contributions

The contribution rates for employees in TMRS are either five percent, six percent or seven percent of employee gross earnings and the City matching percentages are 100 percent, 150 percent or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contributions rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.05 percent and 14.10 percent in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were $586,411, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109 percent and female rates multiplied by 103 percent with a 3-year set-forward for both males and females. In addition, a three percent minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the three percent floor.

Actuarial assumptions used in the December 31, 2018, valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates specified in the statue. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability(a) - (b)
Balances as of October 1, 2018	$ 15,753,763	$ 14,322,484	$ 1,431,279
Changes for the year			
Service cost	712,721	-	712,721
Interest on total pension liability	1,071,891	-	1,071,891
Effect of difference in expected and actual experience	(205,171)	-	(205,171)
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(460,511)	(460,511)	-
Administrative expenses	-	(8,292)	8,292
Member contributions	-	558,900	(558,900)
Net investment income	-	(429,406)	429,406
Employer contributions	-	279,969	(279,969)
Other	-	(433)	433
Net changes	1,118,930	(59,773)	1,178,703
Balances as of September 30, 2019	$ 16,872,693	$ 14,262,711	$ 2,609,982

The net pension liability attributable to the governmental activities will be liquidated primarily by the General Fund.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
City's net pension liability	$ 5,634,901	$ 2,609,981	$ 224,315

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the primary government recognized pension expense of $693,693. At September 30, 2019, the primary government reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 103,613
Change in actuarial assumptions	-	45,999
Net difference between projected and actual investment earnings	740,732	-
Contributions subsequent to the measurement date	465,967	-
	$ 1,206,699	$ 149,612

Reported as deferred outflows, $465,967 of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	
2020	$ 157,431
2021	34,376
2022	106,040
2023	293,273
	$ 591,120

Note 10: Other Postemployment Benefits

Supplemental Death Benefit Fund

The City also participates in the single-employer defined benefit OPEB plan providing group-term life which is operated by the Texas Municipal Retirement System (TMRS) and is known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

The following employees were covered by the benefit terms at December 31, 2018, (measurement date):

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	15
Active employees	72
Total employees	108

Total OPEB Liability

The City's total OPEB liability of $162,559 ($141,784 governmental activities and $20,775 business-type activities) was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The City's total OPEB liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	December 31, 2018
Discount Rate	3.71% as of December 31, 2018 (3.31% as of December 31, 2017)
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates – disabled retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASBS 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.31 percent based on the 20-Year Municipal GO AA Index published by bondbuyer.com is used as of the measurement date of December 31, 2018.

Changes in Total OPEB Liability

		Total OPEB Liability
Balances as of October 1, 2018	$	165,774
Changes for the year		
Service cost		17,998
Interest on total OPEB liability		5,765
Difference between expected and actual experience		(13,157)
Effect of assumption changes (discount rate change)		(12,621)
Benefit payments, age adjusted premiums, net of retiree contributions		(1,200)
Balances as of September 30, 2019	$	162,559

The total OPEB liability attributable to the governmental activities will be liquidated primarily by the General Fund.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The total OPEB liability of the City has been calculated using a discount rate of 3.71 percent. The following presents the total OPEB liability using a discount rate one percent higher and one percent lower than the current discount rate.

	1% Decrease 2.71%	Current Discount Rate 3.71%	1% Increase 4.71%
Total OPEB Liability	$ 196,886	$ 162,559	$ 138,353

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of $21,734. At September 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ -	$ 1,340
Differences between expected and actual experience	-	10,919
Benefit payments subsequent to the measurement date	7,860	-
	$ 7,860	$ 12,259

Benefit payments subsequent to the measurement date and before fiscal year-end will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2019.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

September 30	Amortization of Deferred Inflows of Resources
2020	$ (2,029)
2021	(2,029)
2022	(2,029)
2023	(2,313)
2024	(3,859)
	$ (12,259)

Note 11: Commitments and Contingencies

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an Intergovernmental Risk-Pool. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in TML is limited to payment of premiums. During the year ended September 30, 2019, the City paid premiums to TML for provisions of various liability, property and casualty insurance. The City has various deductible amounts ranging from $500 to $5,000 on various policies. At year-end, the City did not have any significant claims.

The City also provides workers' compensation insurance on its employees through TML. Workers' compensation is subject to change when audited by TML. At year-end, September 30, 2019, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is periodically the defendant in lawsuits arising principally in the normal course of operations. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and, accordingly, no provision for losses has been recorded.

EDC - Commitment

The EDC has committed to pay the City debt service payments for the Certificates of Obligation, Series 2010 when the payments become due. The following commitment by the EDC is anticipated to be funded with future EDC sales tax revenue.

Year Ending September 30		
2020	$	151,900
2021		153,300
2022		154,500
2023		154,500
2024		154,250
2025-2029		763,750
2030		152,250
Totals	$	1,684,450

Note 12: Subsequent Event

On January 21, 2020, the City authorized the issuance of a General Obligation Refunding Bond in the amount of $1,260,000 to refund a majority of the outstanding Series 2010 Certificates.

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the City. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

DRAFT
4/17/2020

Required Supplementary Information

DRAFT 4/17/2020

City of Kennedale, Texas

Required Supplementary Information

Schedule of Changes in the City's Net Pension Liability and Related Ratios

Texas Municipal Retirement System (Unaudited)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total Pension Liability					
Service cost	$ 589,507.00	$ 648,581	$ 675,284	$ 697,041	$ 712,721
Interest (on the Total Pension Liability)	794,485	865,430	912,020	989,009	1,071,891
Differences between expected and actual experience	(102,280)	(168,052)	(109,980)	(52,740)	(205,171)
Changes in assumptions	-	113,774	-	-	-
Benefit payments, including refunds of employee contributions	(274,797)	(320,705)	(329,210)	(366,034)	(460,511)
Net change in total pension liability	1,006,915	1,139,028	1,148,114	1,267,276	1,118,930
Total pension liability – Beginning	11,192,430	12,199,345	13,338,373	14,486,487	15,753,763
Total pension liability – Ending (a)	$ 12,199,345	$ 13,338,373	$ 14,486,487	$ 15,753,763	$ 16,872,693
Plan Fiduciary Net Position					
Contributions – employer	$ 397,779	$ 525,561	$ 540,075	$ 565,061	$ 558,900
Contributions – employee	239,832	254,774	265,860	276,603	279,969
Net investment income	548,705	15,487	740,899	1,687,364	(429,406)
Benefit payments, including refunds of employee contributions	(274,797)	(320,705)	(329,210)	(366,034)	(460,511)
Administrative expense	(5,727)	(9,432)	(8,365)	(8,740)	(8,292)
Other	(471)	(466)	(451)	(443)	(433)
Net change in plan fiduciary net position	905,321	465,219	1,208,808	2,153,811	(59,773)
Plan fiduciary net position – Beginning	9,589,325	10,494,646	10,959,865	12,168,673	14,322,484
Plan fiduciary net position – Ending (b)	$ 10,494,646	$ 10,959,865	$ 12,168,673	$ 14,322,484	$ 14,262,711
City's net pension liability – Ending (a) – (b)	$ 1,704,699	$ 2,378,508	$ 2,317,814	$ 1,431,279	$ 2,609,982
Plan fiduciary net position as a percentage of the total pension liability	86.03%	82.17%	84.00%	90.91%	84.53%
Covered payroll	$ 3,426,174	$ 3,639,622	$ 3,797,997	$ 3,951,478	$ 3,999,556
City's net pension liability as a percentage of covered payroll	49.76%	65.35%	61.03%	36.22%	65.26%

Note: The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability and is intended to show information for ten years. However, until a full ten-year trend is compiled in accordance with the provision of GASB No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27* only periods for which such information is available are presented.

City of Kennedale, Texas
Required Supplementary Information
Schedule of Contributions
Texas Municipal Retirement System (Unaudited)

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Actuarially determined contribution	$ 391,136	$ 483,133	$ 555,231	$ 560,038	$ 566,892	$ 586,411
Contributions in relation to the actuarially determined contribution	391,136	483,133	555,231	560,038	566,892	586,411
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,396,046	$ 3,575,054	$ 3,932,717	$ 3,919,319	$ 4,058,043	$ 4,232,531
Contributions as a percentage of covered payroll	12%	13.51%	14.12%	14.29%	13.97%	13.85%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes	There were no benefit changes during the year

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4/17/2020

City of Kennedale, Texas

Required Supplementary Information

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

Supplemental Death Benefit Fund (Unaudited)

	Measurement Year 2017	Measurement Year 2018
Total OPEB Liability		
Service Cost	$ 16,201	$ 17,998
Interest Cost	5,260	5,765
Difference Between Expected and Actual Experience of the Total OPEB Liability	-	(13,157)
Changes of Assumptions	13,846	(12,621)
Benefit Payments	(1,185)	(1,200)
Net Change in Total OPEB Liability	34,122	(3,215)
Total OPEB Liability (Beginning)	131,652	165,774
Total OPEB Liability (Ending)	$ 165,774	$ 162,559
Covered-Employee Payroll	$ 3,951,478	$ 3,999,556
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.20%	4.06%

Note: The information in this schedule has been determined as of the measurement date (December 31) of the City's total OPEB liability and is intended to show information for 10 years. However, until a full ten-year trend is compiled in accordance with the provision of GASB 75, only periods for which such information is available are presented.

The discount rate was decreased from 3.31 percent to 3.71 percent.

City of Kennedale, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget to Actual (Unaudited)

General Fund

For the Year Ended September 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	GAAP Basis	Positive (Negative)
Revenues				
Taxes				
Property	$ 3,832,433	$ 3,832,433	$ 3,841,102	$ 8,669
Sales	1,275,794	1,275,794	1,774,698	498,904
Franchise fees		-	764,887	764,887
Licenses and permits	225,370	225,370	156,820	(68,550)
Fines and forfeitures	179,700	179,700	142,773	(36,927)
Public safety fees	-	-	194,930	194,930
Intergovernmental	681,041	681,041	707,744	26,703
Charges for service	190,950	190,950	82,754	(108,196)
Investment earnings	10,000	10,000	79,429	69,429
Other	109,470	109,470	131,785	22,315
Total revenues	6,504,758	6,504,758	7,876,922	1,372,164
Expenditures				
Current				
General government	1,740,030	1,740,030	1,611,757	128,273
Public safety	4,588,695	4,588,695	4,965,215	(376,520)
Public works	371,589	371,589	788,130	(416,541)
Culture and recreation	322,789	322,789	323,154	(365)
Capital outlay	-	-	565,594	(565,594)
Debt service				
Principal	-	-	214,903	(214,903)
Interest and other	-	-	-	-
Total expenditures	7,023,103	7,023,103	8,468,753	(1,445,650)
Excess (deficiency) of revenues over (under) expenditures	(518,345)	(518,345)	(591,831)	(73,486)
Other financing sources (uses)				
Lease proceeds	-	-	375,278	375,278
Transfers in	-	-	114,058	114,058
Transfers out	(65,000)	(65,000)	(79,058)	(14,058)
Total other financing sources (uses)	(65,000)	(65,000)	410,278	475,278
Net Change in Fund Balances	(583,345)	(583,345)	(181,553)	401,792
Fund Balance, Beginning of Year	2,855,447	2,855,447	2,855,447	-
Fund Balance, End of Year	$ 2,272,102	$ 2,272,102	$ 2,673,894	$ 401,792

City of Kennedale, Texas

Notes to Required Supplementary Information (Unaudited)

Budgetary

September 30, 2019

Budgets and Budgetary Accounting

The City follows these procedures annually in establishing the budgetary data reflected in the budgetary comparison schedules:

1. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.

3. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.

4. The City Manager has the authority to transfer appropriation balances from one expenditure account to another such as from salaries to maintenance within a single fund as well as transfer appropriations between departments. The City Council, however, must approve any transfer of unencumbered appropriation balances or portions thereof from one fund to another as well as any increases in fund appropriations. At the end of the fiscal year, all appropriations lapse.

5. Annual budgets are only adopted for the General and Debt Service Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6. The budgetary data presented has been amended from the original budget by the City Council. All significant supplemental appropriations were offset either by increased revenue or decreased expenditures in other accounts.

DRAFT
4/17/2020

DRAFT
4/17/2020

Combining and Individual Fund Statements and Schedules

City of Kennedale, Texas

Non-major Governmental Funds

September 30, 2019

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

LEOSE – to account for grant revenue that is legally restricted to expenditures for LEOSE program.

Capital Projects Funds

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of general major capital facilities. Financing is provided primarily by the sale of general obligation bonds and developer contributions.

Park Dedication – to account for the acquisition, improvement and maintenance of park areas funded by neighborhood park land dedication fees.

Capital Projects – to account for various constructions within the city from funds contributed by third parties.

Roadway Impact Fee – to account for the assessments to developers on projects identified in the roadway impact fee study that was adopted by the City Council on May 9, 2002.

Library Building – to account for the construction of a new library from funds contributed by third parties.

City of Kennedale, Texas

Combining Balance Sheet
Non-major Governmental Funds
September 30, 2019

	Special Revenue Fund	Capital Projects Funds	
	LEOSE	Park Dedication	Capital Projects
Assets			
Cash and cash equivalents	$ 1,895	$ 126,149	$ -
Receivables (net of allowance for uncollectibles)	-	-	7,483
Advances to other funds	-	-	-
Total assets	$ 1,895	$ 126,149	$ 7,483
Liabilities			
Accounts payable	$ -	$ 42,041	$ 15,083
Total liabilities	-	42,041	15,083
Fund Balances (Deficit)			
Restricted for			
Capital projects	-	-	
Public safety	1,895	-	-
Assigned			
Parks	-	84,108	-
Unassigned (deficit)	-	-	(7,600)
Total fund balances (deficit)	1,895	84,108	(7,600)
Total liabilities, deferred inflows of resources and fund balances	$ 1,895	$ 126,149	$ 7,483

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4/17/2020

Capital Projects Funds		
Roadway Impact Fee	Library Building	Total Non-major Governmental Funds
$ 277,730	$ -	$ 405,774
-	-	7,483
297,060	-	297,060
$ 574,790	$ -	$ 710,317
$ -	$ 3,894	$ 61,018
-	3,894	61,018
574,790	-	574,790
-	-	1,895
-	-	84,108
-	(3,894)	(11,494)
574,790	(3,894)	649,299
$ 574,790	$ -	$ 710,317

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4/17/2020

City of Kennedale, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended September 30, 2019

	Special Revenue Fund	Capital Projects Fund	
	LEOSE	Park Dedication	Capital Projects
Revenues			
Intergovernmental	$ 1,767	$ -	$ -
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Investment earnings	31	3,613	756
Miscellaneous	-	300	86,625
Total revenues	1,798	3,913	87,381
Expenditures			
Current			
Public safety	1,650	-	-
Culture and recreation	-	-	-
Capital outlay	-	42,897	-
Total expenditures	1,650	42,897	-
Excess (deficiency) of revenues over (under) expenditures	148	(38,984)	87,381
Other Financing Uses			
Transfers out	-	(35,000)	(106,379)
Total other financing uses	-	(35,000)	(106,379)
Net Change in Fund Balances	148	(73,984)	(18,998)
Fund Balances (Deficit), Beginning of Year	1,747	158,092	11,398
Fund Balances (Deficit), End of Year	$ 1,895	$ 84,108	$ (7,600)

DRAFT
4/17/2020

Capital Projects Fund		
Roadway Impact Fee	Library Building	Total Non-major Governmental Funds
$ -	$ -	$ 1,767
25,390	-	25,390
-	1,408	1,408
5,273	18	9,691
-	1,232	88,157
30,663	2,658	126,413
-	-	1,650
-	5,353	5,353
-	-	42,897
-	5,353	49,900
30,663	(2,695)	76,513
(10,000)	-	(151,379)
(10,000)	-	(151,379)
20,663	(2,695)	(74,866)
554,127	(1,199)	724,165
$ 574,790	$ (3,894)	$ 649,299

City of Kennedale, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2019

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes - property	$ 1,362,670	$ 1,362,670	$ 1,360,512	$ (2,158)
Intergovernmental	-	-	154,825	154,825
Investment earnings	1,500	1,500	8,812	7,312
Total revenues	1,364,170	1,364,170	1,524,149	159,979
Expenditures				
Debt service				
Principal	1,511,744	1,511,744	1,213,640	298,104
Interest and other	-	-	296,008	(296,008)
Total expenditures	1,511,744	1,511,744	1,509,648	2,096
Excess (deficiency) of revenues over (under) expenditures	(147,574)	(147,574)	14,501	162,075
Other financing sources (uses)				
Transfers in	154,825	154,825	106,379	(48,446)
Total other financing sources (uses)	154,825	154,825	106,379	(48,446)
Net Change in Fund Balances	7,251	7,251	120,880	113,629
Fund Balance, Beginning of Year	194,135	194,135	194,135	-
Fund Balance, End of Year	$ 201,386	$ 201,386	$ 315,015	$ 113,629

Statistical Section

Statistical Section

This part of the City of Kennedale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Contents Tables

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Kennedale, Texas

Table A – Net Position by Component
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities					
Net investment in capital assets	$ 11,814,703	$ 16,014,362	$ 20,730,909	$ 21,100,450	$ 20,904,287
Restricted	38,754	1,936,156	288,215	227,181	380,622
Unrestricted	4,168,387	1,023,286	782,589	615,406	933,606
Total governmental activities net position	$ 16,021,844	$ 18,973,804	$ 21,801,713	$ 21,943,037	$ 22,218,515
Business-type Activities					
Net investment in capital assets	$ 9,643,354	$ 10,134,416	$ 10,304,477	$ 10,217,885	$ 10,443,338
Restricted	-	-	-	-	-
Unrestricted	1,858,510	1,668,685	1,524,225	1,348,391	1,450,811
Total business-type activities net position	$ 11,501,864	$ 11,803,101	$ 11,828,702	$ 11,566,276	$ 11,894,149
Primary Government					
Net investment in capital assets	$ 21,458,057	$ 26,148,778	$ 31,035,386	$ 31,318,335	$ 31,347,625
Restricted	38,754	1,936,156	288,215	227,181	380,622
Unrestricted	6,026,897	2,691,971	2,306,814	1,963,797	2,384,417
Total primary governmental net position	$ 27,523,708	$ 30,776,905	$ 33,630,415	$ 33,509,313	$ 34,112,664

City of Kennedale, Texas

Table A – Net Position by Component (Continued)
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental Activities					
Net investment in capital assets	$ 21,429,758	$ 24,048,321	$ 24,362,252	$ 24,410,280	$ 27,195,004
Restricted	409,454	400,170	481,742	867,754	3,588,039
Unrestricted	215,475	689,620	457,818	454,903	(5,040,196)
Total governmental activities net position	$ 22,054,687	$ 25,138,111	$ 25,301,812	$ 25,732,937	$ 25,742,847
Business-type Activities					
Net investment in capital assets	$ 11,184,859	$ 13,054,176	$ 13,238,962	$ 13,310,004	$ 13,397,767
Restricted	-	-	204,223	274,043	92,694
Unrestricted	17,432	655,058	1,644,150	2,103,785	2,670,080
Total business-type activities net position	$ 11,202,291	$ 13,709,234	$ 15,087,335	$ 15,687,832	$ 16,160,541
Primary Government					
Net investment in capital assets	$ 32,614,617	$ 37,102,497	$ 37,601,214	$ 37,720,284	$ 40,592,771
Restricted	409,454	400,170	685,965	1,141,797	3,680,733
Unrestricted	232,907	1,344,678	2,101,968	2,558,688	(2,370,116)
Total primary governmental net position	$ 33,256,978	$ 38,847,345	$ 40,389,147	$ 41,420,769	$ 41,903,388

City of Kennedale, Texas
Table B – Change in Net Position
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities					
General government	$ 1,687,785	$ 1,346,455	$ 1,400,946	$ 1,338,046	$ 1,242,021
Public safety	4,135,114	4,149,812	4,334,370	4,216,559	4,274,108
Public works	956,657	1,386,156	1,209,842	1,338,143	1,476,670
Culture and recreation	346,896	335,884	344,900	358,251	358,226
Economic development	2,006,635	-	-	-	-
Interest and fiscal charges	490,601	536,449	578,936	558,639	510,355
Total governmental activities expenses	9,623,688	7,754,756	7,868,994	7,809,638	7,861,380
Business-type activities					
Water, wastewater and storm water drainage	3,002,002	3,334,413	3,240,582	3,401,162	3,640,588
Total business-type activities expenses	3,002,002	3,334,413	3,240,582	3,401,162	3,640,588
Total primary government expenses	$ 12,625,690	$ 11,089,169	$ 11,109,576	$ 11,210,800	$ 11,501,968
Program Revenues					
Governmental activities					
Charges for services					
General government	$ 487,416	$ 514,732	$ 668,345	$ 554,664	$ 975,684
Public safety	435,195	460,983	459,955	556,655	567,835
Public works	25,174	44,910	58,007	52,299	115,110
Culture and recreation	1,674	2,023	1,554	34,591	1,470
Operating grants and contributions	67,924	64,217	83,005	135,520	47,119
Capital grants and contributions	1,424,036	2,793,402	2,872,517	453,020	115,058
Total governmental activities program revenues	$ 2,441,419	$ 3,880,267	$ 4,143,383	$ 1,786,749	$ 1,822,276

DRAFT
4/17/2020

City of Kennedale, Texas

Table B – Change in Net Position (Continued)
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities					
General government	$ 1,348,921	$ 1,340,991	$ 1,460,659	$ 1,526,536	$ 1,979,235
Public safety	4,521,511	4,658,016	4,494,080	4,680,243	5,213,493
Public works	1,638,428	1,838,124	1,743,770	1,615,294	1,737,211
Culture and recreation	339,328	370,519	397,477	436,270	372,805
Economic development	-	-	-		-
Interest and fiscal charges	478,440	521,675	348,741	403,223	349,118
Total governmental activities expenses	8,326,628	8,729,325	8,444,727	8,661,566	9,651,862
Business-type activities					
Water, wastewater and storm water drainage	4,112,610	3,506,506	3,271,916	4,558,939	4,089,637
Total business-type activities expenses	4,112,610	3,506,506	3,271,916	4,558,939	4,089,637
Total primary government expenses	$ 12,439,238	$ 12,235,831	$ 11,716,643	$ 13,220,505	$ 13,741,499
Program Revenues					
Governmental activities					
Charges for services					
General government	$ 720,308	$ 540,893	$ 457,595	$ 709,603	$ 630,969
Public safety	500,044	515,906	353,139	547,621	486,937
Public works	84,250	150,936	92,502	143,445	127,549
Culture and recreation	1,187	164,817	49,410	76,621	68,131
Operating grants and contributions	139,677	126,520	145,560	152,588	154,825
Capital grants and contributions	490,975	2,595,371	154,819	-	-
Total governmental activities program revenues	$ 1,936,441	$ 4,094,443	$ 1,253,025	$ 1,629,878	$ 1,468,411

DRAFT
4/17/2020

City of Kennedale, Texas

Table B – Change in Net Position (Continued)

Accrual Basis of Accounting

Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
Business-type Activities					
Charges for services					
Water, wastewater and storm water drainage	$ 2,856,494	$ 3,633,725	$ 3,264,892	$ 3,138,201	$ 3,775,546
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	2,856,494	3,633,725	3,264,892	3,138,201	3,775,546
Total primary government program revenues	$ 5,297,913	$ 7,513,992	$ 7,408,275	$ 4,924,950	$ 5,597,822
Net (Expenses) Revenues					
Governmental activities	$ (7,182,269)	$ (3,874,489)	$ (3,725,611)	$ (6,022,889)	$ (6,039,104)
Business-type activities	(145,508)	299,312	24,310	(262,961)	134,958
Total primary government net expenses	$ (7,327,777)	$ (3,575,177)	$ (3,701,301)	$ (6,285,850)	$ (5,904,146)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property	$ 3,945,627	$ 3,811,589	$ 4,010,855	$ 3,951,116	$ 4,143,977
Franchise	755,273	808,918	856,096	817,733	871,351
Sales	1,488,953	1,222,642	1,298,044	1,008,875	1,093,946
Investment earnings	14,263	6,401	2,885	724	389
Miscellaneous	363,708	976,899	385,640	426,068	509,287
Transfers	-	-	-	-	-
Total governmental activities	6,567,824	6,826,449	6,553,520	6,204,516	6,618,950
Business-type activities					
Investment earnings	5,220	1,925	1,291	535	218
Transfers	-	-	-	-	-
Total business-type activities	5,220	1,925	1,291	535	218
Total primary government	6,573,044	6,828,374	6,554,811	6,205,051	6,619,168
Change in Net Position					
Governmental activities	(614,445)	2,951,960	2,827,909	181,627	579,846
Business-type activities	(140,288)	301,237	25,601	(262,426)	135,176
Total primary government	$ (754,733)	$ 3,253,197	$ 2,853,510	$ (80,799)	$ 715,022

Source: Comprehensive Annual Financial Report

DRAFT 4/17/2020

City of Kennedale, Texas

Table B – Change in Net Position (Continued)
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2015	2016	2017	2018	2019
Business-type Activities					
Charges for services					
Water, wastewater and storm water drainage	$ 3,683,542	$ 4,782,055	$ 5,086,486	$ 4,832,378	$ 4,467,770
Capital grants and contributions	-	1,479,937	374,296	325,676	51,247
Total business-type activities program revenues	3,683,542	6,261,992	5,460,782	5,158,054	4,519,017
Total primary government program revenues	$ 5,619,983	$ 10,356,435	$ 6,713,807	$ 6,787,932	$ 5,987,428
Net (Expenses) Revenues					
Governmental activities	$ (6,390,187)	$ (4,634,882)	$ (7,191,702)	$ (7,031,688)	$ (8,183,451)
Business-type activities	(429,068)	2,755,486	2,188,866	599,115	429,380
Total primary government net expenses	$ (6,819,255)	$ (1,879,396)	$ (5,002,836)	$ (6,432,573)	$ (7,754,071)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property	$ 4,274,752	$ 4,521,765	$ 4,703,870	$ 5,140,105	$ 5,321,225
Franchise	910,886	545,140	537,454	777,768	1,774,698
Sales	1,491,342	1,253,391	1,208,557	1,459,743	764,887
Investment earnings	887	3,986	13,272	53,986	112,609
Miscellaneous	690,772	308,179	143,633	141,834	219,942
Transfers	49,178	953,377	748,617	-	-
Total governmental activities	7,417,817	7,585,838	7,355,403	7,573,436	8,193,361
Business-type activities					
Investment earnings	281	521	3,919	17,591	43,329
Transfers	(49,178)	(953,377)	(748,617)	-	-
Total business-type activities	(48,897)	(952,856)	(744,698)	17,591	43,329
Total primary government	7,368,920	6,632,982	6,610,705	7,591,027	8,236,690
Change in Net Position					
Governmental activities	1,027,630	2,950,956	163,701	541,748	9,910
Business-type activities	(477,965)	1,802,630	1,444,168	616,706	472,709
Total primary government	$ 549,665	$ 4,753,586	$ 1,607,869	$ 1,158,454	$ 482,619

City of Kennedale, Texas

Table C – Fund Balances of Governmental Funds

Modified Accrual Basis of Accounting

Last Ten Fiscal Years (Unaudited)

	Fiscal Year (Pre-GASB 54 2009-2010) (GASB 54 implemented in fiscal year 2011)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Unreserved	$ 1,508,586	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Nonspendable	-	31,348	5,751	46,486	40,633	15,786	240,850	206,755	86,778	54,346
Restricted	-	-	-	-	-	-	-	-	106,347	106,347
Assigned	-	-	-	-	-	-	367,218	-	915,608	915,608
Unassigned	-	1,332,648	1,108,068	937,508	1,193,553	1,716,655	1,972,229	2,264,414	1,746,714	1,597,593
Total general fund	$ 1,508,586	$ 1,363,996	$ 1,113,819	$ 983,994	$ 1,234,186	$ 1,732,441	$ 2,580,297	$ 2,471,169	$ 2,855,447	$ 2,673,894
All Other Governmental Funds										
Reserved	$ 38,754	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in									-	-
Special revenue funds	6,995	-	-	-	-	-	-	-	-	-
Capital projects funds	2,863,606	-	-	-	-	-	-	-	-	-
Nonspendable	-	800	800	-	-	-	-	-	-	-
Restricted for										
Debt service funds	-	50,965	90,920	23,829	2,849	10,375	11,861	-	194,135	315,015
Public safety	-	10,948	10,056	3	10,164	5,286	-	155	-	1,895
Economic development	-	-	-	-	1,112	-	-	-	-	
Other	-	-	-	-	-	-	-	-	1,747	
Capital projects funds	-	1,874,243	187,239	185,514	341,663	373,456	400,170	425,432	565,525	3,164,782
Assigned										
Parks	-	-	-	-	-	-	-	-	158,092	84,108
Unassigned	-	-	-	-	-	-	-	-	(788,591)	(594,328)
Total all other governmental funds	$ 2,909,355	$ 1,936,956	$ 289,015	$ 209,346	$ 355,788	$ 389,117	$ 412,031	$ 425,587	$ 130,908	$ 2,971,472

Source: Comprehensive Annual Financial Report

Notes: The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2011.

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4/17/2020

City of Kennedale, Texas

Table D – Changes in Fund Balances of Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues					
Taxes	$ 6,175,282	$ 5,862,988	$ 6,136,869	$ 5,799,322	$ 6,086,574
Licenses, fees and permits	191,016	209,047	311,921	261,451	477,447
Franchise fees	-	-	-	-	-
Fines and penalties	234,065	259,073	246,438	298,964	274,413
Public safety fees	200,904	201,483	210,676	257,998	243,002
Charges for services	323,474	353,045	418,826	379,796	614,145
Intergovernmental	1,487,099	2,278,514	2,955,522	588,540	48,231
Investment earnings	14,263	6,401	2,885	724	389
Contributions	4,861	579,105	-	-	2,314
Miscellaneous	363,708	976,899	385,640	426,068	620,919
Total revenues	8,994,672	10,726,555	10,668,777	8,012,863	8,367,434
Expenditures					
Current					
General government	1,777,568	1,263,666	1,276,738	1,238,641	1,126,632
Public safety	3,952,316	3,992,135	4,149,870	3,964,561	4,052,316
Public works	613,759	974,083	840,656	684,840	1,051,794
Culture and recreation	241,508	260,193	257,103	270,204	272,102
Economic development	2,006,635	-	-	-	-
Capital outlay	5,958,166	7,527,192	4,826,076	664,329	100,478
Debt service					
Principal	488,495	660,969	751,913	806,600	841,178
Interest and fiscal charges	452,946	494,039	589,539	552,879	526,300
Bond issuance costs	87,409	114,480	-	-	-
Total expenditures	15,578,802	15,286,757	12,691,895	8,182,054	7,970,800
Excess (deficiency) of revenues over (under) expenditures	(6,584,130)	(4,560,202)	(2,023,118)	(169,191)	396,634
Other Financing Sources (Uses)					
Debt issuance	2,000,000	3,260,000	-	-	-
Issuance of capital lease	154,388	119,597	125,000	-	-
Cost to issue debt	-	-	-	-	-
Premium on debt issuance	85,419	63,616	-	-	-
Refunding bonds/lease issued	-	-	-	-	-
Transfers in	158,850	949,476	92,038	295,373	161,832
Transfers out	(158,850)	(949,476)	(92,038)	(295,373)	(161,832)
Total other financing sources (uses)	2,239,807	3,443,213	125,000	-	-
Net Change in Fund Balances	$ (4,344,323)	$ (1,116,989)	$ (1,898,118)	$ (169,191)	$ 396,634
Debt service as a percentage of noncapital expenditures	10.7%	16.4%	17.1%	18.1%	17.4%

Source: Comprehensive Annual Financial Report

City of Kennedale, Texas

Table D – Changes in Fund Balances of Governmental Funds (Continued)
Modified Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
Taxes	$ 6,696,668	$ 6,330,577	$ 6,399,207	$ 6,703,224	$ 7,169,500
Licenses, fees and permits	346,011	727,163	465,917	462,291	182,210
Franchise fees	-	-	-	777,768	764,887
Fines and forfeitures	228,482	232,660	196,564	189,315	144,181
Public safety fees	247,907	237,104	264,317	184,260	194,930
Charges for services	459,651	73,840	76,682	81,142	82,754
Intergovernmental	630,669	787,432	339,415	712,870	864,336
Investment earnings	887	3,986	13,272	53,986	112,609
Contributions	2,153	1,527	4,399	-	-
Miscellaneous	713,443	306,652	184,530	141,834	219,942
Total revenues	9,325,871	8,700,941	7,944,303	9,306,690	9,735,349
Expenditures					
Current					
General government	1,228,989	1,247,881	1,321,110	1,473,009	1,611,757
Public safety	4,247,507	4,346,827	4,271,460	4,390,751	4,966,865
Public works	850,933	681,748	728,228	718,519	788,130
Culture and recreation	272,964	301,411	322,353	373,593	328,507
Economic development	-	-	-	-	-
Capital outlay	896,467	1,339,271	972,098	207,510	725,256
Debt service					
Principal	844,371	895,356	1,122,944	1,205,033	1,428,543
Interest and fiscal charges	493,943	536,710	349,041	384,963	296,008
Bond issuance costs	-	-	-	-	-
Total expenditures	8,835,174	9,349,204	9,087,234	8,753,378	10,145,066
Excess (deficiency) of revenues over (under) expenditures	490,697	(648,263)	(1,142,931)	553,312	(409,717)
Other Financing Sources (Uses)					
Debt issuance	-	-	-	-	2,760,000
Issuance of capital lease	-	4,087,218	331,865	-	375,378
Cost to issue debt	-	-	-	-	(66,550)
Premium on debt issuance	-	-	-	-	-
Refunding bonds/lease issued	-	(3,646,951)	-	-	-
Transfers in	258,832	1,036,598	1,006,384	277,217	230,437
Transfers out	(258,832)	(83,221)	(257,767)	(277,217)	(230,437)
Total other financing sources (uses)	-	1,393,644	1,080,482	-	3,068,828
Net Change in Fund Balances	$ 490,697	$ 745,381	$ (62,449)	$ 553,312	$ 2,659,111
Debt service as a percentage of noncapital expenditures	16.9%	17.9%	18.1%	18.6%	18.3%

City of Kennedale, Texas

Table E – Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2009	$ 350,723,577	$ 149,299,553	$ 63,260,388	$ 65,266,179	$ 498,017,339	$ 0.72250	$ 498,017,339	100.00%
2010	393,021,180	155,428,659	73,850,746	80,779,880	541,520,705	0.72250	541,520,705	100.00%
2011	381,137,736	151,493,926	52,806,301	63,490,789	521,947,174	0.72250	521,947,174	100.00%
2012	367,644,619	130,187,379	54,138,047	63,654,327	488,315,718	0.72250	488,315,718	100.00%
2013	363,808,684	121,802,411	60,407,246	70,604,766	475,413,575	0.72250	475,413,575	100.00%
2014	369,809,150	122,562,814	62,617,391	74,529,874	480,459,481	0.74750	480,459,481	100.00%
2015	418,964,219	135,862,868	43,604,299	69,044,161	529,387,225	0.74750	529,387,225	100.00%
2016	423,074,019	133,607,106	42,937,171	50,198,154	549,420,142	0.76750	549,420,142	100.00%
2017	434,127,908	137,328,197	21,506,171	25,203,051	567,759,225	0.76750	567,759,225	100.00%
2018	479,936,919	147,896,807	35,746,004	33,925,413	629,654,317	0.77750	629,654,317	100.00%
2019	517,326,245	155,373,286	29,734,655	11,730,455	690,703,731	0.72571	690,703,731	100.00%

Source: Tarrant Appraisal District Totals Report (September).

City of Kennedale, Texas

Table F – Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Unaudited)

	City Direct Rates			Overlapping Rates			
Fiscal Year	City Rate	General Obligation Debt Service	Total Direct	Kennedale Independent School District	Tarrant County	Tarrant County College District	Tarrant County Hospital District
2009	0.569197	0.153303	0.72250	1.488610	0.264000	0.137960	0.227897
2010	0.572729	0.149771	0.72250	1.488610	0.264000	0.137670	0.227897
2011	0.571103	0.151397	0.72250	1.544821	0.264000	0.137640	0.227897
2012	0.516013	0.206487	0.72250	1.512068	0.264000	0.148970	0.227897
2013	0.549582	0.172918	0.72250	1.512068	0.264000	0.148970	0.227897
2014	0.560454	0.187046	0.74750	1.492068	0.264000	0.149500	0.227897
2015	0.551216	0.196284	0.74750	1.514717	0.264000	0.149500	0.227897
2016	0.575204	0.192296	0.76750	1.486724	0.264000	0.149500	0.227897
2017	0.581711	0.185789	0.76750	1.486724	0.254000	0.144730	0.227897
2018	0.578750	0.198750	0.77750	1.480000	0.244000	0.140060	0.224429
2019	0.535219	0.190495	0.72571	1.451694	0.234000	0.136070	0.224429

Source: Tarrant Appraisals District (2019 Tax Rates).

Note: Overlapping rates are those of local and country governments that apply to property owners within the City of Kennedale, Texas

DRAFT
4/17/2020

City of Kennedale, Texas

Table G – Principal Taxpayers

Current Year and Nine Years Ago (Unaudited)

	2019		2009	
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]
Tealcove Drive LLC	$ 9,062,288	1.39%	$ -	-
Oncor Electric Delivery Co LLC	8,960,720	1.37%	7,088,495	1.42%
Hawk Steel Industries Inc	8,019,184	1.23%	6,354,026	1.28%
SCC 287 LLC	6,968,346	1.07%	-	-
FWT Inc	6,027,780	0.92%	6,877,702	1.38%
TJ Composites Inc	4,054,626	0.62%	-	-
DFW Midstream Services LLC	3,567,710	0.55%	-	-
Hexpol Compounding LLC	3,339,390	0.51%	-	-
Harrison Jet Guns II LP	2,990,733	0.46%	5,252,080	1.05%
Atmos Energy/Mid TEX Division	2,760,400	0.42%	-	-
XTO Energy Inc	-	-	3,162,810	0.64%
Southwestern Bell	-	-	5,916,335	1.19%
Excel Polymers LLC	-	-	6,175,761	1.24%
Rebar Services & Supply Co.	-	-	3,334,486	0.67%
Bloxom, DE Sr. Fnd Rp Hold LLC	-	-	3,482,589	0.70%
Goss International Americas Inc	-	-	8,016,371	1.61%
	$ 55,751,177	8.85%	$ 55,660,655	11.18%

Source: City of Kennedale, Budget Document, Tarrant County Tax Office and Municipal Advisory Council of Texas.

Note: [a] Taxpayers are assessed on January 1st of each fiscal year.

DRAFT
4/17/2020

City of Kennedale, Texas

Table H – Ad-Valorem Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2009	$ 3,645,994	$ 3,362,931	92.24%	$ 213,578	$ 3,576,509	98%
2010	3,885,545	3,809,167	98.03%	78,849	3,888,016	100%
2011	3,749,561	3,695,515	98.56%	64,478	3,759,993	100%
2012	3,964,881	3,890,850	98.13%	52,738	3,943,588	99%
2013	3,937,340	3,880,817	98.56%	55,843	3,936,660	100%
2014	4,083,024	4,015,994	98.36%	20,978	4,036,972	99%
2015	4,231,865	4,174,320	98.64%	97,496	4,271,816	101%
2016	4,501,716	4,464,778	99.18%	26,688	4,491,466	100%
2017	4,644,955	4,589,538	98.81%	34,760	4,624,298	100%
2018	5,086,080	5,045,734	99.21%	-	5,045,734	99%
2019	5,219,526	5,169,354	99.04%	-	5,169,354	99%

Source: Tarrant County Tax Office, Summary Part C (As Of September 30, 2019).

City of Kennedale, Texas
Table I – Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Unaudited)

	Governmental Activities				Business-type Activities						
Fiscal Year	Revenue Bonds	General Obligation/ Certificates of Obligation	Capital Leases Obligations	Tax Notes	Term Loan	General Obligation/ Certificates of Obligation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita	Population
2009	$ 185,000	$ 9,982,213	$ 226,461	$ -	$ 125,247	$ 4,217,788	$ 107,087	$ 14,843,796	0.33%	2,199	6,750
2010	140,000	11,576,363	323,204	-	-	4,028,638	73,068	16,141,273	0.30%	2,370	6,812
2011	95,000	14,396,250	249,888	-	-	3,828,750	37,399	18,607,287	0.26%	2,691	6,914
2012	50,000	13,930,405	298,290	-	-	3,621,950	-	17,900,645	0.27%	2,534	7,063
2013	-	13,240,601	221,065	-	-	3,411,325	1,721,658	18,594,649	0.40%	2,562	7,257
2014	-	12,469,623	140,436	-	-	3,191,875	1,629,163	17,431,097	0.42%	2,357	7,394
2015	-	11,655,557	99,701	-	-	2,965,512	1,539,241	16,260,011	0.45%	2,035	7,992
2016	-	11,001,843	424,473	-	-	2,728,413	1,445,849	15,600,578	0.47%	1,943	8,031
2017	-	10,026,300	600,557	-	-	2,475,575	1,350,209	14,452,641	0.50%	1,738	8,315
2018	-	9,024,582	554,114	-	-	2,213,912	1,254,570	13,047,178	0.56%	1,565	8,338
2019	-	8,099,682	722,846	2,575,000	-	1,941,512	1,149,939	14,488,979	0.52%	1,696	8,543

Source: Notes to the financial statements and Table N

DRAFT
4/17/2020

City of Kennedale, Texas

Table J – Ratios of General Bonded Debt Outstanding per Capita Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds/ Certificates of Obligation	Revenue Bonds	Total	Percentage of Actual Taxable Value of Property	Per Capita
2009	$ 9,982,213	$ 185,000	$ 10,167,213	2.04%	$ 1,506
2010	$ 11,576,363	$ 140,000	$ 11,716,363	2.16%	$ 1,720
2011	$ 14,396,250	$ 95,000	$ 14,491,250	2.78%	$ 2,096
2012	$ 13,930,405	$ 50,000	$ 13,980,405	2.86%	$ 1,979
2013	$ 13,240,601	$ -	$ 13,240,601	2.79%	$ 1,825
2014	$ 12,469,623	$ -	$ 12,469,623	2.60%	$ 1,686
2015	$ 11,655,557	$ -	$ 11,655,557	2.20%	$ 1,458
2016	$ 11,001,843	$ -	$ 11,001,843	2.00%	$ 1,370
2017	$ 10,026,300	$ -	$ 10,026,300	1.77%	$ 1,206
2018	$ 9,024,582	$ -	$ 9,024,582	1.43%	$ 1,082
2019	$ 8,099,682	$ -	$ 8,099,682	1.17%	$ 948

Source: Table E, I and N

City of Kennedale, Texas

Table K – Direct and Overlapping Governmental Activities Debt

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Arlington ISD	$ 824,135,769	0.03%	$ 247,241
Fort Worth ISD	966,280,000	0.09%	869,652
Kennedale ISD	33,330,025	40.07%	13,355,341
Mansfield ISD	750,175,000	0.18%	1,350,315
Tarrant County	294,500,000	0.40%	1,178,000
Tarrant County Hospital District	19,300,000	0.40%	77,200
	2,887,720,794		17,077,749
City of Kennedale (Direct Debt)	8,099,682	100.00%	8,099,682
Total Direct and Overlapping Debt	$ 2,895,820,476		$ 25,177,431

Source: Texas Municipal Reports per the Municipal Advisory Council of Texas, Other Entity Annual Financials and Tables

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Kennedale. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt-- of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City of Kennedale's boundaries and dividing it by the overlapping government's total taxable assessed value.

City of Kennedale, Texas

Table L – Legal Debt Margin Information

Last Ten Fiscal Years (Unaudited)

The city charter of the City of Kennedale (section 6.05), Texas does not provide for a debt limit. The debt portion of the overall tax rate may rise as high as necessary to retire debt for the coming year without triggering the threat of rollback. Under the provision of Texas State law, the maximum tax rate is limited to $2.50 per $100 assessed valuation. The tax rate for fiscal year 2019 was established at $0.725714 per $100 assessed valuation based on 100 percent of net taxable value.

DRAFT
4/17/2020

City of Kennedale, Texas

Table M – Demographic and Economic Statistics
Last Ten Calendar Years (Unaudited)

Year	Estimated Population	Median Household Income	Per Capita Median Household Income	Unemployment Rate
2010	6,812	$ 49,091	$ 24,323	8.5%
2011	6,914	49,091	24,323	7.7%
2012	7,063	49,091	24,323	6.3%
2013	7,257	73,909	31,163	6.9%
2014	7,394	73,909	31,163	5.7%
2015	7,992	73,909	31,163	4.3%
2016	8,031	73,909	31,163	4.1%
2017	8,315	71,875	31,904	5.3%
2018	8,338	72,461	31,335	4.5%
2019	8,543	75,000	32,435	3.5%

Sources: Population: City of Kennedale Planning Department. Based on 2010 Census date with annual updates from City Staff.

Note: Personal Income & Per Capita Personal Income & Unemployment Rate: United States Census Bureau, 2017 American Community Survey, Texas Workforce Commission

City of Kennedale, Texas

Table N – Principal Employers

Current and Seven Years Ago (Unaudited)

	2019		2013	
Employer	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Fort Worth Tower	510	32.90%	480	26.49%
Kennedale Independent School District	412	26.58%	411	22.68%
Speed Fab Crete	183	11.81%	128	7.06%
ARK Contracting Services	52	3.35%	115	6.35%
Harrison Jet Guns	39	2.52%	92	5.08%
Hawk Steel	69	4.45%	92	5.08%
Mike Conkle's Custom Cabinets	48	3.10%	85	4.69%
City of Kennedale	81	5.23%	78	4.30%
Excel Polymers	14	0.90%	76	4.19%
Goss International	-	-	64	3.53%
Texas Tile	32	2.06%	55	3.04%
US Galvanizing LP	12	0.77%	34	1.88%
Stovall Electric	18	1.16%	30	1.66%
Redi-Mix LP	13	0.84%	22	1.21%
H&O Die Supply	9	0.58%	19	1.05%
RE Watson & Associates	41	2.65%	17	0.94%
Global Servo Hydraulics	11	0.71%	9	0.50%
Wear Master	6	0.39%	5	0.28%
	1,550	100.00%	1,812	100.00%

Source: Economic Development Department

DRAFT
4/17/2020

City of Kennedale, Texas

Table O – Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Management services	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	2.5	2.5	2.5	2.5	2.5	2.5	3.0	2.5	2.5	3.0
Planning	2.5	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0
Building	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Municipal court	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0	1.5
Police										
Officers	19.0	19.0	19.0	19.0	16.0	19.0	20.0	20.0	21.0	21.0
Civilians	7.5	7.5	7.5	7.5	7.5	2.5	2.5	2.1	2.5	2.5
Fire										
Firefighters and officers	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	20.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other public works										
Streets & Parks	6.0	6.0	6.0	6.0	8.0	8.0	8.0	8.0	8.0	8.0
Economic development	-	-	-	-	-	-	-	-	-	-
Library	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.0	4.0	4.0
Water/Wastewater	10.5	14.5	14.5	12.5	11.5	11.5	11.5	11.5	11.5	11.5
Total	75.5	79.5	79.5	77.5	76.0	75.00	75.5	75.1	76.5	80.5

Sources: FY2018-19 Adopted Budget.

DRAFT
4/17/2020

City of Kennedale, Texas

Table P – Operating Indicators by Function/Program

Last Ten Fiscal Years (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government											
Building permits issued	102	152	255	535	389	504	406	504	292	593	41
Building inspections conducted	81	92	204	474	363	477	355	1,185	1,752	1,165	399
Police											
Physical arrests	284	265	270	246	244	260	203	203	374	109	111
Parking violations	1,487	1,361	1,389	359	2,117	2,045	1,675	24	6	7	8
Traffic violations	4,736	3,645	4,850	6,248	7,609	4,287	3,778	2,828	4,296	1,692	1,725
Fire											
Emergency responses	1,088	1,156	1,108	1,028	1,039	909	1,131	867	1,166	693	706
Fires extinguished	250	319	315	183	217	135	199	200	200	58	155
Inspections	74	45	32	193	185	173	198	178	218	66	87
Library											
Volumes in collection	18,140	16,971	18,053	17,986	17,943	15,299	14,752	16,292	16,831	16,322	16,322
Total volumes borrowed	310,405	17,279	16,508	16,317	17,429	17,257	16,162	20,288	21,579	18,007	18,007
Water and Wastewater											
New connections	14	21	25	54	36	87	73	39	59	65	81
Average daily consumption	869,925	1,030,864	1,147,339	1,060,488	1,000,704	968,841	892,014	898,918	980,413	909,919	1,003,523
Peak daily consumption	1,784,042	1,913,000	2,550,400	2,939,100	2,355,100	2,135,272	2,471,500	2,021,800	1,884,040	2,449,850	2,015,488

City of Kennedale, Texas

Table Q – Capital Asset Statistics by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Zone offices	1	1	1	1	1	1	1	1	1	1	1
Patrol units	15	17	13	13	13	14	17	17	8	8	8
Fire											
Stations	1	1	1	1	1	1	1	1	1	1	1
Other public works											
Streets (miles)	-	-	-	-	-	-	42	42	46	46	46
Streetlights	-	-	-	-	-	-	332	332	346	346	346
Parks and recreation											
Acreage	28	28	28	28	28	28	28	28	27	27	27
Playgrounds	4	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1	1
Water and Wastewater											
Water mains (miles)	-	-	-	-	-	-	48	48	49	49	49
Fire hydrants (thousands)	5	5	5	5	5	5	5	5	5	5	5
Storage (thousands of gallons)	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350
Elevated	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Ground	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Sanitary sewers (miles)	-	-	-	-	-	-	48	48	50	50	50
Storm sewers (miles)	-	-	-	-	-	-	4	4	4	4	4

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: WORK SESSION ITEM II.A.2.

SUBJECT
Hold a discussion and provide staff direction regarding the development of an economic assistance program for local small businesses relating to the Coronavirus (COVID-19) pandemic and the City's local disaster declaration

ORIGINATED BY
George Campbell, City Manager

SUMMARY
This item is posted so that the Council may engage in general discussion and provide direction to staff, if desired, regarding the possibility of providing economic assistance to local businesses who have been negatively impacted as a direct result of the Coronavirus (COVID-19) pandemic.

The funding source identified for any such assistance would come from the proceeds of the recent sales of two EDC-owned properties in the Bloxom Business Park, totaling ~$150,000.

The EDC Board, during their Monday, April 13, 2020 special meeting via VideoConference, expressed a desire to delay any decisions regarding such a program until more information was available regarding how provision, by the City, of any financial assistance might impact that business' access to benefits under programs provided at the state or federal level.

The two documents that have been provided by staff to the EDC Board regarding this potential program are both attached, and staff will be available to answer any questions from the Council.

RECOMMENDATION
Staff would respectfully request input and/or direction from the City Council regarding the development of such a program.

ATTACHMENTS

1.	Outline for EDC Grants 03/27/2020	Outline for EDC Grants 032720.docx
2.	2020_04.13 EDC Packet Addition	2020_04.13 EDC Packet Addition.pdf

Kennedale Business/Employment Retention Grant Program

Eligibility Requirements/Guidelines:

- **Retail** or **Service** business with ten (10) or fewer full time or part time employees on March 24, 2020
- Primary physical business address must be in Kennedale, Texas
- Must be current on City taxes through 2019
- Must be considered a non-essential business (required to be closed to the public) during period of Local Disaster Declaration by either Tarrant County or the City of Kennedale. In-dining restaurants that are providing take-out and curb-side service are eligible.
- Businesses closed temporarily by local disaster declarations must provide evidence of intent to re-open when such restrictions are removed.

Eligible Grant Benefits:

- Maximum grant is $25,000
- Grants may be used for:
  - Rent (including debt payments)
  - Salaries
  - Business operations including utilities
  - Inventory maintenance

Grant Options:

- **Option 1 – EDC Grant**
  - One-time grant
  - Performance Agreement required
    - Job retention or creation
    - Capital investment

- **Option 2 – Chapter 380 Grant (by the City)**
  - One-time grant

Grant Process:

- Application must be made on form provided by the City's Planning/Economic Development Department.

- Applications will be reviewed and evaluated by a seven (7) member Screening/Selection Committee, appointed by the Mayor, including:
    - Mayor
    - City Council Member
    - City Manager/Exec. Director of EDC
    - Director of Planning and Economic Development
    - Finance Director
    - Chair of EDC Board
    - Chamber of Commerce Board Member

- Screening/Selection Committee will evaluate applications on a weighed criteria/guideline basis and make a recommendation for funding to the City Council and/or EDC Board as appropriate
- The Committee, Council or EDC may exempt applicants of criteria/guideline requirements at their discretion.
- No applicant has an entitlement to a grant and the decision of the City Council is final.

Project <u>Together We Stand</u>
Process and Eligibility Requirements

MISSION:
Kennedale small businesses are suffering due to the stay at home orders that have been implemented during the COVID-19 pandemic. The Kennedale 4B Economic Development Corporation has created a program to partner with these businesses to use EDC funds to promote both the City and the 4B Economic Development Corporation and to enhance and attract further Economic Development patronage to the City of Kennedale and local business.

ELIGIBILITY REQUIREMENTS:
- Business must be located within the City limits of Kennedale, TX.
- Business must have been in business in Kennedale for one year.
- Business must have a business storefront (not a home business).
- Full Service restaurants having five (5) or fewer locations in the DFW market area are eligible provided that their dining area was and remains closed for the duration of any stay at home order or declaration by the State, County or City of Kennedale
- Restaurants or other businesses without normal drive through facilities but that provided curbside service during any stay-at-home order are eligible.
- Restaurants or other businesses having normal drive through facilities that have been permitted to continue operation through such facilities are **NOT** eligible even though dine-in services were closed during the stay at home orders or declarations.
- Businesses that continued to operate, during a stay at home order or disaster declaration, in violation of the restrictions imposed by such order or declaration are **NOT** eligible.
- Businesses with more than fifty (50) full and/or part-time employees are **NOT** eligible.
- Home-based businesses are **NOT** eligible.
- National Chains and franchise businesses associated with National parent companies are **NOT** eligible.

Marketing/Promotional Requirements:
- A sponsored social media post on the businesses page for a duration of not less than fourteen (14) days which post must state that the post is in partnership with the Kennedale 4B Economic Development Corporation.

- Business must purchase a professional poster at least 12"X18" to be displayed in their storefront for not less than ninety (90) days promoting businesses in Kennedale or "Shop Kennedale First". The artwork for the poster must be approved by the Executive Director of the EDC.
- Business must purchase a 4' X 4' sign to be displayed on the property of the business that has a message of "Together we Stand" or "We are in this Together" or a similar message relating to a cooperative spirit for defeating the Coronavirus pandemic together. The artwork for the sign must be approved by the Executive Director of the EDC.
- Business must purchase a ½ page ad from a local print publication or social media publication or partner with the Greater Kennedale Area Chamber of Commerce. The ad must state that the ad is paid by the Kennedale 4B Economic Development Corporation.

APPLICATION:

- A program participation application form will be located on the City of Kennedale website. The application must be completed and emailed to the Economic Development staff for review and determination of eligibility.
- An award selection committee comprised of the President of the EDC Board, another member of the EDC Board selected by the Mayor, the Mayor, the Mayor Pro-Tem, and one member of the Chamber Board of Directors appointed by the Mayor will review and make recommendations to the EDC Board of Directors with regard to eligibility and participant selections. The decision of the EDC Board with regard to eligibility and funding participation by the EDC is purely within the discretion of the Board. All applicants for participation may not be selected.
- The Executive Director of the Kennedale Economic Development Corporation will execute a participation agreement with the businesses approved by the EDC Board.
- Funds in an amount of $________ will be provided to the approved participating businesses once the marketing objectives/requirements have been put in place by any successful applicant as determined by the EDC Executive Director.

NOTE: It is the responsibility of any applicant for participation in this program to determine with their lending institution whether or not participation in this Kennedale promotional program and the receipt of funds for such participation has any impact upon or requires disclosure for funding under an SBA loan application.

STAFF REPORT

TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: WORK SESSION ITEM II.A.3.

SUBJECT
Receive a report and hold a discussion of operations issues relating to the Coronavirus (COVID-19) emergency

ORIGINATED BY
George Campbell, City Manager

SUMMARY
This item has been added to the agenda in the event there is a need for staff to provide any updates to the Council regarding emerging issues surrounding the current public health emergency and/or its effect on operations or service provision. Any additional information will be provided before the meeting, as appropriate.

RECOMMENDATION

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: WORK SESSION ITEM II.A.4.

SUBJECT
Receive a report regarding the current status of utility customer service and billing issues

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
Please refer to the attached Informal Staff Report (ISR) for current information regarding customer service billing. Staff will be available to answer questions from the Council prior to and/or during the meeting.

RECOMMENDATION

ATTACHMENTS

1.	2020_04.17 ISR_Utility Billing and Customer Service Update	2020_04.17 ISR_Utility Billing and Customer Service Update.pdf

INFORMAL STAFF REPORT
to the Mayor and City Council

DATE: FRIDAY, APRIL 17, 2020

SUBJECT: UTILITY BILLING AND CUSTOMER SERVICE

ORIGINATED BY: LAKEITA SUTTON, DIRECTOR OF FINANCE & IT

As of February 2020, Aclara (our meter reading vendor) is no longer able to provide meter reads to the City of Kennedale (COK). On March 27, the City of Arlington (COA) agreed to read COK meters for the billing period with an April 27th due date. On April 3, we were notified that COA was not able to complete the task within the agreed upon time (Wednesday, April 1 through Friday, April 3). There were numerous reasons that they were not able to complete all of the reads manually – mainly stemming from the fact that most COK meters had not been manually read in several years. In an effort to keep billing on schedule, we asked COA to complete as many reads as possible and directed MuniBilling to estimate the remaining bills. On April 3, COA submitted approximately 2,100 manual reads, which were then forwarded to MuniBilling for processing.

On Friday, April 10, when we realized that there were problems with about 200 of the bills that were calculated based on reads provided by COA, we immediately alerted COA and sought their assistance in identifying both the reason for and a resolution to the erroneous billing amounts.

On Monday, April 13, COA performed re-reads and submitted a new file for processing. Upon review, it was discovered that the re-reads were in a different format than both the reads originally submitted by COA and the reads that had historically been delivered by Aclara. For example, reads from COA that had originally been eight digits were now seven and those that were originally seven digits were now six. Later in the day, COA confirmed that, to generate corrected bills, the reads on the 200 accounts that had errors would need to be interpreted by MuniBilling and changed to a different format.

COK worked with MuniBilling to apply the fix and approve a new billing register that reflected updated balances on the 200 affected accounts. However, not all of these 200 accounts were able to be corrected using the new read interpretations. Ultimately, nearly half of them were billed using estimates because the solution offered by COA did not work on those particular accounts.

Moving forward, MuniBilling has advised that if, for any reason, COA is unable to provide reads in the correct format, that MuniBilling would have to manually reformat each read individually before generating bills – a task they are unable to immediately commit to (mainly due to staffing shortages due to COVID-19).

Until a resolution is in place, COK can direct MuniBilling to use estimated usage to bill the accounts for which COA is unable to obtain a translatable read. This option, however, is not a long-term solution and is not preferred, even in the short-term, because when estimated readings get corrected in the end, underestimates could ultimately result in a higher than normal billing as a final corrective measure.

Until all COK customer accounts are transferred into and fully functional within the COA billing system, including the installation of new meter interface units (MIUs) on all meters (a necessary step for enabling remote readings by COA), **to solve the known billing issues all of the following need to occur**:

- COA and COK must work together to determine why 200 of the original manual reads were not in a usable format (while the others were) and develop a consistent format that works for all accounts
- COA must be able to submit all reads in a format that MuniBilling can utilize
- COA and COK must agree that COA will continue to manually read COK meters, according to an agreed upon billing schedule, until the new MIUs are installed and all customer accounts have been incorporated into the COA billing system

Until a *long-term* solution is in place, COK has suspended the automatic draft function (or "auto-pay") for utility customers in an effort to ensure that customers' auto draft methods are not charged for an erroneous amount. COK will not assess late fees or perform cut-offs for late payments that result from this service being discontinued. **In the interim, COK utility customers have several options for paying their bills:**

BY MAIL
Methods: Check or Money Order (made payable to: 'City of Kennedale')
MuniBilling, 415 Pisgah Church Road, Suite 374, Greensboro, NC 27455
SECURE DROPBOX
Methods: Check or Money Order (made payable to: 'City of Kennedale')
The secure drop box in the foyer of City Hall (405 Municipal Drive) is available to the public 24/7. You are advised against leaving cash in the drop box.
ONLINE
Methods: Credit, Debit, or Check (as ACH bank draft)
www.cityofkennedale.com/billpay
BY PHONE
Methods: Credit, Debit, or Check (as ACH bank draft)
1-877-416-2220 to make a payment via check (as a one-time ACH bank draft) 1-833-404-8952 to make a payment via credit or debit card

On Thursday, April 16, COK staff and COA Water Utility Operations and Administration had a productive meeting regarding identifying and resolving the issues addressed above, which resulted in several decisions:

- COA will continue locating COK meters in the field in an effort to ensure that manual reads can be obtained for all accounts before reads begin (on or about Monday, April 27) for the next billing cycle.
- Once the April readings are complete (3 to 5 days), COA will begin replacing the MIUs so that meter reads can be done remotely by COA beginning with those readings scheduled for the end of May.
- Following the replacement of the MIUs, actual readings should be available for each account, whether the bills are generated by MuniBilling or by COA. It's important to note that billing by COA will not likely occur before June or July due to potential further delays in transferring our customer data into their billing system, the timing of which is dependent upon the vendor's ability to integrate the accounts given several constraints, including those related to COVID-19 restrictions.

COK staff will continue to keep the Council apprised of any changes, updates, or resolutions.

SHOULD YOU HAVE ANY QUESTIONS REGARDING THIS REPORT, PLEASE CONTACT FINANCE DIRECTOR LAKEITA SUTTON AT 817-985-2110 OR EMAIL LSUTTON@CITYOFKENNEDALE.COM.

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM IV.D.1.

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

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM IV.D.2.

SUBJECT
Updates from the Mayor
• Proclaiming April 2020 as Child Abuse Prevention Month and recognizing Alliance for Children for their dedication to protecting the children of Tarrant County
• Proclaiming May 16, 2020 as Kids to Parks Day

ORIGINATED BY
George Campbell, City Manager

SUMMARY
Updates, information, and Proclamations from Mayor Brian Johnson, if any.

Carol Logan, Community Engagement Supervisor for Alliance for Children, will join via VideoConference for the Mayor's reading of the Child Abuse Prevention Month Proclamation.

Regarding the second Proclamation, Kids to Parks Day is typically celebrated by KIDFISH and Bark in the Park. However, due to public health concerns surrounding COVID-19, it will not be possible to hold this event on May 16. Staff knows that the community very much looks forward to this dual event, and will aim to reschedule it sometime this fall, if possible.

RECOMMENDATION

ATTACHMENTS

1.	2020_14.21 Child Abuse Prevention Month - AFC	2020_14.21 Child Abuse Prevention Month - AFC.pdf
2.	2020_14.21 National Kids to Parks Day - COVID	2020_14.21 National Kids to Parks Day - COVID.pdf

PROCLAMATION

Proclaiming April as Child Abuse Prevention Month In the City of Kennedale

WHEREAS, children are our future and our greatest resource; and

WHEREAS, every child deserves a nurturing family and safe environment to grow into a healthy, productive member of the community; and

WHEREAS, child abuse is one of our nation's most serious public health problems and threatens the safety of our community; and

WHEREAS, in Tarrant County, 5,536 children were confirmed as victims of child abuse or neglect in 2019; and

WHEREAS, Alliance For Children provided trauma-informed services to 2,564 children in 2019;

WHEREAS, finding solutions to prevent child abuse is a community responsibility and depends on the involvement of all citizens; and

WHEREAS, effective child abuse prevention, investigation and treatment programs succeed because of partnerships among public and private agencies, schools, religious organizations, medical services, and the business community.

NOW, THEREFORE, I, Mayor Brian Johnson, do hereby proclaim the month of April 2020 as Child Abuse Prevention Month in the City of Kennedale, and urge all citizens to work to help reduce child abuse and neglect significantly in the years to come.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kennedale, Texas, to be affixed this 21st day of April 2020.

MAYOR BRIAN JOHNSON

ATTEST: CITY SECRETARY LESLIE E. GALLOWAY

PROCLAMATION

Proclaiming May 16, 2020 as Kids to Parks Day in the City of Kennedale

WHEREAS, May 16, 2020, is the tenth Kids to Parks Day, organized and launched by the National Park Trust, held annually on the third Saturday in May; and

WHEREAS, Kids to Parks Day empowers kids and encourages families to get outdoors and visit America's parks, public lands, and waters; and

WHEREAS, we should encourage children to lead a more active lifestyle to combat issues of childhood obesity, diabetes, hypertension, and hypercholesterolemia; and

WHEREAS, Kids to Parks Day will broaden children's appreciation for nature and the great outdoors; and

NOW, THEREFORE, I, Mayor Brian Johnson, do hereby proclaim Saturday, May 16, 2020, as "Kids to Parks Day" in the City of Kennedale, which would normally be celebrated by KIDFISH and Bark in the Park at Sonora Park. However, these events cannot be held at this time due to public health concerns surrounding COVID-19. I would urge staff to attempt to reschedule this event later in the year; and would urge residents to make time on this date to take the children in their lives outside to play – whether in your own backyard or a neighborhood, state, or national park, so long as social distancing measures are strictly followed.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and caused the Seal of the City of Kennedale, Texas, to be affixed this 21st day of April 2020.

MAYOR BRIAN JOHNSON

ATTEST: CITY SECRETARY LESLIE E. GALLOWAY

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM IV.D.3.

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

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM IV.D.4.

SUBJECT
Financial Reports for the City

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
Please see the attached financial reports for the City (for the months ending 02/28/2020 and 03/31/2020). Director of Finance and Information Technology Lakeita Sutton will discuss highlights, if any, and be available to answer questions from the Council.

RECOMMENDATION

ATTACHMENTS

1.	February City Financials	February City Financials.pdf
2.	March City Financials	March City Financials.pdf

Revenues and Expenditures — Budget and Actual Summary

FOR THE MONTH ENDED FEBRUARY 29, 2020

GENERAL FUND REVENUES		
Budget	Actual	Actual Budget %
$ 6,919,577	$ 5,048,698	73.0%

GENERAL FUND EXPENDITURES		
Budget	Actual	Actual Budget %
$ 7,782,522	$ 3,127,797	40.2%

STREETS FUND REVENUES		
Budget	Actual	Actual Budget %
$ 838,926	$ 303,002	36.1%

STREETS FUND EXPENDITURES		
Budget	Actual	Actual Budget %
$ 1,052,153	$ 327,788	31.2%

WATER/SEWER FUND REVENUES		
Budget	Actual	Actual Budget %
$ 4,028,331	$ 1,666,449	41.4%

WATER/SEWER FUND EXPENDITURES		
Budget	Actual	Actual Budget %
$ 4,350,939	$ 2,223,612	51.1%

STORMWATER FUND REVENUES		
Budget	Actual	Actual Budget %
$ 300,900	$ 104,064	34.6%

STORMWAER FUND EXPENDITURES		
Budget	Actual	Actual Budget %
$ 585,316	$ 59,556	10.2%

GENERAL FUND: REVENUES AND EXPENDITURES — BUDGET AND ACTUAL
FY 2019–20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED FEBRUARY 29, 2020

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
REVENUES	Adopted Budget	Amended Budget	Feb-20	Feb-20	% Budget	Dec-19	% Budget	Original Budget	Amended Budget	M-T-D Feb-19	Y-T-D Feb-19	Y-T-D % Budget
Property Taxes	$ 4,210,532		$ 294,557	$ 4,043,420	96.0%	$ 1,754,388	41.7%	$ 3,832,433	$ 3,832,433	$ 311,927	$ 3,617,766	94.4%
Sales / Beverage Tax	1,402,458		216,187	471,646	33.6%	$ 584,358	41.7%	1,275,794	1,275,794	157,109	578,854	45.4%
Grants / Contributions	85,100		-	22,653	26.6%	$ 35,458	41.7%	76,327	76,327	(10,355)	392	0.5%
Licenses / Permits	175,070		8,271	123,589	70.6%	$ 72,946	41.7%	225,370	225,370	6,126	63,206	28.0%
Fines / Fees	179,700		12,776	53,057	29.5%	$ 74,875	41.7%	179,700	179,700	13,306	70,019	39.0%
Charge for Services	181,225		14,193	78,872	43.5%	$ 75,510	41.7%	190,950	190,950	12,569	77,851	40.8%
Investment Earnings	24,017		4,673	16,099	67.0%	$ 10,007	41.7%	10,000	10,000	6,476	27,344	273.4%
Miscellaneous Income	5,500		502	1,938	35.2%	$ 2,292	41.7%	106,070	106,070	28,456	36,221	34.1%
Intergovernmental	652,475		45,664	236,411	36.2%	$ 271,865	41.7%	604,715	614,960	171,052	216,097	35.7%
Surplus / Sales Rentals	3,500		-	1,013	28.9%	$ 1,458	41.7%	3,400	3,400	1,050	2,885	84.9%
Total Revenues	$ 6,919,577	$ -	$ 596,823	$ 5,048,698	73.0%	$ 2,883,157	41.7%	$ 6,504,759	$ 6,515,004	$ 697,716	$ 4,690,635	72.0%
EXPENDITURES												
City Manager	$ 323,076		$ 26,568	$ 133,076	41.2%	$ 134,615	41.7%	$ 365,464	$ 365,464	$ 38,308	$ 139,274	38.1%
Mayor and City Council	186,444		14,344	58,174	31.2%	$ 77,685	41.7%	127,323	177,323	19,468	72,587	40.9%
City Secretary	179,811		11,934	61,031	33.9%	$ 74,921	41.7%	164,073	164,073	22,190	70,500	43.0%
Municipal Court	112,701		9,347	47,134	41.8%	$ 46,959	41.7%	108,147	108,148	6,638	37,895	35.0%
Human Resources	132,128		8,614	46,627	35.3%	$ 55,053	41.7%	104,908	104,909	6,963	32,485	31.0%
Finance	393,017		52,472	177,809	45.2%	$ 163,757	41.7%	358,365	358,365	46,274	109,281	30.5%
Police	2,563,035		223,877	1,114,156	43.5%	$ 1,067,931	41.7%	2,531,118	2,604,764	228,240	908,360	34.9%
Police SRO	156,513		14,125	72,888	46.6%	$ 65,214	41.7%	155,077	155,077	13,543	59,169	38.2%
Fire	2,386,910		150,911	824,270	34.5%	$ 994,546	41.7%	1,902,500	1,907,680	131,883	585,643	30.7%
Community Development	465,735		29,919	188,630	40.5%	$ 194,056	41.7%	371,589	371,590	33,998	140,380	37.8%
Senior Citizen Center	63,376		6,312	22,234	35.1%	$ 26,407	41.7%	54,528	54,528	4,680	17,938	32.9%
Library	305,042		23,990	109,635	35.9%	$ 127,101	41.7%	268,261	268,259	29,478	141,737	52.8%
Non-Departmental	514,734		30,369	272,133	52.9%	$ 214,473	41.7%	511,749	511,749	35,486	246,699	48.2%
Total Expenditures	$ 7,782,522	$ -	$ 602,782	$ 3,127,797	40.2%	$ 3,242,718	41.7%	$ 7,023,102	$ 7,151,929	$ 617,149	$ 2,561,948	35.8%
Total Revenues Over (Under) Exp	$ (862,944)	$ -	$ (5,959)	$ 1,920,901		$ (359,560)		$ (518,342)	$ (636,925)	$ 80,567	$ 2,128,687	
Other Financing Sources (Uses):												
Non-cash Transactions:												
Capital lease proceeds	-		-			-		-	-	-	-	
Capital expenditures	-		-	-		-		-	-	-	-	
Transfers In (Out):	-								-		-	
Net Change in Fund Balance	$ (862,944)	$ -		$ 1,920,901				$ (518,342)	$ (636,925)			
Total Unassigned Fund Balance - BOY	1,480,503	-		1,480,503					1,746,714			
Ending Fund Balance Sept. 30	$ 617,559	$ -		$ 3,401,404					$ 1,109,789			
Less: Commitments for Specific Use	-	-		-								
Less: Assigned for Specific Use	-	-		-				-				
Ending Fund Balance - Unassigned	$ 617,559	$ -		$ 3,401,404					$ 1,109,789			
AVERAGE DAILY EXPENDITURES	21,322	-		8,569					19,594			
NUMBER OF DAYS IN RESERVE	29			397					57			
FUND BALANCE AS % OF EXPENDITURES	7.94%			108.75%					15.52%			

STREETS FUND: REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED FEBRUARY 29, 2020

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
REVENUES	Original Budget	Amended Budget	Feb-20	Feb-20	% Budget	Feb-20	% Budget	Original Budget	Amended Budget	M-T-D Feb-19	Y-T-D Feb-19	Y-T-D % Budget
Frachise Fees Telephone	$ 36,622		$ 7,660	$ 8,657	23.6%	$ 15,259	41.7%	$ 40,000	$ 40,000	$ (18,379)	$ 9,750	24%
Frachise Fees Garbage	69,300		4,541	26,245	37.9%	$ 28,875	41.7%	70,000	70,000	(23,619)	20,929	30%
Franchise Fees Gas	65,120		58,348	58,348		$ 27,133	41.7%	53,000	53,000	65,778	65,778	124%
Franchise Fees Electricity	315,583		-	78,898	25.0%	$ 131,493	41.7%	295,000	295,000	-	76,211	26%
Franchise Fees Cable	54,450		8,774	16,642		$ 22,688	41.7%	50,000	50,000	8,673	16,410	33%
Franchise Fees Water Sew	267,106		22,258	111,295	41.7%	$ 111,294	41.7%	189,869	189,869	-	-	0%
Investment Income	7,000		432	2,357	33.7%	$ 2,917	41.7%	2,000	2,000	739	3,024	151%
TexDot Connecting Kennedale											41,555	
Misc. Income										-	10	
Admin Charge – Stormwater	19,995					$ 8,331	41.7%	19,995	19,995			0%
Park Pavilion Rental	3,700		180	560	15.1%	$ 1,542	41.7%	4,500	4,500	90	105	2%
Ballfield Rental	50					$ 21	41.7%	350	350	50	50	14%
Sale of Parts/Assets												
Transfer In Park Dedication								35,000	35,000			0%
Transfer In TIF Fund												
Transfer In Donation Fund												
Total Revenues	$ 838,926	$ -	$ 102,193	$ 303,002	36.1%	$ 349,553	41.7%	$ 759,714	$ 759,714	$ 33,332	$ 233,822	31%
EXPENDITURES												
Street Maintenance	$ 850,176		$ 69,731	$ 299,643	35.2%	$ 354,240	41.7%	$ 740,910	$ 740,910	$ 60,346	$ 221,914	30%
Park Maintenance	122,920		8,584	28,145	22.9%	$ 51,217	41.7%	125,920	125,920	8,216	30,678	24%
Capital Projects	79,057		-	-	0.0%	$ 32,940	41.7%	79,058	79,058	-	-	0%
Total Expenditures	$ 1,052,153	$ -	$ 78,315	$ 327,788	31.2%	$ 438,397	41.7%	$ 945,888	$ 945,888	$ 68,562	$ 252,592	27%
Total Revenues Over (Under) Exp	$ (213,227)	$ -	$ 23,878	$ (24,786)		$ (88,845)		$ (186,174)	$ (186,174)	$ (35,230)	$ (18,770)	
Other Funding Sources (Uses):												
Non-cash transactions:												
Capital lease proceeds	-											
Capital expenditures	-											
Transfers In (Out):												
Debt Service Payments	-											
Net Change in Fund Balance	$ (213,227)	$ -		$ (24,786)				$ (186,174)	$ (186,174)			
Total Unassigned Fund Balance - BOY	345,652			345,652					436,091			
Ending Fund Balance Sept. 30	$ 132,425	$ -		$ 320,866					$ 249,917			
Less: Commitments for Specific Use				-								-
Less: Assigned for Specific Use				-								-
Ending Fund Balance - Unassigned	$ 132,425	$ -		$ 320,866					$ 249,917			
AVERAGE DAILY EXPENDITURES	$ 2,520	$ -		19					1,907			
NUMBER OF DAYS IN RESERVE	53			16,919					131			
FUND BALANCE AS % OF EXPENDITURES	12.6%			97.9%					26.4%			

WATER & SEWER FUND: REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED FEBRUARY 29, 2020

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
REVENUES	Original Budget	Amended Budget	Feb-20	Feb-20	% Budget	Feb-20	% Budget	Original Budget	Amended Budget	M-T-D Feb-19	Y-T-D Feb-19	Y-T-D % Budget
Water Service	$ 1,941,782		$ 153,997	$ 812,870	41.9%	$ 809,076	41.7%	$ 2,179,284	$ 2,179,284	$ 140,316	$ 762,252	35.0%
Sewer Service	1,669,203		140,109	690,282	41.4%	$ 695,501	41.7%	1,451,092	1,451,092	136,012	694,822	47.9%
Sewer Surcharge	11,978		-	1,990	16.6%	$ 4,991	41.7%	9,600	9,600	920	5,225	54.4%
Penalties	50,873		-	9,729	19.1%	$ 21,197	41.7%	66,000	66,000	3,781	21,548	32.6%
Administrative Fees	15,150		-	2,680	17.7%	$ 6,313	41.7%	15,000	15,000	1,720	7,040	46.9%
Water Tap Fees	5,050		-	1,575	31.2%	$ 2,104	41.7%	10,000	10,000	-	-	0.0%
Meter Purchase / Install	11,933		-	546	4.6%	$ 4,972	41.7%	20,000	20,000	-	5,038	25.2%
Sewer Tap Fees	5,050		-	875	17.3%	$ 2,104	41.7%	10,000	10,000	-	-	0.0%
Engineer Review Fees	6,924		-	2,500	36.1%	$ 2,885	41.7%	5,000	5,000	200	2,700	54.0%
Sanitation Billing Fees	16,798		-	4,887	29.1%	$ 6,999	41.7%	14,400	14,400	1,613	4,828	33.5%
Other Fees Water/Sewer	10,423		-	1,445	13.9%	$ 4,343	41.7%	8,400	8,400	735	4,535	54.0%
Sales Tax	101		11	57	56.4%	$ 42	41.7%	100	100	-	33	33.0%
Arlington Operator Cost			-	125,072								
Investment Income	37,814		1,755	11,894	31.5%	$ 15,756	41.7%	1,000	1,000	3,686	14,146	1414.6%
Miscellaneous Income	31,718		131	$ 47	0.1%	$ 13,216	41.7%	7,500	7,500	(89)	32,713	436.2%
Cash Over/Under	-							-	-	1	1	
Sale of Parts/Assets	1,010					$ 421	41.7%	1,000	1,000	-	212	21.2%
Transfer In - Water Impact Fund	152,524					$ 63,552	41.7%	152,525	152,525			
Transfer In - Sewer Impact Fund	60,000					$ 25,000	41.7%	60,000	60,000			
Total Revenues	**$ 4,028,331**	**$ -**	**$ 296,003**	**$1,666,449**	**41.4%**	**$1,678,471**	**41.7%**	**$ 4,010,901**	**$ 4,010,901**	**$ 288,895**	**$1,555,093**	**38.8%**
EXPENDITURES												
Utility Billing	$ 1,518,390		$ 273,664	$ 758,509	50.0%	$ 632,663	41.7%	$ 1,293,973	$ 1,293,973	$ 162,100	$ 428,891	33.1%
Operations	1,385,155		117,479	755,937	54.6%	$ 577,148	41.7%	1,576,197	1,576,197	89,363	$ 340,141	21.6%
Debt Service	354,505		320,706	320,706		$ 147,710	41.7%	509,680	509,680	317,386	$ 470,199	92.3%
Capital Projects	415,000		-	103,042	24.8%	$ 172,917	41.7%	654,796	654,796	39,500	$ 39,500	6.0%
Non-Departmental	677,889		54,947	285,418	42.1%	$ 282,454	41.7%	624,875	624,875	150,711	$ 203,107	32.5%
Total Expenditures	**$ 4,350,939**	**$ -**	**$ 766,796**	**$2,223,612**	**51.1%**	**$1,812,891**	**41.7%**	**$ 4,659,521**	**$ 4,659,521**	**$ 759,060**	**$1,481,838**	**31.8%**
Total Revenues Over (Under) Exp	**$ (322,608)**	**$ -**	**$ (470,793)**	**$ (557,163)**		**$ (134,420)**		**$ (648,620)**	**$ (648,620)**	**$ (470,165)**	**$ 73,255**	
Other Funding Sources (Uses):												
Debt service - bond payments												
Non-cash transactions:												
Capital lease proceeds												
Capital expenditures												
Net Change in Fund Balance	**$ (322,608)**	**$ -**		**$ (557,163)**				**$ (648,620)**	**$ (648,620)**			
Total Unrestricted Fund Balance - BC	1,682,545			1,682,545					1,990,605			
Total Fund Balance - EOY	**$ 1,359,937**	**$ -**		**$1,125,382**		**$ -**			**$ 1,341,985**			
Less: Commitments for Specific Use				-		-						
Less: Assigned for Specific Use				-		-		-				
Ending Fund Balance - Unrestricted	**$ 1,359,937**	**$ -**		**$1,125,382**		**$ -**			**$ 1,341,985**			
AVERAGE DAILY EXPENDITURES	**884**			**1,526**					**1,777**			
NUMBER OF DAYS IN RESERVE	**1,539**			**737**					**755**			
FUND BALANCE AS A % OF EXPENDIT	**31%**			**51%**					**29%**			

STORMWATER FUND: REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED FEBRUARY 29, 2020

41.7%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			FY PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
REVENUES	Original Budget	Amended Budget	Feb-20	Feb-20	% Budget	Dec-19	% Budget	Original Budget	Final Budget	M-T-D Feb-19	Y-T-D Feb-19	Y-T-D % Budget
Penalties	$ 3,200		$ -	$ 401	12.5%	$ 1,333	41.7%	$ 2,500	$ 2,500	$ 711	$ 1,779	71.2%
Grant Revenue	-							-	-			
Drainage Fees	297,200		19,480	103,222	34.7%	$ 123,833	41.7%	252,000	252,000	21,872	109,727	43.5%
Investment Income	500		100	441	88.2%	$ 208	41.7%	450	450	43	246	54.7%
Miscellaneous Income	-							-	-			
Total Revenues	**$ 300,900**	**$ -**	**$ 19,580**	**$ 104,064**	**34.6%**	**$ 125,375**	**41.7%**	**$ 254,950**	**$ 254,950**	**$ 22,626**	**$ 111,752**	**43.8%**
EXPENDITURES												
Stormwater Utility	585,316		$ 37,383	$ 59,556	10.2%	$ 243,882	41.7%	$ 139,764	$ 139,764	$ 50,669	$ 73,147	52.3%
Total Expenditures	**$ 585,316**	**$ -**	**$ 37,383**	**$ 59,556**	**10.2%**	**$ 243,882**	**41.7%**	**$ 139,764**	**$ 139,764**	**$ 50,669**	**$ 73,147**	**52.3%**
Total Revenues Over (Under) Exp	**$ (284,416)**	**$ -**	**$ (17,803)**	**$ 44,508**		**$ (118,507)**		**$ 115,186**	**$ 115,186**	**$ (28,043)**	**$ 38,605**	
Other Financing Sources (Uses):												
Capital grant contributions	-	-	-	-				-	-	-	-	
Net Change in Fund Balance	**$ (284,416)**	**$ -**		**$ 44,508**				**$ 115,186**	**$ 115,186**			
Total Unrestricted Fund Balance - BOY	1,221,677			1,224,677					$ 1,159,638			
Total Fund Balance - EOY	**$ 937,261**	**$ -**		**$ 1,269,185**					**$ 1,274,824**			
Less: Commitments for Specific Use	-	-		-		-		-	-			
Ending Fund Balance - Unrestricted	**$ 937,261**	**$ -**		**$ 1,269,185**				**$ -**	**$ 1,274,824**			

OTHER FUNDS: REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
FOR THE MONTH ENDED FEBRUARY 29, 2020

41.7%

FUND	FUND NAME	BUDGET Revenues	BUDGET Expenditures	BUDGET Change in Fund Balances	BUDGET Fund Balance Beginning of Year	BUDGET Fund Balance End of Year	Y-T-D ACTUAL Revenues	% Budget	Expenditures	% Budget	Change in Fund Balances	% Budget	Fund Balance Beginning of Year	Y-T-D Fund Balance Projection
	DEBT SERVICE FUND													
2	Debt Service Fund	$ 1,750,253	$ 1,487,977	$ 262,276	$ 309,119	$ 571,395	$ 1,418,282	81%	$ 1,376,741	93%	$ 41,541	15.8%	$ 309,119	$ 350,660
	OTHER GENERAL FUNDS													
5	Capital Replacement Fund	$ 185,732	$ 185,732	$ -	$ 236,826	$ 236,826	$ 3,281	2%	$ 79,717	43%	$ (76,436)	0.0%	$ 236,826	$ 160,390
12	Court Security Fund	3,000	-	$ 3,000	20,614	23,614	1,332	44%	-	0%	$ 1,332	44.4%	$ 20,614	21,946
16	Court Technology Fund	3,920	875	$ 3,045	9,796	12,841	1,529	39%	-	0%	$ 1,529	50.2%	$ 9,796	11,325
18	Juvenile Case Manager Fund	5,650	13,873	(8,223)	6,079	(2,144)	1,846	33%	1,213	0%	$ 633	-7.7%	$ 6,079	6,712
21	TIF 1 (New Hope Rd) Fund	146,648	-	146,648	(656,862)	(510,214)	957	1%	-	0%	$ 957	0.7%	$ (656,862)	(655,905)
34	Leose Fund	1,767	1,650	117	1,895	2,012	1,754	99%	-		$ 1,754	1499.1%	$ 1,895	3,649
83	Tree Reforestation Fund	500	500	-	70,425	70,425	460	92%	-	43%	$ 460	0.0%	$ 70,425	70,885
		$ 347,217	$ 202,630	$ 144,587	$ (311,227)	$ (166,640)	$ 11,159		$ 80,930		$ (69,771)		$ (311,227)	$ (380,998)
	CAPITAL FUNDS													
4	Capital Projects Fund	$ 70,250	$ 104,768	$ (34,518)	$ (24,182)	$ (58,700)	$ 28,014	40%	$ -	0%	$ 28,014	-81.2%	$ (24,182)	$ 3,832
13	Capital Bond Fund	-	735,000	(735,000)	2,617,419	1,882,419	16,717		152,534	21%	$ (135,817)	18.5%	########	########
14	Park Dedication Fund	800	30,170	(29,370)	96,825	67,455	17,391	2174%	-	0%	$ 17,391	-59.2%	$ 96,825	$ 114,216
32	Library Building Fund	2,270	2,000	270	(4,035)	(3,765)	934	41%	-	0%	$ 934	345.9%	$ (4,035)	$ (3,101)
45	Roadway Impact Fee Fund	27,535	10,000	17,535	573,275	590,810	4,502	16%	-	0%	$ 4,502	25.7%	$ 573,275	$ 577,777
61	Water Impact Fee Fund	35,146	152,525	(117,379)	12,325	(105,054)	1,585	0	-	-	1,585	(0)	12,325	13,910
62	Sewer Impact Fee Fund	17,201	60,000	(42,799)	77,190	34,391	1,602	0	-	-	1,602	(0)	77,190	78,792
		$ 153,202	$ 1,094,463	$ (941,261)	$ 3,348,817	$ 2,407,556	$ 44,731		$ 152,534		$ (107,803)		########	########
	EDC 4B FUNDS													
15	EDC 4B Fund	$ 700,728	$ 572,598	$ 128,130	$ 306,146	$ 434,276	$ 257,945	37%	$ 181,507	32%	$ 76,438	59.7%	$ 306,146	$ 382,584
		$ 700,728	$ 572,598	$ 128,130	$ 306,146	$ 434,276	$ 257,945		$ 181,507		$ 76,438		$ 306,146	$ 382,584

Revenues & Expenditures - Budget & Actual Summary

FOR THE MONTH ENDED MARCH 31, 2020

GENERAL FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 6,919,577		$ 5,377,788	77.7%

GENERAL FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 7,782,522		$ 3,608,135	46.4%

STREETS FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 838,926		$ 401,406	47.8%

STREETS FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 1,052,153		$ 390,441	37.1%

WATER/SEWER FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 4,028,331		$ 1,827,176	45.4%

WATER/SEWER FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 4,350,939		$ 2,408,057	55.3%

STORMWATER FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
$ 300,900		$ 104,139	34.6%

STORMWAER FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
$ 585,316		$ 52,741	9.0%

GENERAL FUND
FOR THE MONTH ENDED MARCH 31, 2020
FY 2019-20 WITH PRIOR YEAR COMPARISON

50.0%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
Revenues:	Adopted Budget	Amended Budget	Mar-20	Mar-20	% Budget	Dec-19	% Budget	Original Budget	Amended Budget	M-T-D Mar-19	Y-T-D Mar-19	Y-T-D % Budget
Property Taxes	$ 4,210,532		$ 113,148	$ 4,156,569	98.7%	$ 2,105,266	50.0%	$ 3,832,433	$ 3,832,433	$ 45,873	$ 3,663,639	95.6%
Sales / Beverage Tax	1,402,458		135,655	607,302	43.3%	$ 701,229	50.0%	1,275,794	1,275,794	116,590	695,444	54.5%
Grants / Contributions	85,100		-	22,654	26.6%	$ 42,550	50.0%	76,327	76,327	10,430	10,821	14.2%
Licenses / Permits	175,070		8,552	132,143	75.5%	$ 87,535	50.0%	225,370	225,370	4,635	67,842	30.1%
Fines / Fees	179,700		9,909	62,967	35.0%	$ 89,850	50.0%	179,700	179,700	19,856	89,875	50.0%
Charge for Services	181,225		17,884	96,716	53.4%	$ 90,613	50.0%	190,950	190,950	11,960	89,811	47.0%
Investment Earnings	24,017		3,016	19,115	79.6%	$ 12,009	50.0%	10,000	10,000	7,054	34,397	344.0%
Miscellaneous Income	5,500		360	2,298	41.8%	$ 2,750	50.0%	106,070	106,070	1,098	37,318	35.2%
Intergovernmental	652,475		40,599	277,011	42.5%	$ 326,238	50.0%	604,715	614,960	58,803	274,899	45.5%
Surplus / Sales Rentals	3,500		-	1,013	28.9%	$ 1,750	50.0%	3,400	3,400	800	3,685	108.4%
Total Revenues	$ 6,919,577	$ -	$ 329,123	$ 5,377,788	77.7%	$ 3,459,789	50.0%	$ 6,504,759	$ 6,515,004	$ 277,099	$ 4,967,731	76.3%
Expenditures:												
City Manager	$ 323,076		$ 32,697	$ 165,773	51.3%	$ 161,538.00	50.0%	$ 365,464	$ 365,464	$ 40,211	$ 179,486	49.1%
Mayor and City Council	186,444		14,999	73,173	39.2%	$ 93,222.00	50.0%	127,323	177,323	16,890	89,478	50.5%
City Secretary	179,811		9,299	70,330	39.1%	$ 89,905.50	50.0%	164,073	164,073	11,244	81,744	49.8%
Municipal Court	112,701		9,321	56,455	50.1%	$ 56,350.50	50.0%	108,147	108,148	8,606	46,502	43.0%
Human Resources	132,128		8,597	55,224	41.8%	$ 66,064.00	50.0%	104,908	104,909	11,580	44,065	42.0%
Finance	393,017		36,082	213,892	54.4%	$ 196,508.50	50.0%	358,365	358,365	95,509	204,791	57.1%
Police	2,563,035		147,032	1,261,188	49.2%	###########	50.0%	2,531,118	2,604,764	201,385	1,109,745	42.6%
Police SRO	156,513		13,414	86,302	55.1%	$ 78,256.50	50.0%	155,077	155,077	18,228	77,398	49.9%
Fire	2,386,910		142,725	966,995	40.5%	###########	50.0%	1,902,500	1,907,680	235,660	821,304	43.1%
Community Development	465,735		25,011	213,642	45.9%	$ 232,867.50	50.0%	371,589	371,590	37,936	178,315	48.0%
Senior Citizen Center	63,376		1,940	24,173	38.1%	$ 31,688.00	50.0%	54,528	54,528	4,289	22,227	40.8%
Library	305,042		22,018	131,653	43.2%	$ 152,521.00	50.0%	268,261	268,259	27,295	169,031	63.0%
Non-Departmental	514,734		17,202	289,335	56.2%	$ 257,367.00	50.0%	511,749	511,749	721	247,420	48.3%
Total Expenditures	$ 7,782,522	$ -	$ 480,337	$ 3,608,135	46.4%	$ 3,891,261	50.0%	$ 7,023,102	$ 7,151,929	$ 709,554	$ 3,271,506	45.7%
Total Revenues Over (Under) Exp	$ (862,944)	$ -	$ (151,214)	$ 1,769,653		$ (431,473)		$ (518,342)	$ (636,925)	$ (432,455)	$ 1,696,225	
Other Financing Sources (Uses):												
	-	-	-	-		-		-	-	-	-	
Non-cash Transactions:												
Capital lease proceeds	-		-			-		-	-	-	-	
Capital expenditures	-		-	-		-		-	-	-	-	
Transfers In (Out):	-								-		-	
	-							-		-	-	
Net Change in Fund Balance	$ (862,944)	$ -		$ 1,769,653				$ (518,342)	$ (636,925)			
Total Unassigned Fund Balance - BOY	1,480,503	-		1,480,503					1,746,714			
Ending Fund Balance Sept. 30	$ 617,559	$ -		$ 3,250,156					$ 1,109,789			
Less: Commitments for Specific Use	-	-		-								
Less: Assigned for Specific Use	-	-		-				-				
Ending Fund Balance - Unassigned	$ 617,559	$ -		$ 3,250,156					$ 1,109,789			
AVERAGE DAILY EXPENDITURES	21,322	-		9,885					19,594			
NUMBER OF DAYS IN RESERVE	29			329					57			
FUND BALANCE AS A % OF EXPENDITURES	7.94%			90.08%					15.52%			

STREETS FUND
FOR THE MONTH ENDED MARCH 31, 2020
FY 2019-20 WITH PRIOR YEAR COMPARISON

50.0%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
Revenues:	Original Budget	Amended Budget	Mar-20	Mar-20	% Budget	Mar-20	% Budget	Original Budget	Amended Budget	M-T-D Mar-19	Y-T-D Mar-19	Y-T-D % Budget
Frachise Fees Telephone	$ 36,622		$ -	$ 8,657	23.6%	$ 18,311.00	50.0%	$ 40,000	$ 40,000	$ 248	$ 9,999	25%
Frachise Fees Garbage	69,300		4,886	31,132	44.9%	$ 34,650.00	50.0%	70,000	70,000	7,018	27,947	40%
Franchise Fees Gas	65,120		-	58,348		$ 32,560.00	50.0%	53,000	53,000	-	65,778	124%
Franchise Fees Electricity	315,583		70,484	149,382	47.3%	$ 157,791.50	50.0%	295,000	295,000	66,382	142,593	48%
Franchise Fees Cable	54,450		-	16,642		$ 27,225.00	50.0%	50,000	50,000	-	16,410	33%
Franchise Fees Water Sew	267,106		22,258	133,553	50.0%	$ 133,553.00	50.0%	189,869	189,869	-	-	0%
Investment Income	7,000		310	2,667	38.1%	$ 3,500.00	50.0%	2,000	2,000	854	3,878	194%
TexDot Connecting Kennedale											41,555	
Misc. Income			300	300						-	10	
Admin Charge - Strm Water	19,995					$ 9,997.50	50.0%	19,995	19,995			0%
Park Pavilion Rental	3,700		165	725	19.6%	$ 1,850.00	50.0%	4,500	4,500	240	345	8%
Ballfield Rental	50					$ 25.00	50.0%	350	350	-	50	14%
Sale of Parts/Assets												
Transfer In Park Dedication								35,000	35,000			0%
Transfer In TIF Fund												
Transfer In Donation Fund												
Total Revenues	$ 838,926	$ -	$ 98,403	$ 401,406	47.8%	$ 419,463	50.0%	$ 759,714	$ 759,714	$ 74,742	$ 308,565	41%
Expenditures:												
Street Maintenance	$ 850,176		$ 57,153	$ 356,796	42.0%	$ 425,088.00	50.0%	$ 740,910	$ 740,910	$ 69,296	$ 291,211	39%
Park Maintenance	122,920		5,499	33,645	27.4%	$ 61,460.00	50.0%	125,920	125,920	5,314	35,992	29%
Capital Projects	79,057		-		0.0%	$ 39,528.50	50.0%	79,058	79,058	-	-	0%
Total Expenditures	$ 1,052,153	$ -	$ 62,652	$ 390,441	37.1%	$ 526,077	50.0%	$ 945,888	$ 945,888	$ 74,610	$ 327,203	35%
	.											
Total Revenues Over (Under) Exp	$ (213,227)	$ -	$ 35,751	$ 10,965		$ (106,614)		$ (186,174)	$ (186,174)	$ 132	$ (18,638)	
Other Funding Sources (Uses):												
Non-cash transactions:												
Capital lease proceeds	-											
Capital expenditures	-											
Transfers In (Out):												
Debt Service Payments	-											
Net Change in Fund Balance	$ (213,227)	$ -		$ 10,965				$ (186,174)	$ (186,174)			
Total Unassigned Fund Balance - BOY	345,652			345,652					436,091			
Ending Fund Balance Sept. 30	$ 132,425	$ -		$ 356,617					$ 249,917			
Less: Commitments for Specific Use				-								-
Less: Assigned for Specific Use				-								-
Ending Fund Balance - Unassigned	$ 132,425	$ -		$ 356,617					$ 249,917			
AVERAGE DAILY EXPENDITURES	2,520	-		93					1,907			
NUMBER OF DAYS IN RESERVE	53			3,848					131			
FUND BALANCE AS A % OF EXPENDITURE	12.6%			91.3%					26.4%			

WATER & SEWER FUND

FOR THE MONTH ENDED MARCH 31, 2020

FY 2019-20 WITH PRIOR YEAR COMPARISON

50.0%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
Revenues:	Original Budget	Amended Budget	Mar-20	Mar-20	% Budget	Mar-20	% Budget	Original Budget	Amended Budget	M-T-D Mar-19	Y-T-D Mar-19	Y-T-D % Budget
Water Service	$ 1,941,782		$ -	$ 812,870	41.9%	$ 970,891.00	50.0%	$ 2,179,284	$ 2,179,284	$ 143,497	$ 905,749	42%
Sewer Service	1,669,203		-	690,282	41.4%	$ 834,601.50	50.0%	1,451,092	1,451,092	133,005	827,826	57%
Sewer Surcharge	11,978		-	1,990	16.6%	$ 5,989.00	50.0%	9,600	9,600	998	6,223	65%
Penalties	50,873		-	9,729	19.1%	$ 25,436.50	50.0%	66,000	66,000	3,578	25,126	38%
Administrative Fees	15,150		-	2,680	17.7%	$ 7,575.00	50.0%	15,000	15,000	680	7,720	51%
Water Tap Fees	5,050		525	2,100	41.6%	$ 2,525.00	50.0%	10,000	10,000	-	-	0%
Meter Purchase / Install	11,933		1,423	1,969	16.5%	$ 5,966.50	50.0%	20,000	20,000	-	5,038	25%
Sewer Tap Fees	5,050		425	1,300	25.7%	$ 2,525.00	50.0%	10,000	10,000	-	-	0%
Engineer Review Fees	6,924			2,500	36.1%	$ 3,462.00	50.0%	5,000	5,000	443	3,143	63%
Sanitation Billing Fees	16,798		-	4,887	29.1%	$ 8,399.00	50.0%	14,400	14,400	1,169	5,997	42%
Other Fees Water/Sewer	10,423		-	1,445	13.9%	$ 5,211.50	50.0%	8,400	8,400	630	5,165	61%
Sales Tax	101		11	68	67.3%	$ 50.50	50.0%	100	100	11	45	45%
Arlington Operator Cost			50,969	176,042								
Investment Income	37,814		1,085	12,979	34.3%	$ 18,907.00	50.0%	1,000	1,000	3,704	17,851	1785%
Miscellaneous Income	31,718		25	$ 72	0.2%	$ 15,859.00	50.0%	7,500	7,500	-	32,713	436%
Cash Over/Under	-							-	-	1	1	
Sale of Parts/Assets	1,010					$ 505.00	50.0%	1,000	1,000	-	212	21%
Transfer In - Water Impact Fund	152,524		12,710	$ 76,263		$ 76,262.00	50.0%	152,525	152,525			
Transfer In - Sewer Impact Fund	60,000		5,000	$ 30,000		$ 30,000.00	50.0%	60,000	60,000			
Total Revenues	$ 4,028,331	$ -	$ 72,173	$ 1,827,176	45.4%	$ 2,014,166	50.0%	$ 4,010,901	$ 4,010,901	$ 287,716	$ 1,842,809	46%
Expenditures:												
Utility Billing	$ 1,518,390		$ 38,329	$ 796,839	52.5%	$ 759,195.00	50.0%	$ 1,293,973	$ 1,293,973	$ 126,371	$ 555,262	43%
Operations	1,385,155		88,684	844,621	61.0%	$ 692,577.50	50.0%	1,576,197	1,576,197	90,868	$ 431,009	27%
Debt Service	354,505		-	320,706		$ 177,252.50	50.0%	509,680	509,680	-	$ 470,199	92%
Capital Projects	415,000		2,470	105,513	25.4%	$ 207,500.00	50.0%	654,796	654,796	37,330	$ 76,830	12%
Non-Departmental	677,889		54,960	340,378	50.2%	$ 338,944.50	50.0%	624,875	624,875	31,225	$ 234,333	38%
Total Expenditures	$ 4,350,939	$ -	$ 184,443	$ 2,408,057	55.3%	$ 2,175,470	50.0%	$ 4,659,521	$ 4,659,521	$ 285,794	$ 1,767,633	38%
Total Revenues Over (Under) Exp	$ (322,608)	$ -	$ (112,270)	$ (580,881)		$ (161,304)		$ (648,620)	$ (648,620)	$ 1,922	$ 75,176	
Other Funding Sources (Uses):												
Debt service - bond payments												
Non-cash transactions:												
Capital lease proceeds												
Capital expenditures												
Net Change in Fund Balance	$ (322,608)	$ -		$ (580,881)				$ (648,620)	$ (648,620)			
Total Unrestricted Fund Balance - BOY	1,682,545			1,682,545					1,990,605			
Total Fund Balance - EOY	$ 1,359,937	$ -		$ 1,101,664		$ -			$ 1,341,985			
Less: Commitments for Specific Use				-		-						
Less: Assigned for Specific Use				-		-		-				
Ending Fund Balance - Unrestricted	$ 1,359,937	$ -		$ 1,101,664		$ -			$ 1,341,985			
AVERAGE DAILY EXPENDITURES	884			1,591					1,777			
NUMBER OF DAYS IN RESERVE	1,539			692					755			
FUND BALANCE AS A % OF EXPENDITURES	31%			46%					29%			

STORMWATER FUND
FOR THE MONTH ENDED MARCH 31, 2020
FY 2019-20 WITH PRIOR YEAR COMPARISON

50.0%

	CURRENT FISCAL YEAR							PRIOR FISCAL YEAR				
	BUDGET		ACTUAL			FY PROJECTED		BUDGET		FY ACTUAL		
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020		FY 2018-2019		FY 2018-2019		
Revenues:	Original Budget	Amended Budget	Mar-20	Mar-20	% Budget	Dec-19	% Budget	Original Budget	Final Budget	M-T-D Mar-19	Y-T-D Mar-19	Y-T-D % Budget
Penalties	$ 3,200		$ -	$ 401	12.5%	$ 1,600	50.0%	$ 2,500	$ 2,500	$ 222	$ 2,001	80.0%
Grant Revenue	-							-	-			
Drainage Fees	297,200		-	103,222	34.7%	$ 148,600	50.0%	252,000	252,000	22,005	131,731	52.3%
Investment Income	500		74	516	103.2%	$ 250	50.0%	450	450	41	64	14.2%
Miscellaneous Income	-							-	-			
Total Revenues	$ 300,900	$ -	$ 74	$ 104,139	34.6%	$ 150,450	50.0%	$ 254,950	$ 254,950	$ 22,268	$ 133,796	52%
Expenditures:												
Stormwater Utility	585,316		$ 6,814	$ 52,741	9.0%	$ 292,658	50.0%	$ 139,764	$ 139,764	$ -	$ 73,147	52.3%
Total Expenditures	$ 585,316	$ -	$ 6,814	$ 52,741	9.0%	$ 292,658	50.0%	$ 139,764	$ 139,764	$ -	$ 73,147	52%
Total Revenues Over (Under) Exp	$ (284,416)	$ -	$ (6,740)	$ 51,398		$ (142,208)		$ 115,186	$ 115,186	$ 22,268	$ 60,649	
Other Financing Sources (Uses):												
Capital grant contributions	-	-	-	-				-	-	-	-	
Net Change in Fund Balance	$ (284,416)	$ -		$ 51,398				$ 115,186	$ 115,186			
Total Unrestricted Fund Balance - BOY	1,221,677			1,224,677					$ 1,159,638			
Total Fund Balance - EOY	$ 937,261	$ -		$ 1,276,075					$ 1,274,824			
Less: Commitments for Specific Use	-	-		-		-		-	-			
Ending Fund Balance - Unrestricted	$ 937,261	$ -		$ 1,276,075				$ -	$ 1,274,824			

OTHER FUNDS: MONTHLY FINANCIALS
FOR THE MONTH ENDED MARCH 31, 2020

FUND	FUND NAME	BUDGET Revenues	BUDGET Expenditures	BUDGET Change in Fund Balances	BUDGET Fund Balance Beginning of Year	BUDGET Fund Balance End of Year	Y-T-D ACTUAL Revenues	% Budget	Expenditures	% Budget	Change in Fund Balances	% Budget	Fund Balance Beginning of Year	Y-T-D Fund Balance Projection
	DEBT SERVICE FUND													
2	Debt Service Fund	$ 1,750,253	$ 1,487,977	$ 262,276	$ 309,119	$ 571,395	$ 1,457,952	83%	$ 1,373,442	92%	$ 84,510	32.2%	$ 309,119	$ 393,629
	OTHER GENERAL FUNDS													
5	Capital Replacement Fund	$ 185,732	$ 185,732	$ -	$ 236,826	$ 236,826	$ 4,723	3%	$ 95,580	51%	$ (90,857)	0.0%	$ 236,826	$ 145,969
12	Court Security Fund	3,000	-	$ 3,000	20,614	23,614	1,597	53%	-	0%	$ 1,597	53.2%	$ 20,614	22,211
16	Court Technology Fund	3,920	875	$ 3,045	9,796	12,841	1,789	46%	-	0%	$ 1,789	58.8%	$ 9,796	11,585
18	Juvenile Case Manager Fund	5,650	13,873	(8,223)	6,079	(2,144)	2,005	35%	1,213	0%	$ 792	-9.6%	$ 6,079	6,871
21	TIF 1 (New Hope Rd) Fund	146,648	-	146,648	(656,862)	(510,214)	1,078	1%	-	0%	$ 1,078	0.7%	$ (656,862)	(655,784)
34	Leose Fund	1,767	1,650	117	1,895	2,012	1,757	99%	-		$ 1,757	1501.7%	$ 1,895	3,652
83	Tree Reforestation Fund	500	500	-	70,425	70,425	518	104%	-	51%	$ 518	0.0%	$ 70,425	70,943
		$ 347,217	$ 202,630	$ 144,587	$ (311,227)	$ (166,640)	$ 13,467		$ 96,793		$ (83,326)		$ (311,227)	$ (394,553)
	CAPITAL FUNDS													
4	Capital Projects Fund	$ 70,250	$ 104,768	$ (34,518)	$ (24,182)	$ (58,700)	$ 37,317	53%	$ -	0%	$ 37,317	-108.1%	$ (24,182)	$ 13,135
13	Capital Bond Fund	-	735,000	(735,000)	2,617,419	1,882,419	18,716		245,020	33%	$ (226,304)	30.8%	$ 2,617,419	$ 2,391,115
14	Park Dedication Fund	800	30,170	(29,370)	96,825	67,455	17,391	2174%	-	0%	$ 17,391	-59.2%	$ 96,825	$ 114,216
32	Library Building Fund	2,270	2,000	270	(4,035)	(3,765)	973	43%	-	0%	$ 973	360.4%	$ (4,035)	$ (3,062)
45	Roadway Impact Fee Fund	27,535	10,000	17,535	573,275	590,810	6,069	22%	-	0%	$ 6,069	34.6%	$ 573,275	$ 579,344
61	Water Impact Fee Fund	35,146	152,525	(117,379)	12,325	(105,054)	2,252	0	76,262	0	(74,010)	1	12,325	(61,685)
62	Sewer Impact Fee Fund	17,201	60,000	(42,799)	77,190	34,391	1,675	0	30,000	1	(28,325)	1	77,190	48,865
		$ 153,202	$ 1,094,463	$ (941,261)	$ 3,348,817	$ 2,407,556	$ 56,033		$ 245,020		$ (188,987)		$ 2,593,237	$ 2,404,250
	EDC 4B FUNDS													
15	EDC 4B Fund	$ 700,728	$ 572,598	$ 128,130	$ 306,146	$ 434,276	$ 474,571	68%	$ 202,665	35%	$ 271,906	212.2%	$ 306,146	$ 578,052
				-		-		0%	-		$ -		$ -	$ -
		$ 700,728	$ 572,598	$ 128,130	$ 306,146	$ 434,276	$ 474,571		$ 202,665		$ 271,906		$ 306,146	$ 578,052

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: REPORTS AND ANNOUNCEMENTS ITEM IV.D.5.

SUBJECT
Schedule of Investment Activity for quarter ending March 31, 2020

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
In accordance with Public Funds Investment Act (PFIA), investments are reported to the City Council quarterly. The attached report covers the second quarter of FY19–20. Staff will be available to answer questions.

RECOMMENDATION

ATTACHMENTS

1.	MARCH_2020 Investment Report	MARCH_2020 Investment Report_ltr.pdf

CITY OF KENNEDALE, TEXAS
INVESTMENT REPORT
FOR QUARTER ENDING MARCH 31, 2020

The Quarterly Investment Report provides the City's investment portfolio position as of the report period indicated above. Funds are invested in accordance with the City of Kennedale Investment Policy, as originally adopted on September 13, 2001 and most recently reviewed and adopted in June of 2018.

SUMMARY OF INVESTMENTS FOR THE QUARTER

100% of the City of Kennedale's investments are owned by the Pooled Cash Fund. As of the reporting quarter, 93.88% of the City's investments are in investment pools, and 6.12% are invested in money market savings accounts.

INVESTMENT STRATEGIES

The City's main objectives in managing the portfolio are as follows: suitability, preservation & safety of principal, liquidity, marketability, diversification, and yield.

INVESTMENT PORTFOLIO ALLOWABLE BREAKDOWN

Certificates of Deposit (50%), Investment Pools (100%)* , Money Market Mutual Funds (100%)*, Repurchase Agreements (50%)*, Government Obligations (25%), US Treasury & US Agency Callables (25%), US Government Agencies & Instrumentalities (100%), and US Treasury Notes/Bills (100%)

*(no more than 50% in any individual pool, fund, or repurchase agreement)

CASH BREAKDOWN BY FUND						
Fund		**Jan-20**		**Feb-20**		**Mar-20**
01- General Fund	$	3,839,715.31	$	3,782,273.20	$	3,606,335.91
02- Debt Service Fund	$	1,306,970.98	$	364,108.28	$	403,797.57
04- Capital Project Fund	$	20,389.05	$	20,414.06	$	29,716.14
05- Capital Replacement Fund	$	89,164.97	$	74,380.68	$	59,960.28
07- Storm Drainage Utility Fund	$	88,064.25	$	78,880.56	$	104,610.26
10- Water/Sewer Fund	$	1,701,958.14	$	1,329,588.61	$	1,416,890.95
12- Court Security Fund	$	21,836.11	$	22,185.86	$	22,460.64
13-CIP Tax Note	$	2,508,167.29	$	2,495,729.75	$	2,405,243.54
14- Park Dedication Fund	$	84,586.71	$	101,500.74	$	101,583.61
15- Economic Development Fund	$	441,588.94	$	497,340.65	$	675,866.74
16- Court Technology Fund	$	11,185.80	$	11,530.19	$	11,790.46
17- Streets Improvement Fund	$	342,393.23	$	363,144.61	$	395,301.18
18- Juvenile Case Manager Fund	$	6,774.68	$	7,054.05	$	7,233.70
21- TIF #1 New Hope Fund	$	147,327.43	$	147,508.10	$	147,628.52
30- Hotel/Motel Tax Fund			$	5,925.99	$	5,925.99
31- Police Seizure	$	660.55	$	661.36	$	661.90
32- Library Building Fund	$	(3,124.20)	$	(2,994.75)	$	(2,873.75)
34- LEOSE Fund	$	1,905.13	$	3,649.34	$	3,652.32
41- Park Rec/Other Donation Fund	$	18,616.53	$	28,779.23	$	28,802.73
45- Roadway Impact Fee Fund	$	281,887.45	$	282,233.13	$	283,800.41
61- Water Impact Fee Fund	$	15,268.25	$	(48,265.12)	$	(60,308.74)
62- Sewer Impact Fee Fund	$	80,495.16	$	55,593.87	$	50,667.42
83- Tree Reforestation Fund	$	70,796.47	$	70,883.29	$	70,941.16
85- Unclaimed Property Fund	$	1,990.24	$	1,990.24	$	1,990.24
95- EDC Reserve Fund	$	125,267.84	$	125,421.46	$	125,523.85
TOTAL ALL FUNDS	**$**	**11,203,886.31**	**$**	**9,819,517.38**	**$**	**9,897,203.03**

WELLS FARGO ACCOUNTS RECONCILIATION

Bank Account	Dec 31, 2019 GL Balance	December 31, 2019 Ending Bank Balance	Add: January Deposits	Less: January Withdrawals	Add: January Interest	Add: February Deposits	Less: February Withdrawals	Add: February Interest	Add: March Deposits	Less: March Withdrawals	Add: March Interest	March 31, 2019 Ending Bank Balance	Ending GL Balance	Unreconciled Difference
Consolidated Cash	$ 535,459.75	$ 535,459.75	$ 1,145,367.43	$ (1,198,447.33)		$ 2,523,193.23	$ (2,404,809.71)		$ 1,236,933.91	$ (1,233,925.97)		$ 603,771.31	$ 603,771.31	$ -
Payroll Clearing	$ 2,502.77	$ 2,502.77	$ 0.36	$ -	$ 0.36	$ 0.33	$ -	$ 0.33	$ 0.36	$ -	$ 0.36	$ 2,503.82	$ 2,503.82	$ -
Section 125 Flex	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Health Reimbursement	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Health Benefit Trust	$ 17.31	$ 17.31	$ 42,608.80	$ (42,607.42)	$ 1.38	$ 82,298.45	$ (41,147.69)	$ 3.07	$ 39,347.22	$ (80,493.15)	$ 1.76	$ 23.52	$ 23.52	$ -
Economic Development Corp	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL WELLS FARGO ACCOUNTS	**$ 537,979.83**	**$ 537,979.83**										**606,298.65**	**606,298.65**	**-**

TEX STAR INVESTMENTS

Bank Account	Dec 31, 2019 GL Balance	December 31, 2019 Ending Bank Balance	Add: January Deposits	Less: January Withdrawals	Add: January Interest	Add: February Deposits	Less: February Withdrawals	Add: February Interest	Add: March Deposits	Less: March Withdrawals	Add: March Interest	March 31, 2019 Ending Bank Balance	Ending GL Balance	Unreconciled Difference
Consolidated Cash	$ 344,742.41	344,742.41			$ 454.22	$ -	$ -	$ 428.93	$ -	$ -	$ 280.88	$ 345,906.44	$ 345,906.44	$ -
TOTAL TEX STAR ACCOUNTS	**$ 344,742.41**	**$ 344,742.41**										**345,906.44**	**345,906.44**	**-**

TEX POOL INVESTMENTS

Bank Account	Dec 31, 2019 GL Balance	December 31, 2019 Ending Bank Balance	Add: January Deposits	Less: January Withdrawals	Add: January Interest	Add: February Deposits	Less: February Withdrawals	Add: February Interest	Add: March Deposits	Less: March Withdrawals	Add: March Interest	March 31, 2019 Ending Bank Balance	Ending GL Balance	Unreconciled Difference
Consolidated Cash	$ 9,566,165.51	$ 9,566,165.51	$ 1,645,454.57	$ (818,130.08)	$ 13,759.26	$ 889,066.17	$ (2,015,564.90)	$ 12,398.94	$ 338,483.04	$ (585,823.47)	$ 7,776.46	$ 9,053,585.50	$ 9,053,585.50	$ -
TOTAL TEX POOL ACCOUNTS	**$ 9,566,165.51**	**$ 9,566,165.51**										**9,053,585.50**	**9,053,585.50**	**-**

	31-Dec-19	31-Mar-20
TOTAL INVESTMENT POOLS	**$ 9,910,907.92**	**9,399,491.94**

APR %	
Wells Fargo Payroll Clearning	0.04%-0.05%
Wells Fargo Section 125 Flex	0.04%-0.05%

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.1.

SUBJECT
Approval of the minutes from the February 18, 2020 regular meeting

ORIGINATED BY
Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY
Please see the attached minutes for your approval.

RECOMMENDATION

ATTACHMENTS

1.	2020_02.18_Minutes_City Council Regular Meeting	2020_02.18_Minutes_City Council Regular Meeting.pdf

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KENNEDALE CITY COUNCIL MINUTES

REGULAR MEETING | FEBRUARY 18, 2020
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
WORK SESSION AT 5:30 PM | REGULAR SESSION AT 7:00 PM

I. CALL TO ORDER

Mayor Brian Johnson called the Work Session to order at 5:30 p.m.

II. WORK SESSION

A. WORK SESSION REPORTS

1. Receive a presentation, hold a discussion, and provide staff direction regarding domestic violence ordinances

Mayor Johnson introduced Burleson Mayor Ken Shetter, who noted that he was speaking in a dual capacity – both as a neighboring Mayor and as President of One Safe Place – and thanked the City of Kennedale and Kennedale ISD for their partnership with the organization. Also present for this discussion were KISD Superintendent Chad Gee and KISD Board Vice President John Clark. Mayor Shetter offered background, purpose, and observed results of these two ordinances, adopted by the City of Burleson to better serve victims of domestic violence, that were now being offered as model Ordinances to other Cities.

Mayor Shutter stated that the "Child Witness" Ordinance essentially made the commission of unjustified violence in the presence of a child a standalone misdemeanor offense; and that the "Strangulation" Ordinance establishes a protocol of providing emergency medical response on scene by default (without requiring that the victim request it). There was some discussion of statistics, the benefits of such protocols and charges, logistics of implementing these two Ordinances by police officers on a call, additional training required, and how these types of Ordinances fit into the current State political environment.

At 6:28 p.m., Mayor Shetter concluded his presentation, at which time he left the meeting and the Council moved from the floor of the Council Chambers to the dais to continue the Work Session.

2. Receive a presentation, hold a discussion, and provide staff direction regarding game room regulation

Mayor Johnson stated that this item was postponed to allow time to gather more information.

3. Presentation and discussion regarding the 46th Annual Community Development Block Grant (CDBG) Program proposal by the City of Kennedale for rehabilitation of water lines along Third Street

Public Works Director Larry Hoover stated that this project was for waterline improvements in the 400 to 600 blocks of Third Street, which would include abandoning in-place an existing asbestos cement line, removal of a galvanized line, and replacement with a 12" PVC line. There was some discussion of the zoning classifications within the projects limits, future plans for this area, and household income requirements necessary to qualify for CDBG funds. In response to a question from Councilmember Rhodes regarding a parcel noted as being F-1 Commercial but not shown on the map, Hoover stated that he would look into that.

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

There was no discussion at this time.

Mayor Johnson recessed to Executive Session at 6:39 pm.

III. EXECUTIVE SESSION

A. ***PURSUANT TO §551.071** — 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:*

1. Discussion with the City Attorney regarding Destiny/USA Prime Baseball
2. Discussion with the City Attorney regarding salvage yards, including A&A Pickup & Van, Inc., Apache, Abs 1 Auto Parts, and special exception/special use permits

B. ***PURSUANT TO §551.072** — Deliberation regarding the purchase, exchange, lease, or value of real property:*

1. 1001 W Kennedale Pkwy, Fort Worth, TX 76140

C. ***PURSUANT TO §551.087** — (1) Deliberation regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1):*

1. 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)

IV. REGULAR SESSION

Mayor Brian Johnson called the meeting to order at 7:01 p.m.

A. ROLL CALL

PRESENT: Mayor Brian Johnson; Josh Altom, Place 1; Chris Pugh, Place 2; Mayor Pro Tem Sandra Lee, Place 3; Linda Rhodes, Place 4; Chad Wandel, Place 5; **ABSENT:** NONE; ***STAFF:** City Manager George Campbell, City Secretary and Communications Coordinator Leslie E. Galloway, Director of Planning and Economic Development Melissa Dailey, Director of Finance and Information Technology Lakeita Sutton, Director of HR and Administrative Services Danielle Clarke, Library Director Amanda King, Public Works Director Larry Hoover, Fire Chief James Brown, Police Chief Tommy Williams, City Attorney Drew Larkin*

B. INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS

Pastor Greg Adams of Covenant Life Baptist Church offered the invocation.

C. VISITOR AND CITIZEN FORUM

- **John Hivale**, *418 Coker Valley Drive*, spoke about his concerns regarding the process of notifying residents of meetings, zoning requests, or hearings; and the importance of retail development with the growing population.

In response, Mayor Johnson stated that zoning cases required that the City send letters to all property owners within 200 feet of the property line. City Manager George Campbell noted that the Star-Telegram was the City's official newspaper and that staff watched closely to ensure notices appeared as required.

- **Sara Johnson,** *700 Crestview Drive*, thanked the Fire Department for their recent response to an event at her church, expressed concerns about the 9-1-1 dispatch, and (on behalf of Patricia Tarkington and Linda Neal of the Kennedale Senior Center) thanked the City Councilmembers who supported the baked potato fundraiser.
- **Cheryl Wallingford***, 332 S New Hope Road,* spoke regarding several concerns about the Kennedale Seniors development, specifically lighting and wildlife.
- **Richard Weber***, 2703 Crestmoor Court, Arlington,* requested that staff research the financial records of EDC land sales related to 1083 Bowman Springs Road (location of Spirals Gymnastics).

At the request of Mayor Johnson, City Manager George Campbell offered an update regarding Mr. Weber's previous request for research regarding the posting of an October 3, 2018 Planning & Zoning Commission (P&Z) agenda, noting that there had possibly been error regarding the posting of the agenda, specifically online; and that staff was now taking steps to ensure that it did not occur again, including the addition of the posting time and date to agenda certifications. He added that the only item on the agenda in question was a preliminary plat, which it was his understanding that, had the P&Z not met, the plat would have been approved by procedure of law 30 days after being filed (assuming it met the subdivision requirements); and therefore no corrective action would have been necessary, even if there was an error in the meeting posting.

D. <u>REPORTS AND ANNOUNCEMENTS</u>

1. Updates from the City Council

   - **CHAD WANDEL, Place 5**, thanked Mike's Taqueria in Arlington for allowing use of their kitchen for the Senior Center baked potato fundraiser.
   - **LINDA RHODES, Place 4**, thanked Director of HR and Administrative Services Danielle Clarke and staff for their work on the Employee Banquet; announced that she attended the FUMC Quarter Auction benefitting the Boy Scouts and that the February auction would benefit Kennedale Community Theatre in the Park, noting that Laurie Sanders could offer further details.
   - **MAYOR PRO TEM SANDRA LEE, Place 3**, thanked Sara Johnson and Thelma Kobeck for their work via Senior Outreach – Kennedale, noting that she had attended their meeting the previous evening; and announced that she also attended the monthly birthday party at the Senior Center and thanked staff for the new interior paint.
   - **CHRIS PUGH, Place 2**, thanked Director of HR and Administrative Services Danielle Clarke and staff for their work on the Employee Banquet, announced that the FUMC Community Dinner was every Thursday at 6:30 p.m. in Dover Hall, noting that he and his wife Alayne would be cooking red beans and rice this week.
   - **JOSH ALTOM, Place 1,** congratulated the candidates who filed for the May election; and announced that he had spoken with several citizens regarding 9-1-1 dispatch concerns; and that he was unable to attend the upcoming Census meeting, but watched the NLC webinar regarding the topic.

2. Updates from the Mayor

Mayor Johnson announced that he would be serving as Chair of the CDBG Grant Committee meeting and attending the Tarrant County 9-1-1 District Board meeting; that he was appointed as the Mayor's Council Chair for the Legislative and Transportation Committee for the coming year; that he would be on Fort Worth Mayor Betsy Price's Cowtown Marathon relay team; that he would be in the Kennedale Community Theatre in the Park's Production of "Bye, Bye Birdie" in April; that he would be hosting a Facebook Live Q&A with Councilmember Pugh at 7:30 p.m. the next day; and that staff was coordinating a date when NCTCOG Transportation Director Michael Morris could speak regarding complete street design on Kennedale Parkway, the redesign and upcoming reconstruction of the 287/I-20/Loop 820 interchange (the "Southeast Connector"), and Safe Routes to School (SRTS).

Mayor Johnson read a Proclamation in support of the 2020 Census.

3. Updates from the City Manager

There was no discussion at this time.

4. Financial Reports for the City and the EDC

There was no discussion at this time.

5. Fire Department Badge Pinning Ceremony

Fire Chief James Brown introduced Kinsmon Lancaster, noting that during his probationary period he promoted to Driver Engineer.

Mayor Johnson and Councilmember Altom then swore him in.

E. <u>CONSENT AGENDA</u>

1. Approval of the minutes from the January 21, 2020 regular meeting

Motion Approve. **Action** Approve the Consent Agenda, **Moved By** Wandel, **Seconded By** Rhodes. **Motion passed unanimously**.

F. <u>ITEMS FOR INDIVIDUAL CONSIDERATION</u>

1. Consider adoption of Resolution 566 in support of the Safe Routes to School (SRTS) plan for infrastructure improvements in the Crestdale area around James F. Delaney Elementary and James A. Arthur Intermediate Schools and the 2020 application for SRTS funding

Director of Planning and Economic Development Melissa Dailey stated that staff planned to submit an SRTS application for sidewalks and traffic calming to the North Central Texas Council of Governments (NCTCOG), which would require this resolution of support.

- **Sara Johnson**, *700 Crestview Drive,* stated that the rerouting of Arthur Drive had improved traffic flow on some streets, but had worsened congestion and parking issues on Crestview Drive.

Motion Approve. **Action** Approve Resolution 566 in support of the Safe Routes to School (SRTS) plan for infrastructure improvements in the Crestdale area around James F. Delaney Elementary and James A. Arthur Intermediate Schools and the 2020 application for SRTS funding, **Moved By** Pugh, **Seconded By** Rhodes. **Motion passed unanimously**.

Mayor Johnson noted that these types of projects often took three years to complete.

2. Consider adoption of Resolution 567, approving the sale of 7215 Bloxom Park Road, real property owned by the Economic Development Corporation (EDC)

Director of Planning and Economic Development Melissa Dailey stated that, at the direction of the EDC Board, staff had offered this vacant lot (listed at $85,000 and currently contracted at $82,000) and the vacant lot listed in the next agenda item (currently contracted at the listing price of $75,000) for sale at market rates; and that approval of these related Resolutions by the Council was required to complete the sales.

- **John Hivale**, *418 Coker Valley Drive,* spoke regarding a need for additional places that residents could spend money locally.

Motion Approve. **Action** Approve Resolution 567, approving the sale of 7215 Bloxom Park Road, real property owned by the Economic Development Corporation (EDC), **Moved By** Wandel, **Seconded By** Mayor Pro Tem Lee.

In response to a question from Councilmember Rhodes, Dailey stated that staff was unaware of what plans the purchasers might have for the properties, but that they were each located in an industrial park and zoned Industrial.

Motion passed unanimously.

3. Consider adoption of Resolution 568 approving the sale of 7224 Bloxom Park Road, real property owned by the Economic Development Corporation (EDC)

Director of Planning and Economic Development Melissa Dailey noted that this parcel was priced slightly lower as it was more challenging to develop.

- **John Hivale**, *418 Coker Valley Drive,* spoke regarding a need to generate capital for the City and to offer ways for people to spend their money locally.

Motion Approve. **Action** Approve Resolution 568 approving the sale of 7224 Bloxom Park Road, real property owned by the Economic Development Corporation (EDC), **Moved By** Pugh, **Seconded By** Mayor Pro Tem Lee. **Motion passed unanimously.**

G. PUBLIC HEARINGS

1. **CASE # PZ 20-01** — Conduct a public hearing and consider a request by Azam Shaikh for a replat of approximately 1 acre of land at 800 Shady Bend Drive, legal description of Block 1, Lot 36, Shady Creek East Addition, Kennedale, Tarrant County, Texas

Mayor Johnson noted that this item was a ministerial task if the plat meets all subdivision requirements. Director of Planning and Economic Development Melissa Dailey stated that this lot in Shady Creek East was unique in that it was larger than most neighboring lots and did allow for separate rear access; and that all requirements for replat had been met.

Mayor Johnson opened the public hearing at 7:50 p.m.

- **Azam Shaikh (Owner)**, 800 Shady Bend Drive, stated that he was available to answer any questions.

There was some discussion of setbacks, access via Border Street, and flood mitigation.

Mayor Johnson closed the public hearing at 7:53 p.m.

Motion Approve. **Action** Approve a request by Azam Shaikh for a replat of approximately 1 acre of land at 800 Shady Bend Drive, legal description of Block 1, Lot 36, Shady Creek East Addition, Kennedale, Tarrant County, Texas, **Moved By** Pugh, **Seconded By** Mayor Pro Tem Lee. **Motion passed unanimously.**

Mayor Johnson recessed to Executive Session at 7:54 p.m.

Mayor Johnson reconvened the meeting at 8:27 p.m.

H. TAKE ACTION NECESSARY, PURSUANT TO EXECUTIVE SESSION, IF NEEDED

1. Take any action deemed necessary as a result of the Executive Session

Motion Approve. **Action** Approve authorizing the City Attorney to take action against Apache and ABS 1 Auto Parts, **Moved By** Wandel, **Seconded By** Altom. **Motion passed unanimously.**

V. ADJOURNMENT

Motion Adjourn. **Action** Adjourn, **Moved By** Wandel, **Seconded By** Rhodes. **Motion passed unanimously.**

Mayor Johnson adjourned the meeting at 8:28 p.m.

APPROVED:

BRIAN JOHNSON, MAYOR

ATTEST:

LESLIE E. GALLOWAY, CITY SECRETARY

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.2.

SUBJECT
Approval of the minutes from the March 24, 2020 special meeting via teleconference

ORIGINATED BY
Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY
Please see the attached minutes for your approval.

RECOMMENDATION

ATTACHMENTS

1.	2020_03.24 City Council Special Meeting Minutes DRAFT	2020_03.24 City Council Special Meeting Minutes DRAFT.pdf

KENNEDALE CITY COUNCIL MINUTES

TUESDAY, MARCH 24, 2020 AT 5:00 PM
SPECIAL MEETING VIA TELECONFERENCE

MEMBERS OF THE PUBLIC MAYJOIN
BY DIALING 1-877-568-4106 (TOLL-FREE)
AND USING ACCESS CODE 162-956-797

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:01 p.m., noting that this was the first meeting held by the Kennedale City Council under new rules allowing for public meetings via teleconference, which were proclaimed by Governor Greg Abbott in response to the public health emergency of COVID-19.

Mayor Johnson then announced several ground rules including participating in the call in a quiet location and keeping phones on mute unless actively speaking. He stated that the public was invited to email questions to gcampbell@cityofkennedale.com before the Council voted, if they desired. He asked that the Councilmembers wait to be recognized before offering their comments or questions and to state those as clearly and concisely as possible, noting that he would attempt to repeat a summary of those comments or questions so that they could be heard clearly by the audience and, when it was time for a vote, would ask each Councilmember individually to state 'yea' or 'nay'.

II. REGULAR SESSION

A. ROLL CALL

Present in Council Chambers: Mayor Brian Johnson; **Participating via TeleConference:** Josh Altom, Place 1; Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; Linda Rhodes, Place 4; Chad Wandel, Place 5. **Staff Present in Council Chambers:** City Manager George Campbell and City Secretary and Communications Coordinator Leslie E. Galloway; **Staff Participating via TeleConference:** City Attorney Drew Larkin, Director of HR and Administrative Services Danielle Clarke, Director of Finance and Information Technology Lakeita Sutton, Library Director Amanda King, Director of Planning and Economic Development Melissa Dailey, Public Works Director Larry Hoover, Fire Chief James Brown, and Police Chief Tommy Williams.

Also present in the Council Chambers was Jeff Nevarez, owner of the *Kennedale News*.

B. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider Resolution 570, supporting a grant application for a police firearms simulator system

City Manager George Campbell stated that this was a resolution supporting a grant application by the Police Department to the Criminal Justice Division of the Governor's Office for a fire arm simulator system, noting that staff recommend approval.

In response to questions from Council, Campbell stated that he was not aware of any matching funds that would be required of the City in relation to this grant.

Motion Approve. **Action** Approve Resolution 570, supporting a grant application for a police firearms simulator system, **Moved By** Altom, **Seconded By** Mayor Pro Tem Lee. **Motion passed unanimously.**

2. Consider Resolution 571, postponing the May 2, 2020 General Election, pursuant to authorization granted via a proclamation issued by Governor Greg Abbott on March 18, 2020

City Manager George Campbell stated that this Resolution would postpone the May 2, 2020 Election to November 3, unless the Governor were to provide another alternative date that fell within the window of after May 2, but before November 3. Mayor Johnson stated that some Mayors are advocating for a date earlier than November 3 for various reasons. There was no additional discussion.

Motion Approve. **Action** Approve Resolution 571 (as amended and received by the Council today), postponing the May 2, 2020 General Election, pursuant to authorization granted via a proclamation issued by Governor Greg Abbott on March 18, 2020, **Moved By** Rhodes, **Seconded By** Mayor Pro Tem Lee. **Motion passed unanimously.**

3. Consider Ordinance 695 to renew the Mayor's Local Disaster Declaration in relation to Coronavirus (COVID-19)

City Manager George Campbell stated that Mayor Johnson had first issued a Declaration of Local Public Health Emergency on March 20, following Declarations by both Governor Greg Abbott and by Tarrant County Judge Glen Whitley. He added that the Mayor's Declaration had since been amended twice – first on March 22 and again on the date of this meeting, March 24, 2020, and that this second amendment mirrors the County Judge's Executive Order issued earlier today, and that staff would recommend approval by the Council of this Ordinance, which would serve to extend the local declaration through April 30. Campbell also noted that the declaration was drafted in a way that, if and when the County or State were to issue any further or amended orders or declarations, the City of Kennedale would recognize the restrictions within.

In response to a question from Mayor Johnson, Campbell stated that Cities could be more restrictive than the State or County orders, but could not be more lenient. Mayor Johnson then urged the public to follow the rules set out by this and any future orders.

Motion Approve. **Action** Approve Ordinance 695 to renew the Mayor's Local Disaster Declaration in relation to Coronavirus (COVID-19), **Moved By** Mayor Pro Tem Lee, **Seconded By** Rhodes. **Motion passed unanimously.**

III. ADJOURNMENT

Mayor Johnson stated that he had directed staff to post meetings regularly for Tuesdays, in case they were needed. Campbell added that, under the current circumstances, Council could post an emergency meeting with one hour's notice, if needed.

Motion Adjourn. **Action** Adjourn, **Moved By** Altom, **Seconded By** Pugh. **Motion passed unanimously.**

Mayor Johnson adjourned the meeting at 5:18 p.m.

APPROVED:	**ATTEST:**
______________________________	______________________________
BRIAN JOHNSON, MAYOR	*LESLIE E. GALLOWAY, CITY SECRETARY*

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.3.

SUBJECT
Approval of the minutes from the March 31, 2020 special meeting via teleconference

ORIGINATED BY
Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY
Please see the attached minutes for your approval.

RECOMMENDATION

ATTACHMENTS

1.	2020_03.31 City Council Special Meeting Minutes DRAFT	2020_03.31 City Council Special Meeting Minutes DRAFT.pdf

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KENNEDALE CITY COUNCIL MINUTES

MARCH 31, 2020 AT 5:00 PM
SPECIAL MEETING VIA TELECONFERENCE

MEMBERS OF THE PUBLIC MAY JOIN
BY DIALING 1-866-899-4679 (TOLL-FREE)
AND USING ACCESS CODE 782-137-253

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:00 p.m.

II. WORK SESSION

A. Hold a discussion and provide staff direction regarding the development of a grant program for local small businesses relating to the Coronavirus (COVID-19) pandemic and the City's local disaster declaration

City Manager George Campbell stated that staff sought input and direction from the Council regarding this potential program by which the City might assist small local businesses that had been negatively affected.

There was some discussion of the impacts to local businesses, potential eligibility requirements and/or performance agreements, funding sources and restrictions, the process and timing of developing and awarding assistance, boards or entities that might have an interest in having representation on a selection committee, state and federal benefits and assistance programs, the need for a rubric or scoring system, and the desire for any application process to be uncomplicated. Following the discussion, it was the consensus of the Council that staff should move forward in their exploration of such a program.

In response to a question from Mayor Johnson, Campbell stated that staff had been approached by tenants of EDC-owned property regarding rent relief or postponement, and issue that he planned to discuss with the EDC Board at their next meeting.

III. SPECIAL SESSION

A. ROLL CALL

Present in Council Chambers: Mayor Brian Johnson; **Participating via TeleConference:** Josh Altom, Place 1; Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; Linda Rhodes, Place 4; Chad Wandel, Place 5. ***Staff Present in Council Chambers:*** *City Manager George Campbell and City Secretary and Communications Coordinator Leslie E. Galloway;* ***Staff Participating via TeleConference:*** *City Attorney Drew Larkin, Director of HR and Administrative Services Danielle Clarke, Director of Finance and Information Technology Lakeita Sutton, Library Director Amanda King, Director of Planning and Economic Development Melissa Dailey, Public Works Director Larry Hoover, Fire Chief James Brown, and Police Chief Tommy Williams.*

B. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider an Ordinance, renewing the Mayor's Local Disaster Declaration in relation to Coronavirus (COVID-19)

   Campbell stated that no action was necessary on this item.

   In response to a question from Councilmember Altom, Campbell stated that, today, the County

Judge and the Governor had each amended their declarations in some way, but that the Mayor's last amendment included language that would automatically adopt the stricter of any requirements at either the State or County level, but that it was probable that an item to extend the Mayor's Declaration would appear on the Tuesday, April 21 Regular Meeting agenda.

City Attorney Drew Larkin concurred with Campbell's statements, adding that his firm was currently researching whether or not the Governor's most recent order would preclude a local government from enacting restrictions that were more stringent than those enacted by the State.

Campbell noted that the Mayor's Declaration was necessary to seek reimbursement of funds expended in relation to the current public health emergency.

2. Discussion of issues relating to the Coronavirus (COVID-19) emergency

   In response to a question from Councilmember Pugh, Fire Chief James Brown and Police Chief Tommy Williams offered an update on their supply of personal protective equipment (PPE).

   Campbell then alerted the Council that City staff was considering closing off park equipment in the coming days, due to the potential health hazard that might be created if it were not being disinfected regularly.

   Mayor Johnson polled the Council regarding their ability to participate in future meetings via VideoConference (rather than by TeleConference).

IV. ADJOURNMENT

Motion Adjourn. **Action** Adjourn, **Moved By** Altom, **Seconded By** Mayor Pro Tem Lee. **Motion passed unanimously.**

Mayor Johnson adjourned the meeting at 5:41 p.m.

APPROVED:	ATTEST:
BRIAN JOHNSON, MAYOR	*LESLIE E. GALLOWAY, CITY SECRETARY*

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.4.

SUBJECT
Consider adoption of Ordinance 693, amending Chapter 12, "Miscellaneous Provisions and Offenses" of the Kennedale City Code by adding section 12-10, "Protection of Children Exposed to Unjustified Violence."

ORIGINATED BY
George Campbell, City Manager

SUMMARY
During the February 18, 2020 Work Session, Burleson Mayor Ken Shetter offered a presentation and was available to answer questions from the Council regarding two Ordinances adopted by the City of Burleson aimed at addressing particularly harmful aspects of domestic violence victimization. These Ordinances were developed in partnership with One Safe Place Family Justice Center of Tarrant County and address "Protection of Children Exposed to Unjustified Violence (Child Witnesses)" and "Strangulation Protocol".

Following that presentation, it was the consensus of the Council to have two similar ordinances drafted for their future consideration. Since, the City Attorney has reviewed the Burleson Ordinances and has prepared the versions attached to this item (Ordinance 693 regarding child witnesses) and Consent item IV.E.5. (Ordinance 694 related to strangulation protocol) for the Council's consideration.

RECOMMENDATION
Approve

ATTACHMENTS

1.	O693 Protection of Child Witnesses (Domestic Violence)	O693 Protection of Child Witnesses (Domestic Violence).pdf

ORDINANCE NO. 693

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, AMENDING CHAPTER 12, "MISCELLANEOUS PROVISIONS AND OFFENSES" OF THE KENNEDALE CITY CODE BY ADDING SECTION 12-10, "PROTECTION OF CHILDREN EXPOSED TO UNJUSTIFIED VIOLENCE"; PROVIDING A PENALTY FOR VIOLATION HEREOF; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION; 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 Texas Local Government Code; and

WHEREAS, the exposure of society's children to violence is a pervasive problem that plagues society at every level; and

WHEREAS, a study by the U.S. Department of Justice found that sixty percent of American children were exposed to violence, crime, or abuse in their homes, schools, and communities; and

WHEREAS, witnessing violence puts children at a greater risk of taking their own life; it being estimated that children who grow up in homes with domestic and family violence are six times more likely to commit suicide; and

WHEREAS, children exposed to violence, whether as victims or witnesses, have a high risk of experiencing learning difficulties, speech and language impairments, and school failure; and

WHEREAS, exposure to violence is a strong predictor of violent delinquent behavior among adolescents, and it is estimated that children who grow up in homes with domestic and family violence are seventy-four percent more likely to commit a violent crime against someone else; and

WHEREAS, children exposed to violence may be more aggressive and are more likely to use violence to resolve situations; studies have demonstrated that children of domestic violence are three times more likely to repeat the cycle in adulthood, and that growing up with domestic violence is the most significant predictor of whether or not someone will be engaged in domestic violence later in life; and

WHEREAS, the City Council hereby finds and determines that the regulations set forth herein are in the best interest of the public and are adopted in furtherance of the public health, safety, morals, and general welfare.

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

SECTION 1.

That Chapter 12 “Miscellaneous Provisions and Offenses” of the Kennedale City Code is amended by adding Section 12-10 “Protection of children exposed to unjustified violence” to read as follows:

Sec. 12-10. – Protection of children exposed to unjustified violence.

(a) General purpose.

It is the purpose of this section to protect children whose health, safety, and welfare may be jeopardized through exposure to unjustified violence.

(b) Definitions.

For the purposes of this section, the following words and phrases shall have the meanings respectively ascribed to them by this subsection:

Allow means to permit, enable, grant, or approve.

Child means a person under 18 years of age who is not and has not been married or who has not had the disabilities of minority removed for general purposes.

Child relation means a lineal descendant by blood or adoption, or a foster child, or a minor ward, of either the person described in subsection 12-10(c)(1) or their spouse, or the victim against whom the act of unjustified violence is commissioned or their spouse.

Household means a unit composed of persons living together in the same dwelling, without regard to whether they are related to each other. Member of a household includes a person who previously lived in a household.

Intentionally means “intentionally” as defined in Texas Penal Code §6.03(a).

Knowingly means “knowingly” as defined in Texas Penal Code §6.03(b).

Presence means occurring such that the act may be seen or heard.

Recklessly means “recklessly” as defined in Texas Penal Code §6.03(c).

Unjustified violence means an act that is intended to result in physical harm, bodily injury, assault, or sexual assault or that is a threat that reasonably places an individual in fear of imminent physical harm, bodily injury, assault, or sexual assault, but does not include defensive measures to protect oneself.

(c) Violation and defenses.

(1) It shall be unlawful for a person to intentionally, knowingly, or recklessly commit unjustified violence against another in the presence of a child relation or a child of the person’s household.

(2) It is a defense to prosecution that the conduct of any alleged violation of subsection 12-10(c)(1) is justified under of Texas Penal Code Chapter 9.

(3) It is an exception to prosecution that the person was the direct victim of the unjustified violence described in subsection 12-10(c)(1).

(d) Penalties.

(1) Any person convicted of violating the provisions of subsection 12-10(c)(1) shall be guilty of a class C misdemeanor and shall be punished by a fine not to exceed $500.00.

(2) This section does not serve to limit any other remedies available to the jurisdiction in law or equity.

(3) Each violation shall constitute a separate offense.

(e) Higher charges.

Before the city attorney, deputy city attorney, assistant city attorney, or any other attorney authorized to represent the state in the municipal court files a complaint in the municipal court for a violation under subsection 12-10(c) of this Code, the attorney shall make a good faith effort to ensure that any and all higher charges or potential higher charges arising from the same incident or event are rejected by the state's attorney prosecuting the higher charges or otherwise disposed of under law.

(f) Protocol for responding to children exposed to violence.

The chief of police shall, within 180 days of the effective date of the ordinance from which this section derives, draft and issue for use by police officers in the department a protocol when responding on-scene to a child exposed to violence. When drafting the protocol, the chief of police shall consider, but is not required to include in the protocol, the following:

(1) Identifying and documenting any children in the home and their level of exposure to the incident;

(2) Speaking with children at eye level about what happened and what is going to happen next;

(3) Validating children's emotional responses;

(4) Assisting the protective parent with comforting the child;

(5) Assisting the protective parent understand any coordinated services available to the child; and

(6) Assisting the protective parent understand the impact of domestic violence on children.

SECTION 2.

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

SECTION 3.

That 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 invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining, phrase, clauses, sentences, paragraphs or sections of this ordinance since the same would have been enacted by the City Council without incorporation in this ordinance of any such invalid or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4.

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

SECTION 5.

That all rights and remedies of the City Kennedale are saved as to any and all violations of the provisions of the Kennedale City Code that have accrued at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, same shall not be affected by this ordinance but may be prosecuted until final disposition by the courts.

SECTION 6.

That the City Secretary of the City of Kennedale is hereby directed to publish this Ordinance as required by law.

SECTION 7.

That this Ordinance shall take effect after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 21st DAY OF APRIL, 2020.

APPROVED:

____
MAYOR BRIAN JOHNSON

[C I T Y S E A L]

ATTEST:

____
CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

____
CITY ATTORNEY DREW LARKIN

EFFECTIVE DATE:

____

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.5.

SUBJECT
Consider adoption of Ordinance 694, amending Chapter 12, "Miscellaneous Provisions and Offenses" of the Kennedale City Code by adding Section 12-11, "Effective Response to Strangulation."

ORIGINATED BY
George Campbell, City Manager

SUMMARY
This item is related to the one immediately preceding it (IV.E.4. Ordinance 693). Please see that staff report for further details.

RECOMMENDATION
Approve

ATTACHMENTS

1.	O694 Strangulation Protocol (Domestic Violence)	O694 Strangulation Protocol (Domestic Violence).pdf

ORDINANCE NO. 694

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, AMENDING CHAPTER 12, "MISCELLANEOUS PROVISIONS AND OFFENSES" OF THE KENNEDALE CITY CODE BY ADDING SECTION 12-11, "EFFECTIVE RESPONSE TO STRANGULATION"; PROVIDING A CUMULATIVE CLAUSE; 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 Texas Local Government Code; and

WHEREAS, strangulation is an indicator of the escalation of violence and is associated with increased risk of serious injury and/or death in cases of intimate partner violence; and

WHEREAS, strangulation has been identified as one of the most lethal forms of domestic violence and sexual assault; and used to exert power over a victim by taking from them control of their own body; and

WHEREAS, intimate partners who have a history of strangulation pose a greater risk to their victim and society at-large; and

WHEREAS, when strangled, unconsciousness and anoxic brain injury may occur within seconds and death within minutes; and

WHEREAS, oftentimes, even in fatal cases, there is no external evidence of injury from strangulation, yet because of underlying brain damage due to the lack of oxygen during strangulation assault, victims may have serious internal injuries or die days, or even weeks, later; and

WHEREAS, many first responders lack the specialized training to identify the signs and symptoms of strangulation and often focus on visible and obvious injuries like stab wounds or contusions; and

WHEREAS, this lack of training has led to the minimization of this type of violence, exposing victims to potential serious short-term and long-term health consequences, permanent brain damage, and increased likelihood of death; and

WHEREAS, there is a need to develop more experts in the field of strangulation and to use those experts in court proceedings to educate juries and judges so they understand the signs and symptoms associated with this crime, and the severity of this crime; and

WHEREAS, lacking specific legislation and specialized training, many near-fatal strangulation cases are only prosecuted as misdemeanor crimes; and

WHEREAS, given the lethality of strangulation, offenders should be held accountable with a penalty that is commensurate with the nature of their crimes which is equivalent of attempted homicide or serious felony assault; and

WHEREAS, the International Association of Chiefs of Police assembled at its 121st Annual Conference in Orlando, Florida, supports statutes and legislation that hold perpetrators accountable for the potentially lethal strangulation assaults; and

WHEREAS, the City Council hereby finds and determines that the regulations set forth herein are in the best interest of the public and are adopted in furtherance of the public health, safety, morals, and general welfare.

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

SECTION 1.

That Chapter 12 “Miscellaneous Provisions and Offenses” of the Kennedale City Code is amended by adding Section 12-11 “Effective response to strangulation” to read as follows:

Sec. 12-11. – Effective response to strangulation.

(a) General purpose.

It is the purpose of this section to protect victims whose health, safety, and welfare may be jeopardized through exposure to violence by means of strangulation.

(b) Definitions.

For the purposes of this section, the following words and phrases shall have the meanings respectively ascribed to them by this subsection:

Chief of police means the chief of police of the city.

Emergency medical personnel means a firefighter, emergency medical technician, or emergency care attendant that provides first response to requests for emergency medical services and provides immediate on-scene care to ill or injured persons, while acting in his or her official capacity, and is employed by or contracted by the city or a separate governmental entity that has entered into an inter-local agreement with the city to provide such services.

Family violence means “family violence” as defined in Texas Family Code §71.004.

Fire chief means the fire chief of the city.

Peace officer means a “peace officer” as defined in Texas Code of Criminal Procedure Art. 2.12 that is employed by the city and acting in his or her official capacity.

Strangulation means impeding the normal breathing or circulation of the blood of the person by applying pressure to the person’s throat or neck or by blocking the person’s nose or mouth.

(c) Protocol for responding to an accusation of strangulation.

(1) When the act of strangulation is alleged or suspected within the city, the peace officer will summon emergency medical personnel to the scene to evaluate and render aid to the victim.

(2) The peace officer will document emergency medical personnel's presence and role in the police report by including their name, identification number, employment agency and unit number.

(3) Peace officers shall provide the victim referral information to the appropriate support agency for assistance and document the referral in their police report.

(4) Peace officers will thoroughly document the suspect's behavior, actions, and any comments made during the act of strangulation.

(5) When the act of strangulation is alleged or suspected within the city, peace officers shall utilize a checklist approved by the chief of police to help evaluate the situation and provide aid to the victim.

(6) When the act of strangulation is alleged or suspected within the city, emergency medical personnel shall use their best efforts to conduct a medical evaluation and assessment to help evaluate the situation and provide aid to the victim.

(d) Strangulation task force.

The chief of police shall designate a strangulation task force (STF) consisting of members from law enforcement, emergency medical personnel, medical community personnel, advocate representatives, and any other members deemed appropriate by the chief of police. The STF shall aid and advise the chief of police and fire chief in developing and implementing checklists, questionnaires, and an education training program for peace officers, emergency medical personnel, and other first responders encountering strangulation scenarios.

SECTION 2.

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

SECTION 3.

That 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 invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining, phrase, clauses, sentences, paragraphs or sections of this ordinance since the same would have been enacted by the City Council without incorporation in this ordinance of any such invalid or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4.

This ordinance shall take effect after its passage and publication as required by law, and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 17TH DAY OF APRIL, 2020.

APPROVED:

____
MAYOR BRIAN JOHNSON

ATTEST:

[C I T Y   S E A L]

____
CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

____
CITY ATTORNEY DREW LARKIN

EFFECTIVE DATE:

____

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.6.

SUBJECT
Consider acceptance of independent auditor's report (Comprehensive Annual Financial Report (CAFR)) for the fiscal year ended September 30, 2019

ORIGINATED BY
Lakeita Sutton, Director of Finance and Information Technology

SUMMARY
All relevant information and/or attachments are provided on related Work Session Item A.1.

RECOMMENDATION
Approve

ATTACHMENTS

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM IV.F.1.

SUBJECT
Consider approval of Ordinance 691, amending various provisions of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code to adopt the 2018 International Building Code (IBC), 2017 National Electrical Code (NEC), 2018 International Mechanical Code (IMC), 2018 International Plumbing Code (IPC), 2018 International Fire Code (IFC), 2018 International Residential Code (IRC), 2018 International Fuel Gas Code (IFGC), 2018 International Energy Conservation Code (IECC), and 2018 International Swimming Pool and Spa Code (SPSC) along with local amendments as recommended by the North Central Texas Council of Governments (NCTCOG)

ORIGINATED BY
Melissa Dailey, Director of Planning & Economic Development
James Brown, Fire Chief

SUMMARY
The City of Kennedale is currently operating under the 2015 International Codes. Staff recommends the adoption of the 2017 and 2018 codes (along with the regional amendments recommended by NCTCOG) to simplify the construction process, advance the safety of building systems, promote common code interpretation, facilitate the mobility of contractors, and reduce construction costs. Adopting the most recent code will allow Kennedale to align with requirements in other cities in the region and will also allow us to participate in programs such as the Community Ratings System (a part of the National Flood Insurance Program).

The Regional Amendments serve as exhibits to the attached Ordinance 691, but are not included in your packet due their length. The regional amendments can be viewed at https://www.nctcog.org/envir/regional-building-codes/amendments.

Staff will be available to answer any questions from the Council.

Again, adoption of Ordinance 691 would adopt the following codes along with local amendments as recommended by NCTCOG:

- 2018 International Building Code (IBC)
- 2017 National Electrical Code (NEC)
- 2018 International Mechanical Code (IMC)
- 2018 International Plumbing Code (IPC)
- 2018 International Fire Code (IFC)
- 2018 International Residential Code (IRC)
- 2018 International Fuel Gas Code (IFGC)
- 2018 International Energy Conservation Code (IECC)
- 2018 International Swimming Pool and Spa Code (SPSC)

RECOMMENDATION
Approve
Staff recommends approval of the 2017/2018 Codes and Regional Amendments via adoption of Ordinance 691.

ATTACHMENTS

1.	O691 2018 I-Code Adoption	O691 2018 I-Code Adoption.pdf

ORDINANCE NO. 691

AN ORDINANCE OF THE CITY OF KENNEDALE AMENDING VARIOUS PROVISIONS OF CHAPTER 4 "BUILDINGS AND BUILDING REGULATIONS" OF THE KENNEDALE CITY CODE TO ADOPT THE 2018 INTERNATIONAL BUILDING CODE, 2017 NATIONAL ELECTRICAL CODE, 2018 INTERNATIONAL MECHANICAL CODE, 2018 INTERNATIONAL PLUMBING CODE, 2018 INTERNATIONAL FIRE CODE, 2018 INTERNATIONAL RESIDENTIAL CODE, 2018 INTERNATIONAL FUEL GAS CODE, 2018 INTERNATIONAL ENERGY CONSERVATION CODE, AND 2018 INTERNATIONAL SWIMMING POOL AND SPA CODE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY CAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, the City of Kennedale has previously adopted versions of nationally-recognized municipal codes, codified in Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code; and

WHEREAS, the City having reviewed the available codes, desires to adopt a more recent set of nationally-recognized municipal codes to meet the needs of the City; and

WHEREAS, the City of Kennedale desires to amend various provisions of Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code to adopt the 2018 editions of the International Building Code, International Mechanical Code, International Plumbing Code, International Fire Code, International Residential Code, International Fuel Gas Code, International Energy Conservation Code, International Swimming Pool and Spa Code, and the 2017 edition of the National Electrical Code.

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

SECTION 1.

Section 4-28 of Article II "Building Code" of Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code is hereby amended to read as follows:

"**Sec. 4-28. – Adoption of code.**

(a) The 2018 Edition of the International Building Code is hereby adopted as the official building code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.

(b) To the extent any conflict between the International Building Code as applied to residential property and the International Residential Code, the International Residential Code shall control."

SECTION 2.

Article II "Building Code" of Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code is hereby amended by adding a new Section 4-29 to read as follows:

"**Sec. 4-29. – Amendments.**

The 2018 Edition of the International Building Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit ""A," attached to Ordinance No. 691. The material contained in Exhibit "A" shall not be included in the municipal codification of ordinances. The material contained in Exhibit "A" shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Building Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit "A" to Ordinance No. 691 fully setting forth the change to be made in the International Building Code."

SECTION 3.

Section 4-47 of Article III "Electrical Code" of Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code is hereby amended to read as follows:

"**Sec. 4-47. – Adoption of code.**

The 2017 National Electrical Code is hereby adopted as the official electrical code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

SECTION 4.

Article III "Electrical Code" of Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code is hereby amended by adding a new Section 4-48 to read as follows:

"**Sec. 4-48. – Amendments.**

The 2017 National Electrical Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit "B," attached to Ordinance No. 691. The material contained in Exhibit "B" shall not be included in the municipal codification of ordinances. The material contained in Exhibit "B" shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2017 National Electrical Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit “B” to Ordinance No. 691 fully setting forth the change to be made in the National Electrical Code.”

SECTION 5.

Section 4-96 of Article V “Mechanical Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

“**Sec. 4-96. – Adoption of code.**

The 2018 Edition of the International Mechanical Code is hereby adopted as the official mechanical code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.”

SECTION 6.

Article V “Mechanical Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended by adding a new Section 4-99 to read as follows:

“**Sec. 4-99. – Amendments.**

The 2018 Edition of the International Mechanical Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit “C,” attached to Ordinance No. 691. The material contained in Exhibit “C” shall not be included in the municipal codification of ordinances. The material contained in Exhibit “C” shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Mechanical Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit “C” to Ordinance No. 691 fully setting forth the change to be made in the International Mechanical Code.”

SECTION 7.

Section 4-117 of Article VI “Plumbing Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

“**Sec. 4-117. – Adoption of code.**

The 2018 Edition of the International Plumbing Code is hereby adopted as the official plumbing code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.”

SECTION 8.

Article VI “Plumbing Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended by adding a new Section 4-119 to read as follows:

“**Sec. 4-119. – Amendments.**

The 2018 Edition of the International Plumbing Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit “D,” attached to Ordinance No. 691. The material contained in Exhibit “D” shall not be included in the municipal codification of ordinances. The material contained in Exhibit “D” shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Plumbing Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit “D” to Ordinance No. 691 fully setting forth the change to be made in the International Plumbing Code.”

SECTION 9.

Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended by adding a new Article VIII to read as follows:

ARTICLE VIII. - INTERNATIONAL SWIMMING POOL AND SPA CODE

“**Sec. 4-228. – Adoption of code.**

The 2018 Edition of the International Swimming Pool and Spa Code is hereby adopted as the official swimming pool and spa code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.

Sec. 4-229. – Amendments.

The 2018 Edition of the International Swimming Pool and Spa Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit “E,” attached to Ordinance No. 691. The material contained in Exhibit “E” shall not be included in the municipal codification of ordinances. The material contained in Exhibit “E” shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Swimming Pool and Spa Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit “E” to Ordinance No. 691 fully setting forth the change to be made in the International Swimming Pool and Spa Code.”

Secs. 4-230—4 –245. – Reserved.”

SECTION 10.

Section 4-246 of Article IX “Fire Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

“**Sec. 4-246. – Adoption of code.**

The 2018 Edition of the International Fire Code is hereby adopted as the official fire code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.”

SECTION 11.

Article IX “Fire Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended by adding a new Section 4-247 to read as follows:

“**Sec. 4-247. – Amendments.**

The 2018 Edition of the International Fire Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit “F,” attached to Ordinance No. 691. The material contained in Exhibit “F” shall not be included in the municipal codification of ordinances. The material contained in Exhibit “F” shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Fire Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit “F” to Ordinance No. 691 fully setting forth the change to be made in the International Fire Code.”

SECTION 12.

Section 4-276 of Article X “Residential Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

“**Sec. 4-276. – Adoption of code.**

The 2018 Edition of the International Residential Code is hereby adopted as the official residential code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.”

SECTION 13.

Section 4-277 of Article X “Residential Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

“**Sec. 4-277. – Amendments.**

The 2018 Edition of the International Residential Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit “G,” attached to Ordinance No. 691. The material contained in Exhibit “G” shall not be included in the municipal codification of ordinances. The material contained in Exhibit “G” shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Residential Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit “G” to Ordinance No. 691 fully setting forth the change to be made in the International Residential Code.”

SECTION 14.

Section 4-281 of Article XI “Fuel Gas Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

“**Sec. 4-281. – Adoption of code.**

The 2018 Edition of the International Fuel Gas Code is hereby adopted as the official fuel gas code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours.”

SECTION 15.

Section 4-282 of Article XI “Fuel Gas Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

“**Sec. 4-282. – Amendments.**

The 2018 Edition of the International Fuel Gas, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit “H,” attached to Ordinance No. 691. The material contained in Exhibit “H” shall not be included in the municipal codification of ordinances. The material contained in Exhibit “H” shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Fuel Gas Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit “H” to Ordinance No. 691 fully setting forth the change to be made in the International Fuel Gas Code.”

SECTION 16.

Section 4-291 of Article XII “Energy Conservation Code” of Chapter 4 “Buildings and Building Regulations” of the Kennedale City Code is hereby amended to read as follows:

"**Sec. 4-291. – Adoption of code.**

The 2018 Edition of the International Energy Conservation Code is hereby adopted as the official energy conservation code of the City of Kennedale, Texas, and is fully incorporated by reference as though copied into this article in its entirety. The material contained in such code shall not be included in the formal municipal codification of ordinances but shall be maintained as a public record in the office of the city secretary and will be available for public inspection and copying during regular business hours."

SECTION 17.

Section 4-292 of Article XII "Energy Conservation Code" of Chapter 4 "Buildings and Building Regulations" of the Kennedale City Code is hereby amended to read as follows:

"**Sec. 4-292. – Amendments.**

The 2018 Edition of the International Energy Conservation Code, as adopted herein is hereby amended by adoption of those local amendments shown in Exhibit "I," attached to Ordinance No. 691. The material contained in Exhibit "I" shall not be included in the municipal codification of ordinances. The material contained in Exhibit "I" shall instead be maintained as a public record in the office of the city secretary and shall be available for public inspection and copying during regular business hours. The city may from time to time determine that additional local modifications to the 2018 Edition of the International Energy Conservation Code are necessary and appropriate to meet the unique building needs of the city. To effectuate modifications, the city council may enact individual ordinances amending Exhibit "I" to Ordinance No. 691 fully setting forth the change to be made in the International Energy Conservation Code."

SECTION 18. CUMULATIVE CLAUSE.

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

SECTION 19. SEVERABILITY CLAUSE.

That 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 invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or 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 invalid or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 20. PENALTY CLAUSE.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined no more than Two Thousand Dollars and no cents ($2,000.00) for all violations involving zoning, fire safety or public health and sanitation, including dumping or refuse, and shall be fined not more than Five Hundred Dollars and cents ($500.00) for all other violations of this ordinance. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 21. SAVINGS CLAUSE.

All rights and remedies of the City of Kennedale are expressly saved as to any and all violations of the provisions of the Kennedale City Code, as amended, which have accrued at the time of the effective date of this ordinance; and, as such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances, shall not be affected by this ordinance but may be prosecuted until final disposition by the court.

SECTION 22. PUBLICATION CLAUSE.

The City Secretary of the City of Kennedale is hereby directed to publish this ordinance as required by law.

SECTION 23. EFFECTIVE DATE.

This Ordinance shall be in full force and effect form and after its passage and publication as provided by law, and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 21st DAY OF APRIL, 2020.

APPROVED:

____
MAYOR BRIAN JOHNSON

[C I T Y S E A L]

ATTEST:

____
CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

____
CITY ATTORNEY DREW LARKIN

EFFECTIVE DATE:

____

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM IV.F.2.

SUBJECT
Consider adoption of Ordinance 692, amending Article III "Fire Department" of Chapter 6 "Emergency Management and Services" of the Kennedale City Code to authorize and establish mitigation fees for the deployment of emergency services by the City of Kennedale Fire Department

ORIGINATED BY
James Brown, Fire Chief

SUMMARY
Insurance carriers have long included fire department service charge recovery clauses in their policies to help pay for costs related to fire incidents and first response. The attached Ordinance 692 would allow the City of Kennedale to recover some of this revenue for costs associated with personnel, supplies, services, and equipment necessary to respond to the scene of motor vehicle and other emergency incidents.

The proposed mitigation rates are based on the actual cost of the services and that which is usual, customary, and reasonable (UCR). These charges would typically be billed to the responsible parties through their insurance carrier but, in some circumstances, the responsible party might be billed directly.

RECOMMENDATION
Approve

ATTACHMENTS

1.	O692 Emergency Services Mitigation Fees (Fire Department)	O692 Emergency Services Mitigation Fees (Fire Department).pdf

ORDINANCE NO. 692

AN ORDINANCE AMENDING ARTICLE III "FIRE DEPARTMENT" OF CHAPTER 6 "EMERGENCY MANAGEMENT AND SERVICES" OF THE KENNEDALE CITY CODE TO AUTHORIZE AND ESTABLISH MITIGATION FEES FOR THE DEPLOYMENT OF EMERGENCY SERVICES BY THE CITY OF KENNEDALE FIRE DEPARTMENT; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale, Texas, (the "City") 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 Kennedale Fire Department provides fire protection and emergency services to the citizens of Kennedale, its extraterritorial jurisdiction and those surrounding areas in which it has an interlocal agreement; and

WHEREAS, the City Council of the City of Kennedale, Texas, has determined that it is in the best interests of the citizens of Kennedale and the surrounding areas that the Kennedale Fire Department recoup its costs associated with providing fire protection and other emergency services; and

WHEREAS, the emergency services response activity to incidents continues to increase annually, and environmental protection, homeland security, and emergency services licensing regulations involving equipment and training create additional demands on all operations aspects of the Kennedale Fire Department's services; and

WHEREAS, the Kennedale Fire Department has investigated different methods to maintain a high quality emergency service capability while experiencing constantly increasing service demands, and while maintaining an effective emergency response by the Fire Department that decreases the costs of incidents to insurance carriers through timely and effective management of emergency situations, saving lives and reducing property and environmental damage; and

WHEREAS, the City Council desires to implement a fair and equitable procedure to collect said mitigation rates and establish a billing system in accordance with applicable laws, regulations, and guidelines.

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

SECTION 1.

That Article III "Fire Department" of Chapter 6 "Emergency Management and Services" of the Kennedale City Code is hereby amended by adding new Sections 6-59 through 6-60 to read as follows:

"**Sec. 6-59. - Mitigation fee authorized.**

The City of Kennedale authorizes mitigation fees, based on actual cost, for the delivery of emergency services by the fire department for personnel, supplies, services, and equipment to the scene of motor vehicle and other emergency incidents. The mitigation fees may be filed to the insurance carrier of the owner or occupant of a structure, vehicle, or property to which the city fire department provides fire operation services or any person that causes the need for the city fire department to respond and/or provide any fire operation service, representing an add-on cost of the claim for damages of the vehicles, property, and/or injuries. Such mitigation fees shall be charged according to the schedule set forth in Section 6-60.

Sec. 6-60. - Fire department mitigation fee schedule.

The fees set forth in this section shall be charged on a per hour basis.

(a) *Motor vehicle accidents.*

(1) Level 1 - $487.00. Provide hazardous materials assessment and scene stabilization. (This will be the most common "billing level". This occurs almost every time the Fire Department responds to an accident/incident.)

(2) Level 2 - $554.00. Includes level 1 services and clean up and material used (sorbents) for hazardous fluid clean up and disposal. Level 2 charges are applicable when the Fire Department is required to clean up any gasoline or other automotive fluids that are spilled as a result of the accident/incident.

(3) Level 3 - $677.00. Provide scene safety, fire suppression, breathing air, rescue tools, hand tools, hose, tip use, foam, structure protection, and clean up gasoline or other automotive fluids that are spilled as a result of the accident/incident which results in a vehicle fire.

(4) Add-on services.

a. Extrication - $1,461.00. This charge will be added if the fire department has to free/remove anyone from the vehicle(s) using any equipment such as heavy rescue tools, ropes, airbags, or cribbing. The City will not bill for Extraction if the fire department is able to open the door to access the patient, even if the patient is unconscious. This level is to be billed only if equipment is deployed.

b. Creating a landing zone - $448.00. The City will bill this charge any time a helicopter landing zone is created and/or is utilized to transport the patient(s).

(5) Additional time on-scene.

a. Engine - $448.00 per hour.

b. Truck - $560.00 per hour.

c. Miscellaneous equipment - $336 per hour.

(b) *Hazmat services.*

(1) Level 1 - $784.00. Includes engine response, first responder assignment, perimeter establishment, evacuations, set-up and command.

(2) Level 2 - $2,800.00. Includes engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, set-up and command, Level A or B suit donning, breathing air and detection equipment. Set-up and removal of decontamination center.

(3) Level 3 - $6,608.00. Includes engine response, first responder assignment, hazmat certified team and appropriate equipment, perimeter establishment, evacuations, first responder set-up and command, Level A or B suit donning, breathing air and detection equipment and robot deployment. Set-up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene. Includes 3 hours of on scene time. Each additional hour the HAZMAT team is on scene will be billed at $336.00 per HAZMAT team on scene.

(4) Additional time on-scene for all service levels.

a. Engine - $448.00 per hour.

b. Truck - $560.00 per hour.

c. Miscellaneous Equipment - $336.00 per hour.

(c) *False alarm billing rates.*

(1) The first and second false alarms within twelve (12) months in a calendar year are free of charge.

(2) Three (3) or more false alarms in a twelve (12) month calendar year are billed at $100.00 per event.

(d) Fire investigation team - $308.00 per hour. Includes: Scene safety; investigation; source identification; identification equipment; mobile detection unit; fire report. The claim begins when the Fire Investigator responds to the incident and is billed for logged time only.

(e) Fires. Includes: Scene safety; investigation; fire hazard control. The City has the option to bill each fire as an independent event with mitigation rates based on the other charges authorized by this ordinance if such rates would result in a higher amount.

(1) $448.00 per hour, per engine.

(2) $560.00 per hour, per truck.

(f) Illegal fires. In cases of arson, or when a fire is started by any person or persons that requires a fire department response during a time or season when fires are prohibited by local or state rules, provisions or ordinances because of pollution or fire danger concerns, or when a fire would be permitted by permit but the permit was not obtained, the person or persons responsible for igniting such fire will be liable for the fire department response.

(1) $448.00 per hour, per engine.

(2) $560.00 per hour, per truck.

(g) Water incidents.

(1) Level 1 - $448.00 plus $56.00 per hour, per rescue person. Claim will include engine response, first responder assignment, perimeter establishment, evacuations, first responder set-up and command, scene safety and investigation (including possible patient contact, hazard control).

(2) Level 2 - $896.00 plus $56.00 per hour, per rescue person. Claim will include engine response, first responder assignment, perimeter establishment, evacuations, first responder set-up and command, scene safety and investigation (including possible patient contact, hazard control).

(3) Level 3 - $2,240 plus $56.00 per hour, per rescue person, plus $112.00 per hour per HAZMAT team member. Includes Level 1 and Level 2 services as well as D.A.R.T. activation, donning breathing apparatus and detection equipment. Set up and removal of decon center, detection equipment, recovery and identification of material. Disposal and environment clean up. Includes above in addition to any disposal rates of material and contaminated equipment and material used at scene.

(h) Back country or special rescue.

(1) Response vehicle - $448.00 per hour.

(2) Rescue person - $56.00 per hour, per rescue person.

(i) Chief response - $280.00 per hour. This includes the set-up of command, and providing direction of the incident. This could include operations, safety, and administration of the incident.

(j) Miscellaneous time on-scene.

(1) Engine - $448.00.

(2) Truck - $560.00.

(3) Miscellaneous Equipment - $336.00."

SECTION 2.

That this ordinance shall be cumulative of all provisions of all existing ordinances of the City of Kennedale, and shall not repeal any of the provisions of such ordinances except in those instances where provisions of such ordinances are in direct conflict with the provisions of this ordinance.

SECTION 3.

That 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 invalid or unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such invalidity or 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 invalid or unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 4.

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

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 21st DAY OF APRIL, 2020.

APPROVED:

____

MAYOR BRIAN JOHNSON

[C I T Y S E A L]

ATTEST:

____

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

____

CITY ATTORNEY DREW LARKIN

EFFECTIVE DATE:

____

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM IV.G.1.

SUBJECT
Conduct a Public Hearing and consider approval of Resolution 569, authorizing funding participation with Tarrant County Community Development and Housing for the 46th Year Community Development Block Grant (CDBG) Project for rehabilitation of water lines in the 400 to 600 blocks of Third Street

ORIGINATED BY
Larry Hoover, Public Works Director

SUMMARY
Please note: The attached application has been updated to reflect the expected grant amount (on page 3); and corrected land use codes (on page 2). The application provided in the March packet included data regarding some land use categories that were from a draft version of the project, which was based on a different service area/project boundary.

Historically, the City has participated in a biennial Public Works project funded, in part, by a U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG), administered by Tarrant County Community Development and Housing Department. Eligible projects must be in Census tracts where the majority of the residents are low- to moderate-income households. The purpose of this Public Hearing is to inform the Council and the citizens of what is intended to be accomplished with this federal funding and to receive any comments. During the February 18, 2020 Work Session, staff presented to Council the recommended project (attached) for the 46th Year CDBG, which would provide for the rehabilitation of water lines in the 400 to 600 blocks of Third Street.

Of note, the City was originally expected to be awarded $160,000. The Mayors' Council Ranking Committee, instead, allocated $185,000. Since then, each entity's award was reduced by $5,000 in order to fund a rental assistance program (in response to COVID-19). **Therefore, the City's expected CDBG award amount is now $180,000 ($20,000 more than was projected), which would reduce our leverage amount to $133,512.** The official letter notifying the City of this increased grant amount is not expected to be received until April. If anything regarding these expected amounts should change staff would, of course, inform the Council of such.

As part of the application process, the County requires that the City Council formally authorize the project and pledge any leverage amount that may exceed the HUD grant for the design and construction – in this case $133,512. This would be accomplished via adoption of the attached Resolution 569. At this time, Public Works Director Larry Hoover will make a brief presentation and be available to answer any questions from the Council.

From the February 18, 2002 Work Session Staff Report:
The proposed project would include abandonment in place of 1,374 LF of existing 12" asbestos cement (AC) water line and removal of 1,256 LF of existing 2" galvanized waterline, which would be replaced by a 12" PVC waterline (including new service lines to each meter). This work would reduce maintenance costs as well as improve water quality and service to these homes.

The total estimated project cost (including engineering and construction) is $313,512.00, which would break down to $153,512.00 for the City's matching contribution and a CDBG grant award of $160,000.00. These amounts could vary based on the scoring criteria of the application and the ranking decisions. Funding for the City's matching funds would be budgeted in the FY20–21 Water Capital Fund.

RECOMMENDATION

Staff recommends adoption of Resolution 569, approving 46th Year CDBG Program participation and the leverage funds in the amount of $133,512.00 for the rehabilitation of waterlines in the 400 to 600 blocks of Third Street.

ATTACHMENTS

1.	46th CDBG Proposal Presentation (2020)	2020_04.21 CDBG PY2020 Project Proposal.pdf
2.	R569_46th CDBG_2020	R569_46th CDBG_2020.pdf
3.	2020_04.17 CDBG Proposal Form_2020	2020_04.17 CDBG Proposal Form_2020.pdf

City of KENNEDALE Texas EST. 1887

YOU'RE HERE YOUR HOME

46TH ANNUAL CDBG PY2020 PROJECT PROPOSAL

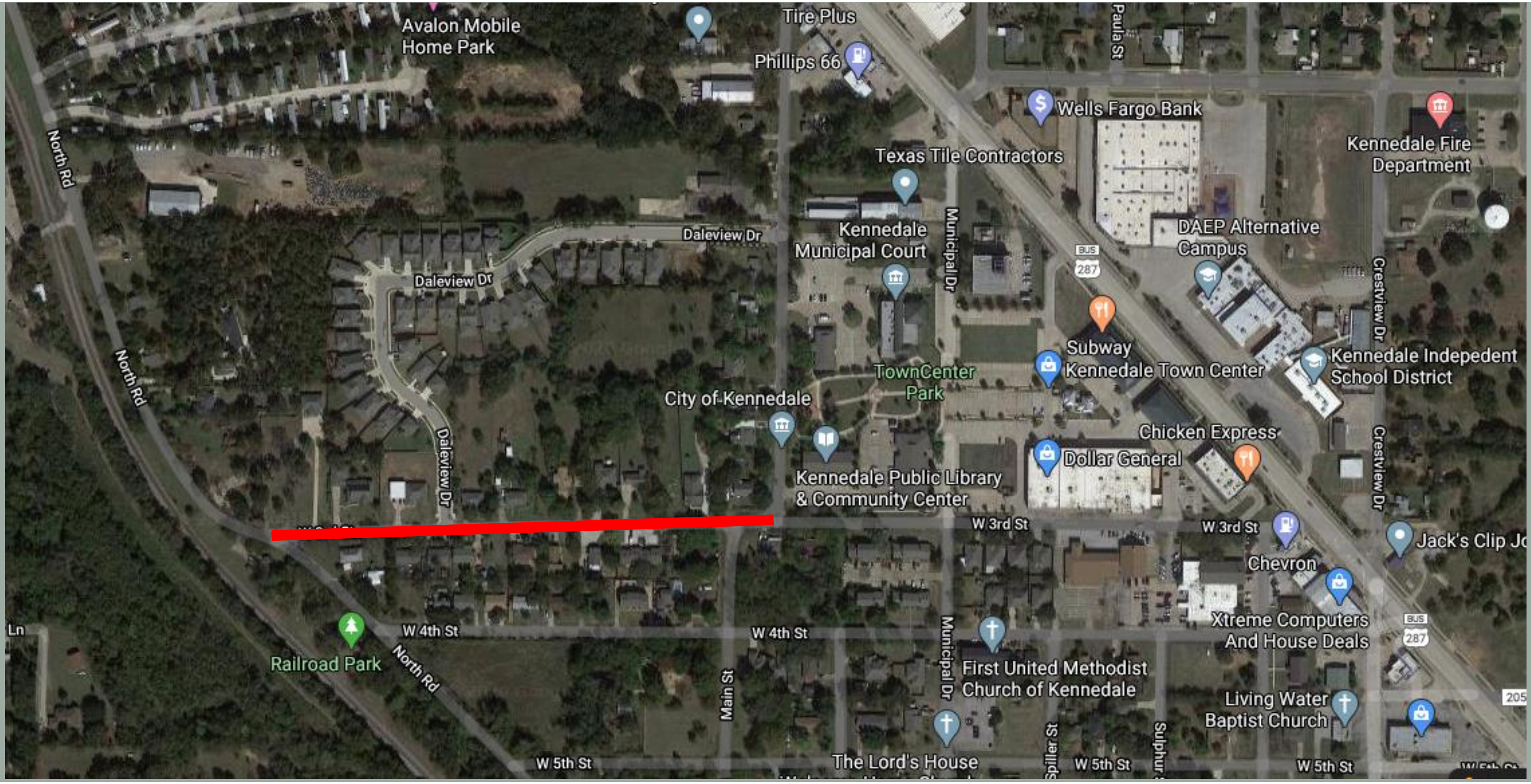
WATERLINE IMPROVEMENTS

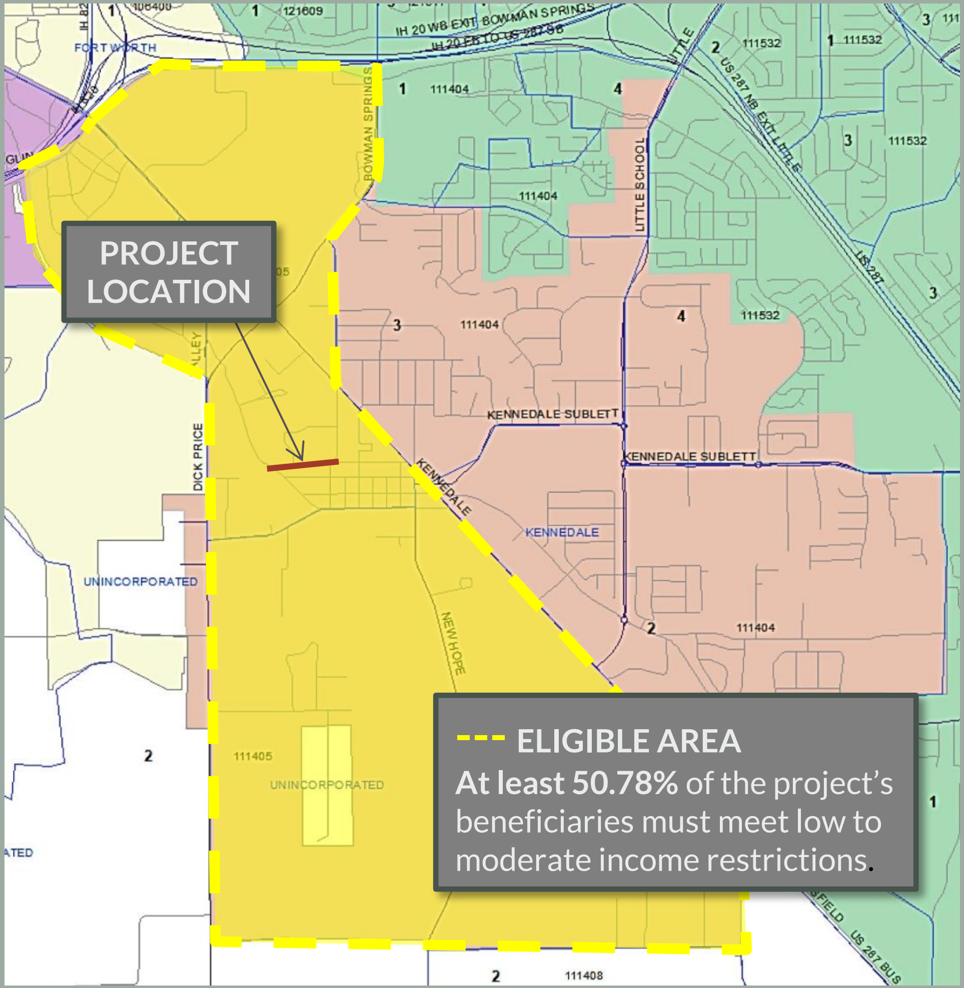
400 TO 600 BLOCKS OF 3RD STREET

400 – 600 BLOCKS OF 3RD STREET

- Remove 1,256 linear feet (LF) of 2” galvanized waterline
- Abandon in place 1,374 LF of 12” asbestos cement waterline
- Replace with 1,374 LF of 12” PVC
- Install all new valves, fittings, service lines, and meters

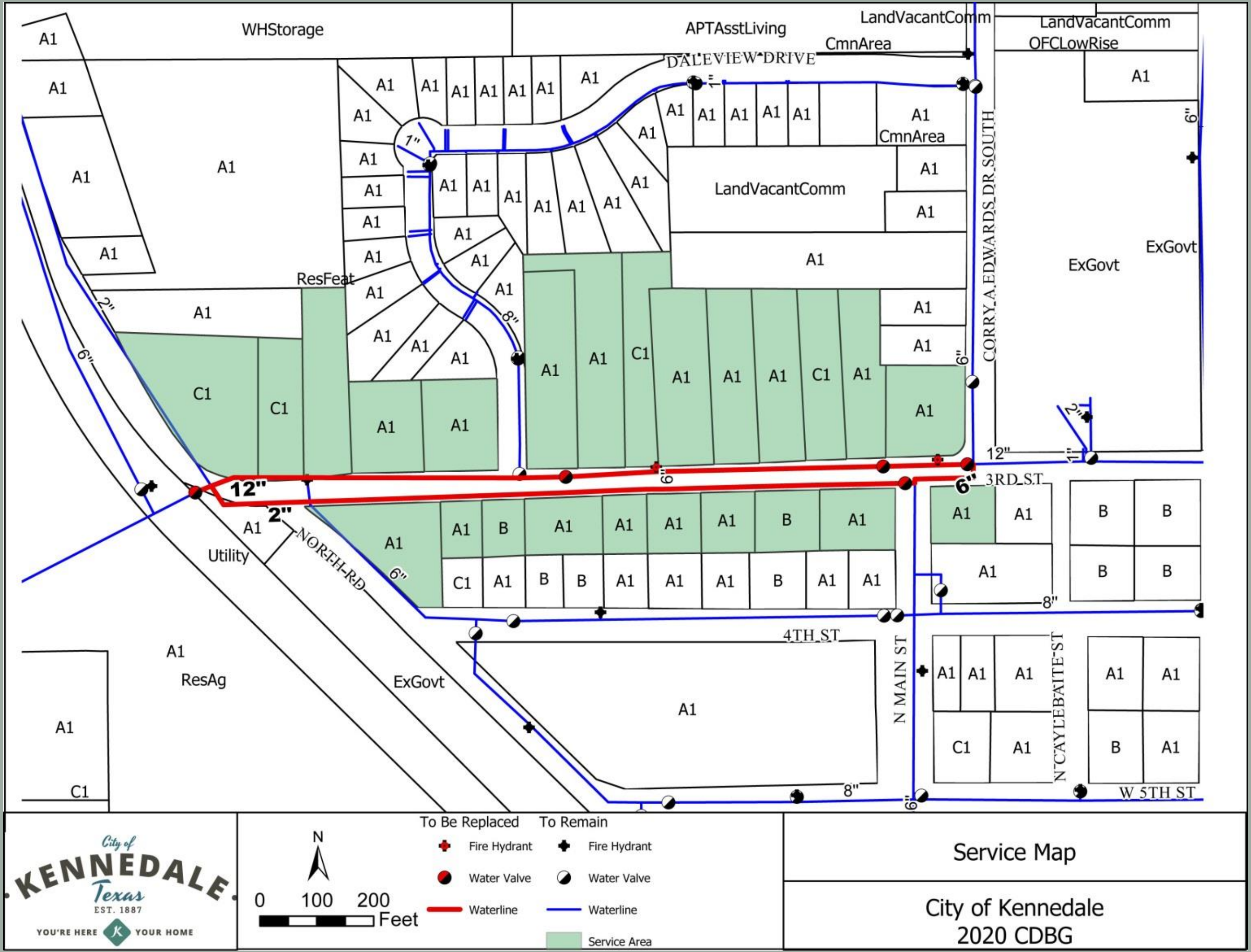
400 – 600 BLOCKS OF 3RD STREET





2019 HUD LOW/MODERATE INCOME DATA BY BLOCK GROUP

CENSUS TRACT	% OF HOUSEHOLDS MEETING INCOME RESTRICTIONS
1111.02 / 01	**60.00%**
1114.04 / 02	24.88%
1114.04 / 03	13.53%
1114.04 / 04	**68.13%****
1114.05 / 01	**60.10%****
1114.05 / 02	**50.84%**
1114.08 / 01	32.04%
1115.32 / 04	17.29%



SERVICE AREA

- At least 70% of uses serviced must be residential
- **100% of uses serviced are residential**

COSTS AND FUNDING

Estimated Construction Subtotal	$273,512
Design/Engineering Subtotal	$40,000
TOTAL ESTIMATED PROJECT COSTS	$313,512

Since this item was first presented to Council during the February 18 Work Session, the expected grant award increased to $185,000, reducing the City's portion by $25,000. Since, every entity's allocation was decreased by $5,000 to fund a rent assistance project (in light of COVID-19). This slide has been updated to reflect these adjustments.

The City of Kennedale's CDBG award is expected to be $180,000.

City Leverage Amount *(if applicable)*	~~$158,512~~ ~~$128,512~~ $133,512
City Paid Design/ Engineering *(if applicable)*	$N/A
Other Sources *(if applicable)*	$N/A
Assumed CDBG award	~~$160,000~~ ~~$185,000~~ $180,000
Total Estimated Funds Available	$313,512

RESOLUTION NO. 569

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, AUTHORIZING FUNDING PARTICIPATION WITH TARRANT COUNTY COMMUNITY DEVELOPMENT AND HOUSING FOR THE 46TH YEAR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROJECT FOR WATER LINE IMPROVEMENTS WITHIN THE CITY OF KENNEDALE, TEXAS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, during the City Council meeting of April 21, 2020, the City Council of the City of Kennedale held a public hearing and approved the 46th Year Community Development Block Grant (CDBG) Project to replace 1,374 linear feet of 12” asbestos-cement waterline and 1,256 linear feet of 2” galvanized waterline with 12” PVC waterline in the 400 to 600 blocks of Third Street, in the City of Kennedale, Texas; and

WHEREAS, the budget for the project approved on April 21, 2020, reflected an estimated engineering and construction cost in the amount of $313,512.00, with the City of Kennedale pledging funds in the amount of $133,512.00; and

WHEREAS, the City funds shall be budgeted in the 2020–21 fiscal year budget and will be utilized for project costs in excess of the CDBG funds available for the project.

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

SECTION 1. That all matters stated in the preamble of this resolution are true and correct and are incorporated herein as if copied in their entirety.

SECTION 2. That the City of Kennedale pledges to fund $133,512.00 to Tarrant County for the 46th Year CDBG Project for the Third Street water line rehabilitation.

SECTION 3. That this resolution shall be effective upon its passage.

PASSED, ADOPTED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, THIS THE 21st DAY OF APRIL, 2020.

APPROVED:

____

MAYOR, BRIAN JOHNSON

[C I T Y   S E A L]

ATTEST:

____

CITY SECRETARY, LESLIE E. GALLOWAY

Tarrant County, Texas
Community Development Block Grant
Program Year 2020 | 46th Year CDBG

CDBG PROJECT PROPOSAL

DUE BY 12 NOON, JANUARY 31, 2020
(Data required for all peach colored boxes)

CITY NAME: City of Kennedale

CITY CONTACT NAME	CITY CONTACT E-MAIL	CITY CONTACT PHONE
Larry Hoover	LHoover@cityofkennedale.com	817-985-2170

ENGINEER INFORMATION

List all requested information pertaining to the project's Engineer, if available.

ENGINEERING FIRM NAME	ENGINEER NAME	ENGINEER EMAIL	ENGINEER PHONE #
Shield Engineering Group, PLLC	*Craig Barnes*	*Craig.Barnes@segpllc.com*	*817-810-0696*

PROJECT INFORMATION

PROJECT TYPE	PROJECT ADDRESS	PROJECT CENSUS BLOCK GROUP (MUST BE > 50.78%)
Water Imrprovements	*3rd Street (Blocks 400-600), City of Kennedale, TX 76010*	1114.05/01

Project Address must give street name with block number

Project entails purchasing ROW or other property: Yes ☐ | No ☒

(ANY ISSUES REGARDING "RIGHT OF WAY" OR ANY ACQUISITION OF REAL PROPERTY MUST BE CLEARED OR IN PROCESS OF CLEARING BY THE TIME OF SUBMITTAL USING URA GUIDELINES found in CDBG Guide.)

PROJECT DESCRIPTION: Must fully explain what the project is, what will be done, where the project will take place (ie, which side of road and between what streets), the length of materials involved and the type of materials that exist and will be replaced with. If a multi-year project, please indicate. Go to part 6 to give description of need and problem to be addressed.

Rehabilitate 1,374 LF of existing 12" Asbestos Cement Waterline and 1,256 LF of Existing 2" Galvanized Waterline, Valves, Fittings, Service Lines and Meters along 3rd Street with 12" PVC. The 12" AC line will be abandoned in placed. The 2" GAL line will be removed and replaced with 12" PVC.

SERVICE AREA DESCRIPTION: Must include street boundaries of those who are benefiting from this project. [example; mustang st (north), main st. (south), magnolia st (east), tarrant dr. (west)] those residents who are affected lay within the "service area". For example, if a water/sewer improvement is made, think about who will receive direct benefit from this improvement and which way the water will flow. From this you should be able to outline a boundary to call your "service area".

IN THE CITY OF KENNEDALE, TEXAS, ALONG 3RD STREET BETWEEN NORTH RD (WEST), CORRY A EDWARDS (EAST), and 4TH ST (SOUTH).

LAND USE INFORMATION

Thinking about the boundaries that you just indicated for the "service area", fill in the table with the appropriate acreage of the land used within those boundaries. Please remember that **at least 70% of your service area must be residential, except for ADA Barrier Removal activities under Limited Clientele.** Look at land use maps.

State Land Use Codes	Land Use in Acres	Total Acres in Service Area	% of Total Service Area
A1 (Single Family Residential)	7.808	11.138	70.10%
A2 (Mobile Homes)			
B1 (Multi-family Residential)	0.464	11.138	4.17%
C1 (Residential Vacant)	2.253	11.138	20.23%
C2 (Commercial Vacant)			
C6 (Exempt – ROW)			
D3 (Farm land)			
D4 (Undeveloped)			
F1 (Commercial)			
F2 (Industrial)			
J1-8 (Utilities)			
OTHER (ResFeat)	0.613	11.138	5.50%
TOTAL RESIDENTIAL:			**100.00%**

REQUIRED MAPS

PLEASE MAKE SURE TO INCLUDE:

INCLUDED	
☒	MAP(S) INDICATING SERVICE AREA OUTLINING PROJECT AREA
☒	MAP OF FEMA FLOOD MAP (FIRM) OF OUTLINING PROJET AREA*
☒	OTHER MAPS (IE, SHOWING WATER OR SEWER FLOW)

*PROJECTS IN THE FLOODWAY ARE NOT ELIGIBLE

BUDGET OVERVIEW

DESCRIPTION OF ITEM	QUANTITY	UNIT PRICE	AMOUNT	NOTES
12” PVC Water Pipe	1374 LF	$66	$90,684	
Flowable Fill for Abandoned Waterline	40 CY	$165	$6,600	
Remove 2” Galvanized Pipe	1,256 LF	$20	$25,120	
Remove 6” PVC Pipe	134 LF	$35	$4,690	
Salvage Fire Hydrant	3 EA	$450	$1,350	
Salvage 12” Gate Valve	4 EA	$200	$800	
Salvage 2” Gate Valve	1 EA	$200	$200	
Reconnect ¾” Copper Water Service	24 EA	$500	$12,000	
Install Meter Box	24 EA	$300	$7,200	
Install 12” Gate Valve and Box	4 EA	$3,500	$14,000	
Ductile Iron Water Fittings	0.5 TON	$5000	$2,500	
Fire Hydrant Assembly	3 EA	$500	$2,000	
Concrete Repair	440 SF	$32	$14,112	
5’ Wide Asphalt Pavement Repair	1374 LF	$45	$61,830	
Trench Safety	1374 LF	$1.50	$2,061	
Traffic Control	1 LS	$1,500	$1,500	
SWPPP	1 LS	$2,000	$2,000	
10% Contingency			$24,865	

Estimated Construction Subtotal	$273,512
Design/Engineering Subtotal	$ 40,000
TOTAL ESTIMATED PROJECT COSTS	$ 313,512

City Leverage Amount *(if applicable)*	~~$158,512~~ ~~$128,512~~ $133,512
City Paid Design/ Engineering *(if applicable)*	$N/A
Other Sources *(if applicable)*	$N/A
Assumed CDBG award	~~$160,000~~ ~~$185,000~~ $180,000
Total Estimated Funds Available	$313,512

NOTE: balance of project MUST be leveraged by the city in order to have a completed and useable project upon final inspection. Assumption of CDBG allocation estimates can be seen in the example of Tiering Projects in the CDBG Guide. Total project costs must equal estimated funds available.

PROJECT JUSTIFICATION

NEED AND PROBLEMS: Describe the need and problem to be addressed. By stressing your need here will give greater justification in project selection. Provide details of whether or not this project will complement another project within the city or surrounding cities?

The existing 12" waterline in 3rd is made from asbestos-cement and is estimated to be about 70 years old. Due to poor water quality, the Public Works Department is consistently performing maintenance on this pipe. The existing 2" waterline is made from Galvanized steel and is also estimated to be around 70 years old. Due to frequent leaking and corroding of the 2" GAL pipe, the Public Works department is continuously repairing the line. The replacement of this line with an 12" PVC pipe will improve the water quality for the residents, provide adequate pressure to the fire hydrants, and provide system stability in the area.

FINANCIAL NEED: A brief explanation is needed for CDBG funding request and an explanation of current revenue. This should be accompanied by a brief financial summary report indicating assets and liabilities in general and specific reports in relation to the infrastructure being proposed.

The City of Kennedale relies on property taxes, sales tax, and water and sewer billing as revenue sources for public works projects. CDBG funding for this project will ensure its construction in the upcoming year.

ENVIRONMENTAL & NEIGHBORHOOD CONDITIONS: Give a brief description of the environment of the project and service areas. Will this project help improve the conditions? If so, how? Is this a developed area or undeveloped? Are there sensitive habitats? Will there be nuisances such as dust (air pollution), surface water problems and/or traffic issues during the project implementation?

The service area of this project consists of an older residential neighborhood served by a 12" AC and 2" GAL waterline that is past its service life, wth the 2" line being to small for fire protection. This project will improve the current conditions by immediately providing improved service to the neighborhood. There will be no negative impacts on the environment due to this project.

REQUIRED SUPPLEMENTAL INFORMATION

ITEM	INCLUDED	COMMENTS
City Annual Financial Information (The most current City Financial Summary available that shows assets and liabilities and/or line items indicating amount reserved for public infrastructure projects paid by the city. *One page summary will suffice.*)	☒ *Check here if you have included*	
City Comprehensive Plan or equivalent (If the city has a comprehensive plan, please include the portion which indicates community goals and future plans for land use in respect to using CDBG funds for projects or a web link.)	☒*Check here if you have included or emailed Planner*	
Date of City Public Hearing (The intent to the public hearing during city council meeting is to let your council and public know what you want to do with these federal funds and to listen to any comments, objections and finally approval by your council to move forward with the project. This can all be reflected in your minutes and a copy can be emailed to the planner when available.)	*3/17/2020*	Notice will be sent out 03/06/2020
Copy of Public Notice (It is required that the City post a public notice at least 10 business days prior to an actual meeting, a public meeting will occur in city chambers discussing this project, hear any comments given and a certified copy of minutes plus any comments made will be sent to the planner to go with the proposal.)	☐*Check here if you have included*	
Copy of Public Hearing Minutes (Attach a copy of the approved public hearing minutes and a copy of the public notice. *If the hearing is scheduled and has not been executed, please mail or fax a copy of the public notice and approved public hearing minutes to the senior planner or CDBG Project administrator as soon as minutes are approved.*)	☐*Check here if you have included*	
Copies of any Citizen Input or additional comments	☐*Check here if you have included, if any*	
Map showing boundary of service area	☒*Check here if you have included, if any*	

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STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: APRIL 21, 2020

AGENDA ITEM NUMBER: PURSUANT TO EXECUTIVE SESSION ITEM IV.H.1.

SUBJECT
Take any action deemed necessary as a result of the Executive Session

ORIGINATED BY
George Campbell, City Manager

SUMMARY

RECOMMENDATION

ATTACHMENTS