

KENNEDALE CITY COUNCIL AGENDA
REGULAR MEETING VIA VIDEOCONFERENCE
SEPTEMBER 15, 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

THIS MEETING WILL BE PRIMARILY CONDUCTED VIA VIDEOCONFERENCE. THE MAYOR AND COUNCIL WILL BE PARTICIPATING REMOTELY. MEMBERS OF THE PUBLIC MAY PARTICIPATE AND ADDRESS THE COUNCIL REMOTELY OR THEY MAY SPEAK IN-PERSON IN THE COUNCIL CHAMBERS IN CITY HALL (405 MUNICIPAL DRIVE, KENNEDALE, TX 76060) WHERE TECHNOLOGY WILL BE AVAILABLE TO ALLOW ANYONE TO ADDRESS THE COUNCIL.

I. CALL TO ORDER

*The public may join this meeting via the information provided above. Please leave yourself on mute unless you are called upon by the Mayor and are actively speaking. Toggle between mute and unmute by pressing *6 on your keypad. **Anyone wishing to address the Mayor and City Council regarding any item on this agenda may do so as the item is considered.** If you would like to speak, please 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 using the last four digits of your phone number. If you have joined by browser or app, ensure that you enter your name as you would like to be recognized. 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. EXECUTIVE SESSION

The City Council reserves the right to meet in Executive Session at any time during this meeting pursuant to the below cited sections of the Texas Government Code:

- 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 salvage yards, including A&A Pickup & Van, Inc., Apache, Abs 1 Auto Parts, and special exception/special use permits
 - 2. Discussion with City Attorney regarding budget and tax rate
- 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 §551.074** — *Deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee; and the following:*
 - 1. Consideration of Municipal Judge and Alternate Judge appointments

III. WORK SESSION

A. WORK SESSION REPORTS

1. Discussion, if desired, of issues relating to the Coronavirus (COVID-19) emergency
2. Continued discussion, if desired, regarding the City Manager's Proposed Fiscal Year 2020-2021 Annual Budget (Program of Services)

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

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

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

1. Updates from the City Council
2. Updates from the Mayor
3. Updates from the City Manager
4. Financial Reports for the City and the EDC

E. CONSENT AGENDA

These matters have appeared on previous agendas, require little or no deliberation, or are considered routine. If discussion is desired, items may be removed for separate consideration.

1. Approval of the minutes from the August 11, 2020 special meeting
2. Approval of the minutes from the August 18, 2020 regular meeting
3. Approval of the minutes from the August 27, 2020 special meeting
4. Approval of the minutes from the September 8, 2020 special meeting
5. Appointment to the 2020-21 Youth Advisory Council (YAC)
6. Consider authorizing the City Manager to sign a one-year Interlocal Agreement (ILA) with City of Fort Worth for rabies control services and the utilization of animal impoundment and quarantine facilities

7. Consider Resolution 576, approving the Professional Services Agreement and the Commercial Electricity Service Agreement with the Texas Coalition for Affordable Power (TCAP) and authorize the City Manager to execute those agreements
8. Consider Resolution 577, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2020 rate review mechanism (RRM) filing

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Discuss and consider Ordinance 710 of the City of Kennedale, Texas, adopting the Budget for the Fiscal Year beginning October 1, 2020, and ending September 30, 2021
2. Discuss and consider ratification of property tax increase reflected in FY2020–2021 Adopted Budget
3. Discuss and consider approval of Ordinance 711, fixing and levying municipal Ad Valorem Taxes for the City of Kennedale, Texas, for the Fiscal Year beginning October 1, 2020, and ending September 30, 2021
4. Consider approval of Ordinance 698, appointing a Municipal Judge and Alternate Judges; and authorizing the Mayor to sign contracts for each
5. As part of the Impact Fee Study, appoint a member to the Capital Improvements Advisory Committee (CIAC) who resides within the City's Extraterritorial Jurisdiction (ETJ)

G. PUBLIC HEARINGS

1. **Case #PZ 20-08** — Conduct a public hearing and consider Ordinance 712 regarding a request by MMA, Inc. for a rezoning from "R2" Residential to "PD" Planned Development for approximately 6 acres located at 3775 Kennedale New Hope Road, Robert C Richey Survey, Abstract No 1327, Tract 2K and 2L, and 3771 Kennedale New Hope Road, Robert C Richey Survey, Abstract 1359, Tract 1D and 1E, City of Kennedale, Tarrant County, Texas
2. **Case #PZ 20-09** — Conduct a public hearing and consider Ordinance 713 regarding a request by Gatehouse Capital for a rezoning from "R3" Residential to "PD" Planned Development for approximately 6 acres located at 439 Mansfield Cardinal Road, Harris Hills Estate, Block 1, Lot 1R, City of Kennedale, Tarrant County, Texas
3. **Case #PZ 20-10** — Conduct a public hearing and consider Ordinance 714 amending portions of the Unified Development Code of the City of Kennedale by Modifying Section 4.3, Table 4.3 Spatial Requirements: Old Town Districts of the Unified Development Code to allow for a minimum of one story for the principle building
4. **Case #PZ 20-11** — Conduct a public hearing and consider Ordinance 715 amending portions of the Unified Development Code of the City of Kennedale by Modifying Section 3.3, Table 3.3 Spatial Requirements: Agricultural and Residential Districts of the Unified Development Code to allow for a minimum of 20 foot front setback for R-3 and R-4 zoning districts
5. **Case #PZ 20-12** — Conduct a public hearing and consider Ordinance 716 regarding a request by Matthew and Tamiko Sargent for a rezoning from "AG" Agricultural to "NV" Neighborhood Village for approximately 1 acre located at 900 E. Kennedale Sublett Road, LILLY, J M SURVEY Abstract 980 Tract 4A1 & A 985 TR 1A1, City of Kennedale, Tarrant County, Texas

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

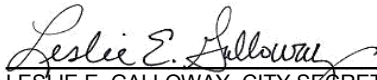
1. Take any action deemed necessary as a result of the Executive Session

V. ADJOURNMENT

Pursuant to the March 16, 2020 Proclamation issued by Governor Abbott suspending various provisions of Chapter 551, VTCA, Government Code, this meeting will not allow for attendance in-person by the public. However, the public may join this meeting via VideoConference and/or TeleConference, 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 SEPTEMBER 15, 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, 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 9/11/2020 1:12 PM

POSTED _____ (DATE) _____ (TIME)

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

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

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Discussion with City Attorney regarding budget and tax rate

ORIGINATED BY

SUMMARY

RECOMMENDATION

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM II.B.1.

SUBJECT

1001 W Kennedale Pkwy, Fort Worth, TX 76140

ORIGINATED BY

George Campbell, City Manager

SUMMARY

RECOMMENDATION

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: EXECUTIVE SESSION ITEM II.C.1.

SUBJECT

Consideration of Municipal Judge and Alternate Judge appointments

ORIGINATED BY

George Campbell, City Manager

SUMMARY

Information related to this item is attached to Item IV.F.4. on this agenda.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Discussion, if desired, of 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. Any additional information will be provided before the meeting as appropriate.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Continued discussion, if desired, regarding the City Manager's Proposed Fiscal Year 2020-2021 Annual Budget (Program of Services)

ORIGINATED BY

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

SUMMARY

During a special meeting on July 14, staff provided FY20-21 projections and requested Council direction regarding budget priorities. Since, the City Manager's FY20-21 Proposed Budget was presented to the Council during another special meeting on August 11. Further discussions were held during the Work Session of the Regular Meeting on August 18 and at a Special Meeting on August 27. The public hearings on the budget and tax rate were held September 8, 2020.

At this time, staff will be available to answer any questions that the Council may have regarding the budget proposal as well as the supporting tax rate.

Action items to consider adoption of the FY20-21 Budget (IV.F.1), ratification of the tax rate increase reflected in that Adopted Budget (IV.F.2), and adoption the FY20-21 Tax Rate (IV.F.3.) appear on this agenda.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 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

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Updates from the Mayor

ORIGINATED BY

George Campbell, City Manager

SUMMARY

Updates from Mayor Brian Johnson, if any.

RECOMMENDATION

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 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

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

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Financial Reports for the City and the EDC

ORIGINATED BY

Lakeita Sutton, Director of Finance and Information Technology

SUMMARY

Please see the attached financial reports for the City (for the month ending 08/31/2020); and for the Kennedale Economic Development Corporation (EDC) for the month ending 06/30/2020).

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.	August 2020 City Financials	2020_08 Financials.pdf
2.	June 2020 EDC Financials	June 2020 EDC Financials.pdf

Revenues & Expenditures - Budget & Actual Summary

FOR THE MONTH ENDED AUGUST 31, 2020

GENERAL FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
\$ 6,919,577		\$ 6,922,593	100.0%

GENERAL FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
\$ 7,782,522		\$ 6,343,855	81.5%

STREETS FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
\$ 838,926		\$ 665,450	79.3%

STREETS FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
\$ 1,052,153		\$ 721,593	68.6%

WATER/SEWER FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
\$ 4,028,331		\$ 4,302,850	106.8%

WATER/SEWER FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
\$ 4,350,939		\$ 3,731,589	85.8%

STORMWATER FUND REVENUES			
Budget	AMENDED	Actual	Actual Budget %
\$ 300,900		\$ 233,535	77.6%

STORMWATER FUND EXPENDITURES			
Budget	AMENDED	Actual	Actual Budget %
\$ 585,316		\$ 98,830	16.9%

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

91.7%

	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		
	Adopted Budget	Amended Budget			%		%	Original Budget	Amended Budget	M-T-D Aug-19	Y-T-D Aug-19	Y-T-D % Budget
Revenues:			Aug-20	Aug-20	Budget	Aug-20	Budget					
Property Taxes	\$ 4,210,532	\$ 4,210,532	\$ 3,165	\$ 4,424,975	105.1%	\$ 3,508,777	83.3%	\$ 3,832,433	\$ 3,832,433	\$ 9,108	\$ 3,865,710	100.9%
Sales / Beverage Tax	1,402,458	1,369,909	147,298	1,311,664	95.7%	\$ 1,168,715	83.3%	1,275,794	1,275,794	121,196	1,348,753	105.7%
Grants / Contributions	85,100	147,445	2,000	126,427	85.7%	\$ 70,917	83.3%	76,327	76,327	-	140,713	184.4%
Licenses / Permits	175,070	153,360	14,124	206,284	134.5%	\$ 145,892	83.3%	225,370	225,370	13,496	145,159	64.4%
Fines / Fees	179,700	105,300	4,336	89,252	84.8%	\$ 149,750	83.3%	179,700	179,700	10,640	152,109	84.6%
Charge for Services	181,225	193,225	1,711	154,110	79.8%	\$ 151,021	83.3%	190,950	190,950	9,659	156,135	81.8%
Investment Earnings	24,017	24,017	356	22,402	93.3%	\$ 20,014	83.3%	10,000	10,000	3,821	59,774	597.7%
Miscellaneous Income	5,500	5,500	318	22,038	400.7%	\$ 4,583	83.3%	106,070	106,070	874	46,967	44.3%
Intergovernmental	652,475	652,475	68,649	563,389	86.3%	\$ 543,729	83.3%	604,715	614,960	67,063	541,992	89.6%
Surplus / Sales Rentals	3,500	3,500	275	2,052	58.6%	\$ 2,917	83.3%	3,400	3,400	19,437	24,297	714.6%
Total Revenues	\$ 6,919,577	\$ 6,865,263	\$ 242,232	\$ 6,922,593	100.0%	\$ 5,766,314	83.3%	\$ 6,504,759	\$ 6,515,004	\$ 255,294	\$ 6,481,609	99.5%
Expenditures:												
City Manager	\$ 323,076	\$ 323,076	\$ 24,079	\$ 294,556	91.2%	\$ 269,230.00	83.3%	\$ 365,464	\$ 365,464	\$ 39,876	\$ 298,084	81.6%
Mayor and City Council	186,444	186,444	-	122,861	65.9%	\$ 155,370.00	83.3%	127,323	177,323	26,791	183,377	103.4%
City Secretary	179,811	178,540	13,382	130,366	73.0%	\$ 149,842.50	83.3%	164,073	164,073	15,769	145,053	88.4%
Municipal Court	112,701	111,868	6,656	94,965	84.9%	\$ 93,917.50	83.3%	108,147	108,148	9,340	90,265	83.5%
Human Resources	132,128	132,129	8,641	102,206	77.4%	\$ 110,106.67	83.3%	104,908	104,909	13,975	87,792	83.7%
Finance	393,017	389,826	21,394	353,140	90.6%	\$ 327,514.17	83.3%	358,365	358,365	28,733	314,568	87.8%
Police	2,563,035	2,499,599	157,614	2,270,689	90.8%	\$ 2,135,862.50	83.3%	2,531,118	2,604,764	287,351	2,198,099	84.4%
Police SRO	156,513	159,913	12,664	155,912	97.5%	\$ 130,427.50	83.3%	155,077	155,077	17,253	141,716	91.4%
Fire	2,386,910	2,203,129	138,870	1,730,018	78.5%	\$ 1,989,091.67	83.3%	1,902,500	1,907,680	196,343	1,726,195	90.5%
Community Development	465,735	438,146	32,584	363,725	83.0%	\$ 388,112.50	83.3%	371,589	371,590	39,425	316,063	85.1%
Senior Citizen Center	63,376	63,376	1,512	39,882	62.9%	\$ 52,813.33	83.3%	54,528	54,528	6,205	43,184	79.2%
Library	305,042	275,895	17,754	228,293	82.7%	\$ 254,201.67	83.3%	268,261	268,259	30,945	247,831	92.4%
Non-Departmental	514,734	564,058	3,343	457,242	81.1%	\$ 428,945.00	83.3%	511,749	511,749	15,708	407,016	79.5%
Total Expenditures	\$ 7,782,522	\$ 7,525,999	\$ 438,493	\$ 6,343,855	81.5%	\$ 6,485,435	83.3%	\$ 7,023,102	\$ 7,151,929	\$ 727,714	\$ 6,199,243	86.7%
Total Revenues Over (Under) Exp	\$ (862,944)	\$ (660,736)	\$ (196,261)	\$ 578,738		\$ (719,121)		\$ (518,342)	\$ (636,925)	\$ (472,420)	\$ 282,366	
Other Financing Sources (Uses):												
-	-	-	-	-		-		-	-	-	-	
Non-cash Transactions:												
Capital lease proceeds	-	-	-	-		-		-	-	-	-	
Capital expenditures	-	-	-	-		-		-	-	-	-	
Transfers In (Out):	-	-	-	-		-		-	-	-	-	
Net Change in Fund Balance	\$ (862,944)	\$ (660,736)		\$ 578,738				\$ (518,342)	\$ (636,925)			
Total Unassigned Fund Balance - BOY	1,480,503	1,597,593		1,597,593					1,746,714			
Ending Fund Balance Sept. 30	\$ 617,559	\$ 936,857		\$ 2,176,331					\$ 1,109,789			
Less: Commitments for Specific Use	-	-		-								
Less: Assigned for Specific Use	-	-		-								
Ending Fund Balance - Unassigned	\$ 617,559	\$ 936,857		\$ 2,176,331					\$ 1,109,789			
AVERAGE DAILY EXPENDITURES	21,322	20,619		17,380					19,594			
NUMBER OF DAYS IN RESERVE	29	45		125					57			
FUND BALANCE AS A % OF EXPENDITURES	7.94%	12.45%		34.31%					15.52%			

STREETS FUND
FOR THE MONTH ENDED AUGUST 31, 2020
FY 2019-20 WITH PRIOR YEAR COMPARISON
91.7%

	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		
	Original Budget	Amended Budget						Original Budget	Amended Budget	M-T-D Aug-19	Y-T-D Aug-19	Y-T-D % Budget
			Aug-20	Aug-20	% Budget	Aug-20	% Budget					
Revenues:												
Frachise Fees Telephone	\$ 36,622		\$ 4,558	\$ 19,432	53.1%	\$ 30,518.33	83.3%	\$ 40,000	\$ 40,000	\$ 7,639	\$ 27,065	68%
Frachise Fees Garbage	69,300		3,893	56,234	81.1%	\$ 57,750.00	83.3%	70,000	70,000	11,787	68,428	98%
Franchise Fees Gas	65,120		-	58,349	89.6%	\$ 54,266.67	83.3%	53,000	53,000	-	65,778	124%
Franchise Fees Electricity	315,583		-	247,222	78.3%	\$ 262,985.83	83.3%	295,000	295,000	-	250,406	85%
Franchise Fees Cable	54,450		8,294	34,850	64.0%	\$ 45,375.00	83.3%	50,000	50,000	8,320	48,752	98%
Franchise Fees Water Sew	267,106		22,259	244,847	91.7%	\$ 222,588.33	83.3%	189,869	189,869	15,822	174,046	92%
Investment Income	7,000		48	3,046	43.5%	\$ 5,833.33	83.3%	2,000	2,000	687	7,539	377%
TexDot Connecting Kennedale										-	-	
Misc. Income			250	1,100						300	1,640	
Admin Charge - Strm Water	19,995					\$ 16,662.50	83.3%	19,995	19,995	-	19,995	100%
Park Pavilion Rental	3,700		-	370	10.0%	\$ 3,083.33	83.3%	4,500	4,500	180	2,675	59%
Ballfield Rental	50					\$ 41.67	83.3%	350	350	-	50	14%
Sale of Parts/Assets												
Transfer In Park Dedication												
Transfer In TIF Fund												
Transfer In Donation Fund												
Total Revenues	\$ 838,926	\$ -	\$ 39,302	\$ 665,450	79.3%	\$ 699,105	83.3%	\$ 759,714	\$ 759,714	\$ 79,735	\$ 701,374	92%
Expenditures:												
Street Maintenance	\$ 850,176		\$ 55,563	\$ 658,576	77.5%	\$ 708,480.00	83.3%	\$ 740,910	\$ 740,910	\$ 79,063	\$ 614,884	83%
Park Maintenance	122,920		4,516	63,017	51.3%	\$ 102,433.33	83.3%	125,920	125,920	9,239	81,566	65%
Capital Projects	79,057		-			\$ 65,880.83	83.3%	79,058	79,058	-	79,058	100%
Total Expenditures	\$ 1,052,153	\$ -	\$ 60,079	\$ 721,593	68.6%	\$ 876,794	83.3%	\$ 945,888	\$ 945,888	\$ 88,302	\$ 775,508	82%
Total Revenues Over (Under) Exp	\$ (213,227)	\$ -	\$ (20,777)	\$ (56,143)		\$ (177,689)		\$ (186,174)	\$ (186,174)	\$ (8,567)	\$ (74,134)	
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)	\$ -		\$ (56,143)				\$ (186,174)	\$ (186,174)			
Total Unassigned Fund Balance - BOY	345,652			345,652					436,091			
Ending Fund Balance Sept. 30	\$ 132,425	\$ -		\$ 289,509					\$ 249,917			
Less: Commitments for Specific Use				-								-
Less: Assigned for Specific Use				-								-
Ending Fund Balance - Unassigned	\$ 132,425	\$ -		\$ 289,509					\$ 249,917			
AVERAGE DAILY EXPENDITURES	2,520	-		1,184					1,907			
NUMBER OF DAYS IN RESERVE	53			245					131			
FUND BALANCE AS A % OF EXPENDITURE	12.6%			40.1%					26.4%			

WATER & SEWER FUND
FOR THE MONTH ENDED AUGUST 31, 2020
FY 2019-20 WITH PRIOR YEAR COMPARISON
91.7%

	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		
	Original Budget	Amended Budget	Aug-20	Aug-20	% Budget	Aug-20	% Budget	Original Budget	Amended Budget	M-T-D Aug-19	Y-T-D Aug-19	Y-T-D % Budget
Revenues:												
Water Service	\$ 1,941,782	\$ 1,941,782	\$ 316,658	\$ 2,210,914	113.9%	\$ 1,618,151.67	83.3%	\$ 2,179,284	\$ 2,179,284	\$ 317,335	\$ 2,066,396	95%
Sewer Service	1,669,203	1,669,203	142,981	1,535,638	92.0%	\$ 1,391,002.50	83.3%	1,451,092	1,451,092	136,534	1,523,269	105%
Sewer Surcharge	11,978	11,978	-	1,990	16.6%	\$ 9,981.67	83.3%	9,600	9,600	(530)	11,894	124%
Penalties	50,873	14,450	-	9,729	67.3%	\$ 42,394.17	83.3%	66,000	66,000	5,695	48,148	73%
Administrative Fees	15,150	4,500	112	2,887	64.2%	\$ 12,625.00	83.3%	15,000	15,000	1,740	13,720	91%
Water Tap Fees	5,050	5,050	-	2,100	41.6%	\$ 4,208.33	83.3%	10,000	10,000	-	-	0%
Meter Purchase / Install	11,933	11,933	-	2,680	22.5%	\$ 9,944.17	83.3%	20,000	20,000	546	10,500	53%
Sewer Tap Fees	5,050	5,050	-	1,300	25.7%	\$ 4,208.33	83.3%	10,000	10,000	-	-	0%
Engineer Review Fees	6,924	6,924	-	4,500	65.0%	\$ 5,770.00	83.3%	5,000	5,000	1,000	6,143	123%
Sanitation Billing Fees	16,798	16,798	-	11,402	67.9%	\$ 13,998.33	83.3%	14,400	14,400	1,625	14,099	98%
Other Fees Water/Sewer	10,423	10,423	-	1,534	14.7%	\$ 8,685.83	83.3%	8,400	8,400	610	9,300	111%
Sales Tax	101	101	11	124	122.8%	\$ 84.17	83.3%	100	100	12	102	102%
Arlington Operator Cost		300,874	-	287,910	95.7%							
Investment Income	37,814	37,814	249	14,618	38.7%	\$ 31,511.67	83.3%	1,000	1,000	3,165	34,488	3449%
Miscellaneous Income	31,718	31,718	93	\$ 472	1.5%	\$ 26,431.67	83.3%	7,500	7,500	-	31,405	419%
Cash Over/Under	-							-	-	-	1	
Sale of Parts/Assets	1,010	37,750	-	\$ 40,237	106.6%	\$ 841.67	83.3%	1,000	1,000	-	345	35%
Transfer In - Water Impact Fund	152,524	152,525	12,710	\$ 139,815	91.7%	\$ 127,103.33	83.3%	152,525	152,525	-	152,525	
Transfer In - Sewer Impact Fund	60,000	35,000	-	\$ 35,000	100.0%	\$ 50,000.00	83.3%	60,000	60,000	-	60,000	
Total Revenues	\$ 4,028,331	\$ 4,293,873	\$ 472,814	\$ 4,302,850	106.8%	\$ 3,356,943	83.3%	\$ 4,010,901	\$ 4,010,901	\$ 467,732	\$ 3,982,335	99%
Expenditures:												
Utility Billing	\$ 1,518,390	\$ 1,718,999	\$ 105,769	\$ 1,365,025	79.4%	\$ 1,265,325.00	83.3%	\$ 1,293,973	\$ 1,293,973	\$ 118,506	\$ 1,161,091	90%
Operations	1,385,155	1,522,435	97,424	1,290,989	84.8%	\$ 1,154,295.83	83.3%	1,576,197	1,576,197	189,244	\$ 1,132,652	72%
Debt Service	354,505	354,505	33,798	354,505	100.0%	\$ 295,420.83	83.3%	509,680	509,680	39,481	\$ 509,680	100%
Capital Projects	415,000	415,000	-	105,513	25.4%	\$ 345,833.33	83.3%	654,796	654,796	60,525	\$ 412,479	63%
Non-Departmental	677,889	677,889	55,016	615,557	90.8%	\$ 564,907.50	83.3%	624,875	624,875	47,496	\$ 570,179	91%
Total Expenditures	\$ 4,350,939	\$ 4,688,828	\$ 292,007	\$ 3,731,589	85.8%	\$ 3,625,783	83.3%	\$ 4,659,521	\$ 4,659,521	\$ 455,252	\$ 3,786,081	81%
Total Revenues Over (Under) Exp	\$ (322,608)	\$ (394,955)	\$ 180,807	\$ 571,261		\$ (268,840)		\$ (648,620)	\$ (648,620)	\$ 12,480	\$ 196,254	
Other Funding Sources (Uses):												
Debt service - bond payments												
Non-cash transactions:												
Capital lease proceeds												
Capital expenditures												
Net Change in Fund Balance	\$ (322,608)	\$ (394,955)		\$ 571,261				\$ (648,620)	\$ (648,620)			
Total Unrestricted Fund Balance - BOY	1,682,545	2,471,302		2,471,302					1,990,605			
Total Fund Balance - EOY	\$ 1,359,937	\$ 2,076,347		\$ 3,042,563		\$ -			\$ 1,341,985			
Less: Commitments for Specific Use				-		-						
Less: Assigned for Specific Use				-		-						
Ending Fund Balance - Unrestricted	\$ 1,359,937	\$ 2,076,347		\$ 3,042,563		\$ -			\$ 1,341,985			
AVERAGE DAILY EXPENDITURES	884	1,082		(1,565)					1,777			
NUMBER OF DAYS IN RESERVE	1,539	1,919		(1,944)					755			
FUND BALANCE AS A % OF EXPENDITURE	31%	44%		82%					29%			

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

91.7%

	CURRENT FISCAL YEAR						
	BUDGET		ACTUAL			FY PROJECTED	
	FY 2019-2020		M-T-D	Y-T-D	Y-T-D	FY 2019-2020	
	Original Budget	Amended Budget	Aug-20	Aug-20	% Budget	Aug-20	% Budget
Revenues:							
Penalties	\$ 3,200	\$ 3,200	\$ -	\$ 401	12.5%	\$ 2,667	83.3%
Grant Revenue	-						
Drainage Fees	297,200	265,000	22,057	232,429	87.7%	\$ 247,667	83.3%
Investment Income	500	500	44	705	141.0%	\$ 417	83.3%
Miscellaneous Income	-						
Total Revenues	\$ 300,900	\$ 268,700	\$ 22,101	\$ 233,535	77.6%	\$ 250,750	83.3%
Expenditures:							
Stormwater Utility	585,316	\$ 619,316	\$ 14,582	\$ 98,830	16.0%	\$ 487,763	83.3%
Total Expenditures	\$ 585,316	\$ 619,316	\$ 14,582	\$ 98,830	16.9%	\$ 487,763	83.3%
Total Revenues Over (Under) Exp	\$ (284,416)	\$ (350,616)	\$ 7,519	\$ 134,705		\$ (237,013)	
Other Financing Sources (Uses):							
Capital grant contributions	-	-	-	-			
Net Change in Fund Balance	\$ (284,416)	\$ (350,616)		\$ 134,705			
Total Unrestricted Fund Balance - BOY	1,221,677	198,778		198,778			
Total Fund Balance - EOY	\$ 937,261	\$ (151,838)		\$ 333,483			
Less: Commitments for Specific Use	-	-		-		-	
Ending Fund Balance - Unrestricted	\$ 937,261	\$ (151,838)		\$ 333,483			

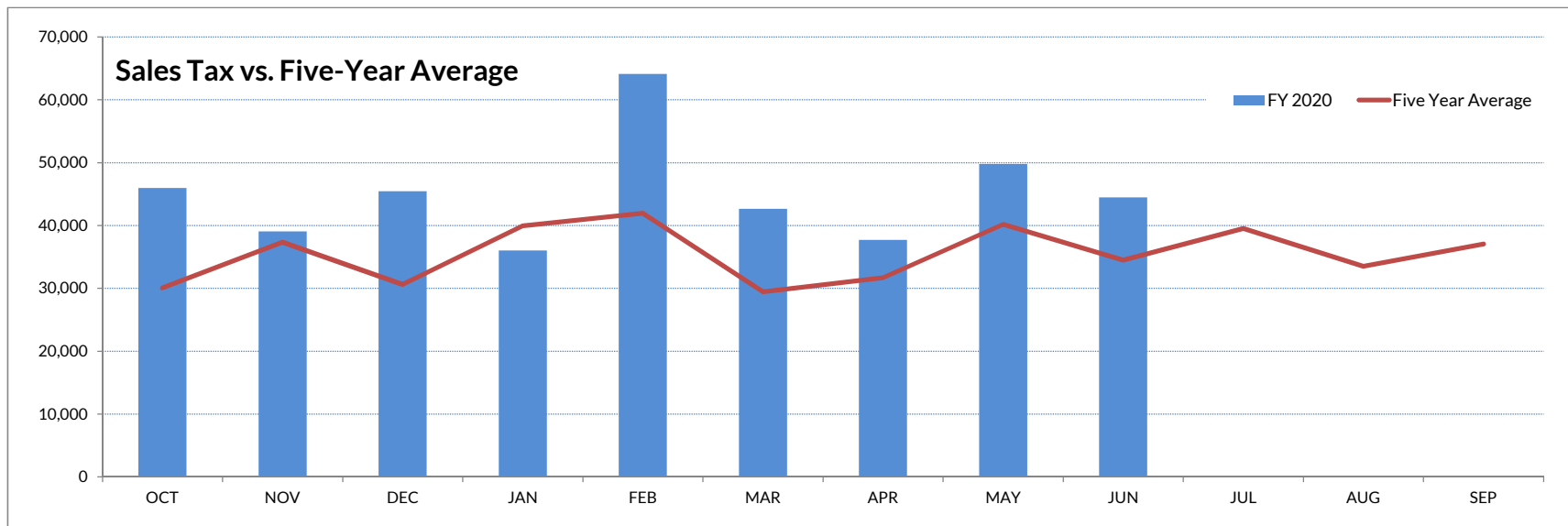
PRIOR FISCAL YEAR				
BUDGET		FY ACTUAL		
FY 2018-2019		FY 2018-2019		
Original Budget	Final Budget	M-T-D Aug-19	Y-T-D Aug-19	Y-T-D % Budget
\$ 2,500	\$ 2,500	\$ 727	\$ 3,749	150.0%
-	-			
252,000	252,000	22,166	242,521	96.2%
450	450	60	675	150.0%
-	-			
\$ 254,950	\$ 254,950	\$ 22,953	\$ 246,945	97%
\$ 139,764	\$ 139,764	\$ 29,503	\$ 186,702	133.6%
\$ 139,764	\$ 139,764	\$ 29,503	\$ 186,702	134%
\$ 115,186	\$ 115,186	\$ (6,550)	\$ 60,243	
-	-	-	-	
\$ 115,186	\$ 115,186			
	\$ 1,159,638			
	\$ 1,274,824			
-	-			
\$ -	\$ 1,274,824			

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

		BUDGET					Y-T-D ACTUAL							
FUND	FUND NAME	Revenues	Expenditures	Change in Fund Balances	Fund Balance Beginning of Year	Fund Balance End of Year	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	\$ 1,552,055	89%	\$ 1,484,478	100%	\$ 67,577	25.8%	\$ 309,119	\$ 376,696
OTHER GENERAL FUNDS														
5	Capital Replacement Fund	\$ 185,732	\$ 185,732	\$ -	\$ 236,826	\$ 236,826	\$ 9,511	5%	\$ 160,226	86%	\$ (150,715)	0.0%	\$ 236,826	\$ 86,111
12	Court Security Fund	3,000	-	\$ 3,000	20,614	23,614	2,186	73%	-	0%	\$ 2,186	72.9%	\$ 20,614	22,800
16	Court Technology Fund	3,920	875	\$ 3,045	9,796	12,841	2,340	60%	-	0%	\$ 2,340	76.8%	\$ 9,796	12,136
18	Juvenile Case Manager Fund	5,650	13,873	(8,223)	6,079	(2,144)	2,282	40%	1,213	0%	\$ 1,069	-13.0%	\$ 6,079	7,148
21	TIF 1 (New Hope Rd) Fund	146,648	-	146,648	(656,862)	(510,214)	152,709	104%	-	0%	\$ 152,709	104.1%	\$ (656,862)	(504,153)
34	Leose Fund	1,767	1,650	117	1,895	2,012	1,761	100%	-		\$ 1,761	1505.1%	\$ 1,895	3,656
83	Tree Reforestation Fund	500	500	-	70,425	70,425	591	118%	-	86%	\$ 591	0.0%	\$ 70,425	71,016
		\$ 347,217	\$ 202,630	\$ 144,587	\$ (311,227)	\$ (166,640)	\$ 171,380		\$ 161,439		\$ 9,941		\$ (311,227)	\$ (301,286)
CAPITAL FUNDS														
4	Capital Projects Fund	\$ 70,250	\$ 104,768	\$ (34,518)	\$ (24,182)	\$ (58,700)	\$ 178,720	254%	\$ -	0%	\$ 178,720	-517.8%	\$ (24,182)	\$ 154,538
13	Capital Bond Fund	23,846	719,000	(695,154)	2,617,419	1,922,265	21,171		377,330	52%	\$ (356,159)	51.2%	\$ 2,617,419	\$ 2,261,260
14	Park Dedication Fund	17,600	30,170	(12,570)	96,825	84,255	17,580	100%	90	0%	\$ 17,490	-139.1%	\$ 96,825	\$ 114,315
32	Library Building Fund	2,270	2,000	270	(4,035)	(3,765)	1,289	57%	-	0%	\$ 1,289	477.4%	\$ (4,035)	\$ (2,746)
45	Roadway Impact Fee Fund	9,100	110,000	(100,900)	573,275	472,375	13,035	143%	22,029	20%	\$ (8,994)	8.9%	\$ 573,275	\$ 564,281
61	Water Impact Fee Fund	5,231	152,525	(147,294)	12,325	(134,969)	4,729	1	139,815	92%	(135,086)	1	12,325	(122,761)
62	Sewer Impact Fee Fund	3,650	35,000	(31,350)	77,190	45,840	3,524	1	35,000	100%	(31,476)	1	77,190	45,714
		\$ 131,947	\$ 1,153,463	\$ (1,021,516)	\$ 3,348,817	\$ 2,327,301	\$ 199,891		\$ 377,330		\$ (177,439)		\$ 2,593,237	\$ 2,415,798
EDC 4B FUNDS														
15	EDC 4B Fund	\$ 799,629	\$ 572,598	\$ 227,031	\$ 306,146	\$ 533,177	\$ 785,776	98%	\$ 516,639	90%	\$ 269,137	118.5%	\$ 306,146	\$ 575,283
				-		-			-		\$ -		\$ -	\$ -
		\$ 799,629	\$ 572,598	\$ 227,031	\$ 306,146	\$ 533,177	\$ 785,776		\$ 516,639		\$ 269,137		\$ 306,146	\$ 575,283
SPECIAL REVENUE FUNDS														
30	Hotel/Motel Tax Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,928		\$ -		\$ 5,928		\$ -	\$ 5,928
35	Disaster Recovery Fund	-	-	-	-	-	420,910		7,609		\$ 413,301		\$ -	\$ 413,301
		-	-	-	-	-	426,838		7,609		419,229			\$ 419,229

EDC SALES TAX BY MONTH

YEAR	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
FY2020	\$ 45,962	\$ 39,056	\$ 45,450	\$ 36,037	\$ 64,105	\$ 42,654	\$ 37,725	\$ 49,804	\$ 44,467				\$ 405,260
FY2019	31,048	38,680	39,362	88,360	45,433	36,033	34,603	46,432	38,783	43,510	36,757	47,143	\$ 526,144
FY2018	34,607	38,169	28,985	31,808	54,501	31,672	41,253	43,121	36,295	41,089	39,590	29,697	\$ 450,787
FY2017	29,583	38,719	27,285	29,652	35,265	26,215	29,043	33,374	26,747	33,648	16,530	28,850	\$ 354,908
FY2016	31,046	39,712	32,662	25,293	38,669	29,196	26,505	38,181	27,906	28,195	29,231	30,459	\$ 377,055
FY2015	23,985	31,479	27,515	24,594	35,857	24,104	27,064	39,783	42,821	55,252	48,766	59,232	\$ 440,453
FY2014	21,990	29,867	31,661	22,458	32,594	23,228	26,412	31,319	25,832	23,976	28,866	22,659	\$ 320,861
FY2013	33,617	31,297	23,446	20,135	30,003	20,791	20,318	32,020	21,136	22,435	27,973	26,025	\$ 309,197



KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
JUNE 2020

Monthly Information

1. \$44,467 in Sales Tax Revenue
2. EDC Director engaged in long-term planning, including relationship with Chamber, hotel satus, Red's Roadhouse, and other development deals

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

Lakeita Sutton

ADDITIONAL INFORMATION

FUND 15 - OPERATING FUND (EDC INVOICES AND REVENUE ARE RECEIVED IN THIS FUND)
FUND 19 - CAPITAL BOND FUND (CLOSED IN FY 18)
FUND 95 - RESERVE FUND FOR DEBT REQUIREMENTS

KENNEDALE ECONOMIC DEVELOPMENT CORPORATION
ANNUAL PROGRAM OF SERVICES
JUNE 2020

CATEGORY	DESCRIPTION	YTD
BEGINNING CASH BALANCE - FUND 15	(Operating Cash)	\$ 583,516
BEGINNING CASH BALANCE - FUND 95	(Required reserves)	\$ 125,596
AD VALOREM TAXES		\$ 329,123
SALES/BEVERAGE TAXES		(109,782)
INVESTMENT EARNINGS		-
MISCELLANEOUS INCOME		29,619
SURPLUS SALES/RENTALS		120,341
TRANSFERS		
BEGINNING CASH BALANCE - TOTAL		\$ 709,112
BEGINNING AVAILABLE CASH - TOTAL		583,516
TOTAL REVENUES MINUS EXPENDITURES FOR MONTH		\$ 31,948 *
ENDING CASH BALANCE - FUND 15	(Operating Cash)	\$ 605,903
ENDING CASH BALANCE - FUND 95	(Required reserves)	\$ 125,616
ENDING CASH BALANCE - TOTAL		\$ 731,519
UNAVAILABLE CASH - EARMARKED		
RESERVES FOR LEVERAGE NOTE	(Required reserves)	\$ 125,616
TOTAL UNAVAILABLE CASH		\$ 125,616
AVAILABLE CASH		\$ 605,903

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

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JUNE 30, 2020

	CURRENT FISCAL YEAR			
	BUDGET	ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D
	Original Budget	Jun-20	Jun-20	% Budget
Revenues:				
MMD TAX CURRENT YEAR	\$ 35,000	\$ -	\$ -	
SALES TAX	400,141	44,467	\$ 320,614	80.1%
INVESTMENT INCOME FUND 15	4,000	98	\$ 3,533	88.3%
INVESTMENT INCOME FUND 95		20	\$ 1,009	
MISCELLANEOUS INCOME	30,120	778	\$ 13,847	46.0%
INSURANCE REIMBURSEMENT	-	-	\$ -	
LAND PROCEEDS		-	\$ 150,368	
RENTAL FEES - SHOPPING CTR	180,000	20,244	\$ 162,677	90.4%
RENTAL INSURANCE	746	-	\$ -	
SALES OF ASSETS	-	-	\$ -	
PROCEEDS-DEBT/LOAN/LEASE	-	-	\$ -	
	-	-	\$ -	
Total Revenues	\$ 650,007	\$ 65,607	\$ 652,048	100.3%
Expenditures:				
ADMINISTRATION	169,377	25,086	124,327	73.40%
DEBT SERVICE	323,570	4,656	278,110	85.95%
TOWN SHOPPING CENTER	79,651	3,917	54,995	69.04%
TOWN CENTER REDEVELOPMENT	\$ -	-	-	
Total Expenditures	\$ 572,598	\$ 33,659	\$ 457,432	79.9%
Total Revenues Over (Under) Exp	\$ 77,409	\$ 31,948	\$ 194,616	
Other Financing Sources (Uses):				
	-	-	-	
Operating Transfer to / from General Fund	-	-	-	
Total Other Financing Sources (Uses):	-	-	-	
	-	-	-	
Net Change in Fund Balance	\$ 77,409			
Fund Balance Oct 1	667,774			
Ending Fund Balance	\$ 745,183			
	-			
AVERAGE DAILY EXPENDITURES	\$ 1,569			
Number of Days In Reserve	475			
Fund Balance as a % of Expenditures	130%			

	PRIOR FISCAL YEAR			
	BUDGET	FY ACTUAL		
	FY 2018-2019	FY 2018-2019		
	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
\$ 35,000	\$ -	\$ -		
373,835	\$ 38,968	\$ 332,803		89.0%
65	553	\$ 4,577		7041.5%
	227	\$ 1,958		
45,120	3,071	\$ 26,466		58.7%
		\$ -		
121,112	18,820	\$ 169,855		140.2%
746	-	\$ -		
	-	-		
	-	-		
-				
\$ 575,878	\$ 61,639	\$ 535,659		93.0%
168,360	9,988	119,137		71%
320,432	-	150,619		47%
51,120	4,573	58,660		115%
-	-	5,738		
\$ 539,912	\$ 14,561	\$ 334,154		62%
\$ 35,966	\$ 47,078	\$ 201,505		
-	-	-		
-	-	-		
		-		
-	-	-		
\$ 35,966				
\$ 290,178				
\$ 326,144				
-				
\$ 1,479				
220				
60%				

REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JUNE 30, 2020

	CURRENT FISCAL YEAR			
	BUDGET	ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D
	Original Budget	Jun-20	Jun-20	% Budget
Revenues:				
MMD TAX CURRENT YEAR	\$ 35,000	\$ -	\$ -	
SALES TAX	400,141	44,467	\$ 320,614	80.1%
INVESTMENT INCOME	4,000	98	\$ 3,533	88.3%
MISCELLANEOUS INCOME	30,120	778	\$ 13,847	46.0%
INSURANCE REIMBURSEMENT		-	\$ -	
LAND PROCEEDS	150,368	-	\$ 150,368	
RENTAL FEES - SHOPPING CTR	180,000	20,244	\$ 162,677	90.4%
RENTAL INSURANCE		-	\$ -	
SALES OF ASSETS	-	-	\$ -	
PROCEEDS-DEBT/LOAN/LEASE	-	-	\$ -	
	-	-	\$ -	
Total Revenues	\$ 799,629	\$ 65,587	\$ 651,039	81.4%
Expenditures:				
ADMINISTRATION	169,377	25,086	124,327	73.40%
DEBT SERVICE	323,570	4,656	278,110	85.95%
TOWN SHOPPING CENTER	79,651	3,917	54,995	69.04%
TOWN CENTER REDEVELOPMENT	\$ -	-	-	
Total Expenditures	\$ 572,598	\$ 33,659	\$ 457,432	79.9%
Total Revenues Over (Under) Exp	\$ 227,031	\$ 31,928	\$ 193,607	
Other Financing Sources (Uses):				
	-	-	-	
Operating Transfer to / from General Fund	-	-	-	
Total Other Financing Sources (Uses):	-	-	-	
	-	-	-	
Net Change in Fund Balance	\$ 227,031			
Fund Balance Oct 1	543,188			
Ending Fund Balance	\$ 770,219			
	-			
AVERAGE DAILY EXPENDITURES	\$ 1,569			
Number of Days In Reserve	491			
Fund Balance as a % of Expenditures	135%			

	PRIOR FISCAL YEAR			
	BUDGET	FY ACTUAL		
	FY 2018-2019	FY 2018-2019		
	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
	\$ 35,000	\$ -	\$ -	
	384,598	\$ 38,968	\$ 332,803	86.5%
	65	553	\$ 4,577	7041.5%
	24,120	3,071	\$ 26,466	109.7%
		-	\$ -	
	185,223	18,820	\$ 169,855	91.7%
	746	-	\$ -	0.0%
		-	\$ -	
		-	\$ -	
	-			
	\$ 629,752	\$ 61,412	\$ 533,701	84.7%
	168,360	9,988	119,137	71%
	320,432	-	150,619	47%
	51,120	4,573	58,660	115%
	-	-	5,738	
	\$ 539,912	\$ 14,561	\$ 334,154	62%
	\$ 89,840	\$ 46,851	\$ 199,547	
	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
	\$ 89,840			
	\$ 168,179			
	\$ 258,019			
	-			
	\$ 1,479			
	174			
	48%			

EDC ADMIN

	CURRENT FISCAL YEAR			
	BUDGET	ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D
	Original Budget	Jun-20	Jun-20	% Budget
Expenditures:				
PRINTED SUPPLIES	\$ 2,000	\$ 2,119	\$ 2,119	106.0%
GENERAL OFFICE SUPPLIES	50	-	\$ -	0.0%
POSTAGE	50	-	\$ -	0.0%
SUPPLIES TOTAL	2,100	2,119	2,119	100.9%
ADVERTISING	1,200	233	\$ 437	
ASSOCIATION DUES/PUBLICATIONS	3,395	-	\$ 1,125	33.1%
TRAINING/SEMINARS	250	-	\$ -	0.0%
LEGAL SERVICES	14,925	-	\$ 5,335	35.7%
AUDIT SERVICES	4,250	-	\$ 4,250	100.0%
SPECIAL SERVICES	975	1,715	\$ 1,936	198.6%
FILING FEES	-			
ENGINEERING SERVICES				
TRAVEL	100	-	\$ -	
ENGINEERING SERVICES	-	-	\$ -	
ADMIN CHARGE-GENERAL FUND	116,318	9,693	\$ 87,238	75.0%
FUNCTIONAL GRANT	25,864	11,326	\$ 21,887	84.6%
LAND	-			
SUNDRY TOTAL	167,277	22,967	122,208	73.06%
	-	-	\$ -	
Total EDC Admin Expenditures	\$ 169,377	\$ 25,086	\$ 124,327	73.40%

	PRIOR FISCAL YEAR			
	BUDGET	FY ACTUAL		
	FY 2018-19	FY 2018-2019		
	Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
	\$ 2,000	\$ -	\$ -	0.0%
	50	-	\$ -	0.0%
	50	-	\$ -	0.0%
	1,200			
	3,300	-		0.0%
	-	-	\$ -	
	5,320	-	\$ 4,932	92.7%
	250	-	\$ -	0.0%
	13,000	121	\$ 2,223	17.1%
	4,250	-	\$ 4,250	100.0%
	250	43	\$ 275	110.0%
		-	\$ -	
	100			0.0%
	-			
	117,890	9,824	\$ 88,418	75.0%
	24,000	-	\$ 19,039	79.3%
	165,060	9,988	119,137	72.2%
	-			
	\$ 168,360	\$ 9,988	\$ 119,137	70.8%

EDC DEBT SERVICE

	CURRENT FISCAL YEAR			
	BUDGET	ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D
	Original Budget			
Expenditures:		Jun-20	Jun-20	% Budget
2007 \$1.2M TAX BOND INTEREST	\$ 46,566	\$ -	\$ 46,495	99.8%
2007 \$1.2M TAX BOND PRINCIPAL	65,000	-	\$ 65,000	100.0%
2011 \$1.7M TX LEVERAGE INT	18,122	865	\$ 11,389	62.8%
2011 \$17.M TX LEVERAGE PRIN	41,982	3,791	\$ 32,476	77.4%
TRANSFER OUT-DEBT SERV FUND	151,900	-	\$ 122,750	80.8%
	-			
Total EDC Debt Expenditures	\$ 323,570	\$ 4,656	\$ 278,110	86.0%

PRIOR FISCAL YEAR			
BUDGET	FY ACTUAL		
FY 2018-19	FY 2018-2019		
Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
\$ 50,735	\$ -	\$ 50,688	99.9%
60,000	-	\$ 60,000	100.0%
12,834	-	\$ 13,503	105.2%
42,038	-	\$ 26,428	62.9%
154,825	-	\$ -	0.0%
-			
\$ 320,432	\$ -	\$ 150,619	47.0%

EDCTOWN SHOPPING CENTER

	CURRENT FISCAL YEAR			
	BUDGET	ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D
	Original Budget	Jun-20	Jun-20	% Budget
Expenditures:				
BUILDING MAINTENANCE	\$ 54,951	\$ 2,444	\$ 36,539	66.5%
ELECTRIC SERVICES	5,700	673	\$ 3,653	64.1%
INSURANCE - PROPERTY	13,000	-	\$ 9,976	76.7%
SPECIAL SERVICES	6,000	800	\$ 4,827	80.5%
	-			
Total EDC Town Center Expenditure	\$ 79,651	\$ 3,917	\$ 54,995	69.0%

PRIOR FISCAL YEAR			
BUDGET	FY ACTUAL		
FY 2018-19	FY 2018-19		
Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
\$ 29,920	\$ 3,751	\$ 39,419	131.7%
6,700	322	\$ 3,602	53.8%
8,500	-	\$ 11,139	131.0%
6,000	500	\$ 4,500	75.0%
-			
\$ 51,120	\$ 4,573	\$ 58,660	114.7%

EDC TOWN CENTER REDEVELOPMENT

	CURRENT FISCAL YEAR			
	BUDGET	ACTUAL		
	FY 2019-20	MONTH	Y-T-D	Y-T-D
	Original Budget	Jun-20	Jun-20	% Budget
Expenditures:				
ENGINEERING SERVICES	\$ -	\$ -	\$ -	
CONSTRUCTION	-		\$ -	
	-			
Total EDC Town Center Expenditure	\$ -	\$ -	\$ -	

PRIOR FISCAL YEAR			
BUDGET	FY ACTUAL		
FY 2018-19	FY 2018-19		
Original Budget	MONTH Jun-19	Y-T-D Jun-19	Y-T-D % Budget
		\$ -	
	-	\$ 5,738	
-			
\$ -	\$ -	\$ 5,738	

**REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FY 2019-20 WITH PRIOR YEAR COMPARISON
FOR THE MONTH ENDED JUNE 30, 2020**

EDC BOND RESERVE FUND

	CURRENT FISCAL YEAR				PRIOR FISCAL YEAR			
	BUDGET	ACTUAL			BUDGET	FY ACTUAL		
	FY 2019-20 Original Budget	MONTH	Y-T-D	Y-T-D	FY 2018-19 Original Budget	FY 2018-19 MONTH Jun- 19	Y-T-D Jun-19	Y-T-D % Budget
Revenues:		Jun-20	Jun-20	% Budget				
INVESTMENT INCOME	2,000	20	\$ 1,009		-	227	\$ 1,958	
Total Revenues	\$ 2,000	\$ 20	\$ 1,009		\$ -	\$ 227	\$ 1,958	
Expenditures:								
ADMINISTRATION	\$ -	-	-			-	-	
Total Expenditures	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Total Revenues Over (Under) Exp	\$ 2,000	\$ 20	\$ 1,009		\$ -	\$ 227	\$ 1,958	
	-	-	-					
Net Change in Fund Balance	\$ 2,000			\$ -	\$ -			
Fund Balance Oct 1	124,586				\$ 121,999			
Ending Fund Balance	\$ 126,586				\$ 121,999			

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

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Approval of the minutes from the August 11, 2020 special meeting

ORIGINATED BY

Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2020_08.11 City Council Special Meeting_DRAFT	2020_08.11 City Council Special Meeting_DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES
SPECIAL MEETING VIA VIDEOCONFERENCE
AUGUST 11, 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

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

A. ROLL CALL

Participating via VideoConference: Mayor Brian Johnson; Josh Altom, Place 1 (arrived at 5:31 p.m.); Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; Linda Rhodes, Place 4; Chad Wandel, Place 5;

Absent: None. **Staff Participating via VideoConference:** City Manager George Campbell, City Secretary and Communications Coordinator Leslie E. Galloway, Finance Director Lakeita Sutton, Public Works Director Larry Hoover, Police Chief Tommy Williams, Fire Chief James Brown, Library Director Amanda King, Director of Human Resources and Administrative Services Danielle Clarke, Director of Planning and Economic Development Melissa Dailey (arrived at 5:35 p.m.), Administrative Assistant Rosie Ericson

II. WORK SESSION

A. Receive a report and hold a discussion regarding the City Manager's Proposed Fiscal Year 2020-2021 annual budget

City Manager George Campbell gave an overview of the agenda items, noting that the Council had been provided a hardcopy of the proposed budget and that staff would be available to answer any questions. The Mayor noted that this was an introduction to the budget and that additional meetings could be scheduled.

Finance Director Lakeita Sutton noted that corrected versions of pages 11, 12, and 13 of the Proposed Budget had been sent to the Council via email and that the total cost of new program requests (none of which were included in the Proposed Budget) would also need to be updated within the Management Letter. Sutton then gave a presentation including an overview of the budget process, the fund structure, assumptions and highlights for FY20-21, new program requests, impacts of various tax rates, 5-year projections, and next steps in the budget process.

There was some discussion of the need for an Assistant City Manager position, the reduced drawdown in FY19-20, the hiring freeze, vacancies, travel and training cuts, franchise fees, water and sewer projects, progress on the transfer of utility billing to Arlington, ad valorem values, the recommended tax rate, the FY20-21 projected drawdown, increases in permitting and development fees, furloughs and/or layoffs, the move of one part time position from Court to Finance, the need to balance the budget, adjustments to the accounting of the Stormwater Fund, a potential 2021 Certificates of Obligation (CO) issuance, the EDC budget, increased valued in the Tax Increment Reinvestment Zone

(TIRZ), salvage yards, funding of the Link Street project, the Beacon Hill drainage project, and the effects of Senate Bill 2 on the tax rate options.

Mayor Johnson urged the Council to send questions to staff and/or set up an appointment to meet with Sutton regarding any questions before the next meeting.

City Manager George Campbell reminded the Council that the Proposed Budget did not include any salary adjustments nor step plan increases. He added that if the Council chose to increase the tax rate to anything higher than what was included in the Proposed Budget, that any additional revenue would be used to build the fund balance.

III. REGULAR SESSION

- A. Discuss and consider approval of Resolution 574 of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 15, 2020 City Council Public Meeting agenda to adopt a 2020 tax rate that may exceed the lower of the voter-approval rate or the no-new-revenue tax rate; calling a public hearing for September 8, 2020

There was no discussion at this time.

Motion Approve. Action Approve Resolution 574 of the City Council of the City of Kennedale, Texas, approving the placement of a proposal on the September 15, 2020 City Council Public Meeting agenda to adopt a 2020 tax rate that may exceed the lower of the voter-approval rate or the no-new-revenue tax rate; calling a public hearing for September 8, 2020, Moved By Pugh, Seconded By Wandel. Motion passed unanimously.

- B. Discuss and consider approval of Resolution 575 ordering the General Election for November 3, 2020

There was no discussion at this time.

Motion Approve. Action Approve Resolution 575 ordering the General Election for November 3, 2020, Moved By Rhodes, Seconded By Pugh. Motion passed unanimously.

IV. ADJOURNMENT

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

Mayor Brian Johnson adjourned the meeting at 7:11 p.m.

APPROVED:

ATTEST:

BRIAN JOHNSON, MAYOR

LESLIE E. GALLOWAY, CITY SECRETARY

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

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Approval of the minutes from the August 18, 2020 regular meeting

ORIGINATED BY

Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2020_08.18 City Council Regular Meeting_DRAFT	2020_08.18 City Council Regular Meeting_DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES
REGULAR MEETING VIA VIDEOCONFERENCE
AUGUST 18, 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

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

II. EXECUTIVE SESSION

THIS ITEM WAS TAKEN OUT OF ORDER. THE COUNCIL RECESSED TO EXECUTIVE SESSION FOLLOWING THE WORK SESSION, BUT BEFORE OPENING THE REGULAR 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 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 §551.074** — *Deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee; and the following:*

1. Consideration of Municipal Judge and Alternate Judge appointments

III. WORK SESSION

A. WORK SESSION REPORTS

1. Discussion, if desired, of 2020-21 Youth Advisory Council (YAC) applicants
There was no discussion at this time.
2. Discussion, if desired, of issues relating to the Coronavirus (COVID-19) emergency
There was no discussion at this time.
3. Continued discussion regarding the City Manager's Proposed Fiscal Year 2020-2021

Annual Budget (Program of Services)

City Manager George Campbell stated that staff had not prepared a formal presentation, but had responded via email to questions received from the Council since the last meeting, noting that staff was prepared to answer any further questions or provide additional details.

There was some discussion regarding furloughs, travel and training, part-time positions, the potential of outsourcing EMS service, EDC spending and other potential uses of the sales tax revenue funding it, the effect of different potential tax rates on fund balances, bond rating reviews, the potential of closing the Library facility, the potential to move the Senior Center programming and operation under the Library's staffing, transfers between funds, the portion of the budget that is dedicated to public safety and personnel, the potential to fund fire and EMS apparatus with debt, the effects bond ratings can have on debt rates, and the increase in ad valorem values.

B. REQUESTS FOR CLARIFICATION OF ITEMS LISTED ON THE AGENDA

Following the Work Session, the Mayor recessed to Executive at 6:40 p.m. The Council returned from the closed session at 6:57 p.m. and took a brief recess before opening the Regular Session. Mayor Johnson disconnected from the meeting following the Executive Session and the remainder of the meeting was chaired by Mayor Pro Tem Sandra Lee.

IV. REGULAR SESSION

Mayor Pro Tem Sandra Lee called the Regular Session to order at 7:06 p.m.

A. ROLL CALL

Participating via VideoConference: Mayor Brian Johnson (left at 7:00 p.m., following the Work and Executive Sessions); Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; Linda Rhodes, Place 4; Chad Wandel, Place 5; **Absent:** Josh Altom, Place 1. **Staff Participating via VideoConference:** City Manager George Campbell, City Secretary and Communications Coordinator Leslie E. Galloway, City Attorney Drew Larkin, Finance Director Lakeita Sutton, Public Works Director Larry Hoover, Acting Fire Chief Brian King, Police Chief Tommy Williams, Library Director Amanda King, Director of Human Resources and Administrative Services Danielle Clarke, Director of Planning and Economic Development Melissa Dailey, Financial Analyst Debby Scott, Planner Meghan Riddlespurger, Administrative Assistant Rosie Ericson

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

The invocation and pledges were not carried out due to the meeting being held remotely.

C. VISITOR AND CITIZEN FORUM

There were no requests to speak at this time.

D. REPORTS AND ANNOUNCEMENTS

1. Updates from the City Council

- **Josh Altom, Place 1**, was not present.
- **Chris Pugh, Place 2**, had no announcements at this time.
- **Mayor Pro Tem Sandra Lee, Place 3**, had no announcements at this time.

- **Linda Rhodes, Place 4**, thanked staff for reopening the YAC application process, noting that three more applications were received.
- **Chad Wandel, Place 5**, announced that by volunteering for 4 hours at the Tarrant Area Food Bank, our local food pantries would receive additional donations.

2. Updates from the Mayor

Library Director Amanda King recognized the top readers from Summer Reading Club.

3. Updates from the City Manager

City Manager George Campbell had no updates at this time.

4. Financial Reports for the City and the EDC

There was no discussion at this time.

E. CONSENT AGENDA

1. Approval of the minutes from the July 14, 2020 special meeting
2. Approval of the minutes from the July 21, 2020 regular meeting
3. Appointments to the 2020-21 Youth Advisory Council (YAC)
4. Consider authorizing the Mayor to sign an Interlocal Agreement with the Fort Worth Transportation Authority ("Trinity Metro") for Administrative Cost Funding for Section 5310 Program
5. Discuss and consider approval of bid award for health, dental, life and accidental death and dismemberment (AD&D), and voluntary life insurances and authorize the City Manager to sign the agreements
6. Consider authorizing the City Manager to enter into a 4-year agreement with HALFF Associates in the amount of \$32,000 for professional engineering services related to the preparation of annual reports required by the TCEQ Phase II Municipal Separate Storm Sewer System (MS4) program

Motion Approve. Action Approve the Consent Agenda with the corrected July 21 minutes, Moved By Rhodes, Seconded By Pugh. Motion passed unanimously.

F. ITEMS FOR INDIVIDUAL CONSIDERATION

1. Consider approval of Ordinance 698, appointing a Municipal Judge and Alternate Judges; and authorizing the Mayor to sign contracts for each

Motion Postpone. Action Postpone appointing a Municipal Judge and Alternate Judges, Moved By Pugh, Seconded By Rhodes. Motion passed unanimously.

G. PUBLIC HEARINGS

1. **Case #PZ 20-03** — Conduct a public hearing and consider an Ordinance regarding a

request by William Franks for a rezoning from “C1” Commercial to “R3” Residential for approximately 0.5 acres located at 612 N. Little School Road, Block 4, Lots 1A and 2A, Hilldale Addition, City of Kennedale, Tarrant County, Texas

Director of Planning and Economic Development Melissa Dailey gave an overview of the surrounding uses, current use of the land, requirements of C1 zoning, and designation of the property according to the future land use plan (NV). She added that staff recommended approval and that the Planning and Zoning (P&Z) Commission also unanimously recommended approval.

Mayor Pro Tem Lee opened the public hearing at 7:17 p.m.

The applicant, **William Franks**, stated that the land was zoned R3 when he purchased it, but that the current zoning of C1 had made the sale of the property impossible thus far.

Mayor Pro Tem Lee closed the public hearing at 7:20 p.m.

Motion Approve. **Action** Approve an Ordinance regarding a request by William Franks for a rezoning from “C1” Commercial to “R3” Residential for approximately 0.5 acres located at 612 N. Little School Road, Block 4, Lots 1A and 2A, Hilldale Addition, City of Kennedale, Tarrant County, Texas, **Moved By** Wandel, **Seconded By** Mayor Pro Tem Lee. **Motion passed unanimously.**

2. **CASE #PZ 20-06** — Hold a Public Hearing and consider an Ordinance regarding the creation of a new (TH) Townhome zoning district and regulating purpose, form and character, building form standards, siting, elements, parking, loading facilities, landscaping, streets and streetscape, and amending the following UDC sections to provide for (TH) regulations: Section 2.2 “Zoning Districts”; Section 3.1 “Purpose”; Table 3.2 “Schedule of Uses: Agricultural and Residential Districts”; Table 3.3 “Spatial Requirements”; Section 10.9 C.1. “Dwellings per Lot”; Section 11.2.B.3, Building Materials”; Section 11.30. “Residential Sales”; Section 11.36.D.3, regarding distance from sexually oriented businesses; Section 12.8.A.4., “Required Off-Street Parking”; Table 13.6, “Buffer Area Landscape Requirements”

Director of Planning and Economic Development Melissa Dailey stated that this new zoning category would be specific to Townhomes, which are individual parcels for each unit (which is different from a duplex, condo, or an apartment). She noted that, with Townhomes, an individual typically owns their individual building and lot. In response to a question from Councilmember Rhodes, Dailey stated that there was no maximum number of units per acre as it was form-based code.

Mayor Pro Tem Lee opened the public hearing at 7:28 p.m. There were no requests to speak and the hearing was closed.

Motion Approve. **Action** Approve an Ordinance regarding the creation of a new (TH) Townhome zoning district and regulating purpose, form and character, building form standards, siting, elements, parking, loading facilities, landscaping, streets and streetscape, and amending the following UDC sections to provide for (TH) regulations: Section 2.2 “Zoning Districts”; Section 3.1 “Purpose”; Table 3.2 “Schedule of Uses: Agricultural and Residential Districts”; Table 3.3 “Spatial Requirements”; Section 10.9

C.1. “Dwellings per Lot”; Section 11.2.B.3, Building Materials”; Section 11.30. “Residential Sales”; Section 11.36.D.3, regarding distance from sexually oriented businesses; Section 12.8.A.4., “Required Off-Street Parking”; Table 13.6, “Buffer Area Landscape Requirements”, **Moved By** Pugh, **Seconded By** Mayor Pro Tem Lee. **Motion passed 3-1**, with Rhodes voting against.

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

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

There was neither discussion nor action at this time.

V. **ADJOURNMENT**

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

Mayor Pro Tem Sandra Lee adjourned the meeting at 7:32 p.m.

APPROVED:

ATTEST:

BRIAN JOHNSON, MAYOR

LESLIE E. GALLOWAY, CITY SECRETARY

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Approval of the minutes from the August 27, 2020 special meeting

ORIGINATED BY

Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2020_08.27 City Council Special Meeting_DRAFT	2020_08.27 City Council Special Meeting_DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES
SPECIAL MEETING VIA VIDEOCONFERENCE
AUGUST 27, 2020 AT 5:30 PM

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

I. CALL TO ORDER

Mayor Brian Johnson called the meeting to order at 5:32 p.m.

A. ROLL CALL

Participating via VideoConference: Mayor Brian Johnson; Josh Altom, Place 1 (*disconnected from the meeting from 5:51 to 6:20 p.m.*); Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; Linda Rhodes, Place 4; Chad Wandel, Place 5; **Absent:** None. **Staff Participating via VideoConference:** City Manager George Campbell, City Secretary and Communications Coordinator Leslie E. Galloway, Finance Director Lakeita Sutton, Public Works Director Larry Hoover, Acting Fire Chief Brian King, Fire Chief James Brown, Police Chief Tommy Williams, Library Director Amanda King, Director of Human Resources and Administrative Services Danielle Clarke, Director of Planning and Economic Development Melissa Dailey, Administrative Assistant Rosie Ericson, Library Clerk Lucy Shonkweiler

II. WORK SESSION

A. Continued discussion regarding the City Manager's Proposed Fiscal Year 2020-2021 Annual Budget (Program of Services)

City Manager George Campbell stated that there was no formal presentation, but that the Council had been provided with a spreadsheet of potential budget reductions, noting that there was not much room for cuts without negatively impacting services.

Campbell added that estimates regarding the outsourcing of ambulance service were also provided, but that he did not believe that the minimal savings would measure up to the potential loss of service to the community, including increased costs to patients. Following some discussion, it was the consensus of the Council to issue a Request for Proposals (RFP) to evaluate the options, but to keep ambulance service in the FY20-21 Budget, as presented. Campbell noted that results of an RFP likely would not be available until midway through the fiscal year.

Campbell stated that the Council had already approved the bid for employee health insurance – which came in lower than expected – and would include a savings of about \$20,000; and that the only other recommended savings would be the termination of the contract with Sixty & Better (the Tarrant County entity currently managing the Senior Center) so that internal staff could plan and implement carry out the programming for that facility.

At the request of Councilmember Pugh, Campbell briefly outlined each of the other potential cuts on the spreadsheet provided to the Council, reiterating that he would not recommend that any of these other cuts be made.

There was some discussion of the need to identify year-over-year (rather than one-time) cuts, ambulance response times, reduced control when outsourcing services, the reduction in spending on programs and events due to COVID-19 restrictions, retail and commercial development, projected end-of-year fund balance, reducing the City Manager's approved spending limit, employee retention, impacts of various tax rates, utilization of furloughs or compensatory time (in place of overtime), and the total tax burden across all entities.

Finance Director Lakeita Sutton noted that the average home value was about \$221,000, which would be an annual increase of ~\$78 under the 77-cent tax rate; and ~\$132 at the 80-cent rate. Following discussion, it was the consensus of the Council to post the notice of tax rate increase at a maximum of \$0.801026 per \$100.00 of valuation so that the Council could consider a rate up to and including that amount.

City Manager George Campbell asked that the Council continue sending questions to staff and that, if there were any cuts that a Councilmember would like to see implemented, to please send those to him as well.

III. ADJOURNMENT

Mayor Brian Johnson adjourned the meeting at 7:19 p.m.

APPROVED:

ATTEST:

BRIAN JOHNSON, MAYOR

LESLIE E. GALLOWAY, CITY SECRETARY

STAFF REPORT
TO THE HONORABLE MAYOR AND CITY COUNCIL

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Approval of the minutes from the September 8, 2020 special meeting

ORIGINATED BY

Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY

Please see the attached minutes for your approval.

RECOMMENDATION

Approve

ATTACHMENTS

1.	2020_09.08 City Council Special Meeting_DRAFT	2020_09.08 City Council Special Meeting_DRAFT.pdf
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KENNEDALE CITY COUNCIL MINUTES
SPECIAL MEETING VIA VIDEOCONFERENCE
SEPTEMBER 8, 2020 AT 5:30 PM
MEMBERS OF THE PUBLIC MAY JOIN BY VISITING

WWW.CITYOFKENNEDEALE.COM/JOINMEETING AND/OR BY DIALING
1-877-853-5257 (TOLL-FREE) AND USING ACCESS CODE 76060-76060

THIS MEETING WILL BE PRIMARILY CONDUCTED VIA VIDEOCONFERENCE.
THE MAYOR AND COUNCIL WILL BE PARTICIPATING REMOTELY.
MEMBERS OF THE PUBLIC MAY PARTICIPATE AND ADDRESS THE COUNCIL
REMOTELY OR THEY MAY SPEAK IN-PERSON IN THE COUNCIL CHAMBERS IN
CITY HALL (405 MUNICIPAL DRIVE, KENNEDALE, TX 76060) WHERE TECHNOLOGY
WILL BE MADE AVAILABLE TO ALLOW ANYONE TO ADDRESS THE COUNCIL.

I. CALL TO ORDER

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

A. ROLL CALL

Participating via VideoConference: Mayor Brian Johnson; Chris Pugh, Place 2; Mayor Pro Tem Lee, Place 3; Linda Rhodes, Place 4; Chad Wandel, Place 5; **Absent:** Josh Altom, Place 1. **Staff Participating via VideoConference:** City Manager George Campbell, City Secretary and Communications Coordinator Leslie E. Galloway, City Attorney Drew Larkin, Finance Director Lakeita Sutton, Public Works Director Larry Hoover, Acting Fire Chief Brian King, Fire Chief James Brown, Police Chief Tommy Williams, Police Captain Darrel Hull, Library Director Amanda King, Director of Human Resources and Administrative Services Danielle Clarke, Director of Planning and Economic Development Melissa Dailey, Financial Analyst Debby Scott, Planner Meghan Riddlespurger, Administrative Assistant Rosie Ericson

II. WORK SESSION

A. Continued discussion, if desired, regarding the City Manager's Proposed Fiscal Year 2020-2021 Annual Budget (Program of Services)

Finance Director Lakeita Sutton gave a presentation regarding the budget process to date, General Fund assumptions and highlights, the tax rate recommendation of \$0.801026, impacts of various tax rates, Council input to date, and next steps in the process.

III. REGULAR SESSION

A. PUBLIC HEARINGS

1. Public hearing and consider the Fiscal Year 2020–2021 Proposed Budget

Mayor Brian Johnson opened the public hearing at 5:44 p.m.

Andrew Schaffer spoke in support of the FY20-21 Proposed Budget; and **John Hivale**, **Rockie Gilley**, and **Joe Palmer** spoke against.

Mayor Johnson closed the public hearing at 5:57 p.m.

Motion Postpone. **Action** Postpone consideration of action regarding the Fiscal Year 2020–2021 Proposed Budget until the Regular Meeting on Tuesday, September 15, 2020 at 5:30 p.m., **Moved By** Wandel, **Seconded By** Pugh. **Motion passed unanimously.**

2. Public hearing on the Fiscal Year 2020–2021 Tax Rate and announce day of vote on tax rate

Mayor Brian Johnson opened the public hearing at 5:58 p.m.

Joe Palmer and **John Hivale** spoke against the recommended FY20-21 Tax Rate increase.

Mayor Johnson closed the public hearing at 6:05 p.m.

Following the hearing, Mayor Johnson announced that the Council would consider action on the FY20-21 Tax Rate during the Regular Meeting scheduled for Tuesday, September 15, 2020, at 5:30 p.m.

There was some discussion of the status of the Safe Routes to School (SRTS) funding, salary line items that had increased since FY19-20 due to step plan implementation, cuts made by the Library, the potential issuance of debt in 2021, splash pad availability and potential improvements, staff retirements, and the possibility of the Fire Department moving to a schedule of 48 hours on / 96 hours off (rather than the current 24/72).

IV. ADJOURNMENT

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

Mayor Johnson adjourned the meeting at 6:43 p.m.

APPROVED:

ATTEST:

BRIAN JOHNSON, MAYOR

LESLIE E. GALLOWAY, CITY SECRETARY

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

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Appointment to the 2020-21 Youth Advisory Council (YAC)

ORIGINATED BY

Leslie E. Galloway, City Secretary & Communications Coordinator

SUMMARY

During the August 18 Regular Meeting, the Council approved the appointment of 20 applicants to the 2020-21 Youth Advisory Council (YAC). Due to an oversight, one application was omitted from that packet. Staff apologizes for the error and is now attaching the application of David Nguyen for Council's consideration.

RECOMMENDATION

Staff would recommend appointment of David Nguyen to the 2020-21 YAC.

ATTACHMENTS

1.	Nguyen_David_YAC	Nguyen_David_YAC.pdf
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MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

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

ORIGINATED BY

Tommy Williams, Police Chief

SUMMARY

In FY16–17, the City Council approved an Interlocal Agreement (ILA) with the City of Fort Worth for limited rabies control services and impoundment and quarantine facilities for animals. The original contract allowed for 3 (three) one-year extensions by written agreement of both parties, each of which have been executed. The attached is a new agreement for the same services for a term of one year (October 1, 2020 through September 30, 2021) and allows for two one-year extensions. None of the fees (Exhibits A and B) have increased nor has the maximum billable amount.

During FY 19-20, we impounded 41 dogs and 0 cats. We were billed a total of \$16,200 in shelter services through July 31, 2020. These invoices were associated with the impounding of stray animals, and for adoption boarding fees for our animals that were not claimed by an owner. This contract establishes a maximum contract year billable amount of \$55,000.

RECOMMENDATION

Approve

ATTACHMENTS

1.	Rabies Control ILA for City of Kennedale 2020 7-14	Rabies Control ILA for City of Kennedale 2020 7-14 _HR.pdf
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STATE OF TEXAS

§

§

COUNTY OF TARRANT

§

**INTERLOCAL AGREEMENT FOR RABIES CONTROL
CITY OF KENNEDALE**

THIS AGREEMENT is made and entered into by and between the City of Fort Worth, a home-rule municipal corporation situated in Tarrant, Denton, Parker, and Wise Counties, Texas, acting by and through its duly authorized Assistant City Manager (hereinafter referred to as "City"), and the City of Kennedale, Texas, a home rule city located in Tarrant County, Texas, acting by and through its duly authorized Mayor (hereinafter referred to as "Kennedale").

WHEREAS, Chapter 791 of the Texas Government Code authorizes the formulation of interlocal cooperation agreements between and among municipalities and counties for the performance of governmental functions; and

WHEREAS, Chapter 826 of the Texas Health and Safety Code, also known as the Rabies Control Act of 1981 (hereinafter referred to as the "Act"), requires governing bodies of each municipality to designate a local rabies control authority to enforce the Act and minimum standards for rabies control adopted by the Texas Department of State Health Services; and

WHEREAS, Section 826.016 of said Act authorizes a municipality to enter into agreements with public entities to carry out activities required or authorized under the Act; and

WHEREAS, Kennedale wishes to participate in an interlocal agreement with City for the purpose of limited rabies control in the City of Kennedale; and

WHEREAS, Kennedale and City mutually desire to be subject to the provisions of Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act.

NOW, THEREFORE, it is agreed as follows:

1.

PURPOSE

The purpose of this Interlocal Agreement is to enter into an Agreement between City and Kennedale whereby, subject to the terms and conditions hereinafter set forth and consideration specified below, City agrees to provide Kennedale with limited rabies control services in the City of Kennedale, and City agrees to provide impoundment for dogs and quarantine facilities for animals pursuant to this Agreement for the benefit of Kennedale.

2.
DEFINITIONS

For the purposes of this Agreement, the following definitions shall apply:

ACT shall mean the Rabies Control Act of 1981, codified as Chapter 826 of the Texas Health and Safety Code.

ANIMAL shall mean any living, vertebrate creature, domestic or wild, other than homo sapiens.

ANIMAL CARE AND CONTROL CENTER shall mean a facility located in Fort Worth, Texas, which is operated by the City for the purpose of impounding and caring for animals as prescribed by law.

BITE shall mean a bite or scratch capable of transmitting rabies, which is inflicted by an animal on a human.

CAT shall mean a commonly domesticated member of the Felidae (feline) family, other than a lion, tiger, bobcat, jaguar, panther, leopard, cougar, or other prohibited animal.

DANGEROUS DOG shall mean a dog that makes an unprovoked attack on a person that causes bodily injury and occurs in a place other than an enclosure in which the dog is being kept and that was reasonably certain to prevent the dog from leaving the enclosure on its own; or commits unprovoked acts in a place other than an enclosure in which the dog was being kept and that was reasonably certain to prevent the dog from leaving the enclosure on its own and those acts cause a person to reasonably believe that the dog will attack and cause bodily injury to that person.

DAY shall mean a calendar day or any part thereof.

DOG shall mean canis familiaris.

QUARANTINE shall mean the strict confinement of a biting animal, in accordance with the Act and the Rules.

RABIES shall mean an acute viral disease of man and animal affecting the central nervous system and usually transmitted by an animal bite.

RULES shall mean the rules adopted by the Texas Department of State Health Services for rabies control and eradication under 25 TAC § 169.21 et seq.

STRAY shall mean roaming with no physical restraint beyond the premises of an animal's owner or keeper.

3.
TERM

Unless terminated pursuant to the terms herein, this Agreement shall be for a term of one year, beginning on October 1, 2020 and ending on September 30, 2021. In addition, In addition, the term may be extend by mutual written agreement of the parties, for up to two additional one-year terms.

4.
SERVICES BY CITY

- A. Hours
City agrees to perform the services described herein for Kennedale in the City of Kennedale, between the hours of 8:00 a.m. and 4:00 p.m. weekdays and weekends, excluding holidays, with no after hours service provided.
- B. Service Calls and Rabies Response
In the manner and to the extent that it deems appropriate and in accordance with the Rules and the Act, bite animals which are delivered by Kennedale officials to the City will be handled by the City.
- C. Impoundment of Dogs
City will board dogs delivered to the City's Animal Care and Control Center by Kennedale officials pursuant to Section 6.

5.
DUTIES OF KENNEDALE

- A. Kennedale agrees that it will retain all responsibility for enforcement of all aspects of the Act not covered in Paragraph 4 of this Agreement, including criminal enforcement.
- B. Kennedale agrees that it will pursue, at its discretion, the issuance and execution of warrants or other court orders necessary for the seizure of animals requiring quarantine or testing under Section 4 (C) of this Agreement, whose owners have failed or refused to place them for quarantine or testing. Kennedale further agrees that City is not required to pursue the issuance and execution of such warrants.

6.
IMPOUNDMENT AND DISPOSITION OF ANIMALS

- A. A live, stray dog impounded by Kennedale and delivered to the City under this Agreement shall be held for a period of not less than ninety-six 96 hours, unless released earlier to its owner ("Animal Owner") or as described in subsection 6.D. below. A quarantined animal impounded by Kennedale and delivered to the City shall be held or presented for testing according to the Act and the Rules. Kennedale shall provide in writing to the City the date of the bite incident and the animal's date of release from

quarantine. Kennedale shall pay charges for impounded dogs, and quarantined animals, as specified in Exhibit "A."

- B. Prior to the expiration of the impoundment period, the City may destroy an impounded dog if the Animal Services Administrator or Animal Control Manager of the City or the Animal Care and Controls veterinarian recommends and approves such action.
- C. Impounded animals will be released to their owners upon:
 - (1) Proof of identification;
 - (2) Payment of Exhibit "B" fees;
 - (3) The animal is vaccinated against rabies at the owner's expense if the animal is a dog or a cat over 12 weeks of age and the owner does not have an unexpired rabies vaccination certificate for the animal.
- D. The ownership of impounded or quarantined animals that have not been released to their owners on the expiration of the impoundment or quarantine period, or submitted for rabies testing, shall lie with Kennedale, and Kennedale authorizes the City to place the animals for adoption, to transfer them to other animal welfare organizations, or to be euthanized, at the sole discretion of the City. Kennedale specifically requests the City euthanize all animals from Kennedale that are not adopted or transferred.
- E. All quarantined animals from Kennedale not reclaimed by their owner will be disposed of pursuant to Section 6.D. above, and Kennedale will be billed for the cost in accordance with the fee schedule.
- F. Kennedale will be billed for all impounded dogs and quarantined animals delivered by the Kennedale.
- G. The City will impound and hold dogs from Kennedale which have been seized by Kennedale only under Chapters 821 or 822 of the Texas Health and Safety Code. Kennedale agrees to request, pursuant to Chapters 821 and 822, an Appeals Bond to cover the fees estimated to be charged to the Animal Owner under Exhibit "B" and Kennedale agrees to pay the City all fees which would have been charged the Animal Owner in the event the court does not require the Animal Owner to pay the fees or where the Animal Owner is ordered by the court to pay and fails to pay.

7. EXCLUSIONS

- A. Nothing in this Agreement shall be deemed as designating the City or an officer or employee of the City as the "local health authority" or "local rabies control authority" of Kennedale those terms are defined or used in Title 10 of the Texas Health and Safety Code, Vernon's Texas Codes Annotated.

- B. Nothing in this Agreement shall be deemed as requiring the City to investigate reports of dangerous dogs, to register dangerous dogs, or otherwise regulate dangerous dogs in the City of Kennedale under the authority of Chapter 822 Subchapter D. of the Texas Health and Safety Code, Vernon's Texas Codes Annotated.
- C. Nothing in this Agreement shall be deemed as requiring the City to quarantine or present for testing domestic animals that have been bitten by or directly exposed by physical contact to a rabid animal or its fresh tissues.
- D. City shall not impound stray animals if Kennedale fails to enact and maintain rules or ordinances pursuant to Sections 826.015 and 826.033 of the Texas Health and Safety Code that require animals to be restrained at all times.

8.

RESPONSIBILITY FOR EMPLOYEES

City employees who provide services under this Agreement are deemed to be City employees when providing such services. City will exercise complete control over the hiring, training, supervision, and conduct of such employees. City will be responsible for all wages and applicable payroll deductions, unemployment taxes, workers' compensation insurance, vacations, holidays, and fringe benefits for such employees and for all uniforms, vehicles, and equipment used by such employees for providing services under this Agreement. Kennedale shall have no direct supervisory authority over such employees except in emergency situations where the exercise of supervision by Kennedale becomes necessary for resolution of the emergency. Regarding workers' compensation insurance, the City shall not waive its right to subrogate against Kennedale for losses incurred in the course of City's services rendered to Kennedale under this Agreement.

9.

COMPENSATION

- A. As fair compensation for the services rendered Kennedale agrees to pay City for its services based on the schedule attached hereto as Exhibit "A", as pertinent, which is hereby incorporated as a part of this Agreement as if it were set forth at length. City may adjust any fee listed in Exhibit "A" during the term of this Agreement by giving Kennedale 120 days' written notice.
- B. Head and shipment preparation fees shall be as described in Exhibit "A".
- C. Kennedale will not pay City more than **\$55,000.00**, in total per contract year, for services rendered during the term of this Agreement. This amount shall herein constitute a **not to exceed** limitation placed upon this Agreement, and when such amount is reached, City will cease providing such services. City agrees to provide Kennedale with an itemized monthly bill. Kennedale agrees to promptly pay such bills upon presentation by the City, such payments to be made from current revenues available to Kennedale, within thirty (30) days of receipt. In the event of the termination of this Agreement, City shall bill Kennedale for

any outstanding balance, regardless of the amount, and Kennedale agrees to promptly pay such bill, within thirty (30) days of receipt.

- D. Pursuant to the requirements of Section 791.011(d)(3) of the Texas Government Code, the amount due City shall be paid from revenues available to Kennedale in that current fiscal year.

10.

FEES CHARGED ANIMAL OWNERS

Kennedale hereby agrees that City may charge, or cause to be charged, the fees set out in Exhibit "B" to the owners of animals that have been impounded or quarantined. Exhibit "B" is hereby incorporated as a part of this Agreement as if it were set forth at length. City is hereby authorized to increase said fees during the terms of this Agreement by giving Kennedale 120 days' notice. Notwithstanding the fees charged to animal owners, Kennedale shall remain responsible to the City for the fees set out in Exhibit "A."

11.

LIABILITIES

- A. To the extent permitted by law, Kennedale shall be responsible for all work-related deaths, injuries or diseases of Kennedale employees, and for property damage, personal injury or death caused by such employees, relating to work provided pursuant to this Agreement.
- B. To the extent permitted by law, City shall be responsible for all work-related deaths, injuries or diseases of City employees, and for property damage, personal injury or death caused by City employees or volunteers relating to work provided pursuant to this Agreement.
- C. Kennedale shall be responsible for all property damages, personal injuries and death caused by the use of City and Kennedale equipment and vehicles caused by Kennedale employees or volunteers pursuant to this Agreement. Furthermore, Kennedale shall be responsible for the repair or replacement of all such equipment and vehicles damaged, destroyed, lost or stolen by Kennedale employees or volunteers during the provision of services hereunder.
- D. City shall be responsible for all property damages, personal injuries and death caused by the use of City equipment and vehicles caused by City employees or volunteers pursuant to this Agreement. Furthermore, City shall be responsible for the repair or replacement of all such equipment and vehicles damaged, destroyed, lost or stolen caused by City employees or volunteers during the provision of services hereunder.

12.

IMMUNITY & THIRD PARTIES

- A. Kennedale expressly waives its right to assert immunity from suit for a claim forming the basis of a suit between the City and Kennedale alleging a breach of this Agreement. Kennedale does this as consideration for the City's offer to enter into this Contract with Kennedale. No third party may use this waiver in any way and no waiver of immunity in favor of a third party is intended by this Agreement.
- B. Nothing in this Agreement shall be construed to expand the liability of City or Kennedale beyond the scope of Chapter 101 of the Texas Civil Practice and Remedies Code unless specifically stated herein.

13.

TERMINATION

It is further agreed by and between City and Kennedale that City and Kennedale shall each have the right to terminate this Agreement upon thirty (30) days written notice to the other party.

14.

ENTIRETY

This Agreement contains all commitments and agreements of the parties hereto, and no other oral or written commitments shall have any force or effect if not contained herein.

15.

MODIFICATION

This Agreement may be modified by the mutual agreement of the parties, if the modification is in writing and signed by City and Kennedale.

16.

SEVERABILITY

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

17.

AUTHORITY

This Agreement is made for City and Kennedale as an Interlocal Agreement pursuant to VTCA, Government Code, Chapter 791.

18.
AUTHORIZATION

The undersigned officer and/or agents of the parties hereto are properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto, and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

19.
FORCE MAJEURE

It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war; civil commotion; acts of God; inclement weather; governmental restrictions, regulations, or interferences; fires; strikes; lockouts, national disasters; riots; material or labor restrictions; transportation problems; or any other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

20.
FISCAL FUNDING LIMITATION

If for any reason, at any time during any term of this Agreement, either city fails to appropriate funds sufficient for the City to fulfill its obligations under this Agreement, that City may terminate this Agreement to be effective on the later of (i) thirty (30) days following delivery of written notice of the city's intention to terminate or (ii) the last date for which funding has been appropriated by the City Council for the purposes set forth in this Agreement.

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**SIGNATURE PAGE
INTERLOCAL AGREEMENT FOR RABIES CONTROL
CITY OF FORT WORTH AND CITY OF KENNEDALE**

CITY OF FORT WORTH

Valerie Washington
Assistant City Manager

Date: _____

RECOMMENDED

Dr. Timothy Morton
Asst. Code Compliance Director

**APPROVED AS TO FORM
AND LEGALITY**

Christopher K. Austria
Assistant City Attorney

ATTEST:

Mary J. Kayser
City Secretary

M&C: 20-0595
1295: N/A

CONTRACT COMPLIANCE MANAGER:

By signing I acknowledge that I am the person responsible for the monitoring and administration of this contract, including ensuring all performance and reporting requirements.

By: _____
Name: Christopher Lirette
Title: Code Compliance Superintendent

CITY OF KENNEDALE

By: Brian Johnson
Title: Mayor
Date: _____

George Campbell
City Manager

**APPROVED AS TO FORM
AND LEGALITY**

City Attorney

Tommy Williams
Chief Of Police

EXHIBIT A

SCHEDULE OF FEES PAID BY CITY OF KENNEDALE

Impoundment/Boarding Fee:

City of Kennedale shall pay the City a flat fee of \$400.00 per dog or quarantine animal impounded by the City from City of Kennedale during the term of this agreement.

SPECIMEN HEAD PREPARATION AND SHIPMENT

Per Animal Head Specimen

\$200.00 per specimen

EXHIBIT B

SCHEDULE OF FEES TO BE PAID TO CITY **BY OWNERS RECLAIMING ANIMALS**

Rabies vaccination fee	\$ 9.00 per reclaimed dog or cat
Spay or neuter fee	\$50.00 per cat \$80.00 per dog
Microchip Fee	\$12.00 per reclaimed dog or cat
Daily board fees:	
Kenneling (dog, cat, small animal)	\$30.00 per day
Kenneling (other than dogs, cats or small animal)	\$30.00 per day
Quarantined animals and dangerous dogs	\$50.00 per day

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.7.

SUBJECT

Consider Resolution 576, approving the Professional Services Agreement and the Commercial Electricity Service Agreement with the Texas Coalition for Affordable Power (TCAP) and authorize the City Manager to execute those agreements

ORIGINATED BY

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

SUMMARY

Authorized when the state's electricity market was deregulated in 2001, the Texas Coalition for Affordable Power (TCAP) is an alliance of Cities and other entities that have joined together to purchase electricity for their own governmental use. TCAP's unique power-contracting arrangement provides price stability allowing Cities to more accurately budget for energy costs. The City of Kennedale has partnered with TCAP for electricity procurement since 2011. There is no direct cost involved in this agreement as the City does not pay any fee directly to TCAP. Rather, those costs are included in the pricing negotiated with the energy provider.

The current agreement expires December 31, 2022. The purpose of the attached agreements is not to extend the partnership, but rather to authorize or opt out of the new purchasing strategy of "Strategic Hedging Program" (SHP) (explained further below), scheduled to begin January 2022 (with negotiations beginning January 2021). Gexa Energy would continue to be the energy provider at the currently contracted rate through the end of 2021.

Historically, this partnership has only involved one agreement, but TCAP is now offering two:

1. **Commercial Electricity Service Agreement (CESA):** This is the standard agreement the City has entered into with TCAP designating an electric service provider at a negotiated rate.
2. **Professional Services Agreement (PSA):** This new agreement would serve to formally acknowledge the full range of services that are already being provided and to newly authorize TCAP to negotiate electricity prices on behalf of the City as needed throughout the term of the agreement.

Approval of the attached Resolution would serve to authorize the City Manager to sign each of these agreements. While SHP is the default option on the PSA, members may opt out by filling out the Authorized Election Form attached as Exhibit A of the PSA and have a traditional fixed price/fixed term contract post-2022. TCAP requests action by the Council no later than September 30, 2020.

ADDITIONAL INFORMATION PROVIDED BY TCAP:

Texas Coalition for Affordable Power (TCAP) has procured electricity for its members since the beginning of retail electric deregulation in Texas in 2002. In the recent past, it has become evident that the electric market and the mix of available sources and supplies have changed dramatically. While the current electric fixed price/fixed term contract has worked well, TCAP believes that a more optimum program — called Strategic Hedging Program (SHP) — will now be offered to its members. In recent years, the United States has become the world's largest supplier of oil and natural gas — particularly with the development of fracking technology. The DOE production estimate through 2050 shows a well-supplied market and stable price outlook. There has also been a tremendous growth in renewable energy sources such as wind and solar power.

WHAT IS SHP?

Instead of buying electricity through a fixed price longer term contract, SHP will procure one twelfth of the annual supply each month, two years forward year-to-year. This provides the lowest market pricing to reduce carrying charges and risk premiums that longer term contracts must charge. Pricing will never be out of the market. SHP features an ultra-competitive RFP process of 20+ vetted creditworthy suppliers. At least 4 suppliers will be in each TCAP portfolio at all times. Prices will be known to members well prior to fiscal year budgeting needs. It avoids the "all-in" guess of a single fixed price multi-year deal. It also provides members with twice a year periodic off ramps if a member desires to revert to a traditional fixed price/fixed term contract.

WHAT ACTION NEEDS TO BE TAKEN AND WHEN?

In order to prepare for an electric supply contract beyond the 2022, it is necessary for members to have their governmental bodies pass the enclosed resolution to approve the Professional Services Agreement and the Commercial Electricity Service Agreement. The resolution authorizes TCAP to function as a procurer of energy in addition to serving as an agent in negotiating contracts. While SHP is the default option, members may opt out by filling out the Authorized Election Form attached as Exhibit A of the PSA and have a traditional fixed price/fixed term contract post-2022. However, it is important that members intending to participate in SHP do so by September 30, 2020 in order to be included in the monthly auctions beginning in January 2021.

RECOMMENDATION

Staff would recommend continued participation with TCAP under the **"Strategic Hedging Program" (SHP)** option.

Further, staff would respectfully request that any motion to approve also include clear direction as to whether the final documents should approve or opt out of the default SHP plan.

ATTACHMENTS

1.	SHP explanation	SHP explanation.pdf
2.	R576 TCAP SHP Pricing Model	R576 TCAP SHP Pricing Model.pdf



Background.

Texas Coalition for Affordable Power has procured electricity for its members since the beginning of retail electric deregulation in Texas in 2002. In the recent past, it has become evident that the electric market and the mix of available sources and supplies have changed dramatically. While the current electric fixed price/fixed term contract has worked well, TCAP believes that a more optimum program—called Strategic Hedging Program (SHP)—will now be offered to its members. In recent years, the United States has become the world's largest supplier of oil and natural gas, particularly with the development of fracking technology. The DOE production estimate through 2050 shows a well-supplied market and stable price outlook. There has also been a tremendous growth in renewable energy sources such as wind and solar power.

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What action needs to be taken and when?

In order to prepare for an electric supply contract beyond the 2022, it is necessary for members to have their governmental bodies pass the enclosed resolution to approve the Professional Services Agreement and the Commercial Electricity Service Agreement. The resolution authorizes TCAP to function as a procurer of energy in addition to serving as an agent in negotiating contracts. While SHP is the default option, members may opt out by filling out the Authorized Election Form attached as Exhibit A of the PSA and have a traditional fixed price/fixed term contract post-2022. *However, it is important that members intending to participate in SHP do so by September 30, 2020 in order to be included in the monthly auctions beginning in January 2021.*

RESOLUTION NO. 576

RESOLUTION OF THE CITY OF KENNEDALE, TEXAS, ADOPTING TCAP'S PROFESSIONAL SERVICES AGREEMENT AND GEXA ENERGY'S COMMERCIAL ELECTRIC SERVICE AGREEMENT FOR POWER TO BE PROVIDED ON AND AFTER JANUARY 1, 2023.

WHEREAS, the City of Kennedale, Texas ("City") is a member of Texas Coalition For Affordable Power, Inc. ("TCAP"), a non-profit, political subdivision corporation of the State of Texas; and

WHEREAS, TCAP has previously arranged for the City to purchase power through Gexa Energy with a contract set to expire December 31, 2022; and

WHEREAS, TCAP has designed a new procurement strategy that will involve TCAP initially committing to purchase power two years in advance of delivery on behalf of its members who desire participation in a Strategic Hedging Program ("SHP") that will involve a series of monthly competitive auctions; and

WHEREAS, TCAP has prepared a Professional Services Agreement ("PSA"), attached as Exhibit A, that, in addition to enumerating services and benefits to members of TCAP, provides TCAP with specific authority to procure power in the wholesale market on behalf of members who choose to participate in the SHP; and

WHEREAS, approval of the PSA is a necessary, but not sufficient, prerequisite to participation in the SHP; and

WHEREAS, the PSA is a relational contract that defines services provided by TCAP to members regardless of whether a member decides to commit to the SHP; and

WHEREAS, the industry-standard retail contract is a Commercial Electric Service Agreement ("CESA") offered by a Retail Electric Provider ("REP"); and

WHEREAS, TCAP has negotiated modifications to the current CESA between the City and Gexa Energy to reflect participation in the SHP; and

WHEREAS, the CESA that will facilitate participation in the SHP effective for power deliveries in and beyond 2023 (attached as Exhibit B) will need to be approved and signed prior to October 1, 2020; and

WHEREAS, the City desires to participate in the SHP.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KENNDAL, TEXAS:

SECTION 1.

That the City Manager is authorized to sign Exhibit A, TCAP's Professional Services Agreement, and Exhibit B, Gexa Energy's CESA, and send the agreements to TCAP, 15455 Dallas Parkway, Ste 600, Addison, TX 75001.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THIS THE 15TH DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

CITY ATTORNEY DREW LARKIN

RESOLUTION NO. 576

Exhibit "A"

PROFESSIONAL SERVICES AGREEMENT BETWEEN

THE CITY OF KENNEDALE, TEXAS, AND

THE TEXAS COALITION FOR AFFORDABLE POWER, INC.

This Professional Services Agreement ("AGREEMENT") is made and entered by and between Texas Coalition for Affordable Power, Inc. ("TCAP"), a non-profit, political subdivision corporation, and THE CITY OF KENNEDALE, TEXAS ("MEMBER"), a TCAP member.

SECTION 1 DURATION:

This AGREEMENT becomes effective as of signing by MEMBER and shall remain effective as long as MEMBER is being served by TCAP and MEMBER's electric load included in a current TCAP procurement.

SECTION 2 PURPOSE OF AGREEMENT:

The purpose of this AGREEMENT is to define services and obligations of TCAP to MEMBER and obligations of MEMBER to TCAP and other members. In furtherance of this AGREEMENT, MEMBER will enter into a Commercial Electric Service Agreement ("CESA") with a retail electric provider ("REP") selected by TCAP pursuant to the terms set forth herein; provided that nothing in this AGREEMENT is intended to alter the price or other terms of MEMBER's current CESA in effect through December 31, 2022.

SECTION 3 OBLIGATIONS OF TCAP TO MEMBER:

MEMBER authorizes TCAP to contract for the purchase of energy for MEMBER in the wholesale market from an energy manager selected by TCAP ("Energy Manager") and to select an acceptable, cost-beneficial REP to serve MEMBER's electric accounts. TCAP shall provide procurement services, which services shall consist of securing wholesale power for MEMBER through an alternative procurement strategy, such as TCAP's Strategic Hedging Program ("SHP"), as may be authorized and defined by TCAP's Board of Directors. MEMBER may elect to consider fixed-price, fixed-term offers for wholesale power supply, such election to be communicated to TCAP separately in writing by providing an Authorized Election Form to TCAP, the form of which has been attached to this AGREEMENT as Exhibit A. If MEMBER has provided to TCAP an Authorized Election Form, TCAP's procurement services to MEMBER shall also consist of arranging fixed-price, fixed-term offers to MEMBER following solicitation of competitive offers. TCAP consultants and attorneys will negotiate terms and conditions of all contracts, monitor performance of Energy Managers and REPs, work to avoid and remedy problems that may be encountered by MEMBER where possible, assist MEMBER with wires company issues, and represent MEMBER in energy related matters before State agencies, the courts or legislature. TCAP will provide additional customer services to MEMBER that are defined in SECTION 5.

SECTION 4 OBLIGATIONS AND RIGHTS OF MEMBER:

MEMBER will honor the terms of its CESA and promptly pay or promptly dispute invoices from its REP. MEMBER will comply with the confidentiality and non-disclosure obligations contained in its CESA and Section 7 of this AGREEMENT. MEMBER will designate one or more individuals to receive notices and updates from TCAP and will promptly update contact information. MEMBER will pay aggregation fees to support the non-profit functions of TCAP assessed annually by the TCAP Board of Directors and recovered as part of the energy charges paid to REP. Also, MEMBER will pay or receive refunds equal to the Quarterly Adjustment and the Annual Adjustment mutually agreed upon by TCAP and the Energy Manager to address certain variable costs and charges, including costs imposed by ERCOT, such payment or receipt of funds subject to the reserve account as further described herein. TCAP members will fund, and TCAP will maintain and administer, a reserve account to facilitate the reconciliation of any Quarterly Adjustments or Annual Adjustments by collecting any excess amounts paid and/or paying any deficient amounts incurred (as possible). The reserve account balance will be maintained at a minimum level to cover anticipated future needs for up to two (2) years. The TCAP Board may vote to refund to members amounts in excess of future anticipated needs. Any monies remaining in the reserve account at the dissolution of TCAP will be refunded to current membership at the time of dissolution. TCAP is owned and controlled by its members and is governed by a Board of Directors consisting of employees or elected officials of members. Consistent with TCAP's Bylaws, each MEMBER has a right to nominate its representative to serve on the Board of Directors and has a right to vote in annual elections of Board members. MEMBER has a right to attend or monitor each Board meeting. TCAP has a financial audit performed each year and MEMBER has a right to a copy of the annual audit upon request.

SECTION 5 TCAP SERVICES TO MEMBER:

A. Procurement of Energy Supplies and REP Services

1. TCAP Procurement Services and Capabilities

TCAP will assist prospective members in reviewing market conditions and in estimating the most price opportune time to contract for energy supplies. TCAP will work with MEMBER to achieve a competitive price that balances supply security and risk tolerance while maintaining superior billing and customer services. As a political subdivision corporation, offering electricity procurement to political subdivisions, TCAP has the ability to procure wholesale energy supplies and REP services separately to secure the most effective combination of competitively priced energy supplies and superior billing and customer services. TCAP may utilize either wholesale or retail sources of power, or some combination of both. TCAP may utilize multiple suppliers with different generation resources. TCAP will solicit bids from multiple sources for energy supplies. TCAP aggregates the load of all members to maximize clout in negotiating contract terms. TCAP's objective in negotiations with suppliers is to continue obtaining favorable terms

regarding band widths for annual usage based on total load of all members (rather than based on MEMBER's individual load) and to minimize fees for adding or deleting accounts. TCAP will monitor the wholesale and retail markets for favorable hedging opportunities. TCAP will also monitor, evaluate and issue requests for proposals for power development opportunities beneficial to its MEMBERS, including renewable projects (each, a "Power Project").

2. MEMBER Procurement Options

If MEMBER elects a fixed-price contract for a fixed period by submitting an Authorized Election Form, TCAP will function as MEMBER'S agent in the wholesale energy marketplace in soliciting, evaluating and negotiating each such fixed-price contract. Absent an election, MEMBER shall participate in other procurement strategy options offered by TCAP, such as TCAP's SHP, and TCAP will function as MEMBER's electric energy procurer. As such, TCAP will (i) oversee the Energy Manager, (ii) will direct the Energy Manager to solicit wholesale energy market quotes, (iii) will cause the Energy Manager to transact at the most favorable executable market quotes and (iv) will negotiate and develop the Energy Price in MEMBER'S CESA (the "CESA Energy Price"). The CESA Energy Price shall be developed and agreed upon by TCAP, the Energy Manager and the REP and shall include the wholesale energy market transactions as well as Energy Manager's estimate of any non-fixed charges, including zonal congestion charges, ancillaries service charges, and other charges in connection with MEMBER'S load. If MEMBER elects to purchase power from a Power Project solicited and chosen by TCAP via a competitive RFP process (or other similar process), TCAP will function as MEMBER'S electric energy procurer, and will direct the Energy Manager to include the value of the power procured from such projects in the development of MEMBER'S CESA price.

B. Customer and Billing Services Provided by TCAP

1. REP Portal

TCAP consultants oversee the development and presentation of the REP's portal for TCAP members; the REP will be responsible for operation of the portal. TCAP provides training and assistance regarding portal use.

2. REP Customer Service

TCAP negotiates with the REP regarding service standards and annually reviews REP performance. TCAP maintains a right to replace a REP for unsatisfactory performance without affecting the price of wholesale power, so long as the replacement REP has a credit rating acceptable to the Energy Manager. TCAP continuously monitors customer billings and will alert both the REP and MEMBER, when appropriate, of any billing errors and the adjustments needed to ensure accurate and reliable billings to MEMBER. TCAP will advocate on behalf of MEMBER when needed to resolve billing or customer service

issues. TCAP will review customer billings and make MEMBER aware of inactive accounts that MEMBER may be able to disconnect to save monthly charges.

3. TCAP Assistance with Budgets and Required Filings and Assistance with TDSP Issues

TCAP monitors Public Utility Commission (“PUC”) and ERCOT activity and will provide MEMBER a forecast of changes in non-by passable charges that may impact MEMBER’s annual budget estimates. TCAP will prepare an annual electricity cost estimate for MEMBER. TCAP will assist MEMBER in preparation of energy related reports that may be necessary for MEMBER to file in response to legislative or agency mandates. TCAP will assist MEMBER in understanding non-bypassable charges included in REP invoices, and assist in resolving issues caused by errors of MEMBER’S Transmission and Distribution Service Provider (“TDSP” aka “wires company”).

4. Information Services

TCAP maintains a member web site, www.tcaptx.com. In addition to regular blog postings on energy news relevant to MEMBER, TCAP has prepared and posted major reports on the history of deregulation in Texas and a history of ERCOT. TCAP consultants continuously monitor the Nymex gas market, ERCOT energy market, and economic conditions that may affect MEMBER, as well as activities at the PUC and ERCOT. Important trends are noted in consultant reports to the Board of Directors and are attached to Board Minutes. TCAP’s Executive Director prepares and distributes a monthly newsletter and coordinates TCAP activities with various city coalitions and Texas Municipal League (“TML”). The Executive Director monthly newsletters will also include important or trending issues in the energy markets.

5. Demand Response, Distributed Generation and Cost Savings Strategy

TCAP will work with relevant service providers to make available to MEMBER competitive demand reduction programs that facilitate MEMBER’s participation in TDSP and ERCOT cost reduction strategies approved by the PUC. Upon request, TCAP will monitor and evaluate demand reduction program performance metrics. TCAP will assist MEMBER in reviewing, analyzing and developing distributed generation programs that can reduce wires and energy costs and/or provide backup power to specific facilities. TCAP will assist MEMBER in meeting renewable energy goals established by MEMBER, including behind-the-meter solar projects and local wind projects.

6. Regulatory and Legislative Representation

TCAP will provide representation and advocacy services on energy issues relevant to MEMBER in regulatory and legislative areas including, but not limited to, ERCOT stakeholder meetings, PUC projects and dockets, and legislative actions.

7. Strategic Hedging

To the extent that there is sufficient interest and commitment of load of TCAP members within an ERCOT zone, and to the extent MEMBER has not elected a fixed-price contract for a fixed period, MEMBER will perpetually (subject to potential charter or ordinance constraints on length of contracts) commit to two-year participation obligations. MEMBER may terminate participation in the SHP, without energy price penalties and with minimal other termination fees, by providing sufficient notice as set forth herein (Section 6). A SHP price will be determined at least 9 months prior to the effective date of the price by averaging the winning bids from periodic competitive auctions that occur throughout the 24 months preceding the effective date. TCAP will direct Energy Manager to conduct the periodic competitive auctions. TCAP will have the right to audit the auction results. The auction process will be designed to identify competitively priced energy supplies from a variety of creditworthy suppliers, resulting in prices that are rarely, if ever, significantly above prevailing market prices and that should generally be less than pricing for long-term fixed priced contracts (when evaluated from a common contract start date and term). Designed to take advantage of the characteristics of the nation's well supplied energy markets, the SHP will also be flexible enough to respond to market changes when and if they occur in the future. Participation in the SHP may be viewed as a series of 24 -month forward year-to-year contracts for as long as desired by MEMBER. If MEMBER participates in the SHP, MEMBER agrees that TCAP is authorized to direct Energy Manager to procure electric energy in the wholesale market on MEMBER's behalf and that TCAP is authorized to commit MEMBER's load to periodic competitive auctions.

SECTION 6 MEMBER RIGHT OF TERMINATION:

A. Fixed-Term, Fixed-Price Contract

MEMBER may terminate a CESA prior to the end-of-term specified in a contract subject to payment of "Liquidated Damages" prescribed in MEMBER's CESA. If MEMBER commits to a fixed multi-year term, fixed-price contract and wants to terminate the agreement prior to the end of the fixed multi-year term, liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the fixed-price agreement and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER's CESA.

B. Strategic Hedging Program

Since the SHP is based on a series of one-year term contracts, MEMBER is entitled to exit the program so long as notice of termination can be given prior to inclusion of MEMBER's load in the competitive auction process for a future year's price. TCAP will periodically notify MEMBER of expected procurement schedules and provide no less than 90 days

prior notice of any upcoming solicitation, and MEMBER may notify TCAP that it wants to exclude its load from the competitive auction process by giving notice at least 60 days prior to the next procurement date. Termination of involvement in SHP without appropriate notice will require calculation of damages as prescribed by CESA under Edison Electric Institute (“EEI”) principles with the intent of making the REP and Energy Manager whole for the termination. Liquidated damages will be based on the differential in the price of electric energy futures contracts used to support the SHP price and the price of comparable electric energy contracts at time of termination and shall also include damages prescribed herein and in the CESA, as applicable. If electric energy prices are lower at the point of termination than they were at time of contracting, MEMBER should expect to pay energy price damages upon early termination. In any event, any termination payment will be calculated and assessed in accordance with MEMBER’s CESA.

C. Participation in Power Projects

If MEMBER has chosen to purchase power from a Power Project through TCAP, in accordance with a signed Project Addendum attached to MEMBER’S CESA, MEMBER’s termination rights with respect to its commitment to purchase power from the Power Project shall be contained in the Project Addendum.

SECTION 7 CONFIDENTIALITY:

MEMBER is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. If MEMBER receives a valid request under applicable public information laws for information related to this AGREEMENT or its CESA, it shall provide TCAP notice of the request including a description the information sought prior to MEMBER’s release of information so that TCAP has the opportunity to determine whether such information is subject to an exception as trade secret, competitive, commercial, or financial information. With the exception of the preceding disclosures pursuant to public information laws, a Party (that party, the “Receiving Party”) shall keep confidential and not disclose to third parties any information related this AGREEMENT, except for disclosures to Authorized Parties or as otherwise required by law; and provided that MEMBER authorizes TCAP to provide Energy Manager and REP with any relevant information concerning MEMBER’s account, usage and billings. The provisions of this Section 7 apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this AGREEMENT for a period of two (2) years. “Authorized Parties” means those respective officers, directors, employees, agents, representatives and professional consultants of MEMBER and TCAP and each of their respective affiliates that have a need to know the confidential information for the purpose of evaluating, performing or administering this AGREEMENT.

SECTION 8 PARAGRAPH HEADINGS:

The paragraph headings contained in this AGREEMENT are for convenience only and shall is no way enlarge or limit the scope or meaning of the various and several paragraphs.

SECTION 9 COUNTERPARTS:

This AGREEMENT may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 10 DEFINITIONS:

“Annual Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to Power Project settlements, if applicable. For those MEMBERS that participate in SHP, the Annual Adjustment shall also include (i) adjustments related to the loss factor for each specific ERCOT zone and (ii) adjustments related to load reconciliation as determined by TCAP, the Energy Manager and the REP.

“Energy Manager” means the wholesale market participant selected by TCAP to conduct SHP procurements at TCAP’s direction, in accordance with Section 5A and Section 7 of this Agreement. The Energy Manager may sell all or a portion of the required wholesale energy to TCAP or TCAP’s REP.

“Power Project” means a power generation project identified by TCAP to supply electric energy to one or more TCAP Members.

“Project Addendum” means the Addendum for a Power Project, if any, signed and attached as an Exhibit to MEMBER’S CESA.

“QSE Services Fee” means the QSE Services Fee in affect during the Delivery Term, as agreed between TCAP and Energy Manager.

“Quarterly Adjustment” shall mean either a credit to MEMBER for the over-collection of funds, or a charge to MEMBER for under-collection of funds, related to (i) ERCOT zonal congestion charges and (ii) ancillary services charges and other charges imposed by governmental agencies or ERCOT upon wholesale suppliers or REPs under statutes, regulations or courts for services within ERCOT zones. Said charges or refunds will be proportional to MEMBER’s relative contribution to TCAP load within specific ERCOT zones.

“Retail Electric Provider” or “REP” means the Retail Electric Provider that is party to (i) the REP Services Agreement with TCAP and (ii) the CESA between itself and MEMBER for the provision of retail electric service.

“Strategic Hedging Program” or “SHP” means an energy procurement strategy approved by TCAP’s Board of Directors, overseen by TCAP’s designated consultants, and administered by TCAP’s appointed Energy Manager, whereby wholesale energy is solicited and procured at agreed upon intervals, as directed by TCAP.

EXECUTED ON THIS THE 15TH DAY OF SEPTEMBER, 2020.

MEMBER:

By: _____

Printed Name: GEORGE CAMPBELL

Title: CITY MANAGER

TCAP:

By: _____

Printed Name: _____

Title: _____

RESOLUTION 576
EXHIBIT "B"
COMMERCIAL ELECTRICITY SERVICE AGREEMENT

This Commercial Electricity Service Agreement, including all of the Attachments, Schedules, and Exhibits, which are attached and incorporated (collectively, the "**Agreement**"), is entered into between Gexa Energy, LP ("**Gexa**"), a Texas limited partnership, and **the City of Kennedale, Texas** ("**Customer**"). Gexa and Customer may be referred to individually as a "**Party**" or collectively as the "**Parties**".

SECTION 1: RETAIL ELECTRIC SALES AND SERVICES

1.1 Appointment and Scope. Customer appoints Gexa as its Retail Electric Provider ("**REP**") for the ESI ID(s) served under this Agreement. Customer authorizes Gexa to: (i) act as Customer's REP for all purposes; and (ii) provide the services required of a REP including, without limitation, the procurement, scheduling and delivery of electricity throughout the Term to each of the ESI ID(s) in accordance with the terms set forth in this Agreement, including the Terms and Conditions of Service set forth in Attachment A. Customer's appointment imposes no other duties on Gexa other than those specified in this Agreement and the REP Services Agreement.

1.2 Agreement to Purchase. Customer shall purchase its electricity requirements from Gexa throughout the Term for each of the ESI ID(s) except as otherwise provided. The electricity and services Customer receives from Gexa is for Customer's exclusive proprietary use. Customer alone shall pay for electricity and services provided and for electricity and services Customer fails to take pursuant to its contractual obligations. If Gexa fails to deliver sufficient quantities of electricity to the TDSP for delivery to Customer or fails to schedule the delivery of sufficient quantities of electricity (collectively, a "**Scheduling Failure**") the TDSP is obligated by law and by its tariff to deliver sufficient electricity to satisfy Customer's needs. If a Scheduling Failure occurs, Gexa shall financially settle, at no additional cost or expense to Customer, with its Qualified Scheduling Entity (as defined by ERCOT) for the purchase of electricity necessary to cover the Scheduling Failure.

1.3 Membership in TCAP. Customer is a current member of the Texas Coalition for Affordable Power, Inc. ("**TCAP**"), and has entered into the Professional Services Agreement (the "**PSA**") authorizing the purchase of wholesale energy on behalf of the Customer by TCAP and/or TCAP's Energy Manager. Such wholesale energy purchases will affect the calculation of the Energy Price throughout the Term of this Agreement as described in Section 2. If, at any time during the Term, Customer elects to participate in a Power Purchase Agreement with a project to be developed for TCAP's members, and executes the Project Addendum for such project, then the Project Addendum will be attached hereto as Schedule I. Notwithstanding Customer's TCAP membership status, Customer agrees to fulfill all of its obligations under this Agreement, the PSA and, if applicable, the Project Addendum throughout the Term of this Agreement.

1.4 Term.

(a) Effective Date and Termination Date. Gexa shall provide retail electric service under this Agreement to each ESI ID beginning on the Effective Date and Terminating on the Termination Date, as further defined in this Section 1.4(a) (such period, the "**Term**"). The Effective Date will occur either (i) on the date occurring on or after the Expected Start Date stated in Attachment B on which each such ESI ID is enrolled with Gexa's service for any new customer, or (ii) if Customer is an existing customer then the Expected Start Date is the meter read date following the expiration of the Customer's prior Agreement with Gexa. Gexa shall continue to provide retail electric service to each ESI ID unless or until the Customer gives notice to TCAP and Gexa of its intent to terminate its membership with TCAP ("**Termination Notice**"). The Termination Date will occur on each respective ESI ID meter read date during the last month of the calendar year for which electricity has been purchased on Customer's behalf by either TCAP or the Energy Manager in accordance with the PSA prior to the Termination Notice, except that in no event will the Term exceed beyond December 31, 2037. For avoidance of doubt, the Termination Date for each respective ESI ID shall be the sooner to occur of (i) the meter read date occurring in the last month of the calendar year for which electricity has been purchased by either TCAP or the Energy Manager on behalf of the Customer prior to the Termination Notice or (ii) the meter read date occurring in December 2037. As a result of variations in the timing of the Effective Date described in this Section 1.3 the Term may include a partial calendar month in addition to the number of months set forth in Attachment B, if any.

(b) Delayed Effective Date. Gexa shall use commercially reasonable efforts to cause the Effective Date for each ESI ID to occur on the Expected Start Date. If the Effective Date for an ESI ID occurs more than 20 days after the Expected Start Date, Customer may provide Gexa with evidence of the amount of electricity purchased by Customer from its current REP in connection with that ESI ID during the period on and after the 21st day after the Expected Start Date until the Effective Date (the "**Delayed Effective Date Period**"), and the total amount paid by Customer to its current REP for the electricity it purchased during the Delayed Effective Date Period (the "**Delayed Effective Date Electricity Amount**"). Upon receipt of evidence from Customer Gexa shall calculate and provide Customer a credit against future purchases under this Agreement equal to the positive amount resulting from the following calculation: (a)

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the Delayed Effective Date Electricity Amount minus (b) the amount that Customer would have paid to Gexa pursuant to this Agreement during the Delayed Effective Date Period for the same amount of electricity purchased by Customer from its current REP during that period in connection with the affected ESI ID(s); provided, that Gexa shall not be required to provide a credit with respect to any period during a Delayed Effective Date Period where the delay was caused by an event outside of Gexa's control.

(c) Service After Term. If, for any reason, service continues beyond the Term, it will be on a month-to-month basis, and the Agreement will continue in effect for the ESI ID(s) except that the Energy Price will be the greater of: (i) the Energy Price as set forth in Section 2.1 below, or (ii) the aggregate weighted average of the Market Rate (as defined herein) as determined for all of the ESI ID(s), for as long as service continues. If Customer has not switched from Gexa to another supplier at the expiration of the Term, Gexa shall serve Customer at the rate set forth in this Section for a minimum of 60 days. After those 60 days, Gexa may continue to serve Customer or terminate the Agreement and disconnect Customer.

1.5 Modifications to ESI IDs. Gexa shall work with Customer in good faith during the Term to reasonably accommodate and assist Customer with the management of its electricity needs. If at any time during the Term, Customer wants to i) add or delete one or more ESI IDs, ii) otherwise modify the ESI ID information as a result of a decision by Customer to open, close or sell a facility owned or leased by Customer, iii) expand an existing facility, or iv) increase an existing facility's metered load, then Customer shall provide written notice to Gexa of such change ("ESI ID Change Notice"). If such change to the ESI ID is expected to occur prior to the first month of any calendar year for which the Energy Price has been established as of the date of the ESI ID Change Notice, in accordance with Section 2.1 (a) of this Agreement, such notice shall include Customer's election of the "Special Load Threshold," as defined below, which will apply to such change in load. If, in Gexa's reasonable judgment, i) the addition is a separately metered load which does not exceed the applicable Special Load Threshold; or ii) does not result in a net increase in excess of the applicable Special Load Threshold for an existing facility, Gexa shall use commercially reasonable efforts to promptly implement such changes, including providing required notices to ERCOT. If the addition is a separately metered load which exceeds the applicable Special Load Threshold, or results in a net increase in excess of the applicable Special Load Threshold after consideration of any contemporaneous offsetting load decreases, Gexa shall provide service to that ESI ID and shall determine any incremental charge or credit to provide service to any changed ESI IDs. Gexa shall apply such charge or credit to the affected ESI IDs, after such charges have been reviewed by TCAP. "Special Load Threshold" shall mean additional peak demand that is reasonably expected during the first twelve months following commercial operations to exceed, at Customer's election, either (i) 0.25 MW at any time or an annual average load of 0.125 MW or (ii) 1.0 MW at any time or an annual average load of 0.5 MW. Gexa shall make periodic reports regarding changes to the billing status of any ESI ID(s) available to Customer and TCAP. Amendments that add or remove ESI ID(s) as a result of changes made pursuant to this section are incorporated into this Agreement, and are effective on the Effective Date for each ESI ID(s) added to this Agreement or the date that retail electric service for any removed ESI ID(s) ceases or is transferred to another REP.

SECTION 2: RETAIL ELECTRIC ENERGY SERVICE CHARGES

2.1 Energy Price.

(a) If Customer has elected to fix all or a portion of the Energy Price for a fixed term by providing an Authorized Election Form to TCAP in accordance with the PSA, the Energy Price shall equal the fixed price as determined by TCAP in accordance with the PSA, and the Authorized Election Form. Any portion of the Energy Price that is not fixed shall be noted in the Authorized Election Form, and shall be settled with Customer in accordance with Section 2.2 of this Agreement. If Customer has not made such an election, the Energy Price shall be determined in accordance with the PSA, as follows:

- (i) TCAP shall periodically solicit, or direct its designated Energy Manager to solicit, wholesale energy market quotes, and may direct the Energy Manager to transact at the lowest of the market quotes obtained for the purpose of serving customer's load, in accordance with the PSA (each such transacted quote, a **"Wholesale Transaction"**).
- (ii) Once TCAP has directed its Energy Manager to enter into Wholesale Transactions sufficient to serve Customer's load for a given calendar year, Energy Manager and TCAP shall establish the Energy Price for that Calendar Year in accordance with those procedures outlined in the PSA, which Customer hereby acknowledges it has reviewed and accepted. TCAP shall set the Energy Price for a given Calendar Year no later than nine (9) months prior to the start of such Calendar Year. If Customer elects to participate in a project and executes the Project Addendum, the Energy Price shall include an estimate of the Project Settlement for each month of the Calendar Year in accordance with the Project Addendum.

(b) For the purposes of Section 3 the Energy Price shall be converted to dollars per kWh.

2.2 Energy Price Adjustments.

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- (a) Energy Manager shall have the right to reconcile the revenues received from the Customer with Energy Manager's Supplier Cost on (i) a quarterly basis, by determining the Quarterly Adjustment in the manner specified in the PSA and (ii) on an annual basis, by determining the Annual Adjustment in the manner specified in the PSA. The Quarterly Adjustment and Annual Adjustment may be either a charge or a credit, and shall be collected from or remitted to Customer, as appropriate, in the manner specified in the PSA.
- (b) TCAP and Energy Manager may mutually agree to fix certain component charges comprising Customer's Energy Price for a given Calendar Year, if TCAP determines that fixing these charges is likely to benefit Customer. Charges that are fixed by TCAP and Energy Manager for a given Calendar Year shall not be included in the calculation of either the Quarterly Adjustment or the Annual Adjustment for such Calendar Year, in accordance with the PSA.

2.3 Additional Pass-Through Charges. Gexa shall pass through and identify separately on Customer's bill with no mark-up Delivery Charges, Non-Recurring Charges, or Taxes that are not included in the Energy Price(s). All charges are exclusive of Taxes. Pass-Through charges may include charges related to amounts owed to Gexa and/or Wholesale Supplier in accordance with Section 1.3.

2.4 Tax Exempt Status. Customer shall provide Gexa with all required exemption certificates if Customer is exempt from paying any Taxes. Gexa shall not recognize an exemption without the exemption certificates and shall not be required to refund or credit previously paid Taxes unless the taxing entity sends the refund to Gexa. Gexa shall, however, assign to Customer any applicable claims for refund.

SECTION 3: BILLING AND PAYMENT

3.1 Billing and Payment. Gexa shall invoice Customer's accounts on a monthly basis and shall bill Customer on a consolidated basis for all ESI IDs upon Customer's request. Gexa shall provide a summary bill for all accounts and detailed information for each account. Customer shall remit payment within 30 days of receiving the invoice. Gexa shall base the invoice amount on actual data provided by ERCOT and the TDSP. If ERCOT or the TDSP does not provide actual data in a timely manner, Gexa shall use estimated data to calculate the invoice and, upon receipt of actual data, reconcile the charges and adjust them as needed in subsequent invoices.

3.2 Project Settlement Agent Services. Gexa shall remit the total Project Settlement to the Project on a monthly basis, in accordance with the REP Services Agreement.

3.3 Late Penalties, Interest on Overdue Payments, Invoice Disputes. If Customer fails to remit all undisputed amounts on or before the due date, interest will accrue on any due and unpaid amounts from the due date at a rate of one percent per month, or the highest rate permitted by law, whichever is less. If Customer disputes a portion of an invoice it shall provide Gexa a written explanation specifying the amount in dispute and the reason for the dispute within 20 days of the invoice date. If Customer does not provide timely notice, Customer shall owe all amounts by the due date. Notwithstanding the above, if Customer notifies Gexa of a disputed invoice, regardless of whether Customer has already paid the invoice, Gexa shall make records in its possession that are reasonably necessary for Customer to determine the accuracy of the invoice available to Customer during normal business hours; provided, however that neither party may request an adjustment or correction of an invoice unless written notice of such dispute is given within twelve months after the due date of such invoice; provided further, that such twelve month limit does not apply in the case of TDSP meter tampering charges first billed to Gexa that prevent Gexa from reasonably adjusting invoices prior to the twelve month period. In all cases, Gexa and Customer shall use good faith efforts to resolve disputes. In the event the Parties are unable to resolve a dispute within ten days of the notice date, either Party may begin legal proceedings to seek resolution. Any amounts determined owed shall be paid within three days after a decision.

3.4 Aggregator Fees. Pursuant to the REP Services Agreement between Gexa and TCAP, Gexa is obligated to pay TCAP an amount determined by multiplying a TCAP Aggregation Fee by the volume consumed in association with the ESI IDs (the "**Aggregator Fee**"). Customer shall pay the Aggregator Fee. The initial TCAP Aggregation Fee is \$0.001 per kWh, however, it may be changed by the TCAP Board of Directors at any time. Gexa shall state the Aggregator Fee as a separate line item on the Customer's bill.

3.5 Billing Guarantee. Gexa shall issue an invoice based on actual or estimated usage to Customer for every ESI ID at least one time per month. If, for reasons other than Force Majeure, Gexa fails to invoice an ESI ID within 120 days of any scheduled meter read, Gexa irrevocably waives its right to invoice Customer for any energy consumed at that ESI ID for the meter read cycle that should have been invoiced, unless not less than 10 days prior to the expiration of such 120 day period, Gexa provides Customer with a written explanation of the circumstances that prevent Gexa from issuing that invoice and the expected time by which an invoice can be issued. In such event, Customer and Gexa shall determine a reasonable extension period, not to exceed 30 days, within which an invoice will be issued. Gexa shall adjust or true-up each invoice no more than twice and Gexa shall issue such adjustments within 210 days of the initial issue date. Notwithstanding the foregoing, Gexa may issue an invoice or partial invoice arising from meter tampering charges without limitation and within a reasonable time after first billed to Gexa by the TDSP.

SECTION 4: CUSTOMER INFORMATION, CREDIT AND DEPOSITS

4.1 Customer Information. By entering into this Agreement and appointing Gexa as Customer's agent for electricity service, Customer authorizes Gexa to obtain certain information that Gexa may need to provide Customer's electric service, including Customer's address, telephone number, account numbers, historical usage information, and historical payment information from Customer's TDSP, and Customer further authorizes its TDSP to release that information to Gexa.

4.2 Deposits and Other Security. A Party (the "**Requesting Party**") may require the other Party (the "**Providing Party**") to provide a deposit (or additional deposit if an initial deposit was also required), letter of credit, or other form of credit assurance reasonably acceptable to the Requesting Party (collectively, "**Performance Assurance**") during the Term of this Agreement if: (i) the Requesting Party determines in its reasonable discretion that there has been a material adverse change in the Providing Party's or its guarantor's (if applicable) credit status or financial condition (which, if applicable, will mean that its credit or bond rating has dropped lower than BBB- by Standard & Poor's Rating Group or Baa3 by Moody's Investor Services or ceases to be rated by either of these agencies); or (ii) Customer has been delinquent in paying the electric bill by more than seven days more than twice during the past twelve months. Any Performance Assurance, less any outstanding balance owed by Providing Party to the Requesting Party, will be returned to the Providing Party once the Providing Party's or its guarantor's (if applicable) credit or financial condition becomes satisfactory or, if applicable, to a credit or bond rating of BBB- or Baa3 or higher, whichever occurs earlier; or, if the Performance Assurance relates to delinquent payments, the Providing Party has paid all outstanding balances and has made all payments within the dates set forth in this Agreement for a period of six consecutive months.

SECTION 5: EARLY TERMINATION; DAMAGES

5.1 Cancellation by Customer for Insufficient Appropriations. If, during Customer's annual appropriations determination, the applicable governmental authorities do not allocate sufficient funds to allow Customer to continue to perform its obligations under this Agreement (an "**Appropriations Failure**"), then Customer or Gexa shall have the right to terminate this Agreement in full or as to any affected ESI ID upon 30 days advance written notice effective at the end of the period for which appropriations are made; provided, that if appropriations are subsequently allocated for electricity for the ESI IDs covered by this Agreement, then the termination may be revoked at Gexa's option and those appropriations shall continue to apply to this Agreement and shall not be used for an electricity supply agreement with another REP. Upon a termination of this Agreement for Appropriations Failure, in full or as to any ESI ID(s), Customer shall pay all amounts due Gexa under this Agreement, including the Customer Early Termination Damages.

5.2 Customer Early Termination Damages. Except in connection with the closure of a facility associated with an ESI ID pursuant to Section 1.4, in connection with a Force Majeure Event, or as otherwise provided or excused in this Agreement, if Customer cancels this Agreement before the end of the Term and refuses to accept electric supply delivery from Gexa for any ESI ID(s), Gexa may charge Customer early termination damages equal to the sum of (a) the Retail Termination Payment, (b) the QSE Services Termination Payment, (c) the Quarterly and Annual Adjustment Payment, and (d) the Wholesale Transaction Termination Payment, as each of these terms are defined below (the sum total of these, the "**Customer Early Termination Damages**"). The "**Retail Termination Payment**" shall equal the product of (a) the Expected Usage for each ESI ID subject to Customer's cancellation or refusal of electric supply delivery ("**Customer Terminated Usage**") multiplied by (b) the sum of (i) the Aggregator Fee and (ii) the REP Services Fee specified in the REP Services Agreement. The "**QSE Services Termination Payment**" shall equal the product of (a) the Customer Terminated Usage grossed up for losses multiplied by (b) the QSE Services Fee, as defined in the PSA. The "**Quarterly and Annual Adjustment Payment**" shall be calculated by the Energy Manager in accordance with the PSA, and shall include any Quarterly and Annual Adjustment amounts for electricity provided to the Customer under this Agreement prior to the termination of this Agreement, which have not yet been charged or credited to Customer, as appropriate. For avoidance of doubt, the Quarterly and Annual Adjustment Payment may be either a charge or a credit to Customer, as calculated in accordance with the PSA. If the Customer Early Termination Damages are charged due to an Event of Default by Customer, then the Customer Early Termination Damages will also include Gexa's reasonable costs relating to the determination and collection of Customer Early Termination Damages, including attorney and consultant fees incurred. The provisions in Section 3 related to Billing and Payment apply to the billing, due date, and collection of Customer Early Termination Damages. Customer agrees that Customer Early Termination Damages are a reasonable estimate of the damages due Gexa for failure to accept electric supply, and are not punitive in nature.

5.3 Termination for Wholesale Supply Failure. If, during the Term, the Wholesale Transactions are terminated as a result of a default by the Energy Manager ("**Wholesale Supply Failure**"), then this Agreement will also terminate effective on the date the Wholesale Agreement terminates. In the event of a termination for Wholesale Supply Failure, Gexa shall pay Customer a Wholesale Termination Payment if required by Section 5.5.

5.4 Gexa Early Termination Damages. Except for a Wholesale Supply Failure, a Force Majeure Event, or as otherwise provided or excused in this Agreement, if Gexa cancels this Agreement and refuses to provide electric supply delivery to Customer for any or all ESI ID(s), Customer shall have the right to charge Gexa an early termination penalty equal to the amount determined as follows: the product of (i) the Expected Usage for each ESI ID subject to Gexa's cancellation or refusal of electric supply delivery ("**Gexa Terminated Usage**") multiplied by (ii) the REP

Services Fee specified in the REP Services Agreement (that result the “**Gexa Early Termination Damages**”). If the Gexa Early Termination Damages are charged due to an Event of Default by Gexa, then the Gexa Early Termination Damages will also include Customer’s reasonable costs relating to the determination and collection of Gexa Early Termination Damages, including attorney and consultant fees incurred. Gexa agrees the Gexa Early Termination Damages are a reasonable estimate of the damages due Customer for failure to deliver electric supply, and are not punitive in nature.

5.5 Wholesale Transaction Termination Payment. If the Wholesale Transactions are terminated then Gexa shall calculate the portion of the termination payment paid under each Wholesale Transaction attributable to Customer’s load. The termination payment under each Wholesale Transaction shall be calculated by subtracting the Wholesale Supplier’s actual cost for the portion of the Wholesale Transaction still outstanding for the remainder of the Term from the current market value of comparable electric energy futures contracts. Energy Manager, in its sole discretion, shall determine the current market value of a comparable electricity futures contract within three (3) business days of the termination of a Wholesale Transaction, and shall be either (i) the value of the Wholesale Transaction actually sold to a third-party market participant or (ii) a third-party market quote for a comparable electricity energy future contracts. Energy Manager shall sum Customer’s prorata share of each termination payment for each Wholesale Transaction attributable to Customer’s Load to determine a total Wholesale Transaction Termination Payment under this Agreement (the “**Wholesale Transaction Termination Payment**”). Customer or Gexa shall pay the Wholesale Transaction Termination Payment to the other, as appropriate, in the manner described below and without regard to who is a defaulting party. If the Wholesale Transaction Termination Payment is negative, Customer shall pay Gexa the Wholesale Transaction Termination Payment. If the Wholesale Transaction Termination Payment is positive, Gexa shall pay Customer the Wholesale Transaction Termination Payment. To the extent a termination payment due from Gexa to the Energy Manager is adjusted in Gexa’s account to reflect the full benefit of TCAP transacting with a replacement REP, Gexa shall make corresponding adjustments to the Wholesale Transaction Termination Payment on a pro-rata basis. Gexa shall remit a Wholesale Transaction Termination Payment due Customer, within 30 days of Gexa receiving the payment from the Energy Manager. Customer shall remit a Wholesale Transaction Termination Payment due Gexa within 30 days of Gexa’s invoice. Gexa shall use commercially reasonable efforts to collect Termination Payments from the Energy Manager that include amounts due Customer.

SECTION 6: NOTICES AND PAYMENT

6.1 General Notice. Except as otherwise required by Applicable Law, all notices are deemed duly delivered if hand delivered or sent by United States, prepaid first class mail, facsimile, or by overnight delivery service. Notice by facsimile or hand delivery is effective on the day actually received, notice by overnight United States mail or courier is effective on the next business day after it is sent, and notice by U.S. Mail is effective on the second day after it is sent. The Parties shall send notices to the addresses below or any other address one Party provides to the other in writing:

- a. **If to Customer (type customer address below):**

**CITY OF KENNEDALE
ATTN: CITY SECRETARY
405 MUNICIPAL DRIVE
KENNEDALE, TX 76060**

- b. If to Gexa:
Gexa Energy, LP
20455 State Highway 249, Suite 200
Houston, Texas 77070

6.2 Payments. The Parties shall send payments to the addresses below or any other address one Party provides to the other in writing:

- a. **If to Customer (type customer address below):**

**CITY OF KENNEDALE
ATTN: CITY SECRETARY
405 MUNICIPAL DRIVE
KENNEDALE, TX 76060**

- b. If to Gexa:
Gexa Energy, LP

SECTION 7: DEFINITIONS

7.1 Definitions. In addition to terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in this Section 7.1. All other capitalized terms not otherwise defined shall have the meanings given them in the following documents, with any conflicting definitions contained in those documents applied in the following order: PURA, the PUCT Substantive Rules, and the ERCOT Protocols.

1. **“Actual Usage”** means the actual amount of electric energy (in kWh) used at the ESI ID(s) as determined by the TDSP.
2. **“Delivery Charges”** means those charges or credits from the TDSP pursuant to its tariff, including, but not limited to: Transmission and Distribution Charges, System Benefit Fund Charge, Nuclear Decommissioning Charge, Competitive Transition Charge, Standard Customer Metering Charge, Customer Charge, Merger Savings and Rate Reduction Credit, Excess Mitigation Credit and Utility Imposed Reactive Power Charges.
3. **“EEI Master Agreement”** mean an EEI Master Agreement between Gexa and the Energy Manager governing the Wholesale Transactions entered into by the Energy Manager in accordance with Section 2.1 and transferred by the Energy Manager to Gexa.
4. **“Effective Date”** means the date of the first meter reading of an ESI ID provided to Gexa by the TDSP after the TDSP and ERCOT shall have timely performed any required enrollment and cancellation procedures necessary to switch Customer’s REP to such ESI ID to Gexa.
5. **“Electricity Related Charges”** means, unless noted otherwise: Ancillary Services Charge, Congestion, ERCOT Administrative Fee, Delivery Loss Charge, Transmission Loss Charge, Renewable Energy Credit Charge, Residential Energy Credit Charge, Unaccounted For Energy Charge, Qualified Scheduling Entity Charge, Imbalance Settlement Charge.
6. **“Energy Manager”** means the wholesale market participant designated by TCAP to perform the services described in the PSA.
7. **“Energy Price(s)”** means the rates per unit of measure specified in Section 2.1 and includes all Electricity Related Charges.
8. **“ERCOT”** means the Electric Reliability Council of Texas.
9. **“ERCOT Protocols”** means the document adopted, published, and amended from time to time by ERCOT, and initially approved by the PUCT, to govern electric transactions in the ERCOT Region, including any attachments or exhibits referenced in the document, that contains the scheduling, operating, planning, reliability, and settlement policies, rules, guidelines, procedures, standards, and criteria of ERCOT, or any successor document thereto.
10. **“ESI ID(s)”** means the Electric Service Identifiers for the property service addresses identified on Attachment B to this Agreement or if Customer is an existing Gexa customer then the list of service addresses currently served by Gexa, as such list may be modified from time to time as provided in Section 1.4.
11. **“Expected Usage”** means either the amount stated in Attachment B calculated for the remaining Term, or if no amounts are stated or Customer is an existing Gexa customer then the average actual monthly Customer energy usage from the comparable month from the previous year (or if an average cannot be computed due to limited service by Gexa or other circumstances, an average monthly usage as is reasonably determined by Gexa) times the number of months remaining in the Term as outlined in Section 1.4.
12. **“kWh”** means kilowatt hour.
13. **“LMP” or “Locational Marginal Price”** means the price calculated for the applicable trading hub pursuant to the ERCOT Protocols.
14. **“Market Rate”** means 135% of the load-weighted average of the hourly LMPs at the corresponding load zone, as determined for any delivery period.
15. **“Nodal Market”** means the implementation of wholesale market design by ERCOT with locational marginal pricing for resources.
16. **“Nodal Congestion”** means the positive difference in price between the real-time settlement point price as determined by ERCOT for the trading hub and the real-time settlement point price as determined by ERCOT for the load zone associated with the customer Facilities.

17. **“Non-Recurring Charges”** means any charges imposed by the TDSP or other third parties on a non-recurring basis for services, repairs or additional equipment needed for Customer’s electric service.
18. **“PUCT”** means Public Utility Commission of Texas.
19. **“Project Settlement Payment”** means the Project Settlement Payment as defined in the Project Addendum, attached as Schedule I to this Agreement.
20. **“QSE Services Fee”** means the fee owed from Customer to Gexa, and remitted from Gexa to Energy Manager, for QSE Services performed by Energy Manager for the Term, as mutually agreed between TCAP and Energy Manager, the Customer having authorized TCAP to negotiate such fee on behalf of Customer in the PSA. The QSE Services Fee shall be included in the Energy Price for the Term.
21. **“REP Services Agreement”** means the REP Services Agreement currently in effect during the Term, as amended from time to time, between Gexa and TCAP.
22. **“REP Services Fee”** means the fee owed from Customer to Gexa, for REP services rendered during the Term, as mutually agreed between TCAP and Gexa, the Customer having authorized TCAP to negotiate such fee on behalf of Customer in the PSA. The REP Services Fee shall be included in the Energy Price for the Term.
23. **“Taxes”** means all taxes, assessments, levies, duties, charges, fees and withholdings of any kind levied by a duly-constituted taxing authority and all penalties, fines, and additions to tax, and interest thereon that are directly related to the services provided under this Agreement, but does not include the System Benefit Fund fee and fees and charges imposed by ERCOT. By way of example only, Taxes includes: Sales Tax, Miscellaneous Gross Receipts Tax, PUCT Assessment Fees and Franchise Fees.
24. **“TCAP”** means Texas Coalition for Affordable Power, an aggregation pool of governmental and other entities organized and administered by TCAP of which Customer is a member for the ESI IDs.
25. **“TDSP” or “Transmission and Distribution Service Provider”** means an entity regulated by the State of Texas, which transmits or distributes electric energy.

Attachments:

Attachment A

Attachment B (for new TCAP Customers only)

Terms and Conditions of Service

Offer Sheet (ESI ID list and Expected Start Date)

CUSTOMER (type Customer name in field below): CITY OF KENNEDALE ATTN: CITY SECRETARY 405 MUNICIPAL DRIVE KENNEDALE, TX 76060	GEXA: Gexa Energy, LP, By its General Partner Gexa Energy GP, LLC
By:	By:
Printed: GEORGE CAMPBELL	Printed:
Title: CITY MANAGER	Title:
Date: SEPTEMBER 15, 2020	Date:

Terms and Conditions of Service Attachment A

These Terms and Conditions of Service form an integral part of the Commercial Electricity Service Agreement between Customer and Gexa. In addition to the terms defined elsewhere in this Agreement, when used with initial capitalization, whether singular or plural, capitalized terms have the meanings set forth in Section 7.1 of this Agreement. Customer should thoroughly review the entire Agreement, including these Terms and Conditions of Service, before executing this Agreement.

A. REPRESENTATIONS AND WARRANTIES

A.1 Customer's Representations and Warranties. As a material inducement to entering into this Agreement, Customer represents and warrants to Gexa as follows: (a) it is a duly organized entity and is in good standing under the laws of Texas; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of contracts it is party to or laws applicable to it; (c) performance of this Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Customer will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of contracts it is party to or laws applicable to it; (e) this Agreement is a legal, valid, and binding obligation of Customer enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending; (f) there are no bankruptcy, insolvency, reorganization, receivership, or other similar proceedings pending or being contemplated by it, or to its knowledge threatened against it; (g) there are no suits, proceedings, judgments, rulings, or orders by or before any court or any government authority that could materially adversely affect its ability to perform the Agreement; and (h) as of the Effective Date and throughout the Term, there is no other contract for the purchase of electricity by Customer for the ESI ID(s), or, if such a contract presently exists, that it will terminate prior to delivery under this Agreement.

A.2 Gexa's Representations and Warranties. As a material inducement to entering into this Agreement, Gexa represents and warrants to Customer as follows: (a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary to perform the Agreement; (b) the execution and delivery of the Agreement are within its powers, have been duly authorized by all necessary action, and do not violate the terms or conditions of its governing documents or contracts it is party to or any laws applicable to it; (c) performance of the Agreement will be duly authorized by all necessary action and will not violate the terms or conditions of its governing documents or contracts it is party to; (d) as of the date sales of electricity by Gexa to Customer under the Agreement start, Gexa will have all regulatory authorizations necessary for it to legally perform its operations and such performance will not violate the terms or conditions of its governing documents, contracts it is party to, or laws applicable to it; and (e) the Agreement constitutes a legal, valid, and binding obligation of Gexa enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, and other laws affecting creditor's rights generally, and with regard to equitable remedies, subject to the discretion of the court before which proceedings to obtain the same may be pending.

A.3 Forward Contract. (i) This Agreement constitutes a forward contract within the meaning of the United States Bankruptcy Code ("**Code**"); (ii) Gexa is a forward contract merchant; and (iii) either Party is entitled to the rights under, and protections afforded by, the Code.

B. DISCLAIMERS OF WARRANTIES; LIMITATION OF LIABILITIES

B.1 LIMITATIONS OF LIABILITY. LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR AS OTHERWISE PROVIDED, ARE LIMITED TO DIRECT ACTUAL DAMAGES. GEXA IS NOT LIABLE TO CUSTOMER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES OR LOSS OF REVENUES OR PROFIT. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. EXCEPT FOR (a) THE GEXA EARLY TERMINATION DAMAGES DUE IF GEXA DEFAULTS, (b) THE CUSTOMER EARLY TERMINATION DAMAGES DUE IF CUSTOMER DEFAULTS, AND (c) THE WHOLESALE TRANSACTION TERMINATION PAYMENT, THE LIABILITY OF EITHER PARTY TO THE OTHER FOR ANY OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF ALL DOLLARS PAID BY CUSTOMER TO GEXA (IF CUSTOMER) OR RECEIVED BY GEXA (IF GEXA) PURSUANT TO THIS AGREEMENT. THERE ARE NO THIRD PARTY BENEFICIARIES TO THIS AGREEMENT.

B.2 Duty to Mitigate. Each Party shall mitigate damages and use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance.

B.3 WAIVER OF CUSTOMER PROTECTION RULES AND CONSUMER RIGHTS. THE PARTIES FURTHER ACKNOWLEDGE THAT THE CUSTOMER PROTECTION RULES ADOPTED BY THE PUBLIC UTILITY COMMISSION (AS CONTAINED IN ITS SUBSTANTIVE RULES 25.471 ET SEQ.) ("**CUSTOMER PROTECTION RULES**") THAT PERTAIN TO RETAIL ELECTRIC SERVICE RELATED TO RESCISSION RIGHTS, CUSTOMER DISCLOSURES, DELIVERY OF CUSTOMER CONTRACTS TO CUSTOMERS, RECORDKEEPING, INTEREST PAID ON DEPOSITS AND CUSTOMER NOTICES DO NOT APPLY TO THIS AGREEMENT. EXCEPT AS SET FORTH IN THIS SECTION, CUSTOMER EXPRESSLY WAIVES THE CUSTOMER PROTECTION RULES THAT PERTAIN TO RETAIL ELECTRIC SERVICE RELATED TO RESCISSION RIGHTS, CUSTOMER DISCLOSURES, DELIVERY OF CUSTOMER CONTRACTS TO CUSTOMERS, RECORDKEEPING, INTEREST PAID ON DEPOSITS AND CUSTOMER NOTICES TO THE FULLEST EXTENT ALLOWED

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BY APPLICABLE LAW. CUSTOMER FURTHER WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES--CONSUMER PROTECTION ACT, SECTION 17.41, ET. SEQ., BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. CUSTOMER REPRESENTS AND WARRANTS TO GEXA THAT: (a) CUSTOMER IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION IN RELATION TO GEXA; (b) CUSTOMER IS REPRESENTED BY LEGAL COUNSEL THAT WAS NEITHER DIRECTLY NOR INDIRECTLY IDENTIFIED, SUGGESTED OR SELECTED BY GEXA; AND (c) CUSTOMER VOLUNTARILY CONSENTS TO THIS WAIVER AFTER CONSULTATION WITH ITS LEGAL COUNSEL.

B.4 UCC/Disclaimer of Warranties. The electricity delivered is a "good" as that term is understood in the Texas B&CC (UCC §2.105). The Parties waive the UCC to the fullest extent allowed by law and the UCC requirements do not apply to this Agreement, unless otherwise provided. If there is a conflict between the UCC and this Agreement, this Agreement controls. Neither Party controls nor physically takes possession of the electric energy prior to delivery to Customer's ESI ID(s). Therefore, neither Party is responsible to the other for any damages associated with failure to deliver the electric energy, nor for damages it may cause prior to delivery to Customer's ESI ID(s). Once the electric energy is delivered to Customer's ESI ID(s) it is deemed in possession and control of Customer. ELECTRICITY SOLD UNDER THIS AGREEMENT WILL MEET THE QUALITY STANDARDS OF THE APPLICABLE LOCAL DISTRIBUTION UTILITY AND WILL BE SUPPLIED FROM A VARIETY OF SOURCES. GEXA MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT, AND GEXA EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. GEXA EXPRESSLY NEGATES ALL OTHER REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OF WARRANTY WITH RESPECT TO CONFORMITY, TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.

B.5 Force Majeure. Gexa shall make commercially reasonable efforts to provide electric service, but does not guarantee a continuous supply of electricity. Gexa does not generate electricity nor does it transmit or distribute electricity. Causes and events out of the control of Gexa and Customer ("**Force Majeure Event(s)**") may result in interruptions in service or the ability to accept electricity. If either Party is unable to perform its obligations, in whole or in part, due to a Force Majeure Event, then the obligations of the affected Party (other than the obligation to pay any amounts owed to Gexa that relate to periods prior to the Force Majeure Event) are suspended to the extent made necessary by such Force Majeure Event. Therefore, neither Party is liable to the other Party for damages caused by Force Majeure Events, including acts of God, acts of, or the failure to act by, any governmental authority (including the PUCT or ERCOT and specifically including failure by ERCOT to make Customer meter read data available), accidents, strikes, labor troubles, required maintenance work, events of "force majeure" or "uncontrollable force" or a similar term as defined under the applicable transmission provider's tariff, inability to access the local distribution utility system, non-performance by the supplier or the local distribution utility, changes in laws, rules, or regulations of any governmental authority (including the PUCT or ERCOT) that would prevent the physical delivery of energy to Customer's facilities, or any cause beyond such Party's control. The Parties agree that Appropriations Failures and Scheduling Failures are not Force Majeure Events.

C. CONFIDENTIALITY AGREEMENT

C.1 Confidentiality. Customer is a governmental body subject to public information laws, including Chapter 552 of the Texas Government Code. If Customer receives a valid request under applicable public information laws for information related to this Agreement, it shall provide Gexa notice of the request including a description of the information sought prior to Customer's release of information so that Gexa has the opportunity to determine whether such information is subject to an exception as trade secret, competitive, commercial, or financial information. With the exception of the preceding disclosures pursuant to public information laws, a Party (that party, the "**Receiving Party**") shall keep confidential and not disclose any to third parties Confidential Information which is disclosed to the Receiving Party by the other Party (that party, the "**Disclosing Party**") except for disclosures to Authorized Parties or as required by law. "**Confidential Information**" means information in written or other tangible form which is marked as "Confidential" when it is disclosed to the Receiving Party, except that Confidential Information shall not include information which (i) is available to the public, (ii) becomes available to the public other than as a result of a breach by the Receiving Party of its obligations hereunder, (iii) was known to the Receiving Party prior to its disclosure by the Disclosing Party, or (iv) becomes known to the Receiving Party thereafter other than by disclosure by the Disclosing Party. The provisions of this Section apply regardless of fault and survive termination, cancellation, suspension, completion or expiration of this Agreement for a period of two (2) years. Customer authorizes Gexa to provide TCAP with all information requested by TCAP about Customer's account and billings. "**Authorized Parties**" means those officers, directors, employees, agents, representatives and professional consultants of the Parties, and of the Parties' affiliates, that have a need to know the Confidential Information for the purpose of evaluating and performing this Agreement.

D. DEFAULT AND REMEDIES

D.1 Events of Default. An event of default ("**Event of Default**") means: (a) the failure of Customer to make, when due, any payment required under this Agreement for any undisputed amount if that payment is not made within fifteen (15) business days after receipt of written notice (facsimile or electronic mail are valid forms of notice for this paragraph) from Gexa; or (b) any representation or warranty made by a Party proves to be false or misleading in any material respect; (c) except as provided in clause (a) above or otherwise in this section D.1, the failure of any Party to perform its obligations under this Agreement and that failure is not excused by Force Majeure and remains uncured following 20 business days written notice of the failure; (d) the defaulting Party (i) makes an assignment or any general arrangement for the benefit of creditors; or (ii) files a petition or otherwise commences, authorizes or

acquiesces to a bankruptcy proceeding or similar proceeding for the protection of creditors, or has such a petition filed against it and that petition is not withdrawn or dismissed within 20 business days after filing; or (iii) otherwise becomes insolvent; or (iv) is unable to pay its debts when due; or (v) fails to establish, maintain or extend Credit in form and in an amount acceptable to Gexa when required; or (e) the Wholesale Transaction is terminated due to a default by Gexa under CESAs with other TCAP members or due to a default by the Energy Manager under the Wholesale Transaction. If an Event of Default listed in subsection (d) of this Section occurs, it is deemed to have automatically occurred prior to such event.

D.2 Remedies upon an Event of Default. If an Event of Default occurs and is continuing, upon written notice to the defaulting Party, the non-defaulting Party may (a) commence an action to require the defaulting Party to remedy such default and specifically perform its duties and obligations in accordance with the Agreement; (b) exercise any other rights and remedies it has at equity or at law, subject to the Agreement's Limitations of Liabilities; and/or (c) suspend performance; provided, however, that suspension shall not continue for longer than ten (10) Business Days unless the non-defaulting Party has declared an early termination with proper notice. If Customer is responsible for an Event of Default and fails to cure within ten (10) days of written notice (such additional cure period does not apply to default for non-payment), in addition to its other remedies, Gexa may (i) terminate this Agreement; and (ii) charge Customer the Customer Early Termination Penalty pursuant to Section 5 of this Agreement. Notwithstanding the above, Gexa shall not disconnect or order disconnection of service to Customer unless the following events have all occurred: (1) Customer has an Event of Default for nonpayment under Section D.1(a) above, (2) Gexa gives Customer a ten (10) day written disconnection notice; and (3) Customer does not pay all undisputed outstanding payments owed by the end of the ten (10) day notice period. .

E. MISCELLANEOUS PROVISIONS

E.1 Disclaimer. This Agreement does not constitute, create, or otherwise recognize the existence of a joint venture, association, partnership, or other formal business entity of any kind among the Parties and the rights and obligations of the Parties are limited to those set forth in this Agreement.

E.2 Headings. The descriptive headings of the Articles and Sections of this Agreement are inserted for convenience only and are not intended to affect the meaning, interpretation or construction of this Agreement.

E.3 Waiver. Except as otherwise provided, failure of a Party to comply with an obligation, covenant, agreement, or condition may be waived by the other Party only in a writing signed by the Party granting the waiver, but that waiver does not constitute a waiver of, or estoppel with respect to a subsequent failure of the first Party to comply with that obligation, covenant, agreement, or condition.

E.4 Assignment. Except as provided in the REP Services Agreement, Customer shall not assign this Agreement, in whole or in part, or any of its rights or obligations pursuant to the Agreement without Gexa's prior written consent, which shall not be unreasonably withheld. Gexa may withhold consent if a proposed assignee fails to be at least as creditworthy as Customer as of the Effective Date. Gexa may: (a) transfer, sell, pledge, encumber or assign the revenues or proceeds of this Agreement in connection with any financing or other financial arrangement; (b) transfer or assign this Agreement to a Gexa affiliate with operating capability and financial condition substantially similar to Gexa; (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of Gexa with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement; and/or (d) transfer or assign this Agreement to a certified REP with an operating capability and financial condition substantially similar to Gexa as of the execution date of this Agreement. In the case of (b), (c), or (d), any such assignee shall agree in writing to be bound by these Terms and Conditions of Service, and upon assignment, Gexa shall have no further obligations under this Agreement. Gexa shall not assign the Agreement to a non-affiliated entity (including its guarantor) that has a credit rating lower than BBB- without the prior written consent of TCAP, which shall not be unreasonably withheld.

E.5 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies on any person or party other than the Parties, their successors and permitted assigns; except that the Parties recognize that TCAP is entitled to receive the Aggregator Fee .

E.6 Severability. If a provision of this Agreement is held to be unenforceable or invalid by a court or regulatory authority of competent jurisdiction, the validity and enforceability of the remaining provisions are unaffected by that holding, and the Parties shall, to the extent possible, negotiate an equitable adjustment to the provisions of this Agreement in order to preserve the original intent and purpose of this Agreement.

E.7 Entire Agreement; Amendments. This Agreement constitutes the entire understanding between the Parties, and supersedes any and all previous understandings, oral or written, with respect to the subjects it covers. This Agreement may be amended only upon the mutually signed, written agreement of the Parties.

E.8 Further Assurances. The Parties shall promptly execute and deliver, at the expense of the Party requesting such action, any and all other and further instruments and documents which are reasonably requested in order to effectuate the transactions contemplated in this Agreement.

E.9 Emergency, Outage and Wire Service. In the event of an emergency, outage or service need, Customer shall call the TDSP for the service area of the ESI ID experiencing the emergency, outage or service need.

E.10 Customer Care. Customer may contact Gexa Customer Care if Customer has specific comments, questions, disputes, or complaints toll free at 1-866-961-9399, Monday to Friday 7:00 a.m. – 8:00 p.m. CST and Saturday from 8:00 a.m. – 2:00 p.m.. Gexa shall assist and cooperate with Customer regarding communications with a TDSP relating to service to any ESI ID served by Gexa under this Agreement.

E.11 Governing Law.

a. This Agreement is governed by and construed and enforced in accordance with the laws of the State of Texas applicable to contracts made and performed in the State of Texas, without regard to the State of Texas conflict of laws provisions.

b. All disputes between the Parties under this Agreement which are not otherwise settled will be decided by a court of competent jurisdiction in Harris County, Texas, and the Parties submit to the jurisdiction of the courts of the State of Texas and the Federal District Courts in Houston, Harris County, Texas. All disputes are governed under the laws of the State of Texas.

c. Subject to the provisions of E.11.a. above, this Agreement is subject to, and in the performance of their respective obligations under this Agreement the Parties shall comply with, all applicable federal, state and local laws, regulations and requirements (including the rules, regulations and requirements of quasigovernmental and regulatory authorities with jurisdiction over the Parties, including ERCOT) (collectively, "*Applicable Law*").

E.12 No Presumption Against Drafting. Both Parties contributed to the drafting of this Agreement. The rule of construction that any ambiguity is construed against the party who drafted this Agreement does not apply to this Agreement.

E.13 Counterparts; Facsimile Copies. This Agreement may be executed in counterparts, all of which constitute one and the same Agreement and each is deemed an original. A facsimile copy of either Party's signature is considered an original for all purposes, and each Party shall provide its original signature upon request.

E.15 Offer for Electric Service; Refusal of Service. This Agreement, including these Terms and Conditions of Service, constitute an offer for electric service, and is expressly conditioned on acceptance of this Agreement by Gexa. Gexa may refuse to provide electric service to Customer subject to the requirements of Applicable Law.

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: CONSENT AGENDA ITEM IV.E.8.

SUBJECT

Consider Resolution 577, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2020 rate review mechanism (RRM) filing

ORIGINATED BY

George Campbell, City Manager

SUMMARY

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

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about March 31, 2020, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2019, entitled it to additional system-wide revenues of \$141.2 million. Application of the standards set forth in ACSC's RRM Tariff required Atmos to reduce its request to \$136.3 million, \$98.7 million of which would be applicable to ACSC members. ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be \$111.5 million instead of the claimed \$136.3 million. The amount of the \$111.5 million deficiency applicable to ACSC members would be \$80.8 million.

After the Company reviewed ACSC's consultants' report, ACSC's Executive Committee and the Company negotiated a settlement whereby the Company would receive an increase of \$90 million from ACSC Cities, but with a two-month delay in the Effective Date until December 1, 2020. This should save ratepayers approximately \$9 million such that the case is functionally equivalent to ACSC's consultants' recommendation of \$80.8 million. The Executive Committee recommends a settlement at \$90 million. The Effective Date for new rates is December 1, 2020. ACSC members should take action approving the Resolution before November 1, 2020.

PROOF OF REVENUES: Atmos generated proof that the rate tariffs attached to the Resolution will generate \$90 million in additional revenues from ACSC Cities. That proof is attached as Attachment 1 to this Staff Report. ACSC consultants have agreed that Atmos' Proof of Revenues is accurate.

BILL IMPACT: The impact of the settlement (See Attachment 2) on average residential rates is an increase of \$5.15/month (or 9.9%); the increase for average commercial usage will be \$15.48 (or 6.56%).

SUMMARY OF ACSC'S OBJECTION TO THE UTILITIES CODE SECTION 104.301 GRIP PROCESS: ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

RRM SAVINGS OVER GRIP: While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on December 1, 2020, ACSC residents will maintain a slight economic monthly advantage over GRIP and DARR rates. See Attachment 3.

EXPLANATION OF “BE IT RESOLVED” PARAGRAPHS:

1. This section approves all findings in the Resolution.
2. This section adopts the RRM rate tariffs and finds the adoption of the new rates to be just, reasonable, and in the public interest.
3. This section makes it clear that Cities may challenge future costs associated with gas leaks like the explosion in North Dallas or the evacuation in Georgetown.
4. This section finds that existing rates are unreasonable. Such finding is a necessary predicate to establishment of new rates. The new tariffs will permit Atmos Mid-Tex to recover an additional \$90 million from ACSC Cities.
5. This section approves an exhibit that establishes a benchmark for pensions and retiree medical benefits to be used in future rate cases or RRM filings.
6. This section approves an exhibit to be used in future rate cases or RRM filings regarding recovery of regulatory liabilities, such as excess deferred income taxes.
7. This section requires the Company to reimburse the City for expenses associated with review of the RRM filing, settlement discussions, and adoption of the Resolution approving new rate tariffs.
8. This section repeals any resolution or ordinance that is inconsistent with the Resolution.
9. This section finds that the meeting was conducted in compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.
10. This section is a savings clause, which provides that if any section is later found to be unconstitutional or invalid, that finding shall not affect, impair, or invalidate the remaining provisions of this Resolution. This section further directs that the remaining provisions of the Resolution are to be interpreted as if the offending section or clause never existed.
11. This section provides for an effective date upon passage. December 1, 2020 represents a two month delay in the Effective Date established by the RRM tariff.
12. This section directs that a copy of the signed Resolution be sent to a representative of the Company and legal counsel for ACSC.

CONCLUSION: The Legislature’s GRIP process allowed gas utilities to receive annual rate increases associated with capital investments. The RRM process has proven to result in a more efficient and less costly (both from a consumer rate impact perspective and from a ratemaking perspective) than the GRIP process. Given Atmos Mid-Tex’s claim that its historic cost of service should entitle it to recover \$141.2 million in additional system-wide revenues, the RRM settlement at \$90 million for ACSC Cities reflects substantial savings to ACSC Cities. ACSC’s consultants produced a report indicating that Atmos had justified increased revenues for ACSC Cities of at least \$81 million. Settlement at \$90 million (equivalent to \$81 million with a two-month delay) is fair and reasonable. The ACSC Executive Committee consisting of city employees of 18 ACSC members urges all ACSC members to pass the Resolution before November 1, 2020. New rates become effective December 1, 2020.

RECOMMENDATION

Approve

ATTACHMENTS

1.	Staff Report Attachment 1 - Proof of Revenues	Staff Report Attachment 1 - Proof of Revenues.pdf
2.	Staff Report Attachment 2 - Bill Impact	Staff Report Attachment 2 - Bill Impact.pdf
3.	Staff Report Attachment 3 - RRM Monthly Savings Over GRIP and DARR Rates	Staff Report Attachment 3 - RRM Monthly Savings Over GRIP and DARR Rates.pdf
4.	R577_2020 Atmos Mid-Tex RRM Settlement Resolution	R577_2020 Atmos Mid-Tex RRM Settlement Resolution.pdf

ATMOS ENERGY CORP., MID-TEX DIVISION
RRM CITIES RATE REVIEW MECHANISM
PROOF OF REVENUES - RRM CITIES
TEST YEAR ENDING DECEMBER 31, 2019

Line No.	Customer Class	Current	Proposed	Bills	Ccf/MmBtu	Current Revenues	Proposed Revenues	Increase
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Residential							
2	Customer Charge	\$ 19.55	\$ 20.25	13,644,834		\$ 266,756,505	\$ 276,307,889	
3	Consumption Charge	0.17423	0.26651		608,491,998	106,017,561	162,169,202	
4	Revenue Related Taxes					26,692,882	31,397,617	
5	Total Class Revenue					\$ 399,466,948	\$ 469,874,708	\$ 70,407,760
6								
7	Commercial							
8	Customer Charge	\$ 46.50	\$ 54.50	1,115,081		\$ 51,851,267	\$ 60,771,915	
9	Consumption Charge	0.09924	0.11728		398,510,866	39,548,218	46,737,354	
10	Revenue Related Taxes					6,544,757	7,698,315	
11	Total Class Revenue					\$ 97,944,242	\$ 115,207,584	\$ 17,263,342
12								
13	Industrial & Transportation							
14	Customer Charge	\$ 845.50	\$ 1,014.50	7,272		\$ 6,148,476	\$ 7,377,444	
15	Consumption Charge Tier 1	\$ 0.3572	\$ 0.4157		7,769,155	2,775,142	3,229,638	
16	Consumption Charge Tier 2	\$ 0.2616	\$ 0.3044		8,666,094	2,267,050	2,637,959	
17	Consumption Charge Tier 3	\$ 0.0561	\$ 0.0653		13,696,172	768,355	894,360	
18	Revenue Related Taxes					856,339	1,012,467	
19	Total Class Revenue					\$ 12,815,362	\$ 15,151,868	\$ 2,336,505
20								
21	Total Excluding Other Revenue					\$ 510,226,552	\$ 600,234,159	\$ 90,007,608
22								
23								
24	Revenue Related Tax Factor	7.1606%						

ATMOS ENERGY CORP., MID-TEX DIVISION
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2019

[illegible]

[illegible]

**ATMOS ENERGY CORP., MID-TEX DIVISION
RESIDENTIAL AVERAGE RATE COMPARISON
TEST YEAR ENDING DECEMBER 31, 2019**

	ACSC Settled	DARR Filing	ATM Filing	Environs Filing
Cust Charge	\$20.25	\$23.75	\$26.40	\$24.60
Monthly Ccf	44.5	44.5	44.5	44.5
Cons Charge	\$0.26651	\$0.19336	\$0.14846	\$0.18653
Average Mo Bill	\$32.11	\$32.35	\$33.01	\$32.90
		-\$0.24	-\$0.90	-\$0.79

RESOLUTION NO. 577

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE (“ACSC”) AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY’S 2020 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHED EXHIBIT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; APPROVING AN ATTACHED EXHIBIT REGARDING AMORTIZATION OF REGULATORY LIABILITY; REQUIRING THE COMPANY TO REIMBURSE ACSC’S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS RESOLUTION WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; AND REQUIRING DELIVERY OF THIS RESOLUTION TO THE COMPANY AND THE ACSC’S LEGAL COUNSEL.

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

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

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

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

WHEREAS, on about March 31, 2020, Atmos Mid-Tex filed its 2020 RRM rate request with ACSC Cities based on a test year ending December 31, 2019; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2020 RRM filing through its Executive Committee, assisted by ACSC’s attorneys and consultants, to resolve issues identified in the Company’s RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of \$90 million applicable to ACSC Cities with an Effective Date of December 1, 2020; and

WHEREAS, ACSC agrees that Atmos plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the two month delayed Effective Date from October 1 to December 1 will save ACSC ratepayers approximately \$9 million off new rates imposed by the attached tariffs (Exhibit A), the impact on ratepayers should approximate the reasonable value of the rate filing found by the ACSC Consultants' Report, which was \$81 million; and

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

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

WHEREAS, the settlement agreement establishes an amortization schedule for regulatory liability prepared by Atmos Mid-Tex (Exhibit C); and

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

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

SECTION 1.

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

SECTION 2.

That, without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of \$90 million for ACSC Cities represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2020 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

SECTION 3.

That despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

SECTION 4.

That the existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit A, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional \$90 million from customers in ACSC Cities, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

SECTION 5.

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

SECTION 6.

That subject to any future settlement or decision regarding the balance of Excess Deferred Income Tax to be refunded to ratepayers, the amortization of regulatory liability shall be consistent with the schedule found in Exhibit C, attached hereto and incorporated herein.

SECTION 7.

That Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of the ACSC in processing the Company's 2020 RRM filing.

SECTION 8.

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

SECTION 9.

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

SECTION 10.

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

SECTION 11.

That consistent with the City Ordinance that established the RRM process, this Resolution shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after December 1, 2020.

SECTION 12.

That a copy of this Resolution shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Geoffrey Gay, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 15TH DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

CITY ATTORNEY DREW LARKIN

**Exhibit A
to 2020 RRM Resolution or Ordinance**

**Mid-Tex Tariffs
Effective December 1, 2020**

RATE SCHEDULE:	R – RESIDENTIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 20.25 per month
Rider CEE Surcharge	\$ 0.05 per month ¹
Total Customer Charge	\$ 20.30 per month
Commodity Charge – All <u>Ccf</u>	\$0.26651 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

RATE SCHEDULE:	C – COMMERCIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Bill	\$ 54.50 per month
Rider CEE Surcharge	\$ 0.02 per month ¹
Total Customer Charge	\$ 54.52 per month
Commodity Charge – All Ccf	\$ 0.11728 per Ccf

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

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

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

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

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

Agreement

An Agreement for Gas Service may be required.

Notice

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

¹ Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 10170. Surcharge billing effective July 1, 2020.

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 per MMBtu

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

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

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

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

Curtailment Overpull Fee

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

Replacement Index

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

RATE SCHEDULE:	I – INDUSTRIAL SALES	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Agreement

An Agreement for Gas Service may be required.

Notice

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

Special Conditions

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Application

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

Type of Service

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

Monthly Rate

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

Charge	Amount
Customer Charge per Meter	\$ 1,014.50 per month
First 0 MMBtu to 1,500 MMBtu	\$ 0.4157 per MMBtu
Next 3,500 MMBtu	\$ 0.3044 per MMBtu
All MMBtu over 5,000 MMBtu	\$ 0.0653 per MMBtu

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

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

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

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

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

Imbalance Fees

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

Monthly Imbalance Fees

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

RATE SCHEDULE:	T – TRANSPORTATION	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Curtailment Overpull Fee

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

Replacement Index

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

Agreement

A transportation agreement is required.

Notice

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

Special Conditions

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Provisions for Adjustment

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

Computation of Weather Normalization Adjustment

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

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

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

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

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

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

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

ADD = billing cycle actual heating degree days.

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

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

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

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

**MID-TEX DIVISION
ATMOS ENERGY CORPORATION**

RIDER:	WNA – WEATHER NORMALIZATION ADJUSTMENT	
APPLICABLE TO:	ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF	
EFFECTIVE DATE:	Bills Rendered on or after 12/01/2020	PAGE:

Base Use/Heat Use Factors

Weather Station	<u>Residential</u>		<u>Commercial</u>	
	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>	Base use <u>Ccf</u>	Heat use <u>Ccf/HDD</u>
Abilene	10.73	0.1545	94.79	0.7284
Austin	9.53	0.1489	211.76	0.9405
Dallas	15.77	0.1792	199.74	0.9385
Waco	9.99	0.1341	145.27	0.7110
Wichita Falls	11.61	0.1402	120.34	0.5747

Weather Normalization Adjustment (WNA) Report

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

Exhibit B
to 2020 RRM Resolution or Ordinance

Mid-Tex
2020 Benchmark for Pensions
and Retiree Benefits

ATMOS ENERGY CORP., MID-TEX DIVISION
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2019

Line No.	Description (a)	Shared Services (b)		Post-Employment Benefit Plan (c)		Pension Account Plan (d)		Mid-Tex Direct Supplemental Executive Benefit Plan (e)		Post-Employment Benefit Plan (f)		Adjustment Total (g)
		Pension Account Plan		Post-Employment Benefit Plan		Pension Account Plan		Mid-Tex Direct Supplemental Executive Benefit Plan		Post-Employment Benefit Plan		
1	Proposed Benefits Benchmark - Fiscal Year 2020 Willis Towers											
2	Watson Report as adjusted (1) (2) (3)	\$ 3,460,135	\$	3,695,384	\$	6,132,704	\$	280,578	\$	4,992,449		
3	Allocation to Mid-Tex	43.29%		43.29%		76.59%		100.00%		76.59%		
4	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	\$ 1,497,774	\$	1,599,605	\$	4,697,072	\$	280,578	\$	3,823,744		
5	O&M and Capital Allocation Factor	100.00%		100.00%		100.00%		100.00%		100.00%		
6	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4) (3)	\$ 1,497,774	\$	1,599,605	\$	4,697,072	\$	280,578	\$	3,823,744	\$	11,898,774
7												
8	Summary of Costs to Approve (1):											
9												
10	O&M Expense Factor (WP_F-2.3, Ln 2)	79.55%		79.55%		37.83%		11.67%		37.83%		
11												
12												
13	Total Pension Account Plan	\$ 1,191,410	\$	1,272,412	\$	1,777,056					\$ 2,968,466	
14	Total Post-Employment Benefit Plan									\$ 1,446,647	\$ 2,719,060	
15	Total Supplemental Executive Benefit Plan									32,754	32,754	
16	Total (Ln 13 + Ln 14 + Ln 15)	\$ 1,191,410	\$	1,272,412	\$	1,777,056	\$	32,754	\$	1,446,647	\$ 5,720,280	
17												

Notes:

1. Studies not applicable to Mid-Tex or Shared Services are omitted.
2. Mid-Tex is proposing that the Fiscal Year 2020 Willis Towers Watson actuarial amounts shown on WP_F-2.3 and WP_F-2.3.1, be approved by the RRM Cities as the benchmark amounts to be used to calculate the regulatory asset or liability for future periods. The benchmark amount approved by the RRM Cities for future periods includes only the expense amount. The amount attributable to capital is recorded to utility plant through the overhead process as described in the CAM.
3. SSU amounts exclude cost centers which do not allocate to Mid-Tex for rate making purposes.

Exhibit C
to 2020 RRM Resolution or Ordinance

Mid-Tex 2020 Schedule for
Amortization for Regulatory Liability

ATMOS ENERGY CORP., MID-TEX DIVISION
RATE BASE ADJUSTMENTS
TEST YEAR ENDING DECEMBER 31, 2019
AMORTIZATION OF REGULATORY LIABILITY

Line No.	Year Ended Dec. 31	Beginning of Year Rate Base Adjustment Amount	Annual Amortization (1)	End of Year Rate Base Adjustment Amount (2)	Corrected Balance for December 31, 2017 (3)
	(a)	(b)	(c)	(d)	(e)
1	2017		\$ -	\$ 292,268,881	\$ 292,268,881
2	2018	292,268,881	12,075,562	280,193,319	
3	2019	280,193,319	12,085,165	268,108,155	
4	2020	268,108,155	11,171,173	256,936,982	
5	2021	256,936,982	11,171,173	245,765,809	
6	2022	245,765,809	11,171,173	234,594,635	
7	2023	234,594,635	11,171,173	223,423,462	
8	2024	223,423,462	11,171,173	212,252,289	
9	2025	212,252,289	11,171,173	201,081,116	
10	2026	201,081,116	11,171,173	189,909,943	
11	2027	189,909,943	11,171,173	178,738,770	
12	2028	178,738,770	11,171,173	167,567,597	
13	2029	167,567,597	11,171,173	156,396,424	
14	2030	156,396,424	11,171,173	145,225,251	
15	2031	145,225,251	11,171,173	134,054,077	
16	2032	134,054,077	11,171,173	122,882,904	
17	2033	122,882,904	11,171,173	111,711,731	
18	2034	111,711,731	11,171,173	100,540,558	
19	2035	100,540,558	11,171,173	89,369,385	
20	2036	89,369,385	11,171,173	78,198,212	
21	2037	78,198,212	11,171,173	67,027,039	
22	2038	67,027,039	11,171,173	55,855,866	
23	2039	55,855,866	11,171,173	44,684,692	
24	2040	44,684,692	11,171,173	33,513,519	
25	2041	33,513,519	11,171,173	22,342,346	
26	2042	22,342,346	11,171,173	11,171,173	
27	2043	11,171,173	11,171,173	(0)	
28					
29	Revenue Related Tax Factor		7.16%	See WP_F-5.1	
	Revenue Related Taxes on Annual			Amortization * Tax	
30	Amortization		\$ 799,924	Factor	
31	Amortization Including Revenue		<u>\$ 11,971,097</u>	Amortization + Taxes	
32					
33	Notes:				
34	1. The annual amortization of a 26 year recovery period is based on the				
35	Reverse South Georgia Method.				
36	2. The Regulatory Liability is recorded to FERC Account 253, Sub Account 27909.				
37	3. This is the final Mid-Tex liability balance filing the Fiscal Year 2018 tax return.				

MEETING DATE: SEPTEMBER 15, 2020

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

SUBJECT

Discuss and consider Ordinance 710 of the City of Kennedale, Texas, adopting the Budget for the Fiscal Year beginning October 1, 2020, and ending September 30, 2021

ORIGINATED BY

Lakeita Sutton, Director of Finance and Information Technology

SUMMARY

At this time, the Council will consider approval of Ordinance 710, adopting the FY20–21 Budget (Program of Services) for the City of Kennedale, Texas. A PDF of the FY20-21 Budget, as adopted by City Council will be posted at www.cityofkennedale.com/budget no later than September 30, 2020.

According to Chapter 102, Municipal Budget, of the Local Government Code (LGC), a municipal budget shall be prepared to cover the proposed expenditures of the municipal government for the succeeding year. The Proposed Budget must be filed with the municipal clerk for public inspection and a public hearing must be conducted on the budget with special notice published. At the conclusion of that public hearing, the governing body of the municipality shall take action on the Proposed Budget (or table it for adoption at a later meeting), and it may make any changes to the budget that it considers warranted by the law or by the best interest of the municipal taxpayers. A vote to adopt the budget under this Chapter is in addition to and separate from the vote to set the tax rate required by Chapter 26, Tax Code, or other law. The following timetable outlines key budget dates:

DATE	ACTION
08/10/20	Draft of Proposed FY20-21 Budget distributed to the Council Staff Provided Effective Tax Rate and Schedules to the Council
08/11/20	FY20-21 Budget Meeting (presentation of the City Manager's Proposed Budget to the Council) Council Voted to Place Proposal for Tax Increase on Future Agenda and Sets Public Hearing Date (via Resolution 574) Proposed FY20-21 Budget filed with City Secretary's Office
08/18/20	Council discussion of the Proposed Budget continued during Regular Meeting Work Session
08/27/20	Council discussion of the Proposed Budget continued during Special Meeting Work Session
08/28/20	Publish Notice of Public Hearing on Budget in the Newspaper of Record (<i>Star-Telegram</i>)
09/01/20	Publish Notice of Proposed Property Tax Rate in the Newspaper of Record (<i>Star-Telegram</i>)
09/08/20	Held Public Hearing on Budget AND Tax Rate
09/15/2020	Today: Council Discussion of the Proposed Budget continues during Regular Meeting Work Session This Item (IV.F.1.): Consider adoption of FY20-21 Budget (via Ordinance 710) Item IV.F.2. Ratify Tax Revenue Rate Increase that Supports the FY20-21 Adopted Budget Item IV.F.3. Adopt FY20-21 Tax Rate (via Ordinance 711)

RECOMMENDATION

Approve

MUST BE A RECORD VOTE.**ATTACHMENTS**

1.	O710_Budget FY2020-2021	O710_Budget FY2020-2021.pdf
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ORDINANCE NO. 710

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS, ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2020, AND ENDING SEPTEMBER 30, 2021; APPROPRIATING RESOURCES FOR EACH DEPARTMENT, PROJECT, OPERATION, ACTIVITY, PURCHASE, ACCOUNT AND OTHER EXPENDITURES; PROVIDING FOR EMERGENCY EXPENDITURES AND EXPENDITURES AS ALLOWED BY APPLICABLE STATE LAW; PROVIDING FOR THE FILING AND POSTING OF THE BUDGET AS REQUIRED BY STATE LAW; PROVIDING A SEVERABILITY CLAUSE AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, the City Manager of the City has filed with the City Secretary a budget outlining all proposed expenditures of the government of the City for the fiscal year beginning October 1, 2020, and ending September 30, 2021, (hereinafter referred as the "Budget"); and

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

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

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

WHEREAS, such public hearing was held on September 8, 2020, prior approval of such date being ratified and confirmed by the City Council, and those wishing to speak on the Budget were heard; and

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

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

SECTION 1.

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

SECTION 2.

The Budget of the revenue of the City and the expenses of conducting the affairs thereof for the ensuing fiscal year beginning October 1, 2020, and ending September 30, 2021, is hereby adopted and approved, and there is hereby appropriated from the funds indicated therein such sums for the projects, operations, activities, purchases, accounts and other expenditures proposed in the Budget, as set forth in Exhibit "A".

SECTION 3.

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

SECTION 4.

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

SECTION 5.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared 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 6.

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

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
KENNE DALE, TEXAS, THIS THE 15TH DAY OF SEPTEMBER, 2020.**

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

CITY ATTORNEY DREW LARKIN

ORDINANCE NO. 710 ATTACHMENT "A"

CITY OF KENNEDALE			
FY2020-2021 ALL FUNDS REVENUE AND EXPENDITURE SUMMARY			
REVENUES		EXPENDITURES	
GENERAL FUNDS		GENERAL FUNDS	
GENERAL FUND	7,314,655	GENERAL FUND	7,660,096
CAPITAL REPLACEMENT FUND	98,402	CAPITAL REPLACEMENT FUND	180,414
COURT SECURITY FUND	2,300	COURT SECURITY FUND	-
COURT TECHNOLOGY FUND	1,320	COURT TECHNOLOGY FUND	875
STREET IMPROVEMENT FUND	877,615	STREET IMPROVEMENT FUND	1,015,670
JUVENILE CASE MANAGER FUND	2,150	JUVENILE CASE MANAGER FUND	-
PARK/REC OTHER DONATION FUND	50	PARK/REC OTHER DONATION FUND	-
TREE REFORESTATION FUND	500	TREE REFORESTATION FUND	-
UNCLAIMED PROPERTY FUND	-	UNCLAIMED PROPERTY FUND	-
GENERAL FUNDS	8,296,992	GENERAL FUNDS	8,857,055
GENERAL DEBT SERVICE FUND		GENERAL DEBT SERVICE FUND	
GENERAL DEBT SERVICE FUND	1,664,815	GENERAL DEBT SERVICE FUND	1,538,873
WATER AND SEWER FUNDS		WATER AND SEWER FUNDS	
WATER/SEWER FUNDS	4,447,316	WATER/SEWER FUNDS	4,504,700
STORMWATER UTILITY FUND	323,152	STORMWATER UTILITY FUND	561,929
WATER IMPACT FUND	54,238	WATER IMPACT FUND	-
SEWER IMPACT FUND	18,505	SEWER IMPACT FUND	-
WATER IMPROVEMENT FUND	-	WATER IMPROVEMENT FUND	-
WATER AND SEWER FUNDS	4,843,211	WATER AND SEWER FUNDS	5,066,629
EDC FUNDS		EDC FUNDS	
EDC 4B FUND	723,940	EDC 4B FUND	607,014
EDC 4B CAPITAL BOND FUND	-	EDC 4B CAPITAL BOND FUND	-
EDC4B BOND RESERVE FUND	500	EDC4B BOND RESERVE FUND	-
	724,440	EDC 4B FUNDS	607,014
CAPITAL PROJECTS FUNDS		CAPITAL PROJECTS FUNDS	
CAPITAL PROJECTS FUND	83,250	CAPITAL PROJECTS FUND	103,157
CAPITAL BOND FUND	6,008,000	CAPITAL BOND FUND	3,244,588
PARK DEDICATION FUND	800	PARK DEDICATION FUND	170
LIBRARY BUILDING FUND	160	LIBRARY BUILDING FUND	-
ROADWAY IMPACT FEE FUND	15,000	ROADWAY IMPACT FEE FUND	197,525
CAPITAL PROJECTS FUNDS	6,107,210	CAPITAL PROJECTS FUNDS	3,545,440
SPECIAL REVENUE FUNDS		SPECIAL REVENUE FUNDS	
TIF#1 (NEW HOPE) FUND	162,734	TIF#1 (NEW HOPE) FUND	-
HOTEL/MOTEL TAX FUND	5,050	HOTEL/MOTEL TAX FUND	-
POLICE SEIZURE FUND	-	POLICE SEIZURE FUND	-
LEOSE FUND	1,740	LEOSE FUND	1,650
DISASTER RECOVERY FUND	100	DISASATER RECOVERY FUND	420,850
SPECIAL REVENUE FUNDS	169,624	SPECIAL REVENUE FUNDS	422,500
TOTAL REVENUES	\$ 21,806,292	TOTAL EXPENDITURES	\$ 20,037,511

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM IV.F.2.

SUBJECT

Discuss and consider ratification of property tax increase reflected in FY2020–2021 Adopted Budget

ORIGINATED BY

Lakeita Sutton, Director of Finance and Information Technology

SUMMARY

At this time, the Council will consider ratifying the FY20-21 Property Tax Increase reflected in the adopted FY20-21 Budget for the City of Kennedale.

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

RECOMMENDATION

Approve

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

I MOVE TO RATIFY THE PROPERTY TAX INCREASE REFLECTED IN THE FY20–21 ADOPTED BUDGET.

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM IV.F.3.

SUBJECT

Discuss and consider approval of Ordinance 711, fixing and levying municipal Ad Valorem Taxes for the City of Kennedale, Texas, for the Fiscal Year beginning October 1, 2020, and ending September 30, 2021

ORIGINATED BY

Lakeita Sutton, Director of Finance and Information Technology

SUMMARY

At this time, the Council will consider adoption of Ordinance 711, fixing and levying FY20-21 ad valorem (property) taxes for the City of Kennedale.

According to the Texas Constitution and Property Tax Code, which both embody the concept of truth-in-taxation, a municipality is required to comply with certain steps in adopting their tax rate in an effort to make taxpayers aware of tax rate proposals and allow taxpayers, in certain cases, voter approval or limit a tax increase. A vote to set the tax rate required by Chapter 26, Tax Code, is in addition to and separate from the vote to adopt the budget. According to Section 5.05 of the Texas Tax Code, the taxing unit must vote to place a proposal to adopt the proposed tax rate as an action item on the agenda of a future meeting when a proposed rate exceeds the voter approval rate or the no new revenue rate, whichever is lower, and hold a public hearing prior to consideration of adoption.

During a Special Meeting on Tuesday, August 11, 2020, the Council approved the placement of an item to consider adoption of a tax rate which will exceed the lower of the voter-approval rate or the no-new-revenue tax rate on the agenda for the Tuesday, September 15, 2020 Regular Meeting. Furthermore, the Council scheduled a public hearing on the proposal to occur on Tuesday, September 8, at 5:30 p.m., at which time taxpayers were given an opportunity to express their views on the proposed FY20-21 tax rate. This date was published in the *Fort Worth Star-Telegram* (the City's newspaper of record) on Tuesday, September 1, 2020. The City Manager's FY20-21 Budget Proposal (presented at the August 11, 2020 meeting) was based on a FY20-21 Tax Rate of \$0.774085 (an increase of \$0.039115 from FY19-20).

Should the FY20-21 Budget adopted by Council require raising more revenue from property taxes than in the previous year, the governing body must conduct a separate vote to ratify the property tax increase reflected in the budget (the item immediately preceding this agenda item). Action can now be taken by Council at tonight's meeting (Tuesday, September 15, 2020) on the FY20-21 Budget and Tax Rate.

RECOMMENDATION

Must be a **RECORD** vote. A motion to adopt an ordinance, resolution, or order setting a tax rate that exceeds the no-new-revenue tax rate **must be made in the following form**. Choose the appropriate motion:

RECOMMENDED TAX RATE REFLECTED IN THE PROPOSED FY20-21 BUDGET: "I move that the property tax rate be increased by the adoption of a tax rate of \$0.774085, which is effectively a 7.0% increase in the tax rate."

OTHER RATE: "I move that the property tax rate be increased by the adoption of a tax rate of (SPECIFY TAX RATE), which is effectively a (insert percentage by which the proposed tax rate exceeds the no-new-revenue tax rate) % increase in the tax rate."

ATTACHMENTS

1.	O711_Tax Rate 2020	O711_Tax Rate 2020.pdf
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ORDINANCE NO. 711

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

WHEREAS, the City Council has approved on the 15th day of September 2020, the budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021; and

WHEREAS, the City Council of the City of Kennedale, Texas, hereby finds that a tax at the rate set forth below for the fiscal year beginning October 1, 2020, and ending September 30, 2021, must be levied to provide the revenue requirements of the budget for the ensuing year; and

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

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

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

SECTION 1.

For the current expense of the City of Kennedale and for the general improvements of the City and its property, there is hereby levied and ordered to be assessed and collected for the fiscal year beginning October 1, 2020, and ending September 30, 2021, and for each fiscal year thereafter until it be otherwise provided and ordained, on all property situated within the corporate limits of the City of Kennedale, and not exempt from taxation by valid laws, an ad valorem tax rate of **\$0.774085** cents on each One Hundred Dollars (\$100.00) of valuation of such property, to be assessed as follows:

\$0.582686	FOR THE PURPOSE OF MAINTENANCE AND OPERATION
\$0.191399	FOR THE PURPOSE OF INTEREST AND SINKING
\$0.774085	TOTAL TAX RATE

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

THE TAX RATE WILL EFFECTIVELY BE RAISED BY 7.0 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$38.26.

SECTION 2.

The taxes herein are levied according to law and shall be due and payable on October 1, 2020, and the same shall become delinquent on February 1, 2021. Should any taxpayer fail to make payment before the date of delinquency, a penalty and interest as provided by law shall be assessed until the unpaid taxes and penalty have been satisfied.

SECTION 3.

Pursuant to the authority granted by Section 33.07 of the Texas Tax Code, in the event that the taxes become delinquent on or after February 1, 2021, but not later than May 1, 2021, and that remain delinquent on July 1, 2021, and in the event such delinquent taxes are referred to an attorney for collection, an additional amount of twenty percent (20%) of the total amount of tax, penalty and interest then due shall be added as collection costs to be paid by the taxpayer.

SECTION 4.

Pursuant to the authority granted by Section 33.08 of the Texas Tax Code, the City further provides that all taxes that become delinquent on or after June 1, 2021, shall, in order to defray the costs of collection, incur an additional penalty in the amount of twenty percent (20%) of the delinquent tax, penalty and interest.

SECTION 5.

The tax roll for tax year 2020 for the City of Kennedale, Texas, is hereby approved.

SECTION 6.

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

SECTION 7.

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

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
KENNEDALE, TEXAS, THIS THE 15TH DAY OF SEPTEMBER, 2020.**

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

CITY ATTORNEY DREW LARKIN

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM IV.F.4.

SUBJECT

Consider approval of Ordinance 698, appointing a Municipal Judge and Alternate Judges; and authorizing the Mayor to sign contracts for each

ORIGINATED BY

George Campbell, City Manager

SUMMARY

As required by the Charter, the (attached) Ordinance 698 and related contracts are presented so that the Council may consider appointment of a Presiding Judge and Alternative Judges of the Kennedale Municipal Court. Each role serves a two-year term, coinciding with that of the Mayor.

Interviews were conducted during the Executive Session of the Regular Meeting on July 21, 2020. **Contracts for Bill Lane to serve as Presiding Judge and Erin Jackson and Suzy Vanegas as Alternative Judges are attached for the Council's consideration.**

In accordance with the Internal Revenue Service (IRS) interpretation of 'officers of the court', the contract and related Ordinance establish these Municipal Judges as independent contractors. If the Council should decide to make appointments at this time, staff will finalize the appropriate contracts with the appointees names. https://www.tmcce.com/programs/judges/recusal_and_disqualification/

Section 9.03 - Judge of the Municipal Court

The City Council shall appoint a Judge who shall be known as the "Judge of the Municipal Court". The Judge shall be appointed for a two (2) year term. In order to be appointed, the Judge must be a resident of the State of Texas. The City Council shall fix the compensation for the Judge. The City Council, acting in its sound discretion, may suspend or remove the Municipal Judge at any time by a majority vote of the entire Council. The City Council shall give the Municipal Judge written notice for removal and/or suspension and give the Municipal Judge opportunity to respond. Upon written request of the Municipal Judge, the City Council shall schedule a public hearing and provide the Municipal Judge an opportunity to present a defense against any accusations made. The City Council shall not arbitrarily or capriciously suspend or remove the Municipal Judge, but its decision in such matters shall be final. If for any reason the Judge is unable to act, the City Council shall either declare the office vacant, or appoint a temporary Judge to serve until the Judge is able to act. If the office of the Judge is declared vacant, it shall be filled by appointment by the City Council in accordance with this Section. Following appointment the Judge must meet all educational or other qualifications as prescribed by State Law. The City Council may also appoint such alternate Judges as necessary. All alternate Judges must meet the same qualifications as the Judge of the Municipal Court.

RECOMMENDATION

Approve

ATTACHMENTS

1.	O698 AppointingMunicipalJudge_FINAL	O698 AppointingMunicipalJudge_FINAL.pdf
2.	2020_08.18 Bill Lane Municipal Court Judge Services 2020 Agreement	2020_08.18 Bill Lane Municipal Court Judge Services 2020 Agreement.pdf
3.	Jackson, Erin 2020_09.15_FINAL	Jackson, Erin 2020_09.15_FINAL.pdf
4.	Vanegas, Suzy 2020_09.15_FINAL	Vanegas, Suzy 2020_09.15_FINAL.pdf

ORDINANCE NO. 698

AN ORDINANCE OF THE CITY OF KENNEDALE, TEXAS, APPOINTING THE JUDGE AND ALTERNATE JUDGES OF THE MUNICIPAL COURT OF RECORD IN THE CITY OF KENNEDALE; 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, is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council has created a municipal court of record, pursuant to Chapter 30 of the Texas Government Code; and

WHEREAS, Chapter 30 of the Texas Government Code relating to municipal courts of record provides that the judge of the municipal court of record shall be appointed by the City Council by ordinance; and

WHEREAS, the workload of the Kennedale Municipal Court is not large enough to support a full-time municipal court judge; and

WHEREAS, it is of great benefit to the City of Kennedale to have an experienced municipal court judge sit on the bench of the Kennedale Municipal Court; and

WHEREAS, Section 574.001, Texas Government Code requires that a finding be made to the effect that a person who serves as an officer in more than one appointed position obtain a finding from the governing body that such officer has satisfied Article XVI, Section 40 of the Texas Constitution.

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

SECTION 1. It is hereby found that the office of municipal court judge of the City of Kennedale is of benefit to the State of Texas and to the City of Kennedale and that there is no conflict between the office of municipal court judge of Kennedale and the office of municipal judge in any other city.

SECTION 2. William "Bill" Lane is hereby reappointed as the Municipal Judge of the municipal court of record in the City of Kennedale, Texas, for a two-year term beginning May 21, 2020. At the expiration of said term in accordance with Article 16, Section 17 of the Texas Constitution, Judge Lane shall continue to serve until his successor shall be duly qualified.

SECTION 3. Erin Jackson and Suzy Vanegas are hereby appointed as the Alternate Judges to serve when the Municipal Judge is temporarily absent or unable to serve.

SECTION 4. This Ordinance shall be cumulative of all other ordinances of the City of Kennedale and shall not repeal any of the provisions of such ordinances except in those instances when provisions of such ordinances are in direct conflict with the provisions of this ordinance in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 5. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared 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 6. 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.

SECTION 7. The reappointment of William "Bill" Lane is subject to and conditioned upon Mr. Lane executing an Agreement for Municipal Judge Services on a form acceptable to the City.

SECTION 8. The appointment of Erin Jackson is subject to and conditioned upon Ms. Jackson executing an Agreement for Alternate Municipal Judge Services on a form acceptable to the City.

SECTION 9. The appointment of Suzy Vanegas is subject to and conditioned upon Ms. Vanegas executing an Agreement for Alternate Municipal Judge Services on a form acceptable to the City.

PASSED AND APPROVED ON THIS 15TH DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

CITY ATTORNEY DREW LARKIN

STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

AGREEMENT FOR MUNICIPAL COURT JUDGE SERVICES

The Parties for this Agreement for Municipal Court Judge Services are Bill Lane (hereinafter referred to as "Lane") and the City of Kennedale, Texas (hereinafter referred to as "City"). Lane and the City are referred to collectively herein as "the Parties."

WHEREAS, the City desires to contract with Lane to perform the services of Municipal Court Judge; and

WHEREAS, Lane desires to contract with the City to provide services as the Municipal Court Judge;

NOW THEREFORE, for the mutual covenants and considerations described herein, the Parties agree as follows:

- 1. DESCRIPTION OF SERVICES.** Lane agrees to serve as the Judge of the Municipal Court for the City, with all powers, duties, privileges, and obligations conferred by this Agreement and by law, including but not limited to, Section 9.03 of the City Charter and Chapter 30 of the Texas Government Code. The services provided hereunder shall include:
 - a. Attendance at regularly scheduled sessions of the Kennedale Municipal Court; and
 - b. Conducting other court hearings and trials at the Kennedale Municipal Court as may be necessary.
- 2. ALTERNATE JUDGES.** Lane agrees to timely coordinate with all Alternate Judges of the Kennedale Municipal Court when he cannot perform the services described in Section 1 above.
- 3. COURT FACILITIES.** The City will provide a suitable place for holding court and shall pay for all the expense of maintaining it. The City will furnish staff, supplies, and equipment sufficient for the operation of the Court.
- 4. HOURS OF COURT.** The hours of the Municipal Court will be set mutually by agreement between the City and Lane. Currently the regularly scheduled session of the Municipal Court is set on the fourth Wednesday of the month.
- 5. CONSIDERATION.** As consideration for services provided herein, the City agrees to pay Lane the sum of \$1,200.00 monthly.
- 6. QUALIFICATION.** Lane declares that he is qualified to serve as Judge of the Municipal Court because he meets all requirements for holding said position outlined in Section 9.03 of the City Charter and Chapter 30 of the Texas Government Code. Lane agrees to maintain said qualifications throughout the term of this Agreement.
- 7. INDEPENDENT CONTRACTOR STATUS.** The Parties agree that Lane is an independent contractor to the City, not an employee. This Agreement does not create any partnership, joint venture, or relationship other than an independent contractor relationship. Lane shall not be deemed to be an employee of the City for any purpose whatsoever, and Lane shall not be eligible to participate in any benefit program provided by the City for its employees. Lane shall be exclusively responsible for the payment of his own taxes, withholding payments, penalties, fees, fringe benefits, contributions to insurance and

pension or other deferred compensation plans, including but not limited to workers' compensation and Social Security obligations, professional fees or dues.

8. INDEMNIFICATION. To the extent allowed by law, the City will defend, indemnify and hold Lane harmless from any and all claims arising out of the good faith performance of the duties and functions as the Judge of the Municipal Court.

9. NOTICES. Notices pursuant to this Agreement will be given in writing and sent by First Class United States Mail or Personal Delivery, addressed as follows:

To Lane: Bill Lane, Attorney at Lane
1110 Tennison Road, Azle Texas 76020

To the City: City Secretary, City of Kennedale
405 Municipal Drive, Kennedale, TX 76060

Each party will have the continuing obligation to advise the other party of any change of address.

10. MODIFICATION. No change or addition to this Agreement will be valid or binding upon either party unless such change or addition be in writing and executed by both parties.

11. STATE LAW. This Agreement will be construed in a manner consistent with and not in derogation of the provisions of state law governing the Judge of the Municipal Court's jurisdiction, powers, duties, obligations or statutory term of office.

12. TERM. Notwithstanding the date of execution hereof, the term of this Agreement will be a two-year term commencing on May 21, 2020.

13. TERMINATION.

- a. City may terminate this Agreement in accordance with Section 9.03 of the City Charter or in accordance with Chapter 30 of the Texas Government Code.
- b. Lane may terminate this Agreement by providing City thirty (30) days prior written notice, unless the parties agree otherwise in writing.
- c. In the event that this Agreement is terminated, the City will only be obligated to pay Lane under this Agreement up to the date of termination.

SIGNED AND AGREED TO ON BEHALF OF BILL LANE ON THIS THE _____ DAY OF _____ 2020.

JUDGE BILL LANE

SIGNED AND AGREED TO ON BEHALF OF THE CITY OF KENNEDALE ON THIS THE _____ DAY OF _____ 2020.

MAYOR BRIAN JOHNSON

STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

AGREEMENT FOR ALTERNATIVE MUNICIPAL COURT JUDGE SERVICES

The Parties to this Agreement for Alternate Municipal Court Judge Services are Erin Jackson (hereinafter referred to as "Jackson") and the City of Kennedale, Texas (hereinafter referred to as the "City"). Jackson and the City are referred to collectively herein as "the Parties."

WHEREAS, the City desires to contract with Jackson to perform the services of an Alternate Municipal Court Judge ("Alternate Judge"); and

WHEREAS, Jackson desires to contract with the City to provide services as the Alternate Judge.

NOW THEREFORE, for the mutual covenants and considerations described herein, the Parties agree as follows:

1. **DESCRIPTION OF SERVICES.** Jackson agrees to serve as an Alternate Judge of the Municipal Court for the City, with all powers, duties, privileges, and obligations conferred by this Agreement and by law, including but not limited to, Section 9.03 of the City Charter and Chapter 30 of the Texas Government Code. Jackson shall, as needed, preside over municipal court proceedings for and on behalf of the City and to conduct services as may be required from time-to-time, including but not limited to issuance of warrants and such duties and responsibilities as are necessary and incidental to the office of the Alternate Judge. In addition to serving as needed, Jackson will attend at least one court date each year to observe proceedings in the Municipal Court.
2. **COURT FACILITIES.** The City will provide a suitable place for holding court and shall pay for all the expense of maintaining it. The City will furnish staff, supplies, and equipment sufficient for the operation of the Court.
3. **HOURS OF COURT.** The hours of the Municipal Court will be set mutually by agreement between the City and the Presiding Judge.
4. **CONSIDERATION.**
 - a. As consideration for services provided herein, the City agrees to pay Jackson \$250 biannually (to be paid in November and May) plus \$75 per hour for services performed as an Alternate Judge and rendered in accordance with this Agreement.

- b. Jackson agrees to prepare and submit to the City on a monthly basis an invoice or time sheet detailing the number of hours worked and services provided for processing by the City for payment. Jackson will bill her time in quarter-hour increments.
5. **QUALIFICATION.** Jackson declares that she is qualified to serve as Alternate Judge of the Municipal Court because she meets all requirements for holding said position outlined in Section 9.03 of the City Charter and Chapter 30 of the Texas Government Code. Jackson agrees to maintain said qualifications throughout the term of this Agreement.
6. **INDEPENDENT CONTRACTOR STATUS.** The Parties agree that Jackson is an independent contractor to the City, not an employee. This Agreement does not create any partnership, joint venture, or relationship other than an independent contractor relationship. Jackson shall not be deemed to be an employee of the City for any purpose whatsoever, and Jackson shall not be eligible to participate in any benefit program provided by the City for its employees. Jackson shall be exclusively responsible for the payment of her own taxes, withholding payments, penalties, fees, fringe benefits, contributions to insurance and pension or other deferred compensation plans, including but not limited to workers' compensation and Social Security obligations, professional fees or dues.
7. **INDEMNIFICATION.** To the extent allowed by law, the City will defend, indemnify and hold Jackson harmless from any and all claims arising out of the good faith performance of the duties and functions as the Alternate Judge of the Municipal Court.
8. **NOTICES.** Notices pursuant to this Agreement will be given in writing and sent by First Class United States Mail or Personal Delivery, addressed as follows:
- To Jackson: _____

- To the City: City Secretary, City of Kennedale
405 Municipal Drive
Kennedale, TX 76060
- Each Party will have the continuing obligation to advise the other Party of any change of address.
9. **MODIFICATION.** No change or addition to this Agreement will be valid or binding upon either Party unless such change or addition be in writing and executed by both Parties.
10. **STATE LAW.** This Agreement will be construed in a manner consistent with and not in derogation of the provisions of state law governing the Alternate Judge of

the Municipal Court's jurisdiction, powers, duties, obligations or statutory term of office.

11. TERM. Notwithstanding the date of execution hereof, the term of this Agreement will be a two-year term commencing on May 21, 2020.

12. TERMINATION.

- a. The City may terminate this Agreement in accordance with Section 9.03 of the City Charter or in accordance with Chapter 30 of the Texas Government Code.
- b. Jackson may terminate this Agreement by providing the City thirty (30) days prior written notice, unless the Parties agree otherwise in writing.
- c. In the event that this Agreement is terminated, the City will only be obligated to pay Jackson under this Agreement up to the date of termination.

SIGNED AND AGREED TO ON BEHALF OF ERIN JACKSON ON THIS THE _____ DAY OF _____ 2020.

ERIN JACKSON

SIGNED AND AGREED TO ON BEHALF OF THE CITY OF KENNEDALE ON THIS THE _____ DAY OF _____ 2020.

MAYOR BRIAN JOHNSON

STATE OF TEXAS §
COUNTY OF TARRANT §
CITY OF KENNEDALE §

AGREEMENT FOR ALTERNATIVE MUNICIPAL COURT JUDGE SERVICES

The Parties to this Agreement for Alternate Municipal Court Judge Services are Suzy Vanegas (hereinafter referred to as "Vanegas") and the City of Kennedale, Texas (hereinafter referred to as the "City"). Vanegas and the City are referred to collectively herein as "the Parties."

WHEREAS, the City desires to contract with Vanegas to perform the services of an Alternate Municipal Court Judge ("Alternate Judge"); and

WHEREAS, Vanegas desires to contract with the City to provide services as the Alternate Judge.

NOW THEREFORE, for the mutual covenants and considerations described herein, the Parties agree as follows:

1. **DESCRIPTION OF SERVICES.** Vanegas agrees to serve as an Alternate Judge of the Municipal Court for the City, with all powers, duties, privileges, and obligations conferred by this Agreement and by law, including but not limited to, Section 9.03 of the City Charter and Chapter 30 of the Texas Government Code. Vanegas shall, as needed, preside over municipal court proceedings for and on behalf of the City and to conduct services as may be required from time-to-time, including but not limited to issuance of warrants and such duties and responsibilities as are necessary and incidental to the office of the Alternate Judge. In addition to serving as needed, Vanegas will attend at least one court date each year to observe proceedings in the Municipal Court.
2. **COURT FACILITIES.** The City will provide a suitable place for holding court and shall pay for all the expense of maintaining it. The City will furnish staff, supplies, and equipment sufficient for the operation of the Court.
3. **HOURS OF COURT.** The hours of the Municipal Court will be set mutually by agreement between the City and the Presiding Judge.
4. **CONSIDERATION.**
 - a. As consideration for services provided herein, the City agrees to pay Vanegas \$250 biannually (to be paid in November and May) plus \$75.00 per hour for services performed as an Alternate Judge and rendered in accordance with this Agreement.

- b. Vanegas agrees to prepare and submit to the City on a monthly basis an invoice or time sheet detailing the number of hours worked and services provided for processing by the City for payment. Vanegas will bill her time in quarter-hour increments.
5. **QUALIFICATION.** Vanegas declares that she is qualified to serve as Alternate Judge of the Municipal Court because she meets all requirements for holding said position outlined in Section 9.03 of the City Charter and Chapter 30 of the Texas Government Code. Vanegas agrees to maintain said qualifications throughout the term of this Agreement.
6. **INDEPENDENT CONTRACTOR STATUS.** The Parties agree that Vanegas is an independent contractor to the City, not an employee. This Agreement does not create any partnership, joint venture, or relationship other than an independent contractor relationship. Vanegas shall not be deemed to be an employee of the City for any purpose whatsoever, and Vanegas shall not be eligible to participate in any benefit program provided by the City for its employees. Vanegas shall be exclusively responsible for the payment of her own taxes, withholding payments, penalties, fees, fringe benefits, contributions to insurance and pension or other deferred compensation plans, including but not limited to workers' compensation and Social Security obligations, professional fees or dues.
7. **INDEMNIFICATION.** To the extent allowed by law, the City will defend, indemnify and hold Vanegas harmless from any and all claims arising out of the good faith performance of the duties and functions as the Alternate Judge of the Municipal Court.
8. **NOTICES.** Notices pursuant to this Agreement will be given in writing and sent by First Class United States Mail or Personal Delivery, addressed as follows:

To Vanegas:

To the City:

City Secretary, City of Kennedale
405 Municipal Drive
Kennedale, TX 76060

Each Party will have the continuing obligation to advise the other Party of any change of address.

9. **MODIFICATION.** No change or addition to this Agreement will be valid or binding upon either Party unless such change or addition be in writing and executed by both Parties.

10. STATE LAW. This Agreement will be construed in a manner consistent with and not in derogation of the provisions of state law governing the Alternate Judge of the Municipal Court's jurisdiction, powers, duties, obligations or statutory term of office.

11. TERM. Notwithstanding the date of execution hereof, the term of this Agreement will be a two-year term commencing on May 21, 2020.

12. TERMINATION.

- a. The City may terminate this Agreement in accordance with Section 9.03 of the City Charter or in accordance with Chapter 30 of the Texas Government Code.
- b. Vanegas may terminate this Agreement by providing the City thirty (30) days prior written notice, unless the Parties agree otherwise in writing.
- c. In the event that this Agreement is terminated, the City will only be obligated to pay Vanegas under this Agreement up to the date of termination.

SIGNED AND AGREED TO ON BEHALF OF SUZY VANEGAS ON THIS THE _____ DAY OF _____ 2020.

SUZY VANEGAS

SIGNED AND AGREED TO ON BEHALF OF THE CITY OF KENNEDALE ON THIS THE _____ DAY OF _____ 2020.

MAYOR BRIAN JOHNSON

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: INDIVIDUAL CONSIDERATION ITEM IV.F.5.

SUBJECT

As part of the Impact Fee Study, appoint a member to the Capital Improvements Advisory Committee (CIAC) who resides within the City's Extraterritorial Jurisdiction (ETJ)

ORIGINATED BY

Larry Hoover, Public Works Director

SUMMARY

The impact fee study being conducted by Freese and Nichols (FNI) requires that one member of the Capital Improvements Advisory Committee (CIAC) be a resident of the extraterritorial jurisdiction (ETJ) — as these fees could potentially apply to the ETJ, if annexed. Members of the Planning and Zoning (P&Z) Commission will serve as the remainder of this committee.

FNI will provide the committee with an overview of impact fees and land use assumptions. The committee will be tasked with making recommendations to the Council regarding any need to update or revise these items; and will also review those projects included in the water, wastewater, and roadway Capital Improvement Plans (CIP) and provide comments for Council's consideration.

State Requirements for the Advisory Committee (from TAC Chapter 395 – Section 395.058):

- Minimum of five (5) members appointed by Council majority vote
- At least 40% must represent the real estate, development, or building industries and are not employees of the City
- You can use the Planning and Zoning Commission if at least one member represents the real estate, development, or building industries and are not an employee of the City. A person representing these industries can be assigned as an ad hoc member
- If impact fees will be applied to the ETJ, at least one member of the Advisory Committee must represent the ETJ

RECOMMENDATION

Staff would respectfully request input from the Council regarding a nomination to represent the ETJ on the CIAC. Staff will contact any person that a Councilmember may want to recommend; and may have a recommendation to provide by the meeting on Tuesday.

ATTACHMENTS

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM IV.G.1.

SUBJECT

Case #PZ 20-08 — Conduct a public hearing and consider Ordinance 712 regarding a request by MMA, Inc. for a rezoning from “R2” Residential to “PD” Planned Development for approximately 6 acres located at 3775 Kennedale New Hope Road, Robert C Richey Survey, Abstract No 1327, Tract 2K and 2L, and 3771 Kennedale New Hope Road, Robert C Richey Survey, Abstract 1359, Tract 1D and 1E, City of Kennedale, Tarrant County, Texas

ORIGINATED BY

Melissa Dailey, Director of Planning & Economic Development

SUMMARY

BACKGROUND AND OVERVIEW

Request	Rezone from R2 Residential to PD Planned Development
Applicant	MMA, Inc.
Location	3771-3775 Kennedale New Hope Road
Surrounding Uses	Single-Family Residential, vacant land, auto racetrack
Surrounding Zoning	R2, C2, AG, I
Future Land Use Plan Designation	Residential
Staff Recommendation	Approve

CURRENT STATUS OF PROPERTY

The property is an approximately 6-acre tract of land with a single family home, several mobile homes, and various accessory buildings on it.

SURROUNDING PROPERTIES & NEIGHBORHOOD

The property is located on Kennedale New Hope Road in an area that is characterized by primarily larger lot single family homes. It is an area that is likely to redevelop in the near future as there is significant vacant and underdeveloped land available. The largest is an 85-acre vacant property across Kennedale New Hope Road that was formerly a drag strip.

STAFF REVIEW

Future Land Use Plan

The Future Land Use Plan indicates this property as Residential.

Related Goals From the Comprehensive Land Use Plan

The comprehensive plan goal related to this rezoning request falls under:

- **PRINCIPLE 1: CONNECTED CITY, SUPPORTING A WALKABLE BUILT ENVIRONMENT.**
As land development creates the demand to travel, ensure that it reduces the need to drive by provide ample direct connections for pedestrians, bicycles and transit.
- **PRINCIPLE 2: ECONOMIC PROSPERITY. PROMOTE ACCESS TO HOUSING.**
Providing housing options for people of varying financial means and residential preferences. Provide the regulatory framework and developer support to provide quality housing for residents. Create job opportunities in Kennedale that help stabilize the local tax base and allow residents to work close to home.
- **PRINCIPLE 3: THRIVING COMMUNITY. CREATE VIBRANT CENTERS.**
Promote social integration and economic activity through the development of different scale centers

throughout the community.

City Council Ends Statements and Goals

- Kennedale has excellent neighborhoods and a wide range of home options.
- Well planned community based on principles of a connected city, economic prosperity, and a thriving community.
- Financially responsible and sustainable.

SUMMARY

The proposed development of smaller farmhouse style homes fits well architecturally into this part of the City, while also providing quality single family homes that are smaller for demographics seeking that type of home. The development also will serve as a catalyst for development on New Hope Road, an area the City is very encouraging of infill development. This is a higher density development while also providing sign

At their meeting on Thursday, September 10, the Planning and Zoning Commission unanimously recommended approval of this request with a vote of 5-0.

STAFF RECOMMENDATION

Based on the above analysis, staff recommends approval of the rezoning.

ACTION BY THE CITY COUNCIL

- **Approval:** Based on the information presented, I find that the request meets city requirements and is in compliance with the comprehensive land use plan and make a motion to approve the request for rezoning.
- **Deny:** Based on the information presented, I find that the proposed use does not meet (list standards or requirements not met) and make a motion to deny the request

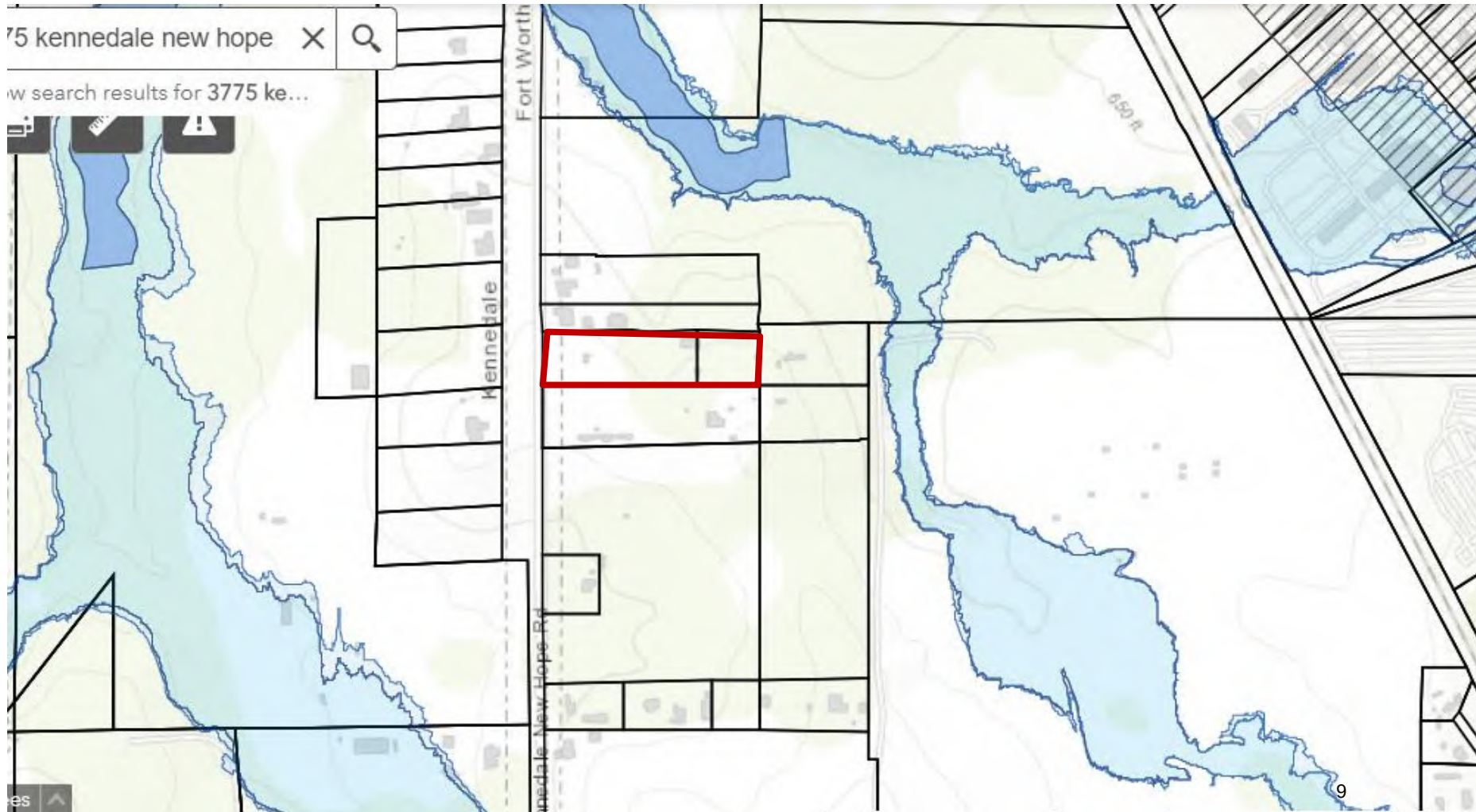
RECOMMENDATION

Approve

ATTACHMENTS

1.	PZ 20-08 Attachments	PZ 20-08 Attachments.pdf
2.	O712_PZ Case 20-08_Moderno_PD_3771-5 New Hope Road	O712_PZ Case 20-08_Moderno_PD_3771-5 New Hope Road.pdf

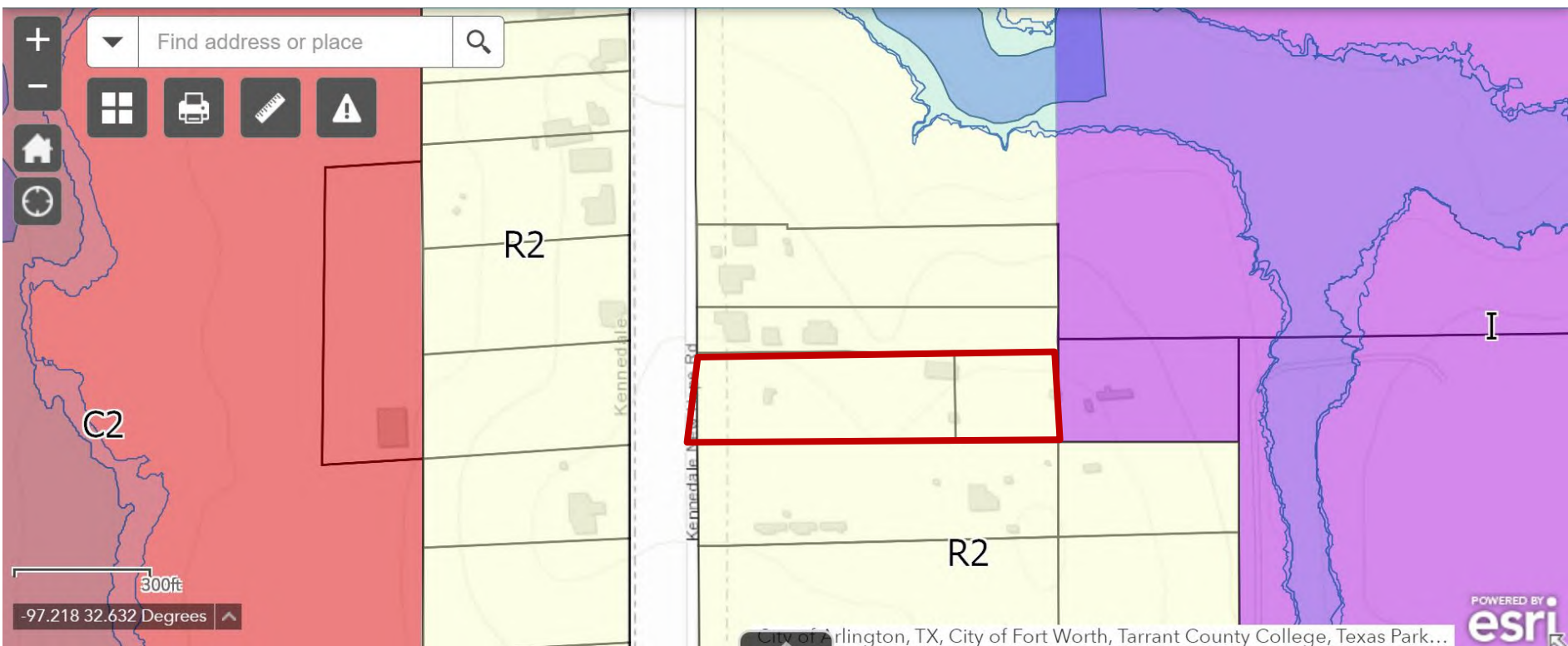
PZ 20-08 3771-3774 Kennedale New Hope Rd



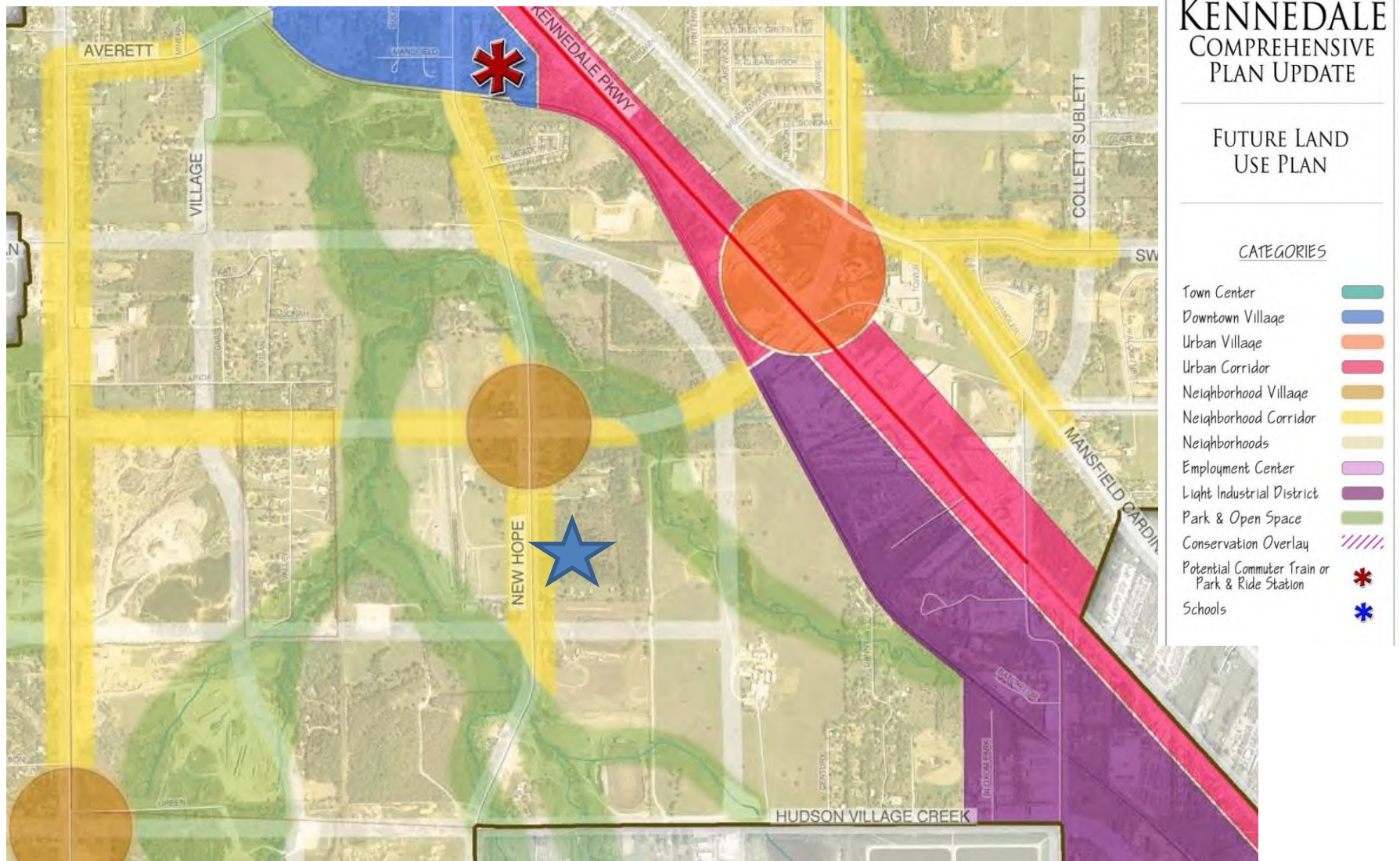
PZ 20-08 3771-3774 Kennedale New Hope Rd



PZ 20-08 3771-3774 Kennedale New Hope Zoning Map



PZ 20-08 3771-3774 Kennedale New Hope Future Land Use Plan



★ Applicant Property

ORDINANCE NO. 712

AN ORDINANCE AMENDING THE UNIFIED DEVELOPMENT CODE , BY REZONING CERTAIN PROPERTY WITHIN THE CITY LIMITS OF THE CITY OF KENNEDALE FROM “R2” RESIDENTIAL DISTRICT TO “PD” PLANNED DEVELOPMENT DISTRICT; PROVIDING FOR THE AMENDMENT OF THE OFFICIAL ZONING MAP TO REFLECT SUCH CHANGES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale Texas is a Home Rule municipality acting under its charter adopted by the electorate pursuant to Article XI of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, pursuant to Chapter 211 of the Local Government Code, the City has adopted a comprehensive zoning ordinance and map regulating the location and use of buildings, other structures and land for business, industrial, residential or other purposes for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan; and

WHEREAS, the property described below is within an area designated as Neighborhoods in the Future Land Use Plan within the comprehensive land use plan; and

WHEREAS, the City Council has determined that the “PD” Planned Development district is the most suitable zoning district for the property described below, in accordance with the comprehensive land use plan, and with the standards in the Unified Development Code; and

WHEREAS, a public hearing was duly held by the Planning and Zoning Commission of the City of Kennedale on the 10th day of September, 2020 and by the City Council of the City of Kennedale on the 15th day of September, 2020 with respect to the zoning changes described herein; and

WHEREAS, all requirements of law dealing with notice to other property owner, publication and all procedural requirements have been complied with in accordance with Chapter 211 of the Local Government Code; and

WHEREAS, the City Council does hereby deem it advisable and in the public interest to amend the City’s Unified Development Code as described herein.

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

SECTION 1. The Comprehensive Zoning Ordinance is hereby amended so that the zoning classification and the uses in the hereinafter described area shall be changed and/or restricted as shown and described below:

An approximately 6 acres located at 3775 Kennedale New Hope Road, Robert C Richey Survey, Abstract No 1327, Tract 2K and 2L, and 3771 Kennedale New Hope Road, Robert C

Richey Survey, Abstract 1359, Tract 1D and 1E, City of Kennedale, Tarrant County, Texas ("the Property"), as more particularly described on Exhibit "A" attached hereto and incorporated herein, is rezoned from "R3" Residential District to "PD" Planned Development district.

SECTION 2. The uses in the Planned Development ("PD") shall conform to the uses permitted in the "R-4" single-family residential zoning district. The PD development shall be subject to the restrictions, terms and conditions set forth in the Concept Plan, which consists of the Site Plan and Development Regulations, attached hereto as Exhibit "C" and Exhibit "B" respectively, all applicable regulations of the Unified Development Code, and all other applicable ordinances of the City.. The Development Standards in Exhibit "B" shall supersede those in the Unified Development Code in case of any conflict. All other standards shall meet the Unified Development Code, as amended.

SECTION 3. The regulations adopted herein have been designed to lessen congestion in the streets, to secure safety from fire, panic, flood and other dangers, to provide adequate light and air, to prevent overcrowding of land, to avoid undue concentration of population, and to facilitate the adequate provisions of transportation water, sewerage, parks and other public requirements. They have been made after a full and complete hearing with reasonable consideration among other things of the character of the district and its peculiar suitability for the particular uses and with a view of conserving the value of the buildings and encouraging the most appropriate use of land throughout the community.

SECTION 4. The City Council further finds that the PD complies with the intent and all qualifying conditions of Section 9.2 of the Unified Development Code; the uses conducted within the proposed PD, the PD's impact on the community, and other aspects of the PD are consistent with the Comprehensive Plan; the proposed PD is to be designed, constructed, operated, and maintained in a manner harmonious with the character of adjacent property, the surrounding uses of land, the natural environment, and the capacity of public services and facilities affected by the development; the PD will not change the essential character of the surrounding area; and the PD will not be hazardous to adjacent property or involve uses, activities, materials, or equipment that will be detrimental to the health, safety, or welfare of persons or property through the excessive production of traffic, noise, smoke, fumes, or glare.

SECTION 5. The City Secretary is hereby directed to amend the official zoning map to reflect the changes in classifications approved herein.

SECTION 6. This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Kennedale, Texas (1991), as amended, including but not limited to all Ordinances of the City of Kennedale affecting zoning and land use, 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 7. Any person, firm or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists enforcement of any of the provisions of this ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 8. All rights or remedies of the City of Kennedale, Texas are expressly saved as to any and all violations of any ordinances governing zoning or of any amendments thereto that have accrued at the time of the effective date of this Ordinance as to such accrued

violations and all pending litigation both civil and criminal same shall not be affected by this Ordinance but may be prosecuted until final disposition by the Courts.

SECTION 9. 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 10. The City Secretary of the City of Kennedale is hereby directed to publish the caption, Section 1, the penalty clause, the publication clause, and the effective date clause of this ordinance in every issue of the official newspaper of the City of Kennedale for two days or one issue of the newspaper if the official newspaper is a weekly newspaper as authorized by Section 3.10 of the City of Kennedale Charter.

SECTION 11. 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.

DULY PASSED, ADOPTED, AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THE 15th DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

EFFECTIVE DATE:

CITY ATTORNEY DREW LARKIN

ORDINANCE NO. 712 EXHIBIT "A"
--

BEING a part of the Robert C. Richey Survey, Abstract No. 1327, situated in the City of Kennedale, Tarrant County, Texas, and embracing all of the Tracts 1 and 2 described in the deed to Terry R. Scott and Eva J. Scott and recorded in Volume 6444, Page 344 of the Deed Records of Tarrant County, Texas and more particularly described by metes and bounds as follows:

BEGINNING at a 5/8" iron rod found for the northwest corner of said Tract 1 and the southwest corner of the 2.46 acres tract described in the deed to Glen Ray Hinkel and Betty Ann Hinkel, recorded in Volume 5914, Page 323 of the said Deed Records and being in the east right-of-way line of S. New Hope Road;

THENCE N 87°36'04" E, along the north line of said Tract 1 and the south line of said 2.46 acres tract, generally along a fence, passing a 1/2" iron rod found at 554.11 feet and S 02°23'56" E, 1.19 feet, and continuing along said line, in all, a distance of 1136.85 feet to a 5/8" iron rod set with plastic cap stamped "MMA" for the northeast corner of said Tract 1, from which a cross-tie fence corner post bears S 87°36'04" W, 1.16 feet. Said iron rod being by deed call South 193.00 feet and N 87°45'E, 360.8 feet from the southwest corner of the E.C. Cannon Survey, Abstract No.378;

THENCE S 01°10'43" E, along the west line of said Tract 1, to and along the west line of said Tract 2, a distance of 229.88 feet to a 5/8" iron rod set with plastic cap stamped "MMA" for the southeast corner of said Tract 2 and the northeast corner of the tract described in the deed to Kamel Soliman et al, recorded in Volume 8384, Page 1782 of the said Deed Records. Said iron rod being by deed call SOUTH, 346.32 feet and N 87°45' E, 360.8 feet from the said southwest corner of Cannon Survey;

THENCE S 87°33'48" W, along the south line of said Tract 2 and the said north line of Soliman tract, generally along a fence, a distance of 1136.85 feet to a 1/2" iron rod found with yellow plastic cap stamped "GSI SURVEYING" for the southwest corner of said Tract 2 and the northwest corner of said Soliman tract, in the said east right-of-way line;

THENCE N 01°10'57" W, along the west line of said Tract 2, to and along the west line of said Tract 1, and continuing along the said east right-of-way, a distance of 230.63 feet to the point of beginning and containing 6.008 acres (261,703 square feet more or less.

The basis of bearings is the Texas Coordinate System NAD83, North Central Zone 4202 having a combined scale factor of 1.000121668467, base point 0,0,0.

Field notes to accompany survey sketch of same date.



A handwritten signature in cursive script, reading "Stephen H. Roberson", written over a horizontal line.

Stephen H. Roberson July 27, 2020
Registered Professional Land
Surveyor No. 4090
Mycoskie & Associates, Inc.
519 E. Border Street
Arlington, Tx 76010

MMA PROJECT NO. 3274-00-01

ORDINANCE NO. 712
EXHIBIT “B”
MODERNO – Development Standards

The use of the Property shall be subject to the restrictions, terms and conditions set forth in the Planned Development standards stated below.

1) Property location and size.

Moderno Development (Subject Property) is established on property located at 3775 and 3771 Kennedale New Hope Road. This Planned Development is comprised of 2 tracts of land consisting of approximately 6 acres, more particularly shown on the Site Plan, which is attached hereto for all purposes.

2) Purpose

To create a Planned Development for fifty (50) single family residential lots. The minimum gross density and a net density are as shown on the Site Plan. An entry feature will be provided at the connection point to Kennedale New Hope Road. This neighborhood will meet at least 5 of the qualifying conditions as laid out in Section 9.2.C of the Unified Development Code (UDC). These conditions include: 2) a pedestrian-oriented design, 3) high quality architectural design beyond the site plan requirements of this article; 4) extensive landscaping beyond the site plan requirements of this article; 7) provision of open space or public plazas and features.

3) Development plan.

The proposed Site Plan will be in complete accordance with the provisions of the approved Planned Development and shall be binding upon the applicant thereof, his successors and assigns, and shall limit and control building permits.

4) Lot composition and layout.

The lot layout and composition shall conform to the Site Plan and the requirements of Table 1 below.

Table 1: Lot Composition

Min Standard Lot Size (ft)	Minimum Lot Area (sf)	Minimum Corner Lot Area (sf)
35x65	2,275	2241

5) Unless specifically provided by this Planned Development Ordinance, the development standards stipulated by the Single-Family Residential District (R-4) are applicable to all development on the Subject Property. The maximum permissible density for the Subject Property shall not exceed 10 dwelling units per gross acre of land; however, in no case should the proposed development exceed 50 units. All lots shall conform to the standards depicted in Table 2, which is as follows:

Table 2: Lot Dimensional Requirements

Minimum Standard Lot Width/Frontage	35
Minimum Lot Depth	65
Minimum Lot Area	2,275
Minimum Corner Lot Area	2,241
Minimum Front Setback	5
Minimum Side Setback	5
Maximum Height	35
Minimum Rear Setback	0
Minimum Area/Dwelling	750
Maximum Lot Coverage	70%

6) Community Architectural Controls.

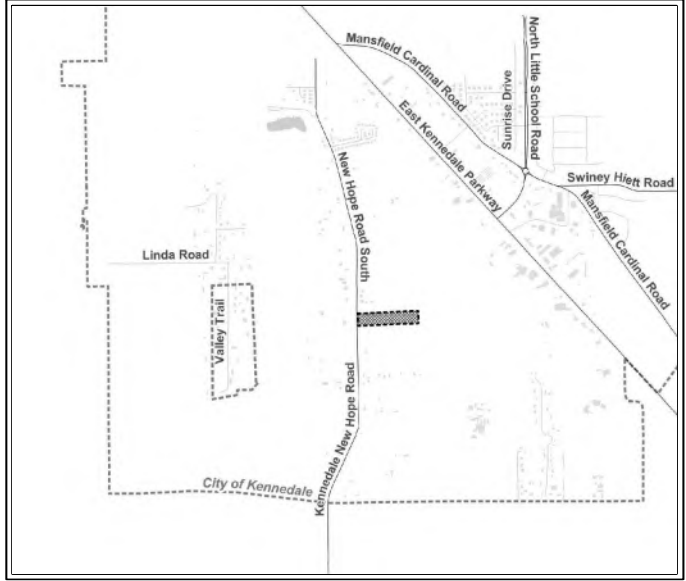
Home elevations allowed in this community are represented in elevation plans depicted in Exhibit C. Additional elevations in a similar style are allowed.

A) Architectural attributes for this residential development will consist of the following:

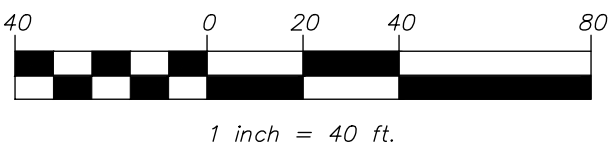
- a. Architectural design will be as shown in elevations depicted below.
- b. Shutters, if provided, will be sized and shaped to match the associated openings.
- c. Gutters, if provided, will be exposed or painted copper, galvanized steel, or aluminum if exposed to the street.
- d. All asphalt roof shingles will be laminated architectural shingles with a three-dimensional appearance and warranted for at least (30) years.
 - i. Roof Materials.
 1. All roof shingles shall be an architectural or dimensional shingle (3-Tab Roofing Shingles are prohibited).
- e. A minimum of overall 4:12 roof pitch is required on all structures with the exception of sunrooms, covered patios, and porches, which shall have a minimum of a 2:12 roof pitch.
- f. In order to encourage variety on a continuous block, the exterior facades for houses will vary throughout the development utilizing at least five designs consistent with those depicted in Exhibit C throughout the community.

- g. The exterior facades of all buildings shall be cementaceous fiberboard, horizontal lap-siding, board and baton, shake, or similar material. Brick or stone is also allowed but not required. Metal and vinyl siding are not allowed.
- h. All homes shall incorporate a covered front porch as indicated on below elevations.
- i. Parking shall be provided at the rear for two spaces for each home with a porte-cochere that is architecturally designed as part of each home.
- j. Decorative lighting is required along all walkways and sufficient to provide for well-lit walkways at night.
- k. The landscape within the development shall be consistent with the landscape plan and landscape materials depicted below.
- l. All common open space, landscaping in open space areas, private roads, drainage areas and masonry columns will have a mandatory Homeowners' Association (HOA) to maintain those improvements.
- m. Utility, Service and Mechanical Equipment
 - i. All equipment related to utilities intended to serve one Lot shall be installed by the Owner of the Lot and shall be located underground if possible.
 - ii. All services to the Lot, including pre-wiring for cable television, must be installed underground if available.
- n. Walkway Requirements
 - i. Walkways shall be provided in accordance with the landscape plan in Exhibit C.
- o. Homeowners' Association
 - i. Homeowners' Association (HOA). A Homeowners' Association shall be created to enforce the restrictions established in accordance with the HOA requirements of the City of Kennedale UDC. The HOA shall also maintain all neighborhood parks, trails, open space and common areas, irrigation, landscaping, amenity centers, screening fences associated with this development.

ORDINANCE NO. 712 - EXHIBIT C



VICINITY MAP
NO SCALE

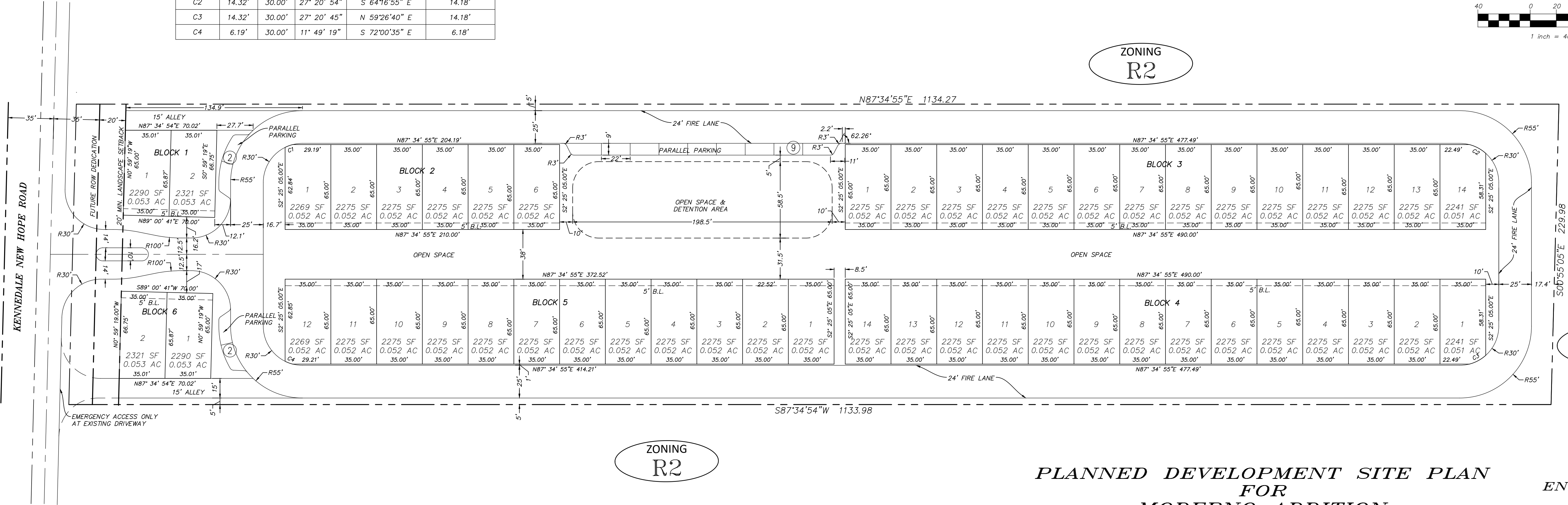


SINGLE FAMILY PARKING TABLE		
USE TYPE	REQUIRED	PROVIDED
TINY HOMES	2 PER DWELLING = 100	GARAGE (50 X 2 = 100 PS); COVERED DRIVEWAY (50 X 2 = 100 PS)
VISITOR - ON-STREET	0	13

SINGLE FAMILY LAND USE SUMMARY			
LAND USE	LOT COUNT	ACREAGE	DENSITY
TINY HOMES	50	2.61	8.33u/AC
PRIVATE STREETS	N/A	1.44	N/A
OPEN SPACE	N/A	1.19	N/A
TOTAL	50	5.24	8.33u/AC

DEVELOPMENT STANDARDS	
ZONING	
CURRENT	R-2
PROPOSED	PD (SINGLE FAMILY RESIDENTIAL - DETACHED)
BUILDING STANDARDS REAR LOADED ENTRY	
MINIMUM WIDTH	35'
MINIMUM DEPTH	65'
FRONT YARD SETBACK	5'
SIDE YARD SETBACK	5'
REAR YARD SETBACK	0'

CURVE TABLE					
CURVE #	LENGTH	RADIUS	DELTA	CHORD DIRECTION	CHORD LENGTH
C1	6.21'	30.00'	11° 51' 22"	N 67°11'31" E	6.20'
C2	14.32'	30.00'	27° 20' 54"	S 64°16'55" E	14.18'
C3	14.32'	30.00'	27° 20' 45"	N 59°26'40" E	14.18'
C4	6.19'	30.00'	11° 49' 19"	S 72°00'35" E	6.18'



PLANNED DEVELOPMENT SITE PLAN
FOR
MODERNO ADDITION
3775 KENNEDALE NEW HOPE ROAD
KENNEDEALE, TEXAS
TARRANT COUNTY

OWNER:
ESTATE OF EVA JEAN SCOTT
10628 CR1015
CROWLEY, TX 76036
CONTACT: DUVAL ANGLIN
PHONE: 817.905.0421
DUVALANGLIN@GMAIL.COM

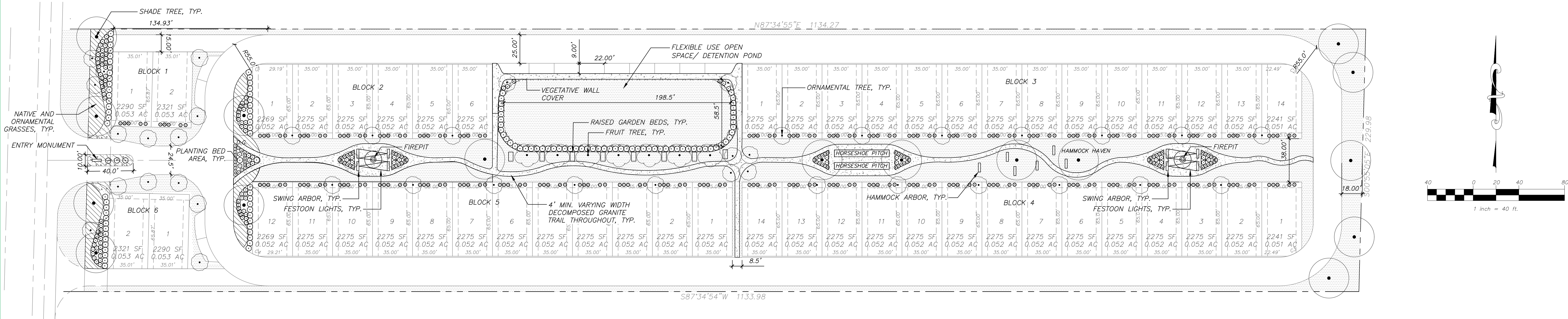
DEVELOPER:
URBAN CHIC PROPERTIES
2504 W PARK ROW DR., SUITE B-5
ARLINGTON, TX 76013
CONTACT: JULIE CRIMMINS
EMAIL: JULIE@C2-CONSTRUCTION.COM

ENGINEER:



chil engineering surveying landscape architecture planning
tbpas registration number: 1 - 2759
tbpas registration/license number: 10088000
519 east border
arlington, texas 76010
817-469-1671
fax: 817-274-8757
www.mmatexas.com

CONTACT: MICHAEL MARTIN, PLA
COPYRIGHT © 2020 MMA, INC



Development Entry



Firepits



Detention Pond and Farm



Horseshoe Pitch



Hammock Haven



- TYPICAL PLAN LIST:**
- SHADE TREES** - SOUTHERN PECAN, SOUTHERN MAGNOLIA, CHINESE PISTACHE, MONTEREY OAK, SHUMARD OAK, TEXAS RED OAK, LIVE OAK.
- ORNAMENTAL TREES** - REDBUD, DESERT WILLOW, POSSUMHAW, GOLDEN RAIN TREE, CREPE MYRTLE, GOLDEN LEADBALL TREE, MEXICAN PLUM, VITEX, PINK DAWN CHITALPA
- FRUIT TREES** - TEXAS PERSIMMON, CELESTE FIG, APPLE, APRICOT, JAPANESE PLUM, ASIAN PEAR, CHINESE JUJUBE.
- ORNAMENTAL SHRUBS** - OAK LEAF HYDRANGEA, AMERICAN BEAUTYBERRY, TEXAS SAGE, MEXICAN FEATHER GRASS, ANDORA JUNIPER, ROSEMARY, FOUR NERVE DAISY, MEXICAN RUELIA, SALVIA GREGII, GOLD MOUND LANTANA, BLUE MIST SPIREA, FLAME ACANTHUS

- LANDSCAPE NOTES:**
1. LANDSCAPE SHALL BE IRRIGATED WITH AUTOMATIC IRRIGATION SYSTEM PER CITY OF KENNEDALE REQUIREMENTS AND MAINTAINED BY THE HOA.
 2. AT TIME OF PLATTING A TREE SURVEY AND TREE MITIGATION PLAN SHALL BE PROVIDED PER THE CITY OF KENNEDALE REQUIREMENTS. A PROPOSED TREE PRESERVATION AREA HAS BEEN IDENTIFIED ON THE LANDSCAPE PLAN.
 3. PLANT MATERIAL SHALL COMPLY WITH THE MINIMUM REQUIREMENTS AS SET FORTH BY THE AMERICAN ASSOCIATION OF NURSERYMEN, TEXAS ASSOCIATION OF NURSERYMEN STANDARDS AND/OR AS STATED IN THE PLANT SCHEDULE, WHICHEVER IS MORE STRINGENT.
 4. OPEN SPACE AND R.O.W. AREAS WITHIN THE PROJECT AREA SHALL RECEIVE BERMUDA GRASS SOD PLANTING BY MEANS OF SOLID SOD OR HYDRO-MULCH SEEDING.

THIS DOCUMENT IS RELEASED FOR THE PURPOSES OF REVIEW UNDER THE AUTHORITY OF MICHAEL G. MARTIN, P.L.A. NO. 2836 ON 8/14/2020 AND IS NOT TO BE USED FOR CONSTRUCTION, BIDDING OR PERMIT PURPOSES.

PLANNED DEVELOPMENT LANDSCAPE PLAN FOR MODERNO ADDITION
3775 KENNEDALE NEW HOPE ROAD
KENNEDALE, TEXAS
TARRANT COUNTY

OWNER:
ESTATE OF EVA JEAN SCOTT
10628 CR1015
CROWLEY, TX 76036
CONTACT: DUVAL ANGLIN
PHONE: 817.905.0421
DUVALANGLIN@GMAIL.COM

DEVELOPER:
URBAN CHIC PROPERTIES
2504 W PARK ROW DR., SUITE B-5
ARLINGTON, TX 76013
CONTACT: JULIE CRIMMINS
EMAIL: JULIE@C2-CONSTRUCTION.COM

ENGINEER:



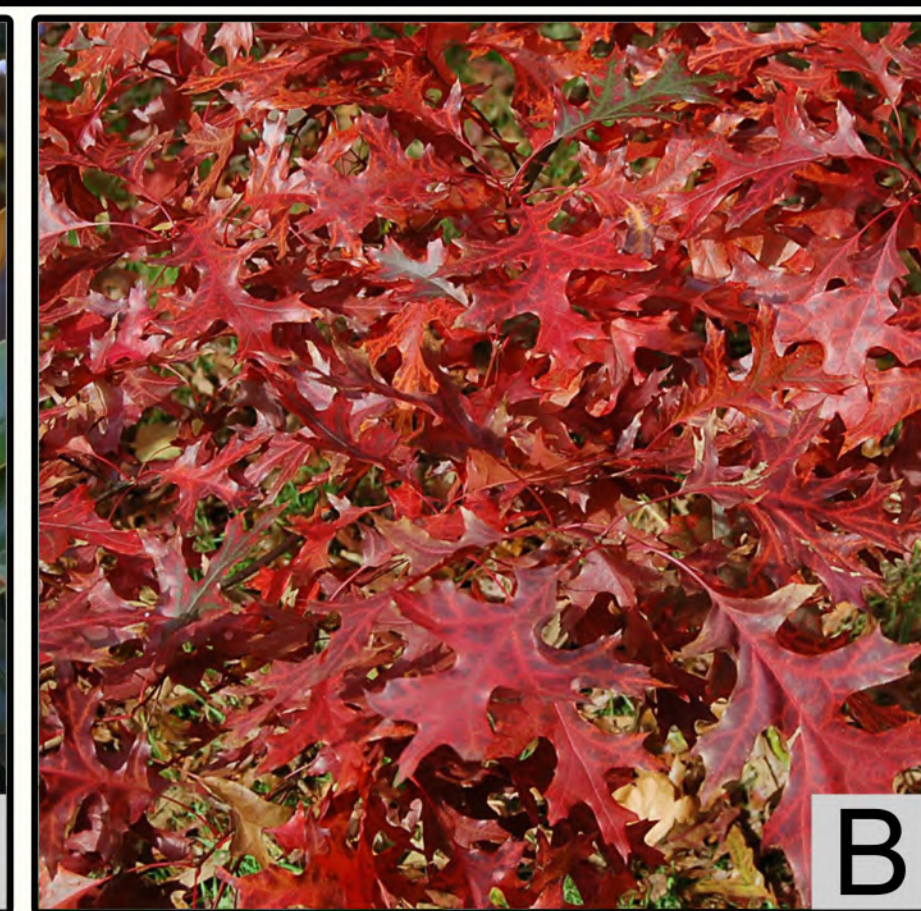
civil engineering surveying landscape architecture planning
texas registration number: 1 - 2759
texas registration/license number: 10088000
519 east border
arlington, texas 76010
817-469-1671
fax: 817-274-8757
www.mmatexas.com

CONTACT: MICHAEL MARTIN, PLA
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08/14/2020 SHEET 2 OF 2

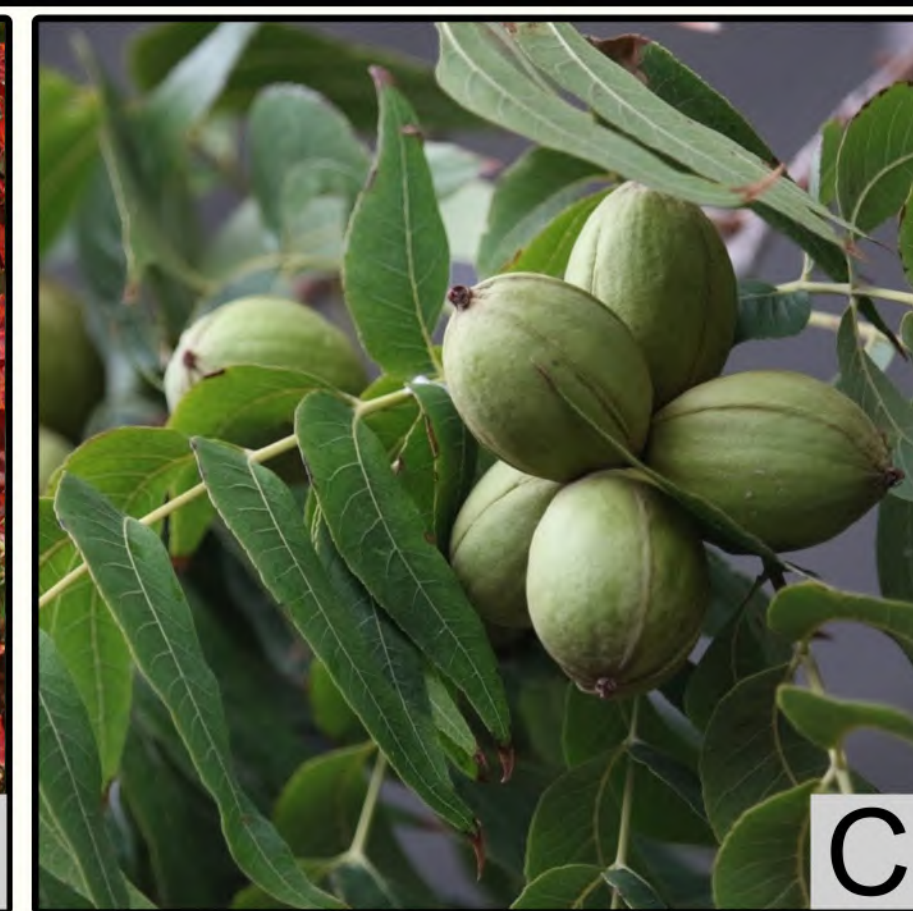
Plant Material Image Board for Moderno



A



B



C



D



E



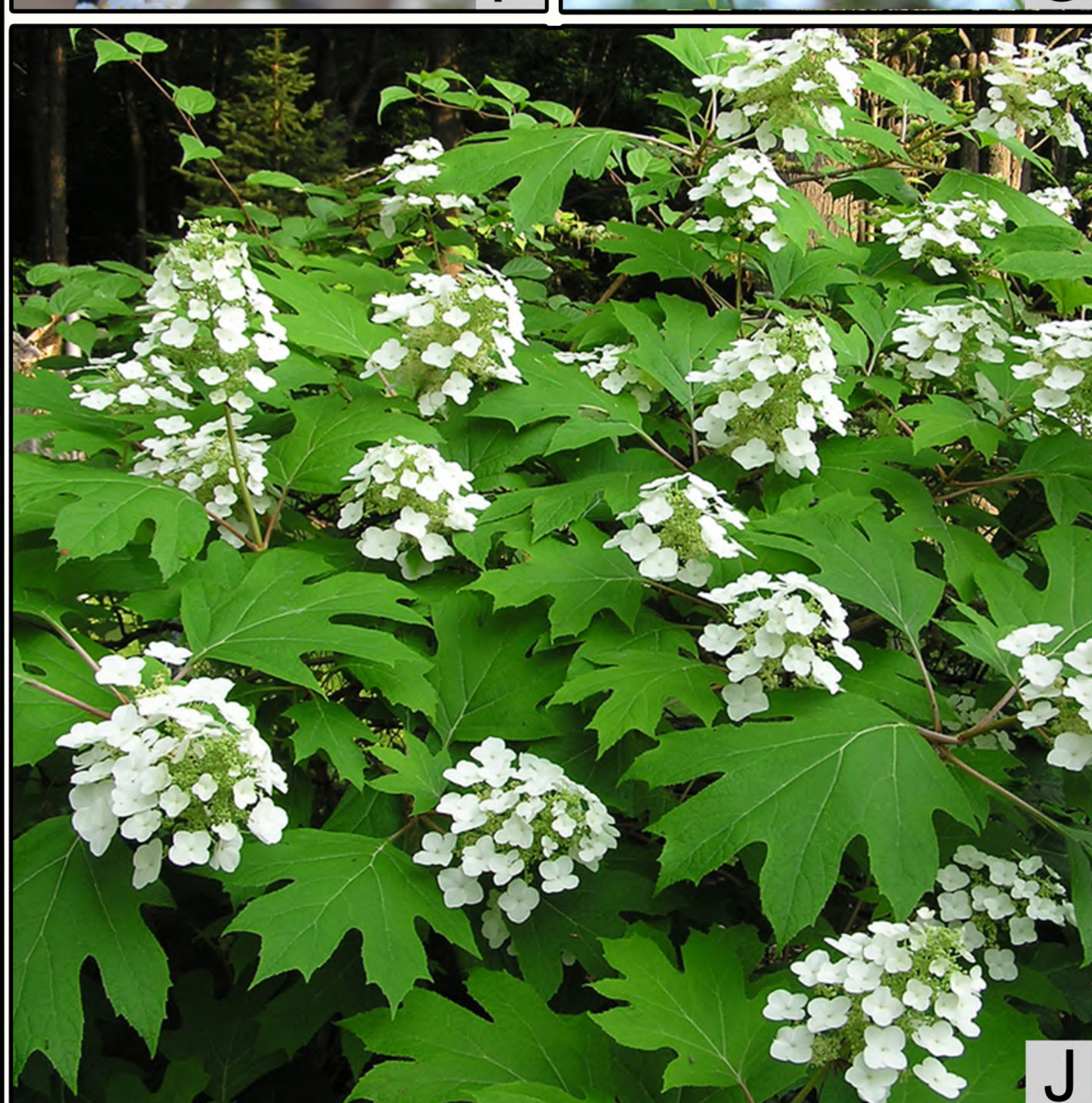
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G



H



J



I



K

- A. Southern Magnolia
- B. Texas Red Oak
- C. Southern Pecan
- D. Fig
- E. Texas Persimmon
- F. Mexican Plum
- G. Western Soapberry
- H. Texas Mountain Laurel
- I. Dwarf Pomegranate
- J. Oak Leaf Hydrangea
- K. American Beautyberry
- L. Texas Sage
- M. Mexican Feather Grass
- N. Andora Juniper
- O. Rosemary
- P. Four Nerve Daisy
- Q. Mexican Ruelia
- R. Salvia Gregii
- S. Gold Mound Lantana
- T. Blue Mist Spirea
- U. Flame Acanthus



L



M



N



O



P



Q



R



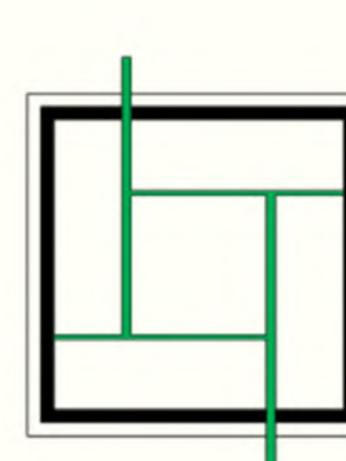
S



T



U



m|ma

civil engineering surveying landscape architecture planning



MODERNO

Live Simply



Presented By





MODERNO

Live Simply



Presented By





MODERNO
Live Simply



Presented By

U R B A N
CHIC PROPERTIES
Coming Home

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM IV.G.2.

SUBJECT

Case #PZ 20-09 — Conduct a public hearing and consider Ordinance 713 regarding a request by Gatehouse Capital for a rezoning from “R3” Residential to “PD” Planned Development for approximately 6 acres located at 439 Mansfield Cardinal Road, Harris Hills Estate, Block 1, Lot 1R, City of Kennedale, Tarrant County, Texas

ORIGINATED BY

Melissa Dailey, Director of Planning & Economic Development

SUMMARY

BACKGROUND AND OVERVIEW

Request	Rezone from R3 Residential to PD Planned Development
Applicant	Gatehouse Capital
Location	439 Mansfield Cardinal Road
Surrounding Uses	Single-Family Residential, multi-family, cemetery, commercial, light industrial
Surrounding Zoning	R2, R3, C2, MF
Future Land Use Plan Designation	Residential
Staff Recommendation	Approve

CURRENT STATUS OF PROPERTY

The property is an approximately 6-acre vacant land.

SURROUNDING PROPERTIES & NEIGHBORHOOD

The property is surrounded by a mix of uses, including single family, a duplex/tri-plex development, a cemetery, a traditional single-family neighborhood (Brookstone), and a variety of commercial and light industrial uses along Kennedale Parkway and a few fronting Mansfield Cardinal.

STAFF REVIEW

Future Land Use Plan

The Future Land Use Plan indicates this property as Residential.

Related Goals From the Comprehensive Land Use Plan

The comprehensive plan goal related to this rezoning request falls under:

- **PRINCIPLE 1: CONNECTED CITY. SUPPORTING A WALKABLE BUILT ENVIRONMENT.**
As land development creates the demand to travel, ensure that it reduces the need to drive by provide ample direct connections for pedestrians, bicycles and transit.
- **PRINCIPLE 2: ECONOMIC PROSPERITY. PROMOTE ACCESS TO HOUSING.**
Providing housing options for people of varying financial means and residential preferences. Provide the regulatory framework and developer support to provide quality housing for residents. Create job opportunities in Kennedale that help stabilize the local tax base and allow residents to work close to home.
- **PRINCIPLE 3: THRIVING COMMUNITY. CREATE VIBRANT CENTERS.**
Promote social integration and economic activity through the development of different scale centers throughout the community.

City Council Ends Statements and Goals

- Kennedale has excellent neighborhoods and a wide range of home options.
- Well planned community based on principles of a connected city, economic prosperity, and a thriving community. Financially responsible and sustainable.

SUMMARY

This is a unique tiny-home development that will provide affordable housing for seniors 55 years of age and older. It is affordable because of the affordability of the tiny homes relative to a more traditional single family home. With no more than 25% of the homes allowed to be tiny homes on wheels, the remainder will be traditionally built homes, albeit smaller than most homes. Staff believes this development will fulfill a need for affordable senior housing while still ensuring a quality development with community facilities and green spaces for walking and recreating. The development is compatible with the area and consistent with the Comprehensive Plan in the residential use and providing a variety of housing types.

At their meeting on Thursday, September 10, the Planning and Zoning Commission recommended denial of this request with a vote of 3-2.

STAFF RECOMMENDATION

Based on the above analysis, staff recommends approval of the rezoning.

ACTION BY THE CITY COUNCIL

- **Approval:** Based on the information presented, I find that the request meets city requirements and is in compliance with the comprehensive land use plan and make a motion to approve the request for rezoning.
- **Deny:** Based on the information presented, I find that the proposed use does not meet (list standards or requirements not met) and make a motion to deny the request

RECOMMENDATION

Approve

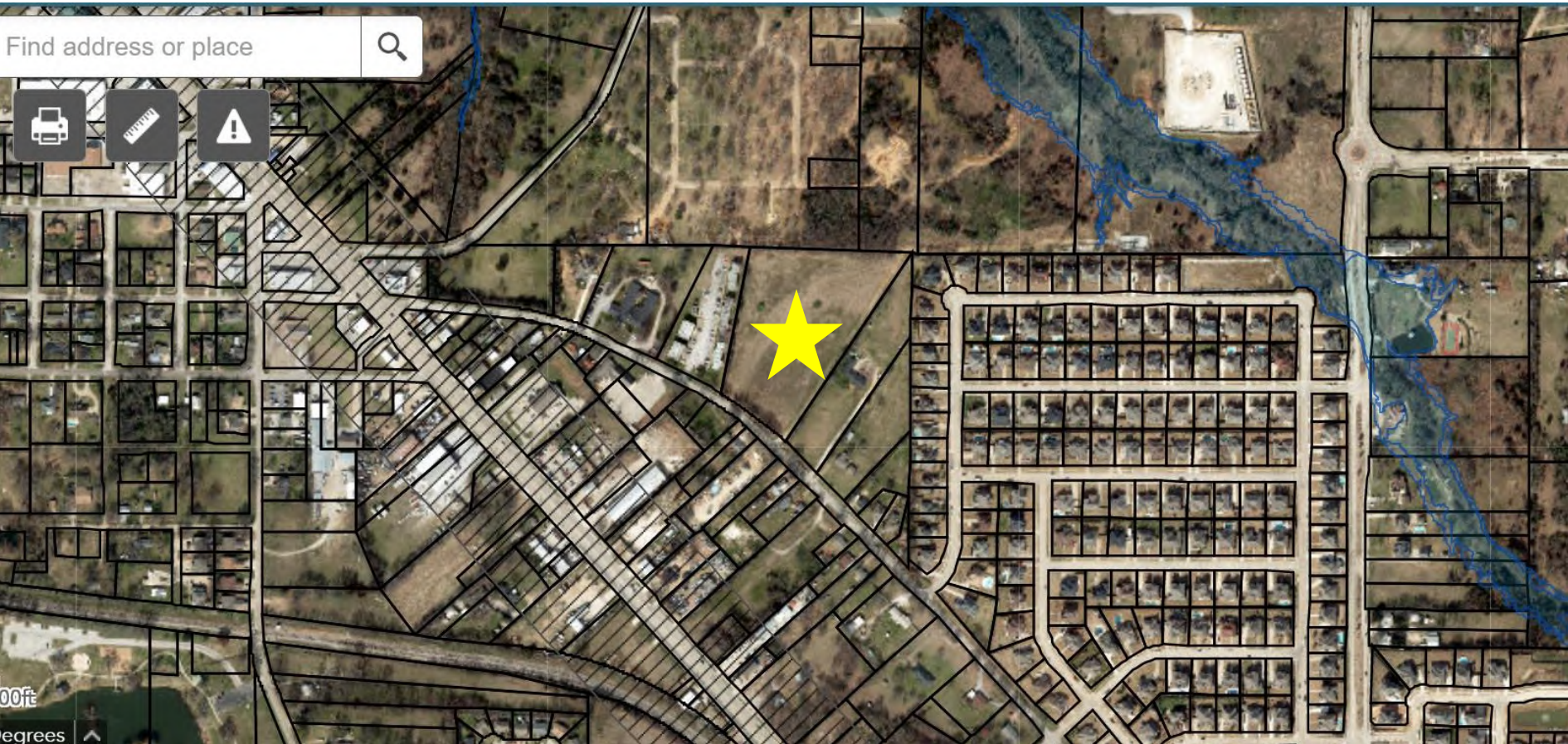
ATTACHMENTS

1.	PZ20-09 Attachments	PZ20-09 Attachments.pdf
2.	O713_PZ Case 20-09 439 Mansfield Cardinal Rezoning (Gatehouse)	O713_439 MansfieldCardinal PD.pdf

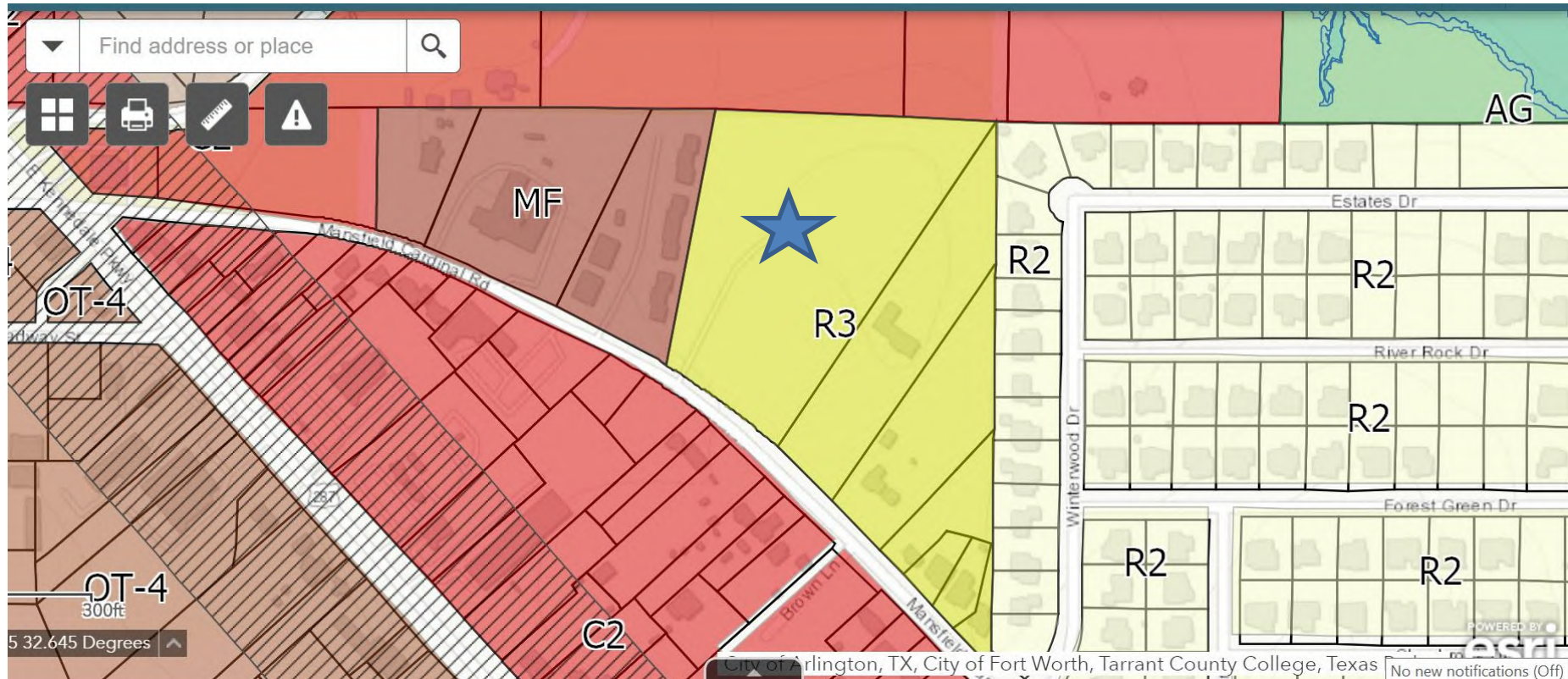
439 Mansfield Cardinal Rd



439 Mansfield Cardinal Rd

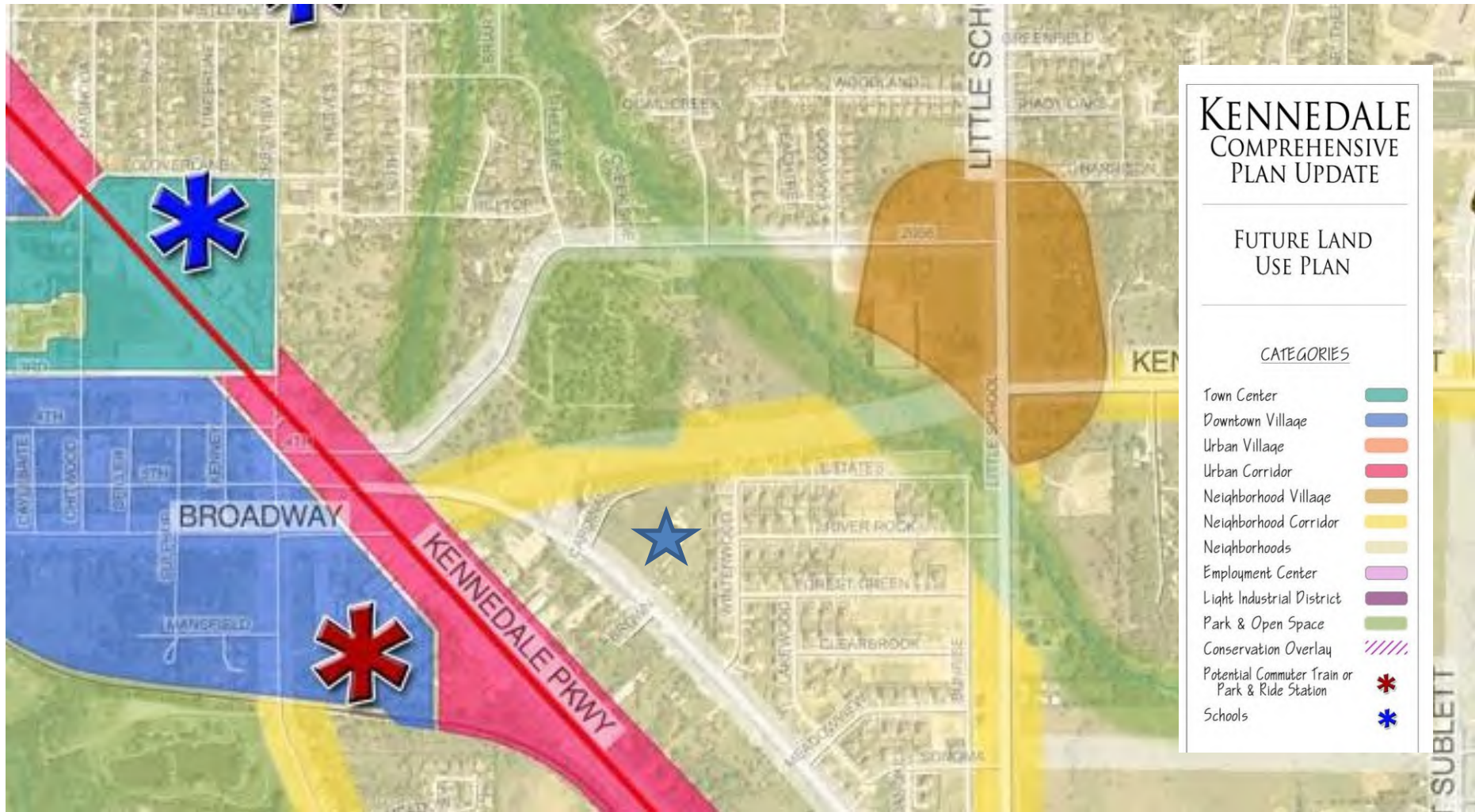


439 Mansfield Cardinal Rd Zoning Map



439 Mansfield Cardinal Rd

Future Land Use Plan



 Applicant Property

ORDINANCE NO. 713

AN ORDINANCE AMENDING THE UNIFIED DEVELOPMENT CODE BY REZONING CERTAIN PROPERTY WITHIN THE CITY LIMITS OF THE CITY OF KENNEDALE FROM “R3” RESIDENTIAL DISTRICT TO “PD” PLANNED DEVELOPMENT DISTRICT; PROVIDING FOR THE AMENDMENT OF THE OFFICIAL ZONING MAP TO REFLECT SUCH CHANGES; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kennedale Texas is a Home Rule municipality acting under its charter adopted by the electorate pursuant to Article XI of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, pursuant to Chapter 211 of the Local Government Code, the City has adopted a comprehensive zoning ordinance and map regulating the location and use of buildings, other structures and land for business, industrial, residential or other purposes for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan; and

WHEREAS, the property described below is within an area designated as Neighborhoods in the Future Land Use Plan within the comprehensive land use plan; and

WHEREAS, the City Council has determined that the “PD” Planned Development district is the most suitable zoning district for the property described below, in accordance with the comprehensive land use plan, and with the standards in the Unified Development Code; and

WHEREAS, a public hearing was duly held by the Planning and Zoning Commission of the City of Kennedale on the 10th day of September, 2020 and by the City Council of the City of Kennedale on the 15th day of September, 2020 with respect to the zoning changes described herein; and

WHEREAS, all requirements of law dealing with notice to other property owner, publication and all procedural requirements have been complied with in accordance with Chapter 211 of the Local Government Code; and

WHEREAS, the City Council does hereby deem it advisable and in the public interest to amend the City’s Unified Development Code as described herein.

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

SECTION 1. The Comprehensive Zoning Ordinance is hereby amended so that the zoning classification and the uses in the hereinafter described area shall be changed and/or restricted as shown and described below:

An approximately 6 acre tract described as 439 Mansfield Cardinal Road, Harris Hills Estate, Block 1, Lot 1R, City of Kennedale, Tarrant County, Texas (“the Property”), as more

particularly described on Exhibit "A" attached hereto and incorporated herein, is rezoned from "R3" Residential District to "PD" Planned Development district

SECTION 2. The uses in the Planned Development ("PD") shall conform to the uses permitted in the "R-3" single-family residential zoning district. The PD development shall be subject to the restrictions, terms and conditions set forth in the Concept Plan, which consists of the Site Plan and Development Regulations, attached hereto as Exhibit "C" and Exhibit "B" respectively, all applicable regulations of the Unified Development Code, and all other applicable ordinances of the City. The Development Standards in Exhibit "B" shall supersede those in the Unified Development Code in case of any conflict. All other standards shall meet the Unified Development Code, as amended.

SECTION 3. The regulations adopted herein have been designed to lessen congestion in the streets, to secure safety from fire, panic, flood and other dangers, to provide adequate light and air, to prevent overcrowding of land, to avoid undue concentration of population, and to facilitate the adequate provisions of transportation water, sewerage, parks and other public requirements. They have been made after a full and complete hearing with reasonable consideration among other things of the character of the district and its peculiar suitability for the particular uses and with a view of conserving the value of the buildings and encouraging the most appropriate use of land throughout the community.

SECTION 4. The City Council further finds that the PD complies with the intent and all qualifying conditions of Section 9.2 of the Unified Development Code; the uses conducted within the proposed PD, the PD's impact on the community, and other aspects of the PD are consistent with the Comprehensive Plan; the proposed PD is to be designed, constructed, operated, and maintained in a manner harmonious with the character of adjacent property, the surrounding uses of land, the natural environment, and the capacity of public services and facilities affected by the development; the PD will not change the essential character of the surrounding area; and the PD will not be hazardous to adjacent property or involve uses, activities, materials, or equipment that will be detrimental to the health, safety, or welfare of persons or property through the excessive production of traffic, noise, smoke, fumes, or glare.

SECTION 5. The City Secretary is hereby directed to amend the official zoning map to reflect the changes in classifications approved herein.

SECTION 6. This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Kennedale, Texas (1991), as amended, including but not limited to all Ordinances of the City of Kennedale affecting zoning and land use, 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 7. Any person, firm or corporation who violates, disobeys, omits, neglects, or refuses to comply with or who resists enforcement of any of the provisions of this ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 8. All rights or remedies of the City of Kennedale, Texas are expressly saved as to any and all violations of any ordinances governing zoning or of any amendments thereto that have accrued at the time of the effective date of this Ordinance as to such accrued violations and all pending litigation both civil and criminal same shall not be affected by this Ordinance but may be prosecuted until final disposition by the Courts.

SECTION 9. 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 10. The City Secretary of the City of Kennedale is hereby directed to publish the caption, Section 1, the penalty clause, the publication clause, and the effective date clause of this ordinance in every issue of the official newspaper of the City of Kennedale for two days or one issue of the newspaper if the official newspaper is a weekly newspaper as authorized by Section 3.10 of the City of Kennedale Charter.

SECTION 11. 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.

DULY PASSED, ADOPTED, AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THE 15TH DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

EFFECTIVE DATE:

CITY ATTORNEY DREW LARKIN

ORDINANCE NO. 713
EXHIBIT “B”
The Cardinal in Kennedale
A Senior Development – Development Standards

The use of the Property shall be subject to the restrictions, terms and conditions set forth in the Planned Development standards stated below.

1) Property location and size.

The Cardinal Tiny Home Senior Development (Subject Property) is established on property located at 439 Mansfield Cardinal Rd. This Planned Development is comprised of 1 tract of land consisting of approximately 6 acres, more particularly shown on the Site Plan, which is attached hereto for all purposes.

2) Purpose

To create a Planned Development for forty-six (46) single family residential lots for Seniors aged 55 years of age and older. The minimum gross density and a net density are as shown on the Site Plan. An entry feature will be provided at the connection point to Mansfield Cardinal Road. This neighborhood will meet at least 5 of the qualifying conditions as laid out in Section 9.2.C of the Unified Development Code (UDC). These conditions include: 2) a pedestrian-oriented design, 3) high quality architectural design beyond the site plan requirements of this article; 4) extensive landscaping beyond the site plan requirements of this article; 7) provision of open space or public plazas and features.

3) Development plan.

The proposed Site Plan, plans and designs in Exhibit C will be in complete accordance with the provisions of the approved Planned Development and shall be binding upon the applicant thereof, his successors and assigns, and shall limit and control building permits.

4) Lot composition and layout.

The lot layout and composition shall conform to the Site Plan and the requirements of Table 1 below. A minimum of 75% of lots shall conform to a size of Lot Type B or larger. A maximum of two lots may be combined into one if homeowner desires more space. A maximum of 50% of lots may be combined.

Table 1: Lot Composition

Lot Type	Lot Size (ft)	Lot Area (sf)
A	25 x 50	1,250
B	30 x 60	1,800

5) Unless specifically provided by this Planned Development Ordinance, the development standards stipulated by the Single-Family Residential District (R-4) are applicable to all development on the Subject Property. The maximum permissible density for the Subject Property shall not exceed 8 dwelling units per

gross acre of land; however, in no case should the proposed development exceed 46 units. All lots shall conform to the standards depicted in Table 2, which is as follows:

Table 2: Lot Dimensional Requirements

Lot Type	A	B
Minimum Lot Width/Frontage	25	30
Minimum Lot Depth	50	60
Minimum Lot Area	1,200	1,800
Minimum Front Setback	10	10
Minimum Side Setback	5	5
Min Side Adjacent to Street	10	10
Maximum Height	20	20
Minimum Rear Setback	10	10
Minimum Area/Dwelling	399	399
Maximum Lot Coverage *	75%	75%

*Inclusive of porches

- 6) A maximum of twenty-five percent of homes may be tiny homes on wheels (THOW). The balance shall be either “stick-built” on site or modular construction such as Ulrich (specs and photos below) and set permanently on slab on grade foundations.
 - a. THOW is a structure which is intended as a full-time residence or year-round rental property and meets these five conditions:
 - i. Built on a trailer that is registered with the builder’s local DMV.
 - ii. Towable by a bumper hitch, frame-towing hitch, or fifth-wheel connection, cannot move (and was not design to be moved) under its own power.
 - iii. Is no larger than allowed by applicable state law (the typical THOW is no more than 8’6” wide, 30’ long, and 13’6” high. Larger tiny houses may require a special commercial drivers’ license and/or special permits when being towed.)
 - iv. Has at least 170 square feet of first floor interior living spaces.
 - v. Includes basic functional areas that support normal daily routines (such as cooking, sleeping and toiletry).
- 7) All structures that are built off-site will be required to show approval by the Texas Industrialized Building Code Council.

8) Community Architectural Controls.

Images shown in Exhibit C represent the type of architectural design allowed for this community.

A) Architectural attributes for this residential development will consist of the following:

- a. All asphalt roof shingles will be laminated architectural shingles with a three-dimensional appearance and warranted for at least (30) years.
 - i. Roof Materials.
 1. All roof shingles shall be an architectural or dimensional shingle (3-Tab Roofing Shingles are prohibited).
- b. A minimum of overall 6:12 roof pitch is required on all structures with the exception of sunrooms, covered patios, and porches, which shall have a minimum of a 4:12 roof pitch.
- c. In every dwelling unit of two or more rooms, every room occupied for sleeping purposes by one occupant shall contain at least 70 square feet of floor space, and every room occupied for sleeping purposes by more than one occupant shall contain at least 50 square feet of floor space for each occupant thereof.
- d. Every habitable room, foyer, bathroom, hall or corridor shall have a ceiling height of at least seven feet. If any room has a sloping ceiling, the prescribed ceiling height for the room is required in only one-half of the area thereof, but the floor area of that part of any room where the total floor area of the room for the purpose of determining the maximum permissible occupancy thereof.
- e. All homes shall include a front porch and either a side or rear porch, and all homes shall be placed on concrete slab on grade foundations.
 - i. Porches shall be oriented towards common open space or street and designed to provide a sense of privacy between units. Porches shall be a minimum of 80 (eighty) square feet and a minimum of eight feet deep on the common open space side of the building. The square footage of the porch may be reduced to sixty square feet (six by ten feet deep) on units less than six hundred total gross square feet.
 - ii. Secondary entrances on homes facing the parking and sidewalk are required to have a minimum five-by-five foot rear or side porch.
- f. Each home shall have a minimum of one parking space and parking spaces shall be provided around the perimeter of the development as

shown on the concept plan below. No parking shall be allowed within the front setback.

- g. Pedestrian lighting shall be provided along all walkways consistent with the design of the neighborhood, distinguished from lights on adjacent or nearby arterial streets and sufficient to provide lighting along walkways. Lighting may be provided by pedestrian light poles or other lower level lighting.
 - i. Any light poles shall not exceed 20-feet in total height (i.e. base and lighting standard). All fixtures shall be directed downward and be positioned to contain all light within the development area.
- h. Centralized common area: The common open space area shall include usable public spaces such as lawn, gardens, patios, plazas or scenic viewing areas. Common tables, chairs and benches are encouraged with all homes having access to it.
 - i. Three hundred square feet of common open space is required per unit.
 - ii. A minimum of fifty percent of units must have the main entry on the common open space.
 - iii. All homes must be within ten feet of each common open space(s). Setbacks cannot be counted towards the common open space calculation.
 - iv. The principle common open space must be located centrally to the pocket neighborhood. Additional common open space can only account for twenty-five percent of the total requirement with trails and pathways connecting the total development. Passive trails are allowed and may count towards the common open space requirement.
 - v. Community buildings or clubhouses can be counted towards the common open space calculation.
 - vi. Tiny Houses must surround the common open space on the minimum of two sides of the green space.
 - vii. Common open space shall be located outside of stormwater/detention ponds, wetlands, streams, lakes and critical area buffers, and cannot be located on slopes greater than ten percent.
- i. All common open space, landscaping in open space areas, private roads, drainage areas and masonry columns will have a mandatory Home Owners' Association (HOA) to maintain those improvements.
- j. Utility, Service and Mechanical Equipment

- i. All equipment related to utilities intended to serve one Lot shall be installed by the Owner of the Lot and shall be located underground if possible.
 - ii. All services to the Lot, including pre-wiring for cable television, must be installed underground if available.
 - iii. Ground-mounted mechanical equipment, such as HVAC units, shall be screened from view and grouped together away from street and public view. Private, surface-mounted mechanical equipment, air conditioners, condensers, compressors, pool equipment, switches, etc. should be placed behind the side yard fence of a Lot.
- k. Fences – Any perimeter fencing and gates, if installed, shall be transparent, of quality, durable material such as wrought iron, and no taller than six feet.
- l. Sidewalk Requirements
 - i. Sidewalks will be required to be installed throughout the development along the front of any homes not fronting a common area with trails.
 - ii. Common greenspace areas may have trails in lieu of sidewalks that must be connected to other trails or sidewalks throughout the community.
 - iii. All homes must have sidewalks and/or trails along the front of the property or in a common area immediately adjacent to the front of the property.
 - iv. All trails and sidewalks will be a minimum of (5) five feet wide and shall be made of natural materials, such as crushed granite, gravel or other stable material suitable for walking paths.
- m. Homeowners' Association
 - i. Homeowner's Association {HOA}. A Homeowner's Association shall be created to enforce the restrictions established in accordance with the HOA requirements of the City of Kennedale UDC. The HOA shall also maintain all neighborhood parks, trails, open space and common areas, irrigation, landscaping, amenity centers, screening fences associated with this development.

ORDINANCE NO. 713 - EXHIBIT "C"



ARCHITECTURE



The Cardinal
Kennedale Active Adult

SITE PLAN - Option A

0716 CITY OF KENNEDALE, TX 2020

As indicated

20016

Sept 1, 2020

NOT FOR CONSTRUCTION OR REGULATORY APPROVAL









Specifications

FLOOR SYSTEM

- 6"x6" P.T Runners
- 2"x8" P.T Floor Joists @/16" o.c.
- 5/8" BC Plywood floor decking
- Laminate Floor covering
- R-19 Insulation
- Tyvek Under Wrap

WALL –SYSTEM EXTERIOR

- 8' or 7' Side walls, per model
- 2"x6" SPF stud @ 16 o.c w/double top plates
- 7/16" OSB Sheathing
- R-19 Insulation
- Tyvek House wrap
- Cedar Trim
- Continuous Eave Vent

WALL SYSTEM – INTERIOR

- 2"x4" SPF Studs @ 16 o.c w/double top plates
- Clear finish 1"x6" Lodgepole Pine
- Clear finish 2"x6" T&G Cedar Wainscot
- Clear finish 1"x4" Knotty Pine trim

EXTERIOR SIDING OPTIONS

- 2"x6" Western Red Cedar Log Siding
- 2"x8" Northern White Cedar Hand Hewn Log Siding
- 1"x8" Western Red Cedar Beveled Lap Siding
- 1"x8" LP SmartSide Lap Siding

ROOF SYSTEM

- 2"x12" SYP Rafters @ 24" o.c.
- 7/16" OSB Sheathing
- Synthetic Underlayment
- 29 gauge Panel Loc Plus© Metal (Class 4)
- Roof pitch 6:12, per plan
- R -30 Insulation
- Lodgepole Pine Ceiling
- Continuous Ridge Vent
- Rafter Vent

ELECTRICAL

- 200 Amp Service panel
- (2) Exterior Porch light
- Basic lighting package, per plan
- Antique Bronze Ceiling fans
- Smoke Detectors Hard Wired with Battery backup
- Mitsubishi Mini-split AC/Heat System

PLUMBING

- PEX© Water lines with copper fittings
- ¾" Main line with ½" Supply lines, In-line shut-off at each fixture
- All drains vented
- Waste drain stubbed out
- 20/30/50 Gallon Water Heater , per plan

Options: Frost- free Exterior faucet

BATH

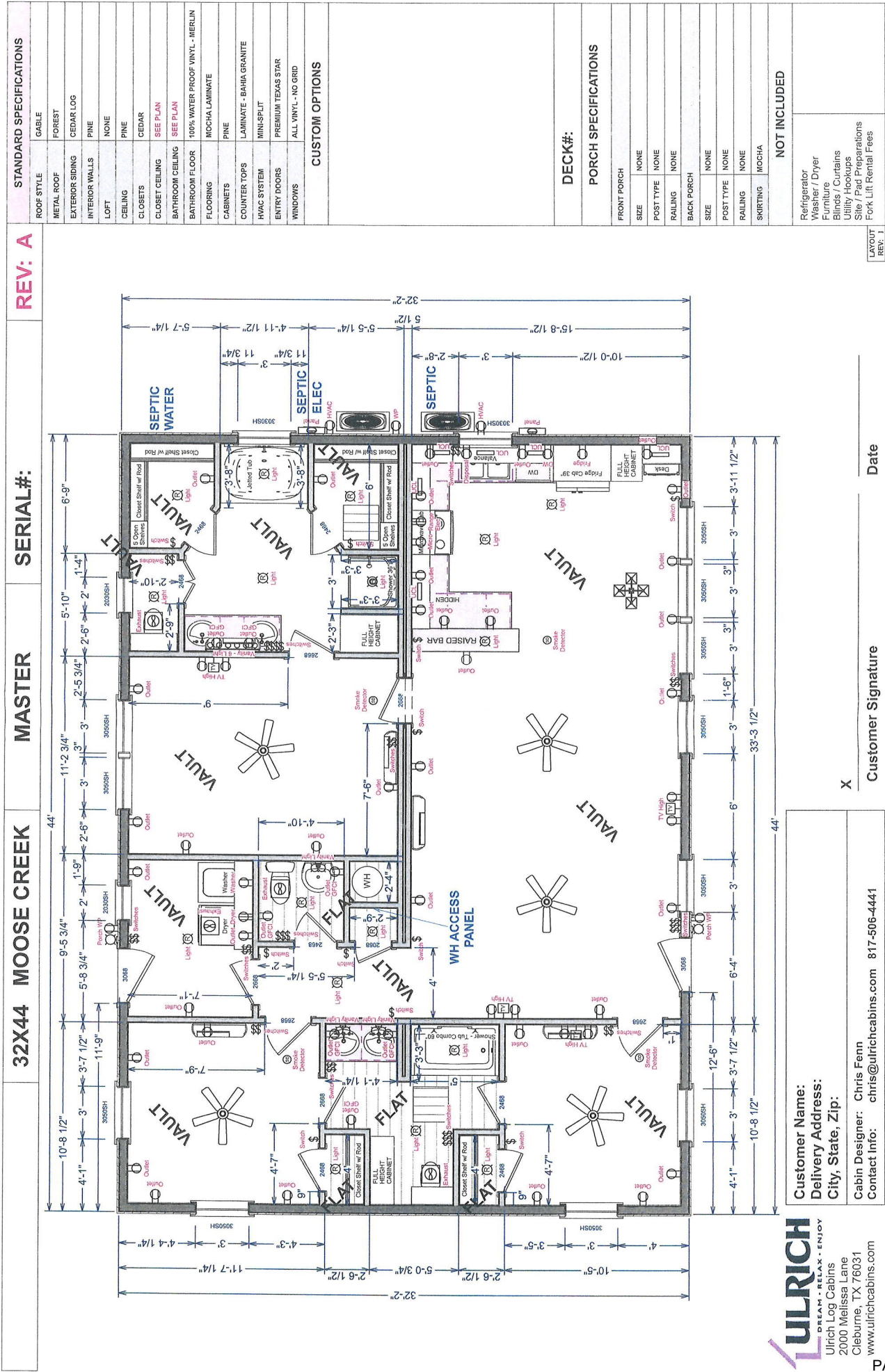
- Fiberglass 5' tub/shower or shower, per plan
- White Pedestal sink
- Elongated Toilets
- Brushed Bronze Fixtures
- Mirror
- 18" towel bar
- Tissue holder
- Hand Towel Ring

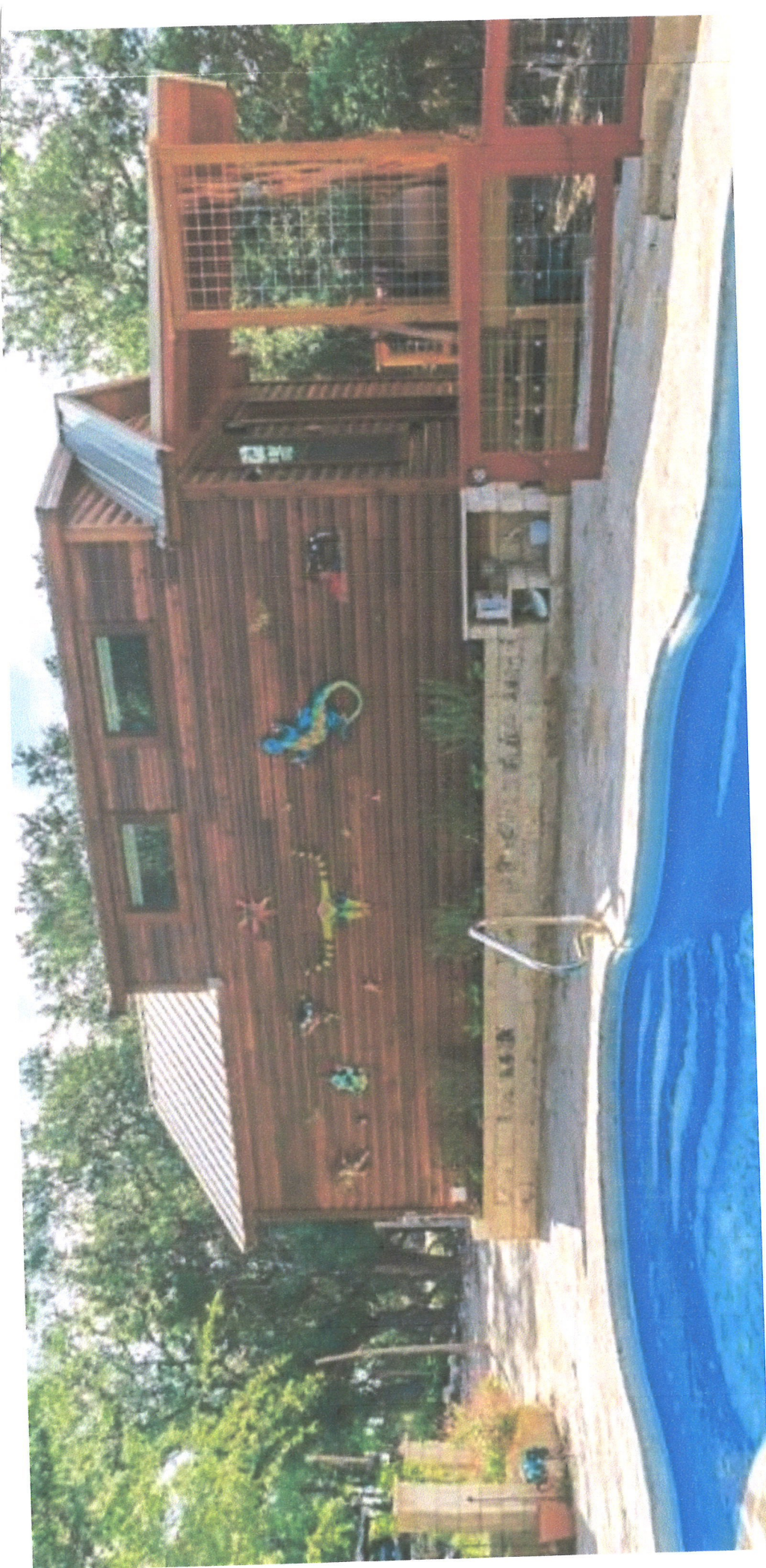
KITCHEN

- Pine Hardwood cabinets
- Laminate countertop w/laminate backplash
- Stainless Steel Double or Single Sink, per plan
- Full Electric Oven/Range
- Brushed Bronze Fixtures

WINDOWS & DOORS

- Low-E Clay Double Pane Vinyl windows
- 36" Fiberglass Wood Finish with Texas Star glass insert
- 6 Panel Solid Pine interior doors



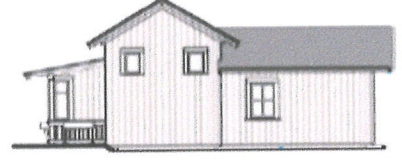
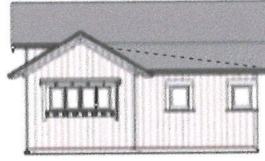
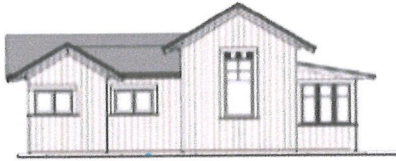
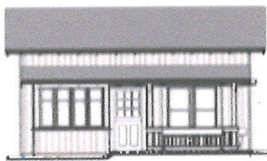
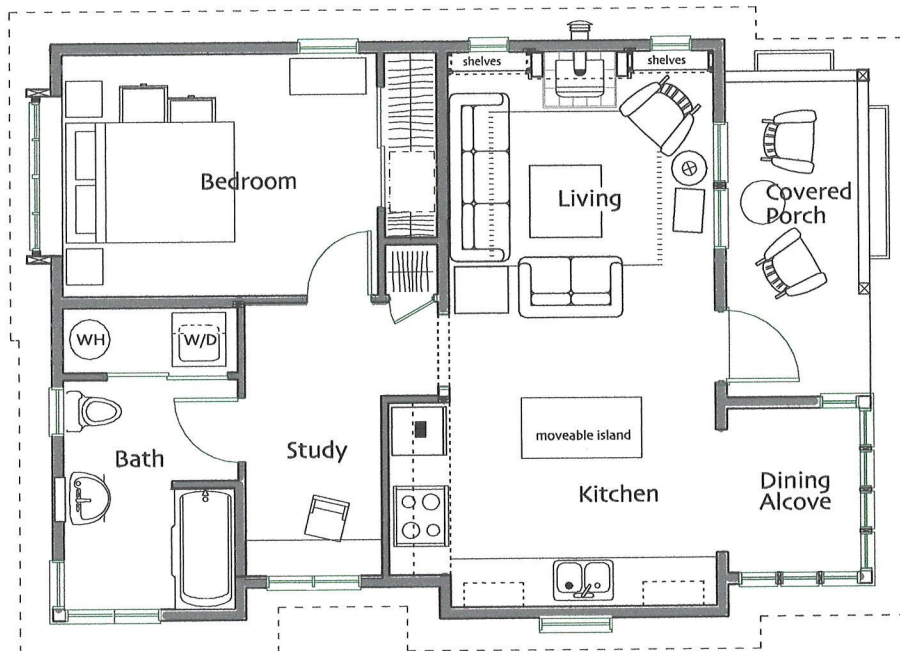


First Floor

Living/Kitchen 11' x 23'
 Dining Alcove 6'-10" x 6'
 Bedroom 1 10' x 15'-6"
 Study 5'-8" x 11'-4"
 Bath full w/Laundry

Total Heated Area 708 sq ft

Footprint 24' x 34'

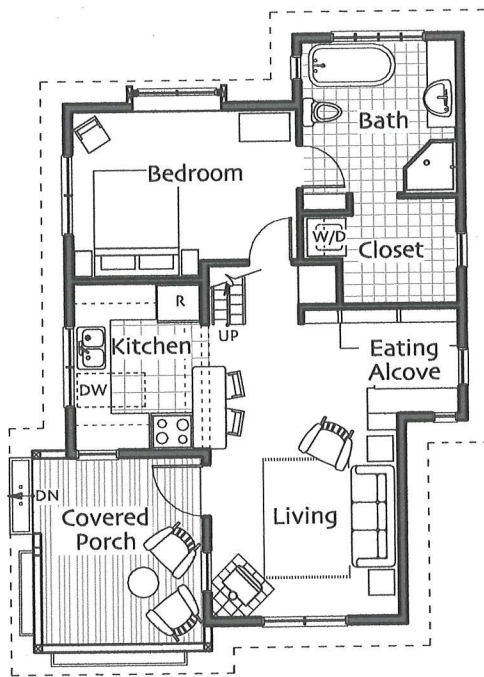


First Floor
 Living Room 14'-10" x 11'-0"
 Kitchen 9'-10" x 7'-6"
 Eating Alcove 6'-3" x 6'-9"
 Bedroom 12'-6" x 13'-4"
 Bathroom full

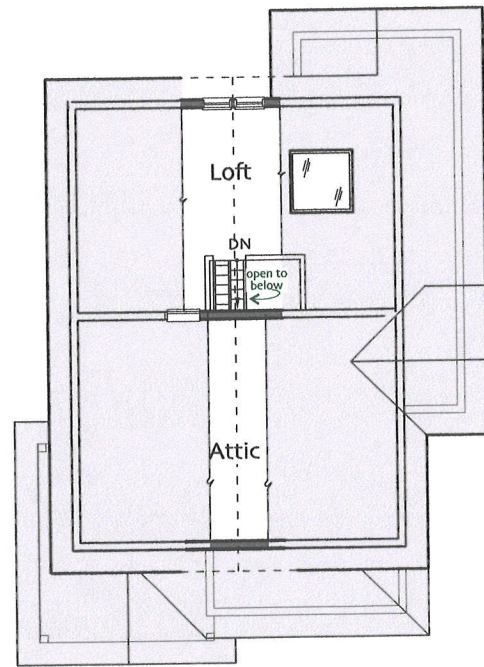
Second Floor >5'
 Loft 12'-3" x 6'-6"
 Attic 13'-4" x 2'-3"

Total Heated Area 729 sq ft

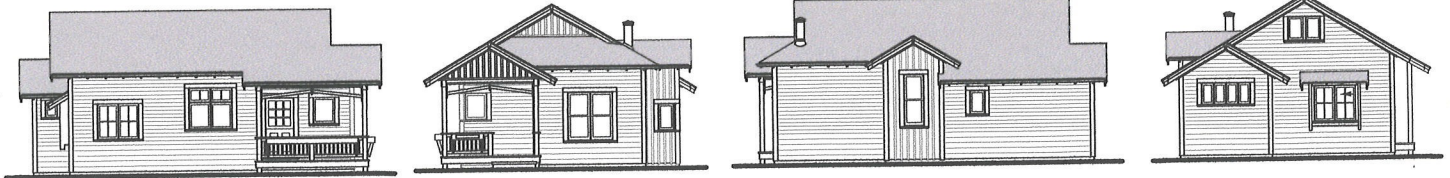
Footprint 37' x 26'



First Floor



Second Floor



GoodFit
 Cottages and Small Houses

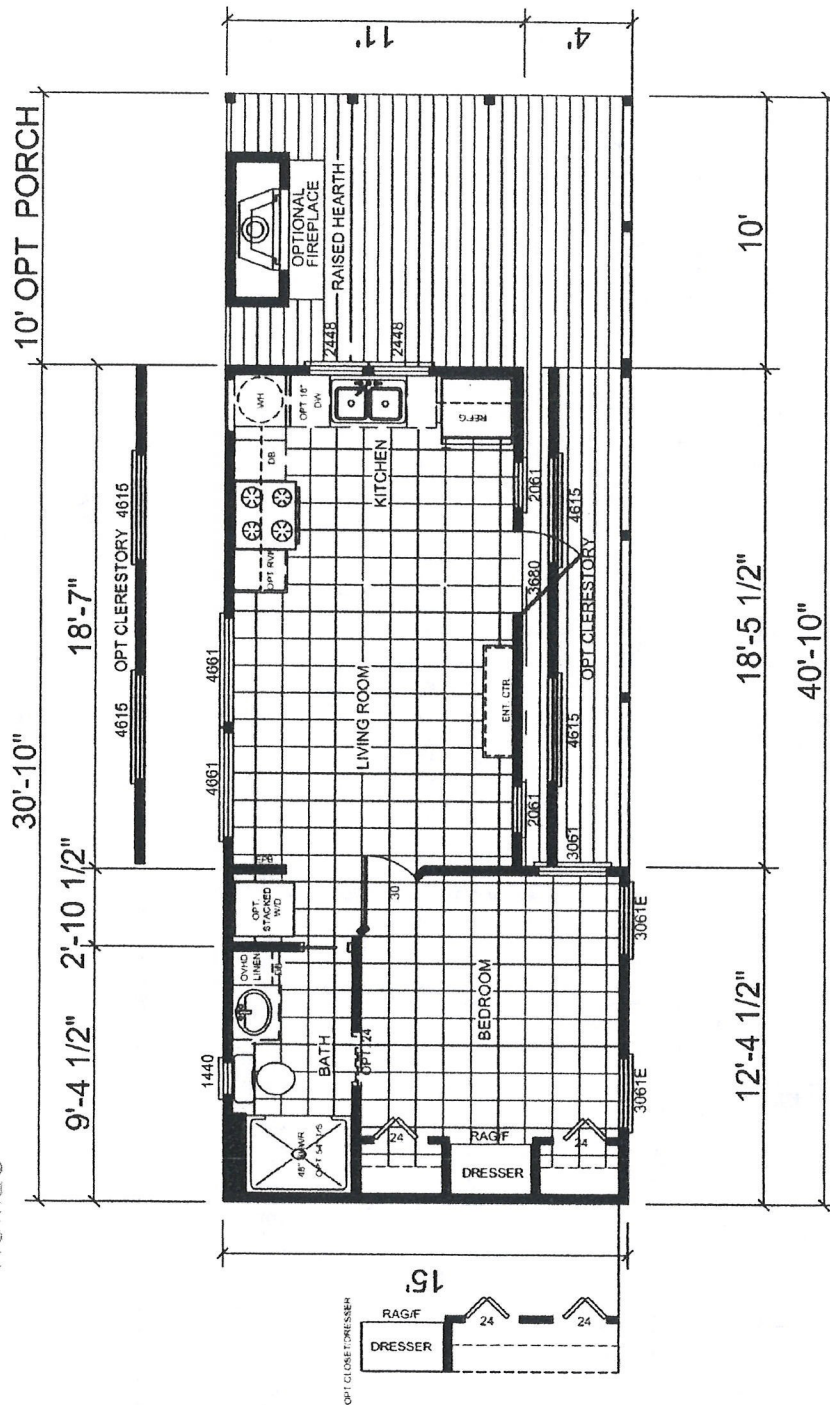
PO Box 230 • Langley, Washington 98260 • plans@rosschapin.com • www.rosschapin.com

© Ross Chapin Architects • Sizes are approximate / Plans are subject to change

Hilltop v. A



Factory Showcase Homes

The logo for Athens Green, featuring a stylized leaf icon and the text "ATHENS GREEN".

Model 523 - 399 Sq. Ft.

CHAMPION[®]
MANUFACTURED BEAUTIFULLY[™]

Due to continuous improvements, product specifications are subject to change without notice



MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM IV.G.3.

SUBJECT

Case #PZ 20-10 — Conduct a public hearing and consider Ordinance 714 amending portions of the Unified Development Code of the City of Kennedale by Modifying Section 4.3, Table 4.3 Spatial Requirements: Old Town Districts of the Unified Development Code to allow for a minimum of one story for the principle building

ORIGINATED BY

Melissa Dailey, Director of Planning & Economic Development

SUMMARY

The purpose of the attached Ordinance is to modify the existing requirement of a minimum of 2-stories for new development on OT3 and OT4 districts. The purpose of the Old Town regulations is to promote a central place for civic activity in the older, central portion of Kennedale as well as to preserve and expand the original old town area to serve as a gateway into the center of Kennedale in a manner that distinguishes it from neighboring communities. The intent is to encourage a relatively dense mix of residences and businesses that create a built environment which is both aesthetically pleasing, and which encourages walkability and public gatherings

The minimum requirement of 2 stories in OT3 and OT4 was intended to encourage a higher density of development. This should still be a goal for the areas zoned OT3 and OT4. However, quality, urban development can still develop as one story and create a vibrant, walkable area. There are many examples in the Metroplex and across Texas of successful, vibrant communities that have a mix of one-story and multi-story buildings. Staff believes that restricting OT3 and OT4 areas to two stories limits the flexibility needed to respond to the market, and that a mix of building heights is feasible from a market standpoint while still offering the opportunity to redevelop the area in an aesthetically pleasing way that encourages walkability and public gatherings.

At their meeting on Thursday, September 10, the Planning and Zoning Commission unanimously recommended approval of this item with a vote of 5-0.

RECOMMENDATION

Approve

ATTACHMENTS

1.	PZ20-10 Attachment	PZ20-10 Attachment.pdf
2.	O714_ PZ Case 20-10 Spatial Requirements - Old Town OT	O714_ PZ Case 20-10 Spatial Requirements - Old Town OT.pdf



Table 4.2 Schedule of Uses: Old Town Districts

Use	OT-1	OT-2	OT-3	OT-4	Other
General retail (indoor)- pawnshop			S	S	11.11
General retail with a drive-through					
Liquefied petroleum gas (LPG) sales					
Service station			S	S	11.35
Vehicle sales and rental: automobiles, light trucks, boats			P		11.40
Vehicle sales and rental: heavy equipment/tools, heavy trucks, RVs, manufactured homes				S	11.40
Other					
Similar uses	P,S C	P,SC	P,SC	P,SC	2.7
Sexually oriented business					11.36
Temporary construction office					11.38
Temporary sales office					11.38
Temporary use- special function					11.38

Section 4.3 Spatial Requirements

- A. **Spatial Requirements.** All lots shall meet the spatial requirements of Table 4.3. New lots shall not be created, except in conformance with these requirements. All buildings and their placement on a lot shall conform to the minimum dimensional requirements listed in Table 4.3.

Table 4.3 Spatial Requirements: Old Town Districts

Requirement		OT-1	OT-2	OT-3	OT-4
Lots					
Min. Area (s.f.)		8,000	5,000	5,000	5,000
Min. Width (ft.)		60	50	50	50
Depth (ft.)		120	80	100	100
Max. Impervious (%)		50	70	75	75
Setbacks¹					
Min. Front (ft.)	Primary	20	10	5	5
	Secondary	5	5	5	5
Min. Side (ft.)		5	5	5	5
Min. Rear (ft.)		15	15	5	5
Principal Buildings					
Max. Height (ft.)		35	35	50	50
Max. Stories (number)		Sec. 4.4	Sec. 4.4	3	3
Min. Stories (number)		Sec. 4.4	Sec. 4.4	2	2
Min. GFA (s.f.)		1,500	1,500	1,000	1,050
Min. Masonry (%)		Sec. 4.4	Sec. 4.4	Sec. 4.5	Sec. 4.5
Maximum GFA (s.f.)		5,000	5,000	-	-



ORDINANCE NO. 714

AN ORDINANCE AMENDING THE UNIFIED DEVELOPMENT CODE OF THE CITY OF KENNEDALE, TEXAS, BY AMENDING TABLE 4.3 "SPATIAL REQUIREMENTS: OLD TOWN DISTRICTS" BY ALLOWING FOR A MINIMUM OF ONE STORY FOR PRINCIPAL BUILDINGS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AND EFFECTIVE DATE.

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

WHEREAS, the City Council has adopted the City of Kennedale Unified Development Code ("Unified Development Code") that regulates the location and use of buildings, other structures and land for business, industrial, residential or other purposes, for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan and that otherwise regulates the development and use of properties within the city limits of the City of Kennedale; and

WHEREAS, the Planning and Zoning Commission of the City of Kennedale, Texas held a public hearing on September 10, 2020, and the City Council of the City of Kennedale, Texas held a public hearing on September 15, 2020, with respect to the amendments described herein; and

WHEREAS, the City has complied with all requirements of Chapter 211 of the Local Government Code, Article 22 of the Unified Development Code, and all other laws dealing with notice, publication, and procedural requirements for amending the Unified Development Code.

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

SECTION 1.

Table 4.3 "Spatial Requirements: Old Town Districts" of the Unified Development Code is hereby amended to read as follows:

Table 4.3 Spatial Requirements: Old Town Districts				
Requirement	OT-1	OT-2	OT-3	OT-4
Lots				
Min. Area (s.f.)	8,000	5,000	5,000	5,000
Min. Width (ft.)	60	50	50	50
Depth (ft.)	120	80	100	100
Max. Impervious (%)	50	70	75	75
Setbacks¹				
Min. Front (ft.)	Primary	20	10	5
	Secondary	5	5	5
Min. Side (ft.)	5	5	5	5
Min. Rear (ft.)	15	15	5	5
Principal Buildings				
Max. Height (ft.)	35	35	50	50
Max. Stories (number)	Sec. 4.4	Sec. 4.4	3	3
Min. Stories (number)	1	1	1	1
Min. GFA (s.f.)	1,500	1,500	1,000	1,050
Min. Masonry (%)	Sec. 4.4	Sec. 4.4	Sec. 4.5	Sec. 4.5
Maximum GFA (s.f.)	5,000	5,000	-	-
Accessory Buildings (100 s.f. +)				
Max. Number	1	1	1	1
Max Size (% of rear yard)	10	10	10	10
Max. Height (ft.)	15	15	15	15
Max. Stories (number)	1	1	1	1
Min. Side Setback (ft.) ²	0	0	0	0
Min. Rear Setback (ft.) ²	0	0	0	0
Min. Setback from Principal (ft.)	5	5	5	5

SECTION 2.

This Ordinance shall be cumulative of all provisions of ordinances and of the Unified Development Code of the City of Kennedale, Texas (2016), as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 3.

It is hereby declared to be the intention of the City Council that in the event the sections, paragraphs, sentences, clauses, or phrases 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 sections, paragraphs, sentences, clauses, and phrases 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 section, paragraph, sentence, clause, or phrase.

SECTION 4.

Any person, firm, or corporation who violates, disobeys, omits, neglects or refuses to

comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00). Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 5.

All rights and remedies of the City of Kennedale are expressly saved as to any and all violations of the provisions of any ordinances governing development or land use 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.

The City Secretary of the City of Kennedale is hereby directed to publish in the official newspaper of the City of Kennedale the caption, the penalty clause, the publication clause, and the effective date clause of this ordinance as provided by Section 3.10 of the Charter of the City of Kennedale.

SECTION 7.

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

DULY PASSED, ADOPTED, AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THE 15TH DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

EFFECTIVE DATE:

CITY ATTORNEY DREW LARKIN

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM IV.G.4.

SUBJECT

Case #PZ 20-11 — Conduct a public hearing and consider Ordinance 715 amending portions of the Unified Development Code of the City of Kennedale by Modifying Section 3.3, Table 3.3 Spatial Requirements: Agricultural and Residential Districts of the Unified Development Code to allow for a minimum of 20 foot front setback for R-3 and R-4 zoning districts

ORIGINATED BY

Melissa Dailey, Director of Planning & Economic Development

SUMMARY

The purpose of the attached Ordinance is to modify the existing spatial requirement for a 30-foot front setback to allow for a 20-foot front setback for the two smallest residential zoning districts (R3 and R4). Both zoning categories have the same minimum depth requirement of 100 feet. R3 requires a minimum of 80-foot width; R4 a minimum 50-foot width. The 100-foot depth combined with a minimum 30-foot building setback leaves just 70-foot for a residence and back yard. For a typical size residential home, this leaves a backyard that is approximately 20 to 30 feet deep. Accessory buildings, patios, outdoor kitchens, and pools are common back yard amenities and all have required setbacks. Pools, for example, have an 8-foot required building setback and an 8-foot required rear setback. After meeting setback requirements, it is common for an owner to only be able to install a pool that is 4-8 foot wide. The Board of Adjustment (BOA) has heard 3 pool variances this year along in which owners had 4 to 6 feet available for pool depth.

Requiring a 20-foot minimum setback instead of 30' would allow for residential developments to provide for a larger backyard and for homeowners to be able to invest in more amenities like pools and other outdoor spaces. With the recent COVID-19 pandemic, there is increased focused on home amenities like these. The opportunity for a larger backyard will also attract investment by developers that would like to provide outdoor amenities or least offer the opportunity for them.

At their meeting on Thursday, September 10, the Planning and Zoning Commission unanimously recommended approval of this item with a vote of 5-0.

RECOMMENDATION

Approve

ATTACHMENTS

1.	PZ20-11 Attachment	PZ20-11 Attachment - Table 3.3.pdf
2.	O715_PZ Case 20-11 Spatial Requirements-AG Residential	O715_PZ Case 20-11 Spatial Requirements-AG Residential.pdf



Table 3.3 Spatial Requirements: Agricultural and Residential Districts

Requirement		AG	R-1	R-2	R-3	D	MF	MH
Lots								
Min. Area (s.f.)	Sewer	43,560	21,780	15,000	8,750	8,750	2,750/ unit	5,000
	Septic	43,560	43,560	43,560	43,560	43,560	43,560	43,560
Max. Density (units per acre)		-	-	-	-	-	16	-
Min. Width (ft.)		80	100	100	80	70	75	50/lot
Min. Depth (ft.)		125	125	125	100	125	125	100/lot
Max Impervious (%)		50	50	50	50	50	50	50
Setbacks								
Min. Front (ft.) ¹	Primary	50	50	40	30	30	30	10/lot
	Secondary	20	20	20	15	15	15	10
Min. Side (ft.)	Total ²	30	30	30	20	16	16	8
	Least	10	10	10	8	8	8	4
Min. Rear (ft.) ³		45	30	30	15	15	15	10/lot
Principal Buildings								
Max. Height (ft.)		50	50	40	40	35	30	22.5
Max. Stories (number)		2.5	2.5	2.5	2.5	2.5	2	1.5
Min. GFA (s.f.)		1,500	1,500	1,500	1,250	1,000/ unit	-	320
Min. Multi-Family Bedroom Area (s.f.) ⁴	Efficiency	-	-	-	-	-	600	-
	One BR	-	-	-	-	-	800	-
	Two BR	-	-	-	-	-	900	-
	Three BR	-	-	-	-	-	1,000	-
Min. Masonry (%)		80	80	80	80	80	80	-
Accessory Buildings (100 s.f. +)								
Max. Number		-	3	2	1	2	-	1
Max. Size (% of rear yard)		20	10	10	10	10	10	10
Max. Height (ft.)		-	15	15	15	15	-	-
Max. Stories (number)		1	1	1	1	1	1	1
Min. Side Street Setback (ft.)		-	-	-	-	-	15	-
Min. Side Setback (ft.)		8	8	8	8	8	8	-
Min. Rear Setback (ft.)		8	8	8	8	8	25	-
Min. Setback from Principal (ft.)		5	5	5	5	5	15	-



ORDINANCE NO. 715

AN ORDINANCE AMENDING THE UNIFIED DEVELOPMENT CODE OF THE CITY OF KENNEDALE, TEXAS, BY AMENDING TABLE 3.3 "SPATIAL REQUIREMENTS: AGRICULTURAL AND RESIDENTIAL DISTRICTS" TO ALLOW FOR A MINIMUM 20 FRONT SETBACK FOR R-3 AND R-4 DISTRICTS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR A PENALTY FOR VIOLATIONS HEREOF; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION; AND PROVIDING AND EFFECTIVE DATE.

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

WHEREAS, the City Council has adopted the City of Kennedale Unified Development Code ("Unified Development Code") that regulates the location and use of buildings, other structures and land for business, industrial, residential or other purposes, for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan and that otherwise regulates the development and use of properties within the city limits of the City of Kennedale; and

WHEREAS, the Planning and Zoning Commission of the City of Kennedale, Texas held a public hearing on September 10, 2020, and the City Council of the City of Kennedale, Texas held a public hearing on September 15, 2020, with respect to the amendments described herein; and

WHEREAS, the City has complied with all requirements of Chapter 211 of the Local Government Code, Article 22 of the Unified Development Code, and all other laws dealing with notice, publication, and procedural requirements for amending the Unified Development Code.

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

SECTION 1.

Table 3.3 "Spatial Requirements: Agricultural and Residential Districts" of the Unified Development Code is hereby amended to read as follows:

Table 3.3 Spatial Requirements: Agricultural and Residential Districts									
Requirement		AG	R-1	R-2	R-3	R-4	D	MF	MH
Lots									
Min. Area (s.f.)	Sewer	43,560	21,780	15,000	8,750	5,000	8,750	2,750/unit	5,000
	Septic	43,560	43,560	43,560	43,560	43,560	43,560	43,560	43,560
Max. Density (units per acre)		-	-	-	-	-	-	16	-
Min. Width (ft.)		80	100	100	80	50	70	75	50/lot
Min. Depth (ft.)		125	125	125	100	100	125	125	100/lot
Max Impervious (%)		50	50	50	50	50	50	50	50
Setbacks									
Min. Front (ft.)	Primary	50	50	40	20	20	30	30	10/lot
	Secondary	20	20	20	15	15	15	15	10
Min. Side (ft.)	Total	30	30	30	20	5	16	16	8
	Least	10	10	10	8	2	8	8	4
Min. Rear (ft.)		45	30	30	15	15	15	15	10/lot
Principal Buildings									
Max. Height (ft.)		50	50	40	40	40	35	30	22.5
Max. Stories (number)		1	1	1	1	1	1	1	1
Min. GFA (s.f.)		1,500	1,500	1,500	1,250	1,000/unit	1,000/unit	-	320
Min. Multi-Family Bedroom Area	Efficiency	-	-	-	-	-	-	600	-
	One BR	-	-	-	-	-	-	800	-
	Two BR	-	-	-	-	-	-	900	-
	Three BR	-	-	-	-	-	-	1,000	-
Min. Masonry (%)		80	80	80	80	80	80	80	-
Accessory Buildings (100 s.f. +)									
Max. Number		-	3	2	1	1	2	-	1
Max. Size (% of rear yard)		20	10	10	10	10	10	10	10
Max. Height (ft.)		-	15	15	15	15	15	-	-
Max. Stories (number)		1	1	1	1	1	1	1	1
Min. Side Street Setback		-	-	-	-	-	-	15	-
Min. Side Setback (ft.)		8	8	8	8	8	8	8	-
Min. Rear Setback (ft.)		8	8	8	8	8	8	25	-
Min. Setback from Principal (ft.)		5	5	5	5	5	5	15	-

SECTION 2.

This Ordinance shall be cumulative of all provisions of ordinances and of the Unified Development Code of the City of Kennedale, Texas (2016), as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 3.

It is hereby declared to be the intention of the City Council that in the event the sections, paragraphs, sentences, clauses, or phrases 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 sections, paragraphs, sentences, clauses, and phrases 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 section, paragraph, sentence, clause, or phrase.

SECTION 4.

Any person, firm, or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00). Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 5.

All rights and remedies of the City of Kennedale are expressly saved as to any and all violations of the provisions of any ordinances governing development or land use 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.

The City Secretary of the City of Kennedale is hereby directed to publish in the official newspaper of the City of Kennedale the caption, the penalty clause, the publication clause, and the effective date clause of this ordinance as provided by Section 3.10 of the Charter of the City of Kennedale.

SECTION 7.

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

DULY PASSED, ADOPTED, AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THE 15TH DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

EFFECTIVE DATE:

CITY ATTORNEY DREW LARKIN

MEETING DATE: SEPTEMBER 15, 2020

AGENDA ITEM NUMBER: PUBLIC HEARING ITEM IV.G.5.

SUBJECT

Case #PZ 20-12 — Conduct a public hearing and consider Ordinance 716 regarding a request by Matthew and Tamiko Sargent for a rezoning from “AG” Agricultural to “NV” Neighborhood Village for approximately 1 acre located at 900 E. Kennedale Sublett Road, LILLY, J M SURVEY Abstract 980 Tract 4A1 & A 985 TR 1A1, City of Kennedale, Tarrant County, Texas

ORIGINATED BY

Melissa Dailey, Director of Planning & Economic Development

SUMMARY

BACKGROUND AND OVERVIEW

Request	Rezone from AG Agricultural to NV Neighborhood Village
Applicant	Matthew and Tamiko Sargent
Location	900 E Kennedale Sublett Rd
Surrounding Uses	Single-Family Residential, Church, Neighborhood Retail, Gas well
Surrounding Zoning	R2, R3, AG, C1, NV
Future Land Use Plan Designation	Neighborhood Village
Staff Recommendation	Approve

CURRENT STATUS OF PROPERTY

The property is an approximately 1-acre vacant land at the corner of N. Little School Road and Kennedale Sublett Road.

SURROUNDING PROPERTIES & NEIGHBORHOOD

The property is on the corner of N. Little School Road and Kennedale Sublett Road. It is across the street from a Neighborhood Village development that is underway for 14 single family homes for seniors and a commercial development on northeast corner of the intersection. The area has a mix of uses, including single family residential, neighborhood commercial, a church, and a gas well. The area has been developing from larger single family lots and farms to a mix of traditional single family development and commercial development. Some years ago, city staff initiated a rezoning of property to the north of this land fronting N. Little School Road to C1 in an effort to encourage commercial development.

STAFF REVIEW

Future Land Use Plan

The Future Land Use Plan indicates this property as Neighborhood Village.

Related Goals From the Comprehensive Land Use Plan

The comprehensive plan goal related to this rezoning request falls under:

- **PRINCIPLE 1: CONNECTED CITY, SUPPORTING A WALKABLE BUILT ENVIRONMENT.**
As land development creates the demand to travel, ensure that it reduces the need to drive by provide ample direct connections for pedestrians, bicycles and transit.
- **PRINCIPLE 2: ECONOMIC PROSPERITY. PROMOTE ACCESS TO HOUSING.**
Providing housing options for people of varying financial means and residential preferences. Provide the regulatory framework and developer support to provide quality housing for residents. Create job opportunities in Kennedale that help stabilize the local tax base and allow residents to work close to home.
- **PRINCIPLE 3: THRIVING COMMUNITY. CREATE VIBRANT CENTERS.**

Promote social integration and economic activity through the development of different scale centers throughout the community.

City Council Ends Statements and Goals

- Business uses are compatible with residential areas.
- Financially responsible and sustainable.
- Well planned community based on principles of a connected city, economic prosperity, and a thriving community.

SUMMARY

The owner of the property has stated the intent to develop a community center on the site. This type of use would be compatible with the mix of uses found in a Neighborhood Village. The 1 acre site is not large enough to develop a mix of uses within it, but NV zoning would allow for uses developed on this site be part of and compatible with the mix of uses developing in the area and the intent of the Neighborhood Village recommendation in the future land use plan.

At their meeting on Thursday, September 10, the Planning and Zoning Commission recommended approval of this request unanimously (5-0).

STAFF RECOMMENDATION

Based on the above analysis, staff recommends approval of the rezoning.

ACTION BY THE CITY COUNCIL

- **Approval:** Based on the information presented, I find that the request meets city requirements and is in compliance with the comprehensive land use plan and make a motion to approve the request for rezoning.
- **Deny:** Based on the information presented, I find that the proposed use does not meet (list standards or requirements not met) and make a motion to deny the request

RECOMMENDATION

Approve

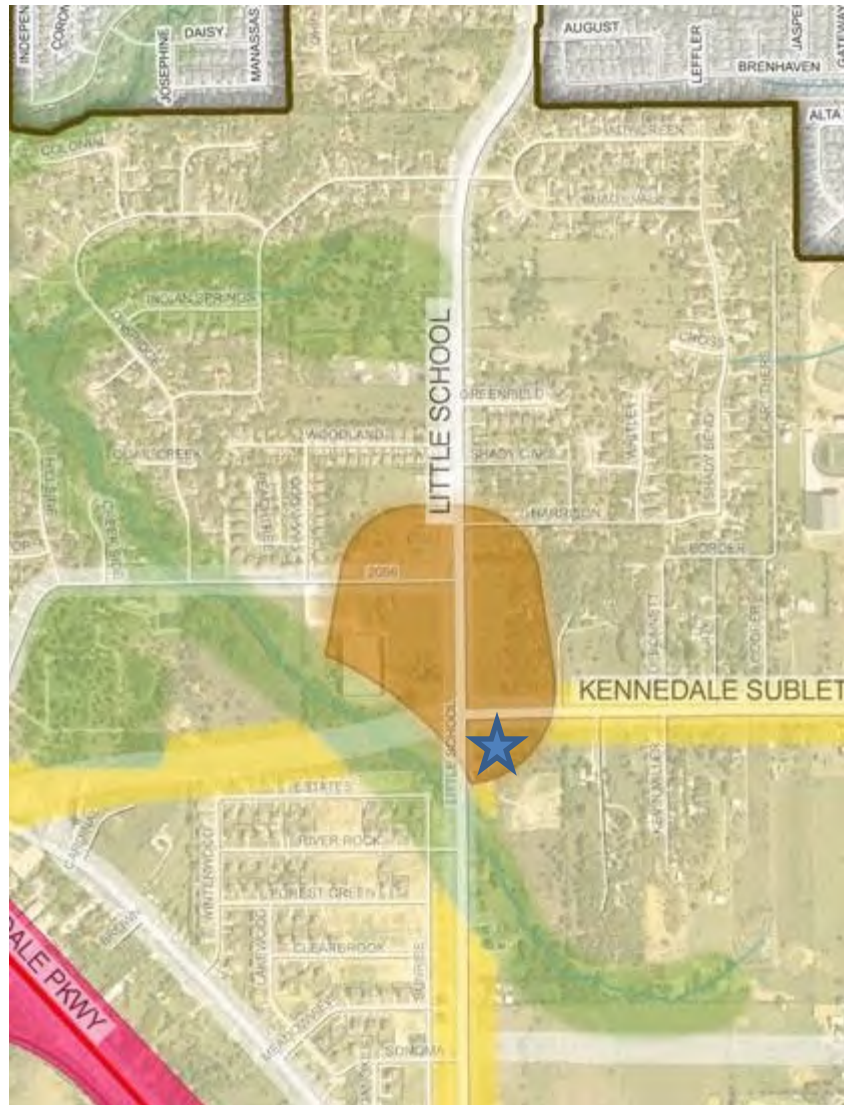
ATTACHMENTS

1.	PZ20-12 Attachment	PZ20-12 Attachment.pdf
2.	O716_PZ Case 20-12 900 Kennedale Sublett Road Rezoning	O716_PZ Case 20-12 900 Kennedale Sublett Road Rezoning.pdf

PZ 20-12 900 Kennedale Sublett Rd



PZ 20-12 900 Kennedale Sublett Rd



KENNEDALE COMPREHENSIVE PLAN UPDATE

FUTURE LAND USE PLAN

CATEGORIES

Town Center	
Downtown Village	
Urban Village	
Urban Corridor	
Neighborhood Village	
Neighborhood Corridor	
Neighborhoods	
Employment Center	
Light Industrial District	
Park & Open Space	
Conservation Overlay	
Potential Commuter Train or Park & Ride Station	
Schools	

PZ 20-12 900 Kennedale Sublett Rd



ORDINANCE NO. 716

AN ORDINANCE AMENDING THE UNIFIED DEVELOPMENT CODE OF THE CITY OF KENNEDALE, TEXAS, BY CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY WITHIN THE CITY OF KENNEDALE, BEING APPROXIMATELY 1 ACRE DESCRIBED AS 900 E. KENNEDALE SUBLETT ROAD, LILLY, J M SURVEY ABSTRACT 980 TRACT 4A1 & A 985 TR 1A1, CITY OF KENNEDALE, TARRANT COUNTY, TEXAS, FROM "AG" AGRICULTURAL DISTRICT TO "NV" NEIGHBORHOOD VILLAGE DISTRICT; PROVIDING FOR THE AMENDMENT OF THE OFFICIAL ZONING MAP TO REFLECT SUCH CHANGE; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR A PENALTY CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION IN THE OFFICIAL NEWSPAPER; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, pursuant to Chapter 211 of the Local Government Code, the City has adopted a comprehensive zoning ordinance and map regulating the location and use of buildings, other structures and land for business, industrial, residential or other purposes, for the purpose of promoting the public health, safety, morals and general welfare, all in accordance with a comprehensive plan; and

WHEREAS, a change in the zoning classification of the property listed below was requested by a person or entity having a proprietary interest in said property; and

WHEREAS, a public hearing was duly held by the Planning and Zoning Commission of the City of Kennedale, Texas, on September 10, 2020, and by the City Council of the City of Kennedale, Texas, on September 15, 2020, with respect to the zoning change described herein; and

WHEREAS, all requirements of law dealing with notice to other property owners, publication and all procedural requirements have been complied with in accordance with Chapter 211 of the Local Government Code; and

WHEREAS, the City Council of the City of Kennedale, Texas, does hereby deem it advisable and in the public interest to amend the Unified Development Code, as amended, as described herein.

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

SECTION 1.

The Unified Development Code, as amended, is hereby amended so that the permitted uses in the hereinafter described area shall be altered, changed and amended as shown and described below:

Approximately 1 acre, located at 900 E. Kennedale Sublett Road, LILLY, J M SURVEY Abstract 980 Tract 4A1 & A 985 TR 1A1, City of Kennedale, Tarrant County, Texas on the illustration attached hereto as Exhibit "A" and incorporated herein for all purposes of this ordinance, is hereby rezoned from "AG" Agricultural District to "NV" Neighborhood Village District.

SECTION 2.

The zoning districts and boundaries herein established have been made in accordance with the comprehensive plan for the purpose of promoting the health, safety, morals, and general welfare of the community. They have been designed to lessen congestion in the streets, to secure safety from fire, panic, flood and other dangers, to provide adequate light and air, to prevent overcrowding of land, to avoid undue concentration of population, to facilitate the adequate provisions of transportation, water, sewerage, parks and other public requirements. They have been made after a full and complete hearing with reasonable consideration among other things of the character of the district and its peculiar suitability for the particular uses allowed and with a view of conserving the value of the buildings and encouraging the most appropriate use of land throughout the community.

SECTION 3.

The City Secretary is hereby directed to amend the official zoning map to reflect the changes in classifications approved herein.

SECTION 4.

The use of the property hereinabove described shall be subject to all the applicable regulations contained in the Unified Development Code, as amended, and all other applicable and pertinent ordinances of the City of Kennedale, Texas.

SECTION 5.

This Ordinance shall be cumulative of the Unified Development Code, as amended, and all other Ordinances of the City of Kennedale, Texas, affecting zoning and land use, 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 6.

All rights or remedies of the City of Kennedale, Texas, are expressly saved as to any and all violations of the Unified Development Code, as amended, 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, same shall not be affected by this Ordinance but may be prosecuted until final disposition by the Courts.

SECTION 7.

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, or 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 8.

Any person, firm or corporation who violates, disobeys, omits, neglects or refuses to comply with or who resists enforcement of any of the provisions of this Ordinance shall be fined not more than Two Thousand Dollars (\$2,000.00) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

SECTION 9.

The City Secretary of the City of Kennedale is hereby directed to publish the caption, Section 1, penalty clause, publication clause and effective date clause of this Ordinance in every issue of the official newspaper of the City of Kennedale for two days or one issue of the newspaper if the official newspaper is a weekly newspaper as authorized by Section 3.10 of the City of Kennedale Charter.

SECTION 10.

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.

DULY PASSED, ADOPTED, AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KENNEDALE, TEXAS, ON THE 15TH DAY OF SEPTEMBER, 2020.

APPROVED:

MAYOR BRIAN JOHNSON

[CITY SEAL]

ATTEST:

CITY SECRETARY LESLIE E. GALLOWAY

APPROVED AS TO FORM AND LEGALITY:

EFFECTIVE DATE:

CITY ATTORNEY DREW LARKIN

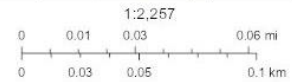
**ORDINANCE NO. 716
EXHIBIT "A"**



9/10/2020, 5:13:29 AM

 TAD Parcels

 City Limits



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS,

Web AppBuilder for ArcGIS
City of Arlington, TX, City of Fort Worth, Tarrant County College, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA | Tarrant Appraisal District |

MEETING DATE: SEPTEMBER 15, 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